

Concept Note

Results and Performance of the World Bank Group 2020

January 8, 2020

1. Introduction and Context

- 1.1 With the *Results and Performance of the World Bank Group 2020* (RAP 2020), the Independent Evaluation Group (IEG) is rethinking its approach to the annual review of World Bank Group development effectiveness. Similar to past years, the report will synthesize ratings and other evidence from IEG evaluations and validations to give an aggregated picture of the results and performance of the World Bank, the International Finance Corporation (IFC), and the Multilateral Investment Guarantee Agency (MIGA).
- 1.2 The scope of the report and the data sources used will be broader than in past years to deepen some of the analysis on drivers of performance and allow for the rethinking of statistical methods. The report will review the results, outcomes, and performance of the Bank Group at the level of projects, country programs, and corporate priorities and will also reflect on the systems used to measure outcomes. The RAP will not have a special theme. Its title will stay the same, except for the year, which will be updated to denote the calendar year in which the report is finalized. Hence, although the previous RAP was titled RAP 2018, the next one will be titled RAP 2020.
- 1.3 The update of the RAP seeks to enhance the value of this report to the Board of Executive Directors and Bank Group senior management. It forms part of IEG's larger ongoing effort to maximize its value to the Bank Group. Key stakeholders need big picture information on the outcomes of Bank Group support; how the individual institutions are performing and delivering on key goals and commitments; what explains key trends; what is working well; and where course corrections may be needed. The new RAP will mine the wealth of IEG evidence on these issues and deliver a succinct report geared toward executive audiences. It will also include analysis in addition to ratings to synthesize a variety of information on the medium- and long-term outcomes achieved by the Bank Group, while also reflecting on the quality of the data and evidence it presents.
- 1.4 RAP 2020 is part of IEG's work stream on outcome orientation. The report will be accompanied by short Regional and Practice Group updates sent to the Bank Group Board at the time of the relevant annual update discussions, appendixes with disaggregated ratings, and an online dashboard summarizing ratings. These pieces will provide insightful, high-level views to different audiences of the results and performance of the World Bank, IFC, and MIGA. The RAP will be complemented by a self-standing IEG evaluation of the outcome orientation of Bank Group country

engagements, which will have its own concept note. The RAP will also be complemented by the first IEG validation report of management's progress on addressing past IEG recommendations as part of the revised Management Action Record (MAR) process; a chapter summarizing the MAR will therefore not be necessary.

2. Objectives and Audience

2.1 The broader objective of the report is to contribute to key audiences' understanding of the results, outcomes, and performance of the Bank Group. The specific purpose of the report is to present an overview of IEG ratings and offer analysis of what drives movements in ratings, how operational outcomes in specific areas are measured, and what some strengths and limitations of the Bank Group's results data are. The main audience is the Bank Group Board, and another key audience comprises all levels of Bank Group management.

Report Questions and Scope

2.2 The report covers the aggregate results from Bank Group projects, country programs, and corporate priorities. As in other years, the report will synthesize ratings and other IEG evidence of the outcomes and performance of World Bank, IFC, and MIGA operations and Bank Group country programs. The expanded scope of the new RAP will more fully cover country programs and certain corporate priorities and review how the Bank Group assesses and reports its contributions and outcomes related to gender, climate change, and fragile and conflict-affected situations (FCS). IEG chose these three themes because they reflect corporate priorities with many operational implications that have been repeatedly emphasized in successive strategy documents since at least 2013. The report will also include analysis of the types of outcomes monitored by results indicators in operations, country programs, and corporate themes. The RAP will be explicit about the limitations of the available data. Outside its scope are questions to be covered in the planned IEG evaluation on the outcome orientation of Bank Group country engagements and how the World Bank assesses results in the country engagement cycle.

2.3 In line with the defined scope, the report's overarching question is, "What does the evidence show about the Bank Group's operational results and performance?" The report will pursue three main lines of inquiry and will also reflect on the quality and use of the results and performance evidence.

- **For World Bank, IFC, and MIGA operations:** How do IEG ratings change over time and across types of countries and operations, what explains these movements and variations, and what are the types of development outcomes pursued and assessed in these operations?

- **For Bank Group country programs:** How do IEG ratings change over time and across types of countries and operations and what explains these movements and variations?
- How (well) does the Bank Group assess and report its contributions and outcomes related to gender, climate change, and FCS?

3. Methods and Data

3.1 The report will use a variety of sources, including ratings, evaluative evidence, and document reviews. It will analyze IEG's ratings databases (for World Bank, IFC, and MIGA operations and Bank Group country programs) and evaluative evidence from IEG's project and country program validations and evaluations. Given the acknowledged limitations of these data, they will be complemented with other sources of evidence on outcomes from Bank Group results measurement systems, including outcome indicators in World Bank operations, Anticipated Impact Measurement and Monitoring (AIMM) claims, and results frameworks for the chosen corporate themes (gender, climate change, and FCS). The report will briefly comment on the extent to which Bank Group commitments shift in response to corporate commitments. Analysis will be complemented by key informant interviews with Bank Group staff.

