

IV. IMPLEMENTATION OF THE BANK PROGRAM: CAS PROGRESS REPORTS

1. Flexibility in the implementation of a Country Assistance Strategy needs to be complemented by appropriate ex-post reporting and realignment of the country strategy and results framework. With the CASCR, the CAS Progress Report serves this purpose, and hence is an important element of the CAS architecture. A CASPR is prepared around the midpoint of the CAS cycle (or after about two years for the majority of countries) as a stocktaking of implementation of the CAS program. It reviews the strategy outlined in the CAS, reports on progress toward achieving CAS objectives and outcomes, and introduces changes to the CAS program as necessary. During FY06-08Q2, PRs were completed for 14 IBRD countries and 11 IDA-eligible countries. Seven PRs proposed extensions to the original CAS period, including Costa Rica for six months; Turkey, Colombia, Philippines, Indonesia, and Kenya for one year; and Lao PDR for two years. The analysis shows that while CASPRs added to the reporting requirements of country teams, they serve a useful purpose for Management, the Board, and country stakeholders.

2. ***Modification to Economic Assessment during Implementation.*** In assessing the country's performance and relevant risks, several CASPRs noted a significant improvement in the economic outlook as compared to the original CAS and suggested modifications to the lending volume and program (Turkey, Philippines, and Moldova PRs proposed scaling up; the Algeria PR proposed reduced IBRD borrowing because of an unanticipated oil windfall). There are also examples of CASPRs proposing downward adjustments in response to lack of progress or deterioration of economic policies. (Sri Lanka PR proposed no more policy-based lending; Jamaica PR reduced DPL financing).

3. ***Appropriateness of Instruments and Program Modification.*** All CASPRs paid adequate attention to the discussion of the appropriateness of instruments; good practice examples are the Armenia and the Morocco CASPRs. The overwhelming majority (85 percent) of the CASPRs introduced changes to the instrument mix. Only in a handful of CASPRs (20 percent, mostly MICs) were the changes very significant; but it should be noted that much of the analysis for this retrospective does not cover CASs prepared after the financial crisis developed, requiring significant adjustment in ongoing programs and the content of CAS products.

4. ***Modifications of the Results Framework.*** While most of the RB CASPRs (70 percent) introduced changes in the results framework, the extent of the changes varied significantly across countries. When the results framework was linked to the PRS, the PR refrained from introducing changes because the framework would be changed in tandem with PRS updates. A good practice example of changes in the results framework is the Croatia CASPR. In many cases, the changes aimed at streamlining and injecting realism to the indicators.

- Modifications often reflected a realization by country teams that the original milestones were unrealistic, or that demand for Bank services had changed considerably. The most frequent reason for modification was to make the milestones more realistic in light of delays in implementing the Bank program or to introduce greater selectivity. The Bank teams of Indonesia, Sri Lanka, and Lao reduced the number of milestones in the CASPR by half.

- In the Cameroon CASPR, the results framework was focused around six outcome clusters to strengthen the results focus and improve management for results.
- In the CASPRs for Brazil, Ukraine, Croatia, and Costa Rica, changes in the Bank program were introduced to reflect progress (or lack thereof) in actual outcomes. The Brazilian program shifted resources to areas of less progress that were critical for the durability of success of the program. In both Ukraine and Croatia, progress in the EU accession negotiations was the reason for changes in the results framework and in the Bank program. In Ukraine, the results framework was changed to a more realistic and focused set of outcomes consistent with the EU action plan. In Costa Rica the changes in the framework responded both to delays in program implementation and to emerging priorities of the new government. Several CASPRs indicated that future program design would be guided by progress in attaining outcomes.
- In some cases, the results framework was adjusted when implementation revealed that there was no relationship between the selected milestone and the outcome. In Moldova, although projects in agriculture and social sectors performed well, there was no progress in the long-term objectives (the framework will be adjusted in the next CAS). In Gabon, a number of milestones proposed for the private sector development were in fact not relevant to the desired outcome.

