

**IDA RESULTS MEASUREMENT SYSTEM:
RECOMMENDATIONS FOR IDA14**

June 24, 2004

ACRONYMS AND ABBREVIATIONS

CAS	Country Assistance Strategy
CASCR	Country Assistance Strategy Completion Report
CFAA	Country Financial Accountability Assessment
CPAR	Country Procurement Assessment Report
CPIA	Country Policy and Institutional Assessment
CWIQ	Core Welfare Indicators Questionnaire
DECDG	Development Economics Data Group
DHS	Demographic Household Survey
EPI	Expanded Programme on Immunization
ESW	Economic and sector work
FY	Fiscal year
GDP	Gross Domestic Product
GNI	Gross National Income
HDN	Human Development Network
HIPC	Heavily Indebted Poor Countries
HIV/AIDS	Human Immunodeficiency Virus/Auto Immune Deficiency Syndrome
HNP	Health, Nutrition, and Population Team
IBRD	International Bank for Reconstruction and Development
ICA	Investment Climate Assessment
ICP	International Comparison Program
ICR	Implementation Completion Report
ICT	Information and Communication Technology
IDA	International Development Association
IEAs	International Energy Agency
IMF	International Monetary Fund
ISCED	International Standard Classification of Education
ISIC	International Standard Industrial Classification
ITU	International Telecommunications Union
JSA	Joint Staff Assessment
KM	Kilometer
LPG	Liquid petroleum gas
LSMS	Living Standards Measurement Study
M&E	Monitoring and evaluation
MCA _s	Millennium Challenge Account
MDB	Multilateral development bank
MDGs	Millennium Development Goals
MEIP	Monitoring and Evaluation Improvement Plan
MICS	Multiple Indicator Cluster Survey
MRY	Most-recent-year approach
NEPAD	New Partnership for African Development
OECD-DAC	Organisation for Economic Co-operation and Development-Development Assistance Committee
OED	Operations Evaluation Department
OPCS	Operations Policy and Country Services
PA	Poverty Assessment
PAD	Project Appraisal Document
PARIS21	Partnership in Statistics for the 21st Century
PCR	Primary completion rate
PER	Public Expenditure Review
PFM	Public financial management
PPP	Purchasing Power Parity
PRS	Poverty reduction strategy
PRSP	Poverty Reduction Strategy Paper
PSA	Public Service Agreements
PSR	Project Status Report
QAG	Quality Assurance Group
QEA	Quality at Entry
RMS	Results Measurement System
STATCAP	Statistical Capacity Program
TBA	Traditional birth attendant
UIS	UNESCO Institute for Statistics
UN	United Nations
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNESCO	United Nations Educational, Scientific, and Cultural Organization
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development
WBI	World Bank Institute
WDI	World Development Indicators
WHO	World Health Organization

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EXECUTIVE SUMMARY

1. The Monterrey Consensus underscored the shared responsibility for achieving development results, notably the Millennium Development Goals (MDGs), and the dual importance of more and more effective development assistance. The World Bank has played a major role in the international partnership to manage toward development results, and has reflected that commitment in the IDA13 replenishment arrangement. IDA13 introduced a framework for measuring results, embodied in a system to monitor analytic inputs and country-level results during the IDA13 period, and undertook to develop an enhanced system to measure results for IDA14 and beyond. Building on the lessons learned from IDA13, the IDA14 proposal consists of a two-tiered approach to monitor (a) progress on aggregate country outcomes, and (b) IDA's contribution to country outcomes.

2. ***Strengthening the IDA Results Orientation.*** Deputies first discussed a preliminary Management proposal for an IDA14 Results framework in April 2003. Building on that discussion and on subsequent analysis, Management is now proposing to strengthen the first tier of the IDA14 approach (progress on country outcomes) in two ways: (a) by focusing the list of globally monitored aggregate outcome indicators on those that are most relevant to IDA's business and most measurable in IDA countries, and (b) by introducing a mechanism to ensure reliable tracking of selected outcome indicators in four key sectors where IDA has an active portfolio (health, education, water, and transport). Management is also proposing to strengthen the second tier (monitoring IDA's contribution to country outcomes) to (a) ensure that a robust results-tracking mechanism is built into new IDA projects at the supervision and evaluation stages, and (b) measure and monitor improvements in selected project outputs and other related indicators as a direct result of IDA's interventions in health, education, water, and transport.

A. IDA14 Results Measurement System: Monitoring Country Outcomes

3. The two-tiered proposal discussed in April 2003 presented 15 aggregate country outcome indicators that reflected prevailing IDA country Poverty Reduction Strategy (PRS) priorities, were consistent with MDG monitoring, and captured the economic growth and human development priorities of ongoing IDA programs. Criteria for selecting indicators included their relevance to desired outcomes, sensitivity to policy action, measurability, and cost of data collection (to avoid excessive data collection burdens for low-income countries). Following consultations with Deputies, Executive Directors, and borrowers, Management was asked to explore additional indicators in the areas of governance, infrastructure and social equity. Analysis conducted for the IDA Mid-term Review in November 2003 led to the recommendation that the following three additional indicators be considered for possible monitoring over the course of IDA14: access to all-season rural roads, access to electricity (which has strong near-term data availability), and use of solid fuels (a more relevant indicator for poor households than access to electricity, but one with less data availability in the short term).

