

INDEPENDENT EVALUATION GROUP

**Work Program and Budget (FY15)
and
Indicative Plan (FY16–17)**

June 2, 2014

ABBREVIATIONS AND ACRONYMS

AAA	Analytic and Advisory Activities
CAS	Country Assistance Strategy
CASCR	CAS Completion Report
CASCRR	CAS Completion Report Review
CCSA	Cross-Cutting Solution Areas
CIF	Climate Investment Funds
CLEAR	Centers for Learning Evaluation and Results
CLR	Completion and Learning Review
CODE	Committee on Development Effectiveness
CPE	Country Program Evaluation
CPF	Country Partnership Framework
CSC	WBG Corporate Scorecard
DEC	Development Economics Vice Presidency
ECD	Evaluation Capacity Development
ECG	Evaluation Cooperation Group
FCS	Fragile and conflict-affected situation
FY	Fiscal year
GP	Global Practice
IBRD	International Bank for Reconstruction and Development
ICR	Implementation Completion and Results Report
ICRR	ICR Review
IDA	International Development Association
IEG	Independent Evaluation Group
IFC	International Finance Corporation
IPDET	International Program for Development Evaluation Training
IT	Information technology
MAR	Management Action Record
M&E	Monitoring and evaluation
MDG	Millennium Development Goal
MIC	Middle income countries
MIGA	Multilateral Investment Guarantee Agency
PCR	Project Completion Report
PER	Project Evaluation Report
PforR	Program for Results
PLR	Performance and Learning Review
PPAR	Project Performance Assessment Report
RAP	Results and Performance (IEG annual report)
SCD	Systematic Country Diagnostic
WB	World Bank
WBI	World Bank Institute
WBG	World Bank Group
XPSR	Expanded Project Supervision Report

Contents

1. INTRODUCTION	1
2. IEG RESULTS: WHAT ARE WE TRYING TO ACHIEVE?	2
3. LONG-TERM AGENDA: DEEPENING IEG IMPACT	6
4. PROPOSED WORK PROGRAM FOR FY15-17	16
5. STAFFING AND BUDGET	27
6. CONCLUSION	34
ANNEX 1: IEG RESULTS FRAMEWORK	35
ANNEX 2: GAP ANALYSIS OF RECENT IEG EVALUATIONS	40
RECENT IEG EVALUATIONS BY SECTOR (FY09-14)	40
RECENT IEG EVALUATIONS BY THEME (FY09-14).....	41
ANNEX 3: PROPOSED WORK PROGRAM FOR FY15-17	42
WORK PROGRAM BY BUSINESS LINE.....	42
MAJOR EVALUATIONS AND LEARNING PRODUCTS FOR OBJECTIVE 1	44
MAJOR EVALUATIONS AND LEARNING PRODUCTS FOR OBJECTIVE 2	45
MAJOR EVALUATIONS AND LEARNING PRODUCTS BY WBG, IFC, AND IDA STRATEGIC PRIORITIES.....	46
ANNEX 4: SELECTIVITY SHEETS FOR MAJOR EVALUATIONS AND LEARNING PRODUCTS	47

IEG WORK PROGRAM AND BUDGET (FY15) AND INDICATIVE PLAN (FY16–17)

1. Introduction

1. This document presents the work program and budget proposal for FY15 for the Independent Evaluation Group (IEG) and indicative plans for FY16-17. It outlines the results and impact that IEG expects to achieve; strategic priorities and alignment with the new World Bank Group (WBG) Strategy; proposed changes to business lines, including what IEG will be doing more and less of; and details on work program deliverables and resource management.
2. The work program builds on significant changes that are underway in the WBG:
 - The new WBG Strategy has sharpened the organization’s focus on reducing extreme poverty and boosting shared prosperity in a sustainable manner, with clear, measurable goals to help ensure selectivity and focus on results;
 - The record IDA-17 replenishment has focused on the overarching theme of “maximizing development impact,” with special attention to inclusive growth, gender equality, climate change, and fragile and conflict-affected situations (FCS);
 - The IFC Road Map FY15-17 lays out a vision for transformational private sector collaboration for growth and job creation in support of the twin goals;
 - The MIGA Strategic Directions FY15-17 aims to expand its product lines and broaden its client base to attract more private investors to developing countries; and
 - The internal change process seeks to realign leadership, culture, and values, with new approaches to client country engagement and delivery of integrated development solutions.
3. Against this backdrop, IEG faces a unique opportunity to deepen its impact, and make a significant contribution to the successful implementation of the new WBG Strategy. To achieve the twin goals, the WBG – and its clients and partners – need to better understand what works and the reasons why, and draw lessons and good practices from experience to inform decision making and future action. Independent evaluation is essential to help the WBG address these challenges and build a stronger internal culture for results, accountability, and learning.
4. As President Kim told the Board of Governors at the 2012 Annual Meetings, *“Being a solutions bank will demand that we are honest about both our successes and our failures. We can, and must, learn from both.* IEG is well positioned to contribute to this call for assessment and reflection – we bring not only the world’s largest knowledge base about the results and performance of development interventions but also a critical independent perspective to nurture and challenge the WBG to do its best work. As outlined in the following chapters, IEG is taking significant steps to clarify our objectives and expected results, deepen our long-term capacity to influence, and align our work program to enhance the accountability and learning that lie at the heart of the new strategic directions of the WBG.

2. IEG Results: What Are We Trying to Achieve?

5. At the 2013 Spring Meetings, the Board of Governors endorsed two long-term goals to guide WBG action: reduce extreme poverty to 3 percent by 2030, and promote shared prosperity for the bottom 40 percent of the population in every country. At the following Annual Meetings, the new WBG Strategy was approved, which lays out how activities and resources will be realigned to better support clients to accelerate progress towards the goals in an environmentally, socially, and economically sustainable manner.

6. A major change management process has been launched to drive internal reforms and realign and reposition the WBG to implement the new Strategy. Key elements include the creation of new Global Practices (GPs) and Cross-Cutting Solution Areas (CCSAs) to better manage global knowledge and technical expertise to deliver client solutions; a new client engagement model, based on selectivity, WBG comparative advantage, and country ownership; a Finance Work Program designed to grow WBG financial capacity and manage costs; a new, more integrated WBG corporate business planning process; and wide-ranging human resource reforms.

7. The implementation of the Strategy and change process will be monitored through a new WBG Monitoring and Evaluation Framework, which is in the final stages of development. The WBG Corporate Scorecard (CSC) will be the apex of the Framework, and will serve as the primary tool to account for the WBG's performance and contribution to development results. The draft Monitoring and Evaluation Framework has clarified eight core objectives of the Strategy and change process:

- Help clients tackle the most important development challenges
- Deliver world-class integrated development solutions to clients to maximize their development impact
- Engage in collaborative external partnerships aligned with the goals
- Build the financial strength of the WBG
- Accelerate development progress by enhancing knowledge, learning, and innovation
- Develop the skills, capabilities, and behaviors of the WBG workforce to deliver the Strategy
- Design and implement information technology systems that deliver transformative change
- Align WBG leadership, culture, and values to deliver on the Strategy and serve clients better

8. The launch of the twin goals, the WBG Strategy, and the internal reform process are all profound changes designed to renew and transform the WBG. In this light, IEG has sought feedback from the Board, WBG Management, IEG staff, and other stakeholders to determine how best to fulfill our mandate of independently evaluating the WBG's contributions to the achievement of the twin goals and the implementation of the WBG Strategy. Based on these inputs, we have developed a new IEG Results Framework that sharpens our objectives to spell out how we aim to enhance the WBG's development effectiveness, and promotes increased transparency and accountability on what IEG is delivering and how we measure success.

9. **IEG's goal is to accelerate WBG development effectiveness through independent evaluation.** The twin goals now define WBG development effectiveness in a measurable way – the degree to which WBG programs and activities contribute to achieving reductions in extreme poverty

and boosting shared prosperity by the interim targets of 2020 and the final targets of 2030. We are therefore framing the long-term vision of IEG to align with the twin goals. As a result, decision-makers in the Board and the Bank Group should be able to make better informed decisions about WBG programs and activities based on independent evaluations from IEG, and thereby help accelerate the WBG's success in contributing to client countries most effectively and efficiently achieving the twin goals.

10. This long-term goal builds on and reinforces the strong focus on poverty reduction and achievement of the MDGs that we introduced into the past two work program cycles. To ensure that we take the right interim steps to achieve the long-term goal, we have further defined specific objectives for the intermediate and medium-term. **Over the next six years, we intend to focus on two objectives for independent evaluation:**

- **What Works:** Deepening evidence about the results of WBG program and activities – and their effectiveness for accelerating growth, inclusiveness, and sustainability – to contribute to the achievement of the WBG's interim target of 9 percent poverty and progress on shared prosperity by 2020; and
- **Real-Time Learning:** Generating evidence on the early implementation experience of the WBG Strategy to enable mid-course corrections and promote a stronger internal culture for results, accountability, and learning.

We will review these objectives in the next three-year work program cycle to see if any adjustments are needed in response to the first three years of implementation experience – particularly with regard to the priorities for real-time learning in the second objective.

11. The Results Framework in Annex 1 maps out how we intend to achieve these objectives, including the “chain of logic” on how the deliverables proposed in the FY15-17 work program feed into intermediate (1-3 years) and medium-term (4-6 years) outcomes. It also includes indicators to assess both intermediate progress (have inputs and outputs been delivered effectively, and are they generating the expected short-term outcomes?) and medium-term impact (are the intermediate outcomes leading to the expected results required to achieve the objective?).

12. The achievement of medium-term outcomes will depend on a number of factors, some of which are beyond IEG's control, such as the acceptance of evaluation recommendations and their effective implementation by Management. IEG will manage the risk to its effectiveness through its strong commitment to quality and timeliness of evaluations, while also reaching out to stakeholders in Board and Management to ensure an understanding of independent evidence and to support the internalization of lessons identified from evaluation work.

13. For the first objective, IEG will deliver: (i) major evaluations and learning products focused on WBG contribution to twin goals; (ii) corporate performance data for the CSC and IDA Results Measurement System; and (iii) stronger IEG methodologies for evaluating WBG contributions to inclusive growth, gender equality, and sustainability. These outputs will contribute to a greater understanding of: (i) when and how WBG activities lead to growth, inclusiveness, and sustainability, at the global, regional, and country levels; (ii) whether WBG activities are aligned with the twin goals and effective in contributing to their achievement, and (iii) performance of WBG assistance to IDA and progress on IFC Special Themes. In the medium-term, we expect this work to contribute to

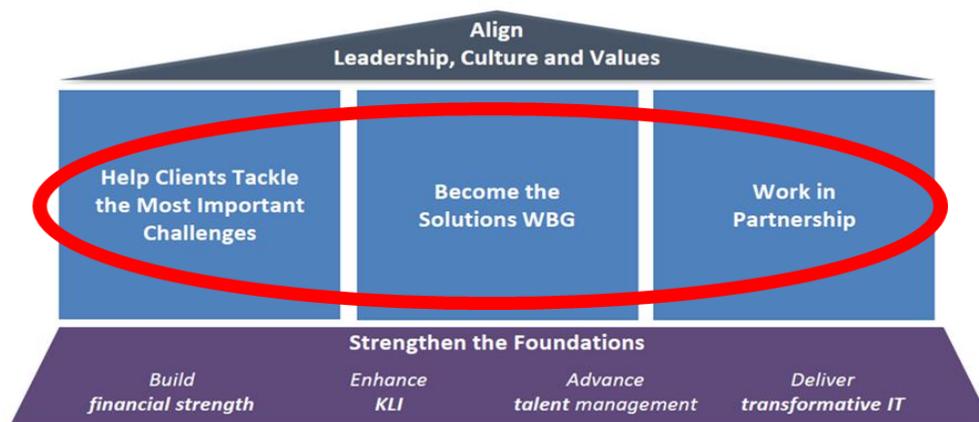
better informed policy and operational choices by the Board, Management, and clients, and enhanced WBG development effectiveness to accelerate progress on the twin goals.

14. For the second objective related to early implementation experience of the WBG Strategy, we propose to focus the FY15-17 work program on the three pillars of the Strategy (see Figure 1):

- **Help clients tackle the most important development challenges** -- through the new country engagement model;
- **Become the Solutions Bank** – through the establishment of the GPs and CCSAs, facilitating results and evidenced-based operations, development of unified risk management framework, and developing a cascading WBG Corporate Results Framework; and
- **Work in Partnership** – through aligning trust fund and partnership programs with the WBG Strategy, partnering with the private sector, and mainstreaming citizen engagement in WBG operations.

IEG’s work will also touch on other elements of the WBG Strategy – such as the overarching alignment of leadership, culture and values, and the foundational element of enhancing knowledge, learning, and innovation – but our overall focus will be on the three pillars.

Figure 1: IEG Focus Areas in WBG Strategy



15. To support Board’s and Management’s understanding of the effectiveness of the **country engagement model**, we will deliver: (i) process evaluations of elements of the model, (ii) country-level learning products, (iii) continued validation of CASCR and the Completion and Learning Reviews (CLR); and (iv) evaluation capacity development (ECD) support. These outputs will generate: (i) lessons to adjust the country engagement model to increase effectiveness, if needed; (ii) learning and knowledge sharing on good practices for country teams preparing Strategic Country Diagnostics (SCD), Country Partnership Frameworks (CPF), Performance and Learning Reviews (PLR), and CLR; and (iii) mainstreaming of ECD in country engagement model. Over the medium-term, we expect this work to contribute to: (i) enhanced WBG performance in country programs, including increased selectivity, results focus, and country ownership; (ii) enhanced quality of SCD, CPF, PLR, and CLR; and (iii) enhanced evaluation capacities that complement statistical capacities and allow decision-makers in client countries to utilize evidence effectively.

16. To support Board's and Management's understanding of the effectiveness of the **Solutions WBG**, we will deliver: (i) independent evaluations of lending and knowledge services and instruments, (ii) sector and thematic learning products derived from independent evaluations to support global knowledge flows in GPs and CCSAs; (iii) appraisals of WBG systems for self-evaluation and development risk management; (iv) operational learning products to strengthen results and evidenced-based operations; and (v) validation of completion reports for lending and knowledge products. These outputs will generate: (i) lessons to adjust the GP and CCSA business model, lending and knowledge services, and self-evaluation systems to enhance efficiency, effectiveness, and alignment, if needed; (ii) enhanced accountability for results in lending and knowledge services through independent validation and assessments; and (iii) learning and knowledge sharing on good practices to enhance operational development impact. Over the medium-term, we expect this work to contribute to: (i) enhanced performance of GPs and CCSAs in delivering solutions to clients to maximize their development impact; (ii) improved quality and impact of lending and knowledge services; and (iii) stronger internal culture and competencies around results delivery for clients (through innovation, collaboration, analysis-based decision making, and creating applying, and sharing knowledge).

17. To support Board's and Management's understanding of the effectiveness of the **WBG partnerships**, we will deliver: (i) evaluations and reviews of WBG partnership and trust fund programs; (ii) evaluations of collaboration with development partners, particularly the private sector and citizen engagement, including increased attention to the contribution of partnerships in country, sectoral and thematic evaluation; and (iii) learning products on partnership arrangements with the private sector, development agencies, and citizens. These outputs will generate: (i) lessons to adjust partnership and trust fund arrangements to increase efficiency, effectiveness, and alignment, if needed; (ii) enhanced accountability for results and leveraging of partners and stakeholders' contributions in partnerships; and (iii) learning and knowledge sharing on good practices in partnership arrangements. Over the medium-term, we expect this work to contribute to: (i) stronger alignment of trust fund and partnership programs with the twin goals; (ii) increased leveraging of external knowledge and resources for greater development effectiveness; and (iii) increased effectiveness and efficiency of partnership programs

18. The new IEG Results Framework has been designed to ensure alignment with other WBG corporate monitoring tools, so as to avoid the problem of multiple systems that provide different information in different formats to the Board. Moreover, we want there to be a clear relation between the stated objectives and deliverables of the WBG Strategy and change process, and the topics selected for major evaluations and learning products in the IEG work program. To this end, the overall structure and logic of the Results Framework is the same as the WBG's new draft Monitoring and Evaluation (M&E) Framework, which was presented to the Executive Directors at a seminar in March 2014.¹

19. The results framework is accompanied by a draft set of indicators, including baselines, current performance, and end-of-period targets for the intermediate outcomes (see Annex 1). Most of the indicators to assess progress on the intermediate outcomes are drawn from the IEG management information system and the annual IEG Client Survey (the survey instrument will be

¹ Note the headings used by WBG Management in the draft Monitoring and Evaluation Framework have been simplified -- "Behavioral and Intermediate Outcomes" has been relabeled as "Intermediate Outcomes," and "Institutional Performance" as "Medium-Term Outcomes."

reviewed and redesigned in FY15 to promote more robust disaggregation of results by user categories). Most of the indicators to assess progress on the medium-term outcomes are drawn from the IEG Client Survey, Management Action Record, Corporate Scorecard, and draft WBG M&E Framework. In addition, some new data sources are being developed, such as the new external meta-evaluation of IEG evaluation quality, described in para. 35, and a new self-assessment of the strategic alignment of selectivity sheets and approach papers for major evaluations.

20. Several indicators will require further analysis and piloting, in coordination with the ongoing testing and revision of the Corporate Scorecard and the finalization of the WBG M&E Framework. These include new metrics to assess: the value-for-money for IEG business lines; IEG knowledge flows; and how to link the influence of IEG evaluation work in the medium-term with the assessment of WBG progress on the growth, inclusiveness, and sustainability pillars of the Corporate Scorecard, in consultation with DEC and OPCS. The final set of indicators will be submitted to CODE for review in early-FY15.

3. Long-Term Agenda: Deepening IEG Impact

Challenges and Opportunities

21. IEG has laid out an ambitious agenda – to influence decision-makers to take better informed decisions about WBG programs and activities that will help client countries more effectively and efficiently achieve the twin goals. Yet how influential is IEG’s work?

22. CODE has commissioned an External Review of IEG by an Independent Panel, which will help answer this question, and assess the independence, relevance, quality, and utility, and cost-efficiency of the evaluation function in IEG. The *2012 Client Survey* also provides helpful data to review IEG’s impact.

23. As outlined in the Board-approved Mandate of the Director-General of Evaluation, IEG is directly responsible to the Executive Directors for assessing WBG results and development effectiveness. According to the Client Survey, 98 percent of Board respondents (and over 80 percent of WBG staff and external stakeholders) perceive IEG's independence to be high; and approximately 80 percent of Board respondents perceive IEG’s work to have a significant impact on the effectiveness of WBG activities, and expressed satisfaction (or better) with the quality of IEG products. The overall use of IEG's products is consistently high among Board respondents (91 percent).

24. Staff ratings are less favorable -- though there is significant variation, with lower grades and country-based staff generally responding more favorably than higher grades and DC-based staff. Only 55 percent of all staff perceive IEG’s work to have significant impact, and 46 percent were satisfied (or better) with the quality of IEG products. In addition, IEG’s recent evaluation on *Learning and Results in World Bank Operations* highlighted that very few World Bank staff members use IEG products. In the survey commissioned for the evaluation, less than one-quarter of respondents rated IEG evaluations as a very large or substantial source of learning; and for project implementation, the corresponding proportion dropped to 17 percent. Similarly, in its review of 106 recently-evaluated operations, the evaluation found that only 13 percent referred to IEG in the appraisal or program document and 14 percent in the project completion report.

25. The low staff ratings reflect a range of factors. On the “staff side” -- there is a natural “aversion” to independent oversight functions; concern that IEG does not understand or take into account the dynamic country context for project implementation and how WBG teams manage and respond to risks; perception that IEG’s focus on outcomes promotes risk aversion and “dumbing down” of project objectives and targets; and mixed views on the value of independent evaluation for operational work. On the “IEG side” – IEG recognizes and is tackling several issues: there is scope for stronger selectivity and relevance of evaluation topics; more effective learning and knowledge sharing of evaluation work; greater transparency and continuous improvements with evaluation methodologies; and streamlining and simplification of business processes and products.

26. **The launch of the WBG Strategy and change process provides a unique moment for IEG and WBG management to address these factors and promote a stronger internal culture that values and learns from independent evaluation.** Senior Management has a critical role to play – their commitment, leadership, signaling, and role modeling will be key drivers to incentivize

staff to create, apply, and share evaluation knowledge, and take ownership for delivering results to clients based on evidence. At the same time, if IEG wants to achieve the ambitious outcomes set out in the new Results Framework, it will need to more effectively convey the value of independent evaluation to WBG staff, address concerns about the utility and quality of IEG work, and reposition itself as a collaborative knowledge partner.

27. In response to these challenges, IEG launched two years ago an internal renewal effort to strengthen our influence and impact. As reviewed in last year's Work Program, IEG has been investing significantly in a long-term agenda to build our capacity for:

- Making strategic choices on evaluation coverage and business lines adjustments;
- Enhancing the quality and credibility of IEG work;
- Scaling up knowledge, learning, and communications; and
- Managing human and financial resources more effectively.

28. We have made good progress, and there are several recent examples of powerful learning and knowledge sharing from IEG work that have helped decisions makers take better informed decisions:

- To enhance the delivery of assistance to FCS, the IDA17 replenishment includes a specific policy commitment to “*Implement Management’s response to the recommendations of the IEG evaluation of WBG support to FCSs*” (see Box 1);
- The new IFC Road Map 2015-2017 notes that it has made changes in how it reports short-term trade finance in response to the FY13 evaluation on global trade finance; and
- The findings of the FY14 *Learning and Results in World Bank Operations*, which was initiated at the request of the WBG President, are now feeding into reform discussions on how to better embed learning and knowledge in operations and the launch of the GPs and CCSAs.

29. Recent developments in the different areas of the long term agenda, and plans for FY15-17, are summarized below (resource management is covered in Chapter 5).

Box 1: Influential Evaluations: FCS

The FCS evaluation illustrates the scope for transformative learning and knowledge sharing on a critical corporate priority.

- Early sharing of findings to the IDA Deputies, as they framed the focus of the Special Theme on FCS for the IDA17 replenishment.
- Collaboration with the WBG FCS Hub to organize a two-day learning retreat of WBG Country Directors and Country Managers from FCS countries where sessions were organized on aspects of the evaluation (such as natural resources management, gender, inclusive growth and jobs).
- Public launch of the evaluation at an international seminar organized jointly with the International Dialogue for Statebuilding and Peacebuilding Working Group on Implementation, where the keynote speaker was the Chair of the g7+ group of FCS countries. .
- Development of related learning tools, including Evaluation Notes that highlight key findings and action points for use in the WBG core course on Fragility, Conflict and Violence; and a compendium of analytical findings and lessons on priority sectors and themes for FCS contexts.

Making Strategic Choices and Adjusting Business Lines

30. For the past two years, IEG has focused on clarifying its strategic objectives and ensuring greater selectivity and alignment of evaluation work with key priorities – and the development of the new IEG Results Framework, reviewed in Chapter 2, is a major step forward. As reviewed and agreed in last year’s Work Program, IEG is already implementing several steps to strengthen alignment, efficiency, and outcomes of the current product mix.

31. **Major Evaluations.** IEG is continuing to review how to work “faster, smarter, and cheaper” in the delivery of the major thematic, sectoral, and corporate evaluations.

- We are introducing more innovative evaluation topics and approaches to be able to respond more rapidly to the evolving business needs of the WBG – such as the proposed new process evaluations to facilitate real-time learning of the early implementation experience of the country engagement model and GPs, and support mid-course corrections, if needed.
- In line with the WBG shift to a development solutions culture, the major evaluations now focus much more on multi-sectoral themes, full integration of lending, knowledge, and convening services, and WBG collaboration and synergy – the FY14 *WBG Support to Public-Private Partnership* illustrates a strong “solutions” approach. As part of this shift, we are grounding our work in a more nuanced analysis and understanding of the political economy of WBG assistance and how WBG manages risks during program implementation – for example, the *FY14 Country Program Evaluation on Tunisia* addresses the effectiveness of the WBG response to governance issues in the context of the Arab Spring.
- We are more carefully linking and sequencing our learning and knowledge products to create synergies – for example, the proposed FY15 systematic review of impact evaluation evidence related to tertiary education will not only serve as a useful knowledge product to the Education Global Practice but also feed high quality evidence into the proposed FY16 evaluation on *Accelerating Prosperity through Tertiary Education*.
- In response to feedback about the timeliness and length of the reports, we are putting in place new processes and incentives to accelerate the delivery of shorter and more concise reports, with relevant additional analytical material include in annexes and some topics divided into a series of more “bite sized” reports. Some reports will require additional time and length by nature of their topic, while others can be fast-tracked – such as *Learning and Results in World Bank Operations*, which sequenced a complex topic into two separate phases, with elapsed time of 4 months from the Approach Paper meeting to CODE submission for the first phase report.

