

Principles

As a meta-evaluation, this assessment was designed to assemble and review existing IEG evaluation findings about Bank support for MDPs from Project Performance Assessment Reports (PPARs) and IEG Reviews of Implementation Completion Reports (ICR Reviews). As such, it is analogous to a literature review, where the literature in this case consists of previous IEG assessments, particularly in PPARs.

The 1998–2008 period of the review, chosen for its immediate relevance to ongoing work in this area, encompasses a portfolio of all MDPs completed since 1998, as well as those still ongoing. MDPs that *exited* between 1998 and 2008 generally have an ICR, a self-evaluation prepared by the Bank’s Operations Region, and an ICR Review, an independent assessment done by IEG based on the ICR. About one-third of the *closed* MDPs were approved within the same decade; the approvals of the remaining two-thirds in some cases dated as far back as 1988. This study considered all MDPs that were completed since 1998 and those that are still ongoing.

Municipalities and Cities

The study used the online World Gazetteer database in Germany, which contains details of more than 167,000 named municipalities. Records include census populations, geographic coordinates of location, and the type of local authority, in English and in the local language. In extracting municipality-level population figures from this database, IEG found that 31,000 larger municipalities, each having 12,500 or more inhabitants, were home to 3.25 billion people, approximately half the world’s population, and

very close to the 50 percent now reported to live in urban areas.

The correspondence is not exact, however, for three reasons. First, a larger urban municipality with an extensive jurisdiction might contain some rural inhabitants on its periphery, especially if the jurisdiction is large. Second, because concepts of urban population vary from country to country, a local definition of “urban” may not always be comparable with the criterion used in this study. Third, it will not be the case of a single metropolitan area composed of multiple municipal jurisdictions—in such cases, there would be one city, yet many municipalities. IEG’s methodology may overstate the number of cities, because it counts peripheral rural populations in larger municipalities as urban. To ensure that estimates of the number of cities are reliable, IEG triangulated the results with estimates of the urban population from the World Development Indicators. The calibration at the country level confirmed IEG estimates for this study to be within ± 10 percent of the World Development Indicators estimates.

The MDP Portfolio

The study portfolio of MDP operations was identified through an internal Bank database. As a first cut, IEG identified 231 operations classified by one of the Bank’s four related activity codes: #71 Municipal Management, #72 Municipal Finance, #73 Municipal Services, and #74 Subnational Government Administration. Then IEG conducted a keyword search for projects without these codes, but with the words *municipal* (and variants), *city/cities*, *local government*, and *local authorities* to identify projects that worked closely with municipalities and cities, but

not classified as such by one of the Bank's activity codes.

Next the study team eliminated 68 of these operations after finding that they did not have municipal management objectives or components despite the activity coding. That left 163 MDP projects.

IEG sent the preliminary listings (by Region) of this portfolio to Bank urban staff in each Operational Region, requesting that they help identify any Type I and Type II errors in the lists by pointing out operations that had been included that were not MDPs, and other operations that were MDPs but were not in the lists. Thanks to excellent responses, IEG was able to exclude some projects that did not fully meet the criterion of a direct focus on improving municipal management. IEG could also include additional projects overlooked in its first search, ones that lacked a municipal activity code but that were focused on strengthening municipal management. As a result of this dialogue with the Regions, 14 projects were dropped from the portfolio and 41 projects were added, resulting in a portfolio of 190 MDPs.

The final study portfolio of 190 MDPs included 114 *closed* MDPs and 76 *ongoing* MDPs. IEG project reviews are only available for *closed* MDPs, of course. *Entry* MDPs have not yet been evaluated by IEG, nor will they be through this study. But they are considered in the present study, where they stand as evidence of the lessons of evaluated *closed* MDPs being carried forward.

About 92 percent of the MDPs in the portfolio are mapped to the Sustainable Development Network. Sixty-six percent are mapped to the Urban Sector Board, with 12 percent to the Water Sector Board, 9 percent to the Transport Sector Board, and 5 percent to the Environment Sector Board.

IEG Evaluations

During fiscal 1998–2008, IEG completed 17 PPARs—all in different countries, covering 24 MDPs, about one-fifth of completed MDPs. The MDPs chosen for the PPARs were not randomly

selected. When choosing them, IEG applied various considerations: providing input for IEG thematic studies and Country Assistance Evaluations as well as ensuring that all six Bank operating Regions were covered.

Criteria for selection of the 24 MDPs chosen for IEG field review through PPARs were varied. As far as this study itself is concerned, the most relevant criterion was to use the PPAR as an input. This applied to **The Gambia MDP, Tanzania I, Indonesia II, VI, and IX, Russia IV, and India I and II**. Others were chosen to feed into IEG Country Assistance Evaluations, including **Georgia I, II, and III and Colombia I and IV**. Some were selected from countries where IEG evaluations of urban projects had been thin, namely **China III, IV, and VII, Sri Lanka, and Uzbekistan**. The remaining projects were part of IEG's regular program of PPAR assessments.

Prior to this study and as per normal practice, IEG carried out 114 desk ICR reviews, covering 100 percent of the completed MDPs. From the ICR Reviews, information on the objectives, components, and lessons of each operation were compiled into the study database.

Municipal Management Themes

To identify whether an MDP supported one of the study's three municipal management themes, IEG conducted keyword searches of the objectives formulated for each operation. When the appropriate keyword was found, the MDP was classified as being focused on the particular theme in question. For each theme, the following key words (in parentheses) were used: (i) *city planning* (plan*, strateg*, program*, *tech*, *inst*, *train*, *capa*, *manag*); (ii) *municipal finances* (finance*, fund*, budget*, fin*/manag*); and (iii) *service provision* (service, infras*, water, env*). Because the three are not mutually exclusive categories, it was possible for an individual MDP to focus on more than one theme at the same time.

IEG adopted a similar procedure to identify the relevance of the design of an MDP, through similar keyword searches of the description of a

project's components. As with the focus on objectives, an MDP's design could cover more than just one of the study's themes.

Levels of Assessment of MDP Portfolio

The most intensive assessment in this study, presented in the main report, was based on earlier evaluation findings of the 24 MDPs reviewed by PPARs. The study also looked more broadly, reporting the findings in the Regional

annexes to this report, at evaluation findings of all 114 completed MDPs for which there are ICR Reviews. Finally, the study also considered, without evaluation, the 76 ongoing MDPs, in order to review how the current portfolio continues to address the issues raised by this evaluation. Among other things, the different sets of MDPs explain the discontinuous nomenclature of individual MDPs in the main report and the extra countries and MDPs referred to in the annexes.