3.2 Using a question-driven mixed methods approach, IEG will explore a wide menu of statistical and qualitative approaches to address issues and questions related to results and performance. The lens for selecting what to investigate will be the issues' relevance in explaining results and performance of operations, country programs, and corporate priorities. The investigation will be exploratory, and not all of the methods and approaches under consideration may ultimately succeed. Some of the innovations and approaches include the following:

- **Using the complete ratings scale.** For some of the analyses, IEG will convert the six-point ratings scale into numerical values and report the average and the distribution across the scale. This will complement the established summary statistic of the percent of projects rated moderately satisfactory or better (MS+).
- **Blending analysis of rolling averages for 3-year cohorts (as in past years) with analysis of annual data (for World Bank project ratings).** IEG will compare changes over 10 years instead of between two successive three-year cohorts. This will be aided by decomposition analysis to distinguish movement over time in aggregate ratings for projects with similar characteristics and movement that resulted from shifts in the portfolio composition across Regions and other categories. For MIGA, the current practice of using six-year moving averages will be maintained.

- **Working collaboratively with IFC to explore some of the factors behind the downward shift in IFC investment and advisory project ratings.** Building on analysis done for RAP 2018, recent evidence from IEG Evaluation Notes will be used to assess factors driving investment performance in key sectors and to identify lessons and examples. For advisory services, collaboration will involve analysis of how different delivery models correlate with IEG development effectiveness ratings.
- **Revisiting earlier discussions of the extent to which external factors such as the 2008–09 financial crisis can account for the downward shift in IFC ratings.**
- **Assessing the level and types of outcomes in World Bank operations.** This will be based on a common classification across sectors. This classification will assess project outcomes across four levels, based on both the project development objective and the project indicators (box 3.1). This will be done for a stratified random sample of operations approved in 2009, 2014, and 2019. IEG will complement this mapping with structured analyses of project evaluation and validation reports on outcomes measured and achieved in World Bank projects.
- **Exploring how IFC’s AIMM framework assesses outcomes.** A sample of IFC investment AIMM “claims” will be examined for a preliminary review of the project- and market-level outcomes AIMM captures.
- **Exploring country program outcomes.** IEG has tentatively identified 7–10 countries that showed a marked improvement in average World Bank project outcome ratings over some period. Aiming to identify broader insights from country programs with turnarounds in performance and relying mainly on document review, IEG plans to investigate these episodes of positive country program portfolio performance.
- **Reviewing how the Bank Group assesses results on the key corporate priorities of gender, climate change, and FCS.** For example, IEG plans a light review of the extent to which certain parts of the World Bank’s results system are fit for purpose in understanding gender outcomes.

Box 3.1. Classification of Outcomes

For the purpose of the Results and Performance analysis, the Independent Evaluation Group (IEG) defines four outcome levels. These emerge from guidance documents on results chains from different organizations (IEG, the World Bank, the Swedish International Development Cooperation Agency, resultsbased.org, the U.K. Department for International Development, and the U.S. Agency for International Development). Although there is no harmonized set of definitions of outcome level, there is much overlap.

4—A sustained change in delivery or governance or a sustained benefit to a beneficiary group. These are longer-term changes contributed to by multiple actors, usually over at least five years.

- Project development objective (PDO) example: Uzbekistan's economic reforms are sustained and the country is transitioning to a market economy by increasing the role of markets and the private sector in the economy.
- Indicator example: Percent of gross domestic product of tax revenue of the central government.

3—Stakeholders apply a new capability to solve an issue; the lives of ultimate beneficiaries are changed. These changes can begin during the life span of a project.

- PDO example: Contribute to reducing key risks for noncommunicable diseases and improving efficiency of health services in Moldova.
- Indicator example: Adults with hypertension whose blood pressure is under control.

2—Change in infrastructure or capability of person or organization. These are initial changes that the project generates.

- PDO example: Strengthen local government authorities' capabilities to deliver services to communities in a responsive and accountable manner and to support economic infrastructure development in participating provinces.
- Indicator example: Economic infrastructure subprojects benefiting multiple local governments that meet selection criteria.

1—Delivery of an output or plan; system is developed.

- PDO example: Reestablish an operational government payroll and related financial management systems.
- Indicator example: Energy generation capacity (other than hydropower) constructed under the project.

Source: Independent Evaluation Group.