4. ***Focusing Country Outcome Indicators.*** Since November 2003, staff have undertaken a thorough analysis of all 18 potential outcome indicators and have evaluated them on the basis of their relevance to poverty reduction, their measurability and availability in IDA countries, their

sensitivity to policy change, and the marginal cost of generating a satisfactory database. To focus the set of IDA14 outcome indicators more narrowly on those that are most relevant and measurable, and with a view to having a manageable set of indicators for tracking aggregate country outcomes, *Management recommends limiting the number of the indicators to 14. These outcome indicators would be reported every three years, in line with IDA replenishments.*

5. **Monitoring through IDA Support.** In addition, to support the collection and monitoring of key outcome indicators in the four sectors where IDA is most active, *Management recommends that all new IDA operations in these sectors be designed to monitor an outcome indicator identified by the relevant sector Board in the World Bank and included in the IDA14 results measurement system.*¹ This process will contribute to building countries' capacity to generate regular data for these fundamental development outcomes, will use IDA operations to strengthen this capacity as necessary, and will help Bank teams remain focused on key outcomes influenced by IDA operations.

B. IDA14 Results Measurement System: Monitoring IDA's Contribution

6. In April 2003 four indicators were identified for assessing IDA's contribution to country outcomes: (a) adoption of results-based CASs; (b) reporting on results-based CAS outcomes (beyond the IDA14 period); (c) the quality at entry of IDA-supported operations; and (d) evaluation of project outcomes for the IDA portfolio. Over the past year, progress in implementing the Bank's investment lending modernization program and the agenda on managing for results has strengthened results-oriented monitoring and evaluation at the project level, and has highlighted measurable indicators and empirical data in project reporting. As a result, the second tier of the IDA results measurement system can be strengthened in two ways: (a) by monitoring and targeting the extent to which solid results frameworks are incorporated in projects, and (b) by monitoring and reporting on improvements in selected project outputs and other related indicators as a direct result of IDA's interventions in the same four sectors cited above under monitoring country outcomes—health, education, water, and transport. *Management recommends that in addition to the four indicators considered last year to gauge IDA's performance, the following indicators be considered: the share of new Project Status Reports (PSRs) that have satisfactory baseline data for outcome monitoring; the share of Implementation Completion Reports (ICRs) with provision of ex post data on project outcomes; and a series of project output and other related indicators that will reflect the contribution of IDA operations in health, education, water, and rural road transport for completed operations.* Management will provide information on these indicators for the July 2004 meeting of IDA Deputies.

C. Strengthening Statistical Capacity

7. Country capacity to measure progress toward core development outcomes is critical to country-led implementation of PSRs, and is the foundation for global monitoring of progress toward MDGs and complementary monitoring efforts such as the IDA results measurement system. *It is recommended that, in addition to continuing support for the PARIS21 consortium, IDA intensify support within its Country Assistance Strategies and projects for statistical*

¹ The four indicators are the under-five child mortality rate, primary education completion rate, proportion of the population with access to an improved water source, and proportion of the rural population with access to an all-season rural road.

capacity building, and work in partnership to implement the global action plan to strengthen statistical systems.

D. Conclusion

8. This note suggests strengthening the proposed IDA14 results measurement system at both the country outcome level and the IDA contribution level. Outcomes at the country level are the ultimate measure of development effectiveness, and regular monitoring of a consistent set of outcomes is essential for low-income countries and their external partners. While attribution of outcomes to a particular actor or agency is weak at this level, the donor community—including IDA—has a collective responsibility to ensure that external support helps developing countries move in the right direction on core development outcomes over the long run. Therefore, it is important for IDA Management to monitor the movement of key development outcomes across the group of IDA borrowers and to continually test and improve the links between IDA interventions and country-specific outcomes, even if progress in aggregate outcomes cannot be directly attributed to IDA support alone. To better assess IDA’s contribution to the development process, the proposed IDA14 results framework now includes additional components to measure the institution’s success at incorporating robust results frameworks in supervision and evaluation of individual operations. Aggregate performance targets can be developed for these indicators as well as for those that were previously proposed to capture IDA’s contribution to countries’ development outcomes. In addition, IDA would monitor the outputs and other related indicators of projects in key sectors.

9. ***Leveraging the IDA Results Measurement System.*** The IDA results measurement system can help low-income countries onto the path of better data contributing to improved decisionmaking that results in faster progress toward their outcome goals. Strengthening the results focus of CASs and IDA-supported operations will increase assistance to countries in building capacity to manage for results and will help ensure that core development outcomes are regularly monitored. The IDA system also has the potential to influence development partners in the emerging global partnership on managing for results. This underscores the importance of making careful decisions about the IDA results measurement system.

IDA RESULTS MEASUREMENT SYSTEM: RECOMMENDATIONS FOR IDA14

I. INTRODUCTION

1. The IDA13 replenishment arrangement introduced a framework for measuring results, embodied in a system to monitor analytic inputs and country-level results during the IDA13 period, and in the undertaking to develop an enhanced system to measure results in IDA14 and beyond.¹ The development of this system—which monitors progress on aggregated development outcomes and the contribution of IDA programs to country outcomes—benefited from a number of technical discussions and consultations with IDA Deputies and borrowers from November 2002 to April 2003, along with a technical briefing of World Bank Executive Directors in February 2003. An update note assessing additional indicators was also discussed during the IDA13 Mid-term Review in November 2003.² This paper builds on these earlier proposals for the IDA results measurement system, and offers specific recommendations for the upcoming IDA14 period.