5. **Results-Based Portfolio Reviews.** The results framework has helped introduce a more regular, systematic, and objective evaluation of the effectiveness of the Bank program. Because CAS results frameworks include both results from the ongoing portfolio and indicative results from activities that may or may not materialize, regular updating of results at the portfolio level and at the program/CAS level in the CASPR stage are particularly important. While only two CASPRs (Burkina Faso and Armenia) reported the implementation of results-based portfolio reviews, all but three CASPRs mentioned either regular joint reviews with government of progress in the results matrix or plans to hold them in the future. Three CASPRs reported joint portfolio reviews with development partners. Burkina Faso had an interesting approach to portfolio reviews: it conducted an annual Strategy Week, open to all stakeholders, to monitor country progress towards CAS results and assess the Bank's contribution, creating a feedback loop to manage results.

6. **Focus on Monitoring and Evaluation.** Most CASPRs stressed the importance of establishing an M&E system. Regular reviews of the outcomes were also critical to maintaining the results focus. The Brazil CAS PR reported a positive experience with the results focus: “While simple and flexible, the monitoring tools agreed, including the annual review meetings to discuss outcomes and adjustments to the program, facilitated objective evaluation of progress and provided a framework for considering Bank Group effectiveness.”

- About half of the RBCAS PRs reported difficulties in monitoring the CAS milestones. Only three RBCAS PRs reported being able to monitor all milestones, and two appear to have been able to monitor almost all the indicators. The issue was not explicitly discussed in three RBCAS PRs. The Lao CASPR showed good practice in developing a baseline and targets for each outcome in its results matrix.

- Data gaps appear to be more acute in the areas of social indicators. The Sri Lanka CASPR had a good discussion of the difficulties of assessing equity indicators: “more than a third of the indicators could not be evaluated particularly in the equity pillar.” It went on to argue that “this is not surprising as it generally does take longer to observe changes in human development and as data collection is expensive, these indicators are generally not measured annually.”
- Most CASPRs reported actions aimed at addressing data gaps, but in many cases the efforts had not yet gained traction. The task appears particularly daunting in Sub-Saharan Africa, where several parallel monitoring efforts were being implemented (for example the poverty monitoring system) and the Africa Action Plan monitoring tool). Statistical capacity building projects were approved or planned in several countries (Ukraine, Tajikistan, Sri Lanka, Kenya), but their implementation had run into difficulties such as delayed effectiveness (Ukraine). Likewise, Burkina Faso reported weak implementation of small operations aimed at building capacity in statistics.
- Success was achieved in some countries, such as Armenia, where AAA and donor-funded statistical capacity strengthening grants had resulted in improvements in the quality of poverty and fiscal data. The Kenya CASPR proposed innovative ideas to improve monitoring, such as the introduction of random evaluations. The Indonesia CASPR is good practice, presenting a set of comprehensive and coordinated actions to improve monitoring; the actions were detailed in a CASPR annex. Only one of the four CASPRs that introduced a results framework discussed the statistical capacity to monitor the framework.

7. ***Other Findings in Progress Reports.*** In general, PRs illustrate Bank teams’ ongoing attention to results. In most cases, there was greater emphasis on helping government programs and Bank projects become more results-oriented. For example, in Ukraine, future policy-based lending would be geared toward translating government objectives into results, with a stronger focus on monitoring medium-term outcomes rather than year-by-year conditionality. The Philippines CASPR reported greater emphasis on milestones and monitoring benchmarks and capacity building measures in project design. More results focus was also reported in the Moldova CASPR; it put more focus on the PRS by aligning the Bank program to a subset of PRS outcomes. In Sub-Saharan Africa, the CASPRs tried to align the CAS outcomes and milestones with the country’s PRS, the Africa Action Plan, the Millennium Development Goals, and the Extractive Industry Transparency Initiative. In Cameroon, a results approach generates attention on the quality of the PRS and of public expenditure management key (Cameroon).