

21 April 2026

Eighth meeting of the Board

22–24 April 2026

Livingstone, Zambia

Provisional agenda item 11(c)

Performance management system for the Executive Director

Expected actions of the Board

The Board will be invited to consider and approve the enclosed draft proposal for a performance management system for the Executive Director which consists of (1) a proposal for a performance evaluation process, (2) a proposal for the creation of a performance oversight committee for the Executive Director, and (3) a description of the process for setting the Executive Director's objectives and key results areas through a performance oversight committee.

I. Background and mandate

1. At its third meeting (B.3), the Board selected the Executive Director of the Fund for responding to Loss and Damage (hereinafter referred to as the Fund) and decided to guide the Executive Director of the Fund in the development, for Board approval, of a performance management, development and evaluation system, complete with annual objectives and results-based key performance indicators for the Executive Director no later than B.5 (decision B.3/D.4).

2. At B.5, the Board engaged with the above-mentioned subject but decided to defer the approval of the performance evaluation process for the Executive Director to B.6 and requested the Executive Director to present to the Board at B.6 a revised proposal for objectives and key results taking into consideration the views expressed by the Board at B.5. At the same meeting, the Board approved a performance evaluation process for performance cycle 2024–2025 and requested the Co-Chairs to conduct the evaluation of the performance of the Executive Director for that performance period. After B.5, the Co-Chairs and the Vice President for the Planet Vice Presidency at the World Bank (hereinafter referred to as the Host VP) met to discuss the Executive Director’s self-assessment and their assessment. The Host VP then entered the relevant information into the Bank’s system. The Board hosted a closed door session related to the performance of the Executive Director and deferred a decision on a performance management system to B.8.

3. To support the Board’s consideration of the enclosed proposal for a performance management system for the Executive Director, this document is structured as follows:

(a) Chapter II provides background on the status of the Executive Director in the World Bank system, the provisions of the hosting arrangements between the Board and the World Bank in matters relating to performance management;

(b) Chapter III provides associated budgetary implications;

(c) Annex I contains a draft decision on the adoption of the performance management system for the Executive Director;

(d) Annex II contains a draft performance evaluation process for the Executive Director for consideration by the Board;

(e) Annex III contains draft terms of reference for an Executive Director performance oversight committee.

II. Status of the Executive Director within the World Bank System

4. Pursuant to section 3.01(c) of the Agreement on the Hosting Arrangements for the Secretariat of the Fund between the Board of the Fund and the International Bank for Reconstruction and Development (hereinafter referred to as the Hosting Agreement), Secretariat staff, including the Executive Director, are employees of the World Bank. Thus, subject to other provisions of the Hosting Agreement, human resources policies and procedures, among other applicable policies and procedures of the World Bank, apply to employment conditions for Secretariat staff.

5. The Hosting Agreement further specifies that the Executive Director “shall report administratively to the Host VP, as a World Bank employee, and shall be accountable to the Fund Board, as the head of the Secretariat” (Hosting Agreement, section 4.01(b)).

6. Additionally, the Hosting Agreement states that “[t]he Executive Director shall be assessed annually on their performance. The Executive Director shall be accountable for the performance of the Secretariat and the Secretariat’s delivery of its work program to the Fund Board, and the Fund Board shall assess the performance of the Executive Director, building on inputs from the Host VP (on administrative issues), Secretariat staff and others as appropriate. The Host VP shall record the outcome of the assessment of the Executive

Director's performance undertaken by the Fund Board in the World Bank system" (Hosting Agreement, section 4.05 (b)).

7. To effectively manage the performance of the Executive Director and support the implementation of the methodology and processes set forth in the proposed performance management system contained in annex II to this document, it is worth noting that as outlined in paragraphs 4–5 above, the Host VP is, considered the administrative manager of the Executive Director in the World Bank system. This role is strictly confined to administrative supervision owing to the employment status of the Executive Director as a World Bank employee.

8. The performance cycle under the World Bank system runs between 1 July of one year and the end of June of the following year. The performance cycle consists of the following fundamental and mandatory milestones required by the World Bank policies: (1) the setting of annual objectives; (2) at least two meetings per cycle; and (3) the annual evaluation of performance against these objectives. The Board may wish to consider its involvement in these milestones, including through a performance oversight committee, and the Board may also wish to consider what additional input it may provide to the performance evaluation process, during or in addition to the minimum required by the applicable World Bank policies and the Hosting Agreement.

9. The annual evaluation of the Executive Director's performance begins on 1 July and, depending on the process ultimately approved by the Board, may take several months to complete. To be able to conduct a comprehensive performance evaluation, including a diverse set of assessments the Board may wish to consider receiving the results of the annual performance evaluation as soon as ready (in writing) and/or no later than at the third meeting of the Board in a calendar year. Further, to complete the process under the World Bank system, and in accordance with the Hosting Agreement, the Co-Chairs should communicate, on behalf of the Board, the final assessment and performance rating to the Host VP who will record it in the World Bank system.