2. ***Objectives of the IDA Results Measurement System.*** The results measurement system serves to inform discussions about IDA's effectiveness and strengthen the focus of IDA's programming on key development outcomes. The system does not influence the allocation of IDA resources among eligible countries; this is guided by IDA's performance-based allocation system, which uses the Country Policy and Institutional Assessment (CPIA) to evaluate the appropriateness of countries' policies and institutions in supporting growth and poverty reduction. The performance-based allocation system provides incentives to countries to improve policies and strengthen institutions in pursuit of longer-term results. Because the results measurement system tracks longer-term outcomes that are determined to a significant degree by sustained government policies and institutions, findings from these two systems—the IDA results measurement and the CPIA—could be expected to show significant correlation over time for individual countries. The IDA results measurement system does not, however, focus on individual country outcomes, but on IDA countries' aggregate progress toward the Millennium Development Goals (MDGs) and other goals, as well as on IDA's contributions to country results. In this respect, the IDA results measurement system contributes to the proposals prepared for the Development Committee by the Bank and the IMF with respect to global monitoring of the policies and actions of developing and developed countries for achieving the MDGs and other outcomes.³

3. ***World Bank Agenda on Managing for Results.*** The IDA results measurement system is an integral part of the World Bank's broad effort to enhance its results orientation. This effort was launched in 2002 in the follow-up to Monterrey, and it has drawn on the two international roundtables on managing for development results cosponsored by the multilateral development banks (MDBs) in collaboration with the Development Assistance Committee of the Organisation

¹ See *IDA Results Measurement System: Progress and Proposals* (IDA/SecM2003-0159), April 7, 2003.

² See *IDA Results Measurement System: Update Note* (IDA/R2003-0189), October 31, 2003.

³ See *Achieving the MDGs and Related Outcomes: A Framework for Monitoring Policies and Actions* (DC2003-0003), March 26, 2003, and *Coherence, Coordination and Cooperation among Multilateral Organizations Progress and Challenges* (SecM2004-0152), April 9, 2004.

for Economic Co-operation and Development (OECD-DAC).⁴ The World Bank's agenda on managing for results, endorsed by the Development Committee in September 2002, begins with the premise that sustained improvement in development outcomes at the country level is the ultimate measure of development effectiveness, and that these outcomes emerge gradually through a process that involves multiple internal and external influences. Improving country outcomes requires attention to results throughout the development process: during planning, implementation, and completion. Thus, the Bank's Implementation Action Plan for the results agenda⁵ calls for action in three areas: (a) in countries, to help countries strengthen both capacity and demand to manage for results; (b) in the Bank, to enhance the effectiveness of our contribution to results; and (c) across development agencies, to harmonize results-based approaches and better align support to strengthen country capacity to manage for results.

4. ***Action Plan Implementation.*** Implementation has started strongly on all three fronts.⁶

- *Supporting Countries in Strengthening Capacity to Manage for Results.* In countries, the Bank is helping countries strengthen the focus on results in national poverty reduction strategies and other development strategies while also helping countries build demand within civil society for public sector accountability. The latest review of completed PRSPs⁷ found that countries have made progress in defining indicators and targets that are increasingly aligned with the MDGs—this has also strengthened the basis for harmonized reporting on results. The Bank has intensified its own efforts to help countries adopt results-based approaches to public sector management and strengthen core capacities for results-based strategic planning, policy formulation, public resource management, monitoring and evaluation, and statistics. For IDA countries, this support is being provided through the work of IDA country teams as well as through World Bank Institute (WBI) learning programs, the Evaluation Capacity Development initiative of the Operations Evaluation Department (OED), and the Bankwide Monitoring and Evaluation Improvement Program. Statistical capacity building is being supported through the multidonor Global Trust Fund for Statistical Capacity Building and through the Bank's Statistical Capacity Program, which adopts a sectorwide approach.
- *Enhancing the Bank's Contribution to Development Results.* To be a more relevant and effective partner, the Bank is strengthening the focus on results in its strategies, instruments, incentives, and reporting systems. Central elements of this effort include piloting a results-based Country Assistance Strategy (CAS) to better link Bank programming to country development outcomes; piloting the CAS Completion Report, which evaluates CAS outcomes; and strengthening outcome monitoring in selected sectors and thematic areas. Project documents and procedures have also been revised to enhance the focus on outcomes and outcome-oriented management

⁴ Information on the First and Second Roundtables on Managing for Development Results is available at www.managingfordevelopmentresults.org/.

⁵ The Action Plan was discussed by the Bank's Committee on Development Effectiveness (CODE) in December 2002. After that discussion, the paper *Better Measuring, Monitoring, and Managing for Development Results: Implementation Action Plan* (SecM2003-0038), January 29, 2003, was revised and submitted to the Board for information.

⁶ In March 2004, CODE reviewed progress in implementing the results agenda; see *Implementation of the Agenda on Managing for Results* (CODE2004-0017), March 23, 2004.

⁷ *Poverty Reduction Strategy Papers—Detailed Analysis of Progress in Implementation*, (IDA/SecM2003-0468), World Bank and IMF (August 14, 2003).

during design and supervision. Staff learning and incentives are being adapted to more directly encourage staff to pursue sustainable results at the country level. Building on the IDA measurement system, more comprehensive results reporting will gradually be developed to better inform strategic choices and budgetary allocations.

- *Fostering a Global Partnership on Managing for Development Results.* The Bank has cosponsored two international Roundtables on Managing for Development Results (June 2002 and February 2004), which have helped to raise awareness and develop a global framework and common principles for action on managing for results; and it has helped establish interagency mechanisms, including the MDB Working Group and the OECD-DAC Joint Venture on Managing for Development Results. The Joint Venture agreed to (a) hold regional workshops to build awareness and discuss the challenges in managing for results, (b) develop a source book on managing for results, (c) pilot harmonized results reporting in selected African countries, and (d) explore the various ways development agencies are working to strengthen their internal effectiveness to improve their contributions to managing for development results, so as to reach a common understanding of concepts of effectiveness and performance.

