



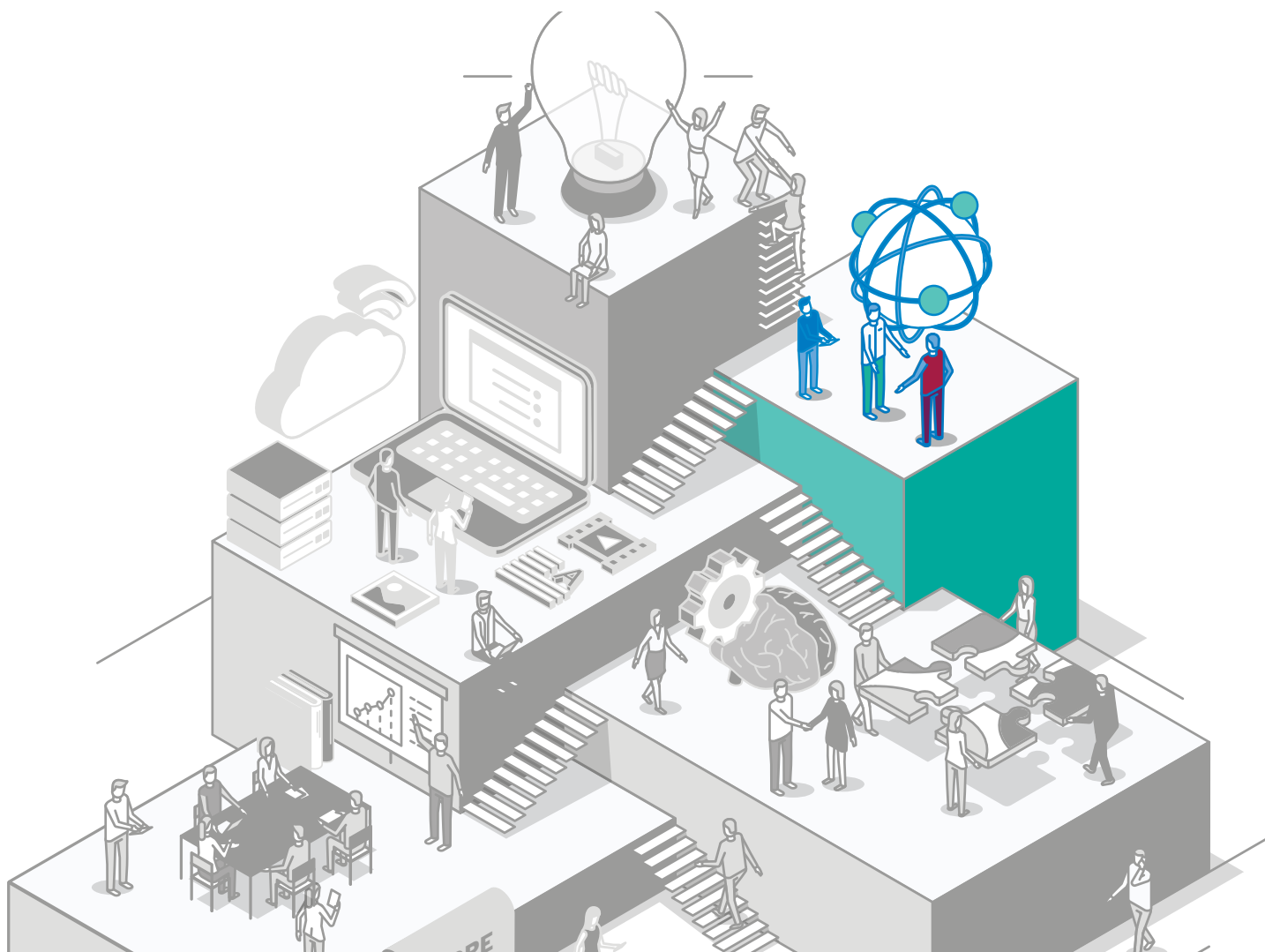
European Bank
for Reconstruction and Development

SPECIAL STUDY: TECHNICAL PAPER 5

LEARNING AND KNOWLEDGE MANAGEMENT AT THE EBRD: EXPERIENCE OF OTHER ORGANISATIONS

OCTOBER 2021

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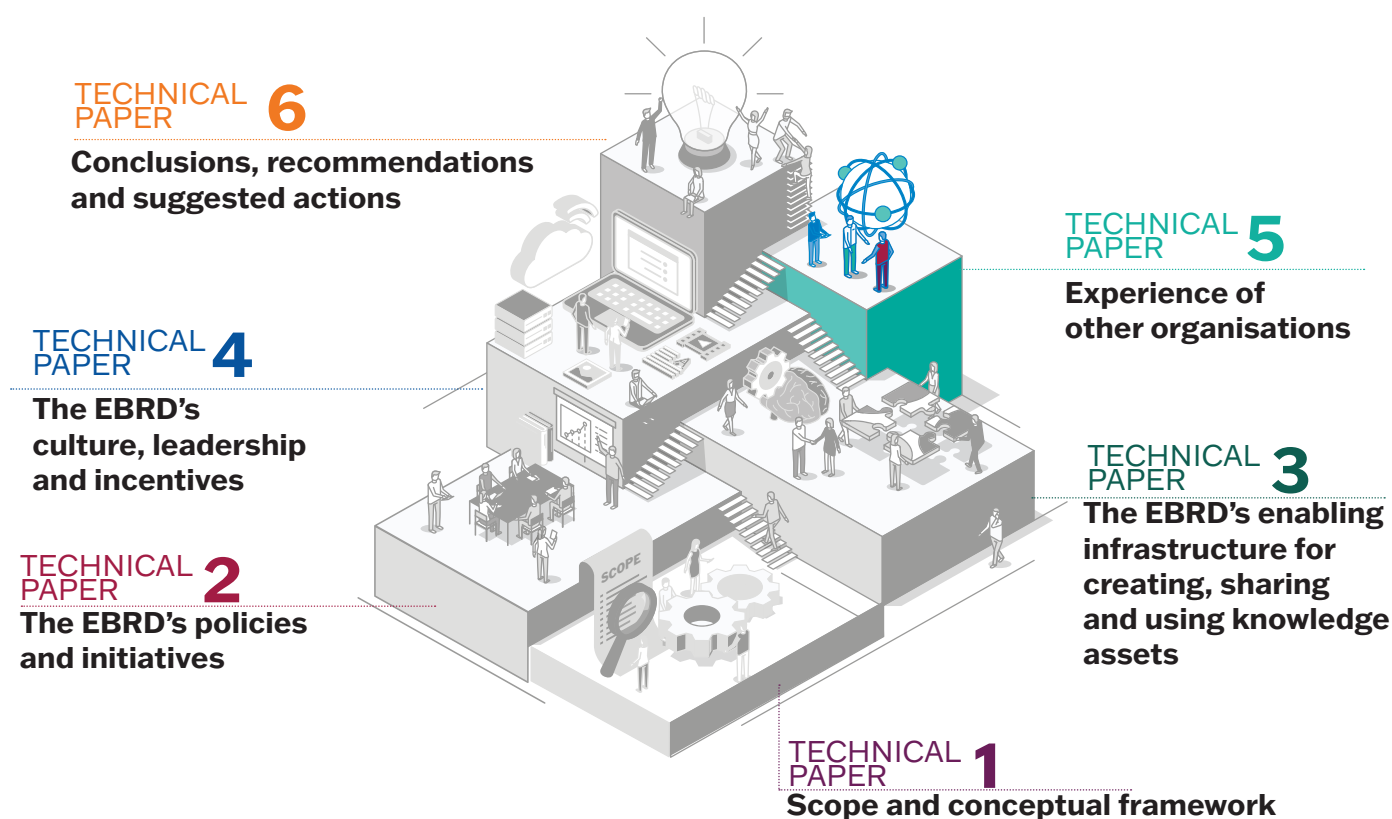
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This is Technical Paper 5, forming part of the suite of papers and annexes which together comprise the EvD Special Study on Learning and Knowledge Management at the EBRD. The structure of the full study is shown below



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KEY FINDINGS OF TECHNICAL PAPER 5

- Despite making observable progress in some areas, MDBs are struggling to resolve fundamental challenges to embedding knowledge, and knowledge generation and use into their core business processes.
- KM action plans, frameworks and strategies do lead to action, but in the absence of a favourable context, they have not resolved fundamental challenges.
- Meanwhile, foundations make very little explicit mention of KM, but have firmly embedded learning into core business processes and the DNA of their organisations.
- For MDBs the challenges are trying to graft on or embed knowledge and knowledge processes into a business model that has operated very well (at least in the eyes of those making decisions) without the intrusion of KM.
- Private sector firms also had to embed KM into systems that previously operated successfully without an explicit KM function. However, the three firms selected as comparators (based on their excellence in KM) have been much more successful in this endeavour than MDBs – the main factors contributing to this greater success are the development of a strong business case that has generated top leadership support and the provision of resources; use of a centralised and decentralised approach working together; effective creation and rewarding of a culture of learning and enquiry; and effective and efficient use of technology (customising off-the-shelf systems rather than building bespoke systems).
- Private sector firms have been successful in building a business case for KM and learning, thereby gaining strong leadership support; they have adopted a phased approach to the introduction of KM systems; and they had or could create a more receptive culture for LKM.
- Other evaluations on LKM have important areas of coherence with the present evaluation – including the dependency of being innovative and an effective supporter of innovation on being a learning organisation, which in turn depends on managing organisational knowledge well. Other evaluations also find that culture reflects what is most important to the organisation – generally, other things are considered more important than being a learning organisation, as reflected in the prevailing approval culture.

Coverage of this paper

This Technical Paper (“TP”) looks at the experience of selected other entities with LKM to identify ideas that may be useful for the EBRD to adopt, build on, or avoid. The entities selected as comparators are:

Multilateral development banks: Asian Development Bank (ADB); International Finance Corporation (IFC); World Bank/World Bank Group (WB or WBG)

Private sector firms:¹ American Funds Service Group (American Funds). In 2020, American Funds gained Level 3 on APQC’s KM Capability Assessment Tool (see section 5.7 for more on APQC); Deloitte Touche Tohmatsu (Deloitte) – a multinational professional services network in which 312,000 professionals work in member firms in more than 150 countries. Deloitte has attained Level 5 (the highest level) on APQC’s KM Capability Assessment Tool; Royal Dutch Shell – a global oil and gas company with 86,000 employees operating in over 70 countries. In 2019, the company achieved Level 4 on APQC’s KM Capability Assessment Tool at the business unit level.

1. The information on the three private sector entities was very kindly provided to the evaluation by the American Productivity and Quality Commission (APQC) from its Excellence in Knowledge Management series, which is normally for members only.

Philanthropic foundations: David and Lucile Packard Foundation; Ford Foundation; MacArthur Foundation; William and Flora Hewlett Foundation

This Technical paper also introduces several standards and benchmarking tools – ISO 30401, APQC KM Capability Assessment Tool and the Most Innovative Knowledge Enterprise (MIKE) awards and benchmarking tool, all of which could be useful for the EBRD.

Finally, the paper summarises the most relevant findings from evaluations on LKM by the independent evaluation offices of the World Bank, ADB and the Inter-American Development Bank.

1. Policies, strategies and plans

Multilateral development bank comparators

None of the three MDBs has a current LKM policy. Rather, they anchor their KM strategy and plans in their overall corporate strategy – *Strategy 2030* in the case of ADB, IFC 3.0 in the case of IFC – or in the commitment made under the 2018 IBRD Capital Increase in the case of WB.

In March 2021, ADB approved a new KM action plan, the KM Action Plan 2021-2025: Knowledge for a Prosperous, Inclusive, Resilient, and Sustainable Asia and Pacific² which follows two preceding ones – KM Directions and Action Plan (2013-2015): Supporting “Finance++” at the Asian Development Bank³ and KM Action Plan 2009-2011⁴. The March 2021 KM action plan drew on the findings of a July 2020 evaluation by ADB’s Independent Evaluation Department (discussed later in this technical paper [TP])⁵.

IFC, which is part of the WBG, has been charting its own path on LKM since 2008, stimulated by the implementation of IFC’s Global/Local Strategy, which necessitated the introduction of a corporate approach to managing knowledge to ensure that staff in an increasingly decentralised organisation could access knowledge from across the world. A first KM strategy and implementation plan are awaiting approval.

World Bank also introduced a new LKM guiding document in March 2021, *Realizing the World Bank Group’s Knowledge Potential for Effective Development Solutions: A Strategic Framework*⁶.

Philanthropic foundation comparators

The philanthropic foundations have a different approach to LKM. First, there is almost no explicit mention of knowledge or of KM. Their focus is exclusively on learning – knowledge is what learning is based on, but it is not an end in itself. For the foundations, learning is the means for realising greater impact. Second, learning (and implicitly the gathering and use of knowledge) is part of the DNA of the foundations. It is not something grafted on to the main business as tends to be the case with MDBs. Hence, there is less of a need for a policy or strategy on either learning or KM.

As the David and Lucille Packard Foundation⁷ notes *evaluation and learning are inextricably linked with strategy. The tools of ongoing monitoring, third-party evaluation, and intentional learning enable us and our grantees to continually improve our grant making and amplify our impact in the world.* With little explicit reference to knowledge or KM, the focus is on the use of knowledge for adaptive management – through an ongoing process of doing, learning and correcting.

For the Ford Foundation⁸ learning is at the heart of what it does: *we believe learning is essential for driving impact. Through learning, we can better understand how complex social change happens – and design effective program strategies to support it.* Again, there is little explicit mention of knowledge or KM in the Ford Foundation.

2. [ADB : KM Action Plan 2021-2025](#)

3. [ADB : KM Directions and Action Plan 2013-2015](#)

4. [ADB : KM Action Plan 2009-2011](#)

5. ADB : Knowledge Solutions for Development: An Evaluation of ADB’s Readiness for Strategy 2030

6. [Realizing the World Bank Group’s Knowledge Potential for Effective Development Solutions: A Strategic Framework](#)

7. [David and Lucille Packard Foundation](#)

8. [Ford Foundation](#)

Similarly, the MacArthur Foundation⁹ not only sees learning as core to who it is and what it does, it also sees evaluation as integral to its ability to learn. This contrasts with MDBs where evaluation tends to be seen as a peripheral, even annoying, necessity rather than being a valuable and valued activity. The foundation has an Approach to Evaluation. The purpose of evaluation is very clearly stated: *we evaluate for learning and to keep our strategies dynamic. Flexibility and adaptability, driven by learning, are central characteristics of how the Foundation operates.*

Of the four foundations, the three mentioned to date do not appear to have policies or strategies on learning and certainly no KM action plans. The fourth foundation, the William and Flora Hewlett Foundation is the same except for the fact that one of its guiding principles¹⁰ is *we are committed to openness, transparency, and learning.* Some of the points made are well worth presenting here as they capture very clearly the essence of what it is to be a learning organisation.

- Because our operations – both internal and external – are situated in complex institutional and cultural environments, we cannot achieve our goals without being an adaptive, learning organisation [which surely applies to MDBs as well]. And we cannot be such an organisation unless we are open and transparent: willing to encourage debate and dissent, both within and without the foundation; ready to share what we learn with the field and broader public; eager to hear from and listen to others.
- Learning is a sensibility as much as it is a practice. It needs to be nurtured and encouraged. We seek out ideas, information, and approaches so we can learn from others, including those whose views diverge from ours.
- We prioritise learning over “being right” and emphasise its importance across the whole organisation, empowering everyone to contribute to continuous improvement.
- Knowing it is necessary to take risks, we recognise and expect that sometimes things won’t work—in which case we ask why and make changes. We frame such efforts in terms of what we can learn, and we ask our staff, our grantees, and our other partners to be open and candid about both failure and success. We encourage this because failure and success are both part of our work, and we learn from both.
- At the same time, we appreciate that our lessons often come, at least partly, at someone else’s expense. We should learn from failure and not worry about confessing error, but we should also work hard to avoid it—never forgetting that our mistakes have real consequences for real people. Which is also why, when we make mistakes, we need to share the lessons broadly.
- Making what we have done, and are doing, visible facilitates learning and is part and parcel of being a learning organisation. We should share what we are doing freely with grantees, the field, and the public. By doing so, we invite others to tell us why our approach may or may not be right and how it could be better.
- Openness and transparency can help build trust, but only if we are genuinely open to hearing what others have to say. Inviting feedback is meaningful only if we sincerely listen to new ideas, new perspectives, new approaches, and new ways of thinking. This is true of conversations among our own staff as much as discussions we have with others. We encourage an internal environment that is open to deliberation, in which staff as well as grantees and external partners are empowered to debate and dissent as part of a process of making decisions that – once made – we get behind and work together to execute.
- Our mantra is “try, learn, adapt”—a philosophy we seek to cultivate in our grantees and in the sector generally, as well as in ourselves.

Private sector comparators

In the private sector, American Funds does not appear to have an explicit KM strategy. However, Shell does. The company first launched a formal KM programme in the 1990s in response to potential knowledge loss from impending retirements. The initial programme followed a decentralised model with each business unit developing its own KM practices and structures [this sounds familiar when considering the EBRD]. However, in 2012 the company *moved to a consolidated, enterprise-wide infrastructure for KM* driven by a corporate restructuring that saw technical areas move from business units into a Shell Global Solutions Group. A KM implementation team was created with the task of developing a global KM

9. [MacArthur Foundation](#)

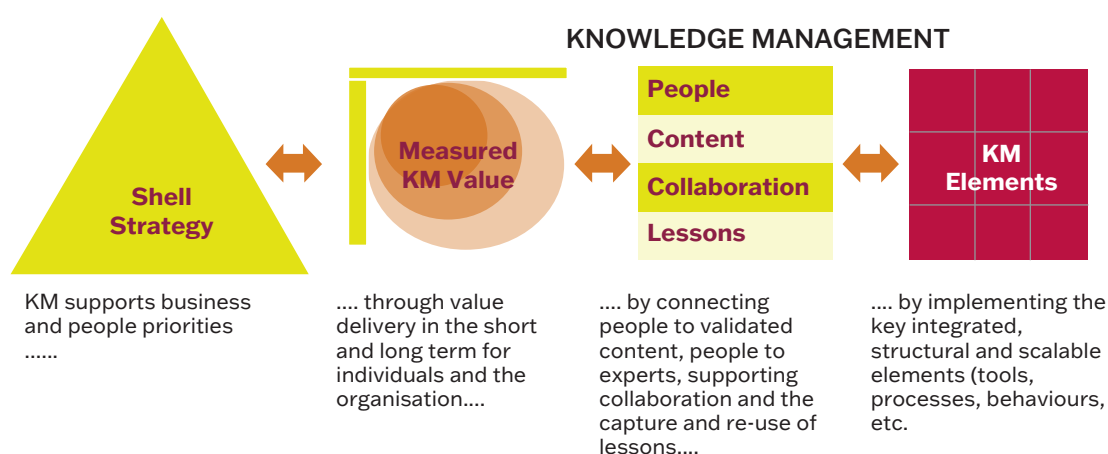
10. [ditto - guiding principles](#)

strategy, plan and toolkit. An assessment of *knowledge-related needs and pain points* found these were:

- The need to make tacit knowledge explicit.
- Ensuring knowledge content was trustworthy and easy to find – people were struggling to find both content and experts, and even when they found content, they weren't sure it represented the organisation's best knowledge.

Elements of the Shell KM approach are shown below in Figure 1. Key features are the measurement of value and the support to corporate strategy and priorities. As noted in the APQC case study, the KM core team pursues this strategy with a stepwise approach that begins with establishing individual value, followed by short-term and then long-term organisational value, for each KM activity and tool.

Figure 1: Shell KM Strategy



Deloitte also has a knowledge strategy approved in 2015, which includes four 'strategic levers' and five impact goals:

Strategic levers

- A bold, digitised knowledge experience that strategically uses cognitive and cloud technologies and distinguishes Deloitte to its clients and people.
- An unparalleled depth of knowledge and insights derived from the vibrant exchange of ideas, experiences, and expertise.
- A pervasive and ingrained culture of global knowledge sharing and collaboration.
- A committed global approach to knowledge, following consistent roles and expectations and optimised for efficiency.

Impact goals

- Accelerate practitioner speed-to-proficiency and practice area speed-to-market.
- Improve competitiveness.
- Increase consistency and quality in engagement delivery, while mitigating risk.
- Circulate innovation rapidly, resulting in new products and services.
- Enrich collaboration and engagement among professionals.

2. Organisational arrangements, resourcing and scope

Multilateral development bank comparators

In MDBs, LKM activities can be characterised as 'a thousand flowers blooming' – well, maybe more in the order of the 25 to 100 significant flowers. These initiatives have sprung up in different parts of the

organisation in response to locally identified needs. Over this creative ‘chaos’ (if one sees it as such) there may be an office or unit that seeks to establish some sense of order, consistency, prioritisation for resource allocation and sharing across organisational boundaries – ADB and IFC have such offices. World Bank used to but disbanded it after moving it four times between 2016 and 2020. The reasons for disbanning the unit may be instructive but have not yet been determined.

