



Conclusions and Recommendations

The World Bank has been strengthening the results focus of its operations, starting with the emphasis on improving project development outcomes in the early 1990s, the move to a stronger country focus in the late 1990s, and the heightened attention given to managing for results, in concert with other development partners, in the early 2000s.

In 2003, the Bank put in place a Managing for Development Results action plan, which included actions to do the following:

- Strengthen the countries' capacity and demand to manage for results (Country Pillar).
- Enhance the Bank's relevance and effectiveness in contributing to results (Bank Pillar).
- Harmonize results-based approaches across development agencies (Global Pillar).

The Bank is making progress in carrying out the plan, particularly at the project and country levels. OPCS reported (World Bank 2006b) that PRSs are focusing government, donor, and Bank programs around desired results in low-income countries. Within the Bank, the RBCAS, CAS Progress Report, CASCR, and IEG validation provide the basis for managing for results at the country level. In addition, results frameworks have been introduced for Investment Loans and Development Policy Loans. The newly adopted ISR gives more prominence to monitoring. The Bank also continues to work with other MDBs and other donors to harmonize approaches,

policies, and procedures to reduce the costs to countries dealing with multiple partners in managing for results.

On the sector, thematic, and global levels, efforts to focus on results are at an early stage. Sector results frameworks are being developed and the Bank is reporting on progress in selected sectors through Sector Strategy Implementation Update reports. Following up on an IEG review that identified the need to strengthen results frameworks for better monitoring and evaluation in global programs, some changes have been made in the management of global programs (appendix A). Further work is needed to report achievements at the sector and global program levels and to assess more systematically and strategically what has worked well and why in different sectors and themes across countries.

In its 2006 progress report, OPCS identified a list of possible actions to accelerate the implementation of the results agenda over the coming years and laid out next steps in its results framework (annex B of the report). The list of proposed

action items is summarized in appendix G. At the country level, OPCS proposes enhancing governments' capacity to use performance information for policy implementation at the sector and cross-sector levels.

Internally, the updated action plan calls for Regions and networks to provide leadership for advancing the results agenda in collaboration with OPCS under the umbrella of a newly constituted Results Steering Group. New training initiatives and stepped-up support for Bank teams are proposed to encourage increased use of M&E information at the operational level. While the report provides a credible list of action items, OPCS does not identify priority action items or funding sources of this next phase.

The emphasis on results is hardly new. Monitoring and evaluation have long been considered to need improvement.¹ The most recent Monitoring and Evaluation Action Plan (fiscal 2001–03) introduced results-based M&E in pilot countries and provided training and technical support to increase the Bank's own capacity to manage for results (World Bank 2000). Although the country pilots encouraged the adoption of results-based country portfolio reviews and influenced the development of RBCASs, the efforts to strengthen the Bank's internal M&E capacity were below expectations because of competing priorities, fragmented efforts, and lack of adequate funding.

The 2004 AROE identified culture, incentives, and lack of a funded action plan as constraints to improving the results orientation of the Bank's M&E system. It recommended that Bank management (a) develop, maintain, and communicate a sustained vision of a results-oriented Bank and define how organizational culture, incentives, and structure need to change; (b) develop a phased and costed plan to implement results management; and (c) review and strengthen incentives to promote results-oriented M&E.

This year's AROE finds that the Bank has made significant progress in putting in place revised policies and procedures to better manage for

results. However, it notes that these have not yet translated into improved incentives and practices at the operational level. Poorly developed results chains and indicators without adequately defined baselines and/or targets call into question the likely effectiveness of these results frameworks for M&E at the project and country levels.

The analysis identified the following constraints to outcome-focused M&E:

- Conceptual difficulties in establishing meaningful results chains
- Possible crowding out by other priorities (safeguards, fiduciary, and the like)
- The continuing perception that "delivery of new projects" is what matters most
- A lack of appreciation of the possible uses of performance information and evaluations for management decision making.

The analysis reconfirmed the importance of focusing on country outcomes and aligning Bank operations around them, as well as the need to promote more cross-sectoral collaboration and multisector teams. The Bank needs to continue to strengthen results frameworks, at both the country and project levels. While it is critical to come up with a manageable number of outcomes and performance indicators, the focus should not be exclusively on what is measurable and achievable, and staff should be encouraged to take on difficult but important challenges.

With retrofitting of internal policies and procedures largely completed at the country and project levels, and under way at the sector, thematic, and global levels, the Bank now faces a key challenge: to change the culture and perceptions within the organization that act as informal incentives and disincentives. These are difficult challenges that will take time to resolve. The basic principles of the recommendations from the 2004 AROE remain valid: the Bank needs to maintain and communicate its vision for a results-oriented Bank; address incentives; and develop a cohesive, funded action plan. Management could send a strong signal to staff that it remains committed to the results agenda by

proposing, communicating, and implementing such a funded action plan.

IEG's role in advancing the Bank's results agenda is evolving to meet the need for timely and operationally useful information. To increase IEG's effectiveness, greater use and influence of IEG evaluations can be achieved by emphasizing learning aspects, embedding evaluation functions earlier and more systematically into operations, developing quick-turnaround products to support decision making based on evaluative findings, and continued deepening of communications to raise awareness of evaluation findings and lessons.

Recommendations for Management

- Building on progress achieved so far in advancing the results agenda, agree on a three-year action program supported by appropriate funding for the implementation of the next stage, differentiating new allocations and re-deployed resources. Critical action items would be the following:
 - Support country directors and country teams in their efforts to refine and use results frameworks at country and sectoral levels to manage country programs. Similar efforts are needed to strengthen the results frameworks of thematic and global programs.
 - Assess the effectiveness of (self-) evaluation approaches during project and country program implementation and provide guidelines to staff on their use.
 - Strengthen incentives and accelerate a results-oriented training and communication program for management and staff to encourage use of M&E information.
- Identify and support in-depth learning opportunities to develop and use results-based approaches with task teams, particularly in challenging country cases and in complex multisectoral settings.
- Provide support to task teams and technical advice to countries that intend to institutionalize M&E systems to strengthen the collection and use of performance information in order to enhance their capacity and demand to manage for results.

Recommendations for IEG-WB

- To further strengthen IEG's contribution to the workings of the results agenda in the World Bank Group, IEG should continue to follow its own results framework and monitor it through the AROE. Its focus on the usefulness of evaluation findings for its core audiences should be enhanced: for the **Board** for oversight, for **management** through the incorporation of recommendations into Bank policies and strategies, for **Bank staff** through the use of evaluation findings for policy advice to country partners and in project design, for **external partners** through the use of evaluation findings to improve their programs and policies, and for the **countries** more broadly. In playing this role, IEG should:
 - Improve the timeliness of its evaluations.
 - Strengthen the operational relevance of the findings.
 - Increase access to and exchange of the lessons.