Evaluation for Better Development Results

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CSO Session: Evaluation as a Critical Tool for Accountability
April 23, 2010
Goal of evaluation at the WBG

“All large organizations,…if they’re honest with themselves, will admit that they have successes and failures. We should learn from these experiences....”

Robert S. McNamara,
*Operations Evaluation Department, The First 30 Years*

“We must not simply tally the dollars we spend, but measure the lasting changes that these dollars help achieve. And we must share the proof of our progress with the public.”

Hillary Rodham Clinton, January 2010
IEG – A Unique Mandate

- 2005 Director-General’s mandate for independence
- Provide evidence on accountability
- Generate lessons for learning
- Identify WBG synergies
- A clear disclosure policy
Achieving and measuring results

The Results chain: *Inputs, outputs, outcomes, impacts*

All stages to be measured and monitored for effectiveness

**INPUTS**
- IL, DPOs, AAA, Global programs

**OUTPUTS**
- Public services, Infrastructure

**OUTCOMES and IMPACTS**
- Social & environmental outcomes, economic growth
Evaluation needs to match uncertainty

1. Crisis response
2. Cross linkages
3. WBG’s changing role
4. WBG instruments

Relevant and influential evaluations
1. Crisis response: Global financial crisis

- High volume of official flows and public expenditures
- Need to balance with reinvigoration of the private sector
- Attend to fiscal deficits and debt sustainability
- Poverty focus from the beginning
- Environment and climate change
- A strong results framework

Fiscal Balance

<table>
<thead>
<tr>
<th>Year</th>
<th>SAR</th>
<th>EAP</th>
<th>LAC</th>
<th>ECA</th>
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</thead>
<tbody>
<tr>
<td>1996-2000</td>
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<td>2001-2005</td>
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<td>2005-2008</td>
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<td>2009-2011</td>
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</tbody>
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In percent of GDP

-10 -8 -6 -4 -2 0 2 4

Post Crisis Projection
Natural Disasters

► Findings/Recommendations
  • Bank should increase capacity and enhance flexibility to respond to disasters and ensure that its human resources can be mobilized quickly.

► Impact on WB operations:
  • Guided the development of a new emergency policy
  • Led to the creation of a new lending instrument and the Global Fund for Disaster Risk Reduction
  • Provided real-time guidance to staff responding to the Tsunami and the earthquakes in Pakistan and Haiti

Source: Munich Re
2. Cross Linkages: Chad-Cameroon oil pipeline

Findings

• The main project was technically well implemented and a financial success
• But the main objectives of capacity building to manage the petroleum sector and helping Chad reduce poverty and improve governance were not met
• The detailed agreements for Chad’s use of oil revenues underlying the WBG involvement were too rigid and failed
• WBG involvement resulted in stronger environmental and social protection and in higher expenditure allocations to priority sectors

Lessons and Conclusions

• Projects and programs designed to operate in uncertain environments ought not to be overly detailed and rigid
• Program and project designs need to be in tune with institutional and administrative capacities on the ground
• The disappointing outcome of the program ought not to lead the WBG to avoid future involvement in extractive industries, even when risky
3. WBG’s changing role: Water

Evaluation findings:

► Performance of water projects was most improved in recent years
► Yet, crucial issues of water stress, ground water, coastal zones, sanitation and demand management under-emphasized

Top 10 Borrowers for Water

<table>
<thead>
<tr>
<th>Country</th>
<th>Total amount in water portfolio (US$ millions)</th>
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<tbody>
<tr>
<td>China</td>
<td>18,840</td>
</tr>
<tr>
<td>India</td>
<td>13,993</td>
</tr>
<tr>
<td>Brazil</td>
<td>7,153</td>
</tr>
<tr>
<td>Indonesia</td>
<td>5,637</td>
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<tr>
<td>Mexico</td>
<td>5,556</td>
</tr>
<tr>
<td>Pakistan</td>
<td>3,931</td>
</tr>
<tr>
<td>Argentina</td>
<td>3,199</td>
</tr>
<tr>
<td>Russian Federation</td>
<td>2,984</td>
</tr>
<tr>
<td>Vietnam</td>
<td>2,740</td>
</tr>
<tr>
<td>Turkey</td>
<td>2,211</td>
</tr>
</tbody>
</table>

Source: IEG water database.
4. Instruments: Doing Business Indicators

IEG recommendations:

• Improve the indicators to make them credible:
  – Enlarge and diversify the informant base
  – Reveal the reasons for and extent of ex-post data changes, and limited informant base
  – Drop or modify misleading or inappropriate indicators

• Do not use DBI as a measure of country reform:
  – Partial measure of business costs
  – Benefits of regulations are not considered
  – Hence misleading as a measure of reform

Impact of evaluation:

• A few more informants, some data changes explained, enhanced user’s guide
• But no change in overstated claims: DBI still marketed as a measure of reform
Safeguards Evaluation

- Effort upfront on risk mitigation versus implementation, supervision and M&E

- Comparing the effectiveness of IFC’s performance standards with the World Bank's safeguards policies

- Coverage and compliance

- Categorization of projects according to risks

- Client responsibility, accountability and ownership
Main findings:

- Aging analysis: On average, 68 percent of IEG-WB recommendations have been adopted High or Substantial in the third year of tracking.
## Projects

- ICR Reviews, PPARs – IEG-WB
- XPSRs, PCRs – IEG-FC
- Project Evaluations – IEG-MIGA
- Global Program Reviews (5/year)

## Thematic

- Nutrition IE Synthesis
- Water
- CHUEE IE
- Climate Change II
- Agriculture/Agribusiness
- WBG Response to Global Crisis
- Gender
- PRSCs
- Safeguards
- Cost-Benefit analysis
- Haiti note
- Annual Report

## Country Program

- CASCR Reviews
- Country Program Evaluations
  - Mozambique
  - Peru
## Proposed Evaluation Program: FY11

### Projects
- ICR Reviews, PPARs – IEG-WB
- XPSRs, PCR – IEG-FC
- Project Evaluations, Validation of PERs – IEG-MIGA
- Global Program Reviews (5/year)

### Thematic
- Social safety nets
- Education portfolio note
- ICT
- Response to global crisis II
- GAC
- IFC-Poverty
- Trade finance
- BROE
- Matrix
- Trust Funds
- Review of WBG IEs
- Donor coordination
- Africa Action Plan
- Annual Report

### Country Program
- CASCR Reviews
- Country Program Evaluations
- East Timor
- West Bank and Gaza
Thank you!

*Improving Development Results Through Excellence in Evaluation*