IFC has a Global Knowledge and Learning Unit with 13 positions (some filled by consultants – the heavy use of consultants for KM work is a feature across the MDB world, reflecting a lack of own-resources dedicated to the task). This unit reports to the Senior Vice-President Operations. The purpose of this office is to ensure *that the creation, management and reuse of knowledge at IFC is deliberate, coordinated and strategic*. Recognising that IFC’s knowledge is ‘owned’ by the business, the role of the unit is:

- Develop, manage and track IFC’s corporate learning and KM strategy.
- Improve staff effectiveness by enhancing access to quality knowledge and learning.
- Cultivate knowledge and expertise to grow the business.
- Create and sustain a knowledge and learning culture in IFC.

Business-wide it is estimated there are 30-40 staff undertaking KM-related functions in IFC, but the situation is not clear as KM roles are often mixed with communications, event organisation and other functions.

In ADB, KM comes under a Vice President for Knowledge Management and Sustainable Development. This brings together many departments, divisions and units that are generators of knowledge. Coordination of the 2021-2025 action plan is vested in a KM group drawn from across the Bank. The secretariat and facilitator of the action plan is the Knowledge Advisory Services Centre under the Sustainable Development and Climate Change Department.

Philanthropic foundation comparators

In the foundations, learning (and the generation and use of knowledge) was embedded in business processes from the start (or at least is well-embedded now). The main responsibility for operation of the learning system rests with operational units, aided by a small support unit.

Private sector comparators

American Funds has a KM team within a shared services department. This comprises:

- Two managers
- Seven writers who create and update content for the principal online tool called SONI (Source of Needed Information) along with three contingent staff who provide as-needed writing and editing support.
- Three editors who finalise and secure approval for SONI content.
- A business analyst who provides workflow and technical support for other tools such as [Adobe Experience Manager](#) and [Workfront](#) (also an Adobe product).
- An administrative role

In addition to the core KM team there are full-time SONI content analysts who are located in the two biggest business areas served by the KM team – the content analysts are the liaison between KM and the business subject matter specialists, and they are responsible for reviewing and validating SONI feedback. They also work with the KM team writers and editors to create SONI content.

SONI is an online knowledge base that helps customer service associates do their jobs. Associates learn about SONI within their first week at American Funds. SONI content is structured in the form of job aids, which makes it easy for employees to quickly find the answers they need. The information available in SONI is not available anywhere else, so it is the ‘go to’ knowledge tool in the business.

Interestingly, in Shell, the core KM team has become smaller over time as the focus moved from development to implementation with some activities spun off to other parts of the organisation. At

its peak, there were 25 full-time equivalent employees in the KM team reporting to the Projects and Technology Group. A functional head of the KM team reported progress to a KM Decision Review Board. Currently, the KM team consists of an Implementation Team that is expanding the KM programme into non-technical business functions, and a Services Team that provides ongoing support after implementation and which 'owns' the KM processes. Also of interest is the fact that a lot of support for KM now comes from the Organisational and Learning Group which is part of the HR function.

After implementation is complete, people in the business units are designated as KM Focal Points, Principal Experts or Subject Matter Experts with the following functions (they have allocated time for these duties and KM goals are in individual performance plans):

- Reviewing, verifying, and curating content.
- Guiding collaborative networks.
- Facilitating and moderating discussions in portals.

The main elements of the Shell KM tools and processes are:

- **Knowledge repository:** contains expert verified technical content – it is a modified [Microsoft SharePoint](#) library. Each item included has a review date with an alert system for review assigned to a specific role rather than person. The repository can contain links to external reports.
- Enterprise encyclopaedia: is a SharePoint wiki containing high-level, typically descriptive, information – new entries go through an approval and vetting process. Each article indicates whether it is unverified, peer reviewed or verified by a principal expert.
- **SIGN networks:** communities of practice which are called Shell International Global Networks (SIGN). Some of these have been running continuously since the 1990s. *Each network has a portal [see next item] for members to ask and answer questions, share documents, find knowledgeable people, network with colleagues around the world, grow their expertise, and collaboratively solve problems.* Some non-technical networks prefer to use [Yammer](#) for collaboration rather than the portals. The KM team recommends that important information is regularly migrated out of Yammer into more persistent KM systems such as the Repository or Encyclopaedia.
- **Portals:** all the knowledge sharing tools are brought together in SharePoint portals known as Single Points of Access (SPoAs). The KM team adopts a phased approach to building up portal content starting logically with the most critical content. *Each portal can contain a Performance Dashboard with relevant KM metrics. The KM team can track a number of metrics overall, but the metrics included in each portal's dashboard are based on the goals of the community or discipline it serves. Metrics are displayed with a red/yellow/green color-coding scheme to show their overall health, but users can also click on each metric for more detailed performance information.*
- **Expertise finder:** is based on Microsoft profile pages – some of the content is populated automatically from HR information, which means that every employee has a profile by default. *Employees add information about their past projects, previous roles, educational background, languages spoken, interests, and hobbies.*
- **Learning from experience process and database:** Learning from Experience [a much better name than Lessons Learned Database as it suggests a dynamic and ongoing process rather than something static and, in the past] is a process with an accompanying database of lessons. Importantly, *LFE is integrated into a number of Shell's processes, such as project management. Throughout project execution, the project team should identify lessons and contribute them to the LFE database at designated checkpoints. The project team can also request an expert to review and verify their submissions. The LFE database shows which lessons have been verified by an expert, which helps build trust in the content.*
- **Knowledge retention:** are a series of methods for capturing knowledge from projects and processes that would otherwise be lost. Methods include:
 - » After Action Reviews, Lessons Learned workshops [a pity about the name!] and formal Causal Analysis exercises
 - » *Ensuring the smooth transmission of specialised personal knowledge is critical as well. At the simplest level, the organisation leverages Job Transition Guides, which provide a framework for an employee leaving a position to capture important information to share with their successor*
 - » *For more critical positions, and often when the employee is retiring or otherwise leaving the company and will no longer be available, a formal Retention of Critical Knowledge (ROCK) analysis might be performed. ROCK is a structured interview process designed to capture knowledge*

related to the individual's role including details of their job duties, the tools employed, inbound and outbound knowledge and information flows, customers and suppliers, and so on. Whenever possible, the employee's successor(s) are invited to play an active role in the interview process so they can elicit the specific knowledge they need to carry on the work.

Deloitte has a Core Knowledge Services Team (CoRe KS team) with 100 employees including:

- An engagement and awareness team
- An analytics team
- Platforms and products
- A help desk (KX help)
- A self-funded research group (CoRe Research Services)
- Product owners for key KM tools.

The CoRe KS team is supported by 500 team members most performing content management tasks in one of the Deloitte's delivery centres. In addition, Deloitte has a number of KS volunteer roles:

- **Knowledge Sponsors** are typically partners/principals who help the KS team connect with local business leaders. They also model knowledge-sharing behaviours and raise awareness
- **Knowledge Champions** act as advocates in the business units to remind peers to use and contribute knowledge. They also disseminate messages from the CoRe KS team.

Deloitte uses the following KM tools and approaches:

- **Knowledge Exchange (KX)**: is Deloitte's enterprise knowledge-sharing platform, based on Microsoft SharePoint though highly customised. Its main components are:
 - » Deloitte People Network (DPN): the authoritative source for people profiles and expertise. Deloitte sends out monthly reminders, called "DPN Notify," to nudge employees to keep their profiles up to date. This year, the KS team will launch a new version of DPN that uses AI to automatically scan employees' resumes for key topics and themes.
 - » KX Assets: provides for document sharing and storage for proposals, deliverables, thought leadership and other materials.
 - » KX Quals: is Deloitte's authoritative source for high-quality, in-depth project experiences, also known as credentials, qualifications, or "quals."
 - » KX Dash: is a personalised dashboard that streamlines the knowledge contribution process and helps leaders and their designees keep track of requested contributions. It identifies targeted external presentations or projects in need of write-ups and the associated due dates.
 - » KX Hot Topics: showcase the organisation's latest knowledge collections about the marketplace issues clients are facing. These curated knowledge compilations highlight best-in-class content and subject matter specialists for current high-priority topics.
 - » KX Clients: provides an overview of global and local client programmes, available portfolios and resources, client relationship enablers, and accelerators.
 - » KX Help: is a live support team, available 24 hours on business days, that is committed to helping professionals find the knowledge and answers they need. The team is available via email, online form, and live chat.
 - » Translate on KX: KX includes AI-enabled automatic translation capabilities. Users can translate documents and quals on KX into 59 languages, and they can import documents and text to use KX as a translation service.
 - » How to KX: a webinar and video series helps professionals learn how to use KX resources to win new work, optimise service delivery, and build strong client relationships.
 - » Deloitte Assistant: online digital assistant helps users quickly find answers, expertise, and needed knowledge.

In terms of content acquisition and management, much of the tedious tasks are now performed by robotic process automation to automate content migration using a cognitive engine to automatically tag and create descriptions for content. Knowledge managers in the CoRe KS team provide fine-tuning support.

3. Culture and incentives

The culture in MDBs is generally not viewed as being favourable for KM. Table 1 below shows the three MDBs benchmarked consider organisational culture to be an unaddressed challenge, as is the issue of incentives. In November 2020, ADB launched a Culture Transformation Initiative, but no details of this are available. A 2019 World Bank publication, World Bank Knowledge Sharing and Reuse Incentive Framework¹¹ used behavioural science to propose a framework for knowledge sharing and there is now a Mind, Behaviour, and Development Unit (eMBeD) in WB with 18 staff.

Table 1: Current KM challenges in ADB, IFC and WB

ADB	IFC ^a	World Bank
<ul style="list-style-type: none"> • A culture that does not fully value knowledge work as lending is valued more • Organisational silos and competing resource envelopes get in the way of effective and purpose-driven coordination of lending and knowledge work • Lack of a results focus • Not-fit -for purpose data management systems • Institutional and/or procedural gaps including: <ul style="list-style-type: none"> » a lack of clear incentives for knowledge work » too much outsourcing of knowledge work to consultants » insufficient rigorous peer review of knowledge work » variable levels and quality of knowledge management tools and applications 	<ul style="list-style-type: none"> • The need to ensure KM is business driven • The need for the sharing of knowledge to be a professional obligation • Improved incentives for knowledge sharing using 'carrot' and 'stick' • Improved arrangements for how knowledge decisions are made, and priorities set • Improved KM organisational structure and staffing to deliver and measure an integrated programme • Building a knowledge sharing culture • Professionalising KM across IFC by having the skills and abilities for a robust KM agenda • Better capture of tacit knowledge • Better contextual KM • Establish a central repository for lessons • Ensuring knowledge is easily findable to support the development of cutting-edge thought leadership • Supporting collaboration between individuals, teams and partners • Greater ease of use of technology 	<ul style="list-style-type: none"> • The need to enhance the relevance (through prioritisation), quality and impact of analytical work and advice • Improving knowledge flows and collaboration across the Bank, including the flow of tacit knowledge • Fully realising WBG's potential to learn from operations, including the need for a renewed emphasis on the interdependence between knowledge and financing • Strengthening incentives at all levels of management and staff for enhanced emphasis on knowledge • Strengthening human capital for knowledge work • Improving outcome orientation • Improving performance metrics for knowledge work • Improving ICT technologies

^a For IFC there was not an explicit list of KM challenges – those listed in the table were derived from its draft action plan by the evaluation team.

The foundations tend to have a strong culture of learning, with learning fully part of business processes. The issue of incentives does not appear to play a significant role in the foundations, probably because learning is an integral part of the business processes, so it does not have to be incentivised.

Deloitte has a longstanding culture of collaboration and knowledge sharing – *employees understand the value of leveraging the organisation's expertise and intellectual property to deliver the best solutions for clients. According to the APQC case study, knowledge hoarding is a rare problem for Deloitte, as the organisation is known for its collegial, collaborative culture, but historically employees have not always known what knowledge might benefit others or where to contribute it. In 2018, Deloitte launched an*

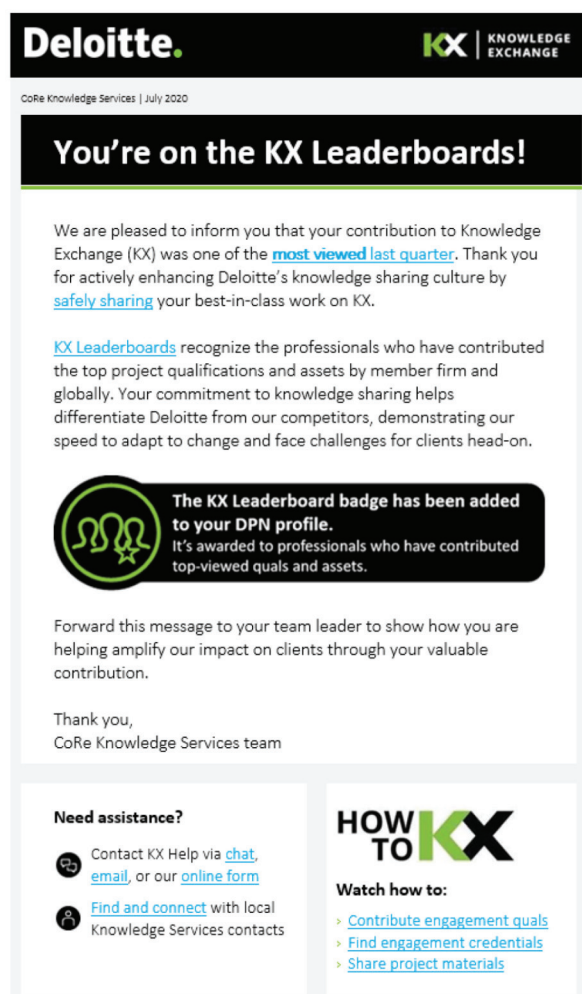
11. [World Bank Knowledge Sharing and Reuse Incentive Framework](#)

initiative to take its knowledge-sharing culture to the next level by encouraging employees to share not just when asked, but proactively.

The APQC case study describes the key elements of the multi-year, executive-sponsored global effort to further enhance the culture for knowledge sharing and collaboration that is led by the CoRe KS team – the initiative has three overarching objectives: inspire, require and rewire.

- **Inspire** – where the objective is to inspire employees to want to share. According to a Deloitte Associate Director “Most of the time when people don’t share, it’s because they’re concerned about violating a rule that they don’t understand. We do have strong audit, assurance, and risk practices, so we want to make sure people know that they’re allowed to share. And, that it’s the right thing to do.” The KS team has a recognition programme, KX Stars and it has sent personal ‘thank-yous’ to more than 25,000 contributions to date, which are also tracked and recognised on KX Leaderboard. New hires at Deloitte receive a thorough introduction to knowledge sharing and the KX platform. Within the first six months of their tenure, every new hire receives messages and videos that introduce KX tools, knowledge-sharing principles, relevant content for their roles, success stories, and action items to complete.
- **Require** – focuses on integrating knowledge sharing into performance expectations and compliance practices. Knowledge sharing KPIs are included in the role expectations for global lead client service partners as well as Consulting and Audit and Assurance talent standards.
- **Rewire** – this objective is designed to make knowledge sharing frictionless and more in the flow of day-to-day work at Deloitte.

Figure 2: KX Leaderboard Communication



4. Victories and failures

The ADB and IFC have central coordination and facilitation units as noted above. ADB has its own vice-presidency for KM (coupled with sustainable development). ADB and World Bank have more than 20 years' experience of working to embed LKM into their organisations. IFC has only explicitly set out to create its own path since 2008. There have been a lot of strategies, frameworks and action plans over the years. All three MDB have new KM strategic guiding documents either approved in 2021 or shortly to be approved in the case of IFC. Progress has been made. However, the overall conclusion is that fundamental challenges remain to be addressed despite progress made and being made. The constraints and challenges as identified by organisations themselves are shown in the following table.

Despite these challenges, ADB and WB note the positive effect that the COVID-19 crisis has had on aspects of KM such as incentives provided for collaboration to facilitate the flow of knowledge across the WBG, and in ADB the crisis *has significantly increased the use of digital technologies, increased the number of knowledge products and services, and increased collaboration while managers became more inclusive, team-driven and open to risk*. The question is which of these developments should and will be retained, or will there be a quick retreat to former practices?

In the foundations, learning and knowledge generation and use are tightly integrated into business processes – as noted above, it is part of their core DNA. Given this, there are not as many challenges compared to MDBs which are trying to graft on or embed knowledge and knowledge processes into systems that have got by very nicely without such intrusions. However, an external evaluation entitled Monitoring, Evaluation and Learning Practice at the David and Lucile Packard Foundation: Evaluation in Support of Moving from Good to Great¹² found a number of learning challenges continued to exist in that foundation, including:

- A tendency to tailor products and processes for the benefit of senior leadership and the board that can be at odds with the philosophy of programme ownership and lend itself to a focus on perfecting over learning.
- Not all staff perceive that senior management encourages questions, risks, and new strategy testing.
- A sense of “hierarchy” may be limiting engagement in learning conversations by all staff who have a role in MEL practice; this was described in terms of who is included in learning conversations and who actively participates.

In the private sector, American Funds has found that the KM programme helps the business respond to change. For example, the KM team and the SONI tool are helping associates do their job virtually during COVID-19. More generally, *the KM program's reputation and ability to partner have also proved essential in navigating disruption. When business priorities change, KM partners with the training and development department to integrate the change into associate training, processes, and behaviours.*

For American Funds, there is a strong business case for KM: *American Funds' senior executives view KM as a competitive differentiator. The organisation benchmarks its voice of customer survey results and consistently finds that its associates provide better and faster service than those at other companies. Since the early 2000s, KM—and its flagship tool SONI—has built a strong reputation for delivering business value.*

**The organisation benchmarks its voice of
customer survey results and consistently
finds that its associates provide better and
faster service than those at other companies.**

12. Monitoring, Evaluation and Learning Practice at the David and Lucile Packard Foundation: Evaluation in Support of Moving from Good to Great

In terms of demonstrating success, the KM team in American Funds tracks activity metrics in SONI to *identify content gaps, and pinpoint engagement and change management needs*. On the other hand, business value is tracked via internal and external customer feedback. The APQC case study notes the value of such qualitative value assessment – *this feedback is often anecdotal, but it proves powerful*. Benchmarking performance is also an important part of the approach to measurement.

Critical success factors and lessons identified by American Funds in its KM journey include:

- The SONI tool, which has a long track record of delivering value – in particular, in terms of excellent service provision and customer retention. Also, SONI is fully integrated into employee onboarding and the organisational culture, so associates understand its value right away. The information within SONI is thorough and comprehensive, so it continues to provide value to associates as they grow in their roles.
- Partnership with the business groups served and training and development – the KM team works closely with the training and development team, which helps KM stay abreast of learning needs and provides end users with a more streamlined, seamless learning experience.
- One of its key lessons is the need to separate KM from technology. KM and SONI have long been synonymous within American Funds, and while this provided some advantages, it also limited the scope of KM work.

An essential part of Shell's success with KM is its KM taxonomy that provides the organising structure for all KM tools and resources. This provides a common language for tagging knowledge and staff profiles thereby increasing the findability of content, conversations, and expertise in search. Every content item in the organisation's knowledge repository, every article on *the enterprise encyclopaedia*, and every profile in the expertise finder is classified according to the taxonomy.

If you don't get the taxonomy right, not much else is going to go right. And if you don't apply taxonomy consistently, you can't find anything.

KM Implementation Adviser, Shell

In terms of demonstrating success, the KM team tracks a number of metrics that anyone can view in the relevant portal. However, beyond this, a member of the KM team is responsible for *identifying, investigating, and validating success stories*. This is nothing remarkable about this, but what is different is that the KM team works with the business unit to assign a dollar value to the story, which is validated and approved by senior management and then it is added to a success story database and publicised through a variety of channels. Of course, it would be desirable to also promote learning from failures.

Critical success factors and lessons identified by Shell Company in its KM journey include:

- Strong senior-level sponsorship was, and continues to be, a critical success factor in achieving KM maturity. The organisation's technical employees showed grassroots enthusiasm for KM, but leader sponsorship and resourcing were essential to secure buy-in up and down the management chain so that the programme could grow. Throughout implementation, the KM team could rely on senior executives to not only commit resources to KM, but also to walk the talk.
- Taxonomy is another critical success factor for KM at Shell.

In terms of demonstrating success from KM at Deloitte, the following points are thought provoking:

- The CoRe KS team assesses the business impact and relevance of KX content through its healthy knowledge space scorecard, which looks at how content is used across the business as well as the diversity and freshness of content. The KS team also delivers customised reports for specific accounts to help account leaders see how well their teams are creating, sharing, and reusing knowledge.
- The KS team uses Tableau and Adobe to track KX activity metrics and can filter by teams and groups to identify knowledge needs and trends.
- The KS team uses custom tools to survey a random sample of practitioners on an annual basis. This helps the team understand sentiment, value perception, and other factors that are not easily captured through activity metrics.
- The team also shares success stories to highlight the real-world impact of knowledge sharing. An ongoing storytelling campaign called KX in Action shows how KX tools and content helped teams across businesses, industries, and geographies.

Critical success factors identified by Deloitte from its KM journey are:

- **Leadership buy-in:** Deloitte global leaders typically serve four-year terms, so the KS team must continually build and re-build leaders' trust and engagement. Over the course of 20 years, the KS programme has maintained a strong level of trust and investment—but it still takes a lot of work on the part of the KS team to keep those leaders engaged.
- **Understanding the organisation's culture:** establishing specific expectations for knowledge sharing would better honour Deloitte's collegial, meritocratic, and non-hierarchical culture.
- **Partnerships with other groups and functions:** including IT, quality and risk management teams (to ensure that knowledge sharing does not introduce risk and compliance issues), learning and HR and the innovation and automation team.
- **Adaptability:** is both a critical success factor and a lesson identified.

