

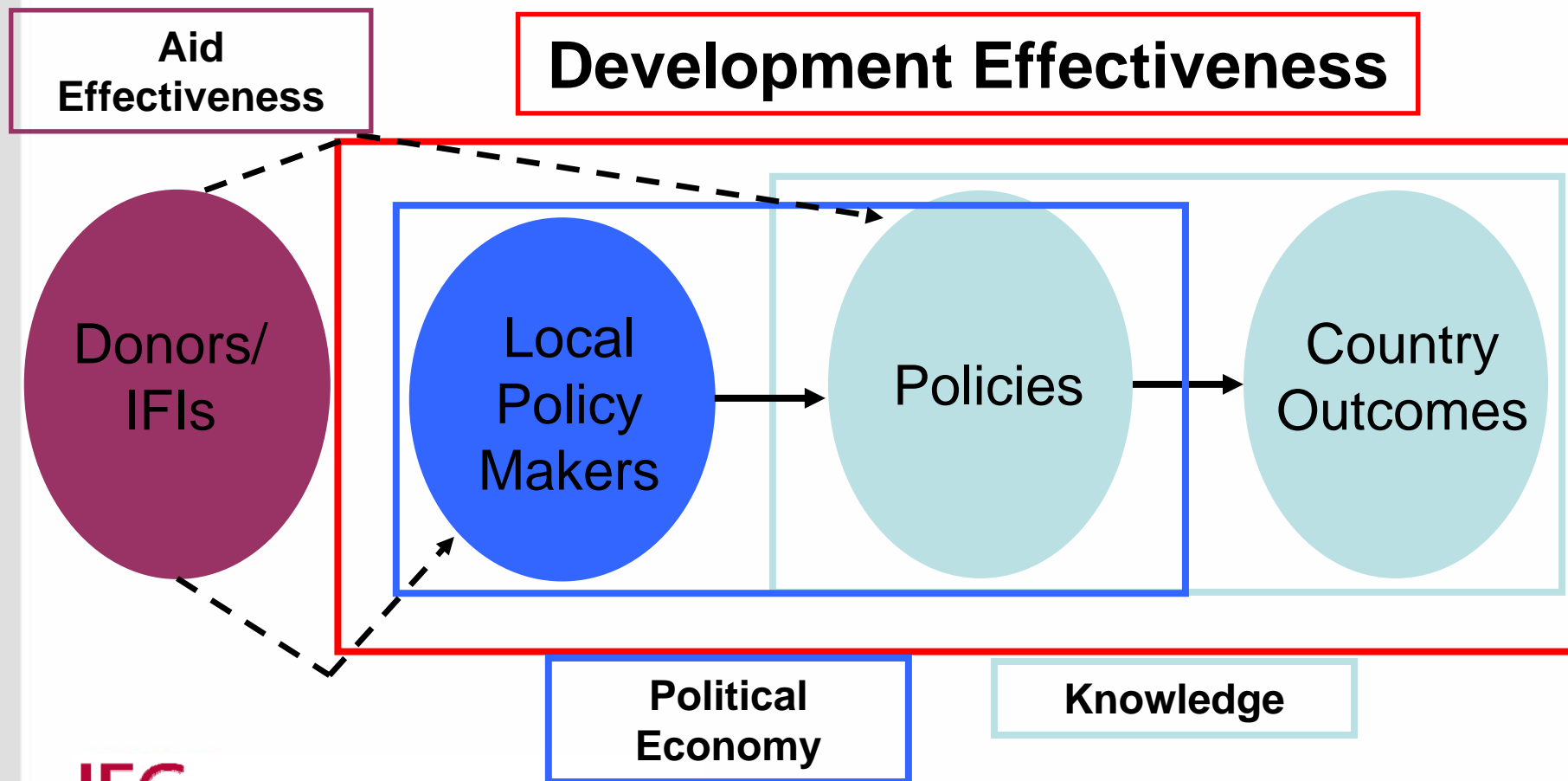
## Evaluation for Development Results

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*Informal Experts Workshop on Performance  
and Coherence in Multilateral Development  
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# Progress and Shortfalls in Development

- ▶ Economic growth has accelerated in many countries
- ▶ Income levels have diverged, while social indicators – infant mortality, school enrollment – have tended to converge
- ▶ The proportion of the poor population has declined, but the absolute number of the poor is still over 1 billion
- ▶ Environmental degradation has continued to rise everywhere with air quality, water access, land degradation, and deforestation as major concerns
- ▶ Progress in indicators of governance and corruption has been slow in most countries

# Attribution of Results is not easy



# But Evaluation Helps Track the Results Chain



# World Bank System of Monitoring & Evaluation

- ▶ Independent Evaluation: Reports to Board
- ▶ Quality Assurance: Reports to Management
- ▶ Financial Probity: Reports to Management: Board oversight
  - Internal Audit Department (effectiveness of controls)
  - Institutional Integrity Department (fraud, corruption)
- ▶ External claims of noncompliance
  - Inspection Panel: reports to Board
  - Compliance Adviser Ombudsman: IFC, MIGA, to management

# The Bank is Governed by a Board of Directors

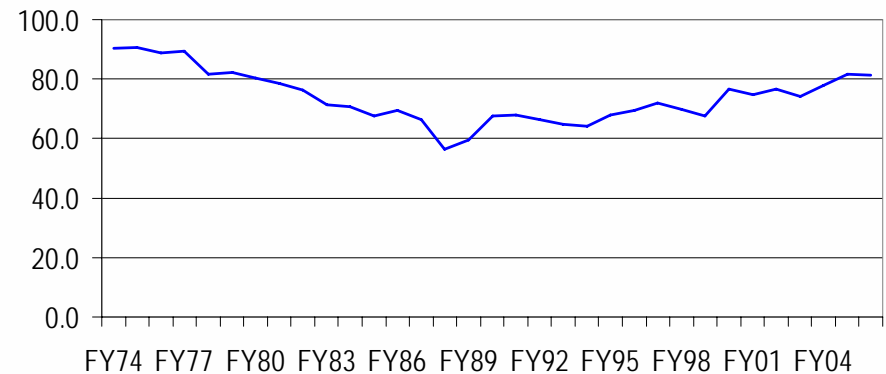
- ▶ 24 Executive Directors, each with an Alternate Director, advisers and staff -- resident in Washington and paid by the World Bank.
- ▶ The Board approves the Bank's budgets and policies and discusses country assistance strategies, projects.
- ▶ The Board discusses work programs and reports from various groups such as the Internal Audit Department and the Inspection Panel.

