



2006 Annual Report on Operations Evaluation



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ACRONYMS AND ABBREVIATIONS

AAA	Analytical and advisory activities
ACS	Activity Completion Summary
ADB	Asian Development Bank
AIS	Activity Initiation Summary
AROE	Annual Report on Operations Evaluation
ARPP	Annual Report on Portfolio Performance
BP	Bank procedure
CAE	Country Assistance Evaluation
CAS	Country Assistance Strategy
CASCR	CAS Completion Report
CBD-CDD	Community-based and -driven development
CC	Country coordinator
CD	Country director
CGAP	Consultative Group to Assist the Poor
CODE	Committee on Development Effectiveness
COMPAS	Common Performance Assessment System
CPFR	Country Portfolio Performance Review
CPR	Country program review
DAC	Development Assistance Committee (Organisation for Economic Co-operation and Development)
DEC	Development Economics Vice Presidency
DGF	Development Grant Facility
DIME	Development Impact Evaluation Initiative
DPL	Development Policy Loan
ECD	Evaluation capacity development
ECG	Evaluation Cooperation Group
ED	Executive director
EI	Extractive industries
ESW	Economic and sector work
GMR	Global Monitoring Report
GPP	Global program and partnership
GPR	Global Program Review
GRM	Grant reporting and monitoring
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit
IBRD	International Bank for Reconstruction and Development
ICR	Implementation Completion Report
IDA	International Development Association
IEG	Independent Evaluation Group (World Bank)
IFC	International Finance Corporation
ISR	Implementation Status and Results Report
LICUS	Low-Income Country Under Stress

LOC	Line of credit
M&E	Monitoring and evaluation
MAR	Management Action Record
MDB	Multilateral development bank
MDG	Millennium Development Goal
MIGA	Multilateral Investment Guarantee Agency
NGO	Nongovernmental organization
OED	Operations Evaluation Department (now IEG)
OD	Operational directive
OP	Operational policy
OPCS	Operations Policy and Country Services (World Bank)
PAD	Project Appraisal Document
PDO	Project development objective
PPAR	Project Performance Assessment Report
PSR	Project Supervision Report
PRS	Poverty Reduction Strategy
QAG	Quality Assurance Group
RBCAS	Results-Based Country Assistance Strategy
RMLS	Results Monitoring and Learning System
RMS	Results Measurement System
RSG	Results Steering Group
SAP	Systems Applications and Products
SM	Sector manager
SSIU	Sector Strategy Implementation Update
SPC	Strategy and Performance Contract
STATCAP	Statistical Capacity Building Multicountry Adaptable Program Loan
TFSCB	Trust Fund for Statistical Capacity Building
TTL	Task team leader
VPU	Vice presidential unit

OED changed its official name to the Independent Evaluation Group (IEG) in December 2005. The new designation “IEG” will be inserted in all IEG’s publications, review forms, databases, and Web sites.



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Executive Summary

The 2002 International Conference on Financing for Development in Monterrey emphasized the need to measure, monitor, and manage for results and concluded with joint statements issued by the leaders of the multilateral development banks. The World Bank began implementing its Managing for Development Results action plan in 2003. The plan calls for steps to (a) strengthen countries' capacity and demand to manage for results; (b) enhance the Bank's relevance and effectiveness in contributing to results; and (c) harmonize results-based approaches across development agencies.

The Bank's results agenda shifts attention from outputs of development activities, such as dollars lent or reports written, toward country and sectoral as well as global outcomes, such as the Millennium Development Goals, economic growth, and environmental and social sustainability. This shift has implications for monitoring and evaluation (M&E). In a results framework, monitoring includes tracking outcomes as well as outputs, while evaluation assesses the contribution of Bank operations to achieving results.

Managing for results requires better information on program performance at the project, sector, country, and global levels to guide decision making and reporting. The focus on results is a joint responsibility of countries and development agencies and requires parallel efforts to strengthen demand and the capacity to make use of information. The results agenda combines heightened accountability at the country and development

agency levels with learning to understand better what works, what does not, and why.

