

2022: Independent Evaluation Group Validation of the Management Action Record



IEG
INDEPENDENT
EVALUATION GROUP

WORLD BANK GROUP
World Bank • IFC • MIGA

© 2022 International Bank for Reconstruction and Development / The World Bank
1818 H Street NW
Washington, DC 20433
Telephone: 202-473-1000
Internet: www.worldbank.org

ATTRIBUTION

Please cite the report as: World Bank. 2022. *2022: Independent Evaluation Group Validation of the Management Action Record*. Independent Evaluation Group. Washington, DC: World Bank.

COVER PHOTO

Shutterstock / Ru Bai Le

EDITING AND PRODUCTION

Amanda O'Brien

GRAPHIC DESIGN

Luísa Ulhoa

This work is a product of the staff of The World Bank with external contributions. The findings, interpretations, and conclusions expressed in this work do not necessarily reflect the views of The World Bank, its Board of Executive Directors, or the governments they represent.

The World Bank does not guarantee the accuracy of the data included in this work. The boundaries, colors, denominations, and other information shown on any map in this work do not imply any judgment on the part of The World Bank concerning the legal status of any territory or the endorsement or acceptance of such boundaries.

RIGHTS AND PERMISSIONS

The material in this work is subject to copyright. Because The World Bank encourages dissemination of its knowledge, this work may be reproduced, in whole or in part, for noncommercial purposes as long as full attribution to this work is given.

Any queries on rights and licenses, including subsidiary rights, should be addressed to World Bank Publications, The World Bank Group, 1818 H Street NW, Washington, DC 20433, USA; fax: 202-522-2625; e-mail: pubrights@worldbank.org.

2022: Independent Evaluation Group Validation of the Management Action Record

October 5, 2022

Contents

Abbreviations	iv
Acknowledgments.....	v
Overview	vii
Report to the Board from the Committee on Development Effectiveness	xi
1. Introduction	1
2. Process and Methods.....	2
Management Action Record Assessment Framework.....	3
Data Collection Methods.....	4
3. Progress toward Achieving Intended Results and Outcomes.....	6
Human Capital	7
Climate Change and Environment Sustainability	8
Mobilizing Finance for Development.....	14
Corporate Effectiveness	22
4. Recommendations to Retire	27
5. Conclusions and Suggestions	31
Suggestions	31

Figure

Figure 2.1. Process Enhancements to Management Action Record Process, FY22.....	3
---	---

Table

Table 4.1. Recommendations Proposed for Retirement (FY22 Management Action Record)	29
---	----

Appendix

Appendix A. Independent Evaluation Group’s Assessment of Evidence Quality to Validate Achievement Progress	32
---	----

Abbreviations

CODE	Committee on Development Effectiveness
CPF	Country Partnership Framework
CPSD	Country Private Sector Diagnostic
DTT	disruptive and transformative technologies
FDP	forcibly displaced person
FY	fiscal year
GP	Global Practice
HNP	Health, Nutrition, and Population
IDA	International Development Association
IDA19	19th Replenishment of IDA
IDA20	20th Replenishment of IDA
IEG	Independent Evaluation Group
IFC	International Finance Corporation
M&E	monitoring and evaluation
MAR	Management Action Record
MFD	Mobilizing Finance for Development
NRDV	natural resource degradation and vulnerability
PFDM	public financial and debt management
SOE	state-owned enterprise

All dollar amounts are US dollars unless otherwise indicated.

Acknowledgments

This report was led by Lauren Kelly under the supervision of Carmen Nonay, Brenda Barbour, and Alison Evans. Arjun Kaushik co-produced the report. Many Independent Evaluations Group evaluation team leaders made valuable contributions to this report including Stefan Apfalter, Elena Bardasi, Susan Caceres, Soniya Carvalho, Jeff Chelsky, Ann Flanagan, Jenny Gold, Mitko Grigorov, Rasmus Heltberg, Stephen Hutton, Giuseppe Iarossi, Ramachandra Jammi, Raghavan Narayanan, Daniel Nogueira-Bundy, Estelle Raimondo, Bekele Shiferaw, Andrew Stone, Victor Vergara, and Stephan Wegner. Zorayda Opana provided administrative support. The collaborative approach adopted this year led to rich discussions and concrete proposals to enhance the quality of the Management Action Record process and product. The Independent Evaluation Group is thankful to Operations Policy and Country Services management and International Finance Corporation Corporate Strategy, especially to Diego Carrillo, Debra Ladner, Lisandro Martin, Fedor Miryugin, and Junko Oikawa for their efforts in making this an inclusive and productive process, and to all technical focal points.

Overview

This document is the Independent Evaluation Group’s (IEG) validation of the report *Enhancing Evidence-Based Learning for Outcomes through the Management Action Record: A World Bank Group Management Report on Implementation of IEG Recommendations*. The Management Action Record (MAR) system supports accountability and learning in the follow-up of IEG evaluation recommendations by enabling meaningful tracking, self-assessment, and validation of World Bank Group management’s implementation of IEG recommendations. The validation document covers IEG’s synthesis of progress toward achieving IEG evaluations’ intended outcomes and its assessment of the approach and evidence in management’s MAR report.

In this third year of the MAR reform, many of the envisioned reform elements have materialized. IEG recommendations are fewer and more strategic. Management is providing agreements and disagreements with the recommendations that are more clearly stated and is reporting annually on progress, with enhanced evidence. Because of its more strategic nature, there is increased engagement of senior management and the Board of Executive Directors.

Quality of Evidence

There has also been significant progress in enhancing the quality of evidence used in the MAR system. A more collaborative process introduced during this year’s MAR cycle—that focused on what “good evidence looks like—was a key contributing factor toward improved evidence quality. This enhanced engagement featured upstream meetings on individual evaluations between Operations Policy and Country Services, International Finance Corporation (IFC) Corporate Strategy, IEG, and technical counterparts, allowing for frank conversation about implementation progress and the availability of evidence. Subsequently, for many recommendations, both quantitative and qualitative evidence were provided from multiple triangulated sources. Efforts were also made to provide illustrative examples and to discern trends.

Results and Outcomes

There has been substantial progress in implementing IEG’s recommendations. This MAR cycle includes 55 recommendations lodged within 18 evaluations included in the MAR system between fiscal years 2018 and 2021. Areas where substantial incremental progress toward achieving intended outcomes were especially observed include (i) pandemic preparedness; (ii) the assessment of urban system resilient risks; (iii) regional integration, including a focus on regional public goods; (iv) the catalyzation of private sector solutions for the forcibly displaced; and (iv) the alignment of carbon finance initiatives and the piloting of scalable approaches to reduce greenhouse gas emissions in underused sectors such as agriculture.

However, implementation is lagging for almost half of the recommendations set to automatically retire after four years. Just under half of the recommendations in the pollution management and the IFC client engagement evaluations are experiencing significant delays in implementation (4 of 9).

Pollution management. Although notable progress has been achieved on enhancing pollution management in 40 percent of the countries with the most serious pollution issues, pollution management issues in most of the worst performing countries have not been addressed. The World Bank’s pollution management portfolio has not been recalibrated to focus on pollution issues that have the most serious health effects, and there is no systematic tracking of the synergistic effects of climate change and air quality efforts. Targeted advisory support is needed to help low-capacity private sector clients achieve compliance with pollution-related performance standards, and more evidence is needed about what type of advisory support works to support enhanced compliance in different low-performing contexts.

IFC client engagement. For IFC client engagement, while progress is being made on upstream activities, implementation is delayed on reviewing the existing client-related system architecture or better managing client relationships management through information technology and other system-level enhancements. According to IFC, actions leading to outcomes on IFC client engagement were delayed because of the COVID-19 pandemic.

There are also delays in implementing recommendations with environmental and social themes that are also associated with translating knowledge into country action.

Implementation delays for seven recommendations in the pollution management, natural resource degradation and human vulnerability, urban resilience, and citizen engagement evaluations are associated with the need to move knowledge from diagnostics into upstream engagement decisions, operational design, and results tracking. For more recent evaluations such as natural resource degradation and human vulnerability, there is a need to show how systems are being set up to support effective knowledge transfer into country engagement and operational design decisions.

Management Action Record System Enhancements

A new assessment framework developed by management—that IEG agreed to pilot—is helping to establish a shared language about what achieving results and outcomes looks like. The use of transparent criteria and definitions has helpfully added structure to the self-assessment and validation systems.

The assessment framework could benefit from refinement to distinguish between the quality of evidence and progress toward achieving outcomes. This is because the assessment system

mixes concepts about quality of evidence with levels of achievement (including magnitude and scale). The assessment criteria establishes that a recommendation is achieved, is on track, or lacks evidence, but the possibility of having evidence that shows a recommendation not being achieved seems to be ruled out by construction. The application of the maturity model that categorizes evaluations based on time within the MAR system can also be refined to ensure that plausible links to outcomes are being established early. A possible unintended result of holding varied standards across the MAR cycle can be that it is too early to report, but it becomes too late to expect a change in direction.

The use of data science tools in this year's MAR cycle is a promising area of development to enhance the quality of evidence that can also be strengthened through further analysis and verification. This year's MAR process used text analytics and other data science tools to derive evidence for several evaluations. The use of these tools enabled teams to identify a relevant body of text, which has the potential to enhance evidence quality. The use of data science tools can be strengthened through further analysis and verification to eliminate false positives that are more reflective of branding and to better capture depth of change.

Retiring Recommendations

This MAR cycle proposes to retire 20 of the 55 existing recommendations. Of these, 9 recommendations within two evaluations (pollution management and IFC client engagement) are automatically retired after four years. Although these recommendations are retired, they remain unfinished agendas. IEG agreed to retire 6 active recommendations proposed for retirement by management, and proposed the retirement of an additional 5 recommendations, that would consequentially also remove the forced displacement and creating markets evaluations from the MAR. For these recommendations, there is sufficient evidence that results are being achieved in line with anticipated outcomes, often within supportive policy environments and backed by corporate commitments (for example, International Development Association policy commitments, trust fund reforms). However, two of these recommendations are being retired either because (i) the recommendation has become redundant (due to decisions made about *Doing Business*) or because (ii) information required for another recommendation in the creating markets evaluation—on achieving market access for underserved populations—requires data collection and analyses that exceeds MAR system capabilities over the course of the remaining year (as such, a follow-on assessment is recommended).

Suggestions

After three years of implementation, the MAR reform could benefit from a reflection on “what success looks like” by asking the following questions:

Overview

- Is the MAR system, as reformed, providing enough opportunity for ongoing adaptive management, including sufficient incentives to identify and address implementation bottlenecks throughout the year?
- How well are incentives aligned in the MAR system to ensure that the MAR tool is perceived as a “safe space” for technical teams to point to delays and to ask for needed support? How can IEG, management, and members of the Committee on Development Effectiveness better support this goal through their respective functions?
- How can future MAR reports provide more explanation about implementation delays, including for retiring recommendations with delayed progress?
- How can the MAR assessment system be refined to address the mixed concepts of evidence quality and progress toward outcomes? Although recognizing that outcomes take time to materialize, how can the MAR system ensure that initial evaluations are putting necessary platforms in place for change and adequately articulating plausible links to outcomes that can be captured along the way?
- Management may consider engaging IEG on certain methodological aspects of data collection and reporting to continue enhancing evidence quality.

Report to the Board from the Committee on Development Effectiveness

The Committee on Development Effectiveness met to consider the report *Enhancing Evidence-based Learning for Outcomes through the Management Action Record: A World Bank Group Management Report on Implementation of IEG Recommendations*, together with the Independent Evaluation Group (IEG) validation of the Management Action Record, 2022: *Independent Evaluation Group Validation of the Management Action Record*.