# IEG Reports Directly to the Board

- IEG's independence laid down in mandate and TORs. This independence has been validated twice in recent years by external panels
- DGE is appointed by the Board, and can have no subsequent jobs in the World Bank Group.
- Every year the Board approves IEG budget and endorses a three year work program.
- IEG reports directly to the Board through the Committee on Development Effectiveness. CODE receives all reports and discuss the major ones.
- IEG has its separate disclosure policy with a presumption of disclosure.

# Examples of Findings: Project versus Country Results

▶ Project ratings show upward trend since the early 1990s, reversing a long decline



▶ In **one-third** of cases, Country Assistance Strategy (CAS) outcome ratings were unsatisfactory when project ratings were satisfactory

## Project and CAS Outcome Ratings (%)

CAS project portfolio outcome	CAS outcome ratings	
	Satisfactory	Unsatisfactory
Satisfactory	56.0	<b>33.3</b>
Unsatisfactory	2.7	8.0

Source: IEG databases and staff estimates, July 2006

# Progress and Gaps in Crucial Policy Areas

- ▶ Quality-Quantity disconnects: Primary education support gave high priority to increasing enrollments, but much less to learning
- ▶ Donor disconnects: In fragile states, donors often have not shared a common vision and purpose, hence policy coherence has been hard to achieve.
- ▶ Policy disconnects: In many countries benefits from trade liberalization have not been sustainable due to lack of complementary domestic policies.

# Realizing the Potential in Global Programs

- ▶ A growing line of business -- over 100 programs and US\$ 1 billion annual disbursements
- ▶ Great potential, but need clearer objectives and better links to and coordination with country programs.
- ▶ Governance needs to be strengthened in several global programs for stronger results
- ▶ Quality of evaluation highly variable across agencies
  - IEG leads effort with OECD/DAC and others to develop common standards for the evaluation of global programs.

# Findings from Impact Evaluation

- ▶ Efforts being made to promote impact evaluation within the World Bank
- ▶ IEG leading effort within DAC to enhance use of and usefulness of impact evaluations
- ▶ Within the World Bank Group, IEG also has an active program of impact evaluations. Recent major findings:
  - In Ghana, programs led to improved learning outcomes, linked to higher incomes, better nutrition, and reduced mortality
  - In Bangladesh, Bank-supported immunization has proved particularly cost effective in improving maternal/child health - saved the lives of up to two million children under the age of five
  - Large irrigation schemes reduce poverty, but only at considerable cost, with bulk of the benefits going to the non-poor.

# Evaluation Influences Directions

- ▶ *Natural disasters evaluation:* Resulted in a DGF grant to the Global Facility for Disaster Reduction for global support to International Strategy for Disaster Reduction and support disaster recovery
- ▶ *Lines of credit review:* Led to a Bankwide effort to review their quality, and an OPCS initiative to require early identification of lines of credit
- ▶ *Evaluation of private sector development in the power sector:* Contributed to a reassessment of the Bank's approach to infrastructure (Joint evaluation with IEG-IFC and IEG-MIGA)
- ▶ *Global programs review:* Resulted in greater scrutiny and streamlining of the Bank's approach to and governance of global programs
- ▶ *Poverty Reduction Strategy Paper study:* Led to reforms in the PRSP Joint Staff Assessment

# Valuable Findings from IFIs

- ▶ **Health sector evaluation (ADB)** : Identified the need for more coordination within the ADB to integrate different aspects of the health agenda.
- ▶ **Country evaluations for Ghana, Mali, Mauritania, Tanzania (AfDB)**: Identified the need for more quantifiable, time-bound and realistic performance indicators to better track Bank performance as well as country-level progress.
- ▶ **Country strategy reviews (IADB)**: Found that country strategies generally provided a weak treatment of risk, paid insufficient attention to issues of institutional quality and tended to define program goals in broad, largely unmeasurable terms.
- ▶ **Synthesis of lessons learned (EBRD)**: Identified need for more attention to institutional aspects in project design and the importance of selecting intermediaries with sufficient institutional capacity.
- ▶ **Capital account liberalization (IMF)**: Identified need for more clarity in Fund's approach and recommended IMF surveillance give greater attention to the supply side of international capital flows.

# Benefits of Collaboration Among Evaluation Groups

- ▶ Recent example: Infrastructure-Environment Nexus paper – pilot exercise in pooling evaluation results - prepared by members of the Evaluation Cooperation Group
- ▶ Key findings:
  - Infrastructure projects and their safeguards focus primarily on issues “within the fence” and do not consider the more extensive potential environmental impacts.
  - Current incentive structures promote procedural compliance and risk avoidance – Task Managers face sanctions for failure without rewards for success.
  - Projects that perform well environmentally also perform well financially.

# Opportunities and Challenges

- ▶ Moving from institutional evaluation to evaluation of the development system in a multi-donor setting
- ▶ New thinking and methods for emerging crucial areas such as climate change and governance
- ▶ More effective use of evaluation findings by the development community