The *2006 Annual Report on Operations Evaluation* (AROE) updates the actions taken since the 2004 and 2005 AROEs to strengthen the results focus in M&E. First, it analyzes the implications of managing for results on Bank operations. Second, it assesses the extent to which the Bank's M&E systems provide staff with the information they need to better manage for results. Third, the report evaluates products and services of the Independent Evaluation Group-World Bank (IEG-WB) as part of a continuous process of self-evaluation and assesses their quality, influence, and use among both internal and external audiences. The report also raises some unresolved issues for further consideration. Finally, it makes recommendations on how M&E can be strengthened to increase the World Bank's effectiveness.

World Bank Progress in Implementing the Results Agenda

The Bank has made progress in putting in place an architecture for managing for development results, but more work is needed to extend this framework beyond country programs and projects.

Policies and procedures have been revised to manage better for results. Results-Based Country Assistance Strategies (RBCASs), Country Assistance Strategy (CAS) Completion Reports, and IEG validation of the completion reports provide the basis for managing for country-level results. The results frameworks are intended to clarify the Bank's contribution to the achievement of country development goals. This addresses a weakness of previous CASs, which discussed country goals and Bank operations, but did not link them systematically.

Investment Loans and Development Policy Loans now have formal results frameworks that link individual Bank projects to country development goals. Even if more difficult to do in many respects, similar efforts are needed in sectoral program areas such as infrastructure and health initiatives and in global initiatives, whether in education or the environment. The Bank needs to assess more systematically and strategically what has worked well in different sectors, as is being currently attempted for health and for infrastructure.

Some Bank operational teams are using self-evaluation to improve performance, but these efforts are not yet systematic.

While still at a pilot stage, evaluative methods such as rapid results approaches, deployed during implementation, can improve the effectiveness of Bank projects and programs. Impact evaluations have been recognized as a formal analytical and advisory activity product, and the Development Impact Evaluation Initiative has identified some 60 ongoing impact evaluations, mostly in social sector and poverty programs. A variety of approaches can be used to assess program impact, including well-focused objectives-based assessments, rates of

return analysis, retrospective impact evaluation, and randomized experiments.

The Bank's country partners are still at an early stage in adapting to a results focus.

Lack of capacity and the additional cost of data collection are seen as constraints to M&E in the Bank's client countries. A few countries, particularly those preparing Poverty Reduction Strategies, are receiving Bank support to strengthen their national statistical systems that support improved poverty monitoring. Some countries, most visibly in Latin America, are working with Bank support to strengthen systems for M&E, both governmentwide and at the sectoral level. Engagement with both the country and multilateral and bilateral partners is essential in these efforts.

The Bank's approach to the results agenda needs to be supported by complimentary action on several fronts where early resolution could enhance the effectiveness of the results agenda.

The AROE analysis confirmed the importance of focusing on country outcomes and aligning Bank operations around them, often within multisectoral settings. Yet incentives for cross-sectoral teamwork remain weak. Also, with growing globalization, the potential role of cross-country interventions—and the Bank's contribution to them—is likely to grow.

Yet inadequate measurement of the effects of such interventions in areas such as health, water and sanitation, and the environment holds back current or future support for them. The Bank is encouraging staff to take on difficult but important challenges, such as issues of governance or the environment or working in tough country circumstances, such as those of fragile states. In these situations, the focus on measurable and achievable results needs to be factored into the complexity of the process and the difficulty of outcomes so that attention and incentives do not shift exclusively toward the outcomes that are easiest to obtain or measure.

Are M&E Systems Providing What Is Needed to Manage for Results?

The use of the results framework as an effective monitoring and management tool remains in question.

An AROE review of 25 CAS results frameworks prepared during fiscal 2005–06 found that about one-third of the CASs had weak results frameworks that made it impossible to follow the links between country goals, CAS outcomes, and Bank activities. In addition, more than half did not include baselines and did not set specific, time-bound targets. The absence of performance indicators with baselines and targets reduces the usefulness of the results frameworks.