The committee welcomed the Bank Group's Management Action Record (MAR) report and IEG's validation report and commended IEG and Bank Group management for their constructive and increased collaborative approach. Members were pleased with the steady progress in the implementation of the MAR reforms, which has led to facilitating real-time learning and adaptation; refining the quality, practicality, and strategic relevance of IEG's recommendations in influencing the Bank Group's work to improve its development effectiveness; and to increasing focus on outcomes and longer-term shifts. They underscored the importance of the outcome orientation agenda and commended management for improving the quality of evidence in the report and for developing the "Likelihood of Delivery" Assessment Framework to assess progress toward intended outcomes and enable a common understanding on what achieving results and outcomes looks like. Members encouraged IEG and the Bank Group to continue working together to further improve the causal links from actions to outcomes, distinguish between weak evidence and weak progress, enhance the quality of evidence and further develop the data collection and analysis tools, and establish an early-warning system in the MAR. This system would identify recommendations that may require intensified support and alert management and the Committee on Development Effectiveness about delays in implementation, particularly of those recommendations due for retirement.

The committee was pleased and supported the Bank Group management and IEG proposal and agreement to retire 20 out of the 55 recommendations from 18 evaluations in key strategic areas issued between fiscal years 2018 and 2021, including 9 (5 recommendations from the Pollution evaluation and 4 from the IFC client engagement evaluation) due for automatic retirement from the MAR. Members also supported continuing the tracking and reporting of 2 recommendations regarding trade facilitation and citizen engagement for an additional year.

1. Introduction

1.1 The Management Action Record (MAR) is a key element of the World Bank Group's accountability and wider knowledge management framework. The MAR supports accountability and learning in the follow-up of Independent Evaluation Group (IEG) evaluation recommendations by enabling meaningful tracking, self-assessment, and validation of Bank Group management's implementation of IEG recommendations.

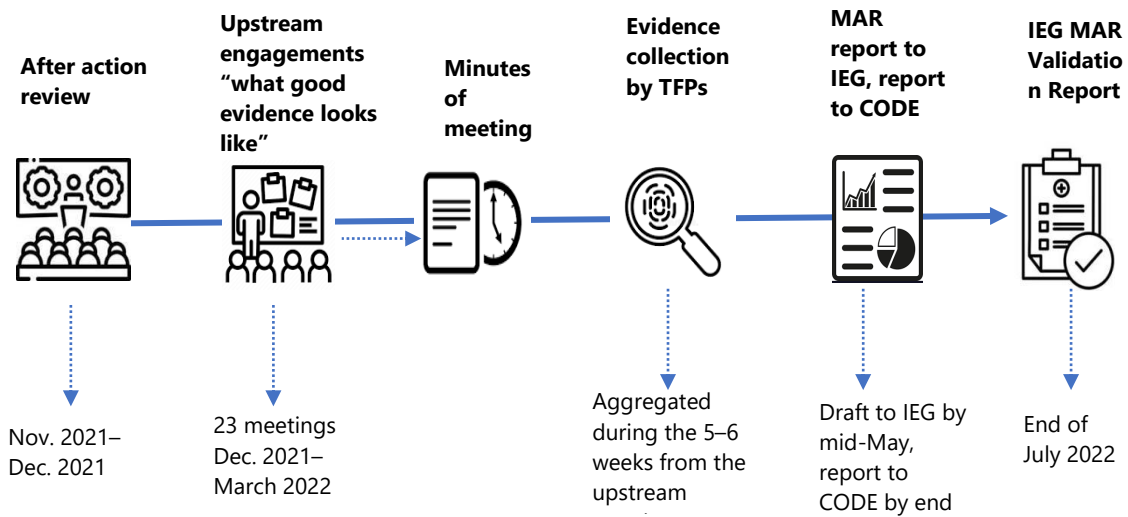
1.2 The MAR reform, endorsed by the Committee on Development Effectiveness (CODE) on September 25, 2020, was grounded in a common vision of how IEG recommendations can contribute to enhanced Bank Group development effectiveness. In this third year of the MAR reform, many of the envisioned elements have materialized. IEG recommendations are fewer and more strategic. As noted by management, there has been a decline in the number of recommendations—falling from an average of 4.6 in fiscal year (FY)19 to 2.4 in FY21—and an elevation in their strategic focus and outcome orientation. Management is providing more clearly stated agreements and disagreements with the recommendations and is reporting annually on progress. Because of the more strategic focus of the MAR, the reform has also increased the engagement of Bank Group senior management and the Board of Executive Directors.

1.3 This document is IEG's validation of management's 2022 MAR report. It is intended to complement the report *Enhancing Evidence-Based Learning for Outcomes through the Management Action Record: A World Bank Group Management Report on Implementation of IEG Recommendations*. Both reports will be discussed together by CODE. This document presents IEG's assessment of the approach and evidence in management's MAR report; its synthesis of progress toward outcomes for the 18 evaluations containing 55 recommendations in this year's MAR cycle; its agreements, and disagreements on proposals to retire specific recommendations; and its suggestions on how to continue improving the MAR's usefulness.

2. Process and Methods

2.1 This third reporting cycle after the MAR reform introduced enhancements that have improved the MAR process. These enhancements included: (i) after action reviews held jointly among IEG, Operations Policy and Country Services, and International Finance Corporation (IFC) Corporate Strategy to discuss what worked well in the previous cycle and what could be improved in the next; (ii) the introduction of structured upstream engagements among IEG, Operations Policy and Country Services, IFC Corporate Strategy, and technical focal points to build an understanding of “what good evidence looks like” for each evaluation, ahead of the reporting process (in FY22, this included 23 evaluation-specific working meetings); (iii) the issuance of minutes of these meetings to enhance the knowledge management process produced by Operations Policy and Country Services and IFC Corporate Strategy and reviewed by IEG; (iv) expedited delivery of the draft and final MAR product to IEG, allowing time for internal deliberations before sending the validation report to CODE; and (v) the development of a new information technology system in IEG to store information and systematize tracking. These enhanced process steps are captured in figure 2.1. These enhancements contributed to improved understanding among all parties about the envisioned outcomes of IEG’s evaluations, better communication, clarity on what good evidence looks like, better retention of knowledge throughout the process, and more meaningful dialogue about expectations – and limitations – of tracking and reporting results and outcomes.

Figure 2.1. Process Enhancements to Management Action Record Process, FY22



Source: Independent Evaluation Group.

Note: CODE = Committee on Development Effectiveness; FY = fiscal year; IEG = Independent Evaluation Group; MAR = Management Action Record; TFP = technical focal point.

2.2 These new enhancements have continued to build trust in the MAR reform—an ingredient that is essential for its success. The MAR reform is based on trust; it is based on an agreement that all parties will continue to improve the way they set forth, implement, and verify evidence. Dialogue between evaluators and operational staff are essential for evaluations to nurture learning and deeper understanding and encourage buy-in and implementation traction. The process steps introduced in this year’s MAR cycle should therefore continue to be used and strengthened to build on this early success.

Management Action Record Assessment Framework

2.3 This year, IEG agreed to pilot a new assessment framework developed by management. The Likelihood of Delivery assessment framework was designed to assess evidence of progress toward achieving intended outcomes, using a three-part rating scale. These ratings are (i) a *change in direction*, where there is sufficient evidence that outcomes or results with plausible links to outcomes are being achieved and that, through consolidation, backtracking is unlikely; (ii) *emerging evidence*, where progress is “moving in the right direction”: relevant outputs are under way, but plausible links to outcomes require more time to emerge; and (iii) *limited evidence*, where there have been limited actions or where actions have not led to outputs with plausible links to outcomes, over time. The framework also applies a maturity model that considers the length of time that a recommendation has been in the MAR system (that is, initial, midway, or mature). In addition to providing more clarity about management’s

assessment of progress, the framework was also developed to enhance transparency in relation to proposals to retire recommendations, ahead of the end of the MAR cycle.

2.4 The piloted assessment framework is helping to establish a shared language about evidence of progress toward achieving anticipated outcomes. The use of transparent criteria and definitions has helpfully added structure to the self-assessment and validation systems. In establishing a common understanding of what good evidence looks like, parties in the system can candidly discuss the quality and sufficiency of evidence put forth to substantiate progress toward outcomes.

2.5 The assessment framework could benefit from refinement to distinguish between the quality of evidence and progress toward achieving outcomes. This is because the assessment system mixes concepts about quality of evidence with level of achievement. The assessment criteria allow for only possibilities that a recommendation is achieved, is on track to be achieved, or lacks evidence. The possibility of having evidence that shows a recommendation is not being achieved seems to be ruled out by construction. IEG's validation process thus also conflates the two concepts, with negative findings largely being framed mainly in terms of lack of evidence.

2.6 The application of the maturity model can also be refined to identify recommendations in need of support early. The maturity model was designed to allow initial evaluations more time to capture and report on anticipated outcomes of the recommendations. It stands to reason that outcomes derived from new recommendations need time to materialize. However, a year after the CODE meeting, management should report on early results that are likely to lead to anticipated outcomes. If no such results are being achieved a year after the CODE meeting, recommendations that are not showing progress should be flagged for management attention. A possible unintended result of holding varied standards across the MAR cycle can be that it is too early to report, but it becomes too late to expect a change in direction.

Data Collection Methods

2.7 The use of data science tools in this year's MAR cycle is a promising area of development to enhance the quality of evidence. This year's MAR process used text analytics and other data science tools to derive evidence for several evaluations. The use of these tools enabled teams to identify a relevant body of text, which has the potential to enhance evidence quality.

2.8 The use of data science tools can be strengthened through further analysis and verification. A simple text analysis as sometimes used in the MAR can yield many false

positives that are more reflective of branding (such as in the case of urban resilience evaluation) than a depth in change. Getting to a 90 or 95 percent confidence in text requires iteration through a validated and well-described taxonomy and the systematic qualitative review of examples identified. This does not always require a full portfolio review and could be achieved with some limited additional effort. For example, for pandemic preparedness, validation could be undertaken as a text review on a limited number of documents. For citizen engagement, text analytics needs to be accompanied by qualitative evidence on the depth and quality of citizen engagement activities.

3. Progress toward Achieving Intended Results and Outcomes

3.1 There has been substantial progress in implementing IEG's recommendations. This MAR cycle includes 55 recommendations lodged within 18 evaluations. Areas where substantial incremental progress toward achieving intended outcomes were especially observed include (i) pandemic preparedness; (ii) the assessment of urban system resilient risks; (iii) regional integration, including a focus on regional public goods; (iv) the catalyzation of private sector solutions for the forcibly displaced; and (iv) the alignment of carbon finance initiatives and the piloting of scalable approaches to reduce greenhouse gas emissions in underused sectors such as agriculture.

3.2 However, implementation is lagging for almost half of the recommendations set to automatically retire after four years. Just under half of the recommendations being automatically retired after four years in the pollution management and the IFC client engagement evaluations are experiencing significant delays in implementation (4 of 9). For pollution, arguments about the lack of client demand should be weighed against corporate priorities, including the need for upstream engagement on the most serious pollution issues in countries with the lowest performance. IFC should also consider more specifically what targeted advisory services are working in different contexts to build client pollution management capacity, including to support enhanced compliance. For IFC client engagement, while progress is being made on upstream activities, implementation is delayed on reviewing the existing client-related system architecture or better managing client relationships management through information technology and other system-level enhancements.

3.3 The type of implementation delays that are most numerous are associated with environmental and social themes and the need to move associated knowledge into country engagements and operations. Implementation delays for seven recommendations in the pollution management, natural resource degradation and human vulnerability (NRDV), urban resilience, and citizen engagement evaluations are associated with the need to move knowledge from diagnostics into upstream engagement decisions, operational design, and results tracking. For example, to implement pollution and NRDV recommendations, diagnostics that inform country engagement decisions need to be conducted to address pollution and natural resource degradation issues that are threatening the lives and livelihoods of the most vulnerable. Also, to address resource degradation, the promising list of flagship reports on resource governance need to be put into action in operations (such as repurposing agricultural subsidies, prior actions in policy loans, and so on). For urban resilience, there is a need to systematically incorporate resilience characteristics into the design and

implementation of World Bank projects, including information on design standards, risk-informed cost-benefit analysis, and inclusive approaches. Enhanced diagnostic work is needed to address urban crime and violence issues outside of the Latin America and the Caribbean Region and to test assumptions about what works in different contexts. Multiple citizen engagement approaches also need to be embedded, tracked, and assessed for their efficacy as part of project implementation. For IFC, training on Performance Standard 1 needs to be translated into enhanced client capacity building.