III. Budgetary implications

10. Ahead of finalizing the process, the Co-Chairs will communicate to the Board any performance-related salary increase which may automatically apply under current World Bank rules.¹

IV. Recommendation

11. The Board is invited to consider and adopt the performance management system for the Executive Director.

¹ Under current World Bank policies, a performance-related salary increase is set annually by the World Bank for all staff and varies based on grade, location and performance rating.

Annex I

DRAFT DECISION B.8/DD.x: Performance management system for the Executive Director

The Board, having considered document FRLD/B.8/15, titled “Performance management system for the Executive Director”:

(a) *Adopts* the performance evaluation process for the Executive Director as contained in annex [I] to this decision, to be applied as at performance cycle 2026–2027 onwards;

(b) *Establishes* the Executive Director Performance Oversight Committee as a standing committee of the Board in accordance with paragraphs 2(h) and 43 of the Rules of Procedure of the Board;

(c) *Adopts* the terms of reference of the Performance Oversight Committee as set out in annex [II] to this decision;

(d) *Appoints* as members of the Performance Oversight Committee, in addition to the two current Co-Chairs of the Board:

(i) [name];

(ii) [name];

(e) *Confirms* that the present decision is without prejudice to the performance evaluation process adopted for performance period 2026–2027 onwards, which remains subject to decision B.5/D.5.

Annex II

Performance evaluation process for the Executive Director

I. Introduction

1. The main purpose of any performance evaluation process within the World Bank system is to encourage regular, honest dialogue between staff and their managers about their performance. The process needs to be designed to align individual requirements to organizational needs, set priorities, provide an objective assessment of the current level of performance, and highlight areas for further development to enable individuals to reach their full potential and to effectively contribute towards the objectives of the FRLD.

2. The performance evaluation process for the Executive Director is aligned with that purpose, but it also takes into account the specific circumstances of the Executive Director who is both selected by and accountable to the FRLD Board and who is, for administrative purposes, a World Bank employee. Thus, the performance evaluation process is centred around the overall responsibility for the FRLD Board to provide assessment of the performance of the Executive Director, while aligning with applicable World Bank policies and processes.

II. Scope of applicability

3. This performance evaluation process is applicable to the assessment of the Executive Director's performance during both a probation period, and after confirmation of appointment, in accordance with the applicable policies and procedures of the hosting institution.

III. Roles and responsibilities

4. For the purposes of implementing performance evaluation process for the Executive Director:

(a) The FRLD Board is responsible for the overall assessment of the performance of the Executive Director under the Hosting Agreement and applicable World Bank policies;

(b) The Co-Chairs will provide ongoing supervisory function to the Executive Director, as appropriate;

(c) The Performance Oversight Committee (POC) will assist the Co-Chairs in the annual assessment of the performance of the Executive Director;

5. The Vice President for the Planet Vice Presidency at the World Bank (hereinafter referred to as the Host VP), as stipulated in the Hosting Agreement, is responsible only for:

(a) Providing input to the FRLD Board regarding the Executive Director's performance on administrative issues;

(b) Recording the outcome of the assessment of the Executive Director's performance undertaken by the FRLD Board in the World Bank systems.

6. The Secretariat is responsible for organizing the appropriate training and background materials to prepare the Co-Chairs and other members of the POC for the discharge of their duties under this performance evaluation process.

IV. Performance cycle and milestones

7. The performance of the Executive Director is assessed annually. The annual performance cycle for the Executive Director runs from 1 July of each year until the end of June of the following year, aligned to the performance cycle of the World Bank.

8. The Board shall be informed by the Co-Chairs of the outcome of the performance evaluation via email when necessary and during the second Board meeting every year.

9. The annual performance evaluation cycle in the World Bank comprises, at a minimum, the setting of annual objectives (complete with key results), a voluntary midterm check-in and a year-end performance evaluation.

A. Setting of objectives: performance standards and criteria

10. At the beginning of the performance cycle, the Executive Director will propose and discuss with the Co-Chairs a set of objectives and the corresponding key goals (OKGs) for that performance cycle. The OKGs must be aligned with the strategic objectives of the FRLD, with any guidance provided by the Board to that effect, and with the Secretariat's work programme. The OKGs will be prepared in the form available under applicable World Bank system and include, as relevant, the corresponding behaviour competencies and learning/development goals.

11. The Executive Director, in consultation with the Co-Chairs may create a career development plan.

12. The OKGs shall then be approved by the POC.

13. The OKGs may be updated during the performance cycle in accordance with relevant policies and processes of the World Bank and as appropriate in response to organizational changes and externalities.