In cases where indicators are present, there are commonly too many, which makes the framework an unwieldy tool. At the project level, the Quality Assurance Group found that the clarity and realism of development objectives could have been improved in about 40 percent of projects reviewed in fiscal 2004–05. In addition, 40–50 percent of the projects reviewed lacked well-articulated results frameworks with baselines and systems for tracking and reporting progress. An Operations Policy and Country Services (OPCS) review of the quality of results frameworks in Implementation Status and Results Reports (ISRs) that was prepared in fiscal 2005 found that 40 percent did not contain any outcome indicators with baseline data for either the project development objective or intermediate outcome indicators, and were not considered acceptable.

Disconnects in outcome ratings between country and sector policy outcomes and project outcomes point to a gap in understanding the factors that contribute to results.

An IEG retrospective of Country Assistance Evaluations (IEG 2005d) found that in a third of the country programs reviewed, aggregate project outcomes were satisfactory, but the overall country assistance programs were unsuccessful. Similar disconnects have emerged at the sector level. While the Bank's primary education portfo-

lio performed above Bank average and met stated expansion targets, most such programs failed to look beyond increased enrollment and completion rates to how well students were learning. An IEG evaluation of the Bank's trade assistance (IEG 2006a) found that Bank advice and lending contributed to systematic reductions in protection and in opening up economies. But the impact on employment and poverty reduction was less than expected, and the Bank did not conduct sufficient analysis to inform its policy and lending in this area. Systematic evaluation during and on completion of Bank activities could help improve understanding of factors critical to success that can be used to refine the results framework at the country, sector, and project levels.

Bank managers and operational staff encounter a variety of challenges in managing for results.

Focus groups and interviews conducted for this AROE indicated that managers and operational staff struggle to link higher-level goals to Bank operations and to identify performance indicators. The possible uses of performance information remain unclear to many staff, and this acts as a disincentive to using monitoring to achieve outcomes. Competing pressures in the Bank, combined with the lack of clarity about the utility of M&E, relegate performance information to a lower priority.

The Bank has made progress in putting formal policies and procedures in place, but those changes have not yet translated into improved incentives and consistently applied operational practices.

The challenge remains to change the Bank's culture and the staff perceptions that serve as informal incentives and disincentives to managing for results. A particular issue worthy of further work is to incorporate the relative difficulty or ease of success into the results frameworks, and to find the appropriate balance between measures of success and measures of risk.

There is a particular need for such balance in considering and encouraging Bank engagement in low-income countries under stress, for

example, or on difficult thematic issues such as corruption or environmental degradation. The recommendations of the 2004 AROE remain valid: the Bank needs to maintain and communicate its vision for a results-oriented institution, strengthen incentives, and develop a cohesive and fully funded action plan.

The Bank has outlined what needs to be done to manage for results during the next stage, but lack of prioritization and funding raise concerns about the likelihood of success.

The 2006 OPCS results progress report (World Bank 2006b) identified possible actions to accelerate the implementation of the agenda but did not identify priority areas and funding sources. M&E improvement initiatives have failed in the past because of fragmentation of efforts, resource constraints, and lack of staff capacity. These lessons need to be considered.

How Is IEG Contributing to Meeting the Results Agenda?

IEG's mandate is to assess whether the World Bank Group's programs and activities are producing the expected results. While IEG is fully independent, it is placed within the World Bank Group to provide strategic decision makers and operational staff with knowledge that helps them work more effectively.

IEG is reinforcing its focus on M&E and is deepening its work to develop evaluation capacity among Bank clients.

IEG is strengthening its assessment of M&E in its evaluations. Country, sector, and project evaluations now give more attention to M&E and the effectiveness of results frameworks, but more remains to be done. IEG is increasing its support of results-oriented M&E capacities in client countries and refocusing its high-intensity support in a few targeted countries, while maintaining less-intensive support to a broader range of countries.