5. Standards and benchmarking tools

For an entity embarking on a journey to become a leading learning and knowledge-driven organisation it can be challenging to know where the organisation is relative to others who have made the journey; where to start in terms of 'things to do' first; how to generate commitment and support; what can be learned from those that have already made the journey; and how to judge progress being made. It is also helpful to have readily available resources that can be drawn on as needed. This is where standards, benchmarking tools and KM resource providers come in. Three opportunities for the EBRD are presented here: *ISO 30401: 2018 Knowledge management system – Requirements*; APQC's KM Capability Assessment Tool; and Most Admired Innovative Knowledge Enterprise self-assessment and benchmarking tool. ADB has used all three while IFC has used APQC's benchmarking tool. Only ADB is currently a member of APQC among the three MDB comparators. There is more information available in the Annex 5.1 than is presented here.

ISO 30401¹³ provides a very useful set of standards for any organisation wishing to establish a more coordinated and consistent KM system. The purchase of ISO 30401 (it currently costs CHF118) provides the standards only. This does not include certification and ISO itself does not do certification. The standard (which is copyright protected) contains the following:

- A very useful section on the importance of KM – describing these benefits in the EBRD context would help establish the rationale for resourcing KM.
- A set of guiding principles for KM.
- A useful list of terms and definitions that could help standardisation of terms in the EBRD with regards to KM.
- Standards for knowledge development, conveyance and transformation, so-called KM enablers and KM culture.
- There is a section on standards for leadership including the establishment of a KM policy.
- KM planning comprising addressing risks and opportunities, and KM objectives and planning.
- Support for KM including resources, competence, awareness, communication and documented information (creating, updating, and control).
- There are standards for KM operation, performance evaluation and improvement.
- Annex A of ISO 30401 provides information on the knowledge spectrum while Annex B discusses the relationship between KM and adjacent disciplines.

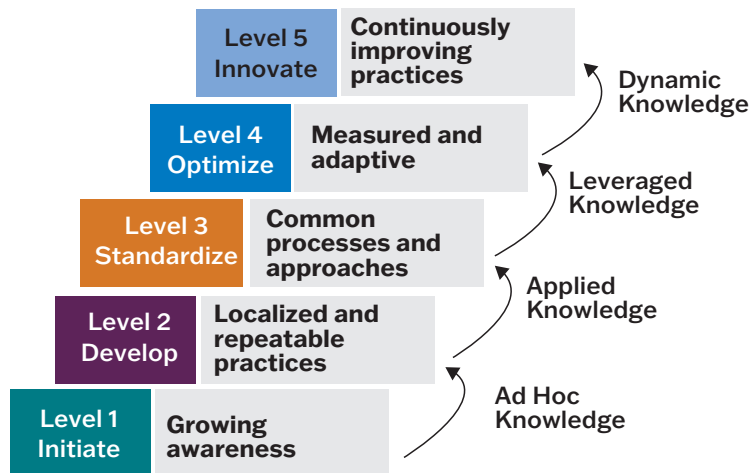
The American Productivity and Quality Center¹⁴ (APQC) is a non-profit with 550 members – it self-promotes that it is the world's foremost authority on benchmarking, best practices, process and performance improvement, and knowledge management (KM). An important part of APQC is its KM assessment tools – Mini KM Capability Assessment Tool (5 minutes to complete); KM Benchmarks and Metrics Survey (2 hours to complete); and KM Capability Assessment Tool (2-4 weeks to complete). APQC has a 5 level KM maturity model so an organisation can see where it is on its KM journey. APQC has a huge body of resources available for members. APQC's levels of KM maturity are illustrated below.

13. ISO 30401

14. [American Productivity and Quality Center](#)

Figure 3: APQC Levels of KM Maturity

Five-step maturity model that defines the status of a KM programme



It would cost the EBRD US\$11,000 annually to join APQC for KM, a cost this evaluation considers highly worthwhile given the EBRD's LKM ambition and current level (probably Level 1 on the APQC maturity model above).

Formerly Most Admired Knowledge Enterprise (MAKE), now Most Innovative Knowledge Enterprise (MIKE) provides recognition awards and a KM self-assessment tool with feedback on benchmarking.

6. Possible ideas for the EBRD

This section draws out lessons/ideas considered the most relevant by the team conducting this evaluation. The section concludes with some points emerging from other evaluations of LKM in MDBs.

From the ADB, lessons of relevance could include:

- There is a need to be cautious about grand action plans in a context that may not be fully supportive of follow-through – action plans in an otherwise unfavourable context are unlikely to address fundamental issues.
- The use of theories of change and results frameworks can potentially be useful, but they must be complete, rigorous and 'owned' to be value-adding.
- The 8-dimension MAKE (now MIKE) staff survey score, and the inclusion of this indicator in the corporate scorecard could be an idea worth exploring for the EBRD although this evaluation considers membership of APQC is a better option.
- ISO 30401 is a useful standard to adopt for guiding the development of KM.
- Membership of APQC can bring a lot of benefits, including benchmarking KM status and access to many resources.
- Learn more about ADB's Culture Transformation Initiative launched in November 2020 as its implementation may offer lessons of value.

From IFC, the following ideas could be considered for adoption:

- Rather than measuring 'success' only by using quantitative aggregate indicators of KM outcomes for use in results frameworks, consider using case studies to demonstrate value creation. These are likely to have greater validity and credibility. Annex 5.1 has examples of case studies developed for IFC.
- The use of after-action reviews is another idea that the EBRD may wish to consider.

From WBG, the following merit consideration:

- Reaffirming the importance of capturing lessons from operations (not only the financing of projects, but also policy dialogue and TC), and using these lessons to inform future operations – this should be a central part of KM. Also important is how to ensure that so-called frontier knowledge informs project design.
- Capturing tacit knowledge, particularly operational knowledge is important, but so too is the person-to-person exchange of tacit knowledge through collaboration and other means.
- The EBRD should use the opportunity of the crisis to assess the new ways of working that have been introduced to determine what should be retained and what should not.
- While information technology systems have an important role to play such systems will not work in the absence of basic curation and effective tagging of documents. Consideration should also be given to the use of knowledge brokers rather than relying solely on technological solutions.
- Incentives need to cascade through the organisation.

From the David and Lucile Packard Foundation, the EBRD could consider the following:

- A strong focus on learning rather than KM maybe something the EBRD can bear in mind. A focus on KM is linked (in people's minds at least) to spending more resources, whereas learning puts the focus more on the benefit and few people are opposed to learning.
- Placing the responsibility for monitoring, learning and evaluation activities with operational staff has advantages and disadvantages, but it does illustrate the great importance of self-evaluation to learning in the EBRD.
- While the Fluxx software used by the Foundation has been developed specifically for grant-making foundations, it would be useful to examine it to see what could be adopted from its approach. Also, there is probably a lesson here in the need for common MDB platforms similar to what the foundations have.
- An annual Year-in-Review reflection and learning session is something that could be considered at team, programme, or initiative level, with results captured across the Bank.

From the Ford Foundation, experience, the EBRD might consider the following:

- Again, a greater focus on learning (and the other benefits derived from use of knowledge) and a lesser focus on KM maybe an approach to adopt.
- Regularly challenging assumptions (and the making of assumptions more explicit in transactions and strategies) and the conduct of annual reflection sessions are also ideas with potential for use in the EBRD.
- The posing of learning questions, being things the EBRD wants to know, could be a useful approach to prioritising knowledge work.

From the MacArthur Foundation, the following ideas could be considered:

- The Foundation's use of evaluation and learning partners – so-called 'critical friends' who are independent of the Foundation but invested in helping it effectively implement its strategies. A key role is to challenge assumptions. As a former president of the Foundation said, their role is not to let us fall in love with what we decided to do.
- The Foundation has several staff who are internal advisors whose job is to ask tough questions (including challenging assumptions); provide guidance and advice on strategic direction; review and offer input on grants and investments; help consider progress towards stated goals; and ensure collaboration across the foundation – this is an idea worth considering.
- The importance of adaptive management driven by continuous learning are key themes. This includes strategy implementation which means the Foundation does not *develop static strategies that presume a fixed understanding of how to reach our goals. We do, however, hold our goals constant, while our strategies shift as we learn.* Again, this might be 'food for thought' for the EBRD, particularly with regards country strategies.
- The use and benefits of **rigorous** theories of change provides a highly relevant idea for the EBRD – theories of change developed in the EBRD tend to be simplistic and of little use.
- The use of visuals for analysis, storytelling, and exploration through use of an internal platform known as TheLoop is an interesting idea that could be further explored.

From the William and Flora Hewlett Foundation, ideas include:

- Consider developing a set of principles on learning along the lines of those of the William and Flora Hewlett Foundation (these are given earlier in this TP).
- Consider adopting an outcome focus to knowledge work – this is another way of suggesting there is a clear need to establish the business case for KM in terms of the value-added expected and then manage to realise that value added.
- Reflect on what the dimensions of a learning culture might look like in the EBRD, taking account of the experience of the philanthropic foundations.
- Consider adopting a set of principles of evaluation (these are additional to its principles for learning) taking account of those in the William and Flora Hewlett Foundation (and others).

From American Funds, ideas include:

- Having a principal, centrally managed and well named Source of Needed Information (SONI) as a one-stop knowledge 'shop' could certainly be a medium-term objective for the EBRD. along with the idea of having professional writers and editors to create content and, importantly, content analysts located within business teams.
- Having a centralised knowledge source such as SONI allows the organisation to monitor activity metrics to identify knowledge gaps.
- American Funds has developed a strong business case for LKM as a competitive differentiator – through regular surveys it finds its associates provide better and faster services than those of other companies.
- Another value-creation aspect of KM in American Funds is its ability to help the firm adjust rapidly to changes in the context.
- Close engagement with the training and development team as a key knowledge and skills provider
- New joiners are inculcated very early on regarding the importance of knowledge and the tools available.

From Shell Company, ideas include:

- The two 'pain points' that led to the development of Shell's Global KM strategy were: the need to make tacit knowledge explicit, and the need to ensure knowledge content was trustworthy and easy to find – the EBRD should reflect on its KM 'pain points'.
- Governance of KM in Shell includes a high-level KM Decision Review Board – learning more about the composition, role, experience in practice and sustainability of this group may be informative
- People in business units are designated as KM Focal Points, Principal Experts or Subject Matter Experts who review, verify and curate knowledge content; guide collaborative networks; and facilitate and moderate discussions on portals – the combination of centralised KM team and decentralised model is interesting.
- Shell follows a phased approach to adding content and extending KM to various business units
- KM tools and processes are based on Microsoft SharePoint, SharePoint Wiki, Yammer and Microsoft Profiles.
- The so-called *Learning from Experience* process and lessons database (a much better name than *Lessons Learned*) is a dynamic process and tool that is integrated into business processes (both in terms of use of lessons and generation of content) with verification of content an option.
- Tools for the retention of knowledge – after action reviews, causal analysis exercises, job transition guides and more formal Retention of Critical Knowledge (ROCK) analysis – offer ideas for the EBRD
- Taxonomy is the key to Shell's success with KM – *if you don't get taxonomy right, not much else is going to go right*.
- Case studies of KM success are developed, which include assigning a dollar value to the story – interestingly, this qualitative success measurement tool involves calculating a quantitative value-added.
- Strong senior-level leadership was and is a critical success factor for KM in Shell.

From Deloitte, ideas include:

- Three of the five impact goals in Deloitte's KM strategy are measurable elements of business value creation – accelerating practitioner speed-to-proficiency and practice area speed-to-market; improve competitiveness; and circulate innovation rapidly, resulting in new products and services.

The EBRD needs to formulate the business case for KM in the Bank, drawing on the ideas of others

- Deloitte's enterprise knowledge-sharing platform, Knowledge Exchange (KX) uses a highly customised version of Microsoft SharePoint.
- The platform also contains a human element in the form of KX Help, being a live support team, available 24 hours a day on business days, which is *committed to helping professionals find the knowledge and answers they need*. While technology offers many benefits, the EBRD may wish to consider incorporating the idea of knowledge brokers who can help not only find knowledge from within and without the Bank, but also assist in contextualising it.
- While Deloitte has a longstanding culture of collaboration and knowledge sharing, the organisation is seeking to move this to a higher level through a multi-year, executive-sponsored initiative with three objectives captured by the words *inspire, require, and rewire*. The EBRD may wish to reflect on the fact that working on organisational culture is never ending requirement.
- Leadership buy-in is also a critical success factor in Deloitte – ensuring leadership buy-in is a never-ending task as leaders are always moving on.
- New hires are inculcated early on regarding the importance of using and sharing knowledge and the tools available.
- Knowledge sharing is rewarded through public recognition and private thank-you letters.
- KM success stories also reward knowledge capture, sharing and use and they help demonstrate the value of knowledge to the organisation and its clients.
- Partnership with other groups in the organisation is an essential part of success.
- Robotic process automation is being used to capture knowledge.

Use of standards and benchmarking tools: ideas for the EBRD:

- The EBRD could well consider using ISO 30401 to help guide its KM journey.
- Membership of APQC's KM community would add significant value, particularly during the KM development phase, both for benchmarking and as a source of ideas for learning.

Other MDB evaluations: important points of coherence between this and evaluations done by World Bank's IEG, ADB's IED and Inter-American Development Bank's Office of Evaluation and Oversight (Annex 4 contains more details of selected evaluation findings):

- Realising the aspiration of being an organisation that is innovative and that supports innovation in its operations, depends absolutely on being a learning organisation, which in turn depends on managing knowledge well.
- Being a learning organisation based on managing organisational knowledge well, depends on organisational culture, which reflects what's considered most important in the organisation – generally, evaluations show that MDBs that have other priorities that rank more highly, notwithstanding aspirations to be a learning or a knowledge organisation, as reflected in the so-called approval culture.
- Organisational culture is set by the tone and behaviour of senior leaders and incentive practices.
- Evaluations also show that a supportive culture is necessary, but not sufficient for an organisation to be innovative based on learning and effective knowledge management – human and financial resources, including for supportive IT systems, along with aligned incentive systems and business processes are also needed.
- Also important for creating a culture supportive of innovation, learning and effective knowledge management are an approach that creates space to challenge assumptions and preconceived notions; a refined approach to managing risk; a willingness to acknowledge failure and to learn from the experience.
- A common finding of evaluations is that the flow of tacit knowledge through interpersonal exchanges requires additional attention.
- Other findings that are supported by the current evaluation include an over-reliance on consultants for knowledge work; the need to contextualise knowledge to local conditions; the need for metrics on knowledge generation, flow and use (learning); the over-riding importance of a universally applied taxonomy for knowledge; the need to ensure the quality of knowledge; the need to provide time for reflection and learning.

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ANNEX 1 - MDB COMPARATORS AND IFC LKM CASE STUDIES

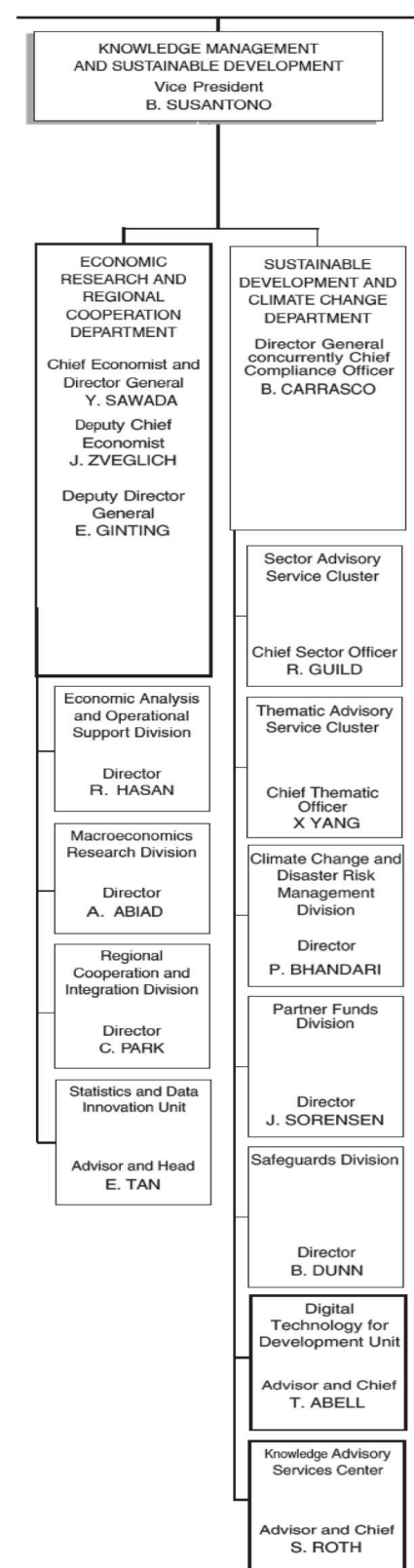
Asian Development Bank

Guiding KM policy, strategy and/or action plans

1. ADB has a recently approved (March 2021) a KM Action Plan 2021-2025: Knowledge for a Prosperous, Inclusive, Resilient, and Sustainable Asia and Pacific. It follows two preceding ones – *KM Directions and Action Plan (2013-2015): Supporting “Finance++” at the Asian Development Bank* and *KM Action Plan 2009-2011*.
2. The action plan is anchored to ADB’s overall corporate strategy known as *Strategy 2030*. There is no separate KM policy or strategy. Strategy 2030 commits ADB to:
 - (i) Increase collaboration by instituting a “One ADB” approach, bringing together knowledge and expertise from across the organisation to increase learning, innovation, and impact in developing member countries
 - (ii) Improve the quality of knowledge services through deeper analysis and research, expedite greater knowledge sharing across countries, and make business processes more efficient
 - (iii) Use country-focused approaches, emphasizing practical knowledge that fits local conditions; identify lessons; and replicate good practices across the region and beyond.
3. The stated purpose of the 2021-2025 action plan is to:
 - Increase ADB’s value-addition.
 - Boost client satisfaction.
 - Bolster ADB’s role as a trusted knowledge provider.
4. The aims of the action plan are stated as:
 - (i) Move from counting knowledge products and services to providing knowledge solutions that clients need.
 - (ii) Reduce knowledge silos, connect people, and increase collaboration.
 - (iii) Increase the relevance and quality of knowledge.
 - (iv) Strengthen the capacity of country teams, including resident missions, to manage knowledge and strengthen relationships.
 - (v) Optimise the contribution and learning of staff members, consultants, and partners to benefit the bank.
5. The KM action plan 2021-2025 has three pillars:
 - (i) Invest in people and culture, including the need to recruit people with KM competencies and their assessment during performance review.
 - (ii) Improve processes and systems, including a stronger role for resident missions.
 - (iii) Strengthen relationships

Organisational arrangements, resourcing and scope

6. The KM action plan 2021-2025 states that the plan has implications for everyone in the organisation, all departments and offices will be responsible for its implementation. Organisationally, KM comes under a Vice President for Knowledge Management and Sustainable Development as shown in the figure to the right. This brings together many departments, divisions and units that are generators of knowledge.
7. Coordination of the 2021-2025 action plan is vested in an (expanded) KM group. The secretariat and facilitator of the action plan is the Knowledge Advisory Services Centre under the Sustainable Development and Climate Change Department (shown at the bottom of the diagram on the right).
8. The KM action plan identifies five groups of organisational constraints to the strengthening knowledge:
- A **culture** that does not fully value knowledge work as lending is valued more; discussion, debate and dialogue are insufficiently nurtured; and the culture does not enable rapid learning from failure and success
 - **Organisational silos** and **competing resource envelopes** get in the way of effective and purpose-driven coordination of lending and knowledge work – *The structural separation of knowledge-intensive, administrative, and operations departments creates an artificial rift between operations and knowledge work.*
 - Institutional and/or procedural gaps including:
 - » a lack of clear **incentives** for knowledge work
 - » portfolios dominated by **transactions** rather than knowledge
 - » few **resources** for knowledge work in middle-income countries
 - » too little long-term **capacity building** and institutional strengthening in low-income, fragile and conflict-affected countries
 - » too much **outsourcing** of knowledge work to consultants
 - » insufficient rigorous **peer review** of knowledge work
 - » variable levels and quality of knowledge management **tools and applications**
 - » variable level of **resident mission** capacity to inform and manage knowledge work
 - » a static rather than dynamic country knowledge plan exercise means a **rapid response** to changing country needs is not incentivised
 - » weak **knowledge-coding** measures to be able to access knowledge
 - » Lack of a **results focus** – ADB has not sufficiently emphasised reporting on and measuring knowledge solutions and their impact in its developing member countries
 - » Not-fit -for purpose data management systems.
9. The KM action plan 2021-2025 notes that *determining the exact level of resources dedicated to knowledge work is not feasible* because knowledge work is integrated into departmental operations. It proposes various proxies though none allow actual allocations to KM to be quantified with any degree of accuracy. In terms of incremental resources, the action plan notes that the 2020-2022 Work Plan and Budget Framework states *ADB's effort to offset future staff requirements will be achieved*



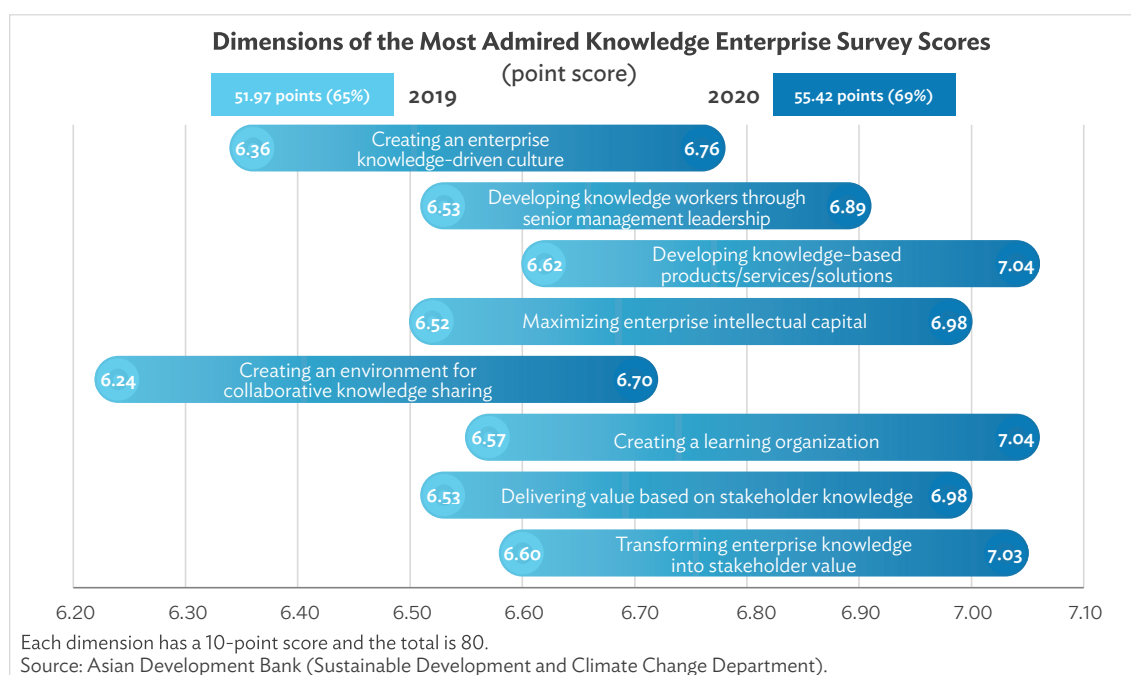
through productivity enhancements. The work plan considers that many of the actions proposed will be cost neutral and/or can be financed by budget reallocation. The action plan proposes to use existing resource allocation processes strategically to seek additional resources. It would seem that funding for increased KM is uncertain.