32. **Country-Level Evaluation.** IEG is continuing to update the toolkit for country evaluations to enhance their relevance and usefulness for operational teams, and ensure alignment with the new country engagement model.

- IEG has begun to pilot the new “clustered approach” to Country Program Evaluations (the first one is underway for Resource Rich Developing Countries, covering Bolivia, Kazakhstan, Mongolia and Zambia). The approach is designed to improve cost

effectiveness, deepen learning impact, and broaden country coverage – and offers the potential for significant cross-country and South-South learning on certain common themes.

- To make country evaluation knowledge more accessible and useful for country teams preparing SCD and CPF, IEG is piloting new country synthesis notes that combine country-focused background data with the latest evaluative evidence, surveys, and assessments from IEG and external sources. These will deliver key data and evidence in one easy-to-use, focused, but comprehensive package – and will be supported by a new web-based interface that provides much easier access to curated IEG country data and evidence.
- A series of “Good Practice Notes” are being developed on key operational issues to share lessons learned for staff preparing SCD and CPF. Key topics include CAS self-evaluation and results, selectivity, and treatment of WBG collaboration.

33. **Project-Level Evaluation.** IEG is continuing to deepen the relevance of and learning from project evaluations, and enhance the quality, timeliness, and cost-effectiveness of the project-level validation system.

- A top priority is to discuss with the new GPs and CCSAs how IEG evaluation evidence can support their efforts to facilitate results and evidenced based operations – particularly since the Corporate Scorecard will now be tracking the share of operations that draw lessons for design from evaluation.
- IEG is adjusting the selection criteria for projects subject to World Bank Project Performance Assessment Reports (PPARs) and IFC Cluster Assessments to ensure closer alignment with the new IEG Results Framework. The updated criteria will include: (i) themes related to future evaluations or learning products of IEG; (ii) projects that pose a high risk because of their size or other characteristics; (iii) projects that are particularly innovative, fill knowledge gaps, or transformational in nature; and (iv) projects where there is a major divergence in the view on the ratings between IEG and the self-evaluation. IEG will continue to explore the potential for increasing the relevance and utility derived from PPARs, as well as the efficiency in undertaking them via innovative use of technology and local evaluators.
- As earlier discussed with CODE, IEG has been reviewing options to introduce sampling for the validation of World Bank Implementation Completion and Results Reports (ICRRs), which would reduce time and costs for what has become an expensive and cumbersome review process. Management has suggested that a specific proposal be reviewed in FY15, once the Global Practices have been launched and there is more time to reflect on how a new validation system would fit with other dimensions of the internal reform agenda, including the data requirements of the new Corporate Scorecard and the desire to track unit-level performance.
- IEG recently concluded discussions with IFC and MIGA about streamlining the Expanded Project Supervision Reports (XPSRs) in IFC and Project Evaluation Reports (PERs) in MIGA. IEG also agreed to reduce the sampling rate for XPSRs from 45 to 40 percent given the increase of the number of IFC projects, yet without compromising our ability to report on the performance of IFC's investment operations.

- To enhance learning from project evaluations in IFC, IEG has revamped its lesson learned system (ELearn) for XPSRs, and is currently working on incorporating lessons from PERs as well as from PCRs. A new portal has been introduced to facilitate the analysis of XPSR results by sectors, regions or topic. This portal will be enhanced with data for MIGA and IFC Advisory operations and hence will cover the learning from all private sector project evaluations.
- Finally, IEG will continue to work with WBG Management on the development of a more robust and harmonized project-level self-evaluation system covering all three institutions, with a greater focus on mid-course corrections and learning lessons at project completion, as envisioned in the Solutions WBG reforms.

34. **Knowledge Product Evaluation.** In line with the focus of the WBG Strategy on enhancing knowledge, IEG is continuing to develop a more comprehensive and systematic business line related to the evaluation and validation of knowledge products.

- While IEG has been validating IFC advisory services since 2006, the validation of analytical and advisory activities for the World Bank has not been addressed systematically. At Management's request, IEG recently completed an evaluability assessment of the Bank's new self-evaluation system for knowledge products. The findings from the assessment suggest opportunities for improvement in the quality of the system as well as harmonization in evaluation of knowledge products across the WBG. In addition, IEG is internally developing a harmonized approach to evaluating knowledge across the variety of its products. Based on the findings of the evaluability assessment and the approach developed by IEG, IEG and Bank Management will work together on developing a framework for evaluating knowledge products.
- With respect to knowledge product evaluations in IFC, IEG and CDI are in the process of revising the guidelines for Project Completion Reports to reflect: (i) improvements in the methodology and (ii) the IFC reform process that has brought together investment and advisory services under a combined product offering.

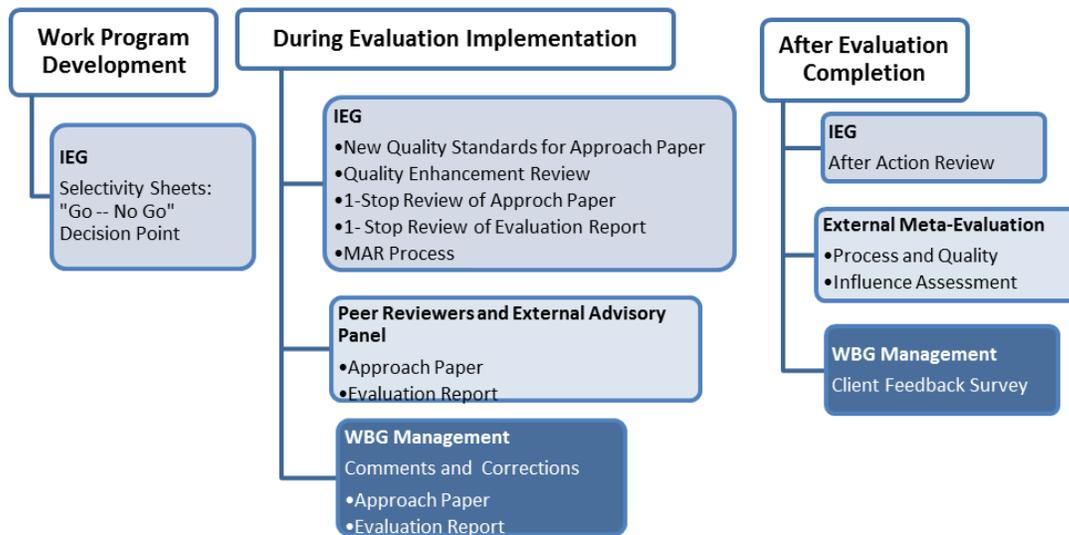
Enhancing Quality and Credibility of IEG Work

35. **Quality Assurance Framework.** Over the past two years, IEG has put in place a more comprehensive quality assurance framework (see Figure 2).

- Good quality starts with the selection of the right evaluation issues, so IEG has introduced a new process for selectivity and prioritization of the work program, as described in Chapter 4.
- During evaluation preparation and implementation, key quality elements include new quality standards for approach papers, the introduction of quality enhancement reviews as requested by TTLs, internal IEG review meetings on the draft Approach Paper and Evaluation Report with external peer reviewers, and review and feedback by WBG Management on the draft Approach Paper and Evaluation Report.

- In FY14, IEG introduced two new quality assessment mechanisms after evaluation completion: (i) “After Action Reviews” where IEG staff have a structured debrief process to analyze what happened, why, and how the work could have been done better; and (ii) “Meta-Evaluations” where an independent panel provides an assessment of the quality, strengths and weaknesses, and overall conduct of a sample of individual IEG evaluations. The panel will assess utility, feasibility, propriety and validity, drawing on standards from the Joint Committee Standards and the ECG Big Book on Evaluation Good Practice Standard. The first round of assessments is underway on three recent evaluations and the findings are expected in end-FY14. Based on the pilot experience, IEG will review whether to scale this up in FY15-17, and how the meta-evaluation methodology could be internalized in the design and implementation of IEG evaluation work.

Figure 2: IEG Quality Assurance Framework



36. **Methods and Data.** IEG has continued to invest in testing, adapting, and developing new methods to ensure that we maintain cutting-edge rigor and quality in the evaluation of WBG development effectiveness. Key steps include:

- Publishing IEG’s methodologies on the web to ensure transparency and credibility;
- Refining and harmonizing project validation methodologies for the Bank IFC, and MIGA, in line with the consolidated data reporting requirements of the new WBG Monitoring and Evaluation Framework;
- Using new software tools to help more efficiently review documents for evidence;
- Tapping into large internal and external data sets (“big data”) and beneficiary feedback mechanisms to deepen the evidence we use in evaluations;
- Establishing standards for data collection and sharing to make our evaluation data more accessible to stakeholders.

- Harmonization of the methodology and ratings of CASCR, with IEG and OPCS jointly issuing a guidance note “*Assessing Country Partnership Strategies: A Shared Approach*,” in November 2013; and
- To ensure alignment with global best practices, IEG is continuing close collaboration with the Evaluation Cooperation Group (ECG) to develop and refine evaluation methods and good practice standards for project evaluation across multilateral development banks.

37. In FY15-17, IEG will particularly focus on improving methods related to the evaluation of WBG contributions to the achievement of the twin goals, in line with the objectives and outcomes spelled out in the new IEG Results Framework.

- In partnership with DEC, IEG is assessing its current evaluation methodologies from the perspective of measuring the performance and results of WBG programs and activities on shared prosperity and inclusive growth. The methodological issues are multidimensional, reflecting the relevance of growth analytics and decomposition, household survey evidence of project incidence, and qualitative evidence on participation, voice and accountability among excluded communities at the local level.
- IEG has developed a specific work stream on gender equality to improve IEG assessment of distributional effects, which will identify approaches to facilitate the assessment of gender-relevant impacts in evaluation products, provide support to evaluators (through guidelines, training, BBLs, etc.) to better integrate gender in their work, and foster learning and knowledge sharing within and outside the WBG.
- To ensure that complex evaluation issues like inclusive growth draw on “state of the art” research methods, IEG is also launching work to deepen use of mixed methods in evaluation work, sharpen our methodologies for qualitative and quantitative analysis, and develop a more rigorous framework for assessing the contribution of the WBG when it is difficult to attribute outcomes directly to interventions.

38. **Management Action Record (MAR).** The MAR reform has been an important step to enhance the quality and impact of IEG evaluations as well as strengthen monitoring and accountability related to implementation of agreed actions in the Management Action Plan. Key outcomes include:

- Improved quality of IEG recommendations, including clearer links to findings, prioritization, better clarity and specificity, and considerations of feasibility and cost effectiveness;
- Stronger engagement with WBG management while drafting the recommendations, to build understanding and agreement;
- More specific actions to be taken to implement IEG recommendations in Management Response, and clearer timeline and monitoring arrangements; and

- Enhanced assessment of progress on implementation and reduced inconsistencies in ratings between IEG and Management.

39. A technical briefing was held for the Executive Directors in January 2014 to demonstrate the new on-line MAR system, which provides a central repository of findings, recommendations, management responses, detailed action plans and implementation, for use by all stakeholders. The MAR data set is now available on the external website – an important step in the WBG’s commitment to transparency and Open Data. In FY15, IEG will focus on: (i) maintaining the successful engagement process with WBG management on IEG recommendations and findings; (ii) implementation of the new MAR system across the WBG for the 2014 MAR cycle; and (iii) providing access, data, and a more systematic analysis to the Board, WBG management, and external stakeholders to enhance the transparency, accountability, and learning around recommendation findings and follow up.

Scaling Up Knowledge, Learning, and Communications

40. **Knowledge and Learning.** Independent evaluation plays a central role in generating critical evidence to inform and improve decision making – and this requires that the evidence is sought after, interacted with, understood, and deployed in the right context and in dynamic formats. IEG therefore attaches great importance to ramping up the distillation and dissemination of knowledge from evaluation products, including through development of new knowledge management products and processes that share lessons, good practices, and key evaluation findings. IEG has rolled out a new public disclosure policy that makes evaluation work more accessible to external stakeholders, and launched development of improved tools for searching and analyzing IEG documents. Most important, IEG is continuing to champion the new Results Measurements and Evidence Stream organized by OPCS and CDI.

41. The FY15-17 work program will continue efforts begun in FY14 to facilitate learning from evaluations. Specific attention will be paid to systematically enhance the “user experience” of IEG’s clients along the entire production process, with the aim to increase the uptake of evaluative insights at various stages of project concept, design and implementation. The following actions are envisioned.

- Reintroduce in select macro evaluations the production of interim outputs that will be shared with WBG Management and staff to foster dialogue throughout the evaluation process. In addition to stimulating learning during the evaluation, this type of interaction will provide early feedback to IEG on its findings and thus enhance the quality of the final evaluation report.
- Pilot collaborative knowledge creation activities that engage WBG staff with IEG products and can thus drive learning and knowledge uptake. Having developed in FY14 a number of synthesis products that distill lessons learned, the challenge for FY15 is to actively engage WBG staff in the context of effective learning formats. These include collaborative knowledge creation (e.g. contributing to the WBG wiki using IEG insights), Master Classes on using evaluative insight, engagement with key communities of practice, etc. – both stand-alone and integrated with ongoing knowledge and learning programs to be conducted by the new Global Practices.

- Continue to invest in further improving key IT platforms critical for sharing IEG knowledge, such as eLearn, in particular to ensure alignment with the new Global Practice Portal, including its curated knowledge sections, various collaborative spaces, and wiki.

42. **Communications.** To successfully deliver an expanded learning and knowledge sharing program, IEG will need to enhance its strategic communications functions. IEG commissioned an assessment of internal and external stakeholders in FY13 to review the effectiveness of IEG's communications, how stakeholders interact with IEG products, and stakeholder' perceptions of IEG. Based on the feedback, IEG developed an action plan to enhance communications and more effectively position IEG as the premier source of evaluation knowledge on development issues, which is under implementation. In FY14, the external website was revamped to improve accessibility and use, and new social media communication channels were developed to disseminate IEG evaluation findings, including a new blog by the Director General. Key actions in FY15-17 include:

- Manage media relations and stakeholder communications in a targeted and segmented fashion, including more extensive use of interactive social media; this will include, amongst other things, providing greater capability to IEG to understand its different stakeholders and facilitate targeted communications to them, systematically through a stronger "Constituent Relationship Management" system;
- A commitment to end-to-end knowledge and communication efforts by evaluation teams, supported and guided by IEG's communication group, including deployment of more effective tools to help teams plan and execute efficient and cost-effective knowledge and communications strategies for every evaluation.

4. Proposed Work Program for FY15-17

Selectivity Framework

43. To identify the strategic evaluation priorities for the work program, IEG followed four steps.

44. First, we reviewed and updated the “gap analysis” that was completed last year to assess the coverage of IEG evaluations over the past six years, and identify knowledge gaps where IEG evaluation work would add value. The analysis looked at both gaps in the evidence base related to the strategic priorities set out in the WBG Strategy, and the coverage related to the size and spend of WBG lending (summary tables are included in Annex 2). The analysis reconfirmed the gaps identified last year: energy and finance sectors, resource rich countries, and cross-cutting themes related to gender and inclusion, regional economic integration, urban development, and the “open development” agenda including data as a global public good.

45. Second, we mapped existing and planned evaluation work against the new IEG Results Framework to identify pressing knowledge areas where additional evaluation evidence was needed to achieve the intermediate and medium term outcomes that we have set out.

- For the first objective related to WBG contribution to the twin goals, we found good coverage of the poverty reduction target (since inclusive growth had been a strategic priority in our work program for the past two years) but insufficient coverage of issues that feed into the shared prosperity target.
- For the second objective related to the early implementation experience of the WBG Strategy, we found several gaps related to: (i) the new reforms being launched, such as the country engagement model and Global Practices; (ii) partnership dimensions, including citizen engagement, leveraging private sector resources, and managing global public goods; and (iii) the efficiency of operational instruments (i.e. PfoR, DPOs, Equity, Reimbursable Advisory Services).

46. Third, work program discussions were held with CODE, the senior leadership teams of the three institutions, World Bank Sector Boards and Regions, other important internal partners like DEC, WBI, CFP, and IAD, as well as civil society organizations, to solicit their recommendations for evaluation priorities. Overall, there was strong endorsement for aligning the IEG work program with the new WBG Strategy and reform agenda, and for the enhanced focus on learning and knowledge sharing from evaluations – with a plea to build flexibility into the work program to address new, critical issues as they emerge.

47. Fourth, all proposed topics were subject to the IEG selectivity framework, which was updated and revised to ensure stronger alignment with the new Results Framework. Key elements of the revised framework include:

- How does the product fit with the IEG Results Framework and feed into specific intermediate and medium-term outcomes?

- How does the product contribute to the twin goals, and the strategic priorities set out in new WBG Strategy and change process?
- What is the level of CODE/Board interest in this subject?
- How is the timing of the product aligned with key WBG corporate deliverables and decision points?
- What is the balance between accountability and learning?
- Do we have the right expertise to deliver this product? Are there any other implementation challenges or risks to delivering this product?
- What makes IEG uniquely positioned to conduct this work? What is the value added that an independent evaluation perspective would bring, compared with WBG self-evaluation, DEC research, existing external evaluations, etc.

48. Based on this analysis, IEG developed the three-year work program, which is included in Annex 3. The detailed selectivity sheets for new evaluations are included in Annex 4. The work program tables in Annex 3 are presented with three different lens: (i) by IEG business lines, which highlight the introduction of additional learning products in line with the greater strategic focus on learning and knowledge sharing; (ii) by the objectives and results areas of the new Results Framework, which highlight the contribution of individual work products to achieving the objectives and outcomes that IEG has set for the intermediate and medium-term; and (iii) by WBG strategic priorities, as set out in the WBG Strategy, IFC Road Map FY15-17, and IDA replenishment report.

49. As agreed with CODE last year, IEG has reduced the number of major evaluations to promote enhanced selectivity and focus on the critical issues, and has redeployed the cost savings for the scale up of learning and knowledge sharing. As in last year's work program, we are proposing to deliver about 8 major new evaluations and one annual synthesis of results and performance each year in FY15-17.

Major Evaluations Related to WBG Contribution to Twin Goals

50. About three-quarters of the major evaluations in the FY15-17 work program will contribute to the first objective of the IEG Results Framework, related to deepening evidence about the results of WBG programs and activities. These evaluations are designed to contribute to a greater understanding of when and how WBG activities are effective in achieving inclusiveness, growth, and sustainability, and whether WBG activities are effectively aligned and contributing to the twin goals.

51. Six evaluations will focus on **inclusiveness**.

- *FY15 Getting to Poverty* aims to understand how the Bank designs and implements country programs to contribute to poverty reduction, with a focus on the adequacy of data and diagnostics, integration of analytical work into country strategies and selection of interventions, and effectiveness of feedback loops;

- *FY15 Inclusive Finance* will assess the effectiveness of WBG support to promote financial inclusion, which is the focus of WBG collaboration with the G20 and a critical pillar of the inclusive growth theme in IDA17;
- *FY15 Early Childhood Development* will assess WBG support for making gains in early childhood development, which the DEC 2012 and 2013 Global Monitoring Reports have highlighted as critical to meeting several MDGs;
- *FY16 Accelerating Prosperity through Tertiary Education* will assess the performance and results of World Bank support to tertiary education, particularly with regard to quality, financing mechanisms, equality of access, and contributions to improved productivity and labor market outcomes, economic growth, and poverty reduction;
- *FY17 Promoting Shared Prosperity*, a companion to the FY15 Getting to Poverty, will focus at the country level and examine the results framework linking analytic work to country strategy, portfolio design, and implementation to advance the agenda of growth in incomes and socio-economic opportunity of the bottom forty percent of the population;
- *FY17 Tackling Urban Poverty* will address the challenges of urbanization on the poor, the development of “inclusive cities,” and pro-poor urban service delivery, and redress the knowledge gap flagged in the review of IEG evaluation coverage.

52. Five evaluations will address **growth**.

- *FY15 Electricity Access* will assess the effectiveness of WBG support for universal access to electricity that is adequate, affordable, and of the required quality and reliability, and redress the knowledge gap flagged in the review of IEG evaluation coverage;
- *FY16 Rural Employment and Income Generation* will assess whether increased attention to connectivity, resilient rural enterprises, and rural financial markets has contributed to broad-based and sustainable rural growth and poverty reduction;
- *FY16 Capital Market Development for Long Term Growth* will assess the extent to which WBG support to capital markets development has contributed to inclusive growth;
- *FY16 Jobs and Competitiveness* will assess the effectiveness of WBG support to competitive industries to promote meaningful contributions to growth, job creation, and shared prosperity;
- *FY17 Private Sector Development in Frontier Markets* will assess performance and lessons related to WBG support for private sector job creation in IDA countries, FCS, and frontier regions in non-IDA countries.

53. Four evaluations will address **country-level performance** in clusters of countries facing similar issues or challenges, designed to enhance accountability and learning for results in country programs.

- *FY15 Clustered CPE on Resource-Rich Countries* will assess WBG support for helping countries manage the fiscal challenges of natural resource rents while ensuring broad-based sharing of benefits;

- *FY15 Fragile Situations in Non-FCS Countries* will broaden the analysis of the FY14 FCS evaluation and include WBG operations in IBRD-only and blend countries, and help deepen the understanding of how WBG can be relevant and effective in tackling fragile and conflict situations;
 - *FY16 Clustered CPE on Small States* will assess the effectiveness of WBG support for small states, notably the challenges related to vulnerability to economic shocks and income volatility, limited institutional capacity, difficulties in accessing external capital, and susceptibility to natural disasters and climate change; and
 - *FY17 Clustered CPE on Inclusive Growth in MICs* will examine the extent to which WBG support to middle income countries – which have generally been successful in reducing poverty – has contributed to achievement of shared prosperity.
54. Several evaluations will focus on the **sustainability** dimensions that underpin the twin goals.
- The burdens of air and water pollution, and unsustainable resource extraction, fall heavily on poor people and threaten long-term sustainability of growth. The *FY17 Institutions for Environmental Sustainability* will be our flagship evaluation on sustainability, and assess the effectiveness and distributional impact of WBG support for policies and institutions that seek to equitably and efficiently reduce these externalities.
 - The special thematic focus of the *FY17 Results and Performance Report* will be the Sustainability of Future Generations, which will synthesize IEG evaluation evidence related to WBG performance on environmental, social, fiscal, and economic sustainability;
 - Many of the major sectoral and country evaluations described above will have strong coverage of sustainability issues. For example, *Electricity Access* will look at the uptake of renewable energy in rural (off-grid) areas; *the Clustered CPE on Resource Rich Countries* will review environmental issues related to exhaustible resources (where conflicts over resource rights and damages from unsustainable exploitation are often flashpoints); disaster risk management and climate change adaptation will feature prominently in the *Clustered CPE on Small States*; *Rural Employment* will address issues related to resource extraction, forest and plantation management, tourism, and biodiversity; and *Urban Poverty* will cover water and energy use, air and water pollution, traffic congestion, and urban sprawl.
 - In addition, several major learning products described below will foster learning and knowledge sharing on key sustainability issues, notably the review of DPOs, and sustainable fisheries.
 - No new evaluations are planned on climate change, as IEG has completed three major ones over the past five years, which are being synthesized in a “capstone” learning product in end-FY14.²
55. The **annual Results and Performance Report** will continue to provide a summary of aggregate WBG performance and a synthesis of IEG evaluations completed in the year. As agreed

² *FY13 Adapting to Climate Change: Assessing World Bank Experience*; *FY10 The Challenge of Low-Carbon Development: Climate Change and the World Bank Group*; and *FY09 Climate Change and World Bank Group: Win-Win Energy Policy Reforms*.

in last year's Work Program, the RAP will include a special thematic chapter and incorporate the Regional Updates as annexes. The proposed thematic focus in FY15 is *Achieving the MDGs*, in FY16 is *Gender Equality*, and in FY17 is *Sustainability for Future Generations*.

Major Evaluations Related to Early Implementation Experience of WBG Strategy

56. About one-quarter of the major evaluations in the FY15-17 work program will contribute to the second objective of the IEG Results Framework, related to generating independent evaluation evidence to assess the early implementation experience of the WBG Strategy. These evaluations are designed to enable real-time learning and mid-course corrections, and promote a stronger internal culture for results, accountabilities, and learning.

57. One evaluation will focus on **Helping Clients Tackle the Most Important Development Challenges**. We are proposing a process evaluation on the initial implementation experience with SCD and CPF in FY16 -- and then a subsequent process evaluation on PLR and CLR in the next three-year work cycle. These evaluations will not assess performance or results, but rather how the new tools have been prepared and used – including alignment with good practices and WBG guidance, level of inclusion (citizen voice, country perspective) and partnership engagement (other development partners, private sector), effectiveness of WBG collaboration, and treatment of key issues such as selectivity and comparative advantage. Client feedback on the early experience with the new country engagement model will be a central feature of these process evaluations.