3.4 The following sections, which have been grouped thematically, systematically validate the evidence provided in the MAR report. This year's MAR report and the MAR validation report cover many of the Bank Group's strategic priorities, including human capital, climate change and environmental sustainability, Mobilizing Finance for Development (MFD), jobs and economic transformation, and corporate effectiveness.

Human Capital

Table 3.1. Evidence for the Health Services (FY19–23) Evaluation

Recommendations addressed:

- Rec. 1 (para. 3.5) and Rec. 2 (para. 3.6)

Proposals to retire/MAR action

- None, continue tracking
-

Source: Independent Evaluation Group.

Note: FY = fiscal year; MAR = Management Action Record.

3.5 The World Bank's support for the COVID-19 pandemic preparedness has increased over the past two years, but sustained change will require a continued focus on building client country capacity. As of February 2022, the World Bank had approved 184 COVID-19 strategic preparedness and response operations that included emergency response and health system strengthening. The focus of the International Development Association (IDA) on pandemic preparedness has been integral to the World Bank's efforts to support low-income countries in this regard. At the time of MAR reporting, 82 percent of IDA countries had at least one project supporting pandemic preparedness. The Health Emergency Preparedness and Response Trust Fund has also provided \$41 million for pandemic preparedness to 13 countries and regions, most of which are IDA. Lessons from past pandemics show how World Bank investments in disease surveillance have helped strengthen preparedness capacity. However, more evidence is needed over time to show how current World Bank support—including for the COVID-19 strategic preparedness and response operations and analytical support—are

enhancing pandemic preparedness capacity. The Group of Twenty's High Level Independent Panel estimated that \$34 billion of public financing is needed per year over the next five years to help countries prepare for pandemics. An announced \$250 million donor contribution toward the establishment of a global health fund is promising, but the contribution is dwarfed by the outsize needs of clients. Sustained capacity will require the Bank Group to stay engaged and track progress at the country level, well beyond the current pandemic response phase.

3.6 Although the World Bank has substantially improved the quality of its monitoring and evaluation (M&E) of Health, Nutrition, and Population (HNP) Global Practice projects, there is still a need to better track the quality of health services and distributional effects. There has been an impressive upward trend in IEG's M&E quality ratings for HNP projects. IEG's own analysis shows that better M&E is associated with the likelihood of achieving project aims. IEG's evaluation shows an increased emphasis in HNP projects on improving health service quality, so it is likely that these HNP operations are achieving health service quality aims. But there remains a crucial gap in clients' ability to monitor and report on key aspects of health service quality, impeding the World Bank's ability to track and use data on health service quality and distributional effects. One such aspect is patient care. Through the Primary Health Care Performance Initiative, the World Bank has helped gather patient care data in several countries, but these efforts need to be scaled to use these data to make decisions about health service interventions. Regarding distributional effects, the use of service delivery indicators health surveys sheds light on service disparities, but these need to be measured in HNP operations.

Climate Change and Environment Sustainability

Pollution Management (FY18–22)

Recommendations addressed:

- Rec. 1, Rec. 2 (para. 3.7), Rec. 3 (para. 3.8), Rec. 4 (para. 3.9), and Rec. 5 (para. 3.10)

Proposals to retire/MAR action

- Auto retire evaluation (all recommendations)
-

Source: Independent Evaluation Group.

Note: FY = fiscal year; MAR = Management Action Record.

3.7 The World Bank has helped a small number of key countries identify, monitor, and address their most serious pollution issues, but most low-capacity countries with serious pollution issues have not been reached. IEG's pollution evaluation called on the World Bank to help countries monitor and address their most serious pollution issues. The Pollution Management and Environmental Health multidonor trust fund has helped

several clients with serious pollution issues address their pollution-related challenges—in China, the Arab Republic of Egypt, Ghana, India, Nigeria, South Africa, and Vietnam—and there is lending for enhanced air quality monitoring in China, Pakistan, and Peru. The World Bank has also moderately increased its production of pollution-related analytics, and some country environmental assessments have informed lending operations and policy reforms (in Bangladesh and the Lao People’s Democratic Republic) and policy dialogue (in Ethiopia and the Slovak Republic). All of these are important priorities for pollution abatement. Yet pollution-related advisory services and analytics cover only 8 of the 20 worst performing countries on an environmental performance index, signaling the continued need for the World Bank to enhance its targeting.

3.8 The World Bank has not recalibrated its portfolio to address clients’ most important pollution priorities. IEG’s evaluation showed that the share of Bank Group support for water pollution was very high compared with air pollution, even though the latter causes many more deaths, and recommended a rebalancing. Since 2015, the World Bank has catalyzed a significant level of financing for cleaner and more efficient cooking and heating solutions, with activities in Bangladesh, China, Egypt, Indonesia, Mongolia, Senegal, and Uganda. But there is no evidence that it has rebalanced its pollution portfolio toward clients’ most serious pollution priorities.

3.9 More evidence is needed to demonstrate that the World Bank is achieving synergies between its climate change mitigation and air quality management efforts. The MAR points to an upward trend in support for climate change mitigation but asserts without evidence (other than examples) that synergies between climate change mitigation and air quality management are being realized. Realizing these synergies could involve targeting and measuring air quality in interventions with climate change mitigation aims.

3.10 More concerted efforts are needed by IFC to help clients improve their pollution management capacity. IEG recommended that IFC strengthen its support to low-capacity clients to improve their compliance with their pollution-related performance standard. Since FY19, there has been an increased number of environmental, social, and governance advisory services. However, according to IFC, most of the upstream advisory work is at an early stage, and results are not yet available. Trend analysis data provided through the MAR system suggest that progress is uneven, and that much more effort is needed to support low-capacity clients achieve enhanced compliance for pollution management. For the sake of learning, IFC could have reflected on the type and targeting of specific advisory support, describing how those services are specifically

contributing to incremental pollution management capacity and compliance in low-capacity client contexts (what is being done differently in these contexts).

Urban Resilience (FY20–24)

Recommendations addressed:

- Rec. 1 (para. 3.11), Rec. 2 (para. 3.13), Rec. 3 (para. 3.12), Rec. 4 (para. 3.14), and Rec. 5 (para. 3.15)

Proposals to retire/MAR action

- Retire Rec. 4, continue tracking all others

Source: x.

Note: FY = fiscal year; MAR = Management Action Record.

3.11 Using its new Resilience Rating System, the World Bank is beginning to systematically analyze climate risks, incorporate resilience features into interventions in urban spaces, and track this in IDA operations. The Resilience Rating System was piloted in 20 projects in line with IEG’s recommendation for the Bank Group to identify and track interventions that build urban resilience and with the 19th Replenishment of IDA (IDA19) Principal Commitments to improve monitoring and reporting on adaptation and resilience. The 20th Replenishment of IDA (IDA20) is also introducing resilience metrics. As the World Bank scales out this initiative, it will need to systematically assess what works across sectors. IFC has also developed an internal Guidance Note on how to identify and articulate resilience elements in IFC projects and project documents and has also incorporated into its Cities Project Database the tracking of projects with urban resilience elements.

3.12 The World Bank has also impressively launched a suite of diagnostic tools and frameworks to holistically assess urban system risks and ensure coordinated actions to help cities build resilience. Examples include the Water Secure Cities program and the Urban Drought Toolkit—both co-developed by the Urban, Disaster Risk Management, Resilience, and Land Transport Global Practice (GP) and the Water GP—to consider interrelated city risks and offer a comprehensive water security and urban development package of assistance. The Global Facility for Disaster Reduction and Recovery’s City Resilience Program also continues to support cross-GP upstream resilience planning, with city scans delivered for 106 cities.

3.13 However, at the portfolio level, the World Bank has not provided evidence that it is systematically incorporating resilience characteristics into the design and implementation of World Bank projects. Resilience characteristics include (i) information on design standards, (ii) risk-informed cost-benefit analysis, (iii) coordination, and (iv)

inclusive approaches. IEG's FY22 disaster risk reduction evaluation shows that most resilient infrastructure projects lack information on resilience standards, and few disaster risk reduction operations address the needs of persons with disabilities, the elderly, children, and youth. On cost-benefit analysis, the MAR refers to a risk stress test to assess resilience in project economic analysis but gives just two examples. The use of the MAR indicator "percent of PADs [Project Appraisal Documents] with references to 'resilience'" is insufficient and unaligned with the recommendation.

3.14 The World Bank is addressing urban crime and violence in some operations where clients cite this risk, but there is limited evidence that it is broadening its analytics and tools outside of Latin America and the Caribbean or assessing impacts. IEG's evaluation found that the World Bank has helped Latin American clients identify and address the drivers and economic costs of urban crime and violence. Yet crime and violence risks are increasingly undermining urban resilience in other Regions, indicating a need to broaden the World Bank's tool kit and approach and enhance measurement. Except for one operation in Papua New Guinea, all examples provided were in the Latin America and the Caribbean Region, and there is no explanation of how the World Bank is assessing attributable impacts of its various approaches.

3.15 Through its Anticipated Impact Measurement and Monitoring framework, IFC is identifying projects that build urban resilience as a core outcome, but the MAR does not explain how resilience is being integrated into IFC's Cities Initiative, the focus of IEG's IFC recommendation. In its urban resilience evaluation, IEG focused on IFC's \$8 billion Cities Initiative that combines investment and advice to help municipal authorities build climate-resilient and sustainable cities. The MAR refers to internal guidance for identifying resilience elements in IFC projects and project documents, a cities project tracking database, and two urban projects in India with resilience as a core outcome. At the time of IEG's evaluation, IFC's Cities Initiative was integrating resilience aspects into its theory of change, but the MAR does not report on this. The MAR does point to relevant new tools—the Resilience in Housing Index (that uses advisory and investment to catalyze resilience in buildings) and IFC's Upstream Resilience Methodology (that defines resilience targets and visualizes climatic and other environmental hazards to identify critical infrastructure vulnerabilities and prioritize private sector investment opportunities). Although promising, each initiative was launched only recently and features one or two pilots to date.

Renewable Energy (FY21–25)

Recommendations addressed:

- Rec. 1 (para. 3.16) and Rec. 2 (para. 3.17)

Proposals to retire/MAR action

- None, continue tracking
-

Source: Independent Evaluation Group.

Note: FY = fiscal year; MAR = Management Action Record.

3.16 World Bank efforts to help clients integrate renewable energy sources into their power systems energy are on track, yet the overall level of achievement—or proportion of change expected to lead to outcomes—is unclear. This is the first MAR reporting year for the renewable energy evaluation, a year marked by severe fluctuations in energy availability and pricing because of the war in Ukraine. At the corporate and country levels, the Bank Group has made renewable energy a priority through its Climate Change Action Plan and IDA19 and IDA20 commitments; its climate change diagnostic reports; country-level technical assistance provided by the Energy Sector Management Assistance Program; and lending (including 24 projects and a \$1 billion Energy Storage Program). IFC initiated training activities (for example, on battery storage) and commitments for renewable energy transmission and distribution across Regions. However, the overall scale or actual envisioned achievements of the Bank Group activities in relation to client renewable energy needs is unclear.

