

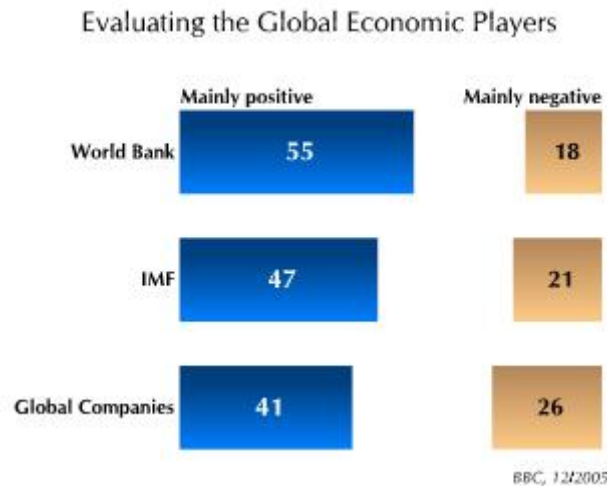
ANNEX I. EXTERNAL PERCEPTIONS OF IDA'S PERFORMANCE AND EFFECTIVENESS

This Annex summarizes insights from these surveys on key dimensions of IDA's performance and comparative advantage, in terms of overall effectiveness; main products offered by IDA (financing, knowledge, and convening, coordinating, and catalytic services); and sectoral performance and priorities.

A.1. Stakeholders' Views of IDA's Overall effectiveness

IDA is widely regarded as having a positive influence in the world, both in absolute terms as well as when compared to other development agencies. For example, 55 percent of respondents in a poll of 32 developed and developing countries carried out in December 2005 rated the World Bank as having a positive influence in the World, while just 18 percent rated it as having a negative influence (see Figure A.1). The approval ratings of the World Bank are generally significantly higher in recipient countries. MOPAN assessments also suggest that the overall perception of the World Bank at country level is that of a strong and influential actor in development policy and cooperation.

Figure A.1. Evaluating the Global Economic Players



MOPAN respondents to the 2005 assessment almost unanimously agree that the key comparative advantage of the World Bank lies in the financing of large programs and projects, budget support and policy dialogue. This is underpinned by more than 90 percent of the respondents indicating that the Bank's technical support is of very good quality.

DFID's 2005 assessment of multilateral organizational effectiveness¹²³ (Multilateral Effectiveness Framework, MEFF) rates the World Bank as the most effective among multilateral development banks as well as vis-à-vis the EC. It classifies the World Bank as a "mature reformer" which has adopted results based management some time ago and which is currently consolidating reforms, comprising a fine tuning of system and a gradual incorporation

¹²³ Scott, Alison. 2005. *DFID's Assessment of Multilateral Organizational Effectiveness: An Overview of Results*. International Division Advisory Department. DFID. June 1, 2006.

of newer agendas. Nonetheless, DFID's assessment sees scope for further improvements in the World Bank's internal performance, country level focus, and partnership focus.

Figure A.2. MEFF index as percentage of maximum score

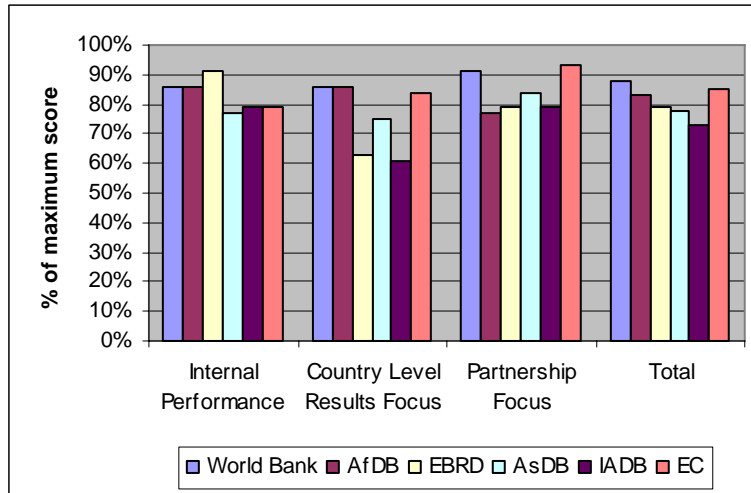
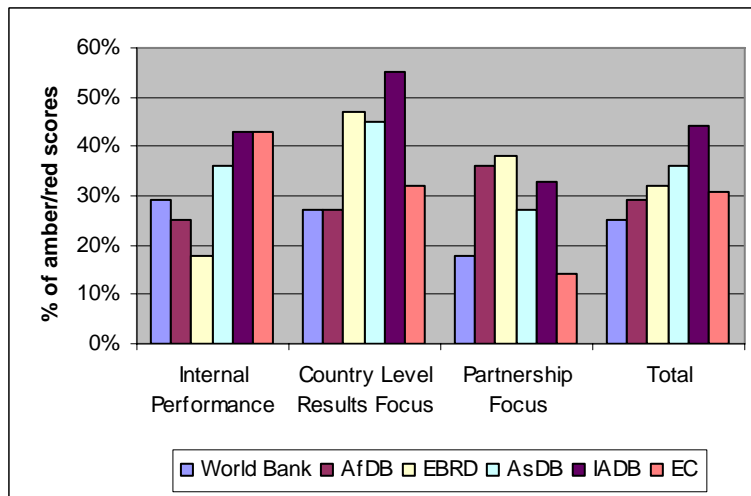
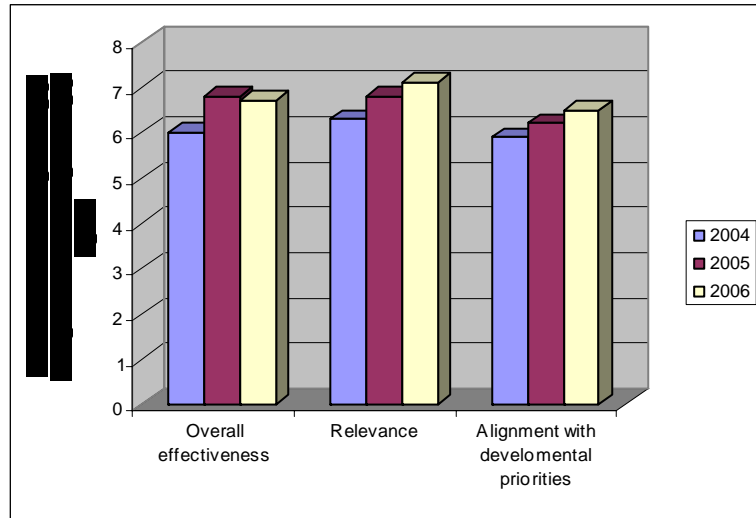