- The fourth of five principles underpinning ADB's 2021-2025 KM action plan is: *Technology enabled: ADB leverages information technology and uses it well*. The action plan notes one recent initiative, including the setting up of a Knowledge Partnership Database in 2019. Appendix 4 lists some knowledge management tools but these are extremely generally stated, and it is unclear which exist and what is planned.

Results and value-added from KM

10. The fifth of the five principles underpinning ADB's 2021-2025 KM action plan is: *Results focused: the results of knowledge work are monitored and measured*. The action plan contains a theory of change for KM in ADB.
11. The theory of change in the KM action plan purportedly draws on [ISO 30401: Knowledge management systems – requirements](#). The theory of change has an excessive focus on a description of what will be done and achieved, but little on why this is important in terms of the value created. As such, it is unlikely to persuade KM sceptics that the actions are justified. The theory of change contains one assumption and nothing on risks, so it does not provide an adequate basis for a theory-based approach to results achievement.
12. The KM action plan 2021-2025 contains a results framework. The indicators are aggregate measures of things like client or staff satisfaction, numbers of outputs, staff or client performance or quality ratings, perceptions of various activities. There are no indicators that seek to establish the value of knowledge or the use of knowledge. Of course, these would be extremely difficult to measure in aggregate (and so likely be of dubious validity), but case study analysis of value creation would be entirely feasible and should be considered. It could build on the start made in Appendix 3 of the KM action plan: Examples of knowledge solutions.
13. ADB has been working to embed KM for 20 years. The key lesson from this long experience is that there is still *the need for a stronger bank-wide harmonised approach to managing knowledge*. Recent experience has yielded the following lessons.
 - Only a few organisations have been able to fully embed KM into business processes.
 - COVID-19 opened up new opportunities through forcing greater use of digital technology – in 2020, ADB produced over 1,000 COVID-19-related knowledge products and services. It also forced staff to become more collaborative and open-minded while managers became more inclusive, team-driven and open to risk.
 - Measuring the results from KM efforts is a key trend.
 - KM must be linked with ADB's business needs, particularly in terms of fostering innovation and aligning with Strategy 2030.
 - Remaining challenges include:
 - » overcoming the difficulty of locating needed expertise across the Bank
 - » better fostering debate and discussion across the Bank
 - » creating space for collaboration beyond jointly working on documents and also there is more to do on creating a culture of collaboration
 - » the need to better balance workloads – KM should not be something done on top of the 'normal' job.
14. ADB has a [Corporate Results Framework 2019-2024](#). There are two indicators directly focussed on learning and knowledge management. The first is *Clients satisfied with the use of ADB knowledge products (%)* with a baseline value of 78% and a 2024 target of 80%. This indicator has five related tracking indicators: (i) *Web-distributed knowledge solutions (number of downloads)*, (ii) *Engagement on social media (number) a. Subscribers and followers b. Active engagement*; (iii) *Event participants reporting increased knowledge and/or skills (number)*; (iv) *completed technical assistance projects rated successful (%)*; and (v) *impact evaluations completed*.

15. The second KM indicator is *Staff rating ADB as an effective knowledge and learning organisation (%)*. The baseline figure was 63% and the target by 2024 is 75%. This indicator has an associated tracking indicator (indicators not subject to Board approval) – *Knowledge products and services drawn from k-Nexus (number)*. *k-Nexus* is ADB's tool for planning, finding, and monitoring future and completed knowledge products and services along service types (e.g. capacity development event, knowledge partnership, learning event), product types (e.g. database, multimedia publication), countries, sectoral and thematic subjects and years.
16. There are two indicators related somewhat to learning and knowledge management - Staff rating ADB's effectiveness in digital transformation (%) and Staff rating ADB as providing enabling culture for Strategy 2030 implementation (%). The baseline for the former was 68% with a target of 75% by 2024 and for the latter the figures were 58% and 70%.
17. The [2020 Development Effectiveness Review](#) published in April 2021 has a chapter on ADB as a *Knowledge Organisation*. This provides an update for the indicator on client satisfaction with the use of ADB's knowledge products – being 79% in 2020, just shy of the 80% target (the survey is conducted every two years). Eighty-three percent of technical assistance projects were rated *successful*. In terms of ADB staff rating on whether ADB is an effective knowledge and learning institution, 69% considers it was in 2020, up from 65% in the previous year and considered on track to reach the 2024 target of 75%. The staff rating of ADB's effectiveness in digital transformation was significantly up in 2020, at 80% exceeding the 2024 target of 75%. Data on engagement on social media and web-distributed knowledge solutions showed an upward trend.
18. The 2020 Development Effectiveness Review discussed the benefits of IED's validation guidelines for TA, which have been adopted by project teams. It notes that TA is one of the most important products for financing knowledge solutions so the new guidelines will increase the robustness of TA performance ratings and the derivation of lessons from their implementation.
19. The staff rating of ADB as a knowledge organisation is based on the Most Admired Knowledge Enterprise (MAKE) survey of all ADB staff. The MAKE score has eight dimensions, all of which improved from 2019 to 2020 as shown in the figure below.¹⁵



20. ADB is a member of APQC (see last section of this annex for a description of APQC and its services for KM). In response to a question from the evaluation team, the Knowledge Advisory Services Centre indicated it has got the following benefits from its membership:

15. The MAKE Award is now the [Most Innovative Knowledge Enterprise](#) (MIKE), which is further discussed in the last section of this annex

- (i) Reference materials to help design various knowledge events and prepare retrospective assessments of some of the bank's KM initiatives.
- (ii) Guidance and support for assessing of ADB's KM Capacity in 2016 to gauge its maturity as a knowledge organisation.
- (iii) Resource materials in preparing action plans related to knowledge management.
- (iv) Reference materials for client countries that are building their KM capacities.
- (v) Materials for drafting terms of reference for KM focals and consultants.
- (vi) Resource materials for defining different ways of measuring the results/impact of knowledge.
- (vii) Lessons cited as part of ADB's technical assistance supporting knowledge hubs and partnerships.

Culture and incentives

- 21. The third of the five principles underpinning ADB's 2021-2025 KM action plan is: Culture and learning driven: the importance of organisational culture and learning is recognised by all of ADB and reflected in all its processes and systems.
- 22. The action plan draws lessons from ADB's response to COVID-19 in terms how this accelerated culture change (see above).
- 23. In November 2020, ADB launched a Culture Transformation Initiative, but no details of this are available online.

What the Independent Evaluation Department's 2020 evaluation says about KM in ADB

- 24. In July 2020, ADB's IED issued an evaluation report entitled [*Knowledge Solutions for Development: An Evaluation of ADB's Readiness for Strategy 2030*](#). An illustrated summary of the findings is available here. A few of the points considered more relevant to the EBRD are noted below.
 - Insufficient incentives to develop and share knowledge solutions.
 - Silos hinder the flow of knowledge.
 - Organisational culture hinders innovation.
 - Inadequate measures to capture and codify tacit knowledge.
 - Insufficient benchmarks, targets and metrics to measure the production and contribution of knowledge.

Victories and failures

- 25. ADB has strong organisational arrangements for KM with the function having its own vice-presidency (also covering sustainable development). It has within this structure a Knowledge Advisory Services Centre with a strong team. ADB has a history of producing KM action plans, the most recent published in March 2021 is well anchored in the Bank's overall strategy – Strategy 2030. Coordination of the action plan implementation is vested in an expanded KM group drawn from across the Bank. In turn, there are a number of knowledge related indicators in the corporate results framework.
- 26. Another positive is that a crisis can be a powerful motivator of change – in this case COVID-19 significantly increased the use of digital technologies, increased the number of knowledge products and services, and increased collaboration while managers became more inclusive, team-driven and open to risk. The question will whether these advances will be sustained or there will a reversion to 'business as usual' once the crisis has passed.
- 27. The March 2021 KM Action Plan has a theory of change (which reportedly draws on ISO30401) and a results framework, which are positive. However, both are superficial as both fail to identify the value that is expected from knowledge management. Recognising that reporting on value created is a challenge, KM sceptics are only likely to be persuaded to invest in KM if the business case can be plausibly demonstrated.
- 28. ADB launched a Culture Transformation Initiative in November 2020, but details of this are not known. If this is a serious initiative, it could make a significant difference to learning (particularly from failure and risk appetite). However, senior leadership will have to mirror the expected behaviour and align incentives.

29. Despite these visible positives, the constraints facing KM in ADB sound all too familiar – a culture that does not fully value knowledge work; organisational silos competing for resources; a lack of clear incentives for knowledge work; too much outsourcing of knowledge work to consultants; quality assurance issues with knowledge products and a lack of peer review leading to variable quality; variable levels and quality of KM tools; weak coding of knowledge limiting its accessibility; a lack of a results focus; and not fit-for-purpose data management systems. IED's 2020 evaluation echoes a number of these constraints.
30. A key lesson emerging from the Bank's 20-year experience of fostering KM is that there is still *the need for a stronger bank-wide harmonised approach to managing knowledge*. Other lessons also indicate that there are still significant challenges.
31. The feeling is that much has been achieved through the various action plans and initiatives, but fundamental problems remain. The most recent action plan was the product of bank wide collaboration, but it remains unclear how much top-level support there is for this bottom-up action plan in the face of competing priorities. While the inclusion of knowledge indicators in the corporate results framework is superficially positive, it is again unclear how motivational these are and to what extent they are cascaded down to the departmental level.

Possible ideas for the EBRD

32. Some thoughts that emerge from ADB's experience that could inform the EBRD include:
- There is a need to be cautious about grand action plans in a context that may not be fully supportive of follow-through.
 - The use of theories of change and results frameworks can potentially be useful, but they have to be detailed to be value-adding.
 - The 8-dimension MAKE (now MIKE) staff survey score, and the inclusion of this indicator in the corporate scorecard could be an idea worth exploring for the EBRD.
 - Use of ISO 30401 could be useful.

INTERNATIONAL FINANCE CORPORATION

Guiding KM policy, strategy and/or action plans

33. Significant events in the evolution of KM in IFC are shown in Table 1.

Table 1: Significant KM initiatives at IFC

Year	Initiative
2008	Following the implementation of IFC's Global/Local strategy in 2008, IFC introduced a corporate approach to managing knowledge to ensure that staff in an increasingly decentralised organisation could access knowledge from across the world.
2009	In 2009, the Global Knowledge Office, as well as a governing body, the Knowledge Strategy Committee, were established to maintain the Corporation's global knowledge, learn from its operations, and increase efficiencies. Initial investments in information and knowledge capture and organisation, SmartLessons and iCollaborate, soon followed.
2017	The Economics and Private Sector Development Vice Presidency established to lead the creation of evidence and evaluation-based research and thought leadership.
2020-21	A KM strategy and action plan are under development

34. IFC is well advanced with developing a KM strategy. This appears to be a first strategy for IFC itself. The KM strategy is anchored to the corporate strategy, IFC 3.0 and important part of which is thought leadership though knowledge management is not a specific target. An implementation plan is also ready for approval.

35. The KM strategy is built on what is being called the 4 x 4 Foundation of four principles and four pillars. The principles are:

- **Alignment** – KM must align and be embedded within the business; it should be business driven
- **Obligation** – sharing knowledge is a corporate and professional obligation.
- **Balancing push and pull** – fundamental knowledge needs must be met in order to meet business objectives. Once this is achieved staff need space and time to satisfy curiosity, expand their horizons and think about the next big thing.
- **Including tacit and explicit knowledge** – this involves not only capturing and using knowledge in repositories but also knowledge in people's heads.

36. The four strategic pillars are:

- People, culture and organisation – this pillar brings the human elements of KM together via:
 - » *Incentives* – using 'carrots' and 'sticks'.
 - » *Governance* – how knowledge decisions are made, and priorities set.
 - » *KM organisational structure* – organisational structure and staffing required to deliver and measure an integrated programme, including the off-shore and regional component.
 - » *Building a knowledge sharing culture* – the change management and awareness-building to support knowledge sharing.
 - » *Professionalising KM across IFC* – the skills and abilities required to ensure a robust KM agenda.
- Well managed content in all its forms – contextual and curated content that is relevant and timely, which involves/includes:
 - » *Tacit knowledge* – capture mechanisms in place to ensure tacit knowledge is not lost.
 - » *Contextual content management* – extend the existing web-based content by integrating knowledge in other repositories.
 - » *Lessons learned* – develop a central repository integrating the standalone collections.
 - » *Thought leadership* – ensuring knowledge is easily findable to support the development of cutting-edge thought leadership.
- Supporting collaboration between individuals, teams and partners, including via:
 - » *People pages* – marketed as part of onboarding and self-branding, auto-populated for incoming staff.
 - » *Corporate social networking* – building out the value of one-to-many communications through communities.
 - » *World Bank collaboration* – leveraging relationships with WBG global practices and regions to collaborate across silos.
 - » *External expertise and knowledge* – ensuring the inclusion of external knowledge, resisting the urge to only use IFC knowledge.
- Ease of use of technology, including:
 - » *Search and findability* – to address longstanding issues.
 - » *Central KM intranet presence* – develop the unifying layer to bring business unit KM together to support IFC knowledge flow.
 - » *Artificial intelligence and machine learning* – launch the Knowledge Packages and build a pipeline of other opportunities to apply machine learning.

Organisational arrangements, resourcing and scope

37. IFC has a central Global Knowledge and Learning Unit with 13 staff positions (some of them consultants) that reports to the Senior Vice-President Operations. The purpose of this office is to ensure *that the creation, management and reuse of knowledge at IFC is deliberate, coordinated and strategic*. Recognising that IFC's knowledge is 'owned' by the business, the role of the unit is:

- Develop, manage and track IFC's corporate learning and KM strategy.

- Improve staff effectiveness by enhancing access to quality knowledge and learning.
- Cultivate knowledge and expertise to grow the business.
- Create and sustain a knowledge and learning culture in IFC.

38. Business-wide it is estimated there are 30-40 staff undertaking KM-related functions, but the situation is not clear as KM roles are often mixed with communications, event organisation and other functions.

Results and value-added from KM

39. IFC has established KM metrics working group. Information was not available on the status of measuring the results or value-added, but this is clearly something that is seen as important by IFC.

40. IFC has applied the American Productivity and Quality Centre's (APQC's) KM maturity assessment tool – measurement is an assessed capability under the processes category.¹⁶ However, its rating under this tool is not known.

41. In terms of actual results obtained, the March 2021 publication [*Realizing the World Bank Group's Knowledge Potential for Effective Development Solutions: A Strategic Framework*](#) has an excellent series of case studies for both World Bank and IFC, separately and in collaboration. As well as providing valuable information on results, the case studies illustrate the power and utility of the case study method, not only in providing hard evidence of results, but also some degree of explanation as to why things turned out the way they did. A potential problem of purposefully selected case studies is that they can be chosen to only provide examples of success. Some of the IFC cases are summarised in the bullet points that follow:

- **IFC's knowledge for private sector development** (Box 3 in the Strategic Framework document) – for IFC, the creation and external dissemination of operational knowledge to its clients and partners is a key component of its thought leadership approach which consists of three complementary elements: (i) convening (ii) content generation and (iii) standard setting.
 - » IFC generates knowledge on private sector development from three sources:
 - › Insights and data from operational activities
 - › Original research
 - › Research and knowledge captured from convening activities.
 - » On generating knowledge from convening activities, the case notes IFC's establishment of [*Private Sector Development Research Network*](#) (the EBRD is a member).
 - » The case notes that IFC has rich history of promoting market standards drawing on its knowledge, including the Equator Principles for common ESG standards; Green Bond Principles; Blended Finance Principles; and, Operating Principles for Impact Management.
 - » The case also provides an example of how knowledge work can lead to investment – the example given here is IFC introducing the WBG Scaling Solar Program to Uzbekistan in 2018 with the signing of an advisory agreement for a tender process. This culminated in financial close with IFC financing a payment guarantee. A second round of tenders has recently been launched.
- **Mozambique's energy sector transformation** – a coordinated engagement leading to significant investment for IFC, WB and MIGA.
 - » IFC provided advisory services to the utility, Electricidade de Moçambique. This work has led to a proposal for IFC debt financing of the project for around US\$100 million for a 450 MW power project (Central Térmica de Temane, S.A.).
 - » Meanwhile WB will be financing a transmission line and providing IDA guarantees to the project while MIGA guarantees the sponsors – together with investments in the gas sector about US\$1 billion of business.
- **Peru: leveraging knowledge from the Joint Capital Markets Program** – Over recent years, Peru's government has actively engaged in legislative improvements in support of an enhanced

16. More on this assessment tool is available here.

role for local capital markets; one such improvement had focused on legislation supporting the digitalisation of receivables. However, this had failed to yield a large increase in the factoring market which when successful, facilitates quicker access to capital for businesses, included SMEs, using outstanding accounts receivables. Peru had the preconditions for factoring to become a successful capital markets instrument with a relatively mature mutual fund industry, sophisticated investors base, an adequate market infrastructure, and appropriate regulatory framework.

- » In September 2018, IBRD with the capital markets regulator held several round tables between private and public sector players in Peru while IFC engaged with the government specifically on the issues of digitalisation of receivables. Under the IBRD and IFC J-CAP umbrella, a multidisciplinary team of advisory and investment specialists met with relevant public and private sector stakeholders.
- » IFC contributed its knowledge of the ecosystem and best practices in the factoring market in Peru and other countries. Despite local banks having relegated factoring as a minor business segment, the WBG identified the market's potential for SMEs and envisioned that Peru's capital markets could play a larger role by supporting financial entities providing factoring services to SMEs.
- » This engagement provided IFC with valuable knowledge on the sector and led to a project with asset manager Compass, the largest non-bank factoring entity in Peru. In August 2020, IFC committed up to US\$21 million equivalent in local currency to be invested in the Compass factoring fund, a multi-sectoral local capital markets instrument.
- » This fund channels resources from institutional investors, which buy quotas of the fund at an attractive yield, to finance the working capital needs of nearly 150,000 SMEs. The latter has been especially important during the COVID pandemic.
- » Additionally, through the IFC Investment, Compass agreed to enhance its environmental and social management system and won the local award for Responsible Investor of the Year 2020.
- IFC investment climate support to the 17 African countries participating in the [Organisation for the Harmonisation of Business Law in Africa](#) (OHADA). Through this programme, IFC and OHADA enacted four Uniform Acts: on Secured Transactions (2010), Commercial Law (2010), Company Law (2014), and Insolvency (2015).
 - » The OHADA Uniform Act on Secured Transactions came into force in 2011 in all OHADA member states and introduced new mechanisms for collateral. When evaluated, IFC employed the synthetic control method to estimate if the Act had generated any impact on domestic credit in OHADA member states.
 - » The evaluation found that between 2011 and 2015, the Act led to additional domestic credit to the private sector of more than US\$3.8 billion in seven member states. Results were inconclusive for three countries. Due to a lack of data, the method could not be employed in seven countries. The evaluation report is available [here](#).
 - » The launch of results at the ministerial meeting by the OHADA Secretariat in January 2019 has triggered policy dialogue among member states, including to address issues hindering the impact of the uniform acts, leading to IFC advisory projects to address evident issues.
- **WB Country Private Sector Diagnostics leading to investment opportunities for IFC** – as part of IFC's 3.0 Strategy, IFC has been utilizing Country Partnership Strategy Diagnostics (CPSDs) to provide the analytical underpinnings for the private sector agenda in client countries.
 - » For example, the Jobs and Economic Transformation Program for Results (PforR) loan for Senegal, for which preparation has recently started, is in part inspired by the Senegal CPSD recommendations. Horticulture was one of the key value chains proposed in the CPSD and it is one of the main focus areas of the PforR. Recommendations for strengthening the capacity of the FONGIP guarantee fund came out of the CPSD as well.
- **Healthcare sector knowledge work in Colombia leading to investment opportunities for WB and IFC** – the World Bank and IFC worked together to develop the Healthcare System Quality Assessment Tool (the Tool). The Tool combined (i) the IFC's IQ Healthcare Tool, a diagnostic tool that assesses the quality of care at public and private hospitals level and (ii) a system wide

assessment of the sector, including the vision/ strategy of the government, regulations incentive mechanisms, accreditation system and other system-wide aspects.