Greater emphasis is needed on applied learning and real-time use of evaluation findings to improve Bank performance.

The AROE survey queried clients about the quality, use, and influence of IEG evaluations and found that IEG provides good services to the Board. However, task team leaders are the least likely of the groups queried to report that they incorporate evaluation findings into planning, designing, and implementing Bank projects and programs. IEG needs to find more effective and innovative channels to bring its findings to task teams in a way that would help improve design of future operations, and work with Bank management to ensure relevant evaluative lessons are reflected in future programs.

Continued emphasis is also needed on the development of the newly established initiative of providing quick-turnaround products for just-in-time knowledge to decision makers at the strategic and operational levels.

IEG is increasing the follow-up, monitoring, and accessibility of the Management Action Record, its primary tool for tracking management progress in implementing IEG recommendations.

One of the ways IEG can influence the Bank's effectiveness is through the recommendations it makes to management in its evaluations. The Management Action Record (MAR) tracks progress in incorporating findings and recommendations in Bank operations and policy. The 2006 MAR contains 79 recommendations. IEG rated the level of adoption of its recommendations by management "high" or "substantial" for 66 percent of the recommendations. IEG and management agreed on the rating of adoption for 65 percent of the recommendations. A summary of the 2006 MAR can be found in appendix H.

IEG has a critical role in the workings of the results agenda in the World Bank Group.

The AROE includes a results framework for IEG that identifies its contribution to the Bank's results agenda. Within that framework, IEG's outputs are the findings, lessons, and recommendations from its evaluations and evaluation

capacity support in client countries. Outcomes are twofold. First, for accountability, the evaluations are used by the Board to fulfill its oversight functions. Second, Bank management—as well as countries—are to use the recommendations from evaluation in policies and procedures.

Even if they are difficult to measure and target, greater attention needs to be given to these outcomes of evaluative work. There has been progress on this count. For example, early findings from the recent evaluation of the Bank's primary education assistance (IEG 2006c) were incorporated in the 2005 Education Sector Strategy Update. The trade assistance evaluation (IEG 2006a) is being used to recalibrate the Bank's approach to trade, with pilot initiatives getting under way in several Regions. The recent evaluation of natural disaster assistance (IEG 2006d) made special efforts to provide useful findings to operational staff dealing with current events as well as to inform emerging international responses.

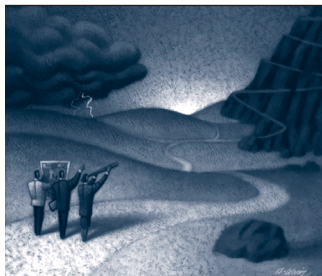
Reviews of Country Assistance Strategy Completion Reports (CASCRs) could provide inputs into the preparation of new CAS. For learning, IEG products are aimed at improving the Bank's policy advice and program and project design: all parties can do much more to strengthen this learning agenda. The final outcome for IEG outputs is the use of its evaluative knowledge to improve the effectiveness of Bank operations.

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 need to be made 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 communications 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 environments 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 the countries' 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.



Summary of Management Response to IEG Recommendations

IEG recommendation	Management response
<p>1. Building on progress achieved so far in advancing the results agenda, agree on a three-year action program with a corresponding budget to fund implementation of the next stage, differentiating new allocations and redeployed resources. Critical action items would be:</p> <ul style="list-style-type: none"> • 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 need to be undertaken 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 communications 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 operational teams, particularly in challenging country cases and in complex multisectoral settings. 	<p>At present, management does not agree that new budget allocations are required to implement the results agenda. A results focus is the responsibility of country teams and task teams and is to be included in the formulation of RBCASs and task preparation and task supervision budgets. Management regularly monitors the progress of the work on the results agenda and will continue to formally report on progress to CODE every two years. The most recent progress report includes a specific action plan that is now being implemented. A key step forward has been the formation of a Bank-wide Results Steering Group (RSG), which is now functioning. The RSG is responsible for tracking progress on the action plan articulated in the March 2006 progress report and for promoting communication and coordination across network and Regional level efforts. An early task for the RSG is to review and assign priorities for implementing the action plan and to work with operational management teams to ensure that these priorities are included in Regional and network budgets and work programs. If this process identifies major budget pressures that go beyond what can be reasonably funded through reallocation, management would discuss this issue with executive directors using established budgetary procedures as outlined in the recent budget document approved by executive directors.</p> <p>Management is pleased to report progress on other critical actions identified in this recommendation:</p> <ul style="list-style-type: none"> • Regional Quality Teams are supporting country directors and country teams in their efforts to refine and use results frameworks at country and sectoral levels to manage country programs. As an example, the Latin America and Caribbean Region together with OPCS carried