5. ***IDA and the World Bank Results Agenda.*** The IDA results measurement system draws on two key elements of the Bank's agenda on managing for results. The first is the increasing focus on country outcomes, and on the national capacity and statistical systems needed to measure and monitor progress toward desired outcomes. The second is the introduction of a results-based CAS as the primary means to monitor the contribution of Bank programming to selected country outcomes. For IDA-eligible countries, the CAS is derived from a country-led poverty reduction strategy process, applying the principles of the Comprehensive Development Framework.⁸

6. ***Organization of this Paper.*** Section II summarizes the lessons learned during IDA13 and reviews progress in developing the system for IDA14. Section III presents the findings from recent monitoring of proposed country outcome indicators for IDA14, and proposes to strengthen IDA support for outcome monitoring within the IDA portfolio. Section IV reviews the proposal for monitoring IDA's contribution to country outcomes, and suggests two sets of additional indicators: one to assess progress in measuring results within IDA-supported projects, and the other to monitor project outputs and other related indicators in selected sectors. Section V summarizes recommendations for strengthening the results measurement system during IDA14. Section VI provides a brief conclusion.⁹

⁸ For more details on the CDF, see <http://intranet.worldbank.org/cdf>.

⁹ There are also eight annexes that discuss recent analysis and IDA14 baselines (Annex A); possible country outcome indicators (Annex B); the additional cost of collecting indicators for the IDA monitoring system (Annex C); data issues related to the proposed IDA14 indicators (Annex D); monitoring IDA's contribution to country outcomes (Annex E); IDA commitments by major sectors and themes from FY97 to FY03 (Annex F); an update on the primary completion rate and measles immunization coverage in the IDA13 measurement system (Annex G); and progress on the implementation of the Agenda on Managing for Results (Annex H).

II. DEVELOPMENT OF THE IDA RESULTS MEASUREMENT SYSTEM

7. This section begins by drawing the lessons of experience from the IDA13 results measurement system and then reviews initial development of the system for IDA14 and beyond.

A. IDA13 Results Measurement System

8. The results measurement system introduced for the IDA13 period tracked the preparation of analytic inputs (economic and sector work such as Public Expenditure Reviews and Investment Climate Assessments) in IDA-eligible countries. It also monitored selected outcome-related indicators (measles immunization rates, primary education completion rates, and time and cost of business start-up). It set targets for analytic inputs as well as for aggregate progress on the outcome-related indicators. Experience with this system and performance against these targets, yields a number of useful lessons for the IDA14 system.¹⁰

9. ***Lessons from System Design.*** The IDA13 results measurement system has strengthened the foundations for results-oriented programming in IDA countries. At the same time, increased attention to outcome-related indicators has brought basic data and measurement issues to the forefront of the global development agenda. Even as the IDA13 system was introduced, it was agreed that further development for IDA14 was desirable to better reflect country priorities articulated in poverty reduction strategies (PRSS), provide stronger linkage to the Millennium Development Goals (MDGs), and better assess the contribution of IDA programming to sustainable country results.

10. ***Lessons from System Implementation.*** The challenge of monitoring outcome-related indicators during implementation highlighted the need to refine statistical methodologies to provide more reliable information on development results in IDA countries. The evaluation of short-term changes in indicator values proved particularly problematic for several reasons:

- Irregular data collection and reporting at the country level led to inconsistent aggregates over time. The inclusion or omission of one influential country may be enough to affect measured progress over a short time period. To address this problem, gap-filling methods, such as interpolation or extrapolation, must be introduced.
- Many indicators have unquantified measurement errors, which may compound errors inherent in the interpolation and extrapolation of low-frequency data to a common year for aggregate assessment. This introduces considerable uncertainty in comparing values or measuring trends over short periods of time. Under these circumstances, target values are likely to fall within plausible, but unknown, margins of error.
- Comparisons over time are further confounded by changes in definitions and methods that, although intended to improve the quality of the resulting statistics, have caused breaks in continuity of time series data.
- Indicator values are subject to revision as part of the normal process of compiling and validating statistical data. Preliminary estimates are typically finalized within a year,

¹⁰ See *IDA13 Results Measurement System: Spring 2004 Update* (SecM2004-0244; IDA/SecM2004-0327), May 18, 2004.

but some estimation methods may entail more extensive backward revisions. When such revisions occur after baseline values have been agreed and targets set, the interpretation of measured outcomes is further complicated.

11. ***Need for Monitoring.*** Outcomes at the country level are the ultimate measure of development effectiveness, and therefore regular monitoring of a consistent set of outcomes is essential for low-income countries and their external partners. While attribution of outcomes to a particular actor or agency is weak at this level, the donor community—including IDA—has a collective responsibility to ensure that external support helps developing countries move in the right direction on core development outcomes over the long run. Therefore, it is important for IDA Management to monitor the movement of key development outcomes across the group of IDA borrowers and to continually test and improve the links between IDA interventions and country-specific outcomes, even if progress in aggregate outcomes cannot be directly attributed to IDA support alone. However, given the slow changes in development outcomes, the minimum practical period for monitoring progress is three years.

B. IDA14 System: Background

12. In April 2003, following consultations with IDA borrowers and Deputies and a briefing of the World Bank Executive Directors, agreement in principle was reached on a proposed system for IDA14 and beyond. The system is a two-tiered approach that monitors (a) progress on aggregate country outcomes, and (b) IDA's contribution to country outcomes.¹¹

13. ***Country Outcome Indicators.*** The initial proposal presented 15 country outcome indicators that reflected prevailing Poverty Reduction Strategy Paper (PRSP) priorities, were consistent with MDG monitoring, and captured both the economic growth and human development priorities of ongoing IDA programs.¹² Criteria for selecting indicators included their relevance to desired outcomes, sensitivity to policy action, measurability, and cost of data collection (to avoid excessive data collection burdens for low-income countries). Following consultations with Deputies, Executive Directors, and borrowers, Management was asked to explore additional indicators in the areas of governance, infrastructure, and social equity. Analysis conducted for the IDA Mid-term Review in November 2003 led to the recommendation that the following three additional indicators be considered for possible monitoring over the course of IDA14: access to all-season rural roads, access to electricity (which has strong near-term data availability), and use of solid fuels (a more relevant indicator for poor households than access to electricity, but one with less data availability in the short term). This recommendation brought the list of potential outcome indicators to 18. Table 1 summarizes these indicators and shows the availability of data across IDA countries for each indicator.

