

ANNEX 1. TERMS OF REFERENCE

The Chief Economist has requested an independent evaluation of all research activities carried out by the World Bank—both in DEC and outside of DEC—between 1998 and 2005.

The objective is to assess whether and how World Bank research has achieved two main objectives: (1) to generate new knowledge on development and (2) to contribute to broadening the understanding of development policy. Only two similar exercises have taken place in the history of the World Bank in 1978 (chaired by Sir Arthur Lewis) and in 1983 (chaired by Assar Lindbeck). Partial evaluations of DEC research have also been carried out, the last one dating from 1998.

The evaluation draws on information about the full range of research activities in the World Bank. Evaluated were the outputs (publications, databases, etc) of research projects—defined as activities that have an RF budget code, in contrast to economic and sector work—as well as the World Development Reports, Policy Research Reports and Regional Flagship Reports. Overall this represents a ‘universe’ in excess of 4,000 journal articles, books and databases.

The evaluation has been carried out by an Evaluation Panel consisting of

- **Angus Deaton** (Chair), Professor of Economics, Princeton University;
- **Kenneth Rogoff**, Professor of Economics, Harvard University;
- **Abhijit Banerjee**, Professor of Economics, M.I.T.; and
- **Nora Lustig**, Director of the Poverty Group at UNDP since April 2006.

The terms of reference of the Evaluation Panel were to assess

1. the process of selection of World Bank research;
2. the topical coverage and emphasis of that research;
3. the analytic quality and reliability of the findings;
4. the relevance of research reports for Bank operations and its clients; and
5. how future Bank research could best serve World Bank objectives.

The Research Support Unit (DECRS) provided support to the Evaluation Panel.

The Evaluation Panel submitted its report to the Chief Economist in July 2006. The analysis, conclusions and recommendation of the Evaluation Panel will be included in the *Report on World Bank Research FY05-06*, prepared by DECRS, submitted by the Chief Economist to the Bank’s Board of Executive Directors.

Thematic Evaluators

The Evaluation Panel selected 22 thematic evaluators—world class specialists in their field—in order to prepare reviews of a randomly selected sample of 186 research

projects. The results and comments included in the evaluators' reports are summarized in the final report written by the Panel. The evaluators are

1. Macroeconomics and Growth: **Daron Acemođlu, Francesco Caselli**
2. Fiscal policy, Public Sector Management and Governance: **Tim Besley**
3. Trade and International Economics: **Sebastian Edwards, Gordon Hanson**
4. Poverty and Social Welfare: **Murray Leibbrandt (with Martin Wittenberg), Esther Duflo**
5. Human development (Education; Health; Population): **Nancy Birdsall, Josh Angrist, Sebastian Galiani**
6. Finance and private sector development: **Jonathan Morduch, Marianne Bertrand**
7. Agriculture and rural development: **Justin Lin, Chris Udry, Marcel Fafchamps**
8. Infrastructure and urban development: **Edward Glaeser, Michael Kremer**
9. Environment: **Andrew Foster, Geoffrey Heal**
10. Other topics: **Peter Diamond** (pensions, insurance), **Antoinette Schoar** (Doing Business reports), **Jan Sjvenar** (transition)

The thematic evaluators were asked [1] to evaluate the outputs of the sampled projects assigned to them paying particular attention to reliability, rigor, completeness, and relevance and, in addition, [2] to give their overall assessment of the strengths and weaknesses of Bank research in their area of expertise based on the sample and their general knowledge of Bank research.

Sample

The sample which the thematic evaluators reviewed was chosen randomly from the universe of Bank research publications (both from DEC and outside of DEC). The sample was chosen with a bias towards more recent and ongoing projects, in order to better evaluate the current direction of the Bank's research. The sample also includes 50 of the best outputs by DECRG selected by the Development Research Group. This is to ensure that the Thematic Evaluators and the Evaluation Panel give full consideration to what researchers themselves consider to be their best research. A full list of the publications which the thematic evaluators reviewed is available in the Annex.

Other Activities

The Evaluation Panel also conducted interviews of Bank staff and management; developing country policymakers, NGOs and other users of Bank research.

DECRS also subcontracted Thomson Scientific, a leading private firm in the field, to carry out an analysis of citations of World Bank publications in peer-reviewed journals.