(Continues on the following page.)

IEG recommendation	Management response
	<p>out during fiscal 2006 a regional portfolio review of results orientation in operations that was backed by regional management and presented to country directors and country and sectoral teams. Results frameworks at thematic and global program levels are also being strengthened. Six new results frameworks are being developed as part of either sector strategy updates or the 2006 Sector Strategy Implementation Update: health, nutrition and population, environment, forestry, social protection, finance, and transport. Results frameworks in global programs are also being strengthened. Each vice presidential unit is now explicitly accountable for periodically reviewing and adjusting global programs to ensure that they focus on results. New procedures will allow the Bank to track its global programs from their start through to evaluation and impact assessment.</p> <ul style="list-style-type: none"> • The Country Director/Country Management Peer Learning Event in September 2006 will include a specific discussion of the results agenda to identify methods for accelerating progress in enhancing staff understanding of how to construct appropriate results chains at the country level. Management will work to establish an analogous peer learning structure for sector directors and sector managers during fiscal 2007. • Management does not see the need to issue additional guidance to assess the effectiveness of (self-) evaluation approaches during project and country program implementation, as there are mechanisms and processes already in place for this purpose. The Quality Assurance Group reports on effectiveness of quality of supervision during project implementation, and CAS Progress Reports report on evaluation of country program implementation. The self-evaluation in a CASCR is now validated independently by IEG. In addition, country program reviews (CPRs) have become another key instrument to assess the effectiveness of (self-) evaluation approaches during project and country program implementation. They also strengthen incentives and have helped to accelerate a results-oriented training and communications program for management and staff to encourage use of M&E information. During fiscal 2006 OPCS issued a review note of some 50 country CPRs providing guidance to teams on modalities and current practice of results-oriented country program reviews. The note examines the evolution of Country Portfolio Performance Reviews (CPPRs) and their growing importance as a management tool and a tool for policy dialog. Going forward OPCS will help country teams strengthen CPRs through guidance to individual teams and facilitating cross-country learning. • Management is assessing the experience to date with several innovations in the application of the rapid results approach to accelerating implementation of the results agenda. That assessment, to be completed by December, will then feed into updating the results learning program.

IEG recommendation	Management response
<p>2. Provide budgetary 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 the countries' capacity and demand to manage for results.</p>	<p>Management will consider its agreed actions complete with the functioning of the RSG (accomplished), the implementation of the changes noted above for global programs (in progress), and the successful implementation of the planned learning activities in fiscal 2007. Management will report on the completion of these activities in the context of the regular progress report to CODE in early calendar year 2008.</p> <p>Management does not agree to provide special budgetary support to task teams (see above) but does agree that greater country support will be useful. Management is working to identify ways, likely through partnerships with other donor agencies that are facing analogous challenges, to provide greater funding support to countries that are working to improve their capacity to manage for results. Management will report on progress in the context of informing Executive Directors on the upcoming Roundtable on Results to be held in Hanoi in February 2007.</p>



Chairman's Summary: Committee on Development Effectiveness (CODE)

On July 19, 2006, the Committee on Development Effectiveness (CODE) considered the *2006 Annual Report on Operations Evaluation* prepared by IEG and the draft management response.