¹¹ See *IDA Results Measurement System: Progress and Proposals* (IDA/SecM2003-0159), April 7, 2003, and *IDA Results Measurement System: Update Note* (IDA/R2003-0189), October 31, 2003.

¹² Ibid.

Table 1. Proposed Country Outcomes Indicators

<i>Indicator^a</i>	<i>Percent of PRSPs that include the indicator^b</i>	<i>Percent of PRSPs that cover the subject</i>	<i>Range of most recent year data for IDA countries</i>	<i>Percent of IDA countries with data in 2000-2002</i>	<i>Number of IDA countries included to calculate growth from 1990</i>	<i>Historical average annual rate of growth^c for IDA countries</i>	<i>Annual rate of change required to meet MDG target from 1990^d</i>
1. Proportion of population below \$1/day poverty line	14	100	1984-2002	19	48	-1.3	-2.8
2. Prevalence of underweight children under five years of age	44	69	1994-2002	53	46	-2.8	-2.8
3. Under-5 child mortality	75	97	2002	100	77	-1.6	-4.4
4. Proportion of 1-year-old children immunized against measles	11	72	2002	100	76	0.4	1.8
5. HIV prevalence rate of women aged 15-24 ^e	6	67	1999-2001	66	(..)	(..)	(..)
6. Proportion of births attended by skilled health personnel	55	100	1994-2002	66	39	2.7	4.3
7. Ratio of girls to boys in primary and secondary education	64	78	1990-2001	64	49	1.5	1.3
8. Primary school completion rate	30	100	1990-2002	78	55	0.9	1.7
9. Proportion of population with sustainable access to an improved water source	86	94	2000	94	34	1.7	0.9
10. Fixed lines and mobile telephone per 1,000 inhabitants	33	48	2001-2002	100	78	13	(n/a)
11. Formal cost required for business start up	3	17	2001-2003	69	(..)	(..)	(n/a)
12. Time required for business start-up	11	17	2001-2003	69	(..)	(..)	(n/a)
13. Public expenditure management	0	97	2001-2002	30	(..)	(..)	(n/a)
14. Agricultural value added	19	64	2000-2002	90	68	2.4	(n/a)
15. GDP per capita	39	100	2002	96	72	2.0	(n/a)
16. Access of rural population to an all-season road	14	42	1991-2003	14	(..)	(..)	(n/a)
17. Household electrification rate	28	56	1995-2003	23	(..)	(..)	(n/a)
18. Proportion of households using solid fuels	11	36	1995-2003	20	(..)	(..)	(..)

Notes:

(..) means insufficient data, (n/a) means not applicable.

^a All data are taken from the latest 2004 World Development Indicators database, except indicators 13, 16, 17, and 18.

^b As of March 2004, 36 countries had full PRSPs.

^c All growth rates have been calculated between 1990 and 2000 using the exponential growth method. Some indicators are excluded in the analysis since the historical performance cannot be established because of insufficient data.

^d The annual growth rates required to meet the MDG targets are calculated according to each specific target.

^e Due to differences in methodology, comparable data are not available over time.

14. ***IDA's Contribution to Country Outcomes.*** The initial proposal also identified indicators for assessing IDA's performance and contribution to country outcomes through CASs and the associated IDA portfolio. Adoption of results-based CASs in IDA-eligible countries was proposed as an indicator to show progress in linking IDA programming more clearly to country priorities. In the longer run, a second indicator would be based on eventual reporting on results-based CAS outcomes (to begin after the IDA14 period).

15. ***Results-based CASs.*** A methodology has been developed to adopt a more results-based CAS that incorporates four elements: (a) a CAS Completion Report that provides a self-evaluation of progress toward results under the previous CAS, to more systematically learn lessons and apply them going forward; (b) a results-oriented strategy; (c) a strengthened framework for monitoring and evaluating the CAS; and (d) analysis of and support to countries to strengthen their capacity to manage for development results. The results-based methodology was piloted in FY03 and FY04. To date, the World Bank's Executive Directors have discussed—and favorably received—six results-based CASs. Another half-dozen are in preparation, and many other teams are beginning to adopt the methodology. Initial feedback from teams and clients on the design process has been positive, citing greater multisectoral problem solving, improved strategic relevance and coherence, clearer trade-offs, and greater selectivity. An evaluation of the pilot phase is being prepared—but must at this stage be limited to a review of the design process. The results-based methodology will be modified as needed in response to the evaluation, and a strategy for mainstreaming it in the coming year will be agreed. The cumulative introduction of results-based CASs in IDA-eligible countries would continue to be monitored during IDA14, to ensure progress toward results reporting at this level.

16. ***Quality at Entry and Project Outcomes.*** With respect to the IDA portfolio, the two indicators selected were the quality at entry of IDA operations, which is a leading indicator for positive outcomes, and the evaluation of project outcomes upon completion. The Quality Assurance Group (QAG) examines quality at entry through peer assessments of a random sample of projects. This assessment provides information that is useful in managing for results, with immediate impact on project implementation, including redesign and midcourse correction. The quality of operational design has remained high in recent years, with the most recent data showing 85 percent satisfactory quality at entry for the IDA portfolio (see Table 2). The Operations Evaluation Department validates project outcome ratings by reviewing Implementation Completion Reports (ICRs) for all exiting IDA projects. These data, based on independent ex post evaluation, are currently the most reliable measure of results across the IDA portfolio, and are available annually. The data are lagged because the average age of projects exiting the portfolio is 5-6 years (see Table 2).