3.17 There is insufficient evidence that the Bank Group is establishing long-term and coordinated country engagements to scale renewable energy. The World Bank reported on three examples of long-term, coordinated country engagements in Ethiopia, India, and Uzbekistan. The engagement in India is noteworthy because it involves sequenced World Bank and IFC analytics and investment to achieve solar power at scale and a guarantee to reach the riskier residential rooftop segment. IFC indicated that there are multiple opportunities for coordinated support, such as the Scaling Solar and Scaling Wind platforms and its Offshore Wind Initiatives. But it is unclear if these engagements are collaborative. The Multilateral Investment Guarantee Agency points to a single guarantee for the World Bank–financed Solar Energy and Access Project investment project financing in Burkina Faso. MAR reporting should focus on the extent to which each institution is availing itself of its comparative advantages and the extent to which such efforts are mutually complementary, sequenced, or coordinated to address renewable energy barriers (or for an even higher standard, collaborative). On the issue of skills upgrading, IFC and the World Bank had augmented their renewable energy skill base, but the extent of enhanced capability in relation to needs could be clarified further.

Natural Resources Degradation and Vulnerability (FY21–25)

Recommendations addressed:

- Rec. 1 (para. 3.18), Rec. 2 (para. 3.19), and Rec. 3 (para. 3.20)

Proposals to retire/MAR action

- None, continue tracking
-

Source: Independent Evaluation Group.

Note: FY = fiscal year; MAR = Management Action Record.

3.18 There is insufficient evidence that the World Bank is establishing systems to better leverage knowledge of NRDV nexus issues in country engagements, where such issues matter for achieving poverty reduction. The MAR needs to show how processes are being put in place to identify and address NRDV nexus issues upstream of country engagements. The Blue Social Protection advisory services and analytics under the PROBLUE umbrella multidonor trust fund is a good example. It assesses links between the fisheries sector and the role of social protection and is influencing engagement with vulnerable fishing communities at the country level. Two other programs referenced are relevant (Agro-Climatic Resilience in Semi-Arid Landscapes and the \$1 billion Nigeria Erosion and Watershed Management Project), but these are downstream of country engagement decisions. Upstream, the World Bank should describe how it will overcome NRDV data challenges, use the Hidden Dimensions of Poverty Data Set for decision-making, and identify and address gaps in coverage for resource degradation and associated human vulnerability issues where such issues matter for poverty reduction.

3.19 Although the World Bank has conducted several relevant analyses of resource governance issues, there is no evidence that these are informing operations. The MAR provides a promising list of flagship reports that examine resource governance issues but does not indicate how these analytics are being integrated into operations. The MAR response is devoid of good examples referenced in the upstream MAR meetings, such as work ongoing in the Agriculture and Food GP on repurposing agricultural subsidies, prior actions in policy loans, or information on enhanced operational designs that address resource governance issues (land tenure, regulatory issues).

3.20 The establishment of several new umbrella trust funds is enabling knowledge sharing across GPs, but their effects on enhanced measurement is unclear. The newly established umbrella trust funds (on green, blue, clean, and economic issues) are enabling the conduct of cross-cutting, upstream analytics that hold promise for addressing NRDV issues. Future reporting should be more comprehensive about the number and type of multisector analytics and cross-GPs initiatives funded and the difference that these initiatives are having on addressing NRDV issues upstream of

country engagements. However, no information was provided on how GPs are working together to improve NRDV measurement issues, as pointed out in the evaluation (for example, the measurement of both environmental and social elements in NRDV operations).

Mobilizing Finance for Development

Carbon Finance (FY19–23)

Recommendations addressed:

- Rec. 1, Rec. 2, and Rec. 5 (para. 3.21)

Proposals to retire/MAR action

- Retire Recs. 1 and 5

Source: Independent Evaluation Group.

Note: FY = fiscal year; MAR = Management Action Record.

3.21 The World Bank has enhanced its alignment of carbon finance initiatives, mainstreamed them in country programs, and directed this finance toward the achievement of poverty reduction co-benefits, but there is still limited evidence that carbon finance instruments are leveraging private investment. The World Bank has reduced fragmentation and enhanced coordination across the carbon finance trust fund portfolio, and more consolidation is under way. The World Bank is also piloting innovative products and scalable approaches to reduce greenhouse gas emissions, including in underused sectors such as agriculture (for example, soil carbon). Preparatory work by the Climate Emissions Reduction Facility on scalable carbon crediting in transport, water, fiscal, and financial sector operations—and by the Pilot Auction Facility on reverse auctions to facilitate coal transitions—holds promise, but it is too soon to observe its effects. However, regarding trust fund consolidation, more information is needed about the harmonization of results frameworks and on whether new funds are being incorporated into the umbrella trust funds. Also, while relevant efforts are under way to use carbon finance instruments to leverage private capital for climate change reduction goals, there is still no evidence that carbon finance instruments can leverage private sector investments in climate action at the scale, scope, and speed needed to achieve Paris Agreement commitments and the Sustainable Development Goals. MAR reporting could include updates on the use of Climate Change Diagnostic Reports to leverage private finance once the diagnostics are completed and put into country use.

Forced Displacement (FY19–23)

Recommendations addressed:

- Rec. 4 (para. 3.22)

Proposals to retire/MAR action

- Retire evaluation
-

Source: Independent Evaluation Group.

Note: FY = fiscal year; MAR = Management Action Record.

3.22 There is evidence that IFC is identifying and catalyzing private sector solutions to support the resilience of displaced populations and host communities, but much more effort it needed to achieve this aim at the scale that is increasingly needed. IFC has provided various examples of ways that it is increasingly patterning to identify and catalyze private sector development solutions for displaced populations, host communities, and refugees. Over the MAR cycle, IFC has formed a community of practice on the topics and worked across Regions through key partnerships to catalyze private sector development solutions. In East Africa and Middle East and North Africa, IFC, with the support of the Netherlands, has launched a blended finance investment facility as part of the PROSPECTS Initiative, which aims to help de-risk and increase the financial viability of high-impact projects benefiting refugees and forcibly displaced persons (FDPs) and their host communities. PROSPECTS supports refugees and host communities in Egypt, Ethiopia, Iraq, Jordan, Kenya, Lebanon, Sudan, and Uganda. The Financial Institutions Group upstream is analyzing enablers and barriers for FDP access to finance in Latin America and the Caribbean; there is also collaboration with the United Nations High Commissioner for Refugees on socioeconomic inclusion of FDPs in Brazil, among other examples. These are good examples of how IFC can build on its expertise to catalyze private sector development solutions for FDPs, while noting that this is very much an unfinished agenda that requires increased, innovative, and sustained effort—together with partners, including the World Bank—to meet the growing needs of FDPs. There is also a need to revisit these issues when examining progress toward achieving private sector development goals in the fragility, conflict, and violence strategy and IFC’s own corporate goals in this area.

Private Capital Mobilization (FY21–25)

Recommendations addressed:

- Rec. 2 (para. 3.23) and Rec. 3 (para. 3.24)

Proposals to retire/MAR action

- None, continue tracking
-

Source: Independent Evaluation Group.

Note: FY = fiscal year; MAR = Management Action Record.

3.23 There has been inadequate uptake of IEG’s recommendation to expand private capital mobilization platforms, guarantees, and disaster risk management products commensurate with project pipeline development. According to management, the urgent need to mitigate the economic impacts of COVID-19 has affected private capital mobilization delivery, including implementation of IEG’s recommendation.

3.24 Meanwhile, IFC and the Multilateral Investment Guarantee Agency are developing targeted mobilization products that are helping to bridge the gap between the goals of specific investor classes and emerging market firms’ needs. IEG can partially validate this claim through its own knowledge of new IFC products, while noting that IFC management’s update did not include specific examples. New IFC products aligned with IEG’s recommendation include, for example, blue syndicated loans. The Multilateral Investment Guarantee Agency reported on two new products: the Renewable Energy Catalyst Trust Fund and the Fund for Advancing Sustainability.

Jobs and Economic Transformation: Boosting Sustainable Growth

Regional Integration (FY19–23)

Recommendations addressed:

- Rec. 1, Rec. 3 (para. 3.25), Rec. 4 (para. 3.26), and Rec. 5 (para. 3.27)

Proposals to retire/MAR action

- Retire Recs. 1, 3, and 4; continue tracking Rec. 5
-

Source: Independent Evaluation Group.

Note: FY = fiscal year; MAR = Management Action Record.

3.25 There is evidence that the World Bank is broadening its regional projects beyond Africa and increasingly focusing on regional public goods. Since FY16, all Regions have received larger IDA Regional Window commitments in absolute terms. There has also been a relative shift in commitments away from Africa toward the South Asia and Latin America and the Caribbean Regions. Regional Window policy incentives have also increased small island states’ participation. The World Bank is also increasingly incorporating a regional public goods focus on regional projects—shifting from mainly

infrastructure approaches to second generation approaches to address food and water security and regional fragility drivers (especially in Africa), and using new instruments (for example, development policy operations and Program-for-Results) to support soft reform. Yet the magnitude of this shift is not known. The MAR did not indicate whether regional approaches were used for the pandemic response, and it did not provide data on Middle East and North Africa.

3.26 There is evidence that the Bank Group is engaging an array of regional organizations to foster enhanced integration in Africa, but partnership activities in other Regions is unclear. At least 49 regional organizations (including seven in IDA19) have participated in the Regional Window. Several examples were provided for Africa, including the Intergovernmental Authority on Development in East Africa, the Permanent Interstate Committee for Drought Control in the Sahel, and West and Central Africa Council for Agriculture Research and Development. With one exception, the strategic engagement of partners outside of Africa was not made clear.

3.27 The World Bank has issued guidance to staff on how to best capture spillover effects and externalities of its regional programs, but more information is needed on implementation. The World Bank developed an FY22 Guidance Note outlining how project teams should design operations to capture externalities of Regional Window projects, including through project development objectives, Project Appraisal Document narratives, and results frameworks. This is a new and promising initiative that is bolstered by IDA20 eligibility criteria for Regional Window financing that requires projects to have at least one dedicated indicator at the project development objective level focusing on regional externalities. Achieving this aim will require sustained support to teams, especially those experiencing difficulties in data availability.

Trade Facilitation (FY19–23)

Recommendations addressed:

- Rec. 1 (para. 3.28), Rec. 2 (para. 3.29), and Rec. 3 (para. 3.30)

Proposals to retire/MAR action

- Rec. 4 (not strategically relevant anymore)
-

Source: Independent Evaluation Group.

Note: FY = fiscal year; MAR = Management Action Record.

3.28 The World Bank has shown progress on enhancing effectiveness and identifying and monitoring public policy dimensions of trade regulations. Because the COVID-19 crisis and the war in Ukraine have led many countries to impose harmful trade restrictions and subsidies, exacerbating the food crisis, the Bank Group’s transition to holistic approaches to trade facilitation is becoming increasingly relevant. Indeed, the

increased number of integrated projects (especially since FY21) reflects well the spirit and substance of the recommendation to enhance the effectiveness of trade facilitation engagements. However, more information is needed on portfolio size and targets, and because the increase is recent, more time is needed for evidence to emerge on outcomes.

3.29 Although the Bank Group reports more common use of stakeholder analysis to identify and mitigate political economy constraints to trade facilitation reform implementation, the reporting leaves the extent and scale of this initiative unclear. Efforts to identify stakeholder constraints to trade facilitation reform and to use consensus building and public-private dialogue to mitigate resistance and roadblocks are commendable. However, the question is whether trade facilitation agreement gap analyses are addressing political economy constraints effectively, and this is not explained in the MAR reporting (and there are only two country examples provided of the use of trade facilitation agreement gap analyses). The time-release studies were in common use before the evaluation and are not the focus of this recommendation.

3.30 Although the Bank Group recently stepped-up efforts to identify and monitor relevant public policy dimensions of trade regulations, this can be rolled out more systematically. IEG is encouraged that the Bank Group developed a Public Policy Monitoring Screening Framework in 2021 with standard screening questions to identify projects for which monitoring public policy objectives of trade regulations relating to public health, safety, the environment, good governance, formality, and the rule of law would be relevant. To date, it has applied this screening to four projects. If the experience proves successful, it will need to be scaled to fully deliver on the recommendation.

Creating Markets (FY19–23)

Recommendations addressed:

- Rec. 1 (para. 3.31), Rec. 2 (para. 3.32), and Rec. 3 (para. 3.33)

Proposals to retire/MAR action

- Retire evaluation

Source: Independent Evaluation Group.