- » This first joint diagnostic was rolled out in Colombia in 2019 and as a result, the team produced a set of tangible and practical recommendations to improve quality of care.
 - » This effort was the first joint WB-IFC work in the sector in Latin America and has led to lending operations for the WB and investment opportunities for IFC. The WB signed a US\$190 million P4R with disbursement tied to selected report's recommendations (P170298 and P168263). This was the first P4R in Columbia and the first loan in healthcare in Colombia in 25 years.
 - » The WB also approved a COVID-19 Crisis Response DPF (P174118) of US\$250 million to Colombia. One of the pillars of the Crisis Response DPF is healthcare, and it directly draws from the report's recommendations.
 - » IFC is currently considering investments in private hospitals, both sourced through this work.
- **Tools for capturing lessons** – three are featured in Box 4 of the Strategic Framework document
 - » **After-action reviews** – are designed to help teams learn from successes and failure. The short, facilitated reviews identify what to do more of, and what to change along with recommendations for future projects. The reviews may take place after first disbursement, at exit or for cancelled projects. Lessons identified are shared with relevant audiences.
 - » **SmartLessons** is the IFC programme awarding excellence in lesson capture. It is aimed at internal and external audiences and is designed to encourage and incentivise staff and others to share lessons. However, it is unclear if this programme is still active since the most recent lessons date from 2017.
 - » **EMCompass Notes** are short knowledge notes written by IFC staff to share insights and learning

Culture and incentives

42. As noted above, building a knowledge sharing culture is part of one of the pillars of the KM strategy, and building this culture is part of the role of the Global Knowledge and Learning Unit. Incentives are also being looked into by the KM metrics working group.
43. The APQC KM maturity assessment tool mentioned above assesses organisational culture for KM as part of the change management capability under the category of people.

Victories and failures

44. IFC has a well-staffed Global Knowledge and Learning Unit and is as of writing was expecting approval of a first KM strategy and action plan. While IFC is still obviously part of the WBG, the development of its own strategy and plan responds to the corporate strategy IFC 3.0. The knowledge unit reports to a senior vice-president.
45. The recognition that in IFC KM must be business driven is a strength. However, this makes it even more important to be able to demonstrate value added to make the business case. While the challenge of knowledge metrics has been long recognised, this remains a challenge for IFC. However, the series of case studies in the WBG publication *Realizing the World Bank Group's Knowledge Potential for Effective Development Solutions: A Strategic Framework* clearly show the value of the case study approach for demonstrating value-added. In these, the investment in knowledge sharing has clearly led to investment opportunities.
46. While the main elements of the action plan all seem reasonable, questions remain on the level of high-level commitment, whether intentions will be backed up by resources, and whether the actions will address longstanding challenges.

Possible ideas for the EBRD

47. The most important idea for the EBRD emerging from the IFC experience is to use case studies to demonstrate value creation from KM activities. Of course, a potential problem of purposefully

selected case studies is that they can be chosen to only provide examples of success whereas for credibility and learning reasons, they should be prepared for the full range of outcomes. One way of achieving this is to create a random sample for case study assessment.

48. The use of after-action reviews is another idea that the EBRD may wish to consider.

World Bank

Guiding KM policy, strategy and/or action plans

49. A timeline of 25 years of KM in the World Bank is shown in Table 2 below. Among other things, this illustrates the emergence of policy, strategy and plans. This is taken from the March 2021 publication [*Realizing the World Bank Group's Knowledge Potential for Effective Development Solutions: A Strategic Framework*](#). The preparation of this document was a commitment made under the 2018 IBRD/IFC capital increase. It is worth quoting from the [*Sustainable Financing for Sustainable Development: World Bank Group Capital Package Proposal*](#) document to better understand the rationale for the KM strategic framework.

The WBG's knowledge and convening role will increase to support the design and sharing of development solutions for greater impact. This includes strengthening ongoing engagements and developing new ones, effectively utilizing the power of new technology and innovations that are critical to address the SDGs. The WBG effort's will focus on sharing new research to underpin improved policymaking on emerging challenges; systematically harnessing and sharing knowledge (e.g., South-South exchange) embedded in financing operations across the income spectrum; supporting innovative approaches for data collection; continuing to strengthen public access to development data; helping countries share experience on maximizing finance for development; and convening the public and private sectors on pressing global challenges. The World Bank will develop a Strategic Framework for Knowledge Generation and Sharing to preserve and enhance its comparative advantage in this area [emphasis in original].

50. The main points of significance from the March 2021 strategic framework document are given below:

- The three main challenges in ensuring the WBG leadership role in development knowledge and innovation are identified as:
 - (i) Enhancing the relevance, quality and impact of WBG analytical work and advice.
 - (ii) Improving knowledge flows and collaboration across the WBG.
 - (iii) Fully realising WBG's potential to learn from operations to ensure its role as a leader in development evaluation.
- The framework is grounded on three pillars of action:
 - (i) Strengthen systems for greater prioritisation, evaluation, quality control and effective strategic outreach.
 - (ii) Strengthen incentives at all levels of management and staff for enhanced emphasis on knowledge.
 - (iii) Strengthen human capital through strong recruitment, clearer career paths, and appropriate training.
- There are also two crosscutting action areas:
 - (i) Improve outcome orientation and performance metrics.
 - (ii) Improve information and communication technologies.
- The framework was developed by a group of 24 World Bank staff from across the Bank, with an additional four staff from IFC and one from MIGA involved. There was wide internal and external consultation. It is interesting that the strategic framework is for the WBG as a whole but, as noted above, IFC is preparing its own KM strategy and action plan.

Table 2: Significant KM initiatives at the World Bank

Year	Initiative
1996	President James Wolfensohn articulates the concept of the Knowledge Bank and knowledge networks. The Bank's "networks" initiative begins – these are tasked with addressing emerging development issues and ensuring the flow of knowledge throughout the Bank to support the work of staff.
1998-99	World Development Report: Knowledge for Development is published. The report analyses the risks and opportunities that the global information revolution is creating for developing countries.
2000	The World Bank's Development Committee report, Poverty Reduction and Global Public Goods: Issues for the World Bank in Supporting Global Collective Action, cites sharing development knowledge as one of five focus areas as the Bank increases its emphasis on producing global public goods and recommends that its knowledge role extend beyond country clients.
2003	The Bank's management information systems begin incorporating knowledge "products," with deliverables and predefined milestones and with monitoring of most knowledge products similar to that for lending products. The Independent Evaluation Group (IEG, formerly Operations Evaluation Department) publishes its report, Sharing Knowledge: Innovations and Remaining Challenges .
2004	The Organizational Effectiveness Task Force notes that the Bank is not capturing the full potential of being a global knowledge-based organisation and recommends building networks to leverage global knowledge and improve the quality of client services.
2003-2007	The Quality Assurance Group [later disbanded] reviews economic and sector work and technical assistance in 53 countries, assessing them in the context of country assistance strategies, in consultation with local officials and stakeholders.
2008	IEG report entitled Using Knowledge to Improve Development Effectiveness: An Evaluation of World Bank Economic and Sector Work and Technical Assistance, 2000–2006 is published. It finds that clients prefer the Bank's reports and technical assistance, but it also finds that the results tracking system for knowledge work in the Bank has some serious weaknesses and that more follow-up with clients after delivering products would strengthen impact.
2009	The Knowledge Strategy Group, formed to oversee the preparation of a knowledge strategy, identifies nine product lines as the core of the Bank's knowledge business, for three audiences: knowledge for clients, knowledge as a public good, and knowledge for internal use.
2010	President Robert Zoellick launches the Open Data, Open Knowledge, Open Solutions, and related policies on Access to Information, resulting in many databases becoming publicly available free of charge, including the World Development Indicators. The 2010 Knowledge Strategy, Transforming the Bank's Knowledge Agenda: A Framework for Action , is adopted. The Knowledge and Learning Council is established to manage knowledge initiatives, including this first Knowledge Report.
2011	Report entitled The State of World Bank Knowledge Services marks the first time that the Bank systematically reviewed its knowledge services, advancing concrete proposals for measuring results and modernizing the management of the Bank's knowledge work. Six Knowledge Platforms are funded for three years, to support co-generation of knowledge from diverse sources and institutions, by engaging with researchers, policy makers, and practitioners to fill knowledge gaps on developmental issues.
2013	IEG report entitled Knowledge-Based Country Programs. An Evaluation of World Bank Group Experience, 2005–11 was published. A Policy Research Paper entitled Toward a conceptual framework for the Knowledge Bank was published. This paper proposes some basic elements of a conceptual framework to help organise the thinking about policies that can strengthen the knowledge mission of the World Bank.
2014	President Jim Yong Kim implements an organisational restructuring from the networks to a global practice (GP) model. The model partly sought to improve flows of knowledge across regions.
2018	<i>A Knowledge Strategy for the World Bank</i> , by Acting Chief Economist Shantayanan Devarajan is presented internally and highlights many areas for needed improvement.
2019	IEG report entitled <i>Knowledge Flow and Collaboration under the World Bank's New Operating Model</i> is published. The evaluation found that certain aspects of the operating model are valuable...However, the model's structure and processes tended to inhibit collaboration and cause inefficiency, fragmentation, and internal competition. Some Global Practices lacked coherent and systematic approaches to managing and investing in knowledge. The publication World Bank Knowledge Sharing and Reuse Incentive Framework used behavioural science to propose a framework for knowledge sharing.
2020	Organisational restructuring from global practice model to hybrid GP/regional model.
2021	The publication Realizing the World Bank Group's Knowledge Potential for Effective Development Solutions: A Strategic Framework is issued.

- The strategic framework acknowledges the role of a crisis, in this case caused by COVID-19, in creating a strong incentive for collaboration to facilitate the flow of knowledge across the three entities of the WBG (WB, IFC and MIGA), and across regions, Practice Groups and the Development Economics Vice Presidency. The interesting question, which can perhaps be answered by looking at what happened during and after the global financial and economic crisis, is will these new ways of collaborating and the greater flow of knowledge be maintained, or will there be a return to the former ways?
- Past efforts to realise the WBG's potential as a knowledge institution focussed on two themes:
 - (i) Putting in place mechanisms and incentives to better carry out the knowledge mandate.
 - (ii) Searching for an optimal organisational structure to remove silos that impede the flow of knowledge.
- The March 2021 framework indicates that it differs from past efforts in four aspects:
 - (i) A renewed emphasis on the interdependence between knowledge and financing (projects essentially) – knowledge informs the design of financing and knowledge can be drawn from financing operations.
 - (ii) A 'whole of Bank approach' involving all Bank staff drawing knowledge from financing, facilitating the flow of tacit knowledge embedded in staff, and ensuring that knowledge informs financing – an important consequence of this is recognition of the fact that managing the generation and flow of knowledge is the task of all WBG staff and not of a single unit.
 - (iii) Taking the opportunity created by the new organisational structure put in place in July 2020 and the accompanying revitalised focus on knowledge among WBG senior management.
Comment: it is unclear what is specifically different that creates a new opportunity.
 - (iv) Consistency with the heightened emphasis on outcome orientation.
- The strategy envisages that a useful categorisation of knowledge work is geographical:
 - » **Country level work:** knowledge is captured in country strategies drawn from knowledge work such as country diagnostics, core analytical products and policy memos.
 - » **Regional:** including topical and sector reports.
 - » **Global:** including the maintenance of global data sets and flagship reports.
- WBG has established three knowledge product categories:
 - » **Advisory Services and Analytics (ASA):** analytics focuses on the creation of new knowledge while advisory services focus on the application of pre-existing knowledge, customised as needed. In FY19 WB produced over 1,600 knowledge products while IFC produced almost 800 in more than 115 countries. Reimbursable Advisory Services are a subset of ASA – in FY19 120 were produced in 35 countries. ASA accounted for around 88% of the annual budget for knowledge products.
 - » **Research:** generation of original ideas and novel methodological tools aimed at increasing the understanding of economic and social issues to inform policy dialogue and influence development thinking. This category accounts for about 7% of the annual budget for knowledge products.
 - » **Internal Knowledge Products:** are targeted at Bank staff to support professional development. This category accounts for about 5% to 6% of the Bank's budget for knowledge products.
- The strategic framework recognises the importance of **tacit knowledge**
 - » It says a significant part of the WBG's knowledge is tacit – often experience difficult to “download” from an expert's head – yet important to informing financing and “front line” policy advice that the WBG provides to its clients. In this sense, it is important to treat codified knowledge products as only a subset of the overall knowledge mission of the WBG.
 - » It further notes front-line policy advice is the tip of a “knowledge iceberg,” resting on a deep installed capacity of research and practitioner knowledge. It is in the context of this practitioner knowledge that IFC is focused on enhancing its available tools to capture the tacit knowledge in-house while also enabling a broader pool of produced knowledge products to benefit project design and further enhance the development impact of IFC's engagements.

- On **increasing the relevance, quality and impact of knowledge products** (one of the three challenges noted above) the strategic framework has the following to say:
 - » The absence of definitive metrics for relevance, quality, and impact of knowledge products makes any such diagnosis impressionistic.
 - » Since direct measures of interest (relevance, quality and impact) are limited, the strategic framework discusses challenges in the context of three key inputs that need to be in place to ensure these outcomes at the outset in a demanding quality-at-entry process. These inputs are (i) adequate resourcing, (ii) client engagement, and (iii) appropriate human capital.
 - » Ensuring priority knowledge products get financed is complicated by the fact that while funding for ASA products has risen sharply over recent years, the increase has largely come from external funds while the Bank budget contribution has been largely flat – donor priorities may not match those of the Bank or clients.
- On **human capital and incentives** challenge, the strategic framework makes the following points:
 - » The *sine qua non* of knowledge work is the underlying human capital of the WBG staff members who engage in this work. This is true not just for formal written documents and reports, but also for the more “tacit” products like nuts-and-bolts TA where product quality is hard to measure.
 - » One piece of evidence pointing to the importance of this tacit knowledge is research showing that the expertise of the TTL is a key determinant of a project meeting its development objectives – as important as conditions in the country in which the project is implemented (Denizer, Kaufmann and Kraay (2013), Bulman, Kolkma and Kraay. 2018).
 - » Raising the quality of knowledge products over time will require raising the level of human capital.
 - » Many tasks require specialised advanced skills that need to be maintained over time. The need for specialised knowledge also means that knowledge must flow well across the institution, irrespective of the specific units to which the individuals are assigned.
- On **improving knowledge flows and collaboration** across the WBG the strategic framework notes the following:
 - » Three features are particularly important to highlight.
 - (i) First, knowledge is both produced and consumed throughout the WBG's organisational structure – there are no units that specialise entirely in the one or the other. Therefore, mechanisms for knowledge flows do not simply require staff in certain units to teach those in others – rather they need to facilitate a complex web of knowledge exchange across all functional units in the WBG.
 - (ii) Second, high-quality knowledge work to meet the needs of increasingly sophisticated clients requires specialised skills from a range of disciplines. Impressive as many WBG staff are, all necessary skills for a particular activity are unlikely to be found in individual “renaissance men and women”. Rather, they require active collaboration and knowledge sharing across large teams of specialised staff.
 - (iii) Third, an important body of tacit knowledge at the WBG exists in individual staff members' heads. Accessing this knowledge requires collaboration, combined with innovative ways to extract this knowledge into codified forms that are more easily accessible to others.
- On the **value of knowledge work to operations**, the strategic framework has the following to say:
 - » Ideally, the design of an operation is influenced by frontier thinking on the topic, tailored to the country context. There is evidence that the stock of prior analytic work by the Bank on a recipient country is correlated with the subsequent quality of its financing operations to that country (Deininger, Squire and Basu, 1998; Wane, 2004) and that the quality of prior analytic work matters to the quality of its projects (Fardoust and Flanagan, 2011).
 - » Despite their importance, lessons from prior analytical work do not always fully inform new knowledge and financing activities. An informal and preliminary review for this paper suggests a high variance in the degree to which the analysis in Project Appraisal Documents (PADs) is formally supported through references to current literature – whether WBG-generated or otherwise.

- On the infrastructure for knowledge flows, the following:
 - » Close to 700 million files, 1,200 websites, and 3,500 collaborative spaces are now technically managed on a consolidated cloud platform.
 - » Consolidation has led to efficiencies, but the sheer scale of available information highlights the urgent need for better mechanisms for staff to access and use this information as part of knowledge generation and sharing functions.
 - » Part of the current difficulty of retrieving information is not technological but related to the heterogeneity of processes across units that leave products without consistent metadata to make the knowledge easily identifiable.
 - » Better practices to identify and tag key documents and introduction of innovative new technologies, including machine learning and artificial intelligence, will help staff access and reuse institutional knowledge, as is the standard in many consulting firms.
 - » IFC is using advanced text analytics tools to develop an auto-tagger that automatically classifies and tags content with topics, sectors, and keywords allowing IFC internal clients to reduce time in content clean-up efforts, propose new taxonomy terms, and efficiently tag content for the new intranet platform.
 - » However, even some basic elements of knowledge curation are still lacking across the WBG. For example, a significant number of ASA outputs cannot be found in any of the three main institutional repositories, and only a small fraction appears in all three. For long term knowledge success, technology and incentives must work together to ensure that staff are able to make their knowledge easily accessible to others across the WBG and beyond.
- On improving the capacity to learn from operations, the strategic framework makes the following points:
 - » Given that the WBG's core business is projects, rigorous evaluation of their impacts is essential to learn from current and past projects in order to inform the design and implementation of subsequent projects.
 - » However, fewer than 5% of Bank projects since 2010 have been subjected to such formal impact evaluation methods.
 - » Evaluations also help codify quasi-tacit knowledge. In some cases, "tacit" knowledge remains in the TTLs heads not because it is truly uncodifiable, but because there are insufficient incentives to document lessons.
- On moving ahead, the following priorities are identified:
 - » Strategic prioritisation of knowledge work and resource allocation procedures.
 - » Ensure learning from projects in ICRs is adequately pursued; improve the mining of existing self- and independent evaluations (of WBG and others) as sources of operational insights and ensuring the information gets to those who need it; more rigorous and strategic impact evaluations.
 - » Strengthening quality assurance.
 - » Better identify client demand and agree outcome indicators at the outset; explore the use of new technologies for measuring outcomes.
 - » Getting basic things right by ensuring that all knowledge products are properly entered and catalogued with appropriate metadata to enable effective searches.
 - » On incentives, the strategic framework correctly notes no incentives created by high-level directives will change staff behaviour if the de facto objectives of their managers are different.
 - » Strong signals from senior management are one element, the second is accountability.
 - » Three types of incentives will be reviewed for action: the process of setting expectations for performance and promotion, improving the recognition of quality knowledge work as part of the staff evaluation process, and exploring possible work programme incentives to engage in knowledge activities.
 - » On strengthening human capital, action areas are appropriate staff selection, better career paths and training and skill upgrading.

Organisational arrangements, resourcing and scope

51. A major reorganisation of the World Bank in 2014 aimed to create (among other things) a 'solutions bank' rather than the previous ambition of being a 'knowledge bank.' This was seen as requiring greater collaboration across sectoral boundaries in order to provide integrated solutions to complex problems. Elements of the reorganisation created the following elements:

- **Global Practices** are technical departments with four broad tasks: (i) to define the strategic direction and the World Bank's activity in their respective sector, (ii) develop and deploy expertise globally, (iii) deliver integrated solutions to client countries, and (iv) capture and leverage knowledge in their respective fields.
- **Global Themes** are technical departments. Initially called cross-cutting solution areas, they are responsible for coordinating on cross-cutting corporate priority themes: climate change; fragility, conflict, and violence; gender; jobs; and public-private partnerships, later renamed infrastructure, public-private partnerships, and guarantees. For a while, the Knowledge Management department was managed as a Global Theme.
- **Global Solutions Groups** are knowledge communities of staff expected to help pool and curate global and country knowledge and use it to serve client needs.
- **Global Lead (GL)** is a role created to connect subsector knowledge and business lines across countries and regions. The GLs also manage the new Global Solutions Groups. The GLs are knowledge brokers that integrate issues, influence lending, support operations, and connect Global Practice knowledge across regions. GLs lead Global Solutions Groups and were expected to guide the World Bank's knowledge work in thematic areas or business lines, often in addition to other tasks not linked to the GL role.
- **Program Leader** is a position created to connect Country Management Units and Global Practices, and reporting to Country Directors (and with a dotted line) to a director in the Practice Groups. Program Leaders help Country Directors integrate across sectors.