Table 2. Indicators of IDA Performance, FY97-04

<i>IDA results indicator</i>	<i>Sample size and frequency</i>	<i>FY</i>							
		<i>97</i>	<i>98</i>	<i>99</i>	<i>00</i>	<i>01</i>	<i>02</i>	<i>03</i>	<i>04</i>
Introduction of results-based CASs (cumulative no. of countries)	Population (15-20 CASs per year)	n/a	n/a	n/a	n/a	n/a	n/a	1	6 ^a
Evaluation of CAS outcomes ^b (% satisfactory)	Population (5-10 CASs per year toward the end of IDA14)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Quality at entry ^c (% satisfactory)	Sample (50-100 projects every two years)	70	82	88	n/a	90	86	85	(..)
Project outcome (% satisfactory)	Population (120 projects per year)	74	65	61	74	76	74	75 ^d	(..)

Notes:

(..) means data not yet available, (n/a) means not applicable.

^a As of May 7, 2004, but will be 7 by end of FY04.

^b Derived from CAS Completion Reports, which assess the relevance of the CAS, achievement of expected outcomes, and Bank's performance during the CAS period. CASCRs will typically become available 4-5 years after CAS approval. The evaluation of CASCRs will be validated by OED.

^c An extended quality-at-entry exercise was conducted in FY00-01.

^d As of May 3, 2004.

Source: OED and QAG Databases.

17. **Strengthening Country M&E Systems.** Development of the IDA results measurement system has helped highlight the need to improve the availability and quality of basic data, and strengthen monitoring and evaluation systems in IDA-eligible countries. Through the poverty reduction strategy (PRS) process, many countries have stepped up efforts to address the technical and capacity constraints that affect the measurement and monitoring of development outcomes needed to assess progress. Tanzania provides one example of a country-led effort to strengthen the focus on results through the PRSP (see Box 1). Donors, including IDA and the IMF, are actively supporting these efforts.

18. **Partnership for Statistical Capacity Building.** A significant multilateral effort is under way to improve the availability and quality of data in IDA countries through PARIS21, an international consortium of users and producers of statistics that promotes evidence-based decisionmaking and emphasizes the need for investment in statistical systems, including household surveys. Through PARIS21, detailed case studies were undertaken to examine the constraints countries face in monitoring their PRSs and in providing data to monitor the MDGs. The results have been used to develop plans for improving methods at all levels and to inform discussion among United Nations agencies on improvements in the international statistics system. A six-point global action plan to strengthen statistical systems was agreed during a meeting of multilateral development banks and major international institutions at the Second Roundtable on Managing Development Results in Marrakech in February 2004. It calls for an unprecedented level of international collaboration and support to rationalize existing instruments and resources, strengthen national statistical systems, and improve coordination and accountability within the international system. An estimated US\$90 million per annum in incremental financing will be needed in the 2004-2006 period to strengthen national systems in

low-income countries, along with an estimated US\$25 million per annum to improve the international system.¹³

Box 1. Tanzania: Improving Data Quality, Managing for Results, and Linking to the MDGs

Starting in 2000, the Government of Tanzania developed a comprehensive poverty monitoring system to (a) generate usable data over the short term to inform policymaking and budgeting in real time; and (b) assess the effectiveness of policies and programs on poverty reduction. To a large extent the poverty monitoring system was developed in response to the analysis done for the PRSP.

The Government developed a comprehensive monitoring plan using a joint funding mechanism between donors and the government. The result was a comprehensive database of indicators for monitoring poverty and PRSP implementation, and the design of improved statistical instruments, including both household surveys and the extraction of data from routine administrative systems.

Tanzania was one of the first countries to produce a United Nations MDG report. The PRSP includes many of the MDG indicators, and it sets explicit targets for many of the indicators proposed for the enhanced IDA monitoring system. Using the PRSP as a basis, Tanzania has prepared a comprehensive poverty monitoring master plan that defines the institutional arrangement for poverty monitoring as well as specific activities such as surveys and censuses, participatory poverty assessments, research, and analysis. The institutional structure in support of the poverty reduction strategy and poverty monitoring process comprises four technical working groups—Surveys and Censuses, Administrative Data, Research and Analysis, and Advocacy and Dissemination.

The Government has improved the statistical basis for monitoring many indicators, particularly as a result of the Household Budget Survey conducted in 2000-2001, and the use of administrative data, and has established a clear timetable, consistent with international recommendations, for updating PRSP and MDG indicators. In the future there is a need to strengthen: (a) the capacity of the poverty monitoring institution; (b) the use of poverty monitoring data in policy debates and resource allocation; and (c) the links between subnational and central poverty monitoring systems.

19. **IDA's Support for Statistical Capacity Building.** An important aspect in preparing a results-based CAS is incorporating more support to strengthen country capacity to manage for results. On March 25, 2004, the World Bank's Executive Directors approved a new umbrella lending program, the Statistical Capacity Program (STATCAP), which will provide an additional avenue for such support. The program aims to address countries' differing statistical capacity needs flexibly while offering a simplified preparation and approval process. STATCAP is being piloted in three to five countries this year, with Burkina Faso being the first IDA country to receive support from the program.

III. IDA14 RESULTS MEASUREMENT SYSTEM: A STRENGTHENED PROPOSAL FOR MEASURING COUNTRY OUTCOMES

20. This paper recommends further strengthening the proposed IDA14 Results-Measurement System on both the level of outcome monitoring (tier 1) and monitoring IDA's contribution to results (tier 2). This section discusses tier 1.