58. A second set of evaluations will focus on **Becoming a Solution Bank**. These will review the effectiveness of learning and knowledge in operations, including the early implementation experience of the GPs and CCSAs, and assess the relevance, efficiency, and effectiveness of operational instruments and systems.

- *FY15 Learning and Results in Operations – Phase 2* will assess how to promote more systematic learning by staff and clients in World Bank lending;
- *FY16 Assessment of WBG Self-Evaluation Systems* will appraise the effectiveness of operations self-evaluation and development risk management systems, including the usefulness and relevance of project supervision and completion reporting;
- *FY16 PforR Evaluation* will assess early implementation experience and identify lessons learned and good practices for this new instrument; and
- *FY17 Process Evaluation of GPs* will review the clarity of roles, efficiency of delivery, interface with country engagement model, level of “jointness,” process to deploy expertise and knowledge to meet client needs, and process to collect, curate, and share knowledge – the evaluation would contribute to the “third wave” of the GP operational plan.

59. A third set of evaluations will focus on **Working in Partnership**. These are designed to enhance learning and accountability to strengthen alignment, efficiency, and performance of partnership and trust fund programs and collaboration with key stakeholders.

- *FY15 Enhancing Development Effectiveness of WBG Partnership Programs* will synthesize knowledge and lessons from IEG partnership reviews since the last synthesis report in 2011, to support

the ongoing trust fund reform processes and the merger of global partnership programs with the new GP structure;

- *FY17 Mobilizing Private Resources for Maximum Development Impact* will assess WBG support to mobilizing private capital and alternative investors for scaling up development impact, including IFC syndication and the AMC, Bank green bond initiative, IDA guarantees, and MIGA's reinsurance program; and
- *FY17 Engaging Citizens* will address WBG support for transparency, accountability and participation to enhance citizen voice, beneficiary feedback loops, and partnership with civil society organizations in order to strengthen the demand side of governance and complement service delivery through public and private institutions.

60. As reviewed in last year's Work Program, we are focusing on mainstreaming the review of individual partnership programs into major evaluations. For example, the FY14 FCS evaluation incorporated a review of the State and Peace-Building Fund and the Transitional Demobilization and Reintegration Program. Similarly, the FY15 evaluation on electricity access will be complemented by a review of the Energy Sector Management Assistance Program (ESMAP) and other partnership programs in the sector. Likewise, the reports on Tackling Urban Poverty, Early Child Development, and Sustainable Access to Water Supply and Sanitation will incorporate reviews of key partnership activities. With the completion of the GEF and GAVI reviews in FY14, no other large, independent Global Program Reviews are proposed in the work program.

61. As earlier discussed with CODE, IEG is currently involved in a special evaluation of the Climate Investment Funds (CIF). At the request of the CIF governing bodies, the independent evaluation departments of the five participating multilateral development banks are currently overseeing a joint evaluation of the CIF, which is expected to be completed in FY15. IEG is chairing the Evaluation Oversight Committee, and managing the trust fund that has been established for this purpose. The CIF is paying the full costs of this evaluation, including IEG staff time. In addition, IEG will participate on the oversight committee for the independent evaluation of the Global Partnership for Education, again on a full cost-recovery basis.

Other Evaluation Products

62. **Project-Level Evaluations.** IEG plans to deliver Project Performance Assessment Reports (PPARs) covering about 40-50 World Bank projects and Cluster Assessments covering several IFC projects in FY15, which is about the annual level delivered over the past years. As reviewed in para. 33, the selection criteria have been updated to ensure strong alignment with the IEG Results Framework. These will increasingly be clustered around the themes of key macro evaluations and synthesis learning products. Key topics include: economy-wide and sectoral budget support operations through DPLs, energy, inclusive finance, early child development and nutrition, urban poverty, water and tertiary education, and housing finance.

63. **Impact Evaluations and Systematic Reviews.** IEG will continue to scale up the use of impact evaluation methods to produce and synthesize evidence on the effectiveness of specific development interventions in FY15-17. IEG's work with impact evaluation has focused on three types of evaluation products: (i) systematic reviews which synthesize the available impact evaluation evidence, both inside and outside of the Bank, on different intervention categories (see Box 2); (ii) evaluation of the use of World Bank impact evaluations as a knowledge product; and (iii) very

selective deployment of impact evaluations of WB supported project interventions. In FY15, two systematic reviews are planned, in conjunction with the major evaluations on electricity access and tertiary education.

Box 2: Broadening Evidence through Systematic Reviews

IEG has identified Systematic Reviews as a largely untapped evidentiary resource at the WBG and with a large potential to feed into the evidence-base of IEG's own evaluative products. IEG is therefore scaling up its production of strategically selected systematic reviews to inform ongoing and future evaluations. In addition, IEG is using existing systematic reviews prepared by external organizations to inform evaluation products, including in the areas of Early Childhood Development, Financial Inclusion, and Land Administration.

IEG is engaging with operations on how to increase the use of evidence from Systematic Reviews during the design-phase of operations and as a source of good practice knowledge for the Global Practices going forward. At the 2014 Spring Meetings, IEG organized a side-event with panelists from OPCS, DEC, the Mexican Ministry of Finance, and the International Initiative for Impact Evaluation (3ie). There was a keen interest among panelists and the audience in increasing the use of Systematic Reviews both as a source of knowledge on what works, what doesn't and why, and also to identify gaps in knowledge where further primary studies are required.

64. **Major Learning Products.** IEG will continue to scale up the delivery of learning and knowledge products in FY15-17 that synthesize and disseminate IEG evaluation work. As reviewed in para. 41, we will be piloting new collaborative knowledge creation activities that engage WBG staff with IEG learning products, and can thereby drive stronger staff update of IEG knowledge. Given the new role and focus of knowledge in the GPs and CCSAs, it will be essential to reach out to them early and find opportunities to connect IEG knowledge with their new IT platforms and knowledge sharing programs.

65. The proposed topics for major learning products have been aligned with the new IEG Results Framework and respond to gaps in the WBG knowledge base, demand from key stakeholders, areas of particular risk and innovation in the WBG portfolio, and/or synergy with forthcoming evaluations. All learning deliverables for FY15 are included in Annex 3 (and major ones are included for FY16-17). Some of the more significant ones are noted below:

Learning Products Related to WBG Contribution to Twin Goals

- To synthesize and share findings and lessons related to the effectiveness of WBG support to for inclusive growth, two major thematic learning pieces are planned: a companion piece to the FY14 Social Safety Nets and Gender Equality covering another sector in FY15, and Water Supply and Sanitation in FY16. In addition, IEG is arranging a technical briefing for the Board in FY15 on its gender evaluation work stream.
- In line with our commitment for corporate performance reporting, a summary report on *Maximizing Development Impact in IDA17* is proposed for FY17 as background for the launch of the IDA18 replenishment.

Learning Related to Early Implementation Experience of WBG Strategy

- To support the implementation of the new country engagement model, we are planning to produce *Country Synthesis Notes* that summarize IEG country evaluation evidence and *Good Practice Notes* on country engagement issues in FY15-17, as reviewed in para. 30.
- To support the launch of the GPs and CCSAs, we are planning to produce *Good Practice Notes* in FY15-17 that synthesize findings from major evaluations, PPARs, and ICRRs to help accelerate key operational outcomes of the Solutions WBG, such as working as One WBG, effective multi-sectoral collaboration, and stronger sectoral results frameworks. We are also planning a major synthesis piece on *Lessons from Transformational Engagements* in FY15.
- A series of major learning products on lending instruments will be undertaken to enhance the efficiency and effectiveness of lending services, including DPOs in FY15 and Direct Equity in FY16.
- To enhance WBG work on partnerships, a major synthesis piece on *Enhancing Development Effectiveness of WBG Partnership Programs* is planned for FY15, which will synthesize knowledge and lessons from IEG partnership reviews since the last synthesis report in 2011, to support the ongoing trust fund reform processes and the merger of global partnership programs with the new GP structure.
- The work program includes several sectoral knowledge products that are designed as “win-wins” – they summarize evaluation findings as inputs into the preparation of major evaluations and provide relevant “knowledge nuggets” for GPs. Examples include microfinance, renewable energy, and manufacturing in FY15.

Validation Products

66. **CASCR Validations.** IEG will continue to review 100 percent of all CAS Completion Reports in FY15 – 17. About 24 CAS are expected to be reviewed in FY15. In addition, as the new country engagement is rolled out, IEG is continuing to review and discuss with CODE how to provide useful evaluative input for the initial round of PLRs.

67. **Project Validations.** IEG will continue to review WBG project completion reports, to foster both accountability and learning in the self-evaluation system (see Box 3). In FY15, IEG will continue to review 100 percent of completed IDA/IBRD lending operations with available self-evaluations, as well as 100 percent of completed recipient-executed trust funded projects greater than or equal to \$5 million with available self-evaluations. As discussed in last year’s work program, IEG has taken a number of measures to address a backlog that resulted from an unprecedented rise in ICRs in 2012 coupled with staffing and consultant shortages within IEG. While the high flow of incoming ICRs and the need to maintain a consistent level of quality of validation continues to be challenging, as a result of these efforts, 68 percent of the backlog of historical ICRs has been cleared and IEG has posted more ICR reviews than it has received over the last year. Through improved data tracking systems and an intensified training program for evaluators and reviewers, IEG expects to significantly improve the time it takes for an ICR review to be processed, and thereby reduce and eventually eliminate any backlog in FY15. Looking forward, IEG will review with WBG Management and CODE the scope for moving towards a strategic sampling basis, as reviewed in para. 33.

68. IFC will prepare self-evaluations for 40 percent of randomly selected mature investments, all validated by IEG. For closed projects, IEG will prepare independent project evaluation summaries (PES) in lieu of XPSRs. In case of Advisory Services, IEG will validate 51% of project completion reports, based on random representative sampling. For MIGA, the self-evaluation accompanied by IEG's validation and independent evaluation by IEG will together cover 100% of MIGA's mature guarantees.

Box 3: Use and Influence of Project Validation

A recent IEG survey indicates that 76 percent of IFC advisory services staff use the project completion report and validation review by IEG in project preparation (much higher level compared to IFC investment staff). Similarly, 89 percent of MIGA staff report very high learning value from project reviews that is subsequently applied to underwriting and business development.

Use is particularly desirable in challenging environments such as in FCS where learning can accelerate development effectiveness. For example, the project completion report of IFC's Investment Climate Program in South Sudan recognized that while most donors had been focusing on the implementation of the peace agreement and reconstruction, IFC had come in as first mover to support investment climate improvement. The report includes lessons learned applicable in other fragile and conflict states. IFC Management stressed the importance of the IEG validation *"because it identified the value of the innovations IFC implemented in this program -- innovations which provided direct support to the peace process in South Sudan."*

Evaluation Capacity Development

69. Encouraging and assisting client countries to build effective monitoring and evaluation associations, capacities and systems is one of IEG's six mandates. Over the past several years, IEG has promoted Evaluation Capacity Development (ECD) through three initiatives: (i) Centers for Learning on Evaluation and Results (CLEAR), (ii) the International Program for Development Evaluation Training (IPDET), and (iii) ECD knowledge products and technical assistance. With strong financial support from development partners, this work has generated good results on the ground, particularly in terms of creating knowledge, sharing knowledge through training and network creation, and turning knowledge into value through IEG's many partners, such as the CLEAR partners (see Box 4).

Box 4: Building Evaluation Capacity in Africa

In partnership with the Department of Monitoring and Evaluation (DPME) of the South African Presidency, the CLEAR Center for Anglophone Africa at the University of Witwatersrand in South Africa developed a series of case studies of M&E systems in several African countries, including Ghana, Kenya, and Senegal. These studies and subsequent workshop helped identify key action plans for further developing the countries' evaluation systems. The work strengthened local practitioners' research skills and facilitated knowledge exchange among peers within government about how to implement the change processes required for improving evidence-based decision-making. CLEAR also supported DPME to develop its innovative and ambitious agenda for South Africa's government-wide M&E system by contributing to its evaluation guidance documents, evaluation standards and competencies, and public sector M&E capacity building strategy and programs.

70. In response to the new WBG Strategy, IEG will propose a broader and more strategic approach to ECD – one that, on the one hand, partners more directly with the WBG and leverages the strengths of the new country engagement model and the Solutions WBG, and, on the other hand, builds on IEG’s global convening power to mobilize others partners to support ECD. Specifically, two elements of the new WBG Strategy will give rise to a new and enhanced emphasis on supporting evaluation capacity across the Group: the intent to scale up support to build developing countries’ capacity to collect and use statistics in evidence-based public policy, and the expectation to more broadly deploy Program for Results (PforR) instruments. Both efforts can only be successful if capacity building for national monitoring and evaluation functions is pursued more explicitly and with broader deployment of resources and partners.

71. Over the next six months, IEG will develop a new strategy for support to ECD, which we look forward to discussing with Management and the Board, as well as country clients and partners. The strategy will be based on our comparative advantage of being the premier evaluation group in the development community, leveraging our independence and reputation. It will take stock of our current support to IPDET and CLEAR, and review strategic choices to support their future evolution (drawing on the findings of the independent mid-term evaluation of CLEAR and our own “market survey” of the supply and demand for evaluation training, both of which are underway). Amongst other things, the strategy will include a specific proposal for WBG Management to mainstream ECD into the WBG’s business while IEG would continue to be available as a source for independent knowledge on methodologies and approaches. Such an approach would build on IEG’s mandate and experience, while recognizing WBG comparative advantage for analytical work, country engagement, and operational delivery.

72. Key elements of the initiative would include:

- **Promoting integration of ECD in the new Country Engagement Model.** This would entail working with DEC, OPCS, Regions, and the relevant GPs to develop new instruments for diagnosing existing evaluation capacities and their constraints. These diagnostic tools would be available to country teams for use as part of the SCD phase, and would complement related diagnostics for statistics and help identify the critical gaps in countries’ capacity to produce and use evaluation evidence to achieve their development goals. The assessments would enable country teams to work with clients to identify the priority capacity building investments and technical assistance to strengthen the quality, relevance, and timeliness of national monitoring and evaluation functions. These priorities would then be integrated into the CPF or other development partners’ programs, as appropriate, with implementation monitored as part of the PLR and CLR.
- **Engaging with partners globally in promoting country evaluation capacity while also contributing to donor- and stakeholder coordination.** IEG will identify and, as appropriate, pursue promising approaches to engage with, mobilize and leverage local and global partners in its efforts to (i) define broadly recognized methodologies for assessing maturity and performance of country evaluation systems; (ii) encourage coordination between donor and stakeholder engagements in capacity building; and (iii) catalyze action on the ground, by building ownership for and understanding of relevance and performance of country evaluation systems.

Global Leadership and Collaboration with Evaluation Partners

73. One of the core functions in IEG's mandate is to cooperate with other IFIs and development agencies. In FY15-17, IEG will maintain close engagement with the Evaluation Cooperation Group, the OECD DAC Network on Development Evaluation, and other evaluation partnerships. IEG will continue to provide global leadership in promoting:

- Harmonized performance indicators, and evaluation methodologies and approaches among evaluation agencies;
- Adoption of good practice standards and benchmarking against these;
- Enhanced evaluation professionalism within agencies;
- Joint learning and knowledge sharing with evaluation units of bilateral and multilateral development organizations.

74. Given the growing role of private sector in development, IEG will continue to lead on private sector evaluation issues. The Post-2015 Development Agenda is motivating closer collaboration of the public and private sectors to leverage the private sector's contribution to sustainable development. This new focus on the private sector raises significant challenges for evaluation to accurately assess the private sector's contribution to sustainable development. A growing number of investors and other stakeholders are demanding to know the developmental and social achievements of their investments and various impact assessment frameworks have been launched. IEG has a significant role to play in the Post 2015 environment to provide thought leadership and promote greater alignment and uptake of sustainability reporting to leverage the impact of the private sector on development.

75. 2015 has been designated by international development agencies as the "Year of Evaluation," mindful that the dialogue about the post 2015 agenda will need to be informed and supported by efforts to measure and track progress made towards the new goals. The "Year of Evaluation" provides an excellent opportunity for IEG to raise awareness of the role of independent evaluation in particular, and to build collaboration with other agencies and in developing countries. In close collaboration with the UN agencies and private foundations that are playing a lead role in organizing the "Year of Evaluation," we plan to take this opportunity to make a substantive contribution both internally within the WBG and externally. Strategic objectives would include:

- To further a discussion on greater professionalization and higher quality standards in evaluation – there is an urgent need for this and it links well to internal WBG reforms, including the recently agreed evaluation competencies;
- Explore how developing countries can take a stronger lead in evaluation discussions so that capacity is built with their needs and demands firmly in mind;
- Greater south-south cooperation on evaluation, supported by the WBG and other multilateral and donor agencies.

5. Staffing and Budget

Human Resources

76. As in prior years, IEG will manage its staff levels and skills mix to support its strategic directions and corresponding work program. To ensure alignment, IEG relies on multiple human resources tools that allow effective management of staff:

- **Strategic staffing** continues to be the foundation that defines staffing needs of individual departments and ensures that staff levels and skills mix are well aligned with work priorities and deliverables. IEG makes every effort to advance its diversity ratios, balance the grade mix, manage the GH complement relative to other grades, as well as balance of external and internal backgrounds within each department;
- **Talent review** has been conducted earlier in the year and its recommendations are being implemented. This exercise will ensure there is a right mix of formal training, mentoring, and on-the-job development opportunities to equip staff at all levels with the evaluation knowledge and skills they need to grow professionally;
- IEG has implemented the **performance management framework**, building a clear line of sight between staff's work and IEG priorities through cascading objectives from the Director General to the Directors down to all staff, captured in transparent results agreements; and
- IEG has finalized the development of **evaluation competencies**, in partnership with HR and other stakeholders, to help enrich professional development by giving staff a clearer view of what is needed in a job at different levels.

77. As of end-April 2014, staffing levels in IEG stood at 110, with staffing levels during the year fluctuating in the range of 102-114 due to natural turnover. IEG compares favorably relative to the Bank in terms of internal mobility of staff, which allows for active management of the staff skills base. IEG management is conscious of the need to draw both on WBG experience and on experience from external organizations. The proportion of professional staff (GE+) at the end of April 2014 that were recruited from outside the WBG stood at 43 percent, close to 47 percent a year before; 50 percent of new GE+ hires in FY14 have had no previous WBG employment. IEG will continue to maintain staff and other fixed costs at a level consistent with a fixed cost ratio of around 70 percent to allow for adequate flexibility.

Expenditure Review

78. IEG launched an internal Expenditure Review to identify opportunities to enhance efficiency and reduce costs, in parallel to the WBG initiative. The effort involved (i) benchmarking IEG's expenditures against other multilateral evaluation units and WBG units, (ii) coordinating with the WBG Expenditure Review team to extend institutional savings in IEG, and (iii) drilling into IEG's cost trends and drivers to assess opportunities to reduce costs, eliminate duplication and expand synergies across IEG departments.

79. The Review built on efficiency measures that were already introduced in last year's Work Program and Budget. These include: (i) increased selectivity and reduction in the annual number of major evaluations, with the savings redeployed to the scale up of learning and knowledge products; (ii) shift from single-country CPEs to clustered CPEs, typically covering four countries in one report; (iii) increased selectivity and clustering of PPARs; and (iv) introduction of productivity-enhancing tools, like new text analytic tools and other system changes funded through the Capital Budget.

80. Four key findings emerged from the Review. First, benchmarking data confirmed that IEG's budget share (0.9 percent of total WBG budget) falls in the lower range of comparable multilateral institutions.³ Second, IEG continues to experience some weaknesses in budget management and bunching of deliverables, in particular effective tracking of expenditures against task plans. Third, IEG performs better than the Bank on some variable cost efficiency measures, but compares unfavorably on specific measures in the travel and consultant areas. Fourth, IEG's share of sustaining and indirect costs stands above comparable units in the WBG, reflecting a relatively large share of GI/GH staff as well as high office-space-to-staff ratio.

81. Based on the analysis, IEG made several recommendations that would generate net cost savings of 8 percent of IEG's budget in FY15-17, which have been reviewed and endorsed by CODE. These include reduction in GI/GH staffing levels, improvements in variable cost management (particularly related to consultant fees and travel costs), efficiency gains from ongoing IT investments, and reductions in office space.

Budget Proposal

82. **Sources.** IEG's projected resources to deliver its FY15 work program total \$35.1 million, comprising a \$34.1 million regular budget to be approved by the Board, \$1.0 million in trust funds, and \$0.02 million in other revenues. This resource envelope is consistent with the flat budget framework agreed with the Board in FY12 and adjusted to reflect planned savings from IEG's Expenditure Review.

83. The regular budget is set out in Table 1, which shows recent trends as well as projections. In line with a new practice of the WBG, the figures are presented in nominal terms. IEG's budget for FY15 is based on the following:

- No change is proposed for the contributions of individual institutions: the World Bank will maintain its 1.4 percent contribution, IFC 1.1 percent, and MIGA 1.0 percent, as in FY14. These percentages are monitored as an indicator of magnitude, the total envelope of IEG's regular budget remaining flat in real terms since FY05.
- IEG's Expenditure Review recommendations will be implemented over three years, consisting of measure related to staffing, variable cost management, IT driven efficiency and space savings. In FY15, the total savings are projected to stand at \$0.7million and have been reflected in the requested envelope.

³ Comparator institutions include: Asian Development Bank (evaluation budget share of 1.8 percent), African Development Bank (1.7 percent), Inter-American Development Bank and Islamic Development Bank (1.3 percent), and the European Bank for Reconstruction and Development (1.2 percent).

Table 1: IEG Institution Contributions, FY12–17

<i>(in nominal dollars)</i>	FY12	FY13⁴	FY14	FY15	FY16	FY17
	Budget	Budget	Budget	Proposed	Indicative	Indicative
	\$m	\$m	\$m	\$m	\$m	\$m
WB Contribution	26.2	26.0	26.6	26.5	26.3	26.0
IFC Contribution	6.0	6.5	7.0	7.0	6.9	6.9
MIGA Contribution^{1/}	1.5	1.0	0.6	0.6	0.6	0.6
Total IEG	33.6	33.4	34.2	34.1	33.8	33.5
IEG as % of parent institution budget^{2/, 3/}						
WB	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%
IFC	1.0%	1.0%	1.1%	1.1%	1.1%	1.1%
MIGA	3.2%	2.0%	1.0%	1.0%	1.0%	1.0%
Total	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%

1/ The approved contribution from MIGA assumes that it will continue to absorb \$0.12m in IEG related non-discretionary fees and charges. In the event that MIGA chooses to depart from this practice which it initiated in FY11, or these fees and charges rise, MIGA's contribution to IEG will be increased by a commensurate amount.

2/ In the case of the World Bank and IFC, the Net Administrative Budget and Regular Administrative Expenses budgets have been used as the denominator. In the case of MIGA, for comparison purposes, the denominator comprises the Regular Administrative Budget plus FIAS contributions and Contingencies. For consistency purposes, the numerators have also been adjusted, with an adjustment being added to the IFC contribution for space and IT, and with the MIGA contribution being reduced in the amount of overheads and pension contributions.

3/ Percentage calculations assume that budgets for the World Bank, IFC, and MIGA will remain at FY14 levels and incorporate Expenditure Review savings

4/ Additional to Institution contributions as noted above, the FY13 Final Budget included a one time spending authority of \$0.7m based on unspent FY12 Budget

84. **Trust funds.** IEG expects to receive \$1.0 million in trust funds. Of these, \$0.8 million will finance studies and IEG's evaluation capacity development program, including the CLEAR secretariat. The balance of \$0.2 million will be used to conclude the evaluation of the Climate Investment Fund and Strategic Climate Fund.

85. Recognizing the imperative of protecting independence from misperceptions that could be caused by reliance on trust funds, IEG has put in place clear procedures on the use of such funds, including a requirement that aggregate use of trust funds should not exceed 15 percent of total spending on products and should also not exceed 25 percent of the cost of any individual product. In addition, IEG's procedures require that trust funds be used for non-core evaluation activities, such as literature reviews, case studies, focus groups, and in-country workshops, but not for core activities, such as strategy development, portfolio reviews, and approach paper preparation.

86. IEG also receives \$0.02 million in other income, representing earned trust fund fee income.

87. **Capital budget.** No new capital budget is requested for FY15. The capital budget allocation of \$800,000 that was approved last year is under implementation. In October 2013 these funds were released to IEG and in collaboration with ITS work is underway to (i) establish a high-quality search function covering all document collections relevant to IEG's evaluation research; (ii) introduce new electronic process automation for streamlining complex and labor-intensive document production, and (iii) expand the use of text analytics for greater insight and productivity. These improvements are expected to be functional by December 2014, with project completion expected by the end of FY15.