52. A 2019 IEG evaluation, [Knowledge Flow and Collaboration under the World Bank's New Operating Model](#), identified a number of issues and challenges with the model including the following:

- Some Global Practices assign 'quality assurance' staff to ensure that operational lessons and global knowledge are incorporated into operations. Leadership, funding authority to act and personal attributes are important determinants of success
 - » Leadership drives knowledge flow and collaboration. This is true for both in-country and Global Practice leadership.
 - » Certain traits are consistent among Global Practices with effective knowledge functions; specifically, their leadership shows an active interest in knowledge generation and technical expertise, emphasises sharing operational lessons, and encourages this behaviour to staff.
 - » There is much variation in how Global Practices use and resource the Global Leads and much variation in how they perform.
 - » Not all individuals selected for the Global Lead role were thought leaders in their fields... merely creating a position does not ensure thought leadership.
- Achieving better knowledge flow requires a coherent and strategic approach, and the use of a variety of methods
 - » Transfer mechanisms adopted included "staff cross support [staff on temporary loan from one department/region to another], staff rotations across regions, staff and client trainings, online knowledge platforms, South-South knowledge exchanges, knowledge hubs in country offices, and knowledge communities like Global Solutions Groups.
 - » Many Global Practices use help desks, safe-space meetings, and other platforms to connect task teams to experts and knowledge resources. These platforms identify knowledge gaps, create inquiry typologies, and log information. The goal is to create systematic long-term knowledge based on observed needs.
- On-line knowledge repositories are problematic
 - » There is still no World Bank-wide standard knowledge repository with effective tagging to organise knowledge. Different information technology platforms for internal knowledge have

been installed but failed. Activating personal networks to inquire about experts and resources remains predominant.

- By themselves, structural ‘solutions’ to poor knowledge flow across boundaries don’t work, and/or create new problems. Specific findings include:
 - » *Silos among Regions have decreased...silos across sectors have worsened* – in other words, solving one set of problems often creates new problems.
 - » In the old operating model, the six Regions acted as silos, impeding knowledge flow. In the current operating model, 13 Global Practices and five Global Themes act as silos that complicate operational collaboration.
- Integrating across boundaries requires authority to act
 - » Global Leads, Program Leaders, and Global Theme Groups are all tasked with integrating across boundaries but are without sufficient authority to do so.
 - » Regional Sector Directors had budget, human resources, and substantive roles that afforded them the authority to require collaboration and arbitrate across sectors. The new operating model eliminated this role.

53. World Bank used to have a KM coordination unit. Between 2016 and 2020 the unit moved four times and had five bosses, eventually, the unit was eliminated.

Results and value-added from KM

54. One of the findings of the 2019 IEG evaluation was that the absence of metrics for assessing performance on knowledge hinders progress. In other words, if you can’t measure results, you can’t manage for them.

Culture and incentives

55. In terms of incentives, the 2019 IEG evaluation concluded there has been limited progress on creating incentives – through rewards, recognition, and accountability – to promote collaboration and knowledge capture.

56. The evaluation also concluded reform design and implementation succeeded in reducing regional silos as barriers to knowledge flow but did not succeed in enhancing collaboration or change incentives, behaviours, and organisational culture.

57. An interviewee identified that there are culture issues in the World Bank compared to the corporate world. Staff in the World Bank are much less willing to share knowledge – they all want to be the smartest person in the room. In the corporate world there is more of a sense that “we are all in this together.”

58. A 2019 World Bank publication, [World Bank Knowledge Sharing and Reuse Incentive Framework](#) used behavioural science to propose a framework for knowledge sharing which led to the March 2021 action plan.

Victories and failures

59. It is interesting (though maybe not particularly relevant to the current evaluation) that WB’s objective with regards KM is to preserve what it sees as its *leadership role in development knowledge and innovation*. This seems rather self-serving, but perhaps striving to be a leader is just another way of striving to be excellent, albeit with an objective of doing good.

60. One of the standout features of the KM recent action plan is the recognition that WBG is at heart still a project bank and that consequently, any KM strategy needs to have a strong focus on learning from operations and incorporating knowledge into operations – *knowledge informs the design of financing and knowledge can be drawn from financing operations*. Certainly, this focus has been lost

to some extent in recent years with a formulaic approach to self-evaluation, which is often assigned to junior staff, followed by formulaic IEG validations, also often carried out by junior staff. The March 2021 action plan itself identifies this as the first of four dimensions along which it differs from previous action plans – it says *a renewed emphasis on the interdependence between knowledge and financing (projects essentially) – knowledge informs the design of financing and knowledge can be drawn from financing operations.*

61. The 2021 KM action plan further notes ideally, the design of an operation is influenced by frontier thinking on the topic, tailored to the country context. It also cites evidence that the stock of prior analytic work by the Bank on a recipient country is correlated with the subsequent quality of its financing operations to that country (Deininger, Squire and Basu, 1998; Wane, 2004) and that the quality of prior analytic work matters to the quality of its projects (Fardoust and Flanagan, 2011). Despite this, it observes lessons from prior analytical work do not always fully inform new knowledge and financing activities, which does not come as news to an evaluator.
62. The action plan recognises the role of a crisis in accelerating the rate of change and innovation – it states that COVID-19 crisis has created *a strong incentive for collaboration to facilitate the flow of knowledge across the three entities of the WBG (WB, IFC and MIGA), and across regions, Practice Groups and the Development Economics Vice Presidency.* The question is, how much of the new way of working will be retained when the crisis is over? This assumes of course that the new ways should be retained, which needs prior consideration.
63. World Bank has 20 years' experience of seeking to embed KM into its work with some success, particularly in terms of actions, visibility and to some extent resourcing. However, the March 2021's challenges, pillars and cross-cutting action plan areas indicate that a number of fundamental issues and challenges remain – namely:
 - A lack of prioritisation regarding what knowledge products to direct resources to.
 - Variable quality of products and inadequate quality assurance/control.
 - Inadequate collaboration and information flow across organisational boundaries.
 - Below potential learning from operations.
 - Inadequate incentives for knowledge work.
 - The need for strengthened human capital for knowledge work.
 - The need for a more outcome-oriented approach to KM and better metrics to demonstrate success.
 - Inadequate information technology and communication systems.
64. The March 2021 action plan puts a pleasing amount of emphasis on the need to make **tacit knowledge** available – an important body of tacit knowledge at the WBG exists in individual staff members' heads. Accessing this knowledge requires collaboration, combined with innovative ways to extract this knowledge into codified forms that are more easily accessible to others. While it recognises that tacit knowledge can be shared by other than codifying it thereby converting it to explicit knowledge, in the view of this author, more could be made of the opportunities for person-to-person tacit knowledge exchange. An interesting piece of evidence on the importance of tacit knowledge is provided in the action plan: One piece of evidence pointing to the importance of this tacit knowledge is research showing that the expertise of the TTL is a key determinant of a project meeting its development objectives – as important as conditions in the country in which the project is implemented (Denizer, Kaufmann and Kraay (2013), Bulman, Kolkma and Kraay. 2018). The plan also makes an interesting point that evaluation can be a means by which tacit knowledge is codified. Potentially, yes, but only if task team leaders engage in self or independent evaluation.
65. The dependence of so much knowledge work (and products) on donor financing is a weakness identified in the action plan. While the EBRD suffers from this at the level of the KM Working Group, it is unclear how much knowledge work going on in the EBRD depends on donor financing.
66. The March 2021 action plan makes some important observations on infrastructure for knowledge flow. First, it recognises that consolidation has resulted in some efficiencies, but there is an *urgent need for better mechanisms for staff to access and use this information as part of knowledge generation and sharing functions.* While it doesn't say so, perhaps the solution is to involve some human element in the form of knowledge brokers, the equivalent of a librarian in a library who can

point you in the direction of required information or even do some preliminary research for those that need the information – Business Information Services in the EBRD performs this role though more for external than internal information.

67. The second point on infrastructure for knowledge flow it that it is not necessarily the systems that are at fault – rather than documents are not adequately tagged with metadata so they can be found. The action plan states *better practices to identify and tag key documents and introduction of innovative new technologies, including machine learning and artificial intelligence, will help staff access and reuse institutional knowledge, as is the standard in many consulting firms.*
68. The action plan also makes a play for more rigorous impact evaluation, but this needs further consideration of benefit/cost ratio.
69. On the issue of incentives, there is a sound observation - no incentives created by high-level directives will change staff behaviour if the de facto objectives of their managers are different. Indeed!

Possible ideas for the EBRD

70. Reaffirming the importance of capturing lessons from operations (not only the financing of projects, but also policy dialogue and TC) and using this to inform future operations should be a central part of knowledge management. Also important is how to ensure that so-called frontier knowledge informs project design.
71. Capturing tacit knowledge, particularly operational knowledge is important, but so too is the person-to-person exchange of tacit knowledge through collaboration and other means.
72. The EBRD should use the opportunity of the crisis to assess the new ways of working that have been introduced to determine what should be retained and what should not.
73. While information technology systems have an important role to play such systems will not work in the absence of basic curation and effective tagging of documents. Consideration should be given to the use of knowledge brokers.
74. Incentives need to cascade through the organisation.

ANNEX 2 – PHILANTHROPIC FOUNDATIONS

David and Lucile Packard Foundation

75. As with other philanthropic foundations, learning is an integral part of the DNA of the [David and Lucille Packard Foundation](#). As noted on the [Evaluation and Learning](#) page of their website, *evaluation and learning are inextricably linked with strategy. The tools of ongoing monitoring, third-party evaluation, and intentional learning enable us and our grantees to continually improve our grant making & amplify our impact in the world.*
76. The foundation operates according to five principles for its monitoring, evaluation and learning function:
- (i) **Continuously learn and adapt** – making progress on tough issues requires continuous feedback, learning & timely use of information to inform and adapt our strategies; once strategies hit the ground, they are likely to require adaptation as the Foundation and our grantee partners learn about what works and the context changes.
 - (ii) **Learn in partnership** – we work to build monitoring, learning and evaluation capacity and design inclusive practices where Foundation staff, funders, and, in particular, our grantee partners and those being impacted by the work are engaged in the design, implementation, and reflection of our combined efforts.
 - (iii) **Use a variety of information** – we believe we make better strategic choices and better grants when we are informed by a range of information.
 - (iv) **Cultivate enquiry** – building a culture of enquiry is essential to surfacing insight into our successes, our failures, and emerging possibilities.
 - (v) **Share learning to increase impact** – we seek out strategic opportunities to share what we are learning, to co-create insights with our partners, and to use these insights to inform and galvanise change in our fields.
77. The Foundation has a deeply held philosophy of placing responsibility for monitoring, evaluation and learning (MEL) squarely within programmes [operations]. Programmes select their own consultants, staff the various MEL functions and manage their own MEL budgets. Practically, this means
- Programmes develop their own MEL plan and theories of change for their strategies.
 - They create an annual dashboard on strategy progress and learning by capturing data using a common platform – Fluxx is a platform for capturing and optimising outcomes, indicators, milestones and shifts in the landscape [context]. The Strategy Dashboard Report is where selected data are exported once a year.
 - Facilitating and documenting an annual programme-wide reflection (Year-in-Review meeting) on what happened and what was learned across the work of each programme.
78. Each programme has a MEL partner, an outside consultant that answers to the programme and supports MEL practice. The role of MEL partners varies across programmes depending on partner strengths, programme needs, and staff capacity, but may include developing ToCs, developing/ updating MEL plans (including outcomes and indicators), tracking and updating strategy outcomes and indicators, gathering grantee data, conducting evaluations, facilitating learning and reflection meetings, building grantee MEL capacity, and engaging the Board and Trustees.
79. There is a four-person Evaluation and Learning team of staff that provides leadership, guidance, and tools across the Foundation's programmes.
80. An external evaluation entitled [Monitoring, Evaluation and Learning Practice at the David and Lucille Packard Foundation: Evaluation in Support of Moving from Good to Great](#) was carried out in 2017. The provides interesting information, including the following:

- The evaluation summarises the advantages and disadvantages of the programme ownership model used by the foundation as shown below.



- On **learning**, the evaluation found the following:
 - » On learning strengths – there is a strong value seen for learning and reflection that occurs through the annual Year-in-Review process, and (less consistently) developing theories of change.
 - » However, learning is constrained by bandwidth – staff see a lot of activity that could facilitate learning, but they also see a lack of bandwidth and time to leverage the inputs into actual learning and application.
- Staff see a need to more consistently specify learning questions
- Peer learning could happen through more systematic engagement of staff at various levels in learning conversations. One staff member recalled a “strategy buddy” arrangement that pairs programme officers across programmes to learn from one another, an idea that has some precedence in the Foundation.
- Cross-foundation learning could happen through learning forums and workshops as well as within the leadership team. Some staff suggested this should be a primary function of the E&L team given their limited capacity to serve programmes in any depth.
- Real-time learning – staff are eager to identify ways to better support timely feedback.
- On organisational culture, the evaluation found:
 - » Overall, the Foundation's organisational culture values learning and using information for improvement. However, some aspects of the culture may inhibit more fully realised MEL:
- Across all programmes, staff report that the Foundation places a high value on information and learning.
- Staff are mostly “A+ students,” creating a desire for perfection.
- A tendency to tailor products and processes for the benefit of senior leadership and the board can be at odds with the philosophy of programme ownership and lend itself to a focus on perfecting over learning.

- Not all staff perceive that senior management encourages questions, risks, and new strategy testing.
- A sense of “hierarchy” may be limiting engagement in learning conversations by all staff who have a role in MEL practice; this was described in terms of who is included in learning conversations and who actively participates.

Victories and failures

81. Learning is an integral part of the way the David and Lucille Packard Foundation works. There is very little explicit reference to knowledge though its capture and use is implicit. Instead of placing primary attention on knowledge the focus is on the use of knowledge for adaptive management – through an ongoing process of doing, learning and correcting.
82. Continuous learning focuses not only on how strategies are performing, but how the context is changing.
83. Learning in partnership (collaboration in MDB-terms) is also important to the Foundation. Sharing learning with others and learning from them is seen as an essential means to increase impact.
84. Creating a culture of enquiry is also a central feature of learning in the Foundation.
85. The approach of placing the responsibility for MEL with programmes has advantages and disadvantages.

Advantages	Disadvantages
<ul style="list-style-type: none"> • Is philosophically consistent with the Foundation’s commitment to hiring strong programme leads and giving them the freedom to shape their programmes in consultation with their grantees and others in their fields 	<ul style="list-style-type: none"> • Highly variable MEL skills and practices, and a tendency to underutilise the full suite of evaluation tools available
<ul style="list-style-type: none"> • Places responsibility for learning with those who are responsible for strategy development and implementation 	<ul style="list-style-type: none"> • Inconsistent utilisation of E&L team expertise, and consequently a failure to realise the full benefits of MEL
<ul style="list-style-type: none"> • Strengthens the relationships between programme staff and their grantees 	<ul style="list-style-type: none"> • Barriers to cross-programme learning, including limited ability to commission evaluations on topics that might span multiple programmes or strategies
<ul style="list-style-type: none"> • Encourages direct engagement with the executive team and Trustees around programme performance 	

86. The Foundation uses [Fluxx](#), which is a commercial platform for capturing and optimising outcomes, indicators, milestones and shifts in the landscape [context]. There is plenty of information on the website, including user case studies and [The Foundations Guide to Grants Management Software](#).
87. An annual Year-in-Review process provides a valuable opportunity for reflection and learning (according to the external evaluation of the foundation’s MEL practice referenced above). However, there are remaining learning challenges including a lack of time for learning (termed a lack of bandwidth in the evaluation).
88. On the issue of organisational culture, the external evaluation found that overall, the Foundation’s organisational culture values learning and using information for improvement. But it also found that:
- A tendency to tailor products and processes for the benefit of senior leadership and the board can be at odds with the philosophy of programme ownership and lend itself to a focus on perfecting over learning.

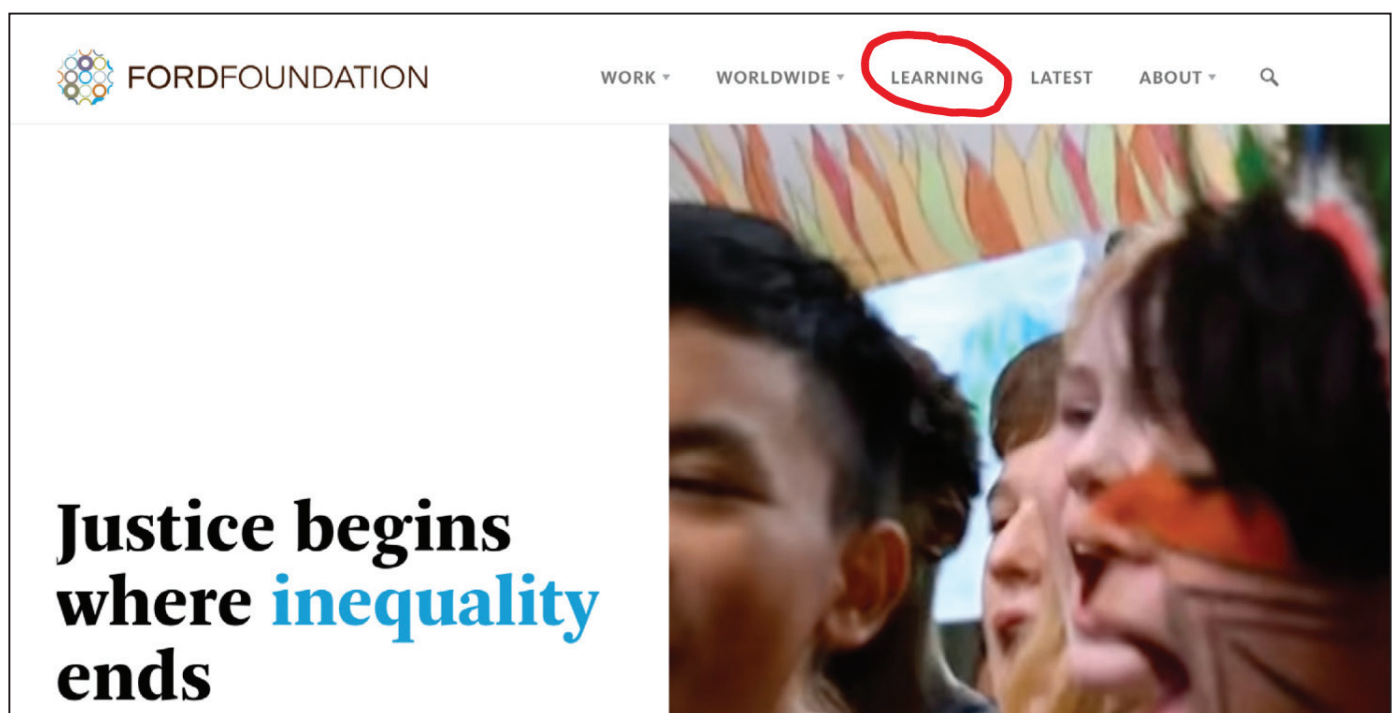
- Not all staff perceive that senior management encourages questions, risks, and new strategy testing.
- A sense of “hierarchy” may be limiting engagement in learning conversations by all staff who have a role in MEL practice; this was described in terms of who is included in learning conversations and who actively participates.

Possible ideas for the EBRD

89. A strong focus on learning rather than KM maybe something the EBRD can bear in mind. A focus on KM is linked (in people’s minds at least) to spending more resources, whereas learning puts the focus more on the benefit.
90. Placing the responsibility for MEL activities with operational staff has advantages and disadvantages, but it does illustrate the great importance of self-evaluation to learning in the EBRD.
91. While the Fluxx software has been developed specifically for grant-making foundations, it would be useful to examine it to see what could possibly be adopted from its approach. Perhaps it, or something similar, could be used for particular programmes funded by the EBRD. Also, there is probably a lesson here in the need for common MDB platforms similar to what the foundations have. While MDBs have put quite a lot of emphasis on harmonising aspects of systems, there is a tendency for each MDB to focus on its unique attributes leading to a huge expenditure on custom-built IT systems, often with big cost overruns, and sometimes, performance below expectations.
92. An annual Year-in-Review reflection and learning session is something that could be considered at team, programme or initiative level, with results captured across the Bank.

Ford Foundation

93. Learning is at the heart of the Ford Foundation’s modus operandi. It has a link to learning from its home page as shown in the screenshot.