21. **Monitoring Country Outcomes.** Recent analysis of aggregate country data has led to the establishment of IDA14 baselines for the 18 proposed country outcome indicators. Results are

¹³ The details of the action plan can be found in <http://www.managingfordevelopmentresults.org/documents/MarrakechActionPlanforStatistics.pdf>. The action plan is in two parts. The first addresses national needs (e.g., mainstream strategic planning of national statistical systems and prepare national statistical development strategies for all low-income countries by 2006, begin preparations for the 2010 census round, and increase national statistical capacity building). The second establishes international statistical responsibilities (e.g., set up an international household survey network, undertake urgent improvements needed for MDG monitoring by 2005, and increases accountability of the international statistical system).

shown in Annex A. Although these indicators have some of the best available data and reporting mechanisms, serious constraints to measurement remain. As previous IDA reports on the results measurement system showed (and as Table A1 summarizes), for many of the indicators, only about half the IDA-eligible countries have two observed data points with which to calculate a trend line for the decade of the 1990s—much less assess change within a three-year PRS period or IDA cycle. For some countries, the most recent observed data are six or seven years old. Data availability and quality vary significantly across the indicators but remain a problem even for outcome indicators with relatively well-established monitoring and reporting systems. Adopting statistical norms and generating data in less-established areas—including public expenditure management, private sector development, and infrastructure—are proving particularly challenging, although IDA and developing countries have intensified their efforts in the past few years, as part of the global partnership for statistics.

22. ***Selection of Country Outcome Indicators.*** As the IDA results measurement system has developed, the number of country outcome indicators under consideration has risen to 18. Both IDA borrowers and Deputies have underscored the value of tracking a limited number of outcome indicators. Given capacity constraints in IDA countries, and the value of focusing on a manageable set of highly relevant indicators, it is suggested that the number of indicators monitored during IDA14 be reduced. To review the strengths and weaknesses of each indicator, sector professionals and statisticians in the Bank were asked to reevaluate each one according to the four criteria of relevance, sensitivity, measurability, and cost (see Table D4 in Annex D). Most weight was given to relevance and measurability, and consideration was also given to the comparative strengths of multiple indicators in the same sector, such as health and infrastructure, and the availability of data.

23. ***Relevance to Desired Outcomes.*** It was concluded that three of the proposed indicators were somewhat less relevant than the others to the desired outcomes they are meant to represent. Measles immunization rate was originally selected for monitoring during IDA13 because of its strong measurability over a short time period and its use as a proxy indicator for delivery of basic health services. However, it is desirable to move from a relatively narrow intermediate indicator to an indicator that captures a broader result in terms of children's' health status. The under-five mortality rate is perhaps the most relevant outcome indicator of overall health status for children, and could serve as the indicator of choice in the health area during IDA14. The proportion of attended births is also a health service indicator that does not directly or fully capture the high-level outcome (e.g., maternal survival) it represents. However, given the lack of reliable maternal mortality data in many low-income countries, no alternative to the births attended indicator is readily available. In another domain, agricultural value-added was also judged to be less relevant to desired outcomes—such as agricultural productivity and rural incomes. On this basis, it may be possible to drop measles immunization rate and agricultural value-added as country outcome indicators for the IDA14 period.

24. ***Measurability in IDA Countries.*** Two indicators, although considered highly relevant to desired outcomes such as poverty reduction, were deemed to have enough remaining measurement difficulties (frequency, accuracy, and high costs) to warrant reconsideration. Measurement of the prevalence of underweight children is dependent on an infrequent subsample of household surveys in low-income countries. Likewise, data on household use of solid fuels is currently available in only 28 IDA-eligible countries. Work will continue to incorporate this

area into more household surveys, as it is recognized as an important indicator of household health and welfare. Nonetheless, for the IDA14 period, both the malnutrition and solid fuels indicators could be dropped due to their limited measurability. A third highly relevant indicator—the prevalence of HIV infection among women aged 15-24—has so far used different methodologies over time to measure prevalence. Consequently, changes over time cannot be accurately determined. On the other hand, in July this year UNAIDS will publish estimates of HIV prevalence among adults (15-49 years) for 2001 and 2003 that will be comparable over time, and Management will be working with UNAIDS to identify the most suitable HIV indicator for future monitoring in the IDA results measurement system.

25. *A More Manageable Set of Indicators.* On the basis of the above staff analysis, it was concluded that the number of country outcome indicators during the IDA14 period should be reduced from 18 to a more manageable 14. To summarize, the four following indicators would be dropped: prevalence of underweight children, measles immunization rates, agricultural value-added, and household use of solid fuels.

26. *Supporting Outcome Monitoring through Projects.* The experience with outcome monitoring under IDA13 underscored the importance of using IDA-supported projects to help countries strengthen their capacity to monitor these outcomes. As part of the broader agenda on managing for results, this goal has been pursued through various initiatives, including a phased plan to strengthen the results frameworks underpinning the Bank's sector strategies and identify core outcome indicators to be tracked through project monitoring systems. In an initial phase, eight Sector Boards launched an effort to better define the results framework and identify outcome indicators that are relevant across a wide range of Bank borrowers. This work will be expanded to cover all sectors and themes in coming years. On the basis of this work, all new IDA operations for FY05 and beyond in four key sectors—primary health care, basic education, household water supply, and rural road transport—would be designed to monitor an outcome indicator already identified by the appropriate Sector Board in the World Bank and included in the IDA14 results measurement system: under-five child mortality rate, primary education completion rate, proportion of the population with sustainable access to an improved water source, and proportion of the rural population with access to an all-season road. The purpose is to ensure that countries have the capacity to generate regular data for these fundamental development outcomes, to use IDA operations to strengthen this capacity as necessary, and to help Bank teams to remain focused on key outcomes influenced by IDA operations.