88. A prior FY12 capital funding request of \$450,000 was used for upgrading several aging information management systems. As a result there is now in place a new system that supports IEG's Access to Information Policy, modern data analytics software used by IEG teams, and the Management Action Record (MAR) system used to track follow-up of IEG evaluation recommendations. This project also funded an upgrade to IEG's intranet system, in order to better serve IEG and WBG staff. The capital project has been completed and closed in December 2013.

89. **Spending trends.** Table 2 sets out trends in resource use over the FY13–17 period, including regular budget resources, trust funds, and other income. IEG's strategic directions are reflected in the spending proposals, as follows:

- The proportion of spending on Major Evaluations declines from 25 percent in FY13 to 23 percent in FY15-17, in line with the focus on increased selectivity and fewer large evaluations, and cost-savings from improved variable cost management.
- The proportion of spending on Other Evaluation Products increases from 11 percent in FY13 to 14 percent in FY15-17, reflecting the strategic priority to scale up the delivery of learning and knowledge products. The increases are targeted to large synthesis reports (which increase from \$0.5 million in FY13 to \$1.6 – 1.8 million in FY15-17) and impact evaluations and systematic reviews (which increase from \$0.8 million in FY13 to \$1.2-1.3 million in FY15-17). Spending on partnership reviews averages about \$700,000 per year (the “hump” in FY14 reflects the one-time expenditure for the evaluation of the CIF that is funded by trust funds). Spending on PPARs decreases slightly, from \$2.0 million in FY13 to \$1.3 million in FY15-17, in response to cost-efficiencies associated with the clustering of projects.
- Spending on validation products has been projected at roughly the same level in FY15-17. The spending plans for outer-years will be revised pending further analysis and discussions about the scope for: (i) moving towards sampling of ICRRs and the streamlining of the CASCR validation process (which would reduce costs), and (ii) piloting the validation of World Bank AAA products (which would increase costs).
- The proportion of spending on Learning and Knowledge Services has been projected at roughly the same level in FY15-17. This reflects both (i) cost-efficiencies arising from the shift from printed reports to e-reports, and from face-to-face learning delivery to e-learning, and the introduction of new text analytic tools that will reduce staff time in research, made possible by the capital budget program; and (ii) increased expenditures for the delivery of training and other knowledge sharing activities.
- Indirect costs are expected to decline in FY15 due to consolidation of space. Sustaining costs remain broadly even in nominal terms, with savings corresponding to the phased reduction of GI/GH positions offset by SRI increases.

90. Table 3 sets out spending trends by expense categories for FY12-17, for regular budget resources. In line with the IEG Expenditure Review recommendations, staff costs are projected to slightly increase in nominal terms from FY14 to FY17 (as the phased reduction of GI/GH positions is offset by SRI increases), consultant and travel costs decline from \$8.3 to \$7.3 million, and equipment and buildings costs slightly increase from \$1.4 to \$1.5 million due to increased depreciation when IT improvement projects become functional.

91. Table 4 sets out expenditures by objectives, and related deliverables, from the IEG Results Framework, for regular budget resources. In FY15-17, about three-quarters of the budget will support the first objective of deepening evidence about the results of WBG programs and activities; and one-quarter will focus on the second objective of generating evidence on the early implementation experience of the WBG Strategy.

Table 2. Summary of Sources and Uses, FY13–17

<i>(in nominal dollars)</i>	FY13	FY14	FY15	FY16	FY17
	Actual	Estimate	Plan	Indicative	Indicative
	\$'m	\$'m	\$'m	\$'m	\$'m
Sources					
Total Budget	33.4	34.2	34.8	35.5	36.2
Carryover	0.7	-	-	-	-
Expenditure Review Savings	-	-	(0.7)	(1.7)	(2.7)
Total Trust Funds	1.2	1.8	1.0	1.0	1.0
Total Other Sources	0.0	0.0	0.0	0.0	0.0
Total Sources	35.3	36.0	35.2	34.8	34.5
Uses					
Major Evaluations	8.8	8.9	8.5	8.3	8.0
Thematic and Sector Evaluations	4.0	4.9	4.5	4.5	4.5
Corporate and Process Evaluations	2.2	1.8	2.2	2.3	2.3
Country-Focused Evaluations	2.6	2.3	1.8	1.6	1.2
Other Evaluation Products	3.9	4.7	4.9	4.9	4.8
Project Performance Assessments	2.0	1.4	1.3	1.3	1.3
Systematic Reviews and IE	0.8	1.1	1.2	1.3	1.3
Large Synthesis Reports	0.5	1.4	1.8	1.8	1.6
Partnership Reviews	0.6	0.8	0.7	0.7	0.7
Validation Products	5.0	5.0	4.4	4.4	4.4
<i>o/w Country Level</i>	<i>0.7</i>	<i>0.9</i>	<i>0.8</i>	<i>0.8</i>	<i>0.8</i>
<i>o/w Project level</i>	<i>3.9</i>	<i>3.9</i>	<i>3.4</i>	<i>3.4</i>	<i>3.4</i>
Learning and Knowledge Services	7.3	7.0	7.2	6.9	6.9
<i>o/w Publications and Dissemination</i>	<i>1.0</i>	<i>0.9</i>	<i>0.7</i>	<i>0.7</i>	<i>0.7</i>
<i>o/w Knowledge and Other Evaluation Work</i>	<i>1.5</i>	<i>1.6</i>	<i>1.6</i>	<i>1.6</i>	<i>1.6</i>
Sustaining	5.3	5.7	5.6	5.6	5.7
Indirects	4.8	4.7	4.6	4.6	4.7
Total Uses	35.1	36.0	35.2	34.8	34.5
Proportion of spending on:					
<i>Major Evaluations</i>	<i>25%</i>	<i>25%</i>	<i>24%</i>	<i>24%</i>	<i>23%</i>
<i>Other Evaluation Products</i>	<i>11%</i>	<i>13%</i>	<i>14%</i>	<i>14%</i>	<i>14%</i>
<i>Validation Products</i>	<i>14%</i>	<i>14%</i>	<i>12%</i>	<i>13%</i>	<i>13%</i>
<i>Learning and Knowledge Services</i>	<i>21%</i>	<i>19%</i>	<i>20%</i>	<i>20%</i>	<i>20%</i>

Table 3: Expenditure Trends by Expense Category, FY12-17 (BB only)

<i>(in nominal dollars)</i>	FY12	FY13	FY14	FY15	FY16	FY17
	Actual	Actual	Estimate	Plan	Indicative	Indicative
	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m
Fixed Costs						
Staff Costs	18.3	19.8	20.4	20.9	21.0	21.2
Communications and IT	1.4	1.3	1.3	1.3	1.3	1.3
Equipment and Buildings	1.4	1.3	1.4	1.4	1.4	1.5
Total Fixed Costs	21.1	22.5	23.1	23.6	23.7	24.0
Variable Costs						
Consultants and Temps	6.7	6.4	6.5	6.3	6.0	5.9
ETC & ETT	0.8	1.4	1.3	1.1	1.0	0.9
Travel Costs	2.1	1.9	1.8	1.7	1.6	1.4
Representation and Hospitality	0.0	0.0	0.0	0.0	0.0	0.0
Contractual Services	1.3	1.1	1.0	1.0	1.0	0.8
Other Expenses	0.5	0.5	0.5	0.5	0.5	0.5
Total Variable Costs	11.4	11.3	11.1	10.6	10.1	9.5
Total Expenses	32.5	33.8	34.2	34.2	33.8	33.5

Table 4: Percentage of Expenditures by Objective (BB only)

<i>(% of Direct Workprogram)</i>	FY14	FY15	FY16	FY17
	Estimate	Plan	Indicative	Indicative
	\$'m	\$'m	\$'m	\$'m
Objective 1: Results of WBG Programs & Activities				
Growth	15%	12%	14%	8%
Inclusiveness	15%	16%	10%	11%
Sustainability & Resilience	1%	0%	4%	6%
Country Evaluation & Validation	17%	16%	14%	14%
Corporate Performance Data	4%	4%	5%	8%
Project Evaluation & Validation	30%	28%	29%	29%
Subtotal Objective 1	83%	76%	77%	76%
Objective 2: Assess Implementation of WBG Strategy				
Helping Clients Tackle Challenges	1%	3%	3%	3%
Becoming a Solutions Bank	9%	15%	10%	6%
Working in Partnership	7%	5%	10%	15%
Subtotal Objective 2	17%	24%	23%	24%
Total Direct Workprogram Expenditures	100%	100%	100%	100%

Accountability

92. IEG adheres to WBG budget rules and procedures. IEG is subject to Controller's Quality Assurance reviews of selected expenses and has consistently received favorable ratings on adherence to budget rules, procedures, and policies. IEG's control environment continues to be ranked as one of the strongest in its peer group.

93. In regard to external audit, the contributions by World Bank, IFC, and MIGA are audited as part of regular external audits of those institutions.

External Assessment

94. To ensure appropriate oversight of IEG's budget, the Board approved in November 2006 a procedure for formalizing CODE's role in validating the adequacy of IEG's annual budget proposal, in particular its consistency with the overall WBG budgetary principles, while safeguarding IEG's independent function. This involves the periodic review of IEG's budget proposal every 2-3 years by an independent external budget analyst.

95. The last independent review was conducted in April 2012, which concluded: "*IEG's budget formulation and management is broadly satisfactory as there have been no major changes from budget practice, expenditures, and outputs achieved in the recent past.*" Specific recommendations were made to reduce bunching, improve costing and monitoring of deliverables, and introduce stronger tracking of expenditures against plans, all of which IEG has been following up.

96. IEG has made good progress in the delivery of major studies – both slippages and bunching have been reduced in FY14. Besides close technical tracking of all milestones, IEG management conducts a series of Quarterly Business Review Meetings with Department Management Teams, focusing on individual products and task and taking stock of latest developments. However, the Expenditure Review highlighted that further effort is needed to address the recommendation from the independent review for stronger tracking of expenditures against task plans. In response, IEG Management has taken several steps to strengthen budget management:

- Greater realism in setting budgets in Approach Papers;
- Instilling stronger budget discipline among TTLs;
- Systematic monitoring by TTLs and Managers of actual costs against Approach Paper budgets;
- Closer focus by TTLs and Managers on managing elapsed time, and staff and consultant costs, between the Approach Paper and Final Report Review Meetings; and
- Regular IEG Leadership Team oversight of elapsed time and costs, and more proactive decisions on corrective actions, where needed.

6. Conclusion

97. Through independent evaluation, IEG can play a vital role in informing Board and CODE discussions on progress toward WBG objectives. IEG's proposed FY15 work program and FY16–17 indicative plan reflect a comprehensive and balanced set of evaluations across the World Bank, IFC, and MIGA that will provide relevant and timely information to the Board that should help in decision making. Accordingly, IEG would like to recommend that the Executive Directors approve:

- IEG's proposed work program for FY15;
- Funding in the amount of (i) \$26.5 million from the World Bank; (ii) \$7.0 million from IFC; and (iii) \$0.6 million from MIGA, toward the cost of delivering IEG's approved work program; and
- Continued pooling of World Bank, IFC, and MIGA funding in one location under the Director-General, Evaluation's IEG-wide direction, with continued accountability for the use of resources across the World Bank, IFC, and MIGA

Annex 1: IEG Results Framework

Objective 1: What Works – Deepening evidence about the results of WBG program and activities – and their effectiveness for accelerating growth, inclusiveness, and sustainability – to contribute to the WBG’s interim target of 9% poverty and progress on shared prosperity by 2020

Deliverables	Intermediate (1-3 years)		Medium Term (4-6 years)	
	Outcomes	Indicators	Outcomes	Indicators
Major sector, thematic, and country evaluations and learning products focused on WBG contributions to twin goals –with particular reference to: - WBG Scorecard categories - IDA Special Themes - IFC Areas of Strategic Emphasis	- Greater understanding of: - When and how WBG activities lead to growth, inclusiveness, and sustainability (learning) - Whether WBG activities are aligned with the twin goals and effective in contributing to their achievement (accountability) - IDA Performance	- Overall feedback on quality of IEG work from Client Survey - External assessment of quality of major evaluations - Self-assessment of strategic alignment of major evaluations - Efficiency measure of elapsed time in evaluation processing - Value for money measure - Measures of usage of IEG work by Board and WBG staff	- Better informed policy and operational choices by the Board, Management, and Clients - Enhanced WBG development effectiveness in terms of contributing to the attainment of twin goals.	- IEG influence on client results supported by WBG operations - Client feedback on IEG influence and impact - External assessment of actual use and impact of evaluations - Level of adoption of evaluation recommendations and Management actions in MAR - Measure of IEG knowledge flows
Corporate performance data for WBG Scorecard and IDA RMS	Timely delivery of high quality performance data	- Compliance with service standards for validation delivery	Stronger portfolio performance from improved M&E	- IEG portfolio performance ratings
Stronger methods for evaluating WBG contributions to inclusive growth, gender, sustainability	New methods mainstreamed in IEG evaluation work	- Completion of Methods Action Plan	Increased relevance and quality of evaluation evidence	- External assessment of accuracy and validity of evaluations

Objective 2: Real-Time Learning – Generating evidence on the early implementation experience of the WBG Strategy to enable mid-course corrections, and promote a stronger internal culture for results, accountability, and learning

Helping Clients Tackle the Most Important Development Challenges

Deliverables	Intermediate		Medium Term	
	Outcomes	Indicators	Outcomes	Indicators
Process evaluation of early implementation of new country engagement model	Adjustments to the country engagement model to increase effectiveness, if needed	- Feedback on quality of IEG work from country clients in Client Survey	- Enhanced country-level performance (ownership, selectivity, results focus)	- Client feedback on WB effectiveness and impact on results
Country-level learning products	Use of IEG evaluation evidence in SCD, CPF, PLR, and CLR	- Coverage of IEG evaluation evidence in SCD, CPF, PLR, CLR	- Stronger country-level results (outcomes, growth, inclusiveness, and sustainability) - Enhanced quality of SCD, CPF, PLR, and CLR	- IEG ratings on outcomes of country strategies - IEG ratings of WB performance on country strategies - Coverage of evaluation capacity development in country strategy
System for validation of self-evaluation in PLR/CLR	Self-evaluation system is incentivized to serve learning and accountability	- Compliance with service standards for validation delivery	Learning cycles lead to continuous improvement	
Support evaluation capacity development in client countries	Mainstreaming of ECD in country engagement model and enhanced coordination with WBG SCB work	- Stakeholder feedback on ECD product quality and use	Client-driven demand for high quality WBG support for ECD	

<i>Becoming a Solutions Bank Group</i>				
Deliverables	Intermediate (1-3 years)		Medium Term (4-6 years)	
	Outcomes	Indicators	Outcomes	Indicators
Evaluations of lending and knowledge services and instruments, including early implementation experience of GPs and CCSAs	Adjustments to lending and knowledge services and instruments to increase efficiency and effectiveness, and alignment if needed	<ul style="list-style-type: none"> - Feedback from GPs/CCSAs on quality of IEG work in Client Survey - Coverage of IEG evaluation evidence in major GP/CCSA knowledge products - Coverage of IEG evaluation evidence in WBG operations - Level of adoption of relevant evaluation recommendations and Management actions in MAR 	<ul style="list-style-type: none"> - GPs/CCSAs marshal best knowledge to provide world class, integrated, evidenced-based solutions - Teams work on cross-practice and public-private solutions - Improved quality and impact of investment, knowledge, and convening services - Stronger internal culture and competencies around results delivery for clients 	<ul style="list-style-type: none"> - Stakeholder feedback on WBG knowledge - IEG ratings on outcomes of WBG operations - Level of adoption of relevant evaluation recommendations and Management actions in MAR - IEG ratings of quality at entry and quality of supervision of WB and IFC projects
Sector and thematic learning products supporting global knowledge flows in GP& CCSA	Use of knowledge from IEG evaluations in the work of GP & CCSA			
Appraisals of operational self-evaluation and development risk management systems	Adjustments as needed to enhance efficiency and effectiveness of systems			
Operational learning products to strengthen results and evidenced-based operations	Use of IEG lessons learned and good practices in operations			
System for validation of self-evaluation of lending and knowledge	Self-evaluation system is incentivized to serve learning and accountability	<ul style="list-style-type: none"> - Compliance with service standards for validation delivery - Completion of action plan to restructure ICR validation system 	Learning cycles lead to continuous improvement	
<i>Working in Partnership</i>				
Deliverables	Intermediate (1-3 years)		Medium Term (4-6 years)	
	Outcomes	Indicators	Outcomes	Indicators
Evaluations of WBG partnership and trust fund programs	Adjustments to partnership and TF arrangements to increase efficiency, effectiveness and alignment, if needed	<ul style="list-style-type: none"> - Coverage of partnerships in IEG evaluation work - Feedback from partners on quality of IEG work in Client Survey - Level of adoption of relevant evaluation recommendations and Management action in MAR 	<ul style="list-style-type: none"> - Alignment of TFs and Partnerships with twin goals - Leverage external knowledge, resources, and collaboration for greater development effectiveness - Increased efficiency and effectiveness of partnerships - Citizens engaged in design and monitoring of operations 	<ul style="list-style-type: none"> - Alignment of WBG partnerships with Strategy - Level of adoption of relevant evaluation recommendations and Management action in MAR - Use of beneficiary feedback during project implementation
Evaluations of collaboration with development partners, particularly private sector and citizens	Learning and accountability on effectiveness on collaboration and leveraging stakeholders' contributions for inclusive growth			
Learning products	Use of knowledge from IEG evaluations to improve partnership arrangements			

Annex 1: Draft Indicators for IEG Results Framework

Objective 1: What Works: Deepening evidence about the results of WBG programs and activities -- and their effectiveness for accelerating growth, inclusiveness, and sustainability -- and their contribution to WBG interim target of 9% poverty and progress on shared prosperity by 2020

Deliverables	Intermediate (1-3 years)						Medium Term (4-6 years)					
	Outcomes	Indicator	Baseline		Current (FY13)	Target (FY17)	Outcomes	Indicator	Baseline		Actual (FY13)	
			Value	Year					Value	Year		
Major sector, thematic and country evaluations and learning products: focused on WBG contributions to twin goals	Greater understanding of: (1) When and how WBG activities lead to growth, inclusion and sustainability (learning);	Quality: % of respondents who were satisfied (or better) with quality of IEG evaluations in Client Survey	Board: 82% WBG: 46%	FY13	Board: 82% WBG: 46%	Board: 100% WBG: 75%	Better informed policy and operational choices by the Board, Management, and Clients Enhanced WBG development effectiveness in terms of contributing to the attainment of twin goals.	<u>IEG Influence on Client Results Supported by WBG</u> – Growth Indicator: – Inclusiveness Indicator: – Sustainability Indicator:	[under development]			
		Quality: % of all evaluations with overall rating of satisfactory (or better) in Meta-Evaluation Assessment	ratings not yet available	FY14	ratings not yet available	100%			Client Feedback on IEG: % of respondents who rate the aggregate influence of IEG products as "to some extent" (or better) in Client Survey	Board: 87% WBG: 65% External: 92%	FY13	Board: 87% WBG: 65% External: 92%
	Strategic Alignment: % of evaluations with overall rating of satisfactory (or better) in analysis of Selectivity Sheets and Approach Papers on alignment with IEG Results Framework	ratings not yet available	FY14	ratings not yet available	100%	Client Feedback on IEG: % of respondents who rate IEG's impact on WBG development effectiveness as moderate (or better) in Client Survey				Board: 80% WBG: 55% External: 79%	FY13	Board: 80% WBG: 55% External: 79%
	Efficiency: Elapsed time from IEGAP Meeting to e-Submission delivery of major evaluations delivered in FY (months)	112	FY13	112	110	IEG Impact: % of evaluations rated very good for "actual use and impact" in Meta-Evaluation Assessment				ratings not yet available	FY14	ratings not yet available
	(3) IDA performance.	Value for Money: Aggregate measure being developed to assess value for money of all IEG business lines	[under development]						MAR Implementation: % of IEG recommendations for which adoption was rated as substantial (or better) by 4th year in MAR	73%	FY12	90%
		Usage: % of respondents rating the aggregate use of IEG products as "to some extent" (or better) in Client Survey	Board: 91% WBG: 61%	FY13	Board: 91% WBG: 61%	Board: 90% WBG: 75%			Knowledge Flows: Measure of IEG knowledge flows, aligned with indicator being developed for CSC	[under development]		
		Usage: % of operation designs drawing lessons from evaluative approaches from Corporate Scorecard	50%	FY13	50%	100%						
Corporate performance data	Timely delivery of high quality performance data for WBG corporate monitoring	% project validation delivered within IEG service standards	ICR: 15% XP SR: 78% PCR: 47%	FY13	ICR: 15% XP SR: 78% PCR: 47%	ICR: 100% XP SR: 100% PCR: 100%	Stronger portfolio performance from improved M & E	% of MS+ completion of WBG/WB country strategies	51%	FY13	51%	
		% CASCR validation delivered within IEG service standards	100%	FY13	100%	100%		% of MS+ outcomes of WBG operations	WB: 70% IFC: 65% MIGA: 76%	FY13	WB: 70% IFC: 65% MIGA: 76%	
Stronger methods	New methods mainstreamed in IEG evaluation work	% completion of FY14 Methods Action Plan	NA	FY14	NA	100%	Increased relevance and quality of evaluation evidence	% of evaluations rated very good for "validity" in Meta-Evaluation Assessment	ratings not yet available	FY14	ratings not yet available	

Objective 2: Real-Time Learning – Generating evidence on the early implementation experience of the WBG Strategy to enable mid-course corrections, and promote a stronger internal culture for results, accountability, and learning

Deliverables	Intermediate (1-3 years)						Medium Term (4-6 years)				
	Outcomes	Indicator	Baseline		Current (FY13)	Target (FY17)	Outcomes	Indicator	Baseline		Actual (FY13)
			Value	Year					Value	Year	
Helping Clients Tackle the Most Important Development Challenges											
Evaluations	Adjustments to country engagement model to increase effectiveness	% of client respondents who were satisfied (or better) with quality of IEG work in Client Survey	ratings not yet available	FY14	ratings not yet available	75%	Enhanced country-level performance	Client feedback on WB effectiveness and impact on results (scale 1-10)	6.9	FY13	6.9
							Stronger country-level results	% of MS+ completion of WB G/WB country strategies	51%	FY13	51%
Learning	Use of IEG evaluation evidence in SCD, CPF, PLR, and CLR	% of SCD, CPF, PLR, and CLR that internalize lessons from IEG evaluation work	ratings not yet available	FY14	ratings not yet available	50%	Enhanced quality of SCD, CPF, PLR, and CLR	% of IEG recommendations from process evaluation for which adoption was rated as substantial (or better) by 4th year in MAR	NA	NA	NA
Validation of self-evaluation	Self-evaluation system serves learning and accountability needs	% CASCR validation delivered within IEG service standards	100%	FY13	100%	100%	Learning cycles lead to continuous improvement	% of MS+WB performance for country strategies	67%	FY13	67%
ECD support to clients	Mainstreaming of ECD in country engagement model and enhanced coordination with SCB	% of SCD with diagnostic of ECD	0%	FY13	0%	20%	Client-driven demand for high quality WBG support for ECD	% of CPF that support ECD	0%	FY13	0%
Becoming a Solutions Bank Group											
Evaluations	Adjustments to lending and knowledge services and instruments to increase efficiency, alignment	% of GP/CCSA respondents who were satisfied (or better) with quality of IEG work in Client Survey	ratings not yet available	FY14	ratings not yet available	75%	GPs provide world class, integrated, evidenced solutions	Stakeholder feedback on WBG knowledge	6.8	FY13	6.8
Learning	IEG knowledge used by GPs and CCSAs	% of major GPE and CCSA knowledge products that internalize lessons from IEG evaluation work	ratings not yet available	FY14	ratings not yet available	50%	Teams work on cross-practice and PPP solutions	% of MS+outcomes of WBG operations	WB: 70% IFC: 65% MIGA: 76%	FY13	WB: 70% IFC: 65% MIGA: 76%
	IEG knowledge used in operations	% of WBG operations that draw on IEG evaluation work	ratings not yet available	FY14	ratings not yet available	25%	Improved quality and impact of LEN & AAA	% of IEG recommendations from GP/CCSA focused evaluations for which adoption was rated as substantial (or better)	NA	NA	NA
Validation & Appraisal of Self-Evaluation System	Adjustments as needed to enhance effectiveness of system	% of IEG recommendations from FY13 BROE evaluation for which adoption was rated as substantial (or better) in MAR	NA	FY13	NA	100%	Stronger culture for results delivery	% of IEG recommendations from FY13 assessment of WBG self-evaluation system for which adoption was rated as substantial (or better)	NA	NA	NA
		% completion of action plan to restructure ICR validation system	NA	FY15	NA	100%	Learning cycles lead to continuous improvement	% of MS+quality at entry and quality of supervision of WB projects	60% & 77%	FY13	60% & 77%
	Self-evaluation system serves learning and accountability needs	% project validation delivered within IEG service standards	ICR: 15% XP SR: 78% PCR: 47%	FY13	ICR: 15% XP SR: 78% PCR: 47%	ICR: 100% XP SR: 100% PCR: 100%		% of substantial+M&E quality of WB projects	28%	FY13	28%
							% of satisfactory work quality at appraisal and supervision of IFC investment projects	63% & 87%	FY13	63% & 87%	