Figure A.3. Scope for improvement according to MEFF assessment



The World Bank's client surveys indicate a positive assessment of IDA's overall effectiveness, relevance and alignment with development priorities. In addition, in recent years IDA's performance is perceived as having improved significantly.

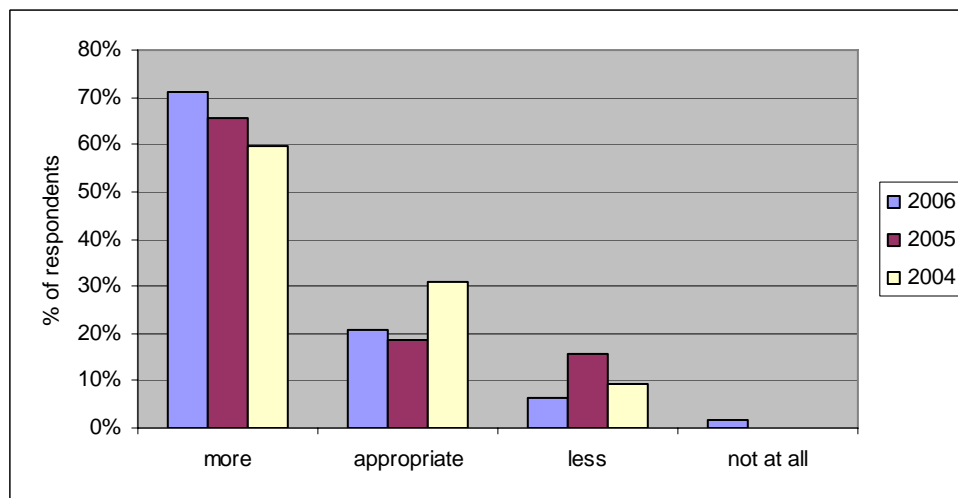
Figure A.4. World Bank Client Surveys: Client perceptions on IDA's overall effectiveness, relevance, and alignment with developmental priorities, 2004-2006



Reflecting the positive assessment of IDA's relevance and overall effectiveness, a large majority of stakeholders would like to see an increased level of IDA involvement in the countries' development strategies. The share of respondents that would like to see scaled-up IDA involvement has increased from about 60 percent in 2004 to more than 70 percent in 2006.

Figure A.5. World Bank Client Surveys: Stakeholders would like to see scaled up involvement of IDA

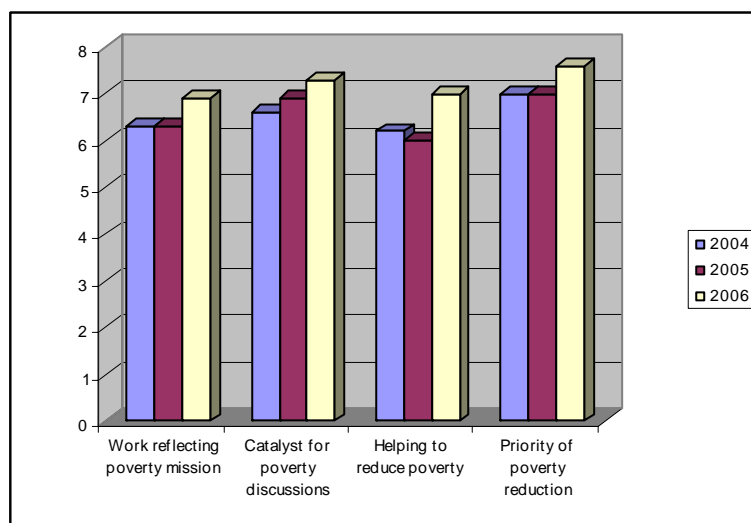
“What should be the level of involvement of IDA in _'s development strategies?”