IV. IDA14 RESULTS MEASUREMENT SYSTEM: STRENGTHENING THE MONITORING OF IDA'S CONTRIBUTION

27. The April 2003 proposal for the IDA14 results measurement system identified processes and indicators by which to assess IDA's contribution to country outcomes at the level of the IDA portfolio and—as a central element of the agenda on managing for results—at the broader level of IDA's Country Assistance Strategies (CASs). Progress since then in strengthening results-oriented monitoring and evaluation at the project level will allow IDA to better monitor its contribution and performance during the IDA14 period. Management proposes two sets of additional indicators: one to assess progress in measuring results within IDA-supported projects, and the other to monitor project outputs and other related indicators in selected sectors.

28. ***Assessing Progress in Measuring Results within IDA-supported Projects.*** In the past year, as part of the investment lending modernization program and the broader agenda on managing for results, the Bank has revised project documents and procedures to emphasize outcome-oriented objectives and monitoring. Project Appraisal Documents (PADs) and Project Status Reports (PSRs) have been revised to focus more explicitly on expected outcomes, measurable indicators, and provision of data to assess progress. This will permit a clearer assessment of the causal links between IDA programming and outcomes, with a stronger attribution of outcomes to the influence of IDA-supported interventions. QAG's quality-at-entry assessments will explicitly assess the results framework underpinning project design and the provision of baseline data in PSRs. OED will continue to assess the evidentiary base provided in ICRs to evaluate achievement of outcomes. To better assess IDA's performance in introducing results-based monitoring and evaluation at the project level, it is proposed that IDA would establish targets for new PSRs with satisfactory baseline data on project outcome indicators and ICRs with provision of ex post data on project outcomes. These targeted indicators would be a useful gauge of the extent to which measurable results are being specified and monitored throughout the project cycle.

29. ***Monitoring in Selected Sectors.*** In addition to monitoring for an improved results focus in project supervision and evaluation, we propose to monitor aggregate progress on selected project outputs and other related indicators in four sectors where IDA is active across a range of countries: health, education, transport, and water (the same four sectors in which IDA projects would help countries strengthen outcome indicators). These measures would rely in some cases on estimations of the impact of project outputs on the target population, but they have the advantage of being able to better capture changes that can be attributed to IDA's interventions. For example, in the water sector, we can measure the increase in the "number of people with access to clean water" as a result of IDA interventions. The baseline value would be based on the value of the indicator associated with water supply projects exiting the portfolio in FY02-03, and progress would be monitored based on projects exiting the portfolio in FY05-06. A more detailed proposal for this component of the IDA14 results-measurement system will be elaborated in a note to be prepared for the Deputies' meeting in Hanoi (July 9-11).

V. RECOMMENDATIONS

30. The lessons of experience in implementing the interim results measurement system during IDA13, as well as the findings from additional monitoring and analysis of the proposed indicators for the IDA14 system, have led to a set of recommendations. These recommendations are summarized below:

Country Outcome Indicators

- Monitor 14 country aggregate outcome indicators (the indicators cited in Section III above) during IDA14 and beyond, and report on the basis of the three-year IDA replenishment cycle.
- Ensure that all new IDA operations in four sectors where IDA is most active will be designed to monitor a key sector outcome (under-five mortality rate in health projects, primary completion rate in education projects, proportion of the population

with access to improved water supplies in domestic water supply projects, and proportion of population with access to an all-season rural road in transportation projects).

Monitoring IDA's Contribution and Performance

- Monitor and target the three indicators initially put forward to measure IDA performance (the introduction of results-based CASs, project quality at entry, and project outcomes as rated by OED). In the longer run, a fourth indicator would be based on eventual reporting on results-based CAS outcomes (to begin after the IDA14 period).
- Monitor and target the provision of baseline data on project outcomes in PSRs and ex post data on project outcomes in ICRs.
- Monitor aggregate progress on selected project outputs and other related indicators in four sectors where IDA is active across a range of countries: primary health, basic education, domestic water supply, and rural roads.

31. ***Statistical Capacity Building.*** Getting better development results depends on countries' ability to use information to guide decisionmaking and steer development processes toward desired outcomes. Country capacity to measure progress toward core development outcomes is critical to country-led implementation of PRSs, and is the foundation for global monitoring of progress toward MDGs and complementary monitoring efforts, such as the IDA results measurement system. IDA should continue to play a leadership role in the global partnership for statistical capacity building. *Therefore, it is recommended that, in addition to continuing support for the PARIS21 consortium, IDA intensify support within its CASs and projects for national statistical capacity building, and work in partnership to implement the global action plan to strengthen statistical systems, including household surveys.*

VI. CONCLUSION

32. The IDA program and its results measurement system can help low-income countries improve data collection contributing to better decisionmaking that fosters progress toward established goals. Strengthening the results focus of CASs and IDA operations will increase support to countries for building capacity to manage for results and will help ensure that core development outcomes are regularly monitored. Consultations with IDA borrowers have indicated that countries welcome international efforts to develop comparable indicators for core development outcomes and improve the availability and quality of basic data. Borrowers also encourage development agencies to harmonize results reporting requirements around national monitoring and evaluation systems for PRS implementation.

33. ***Importance of a Sound IDA Results Measurement System.*** The IDA results measurement system is designed to inform discussions of IDA's effectiveness and improve IDA's performance. At the same time, decisions made about the IDA results measurement system have the potential to influence other multilateral development banks and bilateral development agencies within an emerging global partnership on managing for results. Thus it is

all the more important to make careful decisions about the IDA system for the upcoming period, to ensure that goals are achieved in ways that are pragmatic and cost-effective. Designing this system involves selecting a manageable set of indicators, adopting an appropriate frequency for country outcome monitoring, having IDA performance measures that feed into the IDA management system to improve IDA performance, and increasing IDA's support to countries to strengthen their capacity—including statistical capacity—to manage for development results.