14. The Executive Director will transmit the relevant documentation regarding the OKGs to the Host VP for recording in the World Bank systems.

B. Voluntary midterm review ("check-ins")

15. Prior to the year-end performance evaluation, a mid-year check-in may occur between the Executive Director and the Co-Chairs with a view to ensuring alignment of the OKGs, identifying any need of adjusting the OKGs, discussing progress, and receiving feedback from the POC.

16. If adjustments to the annual objectives or development plan are needed, those would be prepared and agreed under the process for setting objectives (paras. 10–14 above), which will apply in full.

C. Annual review (end-of-cycle assessment)

17. This stage involves a comprehensive assessment of the performance of the Executive Director against set objectives (including those that may have been updated throughout the performance cycle) and feedback received throughout the performance cycle.

18. The Executive Director will prepare a self-assessment against the OKGs. This includes descriptions of achievements against set objectives with evidence and means of verification. This self-assessment forms the basis for the year-end evaluation meeting of the cycle between the Executive Director and the POC.

19. The POC, upon proposal by the Co-Chairs, may seek feedback from Board members by using relevant and appropriate tools such as scorecards, questionnaires and interviews, as well as feedback from at least twenty per cent (20%) of the Secretariat staff. In accordance with the Hosting Agreement, the Host VP will also provide inputs to the FRLD Co-Chairs

regarding the performance of the Executive Director on administrative issues. The POC may seek support from the World Bank in preparing and disseminating the necessary materials, organizing and analysing the collection of feedback and preparing a feedback report.

20. The POC will review the self-assessment by the Executive Director and the feedback report and will prepare a draft evaluation on the performance of the Executive Director, based on the extent to which the Executive Director has achieved the proposed OKGs. The combined self-assessment and draft evaluation will be provided to the Executive Director.

21. The Executive Director may submit comments on the draft performance evaluation before or after the discussion with the POC.

22. The POC will finalize the Board's assessment of the performance of the Executive Director.

23. The Co-Chairs on behalf of the POC will inform the Board of any recognition that the POC considers appropriate.

24. The Co-Chairs will communicate, on behalf of the Board, the final assessment and performance rating to the Host VP who will record it in the World Bank system.

Annex III

Terms of reference for the Executive Director Performance Oversight Committee

I. Mandate

1. The mandate of the Executive Director Performance Oversight Committee (POC) is to:
 - (a) Assist the Board in the evaluation of the performance of the Executive Director;
 - (b) Make recommendations to the Board regarding matters related to the performance of the Executive Director.

II. Role and functions

2. In fulfilling the role set out in paragraph 1(a) above, the POC will:
 - (a) Approve the annual objectives and key results of the Executive Director;
 - (b) Monitor the performance of the Executive Director;
 - (c) Conduct the annual/end-of-year performance assessment of the Executive Director;
 - (d) Make recommendations to the Board regarding performance-based rewards and recognition that are at the discretion of the manager and not mandatory under World Bank policies, in consultation with the Budget Committee;
 - (e) Consider any other matters related to the performance of the Executive Director that the Board deems appropriate.
3. The POC will follow the performance evaluation process for the Executive Director that has been approved by the Board. The POC will make recommendations to the Board regarding any updates to the performance evaluation process that may be desirable or needed to improve the process and/or to align it to the requirements of the legal framework of the World Bank.
4. The POC will consult with the Budget Committee on budgetary issues relating to the performance of the Executive Director.
5. The POC will consult with the representatives of the World Bank, in accordance with the Hosting Agreement, for relevant aspects.

III. Membership

6. The POC will comprise:
 - (a) The current Co-Chairs of the Board (“the Co-Chairs”);
 - (b) The outgoing Co-Chairs of the Board or the Board members replacing them;
 - (c) One Board member from developing country Parties;
 - (d) One Board member from developed country Parties.
7. Membership of the POC will be for three years, except for the current and outgoing Co-Chairs who will only serve for the duration of their one-year tenure as Co-Chairs and their subsequent year as “outgoing” Co-Chairs.

8. If, at the beginning of a new term of Board membership, the outgoing Co-Chairs (or the Board members replacing them) are no longer members of the Board, the Board will complete the POC membership by appointing, as necessary, one or two further members to the POC, in any event ensuring that the two constituencies are equally represented.

IV. Working modalities

9. The presence of at least two thirds of the members of the POC will constitute a quorum for a meeting.

10. The POC will be assisted by the Secretariat as needed. Provisions will be put in place to manage actual and potential conflicts of interest.

V. Duration

11. The POC will be a standing committee of the Board.

12. Three years following the establishment of the POC, the Board will evaluate the terms of reference of the POC. The POC may also propose to the Board for its consideration updates to its terms of reference.
