



INDEPENDENT EVALUATION GROUP

EVALUATION OF WORLD BANK EFFECTIVENESS HIGHLIGHTS NEED FOR NEW APPROACHES TO GLOBAL CHALLENGES

Washington DC, September 26, 2008. The Independent Evaluation Group (IEG) released today its Annual Review of Development Effectiveness, 2008. The report highlights the critical importance of making progress on shared global challenges in order to raise living standards and lift people out of poverty. Experience shows that a fair and efficient international trade regime, for example, is a global public good that allows developing countries to expand trade and grow faster. The growing global threat of climate change, a “public bad” by contrast, already imperils the poor who bear the brunt of increasing natural disasters and health hazards.

“It used to be that development challenges stopped at a country’s borders. But now partners the world over must work together to address these global challenges—on our shared environment, the communicable diseases that can affect us all, a fair trading regime, and a strong international financial architecture—for the poorest among us to rise out of poverty,” said IEG Director-General Vinod Thomas.

This year’s annual evaluation report focuses on the World Bank’s work in fostering these global public goods, such as protecting the earth’s climate and preventing the spread of communicable diseases. Motivating local action for some global public goods is easier when the benefits are captured locally: efforts to stop the transborder spread of pandemic disease are more easily motivated due to direct, locally captured benefits. By contrast, reducing greenhouse gas emissions is harder to motivate due to a lack of perceived local benefits, particularly in the near term. The independent evaluation examines both situations, although it is the latter where the challenges are greatest and the role of the Bank is potentially pathbreaking.

“Global public goods are undersupplied, and that affects the lives and prospects of poor people in villages and cities across developing countries. Support for agricultural innovation in Vietnam or Thailand can be undone if farmers stare at ruin in the event of an avian flu outbreak. Progress in agriculture in Bangladesh or Mozambique can be wiped out by natural disasters aggravated by climate change,” explained Thomas O’Brien, the report’s lead author.

The World Bank has paid growing attention to global public goods, which increasingly influence development outcomes. It has helped foster global public goods through country activities, and its country model has worked well when national and global interests dovetail and when grant finance supports country-based investments. The Bank has also been a strong advocate for changes in global systems, such as international trade reform, where it has expertise and a willingness to engage in public debate. But the greatest challenges arise when local, national and global benefits diverge significantly from each other. For example, the investments needed to protect the earth’s climate and environmental commons vary considerably at local, national and global levels, as do the costs and benefits of such actions.

The evaluation report identifies options for the World Bank to consider including: creating dedicated resources and better internal incentives for Bank’s country teams to work on global public goods; more effectively deploying its global knowledge networks; developing new financial instruments and securing additional resources, including grant funds, to support country-level

investments; and more powerfully using its standing to give greater voice to developing countries in the governance of global programs.

The Annual Review also tracks trends in outcomes of Bank projects and country programs, the evolution of monitoring and evaluation (M&E), and the role of evaluation in the results agenda. It finds that development outcomes from Bank lending have improved over the medium term, with 80 percent of projects delivering satisfactory results. Country program achievements in meeting their broad objectives—typically including growth, poverty reduction, and environment—have been moderately satisfactory or better in three-fifths of cases, including several large countries that house the majority of the world's poor. However, the report also notes that too many other programs, particularly in the more impoverished countries, face deeper challenges to improve performance. Despite recent progress in updating its policies on lending and country strategies to emphasize monitoring and evaluation, the quality of their implementation remains quite weak, in part reflecting weak statistical systems in countries

“Over-optimism in the Bank’s self-assessment of ongoing project performance and weaknesses in the use of monitoring and evaluation systems are of concern. The quality of project monitoring and evaluation is low in some projects, while results frameworks in country assistance strategies need clearer and simpler articulation with baseline indicators to be more effective as management tools,” said Mark Sundberg, IEG’s Manager of Corporate and Global Evaluations and Methods.

For more information: Contact Melanie Zipperer at 1-202-468-9841, mzipperer@worldbank.org

To view World Bank Senior Management’s response to the evaluation: Please visit http://www.worldbank.org/ieg/arde08/mgmt_comments.html

To download the report or order hardcopies: Please visit <http://www.worldbank.org/ieg/arde08>