Background

The 2005 AROE assessed the use and usefulness of monitoring and evaluation information to improve results and enhance Bank effectiveness at the country level. In the Management Action Record (MAR), one of the recommendations for management was to establish clear lines of accountability for the follow-up and oversight of adopted recommendations and to make management responses more action specific to include timelines for implementation. For IEG, the recommendation was to institute a formal system for tracking and managing its recommendations. The Committee supported the proposed changes to the MAR, including a pilot three-year expiration criterion for MAR recommendations from fiscal 2006 onward. On March 8, 2006, CODE discussed two draft documents prepared by management that are relevant to the AROE: *Accelerating the Results Agenda: Progress and Next Steps* (World Bank 2006b) and "Updating the Bank's Operational Policy on Monitoring and Evaluation" (World Bank 2005d).

Report Findings

The 2006 AROE found that progress had been made on the 2003 action plan. Procedures were in place and results frameworks were being used in projects and RBCASs, but their effectiveness as a monitoring tool remained in doubt, and more work was needed at the sector and global program levels. Bank managers and staff faced challenges in managing for results such as conceptual difficulties in developing results chains, lack of client capacity and interest, competing priorities in the Bank, and lack of appreciation for the use of performance information and evaluations for management decision making. Moreover, disconnects in outcome ratings between country and sector policy outcomes and project outcomes pointed to a gap in understanding contributing factors to results. The AROE recommended establishing fully funded priority actions. Assessing IEG's effectiveness, the report recommended that IEG's results framework should continue, and even enhance, its focus on the use of evaluation findings.

Management Response

Management broadly agreed with the main thrust of IEG recommendations, which are in line with its own findings and the priorities for action set out in its February 2006 update to

CODE, with one major exception. It noted that a results focus was the responsibility of country teams and task teams and needed to be included in the formulation of RBCASs and in task preparation and task supervision budgets.

Overall Conclusions

Speakers welcomed the opportunity to review management's and IEG's actions to strengthen Managing for Development Results. They noted the findings that the Bank has strengthened the results focus of its operations, while major challenges lie ahead. The Committee was gratified to observe a broad agreement between IEG and management on the main findings and recommendations, which it also generally endorsed. It also accepted IEG's clarification that it was not suggesting additional budgetary allocations but rather stronger prioritization in deployment of resources, a position closer to what was enunciated by management in its response. There were also a few questions regarding specific statistics reported, including some from the client survey and the MAR.

Several members concurred with IEG that accountability was as important as incentives and resources are to promoting the results agenda but also to achieve better results. Members also endorsed greater IEG efforts to enhance the usefulness and application of IEG products, particularly by operational staff. In this regard, the timing of Country Assistance Evaluations (CAEs) vis-à-vis the CAS was cited as an area where some improvement might be possible. A number of speakers raised questions about the effectiveness of the results architecture being put in place, including prioritization of areas and statistical capacity. The role of the Board in raising results issues when discussing Bank's operations was highlighted.

Next Steps

There was agreement about a two-year cycle for AROE; the report will be considered by the Committee, followed by a Board discussion. Given the likely Board agenda in August, the Committee recommended that the Board consider this year the AROE and the draft management response on a streamlined

procedure (that is, without discussion). (Initially a Board meeting was scheduled for August 22).

The following main issues were raised during the meeting:

Results architecture and results framework. The Committee welcomed the progress of the Bank in implementing the results agenda. Yet several speakers had questions about the effectiveness of the results architecture being established. A member expressed concerns about possible distortions favoring more measurable activities and against more complex priority areas such as governance or rural development. The robustness of the system of indicators, given weak statistical capacity in many countries, was also questioned. A member stressed that countries were at the center of the effort to strengthen the focus on results and that a substantive demand from governments in this respect was instrumental. *Management noted that there was limited demand from governments due in part to data gaps at the country level (yet these gaps would not be so expensive to fix) and lack of relevance in the decision-making process. Management found that there was a risk of distortions to only wanting to do things that are measurable.*