Note: FY = fiscal year; MAR = Management Action Record.

3.31 Country Private Sector Diagnostics (CPSDs) are enhancing understanding of market-creating opportunities and constraints for private sector investments. Although data were provided only through May 2021, CPSDs have informed 10 Systematic Country Diagnostics, 16 Country Partnership Frameworks (CPFs), and all IFC country strategies. There are also efforts under way internal to the Bank Group to assess the utility of the CPSDs—according to one survey, just over half of Bank Group senior

management indicated that CPSDs significantly informed CPFs, while 30 percent of Bank Group senior management considered that CPSDs strongly influence engagement with development partners and the private sector. Although more information is needed to validate the differentiated decision-making linked to the use of CPSD upstream of country engagements, the evidence shows that there is movement in the right direction.

3.32 There is insufficient evidence that the World Bank is helping underserved populations gain access to markets in key sectors, and there is no information provided about how the World Bank is improving M&E to measure these effects. According to the IEG evaluation, this recommendation focuses on three key sectors: agribusiness, financial services, and digital. The World Bank provided data from the Corporate Scorecard on the number of beneficiaries receiving new or improved electricity, enhanced access to transportation services, and financial services, along with three project examples from Bangladesh, Malaysia, and Nigeria. The MAR did not provide information on how the World Bank created conditions in the three targeted sectors to help the private sector reach underserved populations or incentivize it to do so, and it did not provide any information on the development of M&E systems in the three core markets capable of tracking these efforts.

3.33 There is evidence that IFC has put approaches in place to regularly assess its risk-taking capabilities to carry out its market-creation activities in IDA and other structurally weak economies in a financially sustainable way. AIMM—together with an agreed financial sustainability metric, risk-adjusted return on capital—is helping IFC balance development impact and financial sustainability in a more refined, consistent, and transparent manner. Quarterly portfolio approach findings are being presented to the Board in IFC’s Operations Report, and an in-depth analytical update is presented to CODE annually. IFC is then using its portfolio approach, increased upstream engagement, and blended finance to take more risk in IDA low-income countries and in fragile and conflict-affected situation contexts.

State-Owned Enterprises (FY21–25)

Recommendations addressed:

- Rec. 1 (para. 3.34) and Rec. 2 (para. 3.35)

Proposals to retire/MAR action

- None, continue tracking
-

Source: Independent Evaluation Group.

Note: FY = fiscal year; MAR = Management Action Record.

3.34 The emergence of new diagnostic tools such as the Infrastructure Sector Assessment Program 2.0, the CPSD, and the Information System on Occupational

Exposure is encouraging, but more evidence is needed to show that these tools are shaping country engagement, consistent with IEG’s recommendations. Overall, more information is needed on the consistency and extent of the application of the selectivity framework in the recommendation. Second, to clarify the evaluation’s references to governance, there is a need to focus on public governance and corruption rather than only state-owned enterprise (SOE) corporate governance. Broader governance quality is associated with successful SOE reform and can affect oversight and financial management of SOEs. It is not clear whether the broader governance agenda is captured in the described work.

3.35 The Cascade approach is being applied to SOEs in infrastructure and telecommunications but not for other sectors. The Governance GP and Infrastructure Vice Presidency have developed the Infrastructure Governance Assessment (InfraGov) to advance a coordinated MFD approach. The MAR provides examples of the application of MFD principles—and an embedded Cascade approach for SOE reform—for several infrastructure-related initiatives (for example, in Indonesia on the SOE governance framework and SOE asset recycling to leverage more private investment for infrastructure and the green energy transition; on energy sector SOE reform in Georgia; and the Ethiopia Telecom Reform Program). However, except for an IFC-supported Uzbekistan banking reform, there is no information about how the World Bank is applying the MFD and its embedded Cascade approach to other sectors, especially the financial sector.

Public Finance and Debt Management (FY21–25)

Recommendations addressed:

- Rec. 1 and Rec. 2 (para. 3.36)

Proposals to retire/MAR action

- None, continue tracking

Source: Independent Evaluation Group.

Note: FY = fiscal year; MAR = Management Action Record.

3.36 The World Bank is more cohesively monitoring progress and challenges within public financial and debt management (PFDM) pillars in IDA-eligible countries, but institutional silos are still constraining a more integrated approach to identifying and acting on reform and capacity-building priorities across the PFDM space. There is evidence of progress on the collection of relevant PFDM information and diagnostic assessments that provides a good basis for action when World Bank staff are able to more systematically and deliberately use this information to set operational priorities. For instance, the report on the Global Stock-Take to be issued in FY22, with the purpose

of enabling increased alignment of information from across several tools related to public financial management and debt management, would go far in achieving centralized monitoring, which is a necessary condition for achieving more unified and complementary public financial management and debt management support to clients. But there remains a need to address institutional silos and incentives that are constraining the use of this information to prioritize and sequence World Bank support for PFDM capacity building and reform in IDA-eligible countries.

Mobilizing Technology for Development (FY21–25)

Recommendations addressed:

- Rec. 1 (para. 3.37), Rec. 2 (para. 3.38), and Rec. 3 (para. 3.39)

Proposals to retire/MAR action

- None, continue tracking

Source: Independent Evaluation Group.

Note: FY = fiscal year; MAR = Management Action Record.

3.37 There is evidence that the Bank Group is availing itself of disruptive technology and beginning to address risks. The Bank Group is undertaking various digital economy assessments and diagnostics, and there are efforts under way by IFC and the International Bank for Reconstruction and Development to develop a joint CPSD approach for digital economy and disruptive and transformative technologies (DTTs). Investments are also beginning to emerge: IFC's Upstream teams are working with the World Bank on digital development policy loans in Africa, with a focus on private capital mobilization. There is also emerging work on addressing risks, including through an Analytical Insights series launched in FY21 by the Digital Development GP. IFC has developed a risk management framework for upstream, advisory, and investment projects to assess technology risks more efficiently and a technology business risk unit supporting DTT investments, including cybersecurity and digital assets risks. It has also established a working group focused on assessing and managing client cybersecurity risks.

3.38 More evidence is needed to determine how the World Bank is building its DTT workforce, while IFC provides more granular information in line with the recommendation. Several institutional steps to identify and foster DTT skills in the World Bank were identified, but the World Bank's MAR response lacked specificity about the skills types, coverage, and gaps to provide a benchmark for future reporting. IFC reported that it mapped and recruited 143 global and regional staff and specialists toward IFC DTT-related investment and upstream activities, including hires with

expertise in artificial intelligence and machine learning, health technology, digital banking, and gender, although more information is needed about sufficiency.

3.39 There is evidence that the World Bank is putting procedures in place to improve the effectiveness and efficiency of World Bank procurement for complex technology projects. The World Bank is developing tailored procurement notes and advisory services and analytics activities on cloud, artificial intelligence, and cybersecurity. The World Bank is also currently developing a Guidance Note for task teams and client countries on institutional and procurement arrangements, evaluation techniques, and risk mitigation for acquiring and managing complex, public, whole-of-government cloud solutions, planned for delivery in FY22. Guidance Notes on cybersecurity procurement and procurement of artificial intelligence products and services are currently in development.

Corporate Effectiveness

Outcome Orientation (FY21–25)

Recommendations addressed:

- Rec. 1 (para. 3.40)

Proposals to retire/MAR action

- None, continue tracking
-

Source: Independent Evaluation Group.

Note: FY = fiscal year; MAR = Management Action Record.

3.40 The Bank Group has improved how it articulates its contribution to country outcome but has yet to improve the accuracy and use of outcome evidence. The intended result of IEG’s outcome evaluation was to improve the accuracy, utility, and outcome orientation of the country-level results system via tools, principles, and incentives that better capture the Bank Group’s contribution to country outcomes. Since the report was issued, Bank Group management has introduced a new reporting level in its country engagement cycle—the high-level outcomes—that will span multiple country strategy periods. It has effectively helped teams formulate high-level outcomes and indicators to measure them in newly approved CPFs. However, IEG’s recommendation targeted changes at the system level, requiring evidence of a shift in the way that the Bank Group is improving the relevance and quality of evidence to capture progress toward CPF objectives—including by capturing the impact of indirect pathways (technical assistance, knowledge work, policy dialogue, convening)—and using that knowledge throughout the country engagement cycle for adaptive decision-making and managing for results. The MAR update does not identify progress on these issues

beyond the initial set of Completion and Learning Review pilots presented in the management road map last year.

Citizen Engagement (FY19–23)

Recommendations addressed:

- Rec. 1, Rec. 2, Rec. 3, Rec. 4 (para. 3.41), and Rec. 5 (para. 3.42)

Proposals to retire/MAR action

- None, continue tracking
-

Source: Independent Evaluation Group.

Note: FY = fiscal year; MAR = Management Action Record.

3.41 Although the Bank Group continues to press forward with its citizen engagement goals, there is a need to focus on the quality of citizen engagement activities and not just the quantity. According to the MAR reporting, the use of “multiple Citizen Engagement approaches” (a determinant of citizen engagement activity quality) increased from just 10 to 14 percent between FY15 and FY21 and since the launch of the environmental and social framework, only 20 percent of stakeholder engagement plans reference citizen engagement. On citizen engagement reporting, there is no information about how citizen engagement results framework indicators are becoming more results oriented. The use of a citizen engagement quality index in one Region sounds promising, but more information is needed on whether and how this tool will be used across Regions to track quality systematically. Other data provided at the activity level would also need to be expanded to understand how these activities are contributing to citizen engagement depth and quality, for example, including the use of multistakeholder platforms in IDA countries, and the role of the Global Partnership for Social Accountability beyond what it already does in working with civil society organizations. The World Bank has proposed to undertake a stock-taking in FY23 on citizen engagement quality, which is welcome by IEG. IEG has also proposed a learning engagement to be conducted in parallel. Together, these initiatives should help consolidate the evidence base about progress on quality and depth of citizen engagement activities in the World Bank.

3.42 IFC has experienced delays in fully implementing its stakeholder engagement activities and is working to address these through training and enhanced data collection and analysis. IEG recommended that IFC should ensure that its clients’ stakeholder engagement activities required by Performance Standard 1 are carried out during appraisal and supervision and systematically documented. To date, IFC has rolled out trainings (delivered virtually in the first quarter of FY22) after other planned trainings were delayed (according to IFC, this was due to COVID-19). Systematic documentation

is planned to be address through a new Sustainability Rating Tool system, for which testing was launched in the third quarter of FY22. It will be important to monitor and report on the results of these initiatives in the next MAR cycle.

IFC Client Engagement (FY18–22)

Scope of reporting:

- Rec. 1, Rec. 5 (para. 3.43), Rec. 6 (para. 3.44), and Rec. 7 (para. 3.45)

Proposals to retire/MAR action

- Auto retire evaluation (all recommendations)
-

Source: Independent Evaluation Group.

Note: FY = fiscal year; MAR = Management Action Record.

3.43 There is limited progress on IFC’s approach toward selecting strategic clients and overall segmentation of its client base, and on strengthening client relationship management function and systems. This is the last year of reporting on *The International Finance Corporation’s Approach to Engaging Clients for Increased Development Impact* evaluation. Although IFC has engaged in industry consultations and conducted diagnostics to review existing client-related system architecture and needs, it has indicated that it is still designing a consistent corporate approach. IFC also refers to efforts to pilot a client relationship management application (within the Infrastructure and Natural Resources Group) while noting that viability of this tool will need to be assessed for corporate scalability. Although IFC has a goal of enabling its systems to better capture, store, and manage client-related information, relevant activities are at an exploratory stage. According to IFC, actions leading to outcomes on IFC client engagement were delayed because of COVID-19.

3.44 Although IFC has made progress in establishing links among country needs, its diagnostic work, and Bank Group country strategies, more information is needed on how these efforts are helping IFC to identify and develop new clients and investment opportunities. Although IFC provided a summary of its diagnostics (for example, sector deep dives, CPSDs), no information was provided on how these diagnostics are leading to the identification of new clients and investment opportunities.