Deliverables	Intermediate (1-3 years)						Medium Term (4-6 years)				
	Outcomes	Indicator	Baseline		Current (FY13)	Target (FY17)	Outcomes	Indicator	Baseline		Actual (FY13)
			Value	Year					Value	Year	
Working in Partnership											
Evaluations	Adjustments to partnership and TF arrangements to increase efficiency, effectiveness and alignment, if needed	% of IEG major evaluations that incorporate substantive assessments of relevant partnerships	27%	FY13	27%	50%	Alignment of TFs and Partnerships with twin goals Leverage external knowledge, resources, and collaboration for greater development effectiveness Increased efficiency and effectiveness of partnerships	% of partnership programs assessed for alignment to WBG strategic objectives	ratings not yet available	FY15	ratings not yet available
	Learning and accountability on effectiveness on collaboration and leveraging stakeholders' contributions for inclusive growth	% of partner respondents who were satisfied (or better) with quality of IEG work in Client Survey	ratings not yet available	FY14	ratings not yet available	75%		% of IEG recommendations from partnership evaluations for which adoption was rated as substantial (or better)	NA	NA	NA
Learning products	Use of knowledge from IEG evaluations to improve partnership arrangements	% of IEG recommendations from FY11 partnership evaluation for which adoption was rated as substantial (or better)	57%	FY12	85%	100%	Citizens engaged in design and monitoring of operations	% of WB projects using beneficiary feedback during project implementation	34%	FY13	34%

Annex 2: Gap Analysis of Recent IEG Evaluations

Recent IEG Evaluations by Sector (FY09-14)

Sector	% of WB Portfolio (at end FY12)	Evaluations
Agriculture and Rural Development	7.7	Global Food Crisis Response (FY13)
		Managing Forest Resources for Sustainable Development (FY13)
		Impact Evaluations in Agriculture (FY11)
		Growth and Productivity in Agriculture and Agribusiness (FY11)
		GPR: Forest Carbon Partnership (FY12)
		GPR: International Assessment of Agricultural Knowledge, Science, and Technology for Development (FY10)
Education	6.3	World Bank Support to Education Since 2001 (FY11)
Energy and Mining	16.2	Challenge of Low-Carbon Dev.: Climate Change and WBG - Phase II (FY10) Climate Change and WBG: Win-Win Energy Policy Reforms - Phase I (FY09) GPR: EITI (FY11)
Finance	4.5	WBG Response to the Global Economic Crisis - Phase II (FY12)
		WBG Response to the Global Economic Crisis - Phase I (FY10)
Health and Other Social ServicesG	11.6	Health Systems Financing (FY14)
		Early Childhood Development Systematic Review (FY14)
		Social Safety Nets and Gender Equality
		Maternal and Child Health Care Systematic Review (FY13)
		What Can We Learn from Nutrition Impact Evaluations? (FY10)
		Social Safety Nets (FY11)
		Improving Effectiveness and Outcomes for the Poor in Health, Nutrition and Population (FY09)
		GPR: GAVI (FY14)
		GPR: The Global Fund to Fight AIDs, Tuberculosis and Malaria (FY12)
		GPR: Stop TB Partnership (FY09)
		GPR: Global Forum for Health Research (FY09)
Industry and Trade	3	Support to SMEs (FY14)
		Public-Private Partnerships (FY14)
		Investment Climate Reform (FY14)
		Trade Finance (FY13)
		Innovation, Entrepreneurship, and Competitiveness (FY13)
		Support to SMEs (FY13)
ICT	0.7	Capturing Technology for Development (FY11)
Public Administration, Law, and Justice	16.6	World Bank Country-Level Engagement on Governance and Anticorruption (FY11)
		World Bank Engagement at the State Level (FY10)
		Improving Municipal Management for Cities to Succeed (FY10)
Transportation	21.7	Improving Capability and Financial Viability to Sustain Transport (FY13)
Water, Sanitation, and Flood Protection	11.7	Water and Development (FY09)
		GPR: Global Water Partnership (FY10)

Recent IEG Evaluations by Theme (FY09-14)

Theme	% of WB Portfolio (at end FY12)	Evaluations
Economic Management	0.9	WBG Response to the Global Economic Crisis - Phase II (FY12)
		WBG Response to the Global Economic Crisis - Phase I (FY10)
Environment and Natural Resources Management	11.7	Adapting to Climate Change: Assessing WBG Experience - Phase III (FY13)
		Managing Forest Resources for Sustainable Development (FY13)
		The Challenge of Low-Carbon Dev.: Climate Change and WBG - Phase II (FY10)
		Climate Change and WBG: WB Win-Win Energy Policy Reforms - Phase I (FY09)
		Water and Development (FY09)
		GPR: GEF (FY14)
		GPR: Forest Carbon Partnership Facility (FY13)
GPR: Global Water Partnership (FY10)		
Financial and Private Sector Development	20.6	Support to SMEs (FY14)
		Investment Climate Reform (FY14)
		Public-Private Partnerships (FY14)
		Innovation, Entrepreneurship, and Competitiveness (FY13)
		Assessing IFC's Poverty Focus and Results (FY11)
		GPR: EITI (FY11)
		Earnings and Growth and Employment Creation in 3 MICs (FY11)
		MIGA Financial Guarantees (FY11)
		The World Bank Group Guarantee Instruments (FY09)
Knowledge for Private Sector Development (FY09)		
Human Development	11.5	Health Systems Financing (FY14)
		Early Childhood Development Systematic Review (FY14)
		Maternal and Child Health Care IE Review (FY13)
		World Bank Support to Education Since 2001 (FY11)
		What Can We Learn from Nutrition Impact Evaluations? (FY10)
		Improving Effectiveness and Outcomes for the Poor in HNP (FY09)
		GPR: GAVI (FY14)
		GPR: The Global Fund to Fight AIDs, Tuberculosis and Malaria (FY12)
		GPR: Stop TB Partnership (FY10)
GPR: Global Forum for Health Research (FY09)		
Public Sector Governance	8.6	World Bank Country-Level Engagement on Governance and Anticorruption (FY11)
		World Bank Engagement at the State Level (FY10)
Rule of Law	0.6	
Rural Development	14.4	Global Food Crisis Response (FY13)
		Impact Evaluations in Agriculture (FY11)
		Growth and Productivity in Agriculture and Agribusiness (FY11)
Social Development, Gender, and Inclusion	3.7	Social Safety Nets and Gender Equality (FY14)
		Social Safety Nets (FY11)
		Analyzing the Effects of Policy Reforms on the Poor (FY10)
		Gender and Development (FY09)
Social Prot. and Risk Management	8.4	Youth Employment Programs (FY12)
		Social Safety Nets (FY11)
Trade and Integration	6.3	Trade Finance (FY13)
		WB Involvement in Global and Regional Partnership Programs (FY11)
Urban Dev.	13.3	Improving Municipal Management for Cities to Succeed (FY10)

Annex 3: Proposed Work Program for FY15-17

Work Program by Business Line

Business Line	FY14	FY15	FY16	FY17
1. Major Evaluations ¹				
Thematic and Sector Evaluations	<ul style="list-style-type: none"> 1. Investment Climate Reform 2. PPP 3. Reform of Health Systems 4. Support for SMEs 	<ul style="list-style-type: none"> 1. Getting to Poverty 2. Inclusive Finance 3. Electricity Access 4. Early Child Development 	<ul style="list-style-type: none"> 1. Rural Employment and Income Generation 2. Accelerating Prosperity through Tertiary Education 3. Capital Market Development for Long-Term Growth 4. Jobs and Competitiveness 	<ul style="list-style-type: none"> 1. Promoting Shared Prosperity 2. Ensuring Environmental and Social Sustainability 3. Tackling Urban Poverty 4. Mobilizing Private Resources for Large Scale Impact 5. Promoting Private Sector Development in Frontier Markets
Corporate and Process Evaluations	<ul style="list-style-type: none"> 5. Procurement 6. Learning and Results in WB Operations 	<ul style="list-style-type: none"> 5. Learning and Results in WB Operations – Phase 2 	<ul style="list-style-type: none"> 5. Process Evaluation of SCD and CPF 6. Review of Instruments: PforR 7. Assessment of WBG's Self-Evaluation Systems 	<ul style="list-style-type: none"> 6. Process Evaluation of GPs 7. Engaging Citizens
Country-Focused Evaluations	<ul style="list-style-type: none"> 7. WBG Support to FCS 8. CPE on Tunisia 9. CPE on Brazil 	<ul style="list-style-type: none"> 6. Clustered CPE on Resource-Rich Countries 7. WBG Support Fragile Situations in Non-FCS Countries 	<ul style="list-style-type: none"> 8. Clustered CPE on Small States 	<ul style="list-style-type: none"> 8. Clustered CPE on Inclusive Growth in MICs
Results and Performance Report	<ul style="list-style-type: none"> 10. RAP 2013: Risk and Results 	<ul style="list-style-type: none"> 8. RAP 2014: Achieving the MDGs 	<ul style="list-style-type: none"> 9. RAP 2015: Gender Equality 	<ul style="list-style-type: none"> 9. RAP 2016: Sustainability for Future Generations
2. Other Evaluation Products ²				
PPARs	44	40-50	<i>[To be determined]</i>	<i>[To be determined]</i>
Systematic Reviews and Impact Evaluations	<ul style="list-style-type: none"> Early Childhood Development Gender in Sectors: Social Safety Nets and Gender Equality 	<ul style="list-style-type: none"> Tertiary Education Gender Phase 2 Electricity Access 	<i>[To be determined]</i>	<i>[To be determined]</i>

Business Line	FY14	FY15	FY16	FY17
Large, Country, Thematic, Sector, Corporate, Process Synthesis Reports	Land Administration Road Safety Avian Flu Climate Change Summary Report PPPs Advisory Services Lines of Credit in Financing Good Practice Notes on CPS: Self-Evaluation and Results Framework, Selectivity, IFC in CPS Lessons Learned from Global Partnerships Country Synthesis Notes Good Practice Notes for Sectoral Results Frameworks	Enhancing the Development Effectiveness of WBG Partnerships Learning Notes for GPs and CCSAs Country Synthesis Notes Good Practice Notes on SCD WBG Transformational Engagements Review of Instruments: DPO Housing Finance Microfinance IFC Additionality Manufacturing Renewable Energy	Sustainable Access to Water Supply and Sanitation Review of Instruments: Direct Equity Review of Investment Funds Sustainable Fisheries <i>[Smaller products to be determined]</i>	Maximizing Development Impact in IDA <i>[Smaller products to be determined]</i>
Global Partnership Reviews	GEF, GAVI			
3. Validation Products ³				
Country Strategy Completion Report Validations	25 CASCRR <i>(estimate)</i>	<i>TBD based on actual CAS delivery</i>	<i>TBD based on actual CAS delivery</i>	<i>TBD based on actual CAS delivery</i>
Project Completion Report Validations	IFC XPSR: 93 <i>(estimate)</i> MIGA PER: 11 <i>(estimate)</i> WB ICRR: 330 <i>(estimate)</i>	IFC XPSR: 40% coverage (103 projects expected) MIGA PER: 25 WB ICRR: 100% coverage (340 projects expected)	<i>[To be determined]</i>	<i>[To be determined]</i>
AAA/AS Completion Report Validations	IFC PCR: 96 <i>(estimate)</i>	IFC PCR: 51% coverage (102 projects expected) WB knowledge product reviews: <i>TBD</i>	<i>[To be determined]</i>	<i>[To be determined]</i>

¹ **“Major evaluations”** are flagship evaluation products that are expected to be submitted to the Board; with the exception of the RAP, they are prepared on the basis of approach papers and typically involve extensive fieldwork and primary data/information collection by IEG.

² **“Other evaluation products”** include Project Performance Assessment Reports, systematic reviews assessing existing impact evaluations, new impact evaluations, large synthesis reviews with a learning and knowledge sharing focus that typically draw on existing evaluations without fieldwork, and partnership reviews.

³ **Validation products** are desk based exercises to validate WBG self-evaluation reports.

Annex 3: Proposed Work Program for FY15-17

Major Evaluations and Learning Products for Objective 1

Objective 1: What Works – Deepening evidence about the results of WBG program and activities – and their effectiveness for accelerating growth, inclusiveness, and sustainability – to contribute to the achievement of WBG’s interim target of 9% poverty and progress on shared prosperity by 2020				
Results Area	FY14	FY15	FY16	FY17
Major sector and thematic evaluations and learning products				
➤ Growth	- Investment Climate Reform - PPP - SMEs	- Electricity Access - <i>Electricity Access Systematic Review</i>	- Rural Employment - Capital Market Development - Jobs and Competitiveness - <i>Water Supply and Sanitation</i>	PSD in Frontier Markets
➤ Inclusiveness	- Health Systems - <i>Social Safety Nets and Gender Equality</i> - <i>ECD Systematic Review</i>	- Getting to Poverty - Inclusive Finance - Early Childhood Development - <i>Gender Phase 2</i> - <i>Tertiary Education Systematic Review</i>	- Tertiary Education	- Urban Poverty - Promoting Shared Prosperity
➤ Sustainability and Resilience	- <i>Climate Change Summary Report</i>		<i>Sustainable Fisheries</i>	- Ensuring Environmental Sustainability
Country evaluations	- Brazil CPE - Tunisia CPE - FCS	- Resource Rich CCPE - Fragile Situations in Non-FCS Countries	- Small States CCPE	- Inclusive Growth in MICs CCPE
Corporate performance data	- RAP 2013: Risk and Results	- RAP 2014: Achieving the MDGs	- RAP 2015: Gender Equality	- RAP 2016: Sustainability for Future Generations - <i>Maximizing Impact in IDA</i>

[Note: Deliverables in italics are learning and knowledge sharing products]

Annex 3: Proposed Work Program for FY15-17

Major Evaluations and Learning Products for Objective 2

Objective 2: Real-Time Learning – Generating evidence to assess the early implementation experience of the WBG Strategy to enable mid-course corrections, and promote a stronger internal culture for results, accountability, and learning				
Results Area	FY14	FY15	FY16	FY17
<i>Helping Clients Tackle the Most Important Development Challenges</i>				
Evaluations of country engagement			- SCD/CPF Process Evaluation	
Country-level learning products	- <i>Country Synthesis Notes</i> - <i>Lessons for Country Engagement</i>	- <i>Country Synthesis Notes</i> - <i>Lessons for Country Engagement</i>	[To be determined]	[To be determined]
<i>Becoming a Solutions Bank Group</i>				
Evaluations of lending and knowledge services and instruments	- Learning and Results Phase 1 - Procurement	- Learning and Results Phase 2	- Evaluation of PforR	- GP Process Evaluation
Sector and thematic learning products for global knowledge flow	- <i>Land Administration</i> - <i>Road Safety</i> - <i>Avian flu</i> - <i>PPPs</i>	- <i>Learning Notes for GPs</i> - <i>Housing Finance</i> - <i>Microfinance</i> - <i>Renewable Energy</i> - <i>Manufacturing</i>	[To be determined]	[To be determined]
Appraisals of self-evaluation and risk management systems			- Assessment of WBG Self-Evaluation	
Operational learning products	- <i>Advisory Services</i> - <i>Lines of Credit in Financing</i> - <i>Sectoral Results Frameworks</i> - <i>Evaluability Assessment of Knowledge Products</i>	- <i>Transformational Engagement</i> - <i>Review of DPOs</i> - <i>IFC Additionality</i>	- <i>Review of Direct Equity</i> - <i>Review of Investment Funds</i>	[To be determined]
<i>Working in Partnership</i>				
Evaluations and reviews of partnership and TF programs	- GEF, GAVI, SPBF, TDRP	- <i>Effectiveness of WBG Partnerships</i>		
Evaluation of collaboration with partners				- Mobilizing Private Resources - Engaging Citizens
Learning products	- <i>Lessons Learned from Global Partnerships</i>	- <i>Lessons for Effective Partnerships</i>	[To be determined]	[To be determined]

[Note: Deliverables in italics are learning and knowledge sharing products]

Annex 3: Proposed Work Program for FY15-17

Major Evaluations and Learning Products by WBG, IFC, and IDA Strategic Priorities

IEG Objective	Evaluations and Major Learning Products	FY	WBG Objectives					Country Groups			IFC Priority Sectors				Special Themes						
			Growth	Inclusiveness	Sustainability	Country Engagement	Solutions WBG	Work in Partnership	FCS	MICs	Frontier Markets	Infrastructure	Agribusiness	Health and Education	Financial Markets	Maximize IDA Impact	Inclusive Growth	Gender Equality	Climate Change	Jobs	PPP
Evaluation evidence about WBG effectiveness for accelerating growth, inclusion, sustainability	Investment Climate Reform	14	<input checked="" type="checkbox"/>					<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>							<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
	PPP	14	<input checked="" type="checkbox"/>								<input checked="" type="checkbox"/>								<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
	SME	14	<input checked="" type="checkbox"/>									<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>					<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Electricity Access	15	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>							<input checked="" type="checkbox"/>									
	<i>Electricity Access Systematic Review</i>	15	<input checked="" type="checkbox"/>									<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>							
	Rural Employment	16	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>								<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		
	Capital Market Development	16	<input checked="" type="checkbox"/>							<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>							
	Jobs and Competitiveness	16	<input checked="" type="checkbox"/>												<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>		
	<i>Water Supply and Sanitation</i>	16	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>						<input checked="" type="checkbox"/>										
	PSD in Frontier Markets	17	<input checked="" type="checkbox"/>							<input checked="" type="checkbox"/>					<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>		
	Health Sector Finance	14		<input checked="" type="checkbox"/>									<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>					
	<i>Social Safety Nets and Gender Equality</i>	14		<input checked="" type="checkbox"/>												<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
	<i>Early Childhood Development Systematic Review</i>	14		<input checked="" type="checkbox"/>									<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>					
	Getting to Poverty	15		<input checked="" type="checkbox"/>												<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
	Inclusive Finance	15		<input checked="" type="checkbox"/>										<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>					
	Early Childhood Development	15		<input checked="" type="checkbox"/>									<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
	<i>Gender (Phase 2)</i>	15		<input checked="" type="checkbox"/>												<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
	<i>Tertiary Education Systematic Review</i>	15		<input checked="" type="checkbox"/>												<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
	Tertiary Education	16		<input checked="" type="checkbox"/>												<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
	Urban Poverty	17		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>											<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
	Promoting Shared Prosperity	17		<input checked="" type="checkbox"/>										<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		
	<i>Climate Change Summary Report</i>	14			<input checked="" type="checkbox"/>							<input checked="" type="checkbox"/>						<input checked="" type="checkbox"/>			
	Ensuring Environmental Sustainability	17			<input checked="" type="checkbox"/>									<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>			
	Brazil CPE	14				<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>											
	Tunisia CPE	14				<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>											
	FCS	14				<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>										
	Resource Rich CCPE	15			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>					<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>	
	Fragile Areas in Non-Fragile States	15				<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>										
	Small States CCPE	16			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>								<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
	Inclusive Growth in MICs CCPE	17				<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>						<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Results and Performance Report	14					<input checked="" type="checkbox"/>									<input checked="" type="checkbox"/>						
Results and Performance Report	15					<input checked="" type="checkbox"/>									<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>					
Results and Performance Report	16					<input checked="" type="checkbox"/>									<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>					
Results and Performance Report	17			<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>									<input checked="" type="checkbox"/>						
Maximizing Impact in IDA	17														<input checked="" type="checkbox"/>						
Evaluation evidence on Strategy implementation	SCD/CPF Process Evaluation	16			<input checked="" type="checkbox"/>										<input checked="" type="checkbox"/>						
	Learning and Results in WB Ops - Phase 1	14				<input checked="" type="checkbox"/>									<input checked="" type="checkbox"/>						
	Learning and Results in WB Ops - Phase 2	15				<input checked="" type="checkbox"/>									<input checked="" type="checkbox"/>						
	<i>Transformational Engagements</i>	15				<input checked="" type="checkbox"/>													<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
	<i>Review of DPOs</i>	15		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>									<input checked="" type="checkbox"/>						
	P4R	16				<input checked="" type="checkbox"/>									<input checked="" type="checkbox"/>						
	Assessment of WBG Self-Evaluation	16				<input checked="" type="checkbox"/>									<input checked="" type="checkbox"/>						
	<i>Review of Direct Equity</i>	16				<input checked="" type="checkbox"/>								<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>			
	GP/CCSA Process Evaluation	17				<input checked="" type="checkbox"/>									<input checked="" type="checkbox"/>						
	GEF Global Program Review	14		<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>											<input checked="" type="checkbox"/>			
	GAVI Global Program Review	14					<input checked="" type="checkbox"/>												<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
	<i>Effectiveness of WBG Partnerships</i>	15					<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>						<input checked="" type="checkbox"/>			
Mobilizing Private Resources	17		<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Engaging Citizens	17					<input checked="" type="checkbox"/>								<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>						

Annex 4: Selectivity Sheets for Major Evaluations and Learning Products

Selectivity Sheet: FY15 WBG Support to Fragile Situations in Non-FCS Countries

1. Background and Context

There is a growing recognition of linkages between fragility, conflict, violence and poverty. Breaking the cycle of repeated political and criminal violence has become an urgent development challenge to a considerable number of Bank Group client countries.

2. Purpose, Objectives, and Audience

Purpose: IEG has recently completed an evaluation, “World Bank Group Assistance to Low-Income Fragile and Conflict-Affected States”. The proposed evaluation will build on the analyses made in this report and broaden the assessment by include WBG operations in IBRD-only and blend countries, and help deepen the understanding of whether and how WBG can be relevant and effective in tackling fragile and conflict situations.

Focus areas: The proposed evaluation will focus on WBG operations in IBRD only and blend countries, where fragility linked with economic, political, and social exclusion, organized crime, and widespread violence significantly affect the progress in poverty eradication and shared prosperity country-wide. One common feature of these situations is the limited ability of the state to address the underlying causes of fragility, either because the reach of the state does not extend to all regions within its boundaries, or because the state lacks the capacity to manage conflicts, ensure rule of law and provide public services to its citizens, particularly in the contested hinterlands or part of urban areas.

Case Studies: The analyses will be complemented by in-depth assessment of operations in some countries or areas to be conducted either through desk review or site visits. The cases will be selected based on the considerations on: (i) the impact of tensions linked with economic, political, and social exclusion on country wide development progress; (ii) the scope of crime and violence, particularly in some part of urban cities; and (iii) the size and nature of WBG operations implemented in fragile situations. As the analysis will try to draw lessons from experience, the fragility that existed in the past and has been stabilized will also be included. Possible areas for in-depth reviews include, but are not limited to, operations in such countries as: Colombia, Central America (El Salvador, Guatemala, and Honduras); Indonesia (Aceh); Pakistan (Balochistan and Federally Administered Tribal Areas); Philippines (Mindanao); and Nigeria (northern region). Analyses will also be undertaken for relevant experiences to be identified in the Europe and Central Asia and the Middle East and North Africa Regions.

Audience in the WBG: There are a number of key internal audiences which include senior staff in the Regional and Country Management Units addressing the challenges caused by fragility and violence as well as in OPCS FCS Hub and the new CCSA.

Evaluation Approach: The evaluation will analyze how the nature of fragility and manifestations of violence in these countries affect World Bank Group operations. It will assess the relevance and effectiveness of the World Bank Group’s assistance program in helping its clients address development challenges posed by fragility, conflict and violence. A critical question is whether and how the Bank Group could help countries maintain enabling environment for poverty eradication and shared prosperity in societies faced with high risks of conflicts and violence. The report will include analyses on how effectively the WBG responded to evolving needs on the ground and demands from the authorities. There will also be assessment on how the Bank Group has taken these fragility risks into account in its assistance strategy, operations and implementation mechanisms within the country, project/program design, and implementation support. The report will include lessons for future programs in fragile situations drawn from these analyses.