94. Ford Foundation's philosophy with regards to learning is stated as follows: We believe learning is essential for driving impact. Through learning, we can better understand how complex social change happens—and design effective programme strategies to support it (available here).
95. They further state that the **culture of learning** is primarily centred on three paths:
- (i) Evaluating programme strategies to identify what is working – or not working.
 - (ii) Creating space for grant makers and grantees to reflect on their work.
 - (iii) Supporting independent research on important social justice issues and the philanthropic field.
96. Ford Foundation has an office of Strategy and Learning (it is interesting that strategy and learning are linked organisationally). An interesting statement regarding the approach to learning is *we challenge our assumptions by engaging with different perspectives, through cross-programmatic exchange and collaboration inside the foundation and with the insights of outside experts, grantees, peer funders, and other stakeholders.*
97. The explanation provided on how Ford Foundation learns has the following elements:
- **Starting with strategy** – we ask what successful would look like and use that enquiry to identify key indicators of progress and success. And we identify a set of learning questions that focus on parts of the strategy where we need more information to understand what to expect. The answers to these questions is used as an input to adaptive management
 - **Asking the right questions** – to help challenge assumptions and to adjust as needed several kinds of learning are used:
 - » Every year, programmes engage in a **reflection session**, responding to four fundamental questions. Reflecting on these questions makes it possible to adjust strategies based on what can be learned. the questions are:
 - › What did you expect would happen by this point at the onset of your work? Where did you expect to be at this time a year ago?
 - › What actually happened over this last year, and since the start of the strategy?
 - › What did not go as planned, and why?
 - › How will you shift your work based on what you now know?
 - » Assumptions are also tested against empirical data – the data comes from multiple sources: from what programme staff observe; what partner organisations say, what researchers, academics, and experts conclude; from news and current events; and from commissioned external evaluations.
 - › **Evaluating and adjusting** – at the end of a strategic period, impact evaluations are commissioned. These ask questions such as:
 - » How sound was our diagnosis, or theory of change? What evidence supports it?
 - » Did we underestimate the obstacles?
 - » What evidence suggests a need for revision?
 - » Did the strategy fit the diagnosis, or theory of change?
 - » What evidence suggests that this was, in fact, an impactful way to address the issue?
 - » What might we have been missed?
 - » What did we help to achieve?
 - » What steps did we take to adapt along the way?
 - » Given the scale of the change we aim to realise, did we devote an appropriate amount of resources?
 - » What was the balance of short-term wins, and long-term change? Was this a successful balance, or would we adjust it?
 - » How well were grantees aligned to strategy outcomes? Did we have the best combination of grantees to implement the strategy?
 - » How did we use empirical evidence and new knowledge to inform our assumptions about how social change happens?
 - » Did we refine our theory of change in response to obstacles we encountered and had not factored in before?

- Evaluations are also commissioned when starting new kinds of work and there is a need to make adjustments in real time. In these circumstances, development evaluations help capture lessons in the early stages and then on an ongoing basis.
- **Learning across strategies** – achieved by building a culture of reflection and sharing through curated events and discussions. For example, the Inside-Outside series where external experts are invited in to help test assumptions and expand thinking.
- **Sharing learning** – the intent is to make what is learned valuable to philanthropy and the social justice sector at large as well as to the Ford Foundation. This has involved publishing reports, organised convenings, interactive explainers, and invited academics to delve into the foundation's archives.

Victories and failures

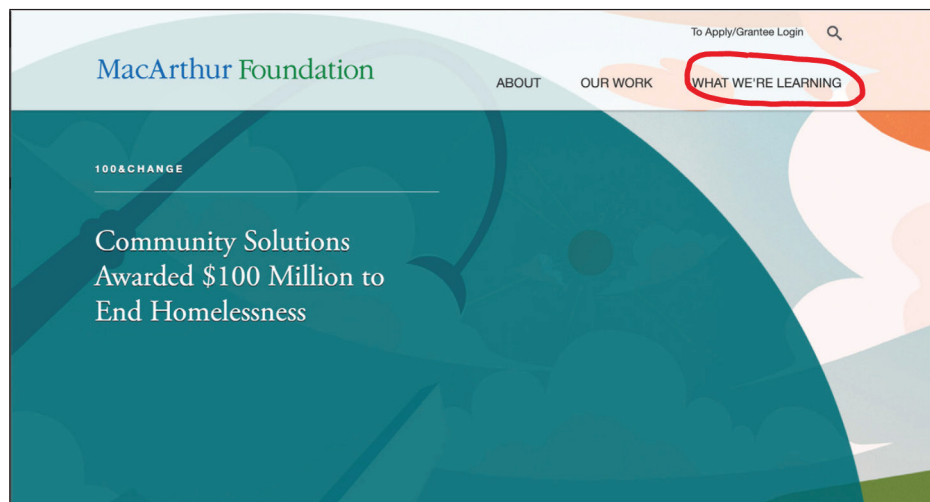
98. For the Ford Foundation learning is at the heart of what it does: Through learning, we can better understand how complex social change happens—and design effective programme strategies to support it. There is little explicit mention of knowledge or KM.
99. The regular challenging of assumptions is an important component of how Ford Foundation learns.
100. A culture of learning for the Foundation has three dimensions – evaluation, creating space for reflection and commissioned independent research.
101. Interestingly, the Foundation has an office of Strategy and Learning – linking these two functions is not something seen in MDBs.
102. Strategies also include so-called learning questions being areas where more information is required in order to better know what to expect.
103. Every year, programmes engage in a reflection session.
104. Evaluations are also commissioned before starting new lines of work and real-time evaluations are also used.

Possible ideas for the EBRD

105. Again, a greater focus on learning (and the other benefits derived from use of knowledge) and a lesser focus on KM maybe an approach to adopt.
106. Regular challenging of assumptions (and the making of assumptions more explicit in transactions and strategies) and the conduct of annual reflection sessions are also ideas with potential for use in the EBRD.
107. The posing of learning questions, being things the EBRD wants to know, could be a useful approach to prioritising knowledge work.

MacArthur Foundation

108. Learning is also central to the MacArthur Foundation's approach. Again, there is a direct link to learning from the home page. Their approach to work includes using adaptive and flexible approaches that enable the foundation to apply what it is learning. The institutional goal is to understand the impact of all its work – in this regard, evaluation is integral to its work. Interestingly, MacArthur Foundation engages a formal Learning Partner at the beginning of new work.



109. MacArthur Foundation has a number of staff who are internal advisors whose job is to ask tough questions; provide guidance and advice on strategic direction; review and offer input on grants and investments; help consider progress towards stated goals; and ensure collaboration across the foundation. There is also a small group of external advisors to provide critical review and extensive field knowledge.

110. MacArthur Foundation has a Managing Director, Evaluation. Some of her views on adjusting strategies in the light of learning and evaluation follow:

- Our approach to our programmatic strategies stems from a belief that there are no blueprints to how we work in the philanthropic sector. It is a belief that we can and should move forward, create, generate, and do so dynamically—simultaneously gathering input and feedback.
- For us, a dynamic approach means that we do not develop static strategies that presume a fixed understanding of how to reach our goals. We do, however, hold our goals constant, while our strategies shift as we learn.
- While we believe in working dynamically, we do not believe in iterating eternally. We use periodic strategy reviews as a formal institutional moment with our Board to assess our Big Bets against our time-bound intended impacts and our Enduring Commitments, Field Support, and Awards and Special Projects against our expectations and specified outcomes.
- In a strategy review, the Board formally considers the effectiveness of our programme, with guidance from the programme teams, to make decisions about the focus and direction of the strategy—whether to pivot, exit, or deepen a commitment. One element of the review is the formal evaluations, alongside input from grantees and experts in their fields. We design these reviews to interrogate our theory of change, assumptions, progress, and the outcomes and impact toward our expectations and intent.

111. There are a number other interesting so-called [perspectives on evaluation](#) – including one entitled Visuals for Analysis, Storytelling, and Exploration which can be found [here](#). Laura Young explains:

- Over the last several years, we have shifted internally from a siloed work style centred on academic papers describing our programmatic focus to a transparent and collaborative approach across and among programmes. This shift included creating a visually-driven dynamic workspace available to the Board and staff 24/7—and visualised shared data soon became the new frontier for making decisions and tracking our progress toward impact.
- We want our colleagues, partners, and Board to navigate many sets of complex, dynamic data with minimal cognitive effort and maximum clarity. Data visualisation and graphic design give us the best opportunity to do that.

- Creating the platform sprang from a desire to keep our Board apprised of strategies, programmatic trajectories and pivots, and learnings. It quickly expanded to become a platform to make knowledge accessible across programme teams and leadership in new ways. And, it has improved the way we communicate with data to make better informed decisions.
- Our internal platform—named TheLoop—serves as a centralised space to visually depict each programme's unique theory of change. The visualisation of key data allows us to be better storytellers. In fact, TheLoop's interactivity—from navigating within a programme's section to drilling down into a specific chart—allows the user to become the storyteller: to explore the data, tell the programme's story, and answer questions at their own pace, however they wish.

112. Some interesting points from MacArthur Foundation's approach to evaluation follow:

- The focus of evaluation is learning.
- All programmes are evaluated, but individual grants are not – evaluations are of the portfolio and strategy as a whole.
- The use of [evaluation and learning partners](#) – so-called 'critical friends' who are independent of the Foundation but invested in helping it effectively implement its strategies (a number of external learning partners prepared a case study of their role and MacArthur's approach to learning and evaluation which can be found [here](#)). A key role is to challenge assumptions. As a former president of the Foundation said, their role is not to let us fall in love with what we decided to do. Another part of the role is to help the Foundation find a balance between:
 - » Rigorous measurement and rapid learning
 - » Inclusivity and impartiality
 - » Collaboration and ensuring an external perspective
 - » Using numerical data (quantitative information) and narrative data and stories (qualitative information)
 - » Transparency and fairness, sharing information about the work but avoiding unintentionally favouring or bringing harm to grantees and others involved
 - » Designing dynamic strategy and establishing a comprehensive evaluation design.

113. The case study on learning and evaluation in the MacArthur Foundation arrives at the following conclusions (among others not considered so relevant to the current evaluation):

- **The value of theories of change** – the use of the theory of change in its visual and narrative forms has provided a consistent grounding for decision-making for each of the Foundation's programme areas, and it has helped in ongoing reflection about progress and relevance of programmatic strategies. The use of theories of change has also helped the Foundation to hold itself accountable to its grantees, beneficiaries and its basic strategic document. They have also acted as a reference tool for new staff. An extended quote from the case study is informative:

Although the processes to develop these theories of change and corresponding evaluation frameworks took substantial time and institutional commitment, there was widespread agreement that the investments were ultimately worthwhile. Developing theories of change and related evaluation frameworks or plans for each programmatic area (which often included articulating additional theories of change for subsets for various portfolios) was not a brief exercise or without challenges. For most of the teams, the process of getting to a fully developed theory of change ranged from several months to two years; involved program teams, grantees (or subsets of grantees), advisors, and others participating in several in-person and phone meetings; and multiple iterations. At the same time, program team members interviewed noted that these processes helped them “bring the story [of their program] together” and be more transparent with grantees and other partners about the origins of programmatic strategies, what program staff were confident about, vulnerabilities, trade-offs and the degree to which equity is prioritized in the strategy. For program team members who joined the MacArthur Foundation after these processes were completed, the theories of change and corresponding evaluation frameworks were especially useful in their training and onboarding. They described the outputs of those processes as “very educational” and one went so far as to remark, “I wonder how I would have settled into the team without that exercise” ... Furthermore, the theory of change and evaluation design processes laid the groundwork for more meaningful reflection about data collected, tracked, and analysed later.

- The case also cites other foundations that have arrived at the same conclusion regarding the **value of theories of change** in facilitating strategic learning – *They have written about the importance of theories of change as a means for articulating assumptions, clarifying strategy, surfacing questions, and communicating desired short, intermediate, and long-term change with grantees.*
- The **usefulness of evaluation data to inform strategy** – evaluation data, along with other data such as research and insights from those involved, has been presented in a variety of ways in as close to ‘real time’ as possible in order to inform strategic decisions. A finding was that real-time learning generally increased over time. Again, another quote is provided:

Once the processes to clarify theories of change and develop evaluation frameworks were completed, the role of the evaluation and learning partners evolved. Program teams shifted to “absorb mode and learning.” One program team member interviewed put it this way: “In the beginning, the time and financial commitment seem... overwhelming, but over time, the benefits become very clear.”

- The benefits of the evaluation and learning partner process

The nature of the partnerships and trust established correlated with the uptake of evaluation data to inform decision-making over time. One evaluation and learning partner described the preparations for the strategy reviews as collaborative, characterized by careful listening, and illustrative of partners’ “critical friend” role. They went on to note that program team members engaged in the substance of the evaluation findings, “which didn’t mean just accepting them at face value, but neither did they reject the uncomfortable findings. The resulting proposal for revising the strategy was evidence-based, and it felt like the proposal responded to the evaluation... we could see clearly their uptake of evaluation findings, and careful use of them.” It is important to note that evaluation products and presentations often went through several iterations over periods of months before they were finalized. Evaluation and learning partners cited challenges determining the right level of information and formats to present data for the program teams and Board of Directors, as the Foundation staff were learning what they wanted and needed.

- The **importance of relationships to facilitate learning over time** – a finding is that learning is as much determined by process as products (theories of change, reports, dashboard, visuals, memos, etc.). *Program teams described the meaningful spaces created by monthly or quarterly meetings, check-ins, status updates, annual retreats, convenings with grantees, webinars, and other in-person or virtual meetings facilitated by evaluation and learning partners to grapple with topics ranging from changes in the landscape to advancing equity and the Foundation’s Just Imperative.*

Victories and failures

114. MacArthur Foundation not only sees learning as core to who it is and what it does, it also sees evaluation as integral to its ability to learn. This contrasts with MDBs where evaluation tends to be seen as a peripheral, even annoying necessity, rather than being a valuable and valued activity.
115. Flexibility and adaptability, driven by learning, are central characteristics of how the Foundation operates. Adaptive management is key.
116. As part of specific features to foster learning, the Foundation has a number of staff who are internal advisors whose job is to ask tough questions; provide guidance and advice on strategic direction; review and offer input on grants and investments; help consider progress towards stated goals; and ensure collaboration across the foundation. There is also a small group of external advisors to provide critical review and extensive field knowledge.
117. Very interestingly, the Foundation retains a number of [evaluation learning partners](#) or ‘critical friends’ who are independent of the Foundation but invested in helping it effectively implement its strategies. A key role of evaluation learning partners is to challenge assumptions.

118. A group of external learning partners prepared a case study of their role and MacArthur's approach to learning and evaluation. This contains some interesting findings, including the following:
- The use of theories of change (in visual and narrative form) has proved to be valuable. They have provided a consistent grounding for decision-making for each of the Foundation's programme areas, and they have helped in ongoing reflection about progress and relevance of programmatic strategies. The use of theories of change has also helped the Foundation to hold itself accountable to its grantees, beneficiaries and its basic strategic document. They have also acted as a reference tool for new staff. The mention of accountability is interesting – for the foundations the need for accountability is generally a given whereas the explicit focus is on learning.
 - It is important to note that the theories of change are detailed and produced over many iterations and not without some pain.
 - The **importance of relationships to facilitate learning over time** – a finding is that learning is as much determined by process as products (theories of change, reports, dashboard, visuals, memos, etc.).

Possible ideas for the EBRD

119. Again, learning over KM and the importance adaptive management driven by continuous learning are key themes.
120. Challenging assumptions is another part of way of working of MacArthur Foundation that may have relevance to the EBRD – the designation of a number of staff as internal advisers, the retaining of external advisers and evaluation learning partners, builds in a critical thinking capability and a personal facilitatory element to learning. This is an interesting type of role, which could be considered by the EBRD.
121. The use and benefits of **rigorous** theories of change provides a highly relevant idea for the EBRD, as does the creation of a much more visual data sharing environment.

William and Flora Hewlett Foundation

122. The [guiding principles](#) of the William and Flora Hewlett Foundation include among others the following related to learning.
- We are committed to openness, transparency, and learning. The following points are made about learning:
 - » Because our operations—both internal and external—are situated in complex institutional and cultural environments, we cannot achieve our goals without being an adaptive, learning organisation.
 - » And we cannot be such an organisation unless we are open and transparent: willing to encourage debate and dissent, both within and without the foundation; ready to share what we learn with the field and broader public; eager to hear from and listen to others.
 - » Learning is a sensibility as much as it is a practice. It needs to be nurtured and encouraged. We seek out ideas, information, and approaches so we can learn from others, including those whose views diverge from ours.
 - » We prioritise learning over “being right” and emphasise its importance across the whole organisation, empowering everyone to contribute to continuous improvement.
 - » Knowing it is necessary to take risks, we recognise and expect that sometimes things won't work—in which case we ask why and make changes. We frame such efforts in terms of what we can learn, and we ask our staff, our grantees, and our other partners to be open and candid about both failure and success. We encourage this because failure and success are both part of our work, and we learn from both.
 - » At the same time, we appreciate that our lessons often come, at least partly, at someone else's expense. We should learn from failure and not worry about confessing error, but we

should also work hard to avoid it—never forgetting that our mistakes have real consequences for real people. Which is also why, when we make mistakes, we need to share the lessons broadly.

- » Making what we have done, and are doing, visible facilitates learning and is part and parcel of being a learning organisation. We should share what we are doing freely with grantees, the field, and the public. By doing so, we invite others to tell us why our approach may or may not be right and how it could be better.
 - » Openness and transparency can help build trust, but only if we are genuinely open to hearing what others have to say. Inviting feedback is meaningful only if we sincerely listen to new ideas, new perspectives, new approaches, and new ways of thinking. This is true of conversations among our own staff as much as discussions we have with others. We encourage an internal environment that is open to deliberation, in which staff as well as grantees and external partners are empowered to debate and dissent as part of a process of making decisions that—once made—we get behind and work together to execute.
 - » Our mantra is “try, learn, adapt”—a philosophy we seek to cultivate in our grantees and in the sector generally, as well as in ourselves.
- We focus on outcomes in order to maximise the effectiveness of our support. The following points are made about the outcome focus:
 - » We define and pursue specified outcomes for the problems we identify and choose to tackle. We believe this approach is beneficial and important for the clarity it provides—helping us to focus with greater precision and intention on what we are doing, why we are doing it, and whether our efforts are making a difference.
 - » Having identified a problem, we ask three things: What is our goal? How will our grants and other efforts achieve that goal? How will we know if we are succeeding?
 - » Answering these questions invariably becomes complicated in practice. Goals can be hard to specify, there may be uncertainty about causal pathways, resources to execute may be lacking at the foundation or in the field, developing implementation markers and systems to track progress might prove difficult.
 - » We seek to measure progress but are wary not to make a fetish of quantifying or fall into the trap of false precision. Reasonableness under the circumstances is our touchstone.
 - » It is all too easy to fall prey to confirmation bias, to unthinkingly accept outdated conventional wisdom, to follow the herd, or to see and hear only what we want. We combat this by constantly asking ourselves, honestly and fearlessly, how we know what we think we know. This means listening to our grantees, our intended beneficiaries, and especially our critics. It means being rigorous about examining evidence and paying attention to what it teaches—which includes changing positions when experience or new data suggest that prior or existing suppositions are wrong.

123. The Foundation has a second edition of [Evaluation Principles and Practices \(2nd edition\)](#). The second edition of these principles was prepared following a review, published in 2018 as [Evaluation Quality and Spending Analysis](#). Evaluation is part of the fabric of the Foundation. The formal adoption of [Outcome-Focused Philanthropy](#) in 2016. This document states the following:

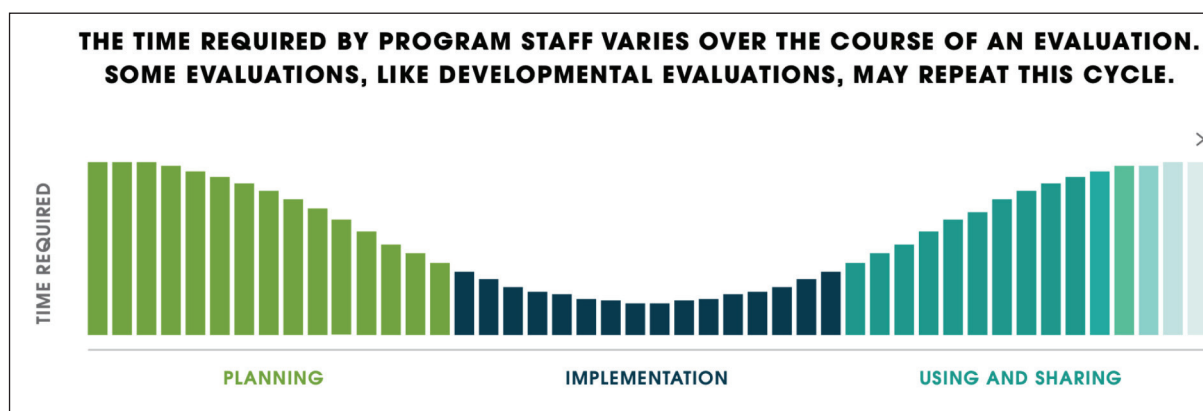
The usual practice in philanthropy has been to think about evaluation as something to do [only] at the refresh or exit stage. In fact, evaluation is relevant and important at every stage of the strategy lifecycle. Done well, it clarifies assumptions, contextualizes evidence, and helps us learn and adapt as our work proceeds. It is useful and important to integrate evaluation planning into the development of a new strategy from the outset. Building evaluation into the origination stage provides a proper “baseline” against which to measure subsequent developments, prepares staff to collect data in a useful and common format, lets grantees know what to expect and when, and sets us up to engage in ongoing evaluation in the implementation phase.