3.45 IFC has strengthened its organizational structure, internal incentives, and resources to systematize support for upstream approaches across IFC departments. Corporate decisions made by IFC on adjustments made to its structure and processes to support implementation of IFC 3.0 and creating markets are intended to systematize support for upstream approaches, in line with IEG’s recommendation. Progress is being made on the upstream agenda by creating a global upstream department and units, improving its systems and reporting to track upstream activities and the related

enabling investments for enhanced incentives and recognition, implementing upstream-specific and other awards, and significantly increasing the budget and staffing for upstream activities.

Convening Power (FY20–24)

Scope of reporting:

- Rec. 1 (para. 3.46), Rec. 6 (para. 3.47), and Rec. 7 (para. 3.48)

Proposals to retire/MAR action

- None, continue tracking
-

Source: Independent Evaluation Group.

Note: FY = fiscal year; MAR = Management Action Record.

3.46 The World Bank’s trust fund and financial intermediary fund reforms are contributing to a more deliberate and selective approach to the World Bank’s engagement in major global convening initiatives. In line with IEG’s recommendation, these reforms have led management to identify priorities, consolidate their trust fund portfolios, and reduce fragmentation, allowing for stronger oversight at inception and throughout their life cycles. There has been a significant decline in the number of stand-alone trust funds, but the number of active financial intermediary funds has remained steady at 27 since 2018, and most funds raised from 2020–21 (77 percent) have gone into new umbrella programs. New policy, guidance, and procedures have sharpened financial intermediary fund selectivity criteria, and World Bank management and the Board are now more involved in setting the direction upstream to also enhance selectivity. IFC has also gone through an extensive trust fund reform process to ensure that fundraising, convening efforts, and thought leadership are aligned with strategic priorities, including fragility, conflict, and violence; gender; the pandemic; and upstream.

3.47 There is evidence that these reforms have strengthened management oversight of the major convening initiatives they fund, but more information is needed on adaptive management throughout the initiatives’ life cycles. The MAR response articulates the many ways that World Bank management has enhanced oversight of the trust funds and umbrella programs it funds but not how it has enhanced adaptive management (except for managing risk) across their life cycles. There are no references to how management will use data collected throughout the program cycle, including through independent evaluation, to adapt the programs in line with learning. For IFC, new corporate structures also provide greater opportunity for enhanced selectivity and coordination in managing multilateral and bilateral relationships across IFC’s operations, but like the

Chapter 3

Progress toward Achieving Intended Results and Outcomes

World Bank, more information is needed on the use of programmatic information to make management decisions to strengthen their results.

3.48 The World Bank is putting processes in place to improve the links between its global convening initiatives and country work. As part of the trust fund reforms, the World Bank has initiated efforts to integrate trust fund umbrella allocations into World Bank planning processes for enhanced strategic alignment of global trust fund programming, particularly at the country level. Efforts are also under way to develop systematic supply-demand consultation processes for the use of trust funds across the World Bank's operational regions and countries. The reforms had already exposed the new global umbrellas to World Bank-wide trust fund Concept Note decision meetings, which provides an opportunity for feedback on regional demand, and the Strategic External Funds Framework process also enables regional input on global strategic priorities for fundraising. Future MAR reporting could focus on the impact of integrating trust fund umbrella allocations into World Bank planning processes on strengthening country links.

4. Recommendations to Retire

4.1 This MAR validation report proposes to retire 20 recommendations. A snapshot of the recommendations proposed for retirement is captured in table 4.1. Of these, nine recommendations within two evaluations—pollution management and IFC client engagement—are automatically retired after four years. Although these recommendations are retired, they remain unfinished agendas. IEG also agreed to retire 6 recommendations proposed for retirement by management and proposed to retire an additional 5 recommendations, which would consequentially also remove the forced displacement and creating markets evaluations from the MAR. For these recommendations (with two exceptions), there is sufficient evidence that results are being achieved in line with anticipated outcomes, often within supportive policy environments and backed by corporate commitments (for example, IDA policy commitments, trust fund reforms). However, two of these recommendations are being retired either because (i) the recommendation has become redundant because of decisions made on *Doing Business*, or (ii) information required for another recommendation (on achieving market access for underserved populations) requires data collection and analyses that exceed MAR system capabilities (as such, a follow-on assessment is recommended). A summary of the justifications for those recommendations being proposed for retirement follows.

4.2 **Carbon finance.** The World Bank has consolidated its carbon finance initiatives and instruments and piloted scalable approaches to reduce greenhouse gas emissions in underserved sectors (for example, soil carbon).

4.3 **Regional integration.** The World Bank has demonstrated a sustained commitment toward broadening Regional Window participation beyond Africa, focusing more on regional public goods, and supported wider participation of regional organizations through consecutive IDA policies. Focus should remain on the achievement of regional public goods and the measurement of regional spillover effects.

4.4 **Urban resilience.** The World Bank is applying new tools to assess urban system risks that are being used to inform upstream cross-sectoral engagements at the city level (with notable collaboration between the Urban, Disaster Risk Management, Resilience, and Land Transport GP and the Water GP).

4.5 **Forced displacement.** The forced displacement evaluation is now fully suggested to be retired because IFC has catalyzed some private sector solutions to support displaced populations and host communities. Much more support of this type is needed to meet the increasing needs of forced displacement populations. The topic should be

considered for coverage in IEG's forthcoming fragility, conflict, and violence strategy evaluation.

4.6 **Creating markets.** The CPSD is enabling enhanced understanding of market-creating opportunities and constraints at the country level. An ongoing evaluation on CPSDs can deepen knowledge about how this knowledge is being translated into country engagement decisions. Also, per the creating markets evaluation, IFC is now regularly assessing its risk-taking capabilities to carry out its market-creation activities in IDA and other structurally weak economies in a financially sustainable way. IEG has suggested to retire a third creating markets evaluation recommendation on linking underserved populations to key markets because the type of specific information needed for validation of this aim exceeds the MAR system capabilities, and as such, further assessment through studies or evaluation is needed.

4.7 **Trade facilitation.** IEG agreed to drop the recommendation to rationalize trade facilitation indicators because decisions made on *Doing Business* make this obsolete.

4.8 IEG does not agree to retire two recommendations proposed by management.

4.9 **Trade facilitation.** IEG proposes to continue reporting on the trade facilitation recommendation to promote complementary intervention in client countries because many of the interventions were initiated in FY21 and are yet to show results. These interventions should be monitored for another year—especially considering current circumstances—to see how they take root in client countries.

4.10 **Citizen engagement.** As it defines future corporate priorities for citizen engagement, IEG recommended that the World Bank focus on achieving greater depth and quality of the citizen engagement activities it supports. The World Bank has proposed to deepen its evidence base on citizen engagement activities through a stock-taking, and a concurrent learning engagement proposed by IEG should help consolidate the evidence base.

4.11 Many recommendations set to automatically retire after four years have not made sufficient progress toward achieving outcomes, and they represent unfinished agendas. Nine recommendations are being auto retired: five from the pollution management evaluation and four from the IFC client engagement evaluation. As shown in table 4.1, there is emerging evidence of progress for three of the pollution management recommendations and no evidence of progress for two others. For IFC client engagement, three of the four recommendations have not been implemented. According to IFC, these delays are due to implementation constraints imposed by COVID-19.

4.12 Pollution management. For the World Bank, while notable progress has been achieved on enhancing pollution management in one-third of countries with the most serious pollution issues, pollution management issues in two-thirds of the worst performing countries have not been addressed. The World Bank’s pollution management portfolio has not been recalibrated to focus on those pollution issues that have the most serious health effects, and there is no systematic tracking of the synergistic effects of climate change and air quality efforts. Continued support is needed to help low-capacity private sector clients achieve compliance with pollution-related performance standards.

4.13 IFC client engagement. There is limited progress on three of the four IFC client engagement evaluation recommendations. Progress is being made on the upstream agenda by creating a global upstream department and units, improving its systems and reporting to track upstream activities and the related enabling investments for enhanced incentives and recognition, implementing upstream-specific and other awards, and significantly increasing the budget and staffing for upstream activities. However, little progress has been made on reviewing the existing client-related system architecture or better managing client relationships management through information technology and other system-level enhancements. IFC indicated that it is still designing its corporate approach in this regard.

4.14 CPSDs and sector deep dives are helping to identify country needs, but more information is needed on how these diagnostics are leading to the identification of new clients and investment opportunities. IEG’s forthcoming evaluation of CPSDs can potentially bring new knowledge to bear on this issue.

Table 4.1. Recommendations Proposed for Retirement (FY22 Management Action Record)

Theme	IEG’s Evaluations	Recommendations to Retire (n = 18)	Level of Evidence for Retiring Recommendations ^a
Climate and Environment	Pollution management (FY18)	All recommendations are auto retired (5).	Three recommendations have EE, and two recommendations have LE
	Urban resilience (FY20)	IEG proposes to retire Recommendation 4.	One recommendation has CD.
Corporate Effectiveness	IEG’s client engagement (FY18)	All recommendations are auto retired (4).	Three recommendations have LE, and one recommendation has EE.
Jobs and Economic Transformation	Regional integration (FY 19)	IEG and management agree to retire Recommendations 1 and 3; IEG proposes to retire Recommendation 4.	All three recommendations have EE.

Chapter 4

Recommendations to Retire

Theme	IEG's Evaluations	Recommendations to Retire (n = 18)	Level of Evidence for Retiring Recommendations ^a
	Trade facilitation (FY19)	IEG and management agree to retire Recommendation 4 because it is no longer relevant.	The recommendation is dropped because it is no longer relevant.
	Creating markets (FY19)	IEG and management agree to retire Recommendation 2. IEG proposes to retire Recommendations 1 and 3.	Two recommendations have CDs, and one has EE.
Mobilizing Finance for Development	Carbon finance (FY19)	IEG and management agree to retire Recommendations 1 and 5.	1 recommendation has a CD, and one has EE.
	Forced displacement (FY19)	IEG proposes to retire Recommendation 4.	One recommendation has EE.

Source: Independent Evaluation Group.

Note: CD = change in direction; EE = emerging evidence; FY = fiscal year; IEG = Independent Evaluation Group. LE = limited evidence

a. The level of evidence is defined by the following: CD means evidence substantiates a change in direction of travel, with reversals unlikely; EE means emerging evidence of a change in the direction of travel; and LE means limited evidence of a change in the direction of travel.

5. Conclusions and Suggestions

5.1 This validation report concludes that there continues to be progress toward making the MAR more useful, focused on outcomes, and aligned with the Bank Group's broad strategic priorities. The report gives the IEG recommendations much credit for influencing the Bank Group's direction and development effectiveness. The development of a commonly agreed assessment framework, while needing fine-tuning and enhanced alignment, has helped establish transparent benchmarks of progress. Disagreements are constructive because they also highlight areas where more understanding about progress is needed. Efforts to engage early in the MAR cycle to enhance understanding should therefore be continued.

5.2 As the MAR reform enters its fourth year, parties to its implementation may wish to consider the following suggestions, posed as key forward-looking questions:

Suggestions

5.3 After three years of implementation, the MAR reform could benefit from a discussion of what success looks like for the Bank Group by asking the following questions:

- Is the MAR system, as reformed, providing enough opportunity for ongoing adaptive management, including sufficient incentives to identify and address implementation bottlenecks throughout the year?
- How well are incentives aligned in the MAR system to ensure that the MAR tool is perceived as a "safe space" for technical teams to point to delays and to ask for needed support? How can IEG, management, and members of CODE better support this goal through their respective functions?
- How can future MAR reports provide more explanation about implementation delays, including for auto-retired recommendations with delayed progress?
- How can the MAR assessment system be refined to address the mixed concepts of evidence quality and progress toward outcomes? Although recognizing that outcomes take time to materialize, how can the MAR system ensure that initial evaluations are putting necessary platforms in place for change and adequately articulating links to outcomes that can be captured along the way?
- Management may consider engaging IEG on certain methodological aspects of data collection and reporting to continue enhancing evidence quality.