Some speakers commented on "disconnects" between country and sector policy outcomes and project outcomes. In this regard, efforts to focus on results were perceived as uneven and inconsistent among and within countries, Regions and networks, rendering it difficult to assess the Bank's overall contribution to development results. Two members noted that frameworks appeared to be better developed in International Development Association countries than in International Bank for Reconstruction and Development countries, although issues of quantity and quality of data were raised. *IEG noted that some reasons for "disconnects" and perception of inconsistency were the difficulty of indicators and measurement due to the political economy of reform or the problem of attribution of a single straightforward intervention on a range of outcomes. In*

response to comments about the importance of harmonization, *management noted that the multilateral development banks were entering the second year of doing a comparative assessment of their respective works on results (COMPAS)*. One member urged management to redouble their efforts to monitor and evaluate results of trust fund activities. *Management stated that they are working with trust fund and global programs to increase their results focus.*

Members stressed the need for staff to better understand the results framework as a tool to link Bank operations with outcomes in country programs and projects, and to strengthen client capacity to manage for results, particularly low-income countries. Further analyses on project outcomes, baselines, and targets, especially in RBCASs and Poverty Reduction Strategies, were suggested. In this regard, consideration should also be given to time (time needed to implement the results framework and the time lag between project completion and outcome). *Staff from the Africa Region provided information about efforts in promoting the results agenda and building capacities on results.*

Organizational issues and incentives. Members commented on the need to change the organizational culture, align incentives and reward structure, and disseminate successful experiences for learning purposes. *Management replied that the current culture, in which staff perceive greater incentive to report up than across, will be addressed by the development of the Results Monitoring and Learning System.* The need for a better communication strategy was also mentioned. More analysis was sought about overload, time pressures, availability of resources, and difficulties in developing the results chain. Speakers and management shared the Director-General, Evaluation's views regarding the key role of accountability in implementing the results agenda. One member sought information on recent activities of the RSG. *Management responded that the group has started to function and is expected to play a key role in increasing attention Bank-wide to results and in communicating and consolidating gains across the Bank.*

Funding priorities. IEG proposed designated funding for implementing the results agenda differentiating new allocations and redeployed resources. Some members commented on special budgetary support to task teams. The Committee took note of IEG's clarification that it was not asking for additional budgetary allocation but rather stronger prioritization in deployment of resources.

Recommendations for IEG. The Committee welcomed the AROE's recommendation on the role of IEG in promoting the results agenda. There were other comments on the need to improve timeliness of IEG evaluations, including timing of CAE and CASCRs; to analyze the relative strength of results frameworks by region and sector, particularly to help operationalize the findings; and to track and publish the results of sectoral, Regional, or project analysis as well as their trends to facilitate learning. One member felt IEG needed to focus on new and ongoing operations. Another member commended IEG for the efforts to develop its own results framework and noting the difficulties of constructing measures that link final outcomes to IEG interventions. Regarding the client survey, one member expressed concern about the perceived decline in the quality and depth of IEG's analysis and recommended that IEG analyze the trend. *IEG clarified that surveys did not show such trends in regard to external clients but that this was an internal issue that had to be sorted out.*

Regarding the content of the AROE itself, a member made some suggestions to add some flesh to the report's substance and stressed the need to use the AROE to help promote "out-of-the-box" thinking on the results focus by exploring such topics as how to better link the evaluation findings to administrative budget and human resources management and how the increased use of innovative work and experimentation—for example, conditional cash transfer—can foster the results agenda. *IEG promised a more specific AROE in two years and took note of the suggestions.*

Management Action Record. A member expressed concern about the statistic that the adoption of six percent of IEG's recommendations was negligible. This member also warned against the three-year expiration criterion acting as an incentive for delaying implementation of the recommendations. *IEG explained that this figure reflected the relatively high number of new recommendations entered in the MAR in 2006.* Members took note that a summary of the MAR will be posted in the Bank's external Web site for disclosure.

Pietro Veglio
Chairman