3.3 Table 3.1 lists pieces of planned analysis that IEG will use to develop evidence to answer the questions.

Table 3.1. Planned Data Collection and Analysis Methods

Line of Inquiry	Data Collection and Analysis	Sampling
Methods		
For World Bank, IFC, and MIGA operations: How do IEG ratings change over time and across types of countries and operations, what explains these movements and variations, and what are the types of development outcomes pursued and assessed in these operations?	Statistical analysis of IEG project ratings databases	Last 10 years is default
	Decomposition analysis to identify statistically significant changes, explanatory factors, and the influence of shifts in the portfolio composition	Last 10 years is default
	Mapping of intended and measured outcomes in World Bank operations using a common classification of outcome types	Stratified random sampling representative of Practice Groups
	Structured analyses of Project Performance Assessment Reports on outcomes achieved	To be decided
	Structured review of validation reports on monitoring and evaluation ratings	Representative sampling of World Bank investment projects
For Bank Group country programs: How do IEG ratings change over time and across types of countries and operations, and what explains these movements and variations?	Statistical analysis of IEG's country program ratings; analysis of patterns in program objectives	All rated country outcomes
	Statistical analysis of IEG ratings of World Bank project outcomes by country	All client countries
	Structured document review of IEG country program evaluations and validations	Sample of countries with marked improvement in outcomes
How (well) does the Bank Group assess and report its contributions and outcomes related to gender, climate change, and FCS?	Review of corporate indicators and other ways to assess results and performance on priority themes and commitments	Gender, climate change, and FCS are the corporate priorities in focus
	Review of AIMM claims of intended development outcomes	Sample of recently approved IFC investments
	Examination of basic shifts in portfolios in response to corporate priorities	To be decided
	Synthesis of analysis on key incentives and processes that support corporate priorities	

Source: Independent Evaluation Group.

Note: AIMM = Anticipated Impact Measurement and Monitoring; FCS = fragile and conflict-affected situations; IEG = Independent Evaluation Group; IFC = International Finance Corporation; MIGA = Multilateral Investment Guarantee Agency.

4. Accompanying Pieces

4.1 Regional and Practice Group updates will be short notes (3–5 pages). The team will write one note for each Region and Practice Group. The purpose of the notes is to provide a retrospective summary of the results and performance of these Vice Presidential Units (VPUs). They will present ratings data and a synthesis of existing IEG evidence and other evidence on issues of strategic importance to each of these VPUs. Their primary audience is Board members and management in the relevant VPUs. They will be shared ahead of the relevant annual update discussions.

4.2 IEG is considering setting up an online dashboard to serve as a future one-stop shop for all headline IEG ratings. This dashboard would offer IEG's independent perspective on performance as measured by ratings, presenting an aggregate snapshot for a broad audience of stakeholders visiting IEG webpages. The dashboard would also differ from the existing data visualization pages, which are rich on detail and options for disaggregation, by presenting, in one page, a summary of key ratings and their movements for World Bank, IFC, and MIGA projects and country programs. The dashboard would be continually updated.

5. Engagement, Communication, and Dissemination

5.1 The report will be presented to the Board in September 2020. The complementary reports on the outcome orientation of Bank Group country engagements and MAR validation are to be presented to Committee on Development Effectiveness around the same time. While preparing the report, the team will engage with select Board members and advisers. Extensive engagements with IFC, MIGA, and World Bank counterparts have already taken place and will continue. IFC has set up an engagement group for this purpose with members from many departments. Some of the engagements with the World Bank and IFC may result in Learning Engagements, which are beyond the scope of the RAP.

5.2 A short online survey was used to elicit feedback and suggestions from potential users on the report's scope. The team will develop an outreach and dissemination plan that will feature robust online outreach.

6. Team, Budget and Timeline

6.1 The core team members for the evaluation are Claudia Figueroa, Rasmus Heltberg (task team leader), Gaby Loibl, Xiaoxiao Peng, Stephen Porter, Melvin Vaz, and Yi Yao. Other IEG staff and consultants will also contribute. The report team works in close coordination with other IEG staff and consultants engaged in IEG's work stream on outcome orientation.

6.2 Mechanisms for quality assurance and quality enhancement will be as follows: Alison Evans (Director-General, Evaluation) will oversee the report's development. The team will periodically engage with an internal quality enhancement panel comprising Alison Evans, Oscar Calvo-Gonzalez (director), and Andrew Stone (adviser) and with an external advisory panel that includes Professor Dr. Jörg Faust, director of the Deval German Institute for Development Evaluation; Tamar Manuelyan Atinc, retired World Bank staff; and Hans M. Boehmer, retired World Bank staff and adjunct faculty, Columbia University. These panels will advise the team on methods and findings. Additional external peer reviewers are not envisaged. The report will be subject to internal IEG review and the standard process of management comments.

6.3 The budget for the task is \$530,000, including \$40,000 for dissemination. Staff costs are estimated at 72 percent of the total task budget and variable costs, mostly for consultants, at 28 percent.

Table 6.1. Timeline

Date	Event
October 24, 2019	One-Stop Review Meeting for concept note
January 10, 2020	E-submission of concept note to CODE (AOB)
May 18, 2020	One-Stop Review Meeting for the draft report
June 5, 2020	Draft Report to Bank Group management for comments
August 10, 2020	E-submission of report to the Bank Group Board of Directors
September 2020	Board Meeting