3. Relevance to WBG Strategy

Link with WBG Goals: Fragile and conflict situations as a topic is highly aligned with the twin goals of eliminating poverty by 2030 agenda and ensuring shared prosperity. Data show the clear link between violence and poverty: the WDR 2011, Conflict, Security, and Development shows that on average, a country that experience major violence over the period from 1981 to 2005 has a poverty rate 21 percentage points higher than a country that saw no violence. A similar picture also emerges for subnational areas affected by violence in relatively rich and stable countries—these areas tend to lag behind. Identifying the lessons from experiences in working in this environment would contribute to the knowledge base for the Bank Group and the development community as a whole.

In addition to the clear link to the WBG Strategy, the evaluation would also provide evaluation evidence relevant to the IDA-17 focus on FCS, and the FCS priority in the IFC Road Map.

4. Relevance to IEG Strategy

The proposed evaluation contributes to Objective 1 of the Results Framework, particularly learning and accountability for results in country programs. It is a natural step to build on the earlier FCS evaluation to broaden the knowledge and understanding of WBG effectiveness in fragile and conflict situation.

5. Potential Influence

There is a high level of interest among CODE/Board members about the subject. This evaluation is a response to a CODE request. The Green Sheet for the CODE discussion of the Approach Paper for the FY14 FCS evaluation states: “It was agreed that a possible follow-up evaluation could deal in depth with these situations and include a number of case studies that would capture the different nature of fragility and manifestations of violence in these countries (for IBRD and blend countries, small island states, fragility due to organized crime and violence, fragility due to ethnic tension, etc.)” (Note: The Low-Income FCS evaluation included a case study of a small island state and a background paper on this topic, so small island states will not be included in the subsequent evaluation.)

There is also a high level of commitment in the WBG about this topic, given the significant linkages with poverty. The OPCS FCS Hub and FCS CCSA is expected to function as the corporate level champion. However, the champions need to emerge within different levels of institutional set up including the Regional and Global Practice VPUs, country management units and relevant Global Practices.

6. IEG Readiness and Value Added

IEG is well positioned to undertake this evaluation given the recent experience in producing the report on low income FCSs. Some of the same staff and consultants will be deployed to work on the proposed report. A key initial challenge would be to set a reasonable definition of the fragile and conflict situation, so that specific operations and areas for case studies can be identified.

Selectivity Sheet: FY15 Enhancing Development Effectiveness of WBG Partnership Programs (Major Learning Product)

1. Background and Context

The report will capture and distill knowledge and lessons from IEG's Global Program Reviews (GPRs) and other global products. This will be an update of IEG's third GPR assessment from 2011, adding insights and new perspectives from a substantial number of new evaluations in this area that by then will have been produced since the 2011 assessment. This new material is: five stand-alone GPRs (on FCPF, GFDRR, the Global Fund, GEF, and GAVI), the independent evaluation of the Climate Investment Funds, the trust fund evaluation, and the cluster GPR on energy access.

2. Purpose, Objectives, and Audience

The purpose of this report is to inform the Bank Group's work on Partnership Programs (PPs) and trust funds, including ongoing reform processes and merger of PPs with the new GP structure. It will also review IFC's approach to managing PPs and assess how it differs from that of the Bank.

The key question to be answered in this work is what WBG management can do to ensure that PPs are aligned with the twin goals and are effectively governed and managed. The audience is the Board, staff and management working on PPs and TFs, and donors.

The report will include recommendations on how to strengthen the WBG's organizational effectiveness in its partnership work.

3. Relevance to WBG Strategy

Global and regional engagements complement the Bank's country-led business model by addressing critical global issues that impede progress on the Bank Group's twin goals. The WBG strategy notes that "global engagements represent an important opportunity for the WBG to make an impact on development, but this rapidly growing role also places additional demands on the WBG that it must ensure are aligned with the goals". The strategy prominently highlights the need to ensure better management, oversight, and selectivity in WBG partnerships but does not propose any specific new organizational reforms to make this happen.

IEG has often observed missed opportunities for stronger development impacts in the Bank's engagements in partnership programs and trust funds. IEG has assembled comprehensive evaluative evidence from GPRs and independent evaluations of programs that will permit us to make detailed recommendations on how to strengthen the WBG's organizational effectiveness along the broad contours envisioned in the strategy.

The report will also assess what moving to One WBG might mean for harmonizing the Bank's and the IFC's different approaches to trust funds and PPs.

The timing is favorable because of this strategy and because of ongoing efforts to reform PPs and integrate them in the new GP structure.

4. Relevance to IEG Strategy

This report contributes to Objective 2 of the Results Framework, particularly to enhancing efficiency, effectiveness, and alignment of the WBG's large and growing engagement with global and regional programs and public goods.

As a synthesis learning product, the report will for the major part focus on the learning aspect of IEG's mandate, helping to disseminate valuable insights on partnership effectiveness and governance from around 25 GPRs. It will not seek to hold individual programs accountable. It will however include a smaller accountability element in reviewing corporate progress on PP and trust fund reform.

5. Potential Influence

CODE members have expressed substantial interest in global programs, linkages to WBG activities, and corporate oversight of PPs. Staff and managers in CFP, LEGAL, OPCS, and beyond have also shown repeated interest, respect, and appreciation for IEG's' knowledge in this area.

6. IEG Readiness and Value Added

IEG has deep expertise from 10 years work on global public goods (services that a country-based model would undersupply); Bank partnership programs (governance arrangements for cooperation); and Bank trust funds (vehicles for channeling targeted finance). We would need to gain understanding of IFC's approaches which we have not previously covered. There are no major risk to the delivery of this product, but there are real risks of not seeing the hoped-for acceleration of PP reform, given the track record of slow corporate reform in this area.

Selectivity Sheet: FY15 Review of Development Policy Operations (Major Learning Product)

1. Background and Context

A program of seven separate learning products on DPOs (budget support) are proposed here and designed to both advance the agenda on strengthening learning of DPOs in the Bank and IEG, and to influence WB debate on the design and use of DPOs as it prepares the next DPO Retrospective. The individual topics were selected on the basis of recent discussions and analysis, including the 2013 DPO retrospective, and aim to generate lessons and new insight on the factors of success and failure of DPOs. A synthesis of key findings will be prepared based on the analysis in FY 16.

Budget support as an instrument of development assistance has a history of over 30 years providing between 25 and 40 percent of total WB commitments in recent years. Early on budget support was tightly linked to balance of payments requirements, but it has gradually moved towards a much broader range of applications, including short term support during emergencies and sector support to advance specific reform objectives, typically disconnected from the specific fiscal costs of reform. A major reform in 2003-05 refocused 'conditionality' to emphasize borrower ownership and national development strategies, and promoted donor harmonization. Since reforms in the mid-2000s some have argued most ODA should be provided through budget support as the most efficient form of support for government led development needs. Others criticize the vagueness or absence of tangible, identifiable outputs and outcomes from support as compared with investment lending.

2. Purpose, Objectives, and Audience

The proposed series consists of complimentary products covering salient areas identified in the 2012 DPO retrospective and in recent discussions of DPO evaluation held jointly between OPCS and IEG⁴. The purpose is to both deepen understanding of the impact of budget support on leveraging transformative reforms, building capacity, and supporting higher development objectives such as greater efficiency in the use of public resources. It also aims to clarify differences across types of DPO instruments, in particular general vs. sector specific support, the complementarity of parallel DPOs, and programmatic versus one-off operations. The audience for this work includes the Board, external evaluation agencies, Bank staff and management, OPCS and IEG evaluators. Overall effectiveness of DPO performance is the main evaluative question of this series of learning evaluations.

The learning elements include:

- a) **The quality and contribution of result frameworks in DPOs.** IEG and OPCS have highlighted DPO results frameworks as an area requiring further analysis, understanding, and improvement. This element will analyze the links between policy frameworks, prior actions, triggers, and measurement of results. This includes specific issues related to the causal chain, attribution and the time consistency of intermediate and higher objectives with DPO tenure.
- b) **Adequacy, quality, and risk in DPO macro-fiscal frameworks.** All DPOs are to include an adequate macro-fiscal/budgetary framework. Adequacy of the macro-framework is typically assessed in terms of internal consistency, credibility, and debt sustainability. The broader *quality* of the macro-framework, however, hinges on the development and structural context. Building on the 2012 retrospective, this exercise aims to assess the adequacy and quality of the macro-framework, including the link with major structural risks and issues, and their contribution to the success or failure of DPOs. It will also review how new DPO guidelines are being implemented and how they influenced the adequacy and quality of macro-fiscal frameworks.

⁴ IEG/OPCS DPL "retreat" held in November 2013.

- c) **Public Expenditure Reviews and public resource allocation in DPOs.** PERs are a core WB knowledge product aimed at providing a comprehensive diagnostic of a country's public expenditures, assess expenditure priorities and effectiveness. They aim to assess the allocation, efficiency, and equity of public expenditures, and to serve as a platform for budgetary and sectoral policy dialogue. Questions include: How (and how much) have PERs informed DPO design, dialogue and development of policy frameworks? How robust has been the translation of analysis into policy action? What evidence is there on efficiency, equity, and sustainability of DPO supported expenditure policies?
- d) **Political economy analysis (PEA) and related factors influencing the success of DPOs.** Core policy reforms are often intensely political, circumscribed by the political economy of the borrowing country and may limit how the Bank is able to engage authorities to support reform. Political economy analyses (PEAs) is a widely used diagnostic tool to inform country programs and portfolio design. How have PEAs informed DPO design and frameworks? Which elements of the PEA do DPOs tend to take most into account and how? Which, how (and how much) have political economy factors have influenced the achievement of development objectives? Which political economy factors appear to influence DPO success or failure?
- e) **The influence of core poverty diagnostics on DPO design and outcomes.** Core poverty diagnostics (poverty assessments) profile poverty and identify its evolution and socio-economic determinants. They often address aspects of income distribution and equity and policies that are important in identifying pathways toward 'shared prosperity'. How (and how much) have these diagnostic tools and knowledge informed DPO design and policy frameworks? Also, this element of the learning program would include a desk review the existing evidence of the distributional impact of DPOs.
- f) **Mitigation of adverse environmental and social effects in DPOs.** Directives governing safeguards in investment lending do not apply to DPOs but consideration of adverse environmental and social effects is required under OP 8.60. The quality of and constraints to analysis, monitoring, and evaluation of environmental and social effects in DPOs will be evaluated and good practice identified, including the adequacy of coverage under current policies.
- g) **Effectiveness of Environment Sectoral DPOs.** This report will assess the use of DPLs for the environment sector broadly defined (including climate change and green growth DPLs), and will draw lessons from the different approaches and experiences across the diversity of countries where they have been implemented, in order to increase the knowledge of operational staff and management about what works and what does not. Background project evaluations for this are in progress.
- h) **Effectiveness of Financial Sector DPOs.** A synthesis note on Financial DPOs implemented in 2008-13 will assess the experience of supporting financial sector reforms through DPOs. This will draw on existing reviews/assessments of around 15 programs and programmatic series that in total have delivered around USD 8 billion in Bank lending to clients over this period. The exercise will include the assessment of the design and impact of financial sector components on the overall success or failure of DPOs.

3. Relevance to WBG Strategy

The proposed programmatic series will review performance of a major Bank lending instrument and related knowledge products, illuminating how they advance the Bank's core development goals and role as a 'Knowledge and Solutions Bank'. This work is timed to provide helpful evidence for the next DPO Retrospective by OPCS (covering DPO experience over 2011-2014), which is scheduled to be completed and launched in Q2 of FY16. It may serve as a basis for the next review of instrument's operational framework. The proposal here is to undertake this work in 'bite-size' pieces that can feed into the Bank's Retrospective and deliberations on DPO design and evaluation methods.

4. Relevance to IEG Strategy

The report contributes to Objective 2, particularly the role of operational learning products in strengthening results and evidenced-based operations as part of becoming a Solutions WBG. It is also closely aligned with the IEG strategy of focusing on effectiveness of the Bank to address clients' developmental challenges and contribute to the Bank's twin goals (Objective 1). It will examine the use and contribution of DPOs across different country client types, including middle income, IDA countries, and Fragile and Post Conflict Countries where DPOs have been deployed.

IEG has not yet undertaken an comprehensive review of the DPO instrument – the closest was the 2010 Evaluation of PRSCs in 2010, a more narrowly focused undertaken that did not address the evaluative questions raised here. As one of the largest and most widely deployed lending instruments in the WBG, this is seen by many as a knowledge gap and has been identified in discussion with sector boards as a priority.

This series of bite-size DPO learning products would tie directly into IEG's work on refining DPO evaluation methodology, and into IEG's initiative to evaluate AAA products. It would draw on the 2010 PRSC evaluation, on inputs from existing and planned individual DPO evaluations, including the recent work on Brazil and Mexico environmental DPOs, the 2012 evaluation of DPO series in Tanzania, and the planned evaluation of budget support to Vietnam, joint with the EC evaluation office.

5. Potential Influence

Given the timing of the DPO Retrospective, the increased attention budget support is receiving in evaluation, and relevance to WB objectives, the report has a high potential for impact. Through Sector Boards and OPCS there has been interest expressed in this work, underscoring this potential internally.

Revisiting DPO evaluation methodology is also receiving attention in IEG presently, and joint work with OPCS to examine the harmonized procedures for ICR/ICRR and PPAR evaluation is underway. This work would dovetail perfectly with this initiative, lending it greater depth and influence.

6. IEG Readiness and Value Added

IEG has developed strong expertise in DPO through validation and evaluation of individual products, Country Program Evaluations, PRSC evaluation, as well as its participation in developing the DPO retrospective and supporting the DPO Academy (training provided to staff on DPO preparation, implementation and evaluation).

No specific risks to undertaking this work now are identified. Undertaking this work as a programmatic series reduces risk of evaluation overload and delays, while increasing IEG's ability to delivery relevant and on-time inputs to strategic discussions in the WBG.

Selectivity Sheet: FY15 Transformational Engagements (Major Learning Product)
--

1. Background and Context

The development challenges that the WBG is seeking to address are huge relative to resources at the disposal of the institution. Thus using these resources for transformational impact is imperative for WBG efficiency and effectiveness.

The WBG has adopted a new Strategy focusing on the twin goals of eliminating extreme poverty and boosting shared prosperity. To accelerate progress towards these objectives, the strategy seeks to reposition the WBG as Solution Bank, which is systematically supporting “clients in delivering customized solutions,” focusing on results and the science of delivery, “seeking transformational engagements, and taking informed risks.” As part of becoming a Solution Bank, the WBG plans to increase its emphasis on engagements with the potential for transformational effects.

2. Purpose, Objectives, and Audience

In order to put the strategic intention to increase the emphasis on transformational engagements into practice, the WBG Strategy has emphasized the importance of drawing on knowledge both within and outside the World Bank Group on how to define, identify, design, structure and implement transformational projects. This learning product will seek to inform the WBG Strategy and its implementation by providing knowledge from IEG evaluation evidence related to identifying, designing and implementing transformational engagements.

The main audiences for this product will be the Board, WBG management, WBG staff working on operationalizing the strategic intent to increase the WBG emphasis on transformational engagements, development practitioners and donors seeking knowledge on how to achieve maximum impact of development assistance.

The main question this learning product seeks to answer is what can be learned from WBG experience in identifying, designing, structuring, and implementing transformational projects and how can this knowledge be used most effectively to increase WBG support to projects with transformational impact?

3. Relevance to WBG Strategy

The new WBG strategy seeks to accelerate progress towards the twin goals of eliminating extreme poverty and boosting shared prosperity by becoming a solution banks and seeking transformational engagements. Major work is underway to operationalize the increased emphasis on transformational engagements and this learning product is timely.

4. Relevance to IEG Strategy

The report contributes to Objective 2, particularly the role of operational learning products in strengthening results and evidenced-based operations as part of becoming a Solutions WBG. This work relates directly to several of IEG’s strategic directions that are aligned with the WBG strategy: (i) transformational engagements tend to deal with some of the toughest challenges of WBG clients; (ii) they typically seek to provide solutions to multi-sectoral challenges for maximum impact; and (iii) and many of them involve partnerships.

5. Potential Influence

Given the emphasis on transformational engagements in the new WBG strategy, the interest from WBG management and the Board is expected to be significant. The product is timely and timeliness is an important factor for use and influence. Interest should be broad-based and not confined to a single practice or WBG institution. In fact, many transformational engagements are based on and require cooperation across practices and institutions.

6. IEG Readiness and Value Added

IEG has broad expertise that is highly relevant for this exercise and that needs to be mobilized for the delivery of this product.

The topic is challenging as there is lack of clear definition and understanding of transformational engagements, but this exactly what makes this report timely and relevant and why IEG is uniquely positioned to contribute with its broad and long-standing experience in development evaluation.

Selectivity Sheet: FY16 Rural Employment and Income Generation

1. Background and Context

As noted in the new WBG Strategy, “the vast majority of the world’s poor people continue to live in rural areas.” Indeed, more than three quarters of those living in extreme poverty are in rural areas and nearly two-thirds of the extremely poor earn a living from agriculture. It will not be possible to achieve the goals of ending extreme poverty and promoting shared prosperity without improving employment and income-generating opportunities for these people.

The 2008 WDR noted that there are three pathways out of rural poverty: increasing agricultural productivity; migration to cities; or rural wage employment. The challenge with the first pathway is that wages in agriculture are lower on average than in other sectors, and the gap between the number of new rural workers and the number of new jobs in agriculture is growing, threatening unemployment—particularly for women and youth. Migration to cities is part of the answer, but a rapid influx of large numbers of low-skilled rural residents will simply contribute to urban poverty. So the rural non-farm economy will have to be a key source of new jobs.

One of the five focal areas in the new WBG Agriculture Action Plan is to “Facilitate Rural Nonfarm Income”, and it has been included as an objective in previous Bank agriculture strategies too. The WBG has a substantial portfolio that is relevant to this topic. South Asia’s may be the most developed, with an entire group focused on “rural livelihoods” and a lending portfolio of \$4 billion. Other examples include rural finance, agricultural value chain development, and rural investment climate policies. Efforts to improve rural connectivity through investments in transport, communications, and energy may also be important in generating employment by increasing access to markets, and encouraging the development of rural enterprises and commercial farming.

The IFC has been very active in this area as well, significantly increasing its agribusiness investments, improving the investment climate in rural areas, and supporting the development of commodity supply chains. It has also sought to increase the access of rural enterprises to financing by encouraging the opening of bank branches in rural areas.

However, there is still an active debate about the best way to promote employment and income generation in rural areas, and the impact of the WBG’s interventions is unclear. The 2008 WDR notes that “making the rural labor market a more effective pathway out of poverty is a major policy challenges that remains poorly understood and sorely neglected in policy making.” IEG has never before evaluated this topic.

2. Purpose, Objectives, and Audience

The main evaluation question is: *How effective has the WBG been in contributing to poverty reduction and shared prosperity by stimulating wage employment and income growth in rural areas, particularly for women?*

The evaluation will examine relevant activities by the World Bank, IFC and MIGA, such as the ones described in the previous section. By georeferencing interventions, the evaluation will consider how much outcomes have varied spatially between regions according to differences in the levels of investment in roads, electrification, mobile telephony and broadband internet—factors that differentiate access to markets for products and financial services.

With the creation of the new WBG structure of Global Practices and Cross-Cutting Solutions Areas, new audiences will be created for this evaluation. Both the new Urban, Rural & Social Development GP and the new Jobs Cross-Cutting Solutions Area will be interested in rural employment and income generation. And the Agriculture GP will continue to be interested.

3. Relevance to WBG Strategy

As noted above, with three quarters of the extreme poor in rural areas, the subject of this evaluation is critical to the WBG's ability to achieve the two corporate goals of ending extreme poverty and promoting shared prosperity. The new WBG Strategy also identifies "connectivity" as one of four issues for joint WBG learning and collaboration, and this evaluation would contribute.

Much of the World Bank's efforts have focused on increasing agricultural productivity. This is an important part of the solution, but with much of the agricultural labor in developing countries underemployed, and the need to reduce the share of the workforce in agriculture as economies develop, it is also necessary to develop other employment and income-generating opportunities for rural people.

Recent discussions with the sector anchor suggest that, among the strategic priorities in the FY10-12 Agriculture Action Plan, this was a relative orphan, with few initiatives launched. Part of the reason appears to be a lack of evidence on how to effectively generate employment and income-generating opportunities in rural areas.

4. Relevance to IEG Strategy

This evaluation would contribute to Objective 1 of the Results Framework, particularly deepening evaluation evidence on how WBG programs and activities lead to poverty reduction, shared prosperity, and sustainability. It would look at how the WBG supported its clients in addressing the challenges of rural underemployment and poverty; it would address a multi-sectoral challenge, as development of rural areas requires interventions across sectors such as agribusiness, infrastructure, and access to finance; and it would provide recommendations on how the Bank and IFC in particular could work together more effectively.

The evaluation would strike a balance between learning and accountability. It would address a knowledge gap in IEG and the WBG. In general, this is a little evaluated topic, and has not previously been evaluated by IEG. IEG's most recent ARD-themed studies address agricultural productivity and forests. The youth employment evaluation did not tackle rural employment as a separate issue.

5. Potential Influence

The proposal for this evaluation was discussed last year with the ARD Sector Board, and they expressed general interest in the topic as one that has been under-served in the past. The Urban, Rural and Social Development Global Practice in the Bank would also be champions. In the past, strategies for rural development were subsumed in agriculture strategies. Now, with rural development being split from agriculture and moving to the new Urban, Rural & Social Development GP, the WBG will have to come up with a targeted approach for developing rural areas. This evaluation can inform the development of such an approach.

6. IEG Readiness and Value Added

Current IEGPS staff and consultants have expertise in assessing various aspects of the non-farm economy: rural livelihoods, rural schools and vocational education, community infrastructure, land administration, rural finance. The evaluation has been discussed with IEGPE, and IEGPE staff would also be involved in the evaluation. IEGPE staff have worked on agribusiness, SME development, financial inclusion, and tourism.

One implementation challenge might be, as with all multi-sectoral topics, there is not a clear sectoral coding to identify operations that make up this portfolio.

Selectivity Sheet: FY16 Accelerating Prosperity through Tertiary Education

1. Background and Context

In many developing countries, tertiary education is seen as central to creating balanced and sustainable economic growth as well as promoting high quality employment and meeting the demand of an increasing number of secondary graduates. Many countries have been expanding their tertiary systems and, driven by concerns about competitiveness, have worked to improve the quality and status of local universities.

The development community has “rediscovered” tertiary education and its role in encouraging innovation, promoting balanced economic growth, and meeting the demands of the growing middle class, as well as its importance in creating externalities and public goods. The education sector has long treated tertiary education as a private good that primarily benefits wealthier households. In recent years, this has started to change. The current (2011) Education Sector Strategy states that “[d]eveloping countries—including low-income countries—are more keenly aware that secondary and tertiary education are critical to developing a skilled, productive, and flexible labor force and creating and applying ideas and technologies that contribute to economic growth.” Likewise, the Commission on Growth and Development identifies investment in tertiary education as an important input in development: “...governments [should not] forget the importance of a small tertiary sector that should grow as incomes rise and the demand for human capital sharpens.”

After nearly a decade of declining volume, lending in tertiary education is increasing rapidly. Driven by growing demand from low- and middle-income client countries, the education sector estimates that tertiary education accounts for around one third of new operations. There are 77 closed public sector projects approved after FY2003, totaling \$5.9 billion in total disbursements. Currently, there are 75 active projects with a higher education component, with a commitment of \$7.7 billion). Bank commitments to higher education have increased from \$2.7 billion in the FY2003-05 period to \$4.8 billion in FY2011-13. These projects range from the establishment of higher education in fragile situations (Afghanistan and West Bank), increasing the quality and relevance (Bangladesh and Vietnam), and increasing financing options for poorer students (Chile and Colombia) The IFC has been active in supporting tertiary education both as an investment and clients of advisory services (Kenya and Peru).

2. Purpose, Objectives, and Audience

The objective of the evaluation is to promote discussion about the role of tertiary education in poverty reduction, through pro-poor and balanced growth, and its contribution to promoting shared prosperity. It will also assess how the WBG facilitates regional and global public goods through tertiary education. The evaluation’s purpose is to inform the WBG about the performance of its tertiary education portfolio and help improve selectivity in future operations.

The findings of the evaluation will relate to (a) building a science of delivery, by providing insight into what is good practice and why; (b) supporting transformational engagements, evaluating tertiary education’s role in increasing and “improving” economic growth; and (c) evaluating the Bank’s role in supporting public goods, at the country and global level.

Education Sector Board identified tertiary education as their top priority for evaluation. The Education Global Practice and the Jobs Cross-Cutting Practice will be the primary audiences. The CMUs are also an important internal audience. They can use the evaluation to better understand how the sector works and its role in country programs. The evaluation will be of interest beyond the Bank as other development partners seek to redefine their approach towards economic growth.