Client surveys also suggest that IDA's country work has a clear focus on poverty reduction, and IDA is perceived as being highly effective in assisting countries in their efforts to

reduce poverty. In addition, the surveys also suggest that the perceptions of IDA's poverty reduction work have improved significantly between 2004 and 2006, indicating that IDA has become even more focused and effective in supporting the fight against poverty in client countries.

Figure A.6. World Bank Client Surveys: Client perceptions on IDA's overall effectiveness, relevance, and alignment with developmental priorities, 2004-2006



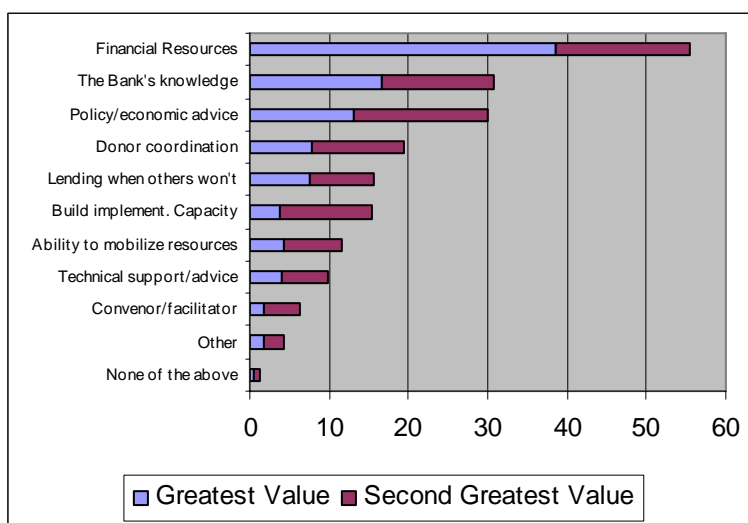
At the same time, client surveys suggest that consideration of political realities, nimbler operational policies and procedures, and willingness to explore alternative policy options are areas in need of more progress. A survey of donor practices carried out by OXFAM¹²⁴ in 2004 also suggests that the World Bank was considered as imposing too burdensome reporting and conditionality requirements, but fared well on long-term commitments and delivering on time and through the budget.

A.2. Main products offered by IDA

Financial resources, followed by IDA's knowledge and policy and economic advice are widely considered to be the areas where IDA brings the greatest value to recipient countries. Other assessments broadly confirm the results of the World Bank's client surveys with regard to the relative importance of various types of support offered by IDA. However, most of the surveys also see scope for enhancing the effectiveness of IDA's technical strengths through better alignment with the local context and better use of local knowledge.

¹²⁴ Oxfam International. (2005) *Paying the Price. Why Rich Countries must invest in a War on poverty.* Oxford. The survey focused on five main variables: simplifying reporting requirements, delivering aid on time, committing for the long term, fitting in with the government budget cycle, and imposing minimal conditions.

Figure A.7. World Bank Client Surveys: IDA’s Greatest Value-Added (FY05 and FY06)
 “In broad terms of economic and social development, what is the greatest value brought to your country by IDA?”



A.3. Sectoral involvement

Clients and other stakeholders consider IDA involvement important across a wide range of areas. Helping to strengthen infrastructure, agriculture development, the financial system and reducing poverty and corruption are considered to be the most important areas for IDA involvement, closely followed by helping to bring about economic growth and strengthening education, water and sanitation, health, and transport. However, even for the lowest rated of the 23 surveyed areas, namely strengthening the regulatory framework and the judicial system and ensuring that attention is paid to gender disparities, IDA involvement is still considered to be important.

The effectiveness of Bank support is rated above average in most areas. The five areas in which Bank support is considered to be most effective include strengthening infrastructure development, the financial system, the education sector, and the private sector and ensuring that attention is paid to the environmental impact of Bank programs and strategies. Only in the areas of social protection, telecommunications, judicial systems, and reduction of corruption, and improving the quality of the poor in urban areas is the average rating of the Bank’s effectiveness less than 3, the midpoint of the assessment scale from 1 to 5. *It must be stressed that these results reflect relative rankings, not absolute statements regarding importance of the various issues, on the part of respondents.*

The relative importance of Bank involvements varies significantly across regions, underlining the importance of region and country specific approaches to selectivity rather than Bank wide approaches. For example, in African countries Bank involvement in the education and health sector is considered to be most important, in Europe and Central Asia IDA support for infrastructure and the financial system rate highest, while in East Asia and the Pacific infrastructure, environmental and natural resources management, financial system and poverty reduction are rated highest, while in South Asia, agriculture, infrastructure, and water and sanitation are on top of the list. The perceived effectiveness of Bank support also varies across regions, matching the variations of the importance of Bank involvement.