Appendix A. Independent Evaluation Group’s Assessment of Evidence Quality to Validate Achievement Progress

Recommendations	FY22 MAR Assessment	FY22 IEG Assessment	Notes on Evidence Quality Rating	Status Of Reporting
Health Services (CODE Discussion—FY19)				
1. Improve measurement of the quality of health services and the distributional effects of health services projects (World Bank)	EE	EE	Emerging evidence on HNP M&E quality ratings that could be providing some information on health service quality, but more information is needed on elements of health service quality and on distributional impacts (that also need to be reported on in HNP operations). Also, good use of existing surveys and tools, providing many relevant examples.	Continue tracking
3. Develop sustainable capacity to address pandemics, systematically integrate, in Bank Group–financed projects and ASA, awareness and preparedness plans and governance frameworks for pandemic control with the client country’s own health system (World Bank)	CD	EE	World Bank strategic preparedness and response operations focus on emergency response and health system strengthening, but time is needed to assess sustained capacity to address pandemics.	Continue tracking
Pollution Management (CODE Discussion—FY18)				
1. Strengthen World Bank’s efforts, including through technical assistance and capacity and institution building, to develop client country pollution measurement and monitoring systems, especially in countries where such capacity is low (World Bank)	EE	EE	MAR shows coverage of one-third of worst performing countries	Auto retirement
2. Strengthen the World Bank’s country analytical work on pollution, in particular such analytical work that allows countries to prioritize their pollution concerns based on a countrywide and comprehensive assessment and deploy such analytical	CD	EE	MAR shows only a modest increase of ASA	Auto retirement

Appendix A
Assessment of Evidence Quality to Validate Achievement Progress

Recommendations	FY22 MAR Assessment	FY22 IEG Assessment	Notes on Evidence Quality Rating	Status Of Reporting
work to cover more countries and target countries more strategically				
3. Intensify efforts to increase and recalibrate the World Bank's efforts in pollution management to address the most important pollution priorities	EE	LE	No evidence that World Bank has rebalanced its wider pollution-focused portfolio toward clients' most serious pollution priorities, including by conducting or using relevant diagnostics at the country level	Auto retirement
4. Leverage the Bank Group's climate change portfolio to better combat local and regional air pollution and other applicable forms of pollution	CD	EE	The MAR points to an upward trend in support for climate change mitigation but asserts without evidence (other than examples) that synergies between climate change mitigation and air quality management are being realized. Realizing these synergies could involve targeting and measuring air quality in interventions with climate change mitigation aims.	Auto retirement
5. For clients that lack the required knowledge, IFC should strengthen their support to help these clients to better comply with performance standards on pollution by offering advisory services.	CD	LE	Increased advisory work since FY19 but no information on the efficacy of the specific advisory in relation to building client capacity to comply with performance standards on pollution management	Auto retirement
Urban Resilience (CODE Discussion—FY20)				
1. The Bank Group should systematically identify and track progress of interventions that build urban resilience to chronic stresses and acute shocks, across its institutions	EE	EE	New Resilience Rating System is being piloted but needs to be scaled if effective, and information needs to be aggregated and used by the World Bank to understand coverage and gaps.	Continue tracking
2. The design and implementation of World Bank projects that build urban resilience should systematically incorporate resilience characteristics and articulate their application throughout the project cycle. These should include the	CD	LE	Evidence was not provided that the operations are integrating resilience characteristics—evaluation showed increasing trend, so delta could be used in future reporting (assessing integration of resilience characteristics in newly	Continue tracking

Appendix A

Assessment of Evidence Quality to Validate Achievement Progress

Recommendations	FY22 MAR Assessment	FY22 IEG Assessment	Notes on Evidence Quality Rating	Status Of Reporting
<p>following: (i) design standards in line with resilience risks, (ii) cost-benefit analysis in line with resilience risks, (iii) city and interjurisdictional coordination, and (iv) inclusive approaches for vulnerable people.</p>			<p>approved projects). Use of text analytics not appropriate</p>	
<p>3. In urban areas where the client has identified crime and violence as a resilience risk, the World Bank's support should be based on a localized typology of crime and violence that is informed by relevant analytic work. This approach should be supported by an assessment of the mechanisms most effective at reducing crime and violence within operations.</p>	EE	LE	<p>Evidence is needed that the World Bank is using relevant analytical work to address crime and violence outside of the Latin America and the Caribbean Region; no evidence was provided on how the World Bank is assessing the mechanisms most effective at reducing crime and violence within operations.</p>	Continue tracking
<p>4. When the Bank Group finances multiple interventions that build urban resilience in a country, such a portfolio of interventions should be informed by diagnostics of urban system risks to ensure that they are complementary and coordinated.</p>	EE	CD	<p>World Bank is assessing urban system level risks and using this information in cross-GP lending, especially in urban planning together with the Water GP.</p>	Proposed by IEG for retirement
<p>5. IFC should support its public and private sector Cities Initiative clients through available resilience risk assessment and mitigation tools to strengthen development impacts.</p>	EE	EE	<p>IFC's Cities Initiative has coordinated with the World Bank to deploy the Rapid Resilience Diagnostic Tool with city clients (for example, in Vietnam). More examples are needed to show how IFC is supporting clients to gain access to available resilience risk assessment and mitigation tools in cities supported by the Cites Initiative and how these assessments are used, together with targeted advisory and investment interventions to strengthen city-level development impacts. IFC may consider gathering emerging data on results from the World Bank in cities where it has an</p>	Continue tracking

Appendix A
Assessment of Evidence Quality to Validate Achievement Progress

Recommendations	FY22 MAR Assessment	FY22 IEG Assessment	Notes on Evidence Quality Rating	Status Of Reporting
			advisory and investment outlay.	
Renewable Energy (CODE Discussion—FY21)				
1. Bank Group to prioritize interventions that focus on the integration of RE sources into the power systems of client countries to facilitate progress in their clean energy transitions	EE	EE	Evidence shows institutional shifts, including policy commitments to integrate RE and lending and nonlending efforts.	Continue tracking
2. Bank Group to support RE scale-up through comprehensive, long-term country engagements, with coordinated Bank Group solutions, based on the comparative advantages of each institution, to address barriers, aided by robust upstream diagnostics	EE	EE	IFC provides evidence that it is establishing a variety of such engagements at the platform level. World Bank provides three country examples only.	Continue tracking
3. Bank Group to continually upgrade the pool of specialized skills to help clients address their pressing and rapidly evolving challenges to scale up RE	EE	EE	IFC and World Bank have recruited specialized staff, which is good progress. World Bank also refers to trainings and establishing a unit.	Continue tracking
Natural Resources Degradation and Vulnerability (CODE Discussion—FY21)				
1. The World Bank should identify and analyze natural resource degradation and vulnerability nexus issues and leverage this knowledge in SCDs and in country engagements where such issues matter for achieving sustainable poverty reduction and shared prosperity.	EE	LE	No evidence of upstream shift to make NRDV information available to SCD and CPF processes, where NRDV issues matter for poverty reduction.	Continue tracking
2. World Bank operations that address natural resource degradation should direct attention to resource governance challenges and use a mix of resource management practices and financial incentives	EE	LE	No evidence on operations, information was provided about flagship and other analytics.	Continue tracking

Appendix A
 Assessment of Evidence Quality to Validate Achievement Progress

Recommendations	FY22 MAR Assessment	FY22 IEG Assessment	Notes on Evidence Quality Rating	Status Of Reporting
appropriate for the relevant socioecological systems.				
3. World Bank GPs involved in addressing natural resource degradation and associated vulnerability should share knowledge, improve measurement, and enhance coordination in the design and implementation of their projects to optimize development effectiveness.	LE	EE	Evidence of collaboration and knowledge sharing through umbrella trust funds, but more on how this collaboration is improving measurement is needed.	Continue tracking
Carbon Finance (CODE Discussion—FY19)				
1. The Bank Group should further strengthen coordination among its different carbon finance initiatives and instruments to enhance complementarity, avoid fragmentation, and harmonize their results frameworks.	CD	CD	Sufficient evidence provided on fragmentation, consolidation, and coordination efforts	Retired from MAR, IEG agreed
2. The Bank Group should increase its use of carbon finance instruments to attract and mobilize finance that supports transformational activities and leverages private investments.	EE	LE	There is limited progress on this recommendation—more information is needed about external environment and constraints to achievement.	Continue tracking
5. The Bank Group should continue to pilot new market-based and scalable approaches for reducing GHG emissions, including those that focus on underused sectors and underserved countries.	CD	CD	Good information provided on multiple pilots under way, including underused sectors such as agriculture. Multiple pilot projects mentioned were specific and highly relevant.	Retired from MAR, IEG agreed
Forced Displacement (CODE Discussion—FY19)				
4. Identify and catalyze private sector solutions to promote the self-reliance and resilience of the displaced and host communities	EE	EE	Selective good efforts, requires enhanced scale and sustained action to meet growing FDP needs.	Proposed by IEG for retirement
Private Capital Mobilization (CODE Discussion—FY21; first recommendation not agreed to by 36gmt)				
2. Expand private capital mobilization platforms, guarantees, and disaster risk management products commensurate with project	LE for the World Bank, EE for IFC and MIGA	LE for World Bank EE for IFC and MIGA	Agree that there have been delays	Continue tracking

Appendix A
Assessment of Evidence Quality to Validate Achievement Progress

Recommendations	FY22 MAR Assessment	FY22 IEG Assessment	Notes on Evidence Quality Rating	Status Of Reporting
pipeline development (for the Bank Group).				
3. Develop new products and improve product alignment with the needs of new investor groups and partners (for IFC and MIGA).	EE	EE	IFC and MIGA are developing targeted mobilization products that are helping to bridge the gap between the goals of specific investor classes and emerging market firms' needs.	Continue tracking
Regional Integration (CODE Discussion—FY19)				
1. Initiate high-level, strategic commitments to regional integration in all operational regions, in addition to the Sub-Saharan Africa Region, with tailored approaches. (World Bank)	CD	CD	Evidence that the World Bank has initiated high-level, strategic commitments to regional integration in all operational Regions, in addition to the Sub-Saharan Africa Region.	Retired from MAR, IEG agreed
3. Rebalance the Bank Group regional integration projects emphasizing Regions with high integration potential and regional public goods.	CD	EE	Rebalancing has occurred, the World Bank should continue to focus on achieving regional public goods.	Retired from MAR, IEG agreed
4. Intensify partnerships with traditional and nontraditional regional stakeholders to promote collective action, knowledge sharing within and across Regions to foster regional integration.	EE	CD	Incremental IDA policy enhancements have increased regional organizational participation in RW; partnerships are context specific.	Proposed by IEG for retirement
5. Strengthen the design of IDA Regional Window-supported projects to improve the assessment of spillover effects and to generate evidence based on robust indicators.	EE	LE	The World Bank has issued guidance to staff in FY22 on how to best capture spillover effects and externalities of its regional programs, but evidence of application of this guidance is needed.	Continue tracking
Trade Facilitation (CODE Discussion—FY19)				
1. To enhance effectiveness, the Bank Group should promote an approach of complementary (simultaneous and/or sequential) interventions in trade facilitation reforms in countries where trade is a client priority and the Bank Group has a comparative advantage, substantiated by consistent diagnostics.	CD	EE	Evidence is adequate, but more information is needed on portfolio size and targets, and because the increase is recent, more time is needed for evidence to emerge on outcomes.	Continue tracking