3. Relevance to WBG Strategy

Tertiary education potentially plays an important role in supporting the Bank's agenda to reduce poverty through its promotion of balance growth. Much like many other areas that the Bank supports, tertiary education brings both individual and economy-wide benefits. Since Solow, innovation and technological change have been central to theories of economic growth. Through this tertiary education contributes to the quality and sustainability of growth. The Commission on Growth and Development recommend "[i]nstead of providing targeted support to labor-intensive sectors, governments must expand higher education to support the growing service sector of the economy."

Tertiary education also plays a central part in the shared prosperity agenda. Universities are seen as a "ticket" to enter the middle class. Countries are increasingly focused on how to improve the quality and relevance of higher education as well how to ensure equitable access. Tertiary education also contributes to the imparting skills to the youth, particularly as the number of secondary graduates increase.

With the growing demand for tertiary education in developing countries and the Bank runs the risk of being excluded from this area of public investment. The Bank has the potential of playing a leading role in shaping this agenda and ensuring that universities are both equitable and contribute to the economy.

4. Relevance to IEG Strategy

The evaluation would contribute to Objective 1 of the Results Framework, particularly deepening evaluation evidence on how WBG programs and activities lead to growth, and inclusion. While the evaluation will provide an accountability function, including a portfolio review, its main function will be to generate lessons based on the World Bank's experience. The evaluation will be strategic, coming at a time when the Bank is implementing its dual goals of eliminating extreme poverty and promoting shared prosperity and looking to understand the pathways towards these goals.

With the exception of the 2010 Education Sector Portfolio Review, recent IEG evaluations have focused on basic and secondary education. There have been several recent PPARs focusing on tertiary education.

5. Potential Influence

The evaluation will be timely as the World Bank increases its support for tertiary education and seeks evidence on best practices as well as an analysis of lessons learned from past evaluations. The evaluation will also be timely as an input into the Bank's next education strategy.

6. IEG Readiness and Value Added

The evaluation will follow the standard approach used by other recent evaluation. IEG has staff and consultant who are familiar with the issues of tertiary education and related issues. There are no unusual risks or challenges in carrying out the evaluation. Both the sector and the portfolio are well-defined, which facilitates the portfolio analysis and provide credibility to accountability of the evaluation.

While the Bank has produced a number of high quality tertiary education knowledge products, there is little systematic information on what has worked and what has not in the Bank's portfolio.

Selectivity Sheet: FY16 Capital Market Development for Shared Prosperity and Lasting Growth

1. Background and Context

For sustainable development countries need to be less reliant on aid and external flows of capital and be able to finance investment through domestic capital markets that mobilize domestic savings. In large part, these are bond and equity markets, but their development also has a direct impact on banking both by providing an alternative source of finance for the banks and by providing direct competition to them.

Historically, domestic capital market development has been an important area of focus for both the IFC and the Bank, as reflected in their strategies and organizational structures. Emphasizing the importance of the financial sector, President Kim recently created the Financial Development Council, intended to assist the WBG to achieve its potential in various areas of financial development. The new WBG Strategy emphasizes the importance of capital market development for boosting shared prosperity especially as countries shift towards middle income status and for eliminating extreme poverty by developing new products to provide access to the underserved. To realize the potential of capital market development for promoting shared prosperity and eliminating extreme poverty, the WBG is “expanding its activities in capital market development” (WBG Strategy, p. 29). The proposed evaluation will inform WBG strategies and operations in this area as well as the work of the Financial Development Council.

2. Purpose, Objectives, and Audience

Capital market development in the WBG is focused primarily in IFC and the Bank and that focus is expected to continue going forward. With this product IEG will be able to assess the extent to which WBG strategies and approaches to capital market development are consistent, coherent, effective and relevant to the WBG strategy of reducing extreme poverty and promoting shared prosperity.

The key audience will be WBG management and the Board, but other interested stakeholders include other development institutions, private sector investors, and NGOs involved in capital markets development, as well as client governments.

The most critical question to be answered in this work is the extent to which WBG activities in this area have been effective and efficient and the extent to which there is evidence that the capital markets development supported by the WBG has led to sustainable growth, the reduction of extreme poverty and the promotion of shared prosperity by promoting the development of local financial institutions that serve the poor.

3. Relevance to WBG Strategy

There is a well-developed academic literature on the relationship between capital market development and economic growth, which generally supports the view that capital market development leads to growth through the impact that these markets have on both investment and savings. By making long-term investments more easily financed at lower cost, long-term investment is promoted, thereby driving growth. In addition, by making long-term savings possible, capital markets also promote the development of institutional investors, such as insurance companies, leasing companies, pension funds and other non-bank financial institutions. Importantly, it is widely acknowledged that commercial banks have failed to deliver adequate financial services to the poor, which has led to the development of various non-bank financial institutions (NBFI). Development of local capital markets improves the ability of NBFIs, including microfinance institutions, to fund themselves with long-term local funds, which they then intermediate to the poorest members of society. The WBG has embraced this view and has embarked on an extensive program of investment and advisory services related to local capital markets development.

As the new WBG Strategy points out, “domestic resource mobilization has become increasingly important” and “emerging market banks and capital markets are taking on a greater role in local finance. Development of contractual savings and local currency capital markets is becoming critical to finance growth in private businesses, infrastructure, and housing as countries shift towards middle income status. Demand for new types of products and services such as pensions and insurance products will rise as emerging markets population become on average older and more affluent. New products are also likely to emerge to meet the needs of the \$2.5 billion people who still do not have access to formal financial services.” To respond to these needs the “WBG is expanding its activities in capital market development “(WBG Strategy, p. 29).

4. Relevance to IEG Strategy

The evaluation would contribute to Objective 1 of the Results Framework, particularly deepening evaluation evidence on how WBG programs and activities lead to growth and inclusion. It would also feed into the partnership element of Objective 2 and generate relevant knowledge to support implementation of the IFC Road Map. There are clearly dimensions of both accountability and learning in this product.

IEG has recently been involved in reviews of SME programs, microfinance, public private partnerships and business climate, all of which include financial sector investment and advisory projects. That work will provide insight into issues relevant for this proposed review of capital markets.

5. Potential Influence

WBG management has historically shown considerable interest in this subject, as has the Board. Within the WBG, interest will span the financial clusters in IFC and MIGA, the WBG Finance and Markets global practice, the treasuries of both IFC and the Bank (which have played their own part in the development of local capital markets by issuing WBG paper in those markets), and the relevant advisory services groups in IFC and the Bank.

6. IEG Readiness and Value Added

IEG has considerable experience working in the financial sector, more so with financial intermediaries such as banks and microfinance institutions than with capital markets reflecting the relative share of these operations in WBG portfolio.

IEG can add considerable value through this product owing to its independence, as well as through the cross-institutional nature of its work, which is critical in this particular area because of the involvement of multiple players from the WBG with potentially complementary roles. Importantly, by looking at the WBG program through the lens of the impact it has had on the development of non-bank financial institutions, IEG may be able to influence future development in favor of those financial institutions that serve the poor.

Selectivity Sheet: FY16 Jobs and Competitiveness

1. Background and Context

For private economies to create good quality jobs, economic growth and competitiveness are vital. In order to accelerate development, countries need to diversify into new industries and achieve competitive advantage in those industries. Positive sustained growth depends on diversification, including into manufacturing. The World Bank and IFC have invested in hundreds of investment and advisory projects designed to boost competitiveness in specific industries or geographic regions, while MIGA has issued many guarantees with this goal.

2. Purpose, Objectives, and Audience

Taking the two main practices – manufacturing in IFC and competitive industries in the World Bank – the WBG is investing about \$2 billion a year into projects to enhance industrial development and competitiveness, yet to date IEG has not analyzed whether these operations are making meaningful contributions to industrial development, with concomitant benefits to growth, job creation, and shared prosperity. By undertaking this analysis IEG hopes to shed light on the relevance, efficacy and efficiency of work in this area, including by examining evidence of the coherence of existing strategies, the appropriateness of projects to country conditions, and the direct, demonstration and “catalytic” effects of projects on the ground.

3. Relevance to WBG Strategy

The ability of countries to improve industrial competitiveness is key to generating sustainable private sector employment and shared prosperity. Competitiveness is a pillar of shared prosperity, side by side with building human capital in the bottom 40%. Countries devote substantial resources to policies and programs designed to encourage the growth of particular sectors or regions (including lagging regions) and WBG invests substantially in supporting this. Making good use of these resources, and understanding what works in what circumstances, is key to attaining the potential prosperity spreading impact of such development.

Achieving competitiveness and industrial diversification is fundamental to shared prosperity, and for most country it is central to their economic development strategies. The World Bank strategy says that shared prosperity “requires pursuing an agenda of physical and human capital accumulation, competitiveness, and innovation.”

Competitiveness relates centrally to the new GPG on trade and competitiveness, but also to urban development, transport and ICT (often central to growth pole and value chain strategies) and to the cross-cutting themes of jobs and PPP. It is a pillar of shared prosperity as a means to generate more rapid and sustainable employment growth.

The product is timely as new GPGs assess how best to pursue their redefined mandates and results frameworks in light of the twin goals of the WBG and newly emerging strategies.

4. Relevance to IEG Strategy

The evaluation would contribute to Objective 1 of the Results Framework, particularly deepening evaluation evidence on how WBG programs and activities lead to growth and inclusion. It would generate relevant knowledge for the new Jobs GP, and support elements of the IFC Road Map and IDA-17 implementation. The evaluation will emphasize learning, but there will be a strong accountability element in that the term “competitiveness” is over-used and misused and it is important to understand to what extent the Bank has

been able to bend the arc of country development paths to encourage diversification, raise productivity and build successful competitive sectors to employ more people.

This evaluation directly fills a gap in that it is addressing an area that although of growing importance to the WBG and its clients, has not been evaluated to date. It is complementary to other work on innovation, investment climate, SME and knowledge, among others. The resurgence of competitiveness projects since 2008 suggests a need to focus on an increasingly accepted approach to PSD.

There is a strong potential for initial meso products to contribute to this work based on the major product lines in manufacturing and competitive industries, as well as advisory products in sustainable business and relevant MIGA guarantees. A key input could focus on value chains.

5. Potential Influence

CODE and the Board of Directors are very interested in understanding both the potential and limitations of competitiveness strategies in increasing employment and shared prosperity, and how the new GPG in competitiveness can add value to national diversification and growth initiatives.

We would expect the Manufacturing, Agribusiness and Services (MAS) cluster in IFC and MIGA and the trade and competitiveness GPG to take the leading interest in this.

6. IEG Readiness and Value Added

IEG has considerable in-house expertise in the area of industrial development and competitiveness, as well as the ability to tap recognized experts.

There may be a lively debate about how to define competitiveness, ideological differences about whether countries should direct resources to specific industries, and challenges of measuring impacts of development projects aimed to have demonstration, “multiplier” or catalytic effects. IEG’s independence can be a valuable asset in providing an impartial assessment of the effectiveness of WBG efforts in this area. Also, shared prosperity relies on a combination of elements, including human capital development; so the contribution of individual competitiveness intervention may be challenging to evaluate.

Since 2003, the Bank has launched thousands of projects with relevant components, yet IEG has thus far not assessed relevance, efficacy, and efficiency. It is essential for IEG to shine a bright light on a potential pathway to shared prosperity through projects aimed to enhance competitiveness – both to provide accountability in an area where many claims are made on the beneficial impact of alternative approaches and interventions, and to provide learning about the most effective way forward.

Selectivity Sheet: FY16 Process Evaluation of SCD/CPF

1. Background and Context

As part of the reform agenda, the WBG will establish a country engagement model that seeks to maximize the use of evidence and analysis to help country clients focus on the challenges of meeting the twin goals (in the context of country ownership and national priorities, and in coordination with other development partners at the country level). The model comprises four main elements (CPF, SCD, PLR, CLR), the first two of which form the focus for this evaluation. Proposals to develop the SCD and CPF were key operationally focused suggestions to emerge from the working groups tasked with exploring and identifying how the WBG can become an institution that takes its cutting-edge global knowledge and consistently applies it in local practice, enabling country teams and clients to deliver programs that will have the greatest impact on the WBG poverty and prosperity goals.

Both the SCD and CPF will be used to establish country priorities and both are being designed to address issues of selectivity and WBG coordination (the CPF will also strengthen planning and execution). The SCD will involve: making best use of data, methods, and evidence to better understand what it will take a country to accelerate progress toward the WBG goals; closely listening to citizen voices; identifying key constraints and opportunities for progress; disseminating results and conclusions in the national policy debate; and generating support for the goals from the public and private sector. The analytical framework, including methods and tools (e.g., assessment of the constraints to growth, equity and sustainability, voices of the poor, analysis of the business climate, etc.) are being drawn up as are guidelines. The Regions and IFC are taking the implementation lead OPCS, DEC, and PREM providing oversight and guidance.

The CPF replaces the CAS/CPS and differs from them as follows: the SCD is separate from the CPF and is disseminated early on to encourage national policy debate before the CPF is finalized; key constraints and opportunities identified in the SCD are taken as a starting point for priority setting in pursuit of the WBG goals (balanced with client demand, comparative advantage and the feasibility of change) to identify focus areas for WBG support; for each selected area of focus, the CPF will identify types of interventions (e.g. reforms, programs) with a strong associated rationale and evidence for impact and embeds results frameworks that clearly link interventions to outcomes through, as optimally relevant, a joint Bank, IFC, MIGA approach. The CPF will be phased in starting Q3 FY2014 subject to the level of IFC/MIGA engagement in each country. Key accountability will rest with the Regions, IFC, and OPCS.

2. Purpose, Objectives, and Audience

The purpose of the proposed evaluation is to provide early, mid-course evaluative input to the operationalization and roll out of the WBG strategy to help ensure optimum ongoing alignment with WBG goals.

The evaluation objectives are to assess:

- whether SCDs and CPFs are being conducted in line with requirements as set out in the official Guidelines;
- the roll out of the processes with a particular emphasis on the degree to which they have been inclusive (citizen voice, country perspective) and the extent to which a broad partnership approach was adopted;
- the level and type of co-ordination (as relevant) between the WBG institutions;
- the manner in which selectivity was managed and the appropriateness of selectivity as exercised;
- the degree to which the processes ultimately focused on the twin goals of the WBG.

The key evaluation question to be answered by the evaluation is:

- To what extent has the new country engagement model served to enhance WBG co-ordination and selectivity in establishing evidence based country priorities that are aligned with the twin goals of the WBG?

The timing of this evaluation would be dependent on the roll out of the SCDs and the CPFs by Management. If sufficient data are available to assess the SCDs in FY16, then the first phase of this evaluation will be carried out in FY16. Otherwise, the review of the SCD and the CPF will be carried out in FY17.

Key audiences for this evaluation include the Board and WBG management and staff (particularly Regions, OPCS, IFC and Global Practices). Other stakeholders, including clients and development partners, are also likely to have an interest in the evaluation.

3. Relevance to WBG Strategy

The successful operationalization of the SCD and CPF is core to the realization of the twin goals set out on the WBG strategy. These critical junctures in the process of engagement are designed to encompass activities (e.g., analysis, scoping, risk assessment, negotiation, prioritization, planning, targeting) that will have a bearing on the potential for the structured realization of WBG goals in partnership with client countries and other development partners.

4. Relevance to IEG Strategy

This evaluation speaks primarily to Objective 2 of the Results Framework, and is designed to generate evaluation evidence on the early implementation of the country engagement model to enable real-time learning and mid-course corrections, as needed.

5. Potential Influence

The evaluation will influence the World Bank Group Management, country units and operational teams.

6. IEG Readiness and Value Added

IEG has deep experience in the evaluation of the WBG's past country level engagement (e.g., CASRRs, CPEs) and is keenly planning its engagement with the proposed operationalization of change agenda. The findings from this timely, independent assessment of the roll out of the new approaches will add real value to the ongoing calibration of relevant processes in order to ensure enhanced alignment of analysis and programming with client needs and WBG goals.

Selectivity Sheet: FY16 Evaluation of Program-for-Results (PforR)
--

1. Background and Context

This evaluation would look at the first phase of the PforR 2 year pilot to provide early feedback on how the instrument is working and present lessons for scaling up. It would focus on the issues raised at the Board discussion in September 2011: How successfully is the instrument achieving the objectives which include focus on institutional capacity building, results, managing fiduciary risks, incentives for learning and innovation.

2. Purpose, Objectives, and Audience

This evaluation has been requested by the Board and is also of central interest to Senior Bank management and member countries.

PforR is a new lending product. It is expected that this evaluation would be able to influence decisions in improving or changing the instrument after the pilot, prior to scaling up.

Specific audiences are: WBG Senior Management, who would implement the instrument, the Board, who would guide the implementation of this new instrument, and client country stakeholders, who would stand to benefit the implementation of instrument.

The most critical questions are: How successfully is the instrument achieving the objectives including focus on institutional capacity building, results, managing fiduciary risks, incentives for learning and innovation. What is the evaluability of PforR operations? This is a new instrument which has not been previously evaluated.

3. Relevance to WBG Strategy

Both of the Bank's twin strategic goals depend on its operational development effectiveness, and sub-optimal lending quality impairs that effectiveness directly, as measured by lending results and by the results of country programs. Eliminating poverty by 2030 will require a scaled up and responsive approach but this new instrument also has potential risks -- fiduciary, environment and social.

OPCS has started the two-year review of the experiences in PforR. This review will assess the early experience with the design and implementation of PforR operations and the challenges faced by borrowers, development partners, and Bank staff. The review also aims at identifying emerging early lessons and recommending any proposed changes to the PforR framework that would strengthen the instrument. The OPCS review is expected to be submitted to CODE before the end of FY14.

4. Relevance to IEG Strategy

This new instrument is likely to be central to delivering the WBG priorities around results, scaling up in poorer countries and strengthening country systems while also managing risks. The evaluation would contribute to the second Objective of the Results Framework, as it would assess relevance, efficacy and effectiveness of this new instrument, and its contribution to the stronger results focus that lies at the heart of the Solutions WBG.

The evaluation would address a knowledge gap in IEG, since this is a new instrument which has not previously been evaluated. The evaluation would build on previous work on sector wide approaches and where IEG has fed in comments on the new instrument. It would also draw on related sector / thematic studies, systematic reviews and ICR reviews/PPARs.

5. **Potential Influence**

This evaluation was requested by the Board and also central interest to Bank management and member countries.

OPCS would be the key counterpart. IEG has provided comments on the concept note for self-assessment and issued a statement by DGE for the CODE discussion of concept note.

6. **IEG Readiness and Value Added**

IEG has capacity and would draw on skills of senior staff in IEGCC and IEGPS developed from previous evaluations of sectors and related instruments.

This is more for IEG than other oversight groups, although audit and INT will have an interest given the fiduciary and environmental risks around the instrument.

The evaluation would address a knowledge gap in IEG, since this is a new instrument which has not previously been evaluated

Selectivity Sheet: FY16 Assessment of the WBG's Self-Evaluation Systems

1. Background and Context

The capacity of any organization to learn from both its mistakes and its good practice is a critical determinant of its potential and its capacity to attain its goals. An organization committed to learning requires a learning culture that is underpinned and supported by appropriate processes, practices, tools and mechanisms. Self-evaluation is a critical component of the learning process. It allows for evidence based and ongoing adaptation, modification, and transformation at all levels (e.g., strategic, corporate, operational).

Self-evaluation processes in the WBG have always been important, but are likely to take on added significance in the context of the ongoing change process (see 3 below). Self-evaluation has operated at many levels and in many different forms across the WBG institutions. For example, at corporate level, both the WB and IFC use a corporate scorecard system to assess overall institutional effectiveness, MIGA applies development indicators. The WB also uses the MAR system to track the extent to which it has adopted and responded to IEG evaluation recommendations. At country level the CAS/CPS progress reports and CAS/CPS completion reports have provided self-evaluation of stand-alone (WB) and joint (WB/IFC) strategies, allowing for mid-course and post-hoc learning. At project level the WB uses ISRs and ICRs for similar purposes. IFC projects are subject to XPSR and IFC advisory services are subject to evaluation. Traditionally, there has been no systematic monitoring and evaluation of AAA in the WB, but a system is currently under development.

However, given the thrust of the new WBG strategy, all of these approaches are likely to be subject to change. For example, performance and lending reviews are to be conducted at country level and an AAA review system is under development. In addition, the IFC and WB are currently making changes in their evaluation systems, and in their corporate scorecards. It is in this evolving scenario that IEG will set out to evaluate with a view to establishing the adequacy and efficacy of WBG self-evaluation systems, which is part of the IEG mandate.

2. Purpose, Objectives, and Audience

The purpose of this evaluation is to assess the adequacy and efficacy of WBG self-evaluation systems in the context of the early roll out of the change process with a view to providing timely, mid-course learning and recommendations that can be built into ongoing refinement of the self-evaluation system.

The evaluation objectives are to assess:

- the adequacy of the WBG self-evaluation systems (e.g., do they measure the right things?, do they include well designed feedback mechanisms?);
- the efficacy of the WBG self-evaluation systems (e.g., does system feedback result in adaptation and continuous improvement?)

The critical question underpinning the evaluation is whether and the extent to which WBG self-evaluation systems are contributing to corporate, institutional, and operational effectiveness with a view to underpinning broader development effectiveness (and the realization of the twin goals).

The primary audiences for the report include WBG management, and the Board of the WBG. Other interested parties may include WBG staff more generally and the broader development community.

3. Relevance to WBG Strategy

The importance of measurement, monitoring and evaluation is pronounced in the new WBG strategy. The strategy envisages the evolution of a WBG that systematically supports its clients in delivering integrated, customized solutions that encompass the complete cycle from policy design through implementation to evaluation of results. To further this in pursuit of the twin goals, the strategy suggests the WBG will need to capture and share tacit and implicit knowledge, as well as evidence from research and evaluation. At country level, the WBG will improve its focus through a range of measures that includes, better planning and execution and greater focus on appraising evidence, ensuring the evaluability of programs, and strengthening capacity for monitoring and evaluation. Performance and Learning Reviews will identify and capture lessons from implementation to determine midcourse corrections, end-of-cycle learning, and accountability.

The capacity to deliver on the new strategy and to achieve progress in pursuit of the twin goals clearly depends, inter alia, on the capacity of the WBG to learn, and the organization's self-evaluation capacity will form a critical component in that regard.

4. Relevance to IEG Strategy

This report would contribute to Objective 2 of the Results Framework, and identify any adjustments that are needed to enhance the efficiency and effectiveness of the self-evaluation systems – and thereby contribute to a stronger internal culture and competencies around results delivery for clients.

5. Potential Influence

The evaluation has the potential to provide early, independent feedback that may influence strengthen and improve self-evaluation systems and internal system feedback which, in turn, has the potential to improve operational effectiveness leading to enhanced potential for the realization of the twin goals.

6. IEG Readiness and Value Added

IEG has long experience and established expertise in undertaking corporate level evaluations (e.g., the Matrix evaluation). IEG is deeply familiar with WBG self-evaluation systems given its interface with these systems on a day to day basis through, for example, the ICR and CASCR review processes, and in the context of larger scale work such as the annual RAP reports. IEG's informed, independent, and objective take on the adequacy and efficacy of WBG self-evaluation systems will allow for mid-course correction and calibration of relevant system with a view to supporting organizational learning and effectiveness and, in turn, the realization of the twin goals.

Selectivity Sheet: FY16 Clustered CPE of Small States
--

1. Background and Context

This clustered CPE proposes to assess the performance of the WBG interventions in a selected sample of small states, such as Lesotho, Fiji, Montenegro, Djibouti, Grenada, and other small, including island, states which face similar challenges and where a cross-country assessment would provide valuable learning to inform future Bank Group strategies. The challenges facing these countries include primarily economic and environmental vulnerability, due to high levels of concentration in a small range of economic activities, leading to vulnerability to shifting terms of trade. They can also include a limited human resource base and identifying practical options in response to the globalization process. Without sustainable and meaningful economic and social opportunities for their growing populations, these countries are in danger of being left behind and becoming increasingly vulnerable to conflict, disaster and social disintegration. At different times, viable development opportunities have existed in these small states, including tourism, agriculture and fisheries, financial services and small scale manufacturing. However, changing trade patterns, increased competition and recent global shocks have exposed these states to a new set of challenges that make their development pathway difficult and more complex.

