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Monitoring and Evaluation

Note: OP 13.60 codifies the Bank's policy on operations monitoring and evaluation. OP 13.60 applies to all World Bank operational activities, including country strategies, sector/thematic strategies, lending, and analytic and advisory services. It replaces OD 13.60, *Dissemination and Utilization of Operations Evaluation Department (OED) Findings*, and draws from *Mandate of the Director-General, Evaluation* and from *Independent Evaluation Group—Terms of Reference (DGO Mandate and Terms of Reference for OED, OEG and OEU Proposed Name Changes)* (CODE2005-0088), September 27, 2005.

1. The World Bank's¹ objective is to assist its borrowing member countries, individually and collectively, to reduce poverty and achieve sustainable growth.² To assess the extent to which its efforts and those of borrowers are making progress toward that objective, the Bank monitors and evaluates its operational activities.
2. Monitoring and evaluation provides information to verify progress toward and achievement of results,³ supports learning from experience, and promotes accountability for results. The Bank relies on a combination of monitoring and self-evaluation and independent evaluation. Staff take into account the findings of relevant monitoring and evaluation reports in designing the Bank's operational activities.

Monitoring and Self-Evaluation

3. Monitoring and evaluation (M&E) requires formulating the expected results of Bank support; selecting indicators of outputs and outcomes; gathering baseline data on outputs and outcomes; setting milestones and a timeline for progress; establishing a system for collecting, analyzing, and reporting data; monitoring progress; evaluating the activity to determine its relevance, efficacy, and efficiency; and establishing a framework for using M&E findings. These elements are tailored to the scale and scope of the operational activity.
4. The designs of Bank operational activities incorporate a framework for M&E.⁴ The Bank monitors and evaluates its own contribution to results using this framework, relying on the borrower's M&E systems to the extent possible and, if these systems are not strong, assisting the

¹ "Bank" includes IBRD and IDA; "loans" includes credits and grants; and "borrowers" includes grant recipients.

² OP 1.00, *Poverty Reduction*.

³ *Results* are the outputs and outcomes of operational activities; *outputs* are the products, goods, services, or actions associated with an operational activity; and an *outcome* is a direct change in condition or behavior of a target group or institution that results from outputs.

⁴ See BP 2.11, *Country Assistance Strategies*; and OP/BP 8.60, *Development Policy Lending*. For IDA-financed operations, see *Additions to IDA Resources: Fourteenth Replenishment* (IDAR2005-0029), March 2005, Section II D, and any adjustments to the results measurement system agreed in future IDA replenishments. For investment lending and analytic and advisory activities, see guidelines available to staff on the Bank's intranet.



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borrower's efforts to strengthen them.⁵ For CASs and sector/thematic strategies, the Bank monitors and evaluates progress toward achieving the results identified in the strategy. For lending operations, the borrower monitors progress towards results during implementation and evaluates the achievement of results upon completion; the Bank reviews the borrower's M&E reporting. For analytic and advisory services, the Bank monitors and evaluates results on completion.

5. In addition to working with borrowers, the Bank works with other development partners to agree on the results expected from development activities and to harmonize monitoring, reporting, and evaluation requirements.

Independent Evaluation

6. Independent evaluation validates self-evaluation activities, verifies their results, and/or undertakes separate assessments of the relevance, efficacy, and efficiency of Bank operational activities and processes. Independent evaluation is carried out by the Independent Evaluation Group (IEG) under the oversight of the Director-General, Evaluation (DGE), who reports directly to the Board, which approves the DGE's mandate and IEG's terms of reference. IEG's work program is endorsed annually by the Board, following consultations with management. In this context, the DGE is directly responsible for

- (a) assessing whether the Bank's programs and activities are producing the expected results;
- (b) incorporating evaluation assessments and findings into recommendations designed to help improve the development effectiveness of the Bank's programs and activities, and their responsiveness to countries' needs and concerns;
- (c) appraising the Bank's operations self-evaluation and development risk management system;
- (d) reporting periodically to the Executive Directors on actions taken by the Bank in response to evaluation findings,⁶ and on the measures being taken to improve the overall operations evaluation system including dissemination and outreach activities; and
- (e) encouraging and assisting developing member countries to build effective monitoring and evaluation associations, capacities and systems.

⁵ Such support includes, for example, support for strengthening statistical capacity.

⁶ Bank management comments on draft IEG reports and is responsible for preparing and implementing management responses to major IEG recommendations—those that are tracked in the aggregate annual Management Action Record (MAR), and those marked as "MAR" in Country Assistance Evaluations.



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7. To discharge these functions, IEG has unrestricted access to the staff and records of the Bank. In carrying out its activities, IEG consults with borrower governments, beneficiaries, cofinanciers, and other stakeholders, as well as with operational managers, peer reviewers, and, as appropriate, advisory committees of specialists. IEG endeavors to maintain close contact with Bank staff so that their views are adequately considered in the preparation of IEG reports, and the analyses and findings of these reports are understood. However, IEG reports and findings are not subject to management approval. As an integral ingredient of its independence, IEG discloses its reports in accordance with IEG's disclosure policy statement approved by the Board.⁷ It disseminates evaluation findings within the Bank and the wider development community.

8. In addition, the Independent Evaluation Group (IEG) provides advice and support to operational units engaged in evaluation capacity development, cooperates with other international financial institutions and development assistance agencies to promote evaluation and harmonize evaluation standards, and assists member countries and development partners to develop effective operations monitoring and evaluation capacities and systems.

⁷ IEG's disclosure policy statement is approved directly by the Board, and then incorporated into the Bank's overall disclosure policy.