124. The Foundation adheres to seven principles of evaluation:

- (i) **We lead with purpose** – evaluations are designed with actions and decisions in mind. By anticipating our information needs, we are more likely to design and commission evaluations that will be useful and used.

- (ii) **Evaluation is fundamentally a learning process** – we actively learn and adapt. Establishing evaluation questions helps us make visible and refine our thinking about how, why, to what extent, for whom, and when outcomes or goals are expected to be achieved. As we implement our strategies, we use evaluation as a key vehicle for learning, bringing new insights to our work and to the work of others. A key part of learning from evaluation is taking time to reflect on findings and to ask, “Now what?”
 - (iii) **Evaluation is an explicit and key part of the strategy lifecycle** – Building evaluative thinking into strategy does two things: (a) it helps articulate key assumptions and logical (or illogical) connections in a theory of change; and (b) it encourages us to establish a starting point for evaluation questions and propose a way to answer those questions in a practical, meaningful sequence, with actions and decisions in mind, throughout the strategy lifecycle.
 - (iv) **We strategically chose what to evaluate** – Several criteria guide decisions about where to put our evaluation-related time and dollars, including urgency to consider course corrections or future funding decisions; the opportunity for learning; the potential for strategic or reputational risk; and size of investment as a proxy for importance. Within these parameters, every strategy, or a key part of every strategy, will have an evaluation underway within three years of origination or refresh. Planning for an evaluation within such a timeframe ensures that we do not go too long without getting an external, third-party perspective on how well (or not) the work is going and whether any unexpected issues have arisen.
 - (v) **We chose methods that maximise rigour without compromising relevance** – We match methods to questions and do not choose one approach, or privilege one method over others.
 - (vi) **We share our findings with appropriate audiences and publicly** - As we plan evaluations, we consider and identify audiences for the findings...We presumptively share the results of our evaluations so that others may learn from our successes and failures. We will make principled exceptions on a case-by-case basis about whether to share a full report, executive summary, or presentation from an evaluation, with care given to issues of confidentiality and not wanting to cause harm.
 - (vii) **We use the data!** – Not using our findings is a missed opportunity for learning, improvement, and course correction— and a waste of time, energy, and resources. It is imperative that we take time to reflect on the evaluation results; generate implications for our strategies, grantees, policy, and/or practice; and adapt as appropriate. We recognise the value in combining the insights from evaluation results with our own experiences. We support our grantees in doing the same.
125. Along with other foundations, the William and Flora Hewlett Foundation puts primary responsibility for evaluations with programmes officers (operational staff) - *They are responsible for building evaluations into their strategy, identifying what and when they will evaluate, and commissioning, managing, and using findings from the evaluations. The evaluation officer in the Effective Philanthropy Group is available to support program staff. Grants management, legal, communications, and finance staff also have roles in the process.*
126. The [Evaluation Principles and Practices \(2nd edition\)](#) document referenced above provides a practice guide divided into three stages – planning, implementing and using. For the purposes of this paper, the focus is on using. However, one point from the planning stage that may be relevant to the EBRD relates to the use of intermediaries. On this, the document states the following:
- Frequently, the foundation uses regranteeing intermediaries to extend its reach and increase the impact of its grant dollars and results. Because we are delegating to these intermediaries what might be considered our stewardship role, we have an even greater responsibility to evaluate their efforts. By definition, large intermediaries rank high on the risk and size criteria, and evaluating them typically offers important learning opportunities. Also, whenever we contribute to creating a new intermediary organization or fund the launch of a major new initiative, it is important to evaluate not only the strategic elements, but also issues of organizational health (e.g., leadership and board development) and effective execution (e.g., to what extent is something happening, as planned)—challenges that vex many startups.*
127. An interesting point that relates to all stages is the stylised illustration of the time required for each of the three stages as shown below. This differs greatly from what generally occurs with evaluation

in the EBRD where the bulk of the effort is involved with implementation, followed by planning with almost nothing on using and sharing. Of course, it needs to be noted that evaluations in the Foundation are contracted out to third parties, which accounts for the limited time spent on implementation.



128. Of course, evaluation use depends critically on the planning stage as covered in the evaluation practice guidance – in particular, what strength of evidence would be required to ‘change minds’ and the issue of timeliness of the evaluation in relation to decisions to be made. Points made on evaluation use include the following:

- From the very beginning of an evaluation process, it is important to plan how the results will be used; **along the way, it is wise to remind yourself of those intended uses** [emphasis in original].
- Using results is often messier than anticipated. Sometimes staff expect more confirmation of success—or for an evaluation to uncover more surprises or “aha” moments for them—than an evaluation typically delivers. Sometimes an evaluation is not especially well done, and the results inspire limited confidence. Other times, staff simply are not sure how to apply the lessons.
- Use requires that teams pause to reflect and grapple with all of the “What? So what? Now what?” questions. Evaluators often provide the “what” in terms of the findings, but the programme teams need to grapple with the “so what” and “now what,” in order to make sure those findings are used. This takes dedicated time and effort.
- Sharing what we learn is essential not only at the conclusion of an evaluation but throughout the process.
- An internal debrief at the end of each evaluation to discuss key lessons learned, what went well and what did not, and actions taken will help advance the foundation’s evaluation practice and keep us focused on designing evaluations with action in mind.
- The Foundation commissioned research on how [US Foundations Access and Use Knowledge](#). This informed the Foundation’s [Knowledge for Better Philanthropy](#) strategy. These contain interesting ideas, but these are not summarised here.

Victories and failures

129. Recognition that because the Foundation’s operations are situated in complex institutional and cultural environments, it cannot achieve its goals without being an adaptive, learning organisation.

130. Part of creating a culture for learning is a willingness to encourage debate and dissent as is the need for candour about failure and success.

131. The Foundation focuses on outcomes to maximise the effectiveness of its support. However, while it seeks to measure progress it is wary of making a fetish of quantifying or falling into the trap of false precision – *reasonableness under the circumstances is our touchstone*.

132. The Foundation recognises that it is very easy to fall prey to confirmation bias, to unthinkingly accept outdated conventional wisdom, to follow the herd, or to see and hear only what we want. This can

be guarded against by listening to all points of view, especially those of critics, with a willingness to change positions when the evidence suggests this is necessary.

133. Evaluation is seen as serving a learning purpose and it is embraced for this reason – not using evaluation findings is a missed opportunity for learning. Use requires that teams pause to reflect and grapple with all of the “What? So what? Now what?” questions. Evaluators often provide the “what” in terms of the findings, but the programme teams need to grapple with the “so what” and “now what,” in order to make sure those findings are used. This takes dedicated time and effort.

Possible ideas for the EBRD

134. Consider developing a set of principles regarding learning along the lines of those of the William and Flora Hewlett Foundation
135. Consider adopting an outcome focus to knowledge work
136. Reflect on what the dimensions of a learning culture might look like in the EBRD, taking account of the experience of the philanthropic foundations.
137. Consider adopting a set of principles of evaluation taking account of those in the William and Flora Hewlett Foundation (and others).

ANNEX 3 – STANDARDS AND SOURCES FOR KM

ISO 30401 – Knowledge Management Systems

138. [ISO 30401](#) is copyright protected so no quotes can be given. However, in the view of this author and the evaluation it provides a very useful guide for any organisation wishing to establish a KM system. Among other things, the guidance contains:

- A very useful section on the importance of KM – describing these benefits in the EBRD context would help establish the rationale for resourcing KM.
- Guiding principles.
- A useful list of terms and definitions that could help standardisation of terms in the EBRD with regards to KM.
- A section on the organisational context and its importance with regards KM.
- Standards for knowledge development, conveyance and transformation, so-called KM enablers and KM culture.
- There is a section on standards for leadership including the establishment of a KM policy.
- KM planning comprising addressing risks and opportunities, and KM objectives and planning.
- Support for KM including resources, competence, awareness, communication and documented information (creating, updating, and control).
- There are standards for KM operation, performance evaluation and improvement.
- Annex A provides information on the knowledge spectrum while Annex B discusses the relationship between KM and adjacent disciplines.

139. Based on a limited review of the ISO standard, the evaluation considers it a highly useful framework for establishing a more coordinated and consistent approach to KM, one that the EBRD would be advised to adopt.

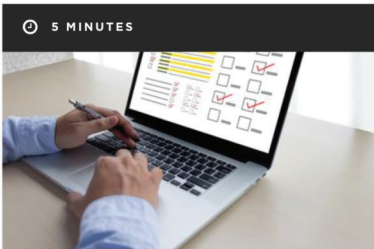
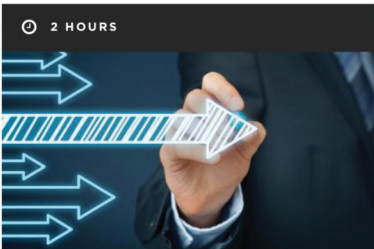
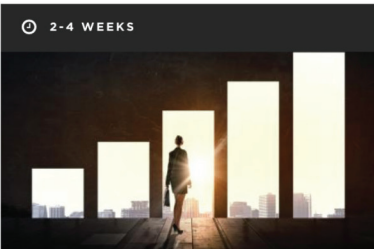
140. Buying (it currently costs CHF118) and using the ISO 30401 standard is completely separate from certification that the organisation is compliant with the standard. ISO does not do certification, which is handled by certified accreditation entities. The situation with certification is clouded as shown by a LinkedIn post available [here](#). Certification could be a useful benefit in terms of marketing and promotion,

APQC – Benchmarking and best practices in KM

141. The [American Productivity and Quality Center](#) (APQC) is a non-profit with 550 members – it self-promotes that it *is the world's foremost authority on benchmarking, best practices, process and performance improvement, and knowledge management (KM)*. Its KM page can be found [here](#).

142. An important part of APQC is its KM assessment tools illustrated below

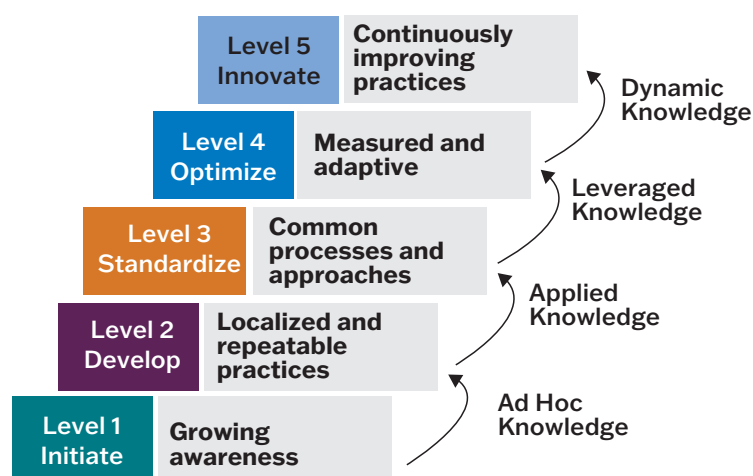
APQC's KM Assessment Tools

 <p>5 MINUTES</p> <p>Mini Knowledge Management Capability Assessment Tool</p> <p>TAKE THE MINI ASSESSMENT</p>	 <p>2 HOURS</p> <p>Knowledge Management Benchmarks & Metrics Survey</p> <p>START YOUR ASSESSMENT</p>	 <p>2-4 WEEKS</p> <p>Knowledge Management Capability Assessment Tool</p> <p>START YOUR ASSESSMENT</p>
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143. APQC has a five-level KM maturity model as shown below. This is very useful for an organisation to determine where it is with regards KM and for tracking its progress.

APQC LEVELS OF KM MATURITYSM

Five-step maturity model that defines the status of a KM programme



144. There is a very large resource base available on KM matters.

145. Again although not based on in-depth knowledge, membership of the APQC would seem to offer a number of advantages to the EBRD as it seeks to grow its KM maturity to use the words of APQC.

Most Innovative Knowledge Enterprise (MIKE)

146. Formerly Most Admired Knowledge Enterprise (MAKE), [MIKE](#) provides awards and a KM self-assessment tool with feedback on benchmarking

ANNEX 4 – FINDINGS FROM OTHER MDB EVALUATIONS

147. The World Bank's Independent Evaluation Group (IEG) has conducted the most evaluations of LKM among members of the Evaluation Cooperation Group going back over many years. Selected findings of three of the more recent evaluations follow.

IEG. 2014. Learning and Results in World Bank Operations: How the Bank Learns¹⁷

This was one of the evaluations referenced by Colin Kirk in his report and being the type of evaluation that should be done for the EBRD. The most relevant points made by the evaluation are:

- The “approval culture” first identified in the Bank in 1992 is seen by staff as crowding out learning.
- The prevailing culture may discourage innovation and adaptiveness, which require learning.
- Surveyed staff considered the most important action to facilitate learning was the allocation of sufficient time in work programmes for learning.
- Project staff made little use of external sources of knowledge and the range of internal sources used was narrow.
- The limitations of IT systems hampers accessing knowledge for lending.
- Financial incentives for learning are less important stimuli than recognition by managers and peers and the opportunity to lead important tasks.
- The evaluation identified 3 major implications (conclusions) from its findings:
 - (i) “The Bank needs to pay more attention to how knowledge flow and learning are mediated through interpersonal exchanges, understanding how team dynamics and connection to social networks shape the potential for learning and knowledge sharing”
 - (ii) “Smarter approaches are needed to reward learning and discouraging the hoarding of knowledge, including redesign of individual results agreements and performance evaluation criteria”.
 - (iii) “Learning and knowledge sharing is only likely to flourish if there is senior management commitment, leadership, signalling, and role modelling”.
- The evaluation also concluded that “IEG has a shared responsibility for promoting learning. It has made the commitment to assess how its evaluation procedures balance accountability and learning as well as to revamp its suite of products to make more allowance for learning evaluations”.

IEG 2015. Learning and Results in World Bank Operations: Toward a New Learning Strategy¹⁸

- This evaluation draws on the World Bank's 2015 World Development Report entitled Mind, Society and Behaviour which, among other things, aimed to integrate “recent findings on the psychological and social underpinnings of behaviour to make them available for more systematic use by both researchers and practitioners in development communities.
- The evaluation also presents the so-called EAST framework developed by the Behavioural Insights Team in the UK on ways to influence behaviour – the acronym stands for Easy, Attractive, Social and Timely.
- The need to contextualise knowledge to local conditions – not to have solutions looking for problems to solve.
- Are locally recruited staff used to the extent possible to provide local solutions to local problems?
- “Knowledge flow is partly mediated by the movement of staff in whose heads those ideas [tacit knowledge] are embedded.
- There may be an excessive focus on fly in/fly out expertise.

17. World Bank IEG. 2014. [Learning and Results in the World Bank Operations: How the Bank Learns](#)

18. World Bank IEG. 2015. [Learning and Results in World Bank Operations: Toward a New Learning Strategy](#)

- “Two factors stood out as contributing to the development of a close learning partnership with the client: frequent face-to-face interaction and continuity of project teams”.
- In addition to building trust with the client, a strong local presence was identified as enhancing the project team’s ability to swiftly respond to unforeseen events.

Comment on the evaluation:

- The evaluation makes 5 broad recommendations within which lie 11 more specific recommendations – recommendations lack insight, a point also made in the management response.

IEG. 2019. Knowledge Flow and Collaboration under the World Bank’s New Operating Model¹⁹

- Leadership, funding, authority to act, and personal attributes are important determinants of success.
- Achieving better knowledge flow requires a coherent and strategic approach, and the use of a variety of methods.
- The absence of metrics on, and monitoring of knowledge flow and collaboration hinder managing for them.
- The quality of knowledge, and how to assure it are challenging issues.
- By themselves, structural ‘solutions’ don’t lead to desired results, and/or they create new problems.
- The way forward requires: (i) strong senior management signalling in support of knowledge excellence; (ii) creating metrics for knowledge uptake, impact, quality, and influence; (iii) and reforming internal budgeting arrangements and (iv) continuing trust fund reforms”.

Comment on the evaluation:

- The evaluation does not identify insightful ways of facilitating (or not inhibiting) the transfer of tacit knowledge.
- There is a tendency to consider that tacit knowledge must be captured and made available in documented form. This does not take account of the reality that direct transfer from one head to another is the way the system works; and it allows for access to the most up-to-date form of the tacit knowledge and its customisation to context (potentially at least).
- The evaluation does not take into account that the solution of complex problems requires a locally-led, problem driven, context specific and iterative approach – single packets of knowledge from outside are unlikely to resolve complex problems.

148. ADB’s Independent Evaluation Department (IED) has also carried out a recent evaluation of knowledge, published July 2020, it is entitled Knowledge Solutions for Development: An Evaluation of ADB’s Readiness for Strategy 2030

Initial comment on the evaluation: the objective of the evaluation was to help ADB find ways to generate better knowledge solutions for its developing member countries – as such, its focus is on the external rather than internal sharing of knowledge. It is the internal sharing of knowledge that is the focus of this evaluation of LKM in the EBRD. That said, many of the findings are applicable to internal knowledge sharing, as shown by the points below. The external sharing of knowledge is hampered by deficiencies in internal knowledge generation, sharing and learning.

Significant points of relevance to the current evaluation are:

- Strong operations department silos hamper the flow of knowledge horizontally and limit the collaboration of technical specialists across the institution.
- A reluctance to take risk or embrace innovation in a culture that is characterised by vertical communication and highly codified rules, and a difficulty in collaborating and sharing knowledge, especially across divisions and departments.

19. World Bank IEG. 2019. [Knowledge Flow and Collaboration under the World Bank’s New Operating Model](#)

- ADB's culture, which is consensus-based and risk-averse, does not always promote innovative knowledge solutions.
- Part of the required culture is creating space for asking of questions and challenging preconceived notions [and assumptions].
- Leadership sets the tone for an organisation's culture.
- ADB often values speed rather than developing thoughtful knowledge solutions, partnerships, or innovation.
- The quality review process comes late in the project design process and its focus tends to be on compliance issues.
- ADB does not take sufficient advantage of tacit knowledge and experience.
- ADB does not measure knowledge solutions systematically or provide quality review – measurement is needed to identify the amount of investment required.
- The long-term cost of relying on consultants for knowledge functions may be high.
- Investing in technology does not necessarily lead to improvements in knowledge – organisational and cultural changes are needed to fully realise the benefits of IT investments.
- Tailoring knowledge solutions requires understanding the needs of users.

149. In 2019, the Inter-American Development Bank's (IDB's) Office of Evaluation and Oversight (OVE) published a corporate evaluation, *Review of Knowledge Generation and Dissemination in the Inter-American Development Bank* covering IDB and its private sector arm, IDB Invest²⁰. Points considered the most relevant for the current evaluation are:

- A 2007 realignment strengthened the ability of IDB to generate and disseminate knowledge, and to more fully integrate knowledge into core business processes – among other things, the realignment created a dedicated knowledge department under a vice-presidency for sectors and knowledge.
- Resources were reallocated to more systematically invest in knowledge work – however, resources allocated are still considered insufficient.
- Introduction of a protocol defining a taxonomy of knowledge products.
- Deficiencies in IDB's budget and tracking systems inhibited the evaluation's ability to assess performance against each knowledge objective – identified as (i) improving the effectiveness of IDB's lending and policy dialogue; (ii) responding to specific client demands; (iii) filling knowledge gaps and identifying emerging development challenges; (iv) fostering a culture of learning internally; and (v) disseminating lessons and best practices.
- Increased resource allocation has resulted in more knowledge products. Use has also increased, particularly externally – internal citation remains low, but it has increased substantially – most staff surveyed did not use knowledge products, either because they are “not relevant for their work” or “they are difficult to find”.
- Despite the Knowledge Department's efforts to better manage tacit knowledge, the evaluation found continued concern regarding the systematisation and sharing of learning from operations – challenges have included missing project progress monitoring reports and a lack of quality in those available; and ‘political constraints’ in sharing lessons from project completion reports.
- Dissemination of knowledge is determined by Knowledge Dissemination Strategies that determine how to disseminate what knowledge to its most relevant audiences – however, there is a perception of low incentives and few resources for dissemination with the limitations on conference attendance being a major inhibitor of learning and knowledge sharing.
- The intangible and non-commercial nature of knowledge generated by IDB, coupled with deficiencies in the budget systems, make it difficult to assess the cost-benefit ratio of knowledge production.
- IDB needs to ensure there are resources and incentives for staff to extract lessons and learn from operational successes and failures. This implies not only continuing to strengthen the delivery of Project Completion Reports, but also aggregating lessons learned from the execution and results of individual projects, and further strengthening the mechanisms for internal sharing and learning.

20. IDB. 2019. [Review of Knowledge Generation and Dissemination in the Inter-American Development Bank](#)

- Recommendations relevant to the current evaluation include
 - » Keep improving the organisation and tracking of knowledge activities, resource and dissemination efforts, and usage.
 - » Consider greater resource allocation and revision to dissemination policies to improve internal and external dissemination and the adaptation of knowledge products for different audiences.

About EvD

The independent Evaluation Department (EvD) evaluates the performance of the EBRD's completed projects and programmes relative to objectives.

It systematically analyses the results of both individual projects and wider themes defined in the EBRD's policies.

The core objective of evaluation is to contribute to the EBRD's legitimacy, relevance and to superior institutional performance. To achieve its core objective, the Evaluation Department fulfills two primary functions:

- It provides a critical instrument of accountability through objective, evidence based performance assessment of outputs and outcomes relative to targets; and
- It contributes to institutional learning for future operations by presenting operationally useful findings.

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