Appendix A
 Assessment of Evidence Quality to Validate Achievement Progress

Recommendations	FY22 MAR Assessment	FY22 IEG Assessment	Notes on Evidence Quality Rating	Status Of Reporting
2. The Bank Group should identify and mitigate political economy constraints to trade facilitation reform implementation through systematic application of its tools for stakeholder analysis and consultation (including public-private dialogue).	EE	LE	Extent and scale of the stakeholder analysis initiative is unclear. The connection between trade facilitation agreement gap analyses and addressing political economy constraints effectively is not established.	Continue tracking
3. The Bank Group should systematically apply a differentiated approach to identify and monitor, where relevant, the public policy objectives of trade regulations relating to public health, safety, the environment, good governance, formality, and the rule of law.	EE	EE	A Public Policy Monitoring Screening framework was rolled out in 2021 and is being piloted. If effective, it will need to be scaled and assessed for wider effectiveness.	Continue tracking
4. The Bank Group should rationalize its own two major trade facilitation indicator sets to build on the virtues of each of them and to enhance their responsiveness to implemented reforms.	n.a.	n.a.	IEG and management have decided to retire this because it is no longer strategically relevant.	Retired from MAR, IEG agreed
Creating Markets (CODE Discussion—FY19)				
1. Enhance the understanding of market-creating opportunities and associated constraints at the country level and ensure that such knowledge is adequately reflected in the CPF process to allow for a more strategic deployment of Bank Group programs and interventions.	CD	EE	Sufficient evidence that IFC is enhancing the understanding of market-creating opportunities and associated constraints at the country level and that there is a system in place for integrating that knowledge into the CPF process. A forthcoming IEG assessment of CPSDs may be able to bring more knowledge to bear on strategic issues.	Proposed by IEG for retirement
2. Enhance access to markets for the underserved groups, including poor people, and entailing adequate M&E provisions to understand how market creation affects poor people.	CD	EE	The MAR did not provide information on how underserved populations are gaining enhanced market access in the key sectors cited, and it did not provide information on the development of M&E systems capable of tracking these efforts. In two separate discussions, IEG and OPCS	Retired from MAR, IEG agreed

Appendix A
Assessment of Evidence Quality to Validate Achievement Progress

Recommendations	FY22 MAR Assessment	FY22 IEG Assessment	Notes on Evidence Quality Rating	Status Of Reporting
			determined that while evidence can be provided on access to basic services—the enabling environment for these sectors using corporate and other indicators—that deriving information specific to underserved groups and industries would require a level of data collection and analysis that exceeds MAR system capabilities. It would require a follow-up study or evaluation process.	
3. Regularly assess the risk-taking capabilities of IFC to carry out its market-creation activities in IDA and other structurally weak economies in a financially sustainable way.	EE	CD	Clear evidence that through the RAROC and quarterly portfolio approach, IFC has put approaches in place to regularly assess its risk-taking capabilities to carry out its market-creation activities in IDA and other structurally weak economies in a financially sustainable way.	Proposed by IEG for retirement
State-Owned Enterprises (CODE Discussion—FY21)				
1. The Bank Group should apply a selectivity framework for SOE reform support that considers country governance conditions, control of corruption, and sector and enterprise-level competition.	EE	EE	New tools have been developed (INFRA-SAP 2.0, CPSD, and ISOE) that are encouraging, but the Bank Group has not supplied sufficient evidence that these tools are informing SCDs and CPFs and shaping country engagement and the pipelines of projects consistent with IEG’s recommendations. It also is not clear that all these instruments have been harmonized.	Continue tracking
2. The Bank Group should apply the MFD and its embedded Cascade approach for SOE reform. This would enhance internal coordination and mobilize private financing and capacity, especially for ownership reforms.	EE	EE	There is evidence that the Cascade approach is being applied to SOEs in infrastructure and telecommunications, but not for other sectors—this should be expanded on in next year’s MAR.	Continue tracking
PFDM (CODE Discussion—FY21)				
1. World Bank should regularly monitor the quality	EE	EE	Evidence that the World Bank is more cohesively monitoring	Continue tracking

Appendix A
Assessment of Evidence Quality to Validate Achievement Progress

Recommendations	FY22 MAR Assessment	FY22 IEG Assessment	Notes on Evidence Quality Rating	Status Of Reporting
of the key pillars of PFDM for each IDA-eligible country, possibly through a centralized, country-specific PFDM assessment.			progress and challenges within PFDM pillars in IDA-eligible countries	
2. Actively use the previously described assessment to prioritize and sequence World Bank support for PFDM capacity building and reform in IDA-eligible countries.	EE	LE	Integrated approach to identifying reform and capacity-building priorities across the PFDM space remains nascent. Institutional silos are still constraining a more integrated perspective.	Continue tracking
Mobilizing Technology for Development (CODE Discussion—FY21)				
1. Where DTT offers opportunities to make progress on the twin goals more effectively or efficiently, ensure that the Bank Group avails itself of those opportunities and addresses, particularly the risks posed by DTT.	EE	EE	Comprehensive response—all parts of the recommendation covered (upstream, ASA, programs, and risks), but more on linking all this to twin goals is needed. Examples cover both World Bank and IFC.	Continue tracking
2. Build a Bank Group workforce with the skills required to harness DTT opportunities and mitigate DTT risks by identifying DTT-relevant skills, determining gaps in these skills, and filling these gaps.	EE	LE	More evidence is needed to determine the extent to which the Bank Group is building a DTT workforce.	Continue tracking
3. Improve the effectiveness and efficiency of World Bank procurement for complex technology projects (World Bank only).	LE	EE	Guidance and procurement notes are being developed, which should be impactful in improving effectiveness and efficiency.	Continue tracking
Outcome Orientation (CODE Discussion—FY21)				
1. The Bank Group should reform the country-level results system to ensure that it accurately captures the Bank Group contribution to country outcomes and usefully informs decision-making on country engagements.	EE	EE	Introduction of high-level outcomes has been encouraging, but the recommendation was targeted at systemic-level change in country engagement processes, which are yet to be tracked or reported.	Continue tracking
Citizen Engagement (CODE Discussion—FY19)				
1. As it defines future corporate priorities for citizen engagement, the World Bank should reflect in those	CD	EE	Data points to modest gains, but there is still a need to assess how systematically the Bank Group is focusing on CE	Continue tracking

Appendix A
Assessment of Evidence Quality to Validate Achievement Progress

Recommendations	FY22 MAR Assessment	FY22 IEG Assessment	Notes on Evidence Quality Rating	Status Of Reporting
priorities the need to achieve greater depth and quality of the citizen engagement activities it supports.*			depth and quality to improve development outcomes (and tracking these, see below).	
2. The World Bank should encourage and support efforts of its regional, country, and GPs teams to establish, where appropriate, “thick” citizen engagement that is regular and continuous, uses multiple tools, and is embedded in country systems.	EE	EE	Data points to modest gains, but there is still a need to assess how systematically the Bank Group is focusing on CE depth and quality to improve development outcomes (and tracking these, see below).	Continue tracking
3. The World Bank should strengthen the monitoring of its citizen engagement activities by systematically adopting results framework indicators that are results oriented.	EE	LE	No discussion of how CE results framework indicators are more results oriented. The mention of the CE quality index is interesting and raises the question of whether more can be done with this index to track quality of CE more systematically, in other Regions, and at the corporate level.	Continue tracking
4. The World Bank should seize the opportunity of the implementation of the ESF to leverage citizen engagement mechanisms—beyond consultations and grievance redress mechanisms—to reach the objectives of managing social risks, strengthening country systems, and promoting social inclusion.	EE	LE	Since the launch of the ESF, only 20 percent of stakeholder engagement plans reference CE.	Continue tracking
5. IFC should ensure that its clients’ stakeholder engagement activities required by Performance Standard 1 in projects with affected communities are carried out during appraisal and supervision of the projects and systematically documented.	EE	LE	Critical trainings have been rolled out, but the impact of these trainings on support for PS1 needs to be monitored and reported on in the next MAR cycle.	Continue tracking
IFC Client Engagement (CODE Discussion—FY18)				
1. Adopt clear criteria for the selection and segmentation of clients according to IFC	EE	LE	There is limited progress on IFC’s approach toward selecting strategic clients and	Auto retirement

Appendix A

Assessment of Evidence Quality to Validate Achievement Progress

Recommendations	FY22 MAR Assessment	FY22 IEG Assessment	Notes on Evidence Quality Rating	Status Of Reporting
strategic priorities, including for upstream project development, Cascade, and creating markets.			overall segmentation of its client base. Although IFC has engaged in industry consultations and conducted diagnostics to review existing client-related system architecture and needs, it has indicated that it is still designing a consistent corporate approach.	
5. Strengthen the business development function and support systems by, among other things, increasing the transparency and accountability for client interactions and their outcomes and integrating client management databases into IFC's information architecture.	EE	LE	IFC is piloting a client relationship management application but notes that the viability of this tool will need to be assessed for corporate scalability. Although IFC has a goal of enabling its systems to better capture, store, and manage client-related information, relevant activities are at an exploratory stage.	Auto retirement
6. Strengthen the capacity to operationalize findings of country and sector diagnostic work to develop new clients and investment opportunities.	EE	EE	Although IFC has made progress in establishing links among country needs, its diagnostic work, and Bank Group country strategies, more information is needed on how these efforts are helping IFC to identify and develop new clients and investment opportunities.	Auto retirement
7. Bolster IFC's internal incentives and resources to systematize support for upstream approaches across IFC departments.	EE	EE	Progress is being made on the upstream agenda by creating a global upstream department and units, by improving its systems and reporting to track upstream activities and the related enabling investments for enhanced incentives and recognition, by implementing upstream-specific and other awards, and by significantly increasing the budget and staffing for upstream activities.	Auto retirement
Convening Power (CODE Discussion—FY20)				
1. Scope engagements and contributions to major global convening initiatives more deliberately.	EE	EE	World Bank's trust fund and financial intermediary fund reforms are contributing to a more deliberate and selective approach to the World Bank's engagement in major global	Continue tracking

Appendix A
Assessment of Evidence Quality to Validate Achievement Progress

Recommendations	FY22 MAR Assessment	FY22 IEG Assessment	Notes on Evidence Quality Rating	Status Of Reporting
			convening initiatives; monitoring recommended for one more year to ensure that initiatives are sustained.	
2. Enhance how the World Bank's and IFC's internal systems and processes support managing major convening initiatives over their life cycles.	EE	EE	MAR response provides ample evidence of enhanced oversight for greater selectivity, but more information is needed on adaptive management over life cycles—including from learning from M&E.	Continue tracking
3. Improve links between the World Bank's global and country work.	EE	EE	World Bank has initiated efforts to integrate trust fund umbrella allocations into World Bank planning processes for enhanced strategic alignment of global trust fund programming, particularly at the country level.	Continue tracking

Source: Independent Evaluation Group.

Note: The level of evidence is defined by the following: CD means evidence substantiates a change in direction of travel, with reversals unlikely; EE means emerging evidence of a change in the direction of travel; and LE means limited evidence of a change in the direction of travel. ASA = advisory services and analytics; CD = change in direction; CODE = Committee on Development Effectiveness; CPF = Country Partnership Framework; CPSD = Country Private Sector Diagnostic; DTT = disruptive and transformative technologies; EE = emerging evidence; ESF = environmental and social framework; FDP = forcibly displaced person; FY = fiscal year; GHG = greenhouse gas; GP = Global Practice; HNP = Health, Nutrition, and Population; IDA = International Development Association; IEG = Independent Evaluation Group; IFC = International Finance Corporation; LE = limited evidence; ISOE = Information System on Occupational Exposure; M&E = monitoring and evaluation; MAR = Management Action Record; MFD = Mobilizing Finance for Development; MIGA = Multilateral Investment Guarantee Agency; NRDV = natural resource degradation and human vulnerability; OPCS = Operations Policy and Country Services; PFDM = public financial and debt management; RAROC = risk-adjusted return on capital; RE = renewable energy; RW = Regional Window; SCD = Systematic Country Diagnostic; SOE = state-owned enterprise.



IEG
INDEPENDENT
EVALUATION GROUP

WORLD BANK GROUP
World Bank • IFC • MIGA

The World Bank
1818 H Street NW
Washington, DC 20433