The WBG as a multilateral development agency has struggled to keep pace with the changing circumstances in small states. Finding the right mix of guidance, financial support and technical assistance to help manage their development pathway is not easy. Therefore, a focused evaluation that assesses the WBG performance in a range of small states will be helpful in identifying strategic priorities for future engagement in these economies. percent of total Bank borrowing. Yet, in-depth IEG evaluations of several country programs among these middle income country borrowers have not been undertaken for several years. The proposed cluster CPE will examine the development effectiveness of Bank support to a subset of countries (3-4) among this group, with the selection balancing a series of criteria: the inclusion of countries with contrasting patterns of development in terms of shared prosperity; the inclusion of lower as well as upper middle income countries; scale and significance of the lending program, and the significance of the IEG knowledge gap in terms of in-depth evaluation of the Bank's country program.

2. Purpose, Objectives, and Audience

The audience for this evaluation includes the WBG Board, WBG Management and staff (particularly teams responsible for detailed planning and implementation of Bank Group programs in small states and the regional offices tasked with design work in these countries), and development partners (there is considerable pressure from development partners on the WBG to focus more on understanding the difficulties of development in these places).

3. Relevance to WBG Strategy

Small States are struggling to find a development model that fits the changed global circumstances they are confronting. Many fall into FCS status and others are going backwards on various economic indicators. If the WBG is to identify viable solutions, it needs to understand what works in small states, where there is progress and how to best utilize the expertise and services it has at its disposal. Looking carefully at a range of countries with these issues in mind will help in determining how a flexible model of support can be developed and maintained.

4. Relevance to IEG Strategy

The proposed product is a part of the staple core of IEG country program evaluation work and is in accordance with IEG's strategy to improving timely and cost effective coverage of country partnership strategies by adopting a clustered approach. It would contribute to Objective 1 of the Results Framework,

particularly increased accountability and learning for results in country programs. It is also expected that the widespread interest in such a report would trigger interest in a series of learning products and events ancillary to the main report.

In terms of knowledge gaps and links to other IEG work, the evaluation would build first upon the cycle of recent IEG CASCR reviews on the small states, such as Djibouti and the OECS countries cluster. While it could be argued that the recent completion of these CASCRs reduces the need for an in-depth review, an examination of these desk-based reviews suggests instead that each raises a wide range of areas where in-depth review is merited, and in fact provide a solid starting point for defining the scope of issues that the proposed Cluster CPE would focus on.

While there was an IEG synthesis note carried out in 2006 relating to Small States, there has not been work done on tracking the significant variation of experiences in small states. Some countries have had considerable success in finding the right mix of policy to sustain growth (e.g., Vanuatu) while others have either stagnated or gone backwards (certain Caribbean islands). Understanding the factors that underlie this variation will address a gap in existing material.

5. IEG Readiness and Value Added

IEG is well positioned to deliver the proposed product, which in terms of scope and design, is outside the realm of WBG self-reviews, current DEC research etc. Nevertheless it is possible that analytic work already undertaken in WBG / DEC on select aspects of these countries' performance, and on the broader issue of the factors contributing to the achievement of shared prosperity, would contribute to the proposed cluster CPE in the form of building blocks and background materials. In addition, the evaluation would draw on the work coming out of the FCS evaluation and/or could contribute to broader work on G7+ and South-South programs in the Bank.

Selectivity Sheet: FY16 Sustainable Access to Water Supply and Sanitation (Major Learning Product)

1. Background and Context

Population and economic growth are expected to increase demand for food, energy, and water. Yet, globally over 700 million are still lacking access to safe and reliable water supply, and 2.5 billion people lack access to basic sanitation today. The resulting diarrheal disease is killing millions of people, mainly children, and wreaking billions of economic costs every year, the equivalent of up to 7 percent of gross domestic products in some countries. Water supply and sanitation also features in the key Millennium Development Goal (MDG) 7c - reduce by half the proportion of people without sustainable access to safe drinking water and basic sanitation. According to a recent UNICEF/WHO report, achievement of the sanitation target is lagging behind and even the water coverage is likely to be overestimated when taking into account the reliability and sustainability of the water supply services. These are big concerns for the Bank because of its large water portfolio, corresponding to 14% by volume and 17% by the number of projects (IFC about 8%), especially as its portfolio performance has been deteriorating over the past few years. There is a growing concern about the effectiveness of large scale investments that are aimed to provide access because they are often done in the absence of proper measures to ensure their medium to long-term sustainability.

2. Purpose, Objectives, and Audience

The purpose of this product is to explore how and the extent to which the World Bank Group with its current approaches is likely to contribute to sustained service delivery of water and sanitation.

The product is proposed as a learning product (rather than a major evaluation) because the water and sanitation sector has abundant literature and proven models that would support the theory of change in achieving sustainable service delivery, and that would facilitate the desk-based review of the Bank portfolio to assess the effectiveness of Bank Group supported water and sanitation projects. In addition, the product has the advantage of being able to build on already completed or planned field-based assessments.

The audience of this product would be the development community, in particular, the World Bank Group Board of Directors, World Bank Group management and task teams (in particular the Water Global Practice), client countries, and other water sector stakeholders.

3. Relevance to WBG Strategy

It is well recognized that infrastructure is a key driver of inclusive growth through economic opportunities and poverty alleviation. Sustainability of water and sanitation has proven to have an impact on the environment, society, poverty and health which in turn would affect the Bank group's ultimate goals of ending extreme poverty and promoting shared prosperity in a sustainable manner.

G20 has launched the infrastructure initiative to remove the policy and market failures causing serious infrastructure bottlenecks to growth. Investment needs in the water sector have grown over time, and currently the World Bank is the largest external source of financing for water and sanitation projects. This indicates that water is one of the top development challenges of the WBG clients. FY14 projection for water lending is \$5.3 billion. Water supply and sanitation remains the largest sub-sector with 55% of the pipeline.

Water is selected as one of the fourteen emerging global practices. Many of the water projects are also multi-sectoral in nature, with strong linkage to urban development, rural development, social development, health, environment, agriculture, energy, and transport etc. Behavior changes in sanitation have been identified as one of the transformational engagements in the recent strategy launched by the World Bank Group. Public private partnerships also feature prominently in the common interventions supported by the World Bank's

water projects. The proposed product is therefore highly relevant to the strategic priorities set out in new WBG strategy and corporate reform agenda.

Delivery of the product in FY16 is timely because it can contribute to the post MDG agenda for the development community and to the knowledge and learning agenda for the Global Practice for Water which scheduled to be established in FY15. The World Bank Group has also recently prepared the Water Vision encompassing the sector's comprehensive agenda for the next decade. The proposed product can feed into the operationalization of Water Vision.

4. Relevance to IEG Strategy

The review is highly relevant to Objective 1 of the Results Framework, particularly deepening evaluation evidence about the effectiveness of WBG programs and activities, and their effectiveness for accelerating growth, inclusion, and sustainability. It also relates to the partnership element of Objective 2, since private sector engagement is an important part of the story. The review will cover the global portfolio, considering solutions in diverse country context and have country income level analysis and assessment of fragile and conflict countries as well, fitting the third pillar as well. With regards to the strategic directions for FY15-17, the review will look at the gender dimensions of water and sanitation interventions

As a learning product, the focus will be more on the lessons that can be learnt in order to inform the portfolio going forward, rather than giving an overall sense of the performance of the portfolio to date. Nevertheless, the portfolio review of project level evaluations and knowledge products will identify the extent to which current approaches are adequate to ensure sustained service delivery of water and sanitation. The portfolio review will be complemented by literature review and the field-based assessments to gain insight into the proposed theory of change. In the previous IEG water evaluation, "Water and Development, 2010," increased attention to sanitation, as well as clarification of cost recovery policies had been the two key MAR recommendations. The proposed product will assess the Bank's support both in clarifying the cost recovery strategy and increasing focus on sanitation in the client countries.

The product will draw on the findings from the recently completed Project Performance Assessment Reports and other field-based assessments and learning products, such as the systematic review of impact evaluations in the water and sanitation sector that are under preparation. They include (i) two rural water supply and sanitation project cluster PPARs in LAC region (delivered in FY12); (ii) two rural water supply and sanitation project cluster PPARs in India (delivered in FY13); (iii) PPAR for three cities sanitation project in Vietnam (delivered in FY12); (iv) two water supply and sanitation project PPARs in Senegal (to be delivered in FY15); and (v) three country case studies for Tanzania, Pakistan, and Indonesia to be carried out under IEG's learning evaluation (to be completed in FY15). Findings from this product will feed into the evaluation on urban poverty, scheduled for delivery in FY17.

5. Potential Influence

G20 has a strong interest in removing infrastructure bottlenecks to growth. Given that the Bank's water portfolio is large, its performance is deteriorating, sustainability is questionable, and the achievement of sanitation targets is lagging behind, CODE/Board is likely to be interested in learning about the Bank's recent and ongoing interventions in this area. The Global Practice for Water is expected to be the lead champion within the WBG. Improving access to water and sanitation for the poor is a high priority for WBG and for the development community.

6. IEG Readiness and Value Added

The infrastructure and energy cluster in IEGPS has the required sector knowledge and evaluation expertise to carry out this evaluation. The team as a whole has extensive experience in carrying out project-level

evaluations, literature reviews, portfolio reviews, country case studies, structured interviews and surveys of staff and stakeholders, and systematic reviews. The existing literature on water and sanitation focus mostly on learning, but there are very few products that assess the effectiveness of World Bank Group support in the sector. IEG is uniquely well best placed to carry out the proposed evaluation

Selectivity Sheet: FY16 Review of Equity Investments (Major Learning Product)
--

1. Background and Context

This is one part of a series of IEG evaluations of WBG instruments.

Equity is a fundamental component of finance for private enterprises, providing the capital that allows firms to employ leverage and absorb shocks that arise in the course of doing business. At end-FY13 the IFC equity portfolio was valued at \$12 billion (cost); IFC committed \$2.7 billion in new equity during that fiscal year. Equity represented more than 20 percent (at cost) of the total IFC portfolio, a level it has maintained in recent years. In FY13 income from equity was \$752 million, compared to total net income of \$1,018 million.

Equity is important for the impact that it has on both IFC and its clients. For IFC, the returns generated on the equity portfolio account for the bulk of its net income, which are used both as retained earnings to finance growth in its investment activities and as significant contributions to IDA. For clients, IFC equity makes their capital structures viable and allows for long-term investments that drive growth and create employment.

2. Purpose, Objectives, and Audience

The purpose of this review is to assess the equity strategy, its implementation and the management of the equity portfolio. This assessment will look at the strategy and its implementation from both financial and developmental perspectives.

The audience for this product will be IFC management and the Board, as well as the individual IFC investment departments.

The most critical question to be answered in this work is whether IFC has a coherent and viable equity strategy that both improves the financial performance of its investment activities and improves the financial and development impact performance of its clients.

3. Relevance to WBG Strategy

IFC has focused its investment strategy on economic growth and job creation, which it concludes will result in poverty reduction and shared prosperity. Equity investments play an important role in this strategy both in the impact that they have directly on IFC clients, as well as through the earnings that they generate for IFC and which allow it to expand its activities over time and contribute directly to IDA.

This product relates to at least three strategic priorities set out in the new WBG Strategy and corporate reform agenda: smart risk taking, promoting stronger partnerships (with clients) and supporting transformational engagements.

4. Relevance to IEG Strategy

The report contributes to Objective 2, particularly the role of operational learning products in strengthening results and evidenced-based operations as part of becoming a Solutions WBG. This product relates directly to the IFC Road Map's objective of promoting private sector growth and job creation, which are at the core of IEG's focus on inclusive growth. The use of equity has important implications for sustainability, which is among the IEG pillars. Equity does this by reinforcing the capital structures of private companies, making them more stable and able to weather storms.

The product should be a blend of accountability and learning. Currently, although individual equity investments are reviewed in micro-evaluations and financial performance is reviewed by IFC staff, an overview of the equity program and its impact on development is not available. This review will fill that gap.

5. Potential Influence

IFC equity investments have been of considerable interest to the Board owing to the impact they have on net income. For that reason, commitment from IFC management should be strong.

The lead champion of this product is likely to be the IFC chief executive officer and Director of the equity department, who manages the IFC equity department.

6. IEG Readiness and Value Added

As a result of its considerable experience with the micro-review process, IEG has significant experience in IFC equity investments.

A key challenge in delivering a product that is well received by the Board and IFC management is the ability to separate the influence of various factors such as market conditions, IFC's selectivity and portfolio management on the performance of the equity portfolio.

The value added from IEG will be the independent evaluation perspective it brings.

Selectivity Sheet: FY16 Sustainable Fisheries and Aquaculture (Major Learning Product)

1. Background and Context

The proposed learning product will assess the World Bank Group's support for sustainable fisheries management, improved livelihoods for fishers, and expanding aquaculture around the globe. Overcapacity and overexploitation of many of the world's fisheries is having a negative impact on the millions of poor people who depend on the sector for livelihoods and food security. Estimates suggest that 25 percent of the world's fisheries are overfished and 40 percent are fully fished. Poor governance and environmental degradation of fisheries habitat are the primary causes of the depleted state of the World's fisheries. Aquaculture is expanding to meet some of the increasing demand for fish but needs to be managed sustainably to avoid environmental degradation. Better fishery governance can lead to well-managed fisheries and aquaculture that will create wealth, increase food security, improve nutrition and make fishing and coastal communities more adaptive to climate change

2. Purpose, Objectives, and Audience

A learning product on fisheries and aquaculture will provide insights into the Bank's relatively recent efforts to address food security, rural livelihoods, gender, environmental sustainability, institutional strengthening to improve sector governance, and fostering partnerships.

Approximately ten years ago the Bank re-engaged in the fisheries sector with a new emphasis on fostering improved governance to address the open access challenge and governance failures in the sector. The Bank's return followed a long period of decline and virtual disengagement from the sector. The Bank's current approach is a significant departure from its earlier efforts which focused exclusively on increasing client capacity through investments in fishing fleets, production and value added, and resulted in overcapacity and a depleted resource. The Bank currently supports sustainable fisheries at the country, regional and global levels. The Bank now has a portfolio of over US\$1.2 billion in fisheries, aquaculture, coastal and aquatic environmental management and related projects serving coastal and fishing communities. In addition to investment projects and TA at the country and regional level, the Bank plays a key role in global partnerships such as the Global Program on Fisheries (PROFISH), and the recently launched Oceans Initiative. IFC has invested in several aquaculture projects with a current portfolio of about \$7 million, primarily in the shrimp sector.

The internal audience for this product is the WBG Board, management, and staff of at least three global practices (agriculture, environment and natural resource, urban rural and social development). The external audience includes bilateral donor and multilateral partners, client country governments and fishers, marine conservation NGOs.

3. Relevance to WBG Strategy

The fisheries sub-sector (capture fisheries and aquaculture) is relevant to the WBG corporate goals of ending extreme poverty and promoting shared prosperity in a sustainable manner due to the sectors contribution to the livelihoods of the poor and role in providing food security.

Livelihoods issues:

- The livelihoods of about 200 million people rely on fisheries, aquaculture and associated activities and over 20% of the world's 38 million full-time fishers earn less than US\$1 per day. Many fishers live in the world's poorest countries where their communities are often marginalized and landless.

- Small-scale fishing is a highly labor intensive and productive sector, although its importance is sometimes underestimated because of the volume of unreported catch. Some of this small-scale fishing is purely occasional, functioning as an essential safety net for coastal communities in times of crisis but this plays an important role in enhancing communities' resilience to shocks.
- Coastal communities are often marginalized from the development process and they face unique poverty-trapping constraints by virtue of their geography and lower levels of education.

Food security issues:

- *Role in global food supply.* Fisheries play a significant role in global food supplies and demand for high-quality aquatic protein is expected to increase substantially as income levels rise in Asia and African populations expand. Fish is the principal animal protein consumed by about one billion people worldwide and is often the only source of animal protein for the poor.
- *Supply gaps and inequality.* The export value of world trade in fish (US\$63 billion in 2003) is more than the combined value of net exports of rice, coffee, sugar and tea. Half of global fish trade comes from developing countries. Global fish consumption is on the rise (doubling since 1973) while global supply is in decline (per capita supply of fisheries products has declined by 2.5 kilograms since the mid-1980s). Sub-Saharan Africa is already experiencing a food fish supply gap of more than 2 million tons per year according to some estimates. There is growing concern that staple food fish will increasingly be “sucked out” of Africa as supplies are traded to higher income countries, widening the region's supply gap, with serious consequences for the diets, nutrition, and livelihoods of several million fish traders, most of whom are women. There are also indications of a growing disparity in food fish supply (in all regions) between rich and poor and between urban and rural consumers.
- Aquaculture is the world's fastest growing food production system, increasing at a rate of 8 percent annually—but its growth has been fraught by some dramatic boom and bust cycles.

The work relates to strategic priorities set out in new WBG Strategy and corporate reform agenda, specifically transformational engagement and promoting stronger partnerships. In addition to poverty and food security issues mentioned above, the fisheries sector encapsulates the full range of challenges affecting many natural resources subsectors: open access, poor governance, the need to work through partnerships at the regional and global level, knowledge gaps. Fish stocks and the aquatic environment are the global public goods that require coherent public policies at the country, regional, and global level. In many countries marine fisheries are considered to belong to the nation and governments (often with weak capacity) are charged with their stewardship. In some cases this has undermined the traditional rights systems observed by local communities and led to de facto open access. Weak governance is the underlying cause of overfishing. Fisheries governance revolves around: limiting access and allocating access to fish resources. Establishing effective partnerships is critical to reforming the sector. It is not possible to address all of the issues without cooperation.

4. Relevance to IEG Strategy

A learning product on fisheries would contribute to Objective 1 of the Results Framework, particularly generating evaluation evidence about the results of WBG programs and activities in the fisheries sub-sector, and their effectiveness for accelerating growth, inclusion, and sustainability.

Gender issues: Women are strongly represented in the fisheries sector, especially in the pre- and post-harvest sector (processing and marketing) and half of the estimated 16 million people employed in the aquaculture value chain in 2010 were women.

Environmental Sustainability Issues: Environmental degradation of fisheries habitat is a contributing factor to overexploitation of wild fish stocks. Degraded coastal ecosystems are a concern because they support almost two-thirds of the fish harvested worldwide at some stage in their lifecycle. When well managed aquaculture is among the most sustainable of animal production systems. But increasing competition for land and water is driving intensification that is sometimes beyond carrying capacity and into environmentally sensitive areas.

Balance between accountability and learning. It is proposed that IEG review the sector as a learning product rather than a full scale evaluation or leaving it as a topic that is only covered by project level evaluations, for two reasons: 1 - A learning product would allow us to scope the topic to a more manageable scale. 2 - Our project evaluation methodology is unlikely to capture the real issues. We know that the Bank often sets over ambitious objectives and its results frameworks are weak. This is compounded in the fisheries sector by a number of measurement challenges that suggest that reviewing the sector for ultimate outcomes or impacts would be a frustrating and fruitfulness exercise: there are few reliable baselines at a project scale, fish move (they often spend different stages of their life in different places and don't respect international borders), there are natural fluxes in the population of many species, weak M&E capacity of implementing agencies. The institutional issues are at the crux of the matter and IEG does not have a good methodology for capturing these issues in its project evaluations.

The product addresses a knowledge GAP in IEG. The fisheries sub-sector (and animal production in general) has not been covered by any of IEGs major products produced since the Bank's return to the sector. It was not part of the evaluation of Agriculture in Sub-Saharan Africa (2006), Agriculture and Agribusiness (2010), Environment (2008) or the Global Food Price Crisis Response (2012).

Synergies with other IEG products. The work would provide relevant insights into the proposed rural employment/livelihoods evaluation as well as the environmental sustainability evaluation.

5. Potential Influence

The topic addressed by the proposed work is of interest to three of the new Global Practices: Agriculture, Environment and Natural Resources, Urban Rural and Social Development.

6. IEG Readiness and Value Added

IEGs ARD-ENV cluster staff members have experience integrating natural resource management, environment, and rural development. Short-term technical experts would be added as needed.

Selectivity Sheet: FY17 Evaluating WBG Support to Promoting Shared Prosperity
--

1. Background and Context

The World Bank Group has made the elimination of extreme poverty and the advancement of shared prosperity and inclusive growth the overarching twin goals of the institution. Many view income inequality as the defining issue of our time, linked to both social justice and sustainable development.

IEG is currently undertaking an evaluation of the poverty work of the Bank “*Getting to Poverty: Lessons from the World Bank’s Record on Supporting Poverty Reduction in Country Programs*”. This would be a companion evaluation volume focused on the ‘shared prosperity’ goal which aims to support income growth of the lowest forty percent of the population. It would adopt a similar methodology, focusing on Bank engagement with countries through data development, analytic work, strategy, lending, capacity building, and learning from experience.

2. Purpose, Objectives, and Audience

IEG seeks to ensure that its work is timely, relevant and influential within the Bank and the broader development community. The shared prosperity and inclusive growth (SP&IG) topic should meet all of these criteria and generate lessons for the development community. The purpose of the evaluation will be to provide rigorous quantitative and qualitative assessment of the Bank’s contribution to client countries through analytic work, policy advice and debate, and through financial support and capacity building. The evaluation will aim to generate lessons and insights into the factors influencing robust policy dialogue and action on SP&IG issues at the country level.

The report has broad relevance for development. The audience will mainly be development practitioners and partners, both in and out of the Bank. A secondary audience will be other evaluation agencies.

3. Relevance to WBG Strategy

This evaluation directly addresses one of the WBG’s core strategic objectives. It will be the first time that IEG has examined support for reducing inequality. The analysis will distinguish between direct and indirect instruments of engagement, between targeted and untargeted instruments, and between short, medium and long term tools for influencing distribution.

This work is broadly relevant to most of the nineteen global and cross-cutting practices in the Bank Group, e.g. to the Macro and Fiscal management practice which directly deals with growth analytics and public finance. It is also highly relevance to the human development and infrastructure practices for which project and policy engagement touches on servicing low income populations and excluded communities.

The evaluation is proposed for FY17, three years after the WBG has adopted the twin goals. This allows time to refine indicators and assess how SP&IG has been embraced by the WBG and is influencing choices at the country level. The timing also aligns with the IDA18 replenishment meetings, expected to be concluded at the end of calendar 2016 (Q2 FY17), and completion of the current president’s term when attention to the SP&IG agenda is likely to be high.

4. Relevance to IEG Strategy

The proposal is central to Objective 1 of the Results Framework, and would addresses a major knowledge gap where IEG has not previously undertaken major thematic work:

- Addressing evidence on beneficiary incidence of public and private sector support, including growth diagnostics and structural elements of income dependence of the poor;
- Access to basic services of the poorest population quintiles, including the ‘opportunity set’ of the poorest; and
- Illuminate differences across country types, including MICs, LICs, and FSC countries.

The aim of each is to identify drivers of success on SP&IG engagement and lay out pathways towards greater WBG selectivity and impact. The agenda is recent and requires innovation and developing new analysis on distribution for which traditional portfolio performance analysis is less well suited.

Other IEG products will contribute to this work. Most directly is the current evaluation on poverty, which explicitly does not address inequality but sets up practical methodology. In addition, a synthesis will be prepared of work from thematic evaluations on service delivery (e.g. energy, transport, ICT, forestry) where analysis of service access among the poor, and issues of inclusion have been partially addressed. Leading up to FY17 a set of learning products is proposed to will help underpin this work, including on core analytic work on public expenditure analysis and other elements used in preparation of country diagnostics. Finally IEG is also initiating activities to revisit and strengthen the relevance of evaluation and IEG’s methods for the SP&IG objectives of the WBG, which will help to guide and support micro and thematic building blocks for this evaluation.

5. Potential Influence

In the course of preparing the thematic work now underway on ‘Getting to Poverty’ questions have arisen as to why the SP&IG work has been left out of that work. In discussion with CoDE members there is wide support for this proposed work, accompanied by recognition that it will require more time to set the stage for an in-depth evaluation of WBG engagement. There are numerous opportunities for collaboration with other evaluation agencies on this agenda.

This work is inherently cross-cutting and relates closely to different global practices in the WBG, including Gender (itself a cross-cutting ‘beam’), Social Protection and Labor, and the Poverty Global Practices. These are the leading candidates to ‘champion’ the evaluation. However other GPs are likely to also take a strong interest: macro and fiscal, urban and rural development, etc.

6. IEG Readiness and Value Added

IEG is taking stock of skills in this area and looking at training opportunities to raise the bar on relevant staff skills. We have some senior and lead expertise in the area in IEGPS, but also interest across departments in further investment.

IEG is in the best position to undertake this sort of evaluative work on Bank projects, strategies, advisory services and knowledge products. An independent assessment of the WBG’s commitments in this important and highly visible area could provide clarity and credibility to international efforts to seriously advance the institution’s core agenda.

Selectivity Sheet: FY17 Ensuring Environmental and Social Sustainability

1. Background and Context

The costs of environmental degradation are huge. Outdoor air pollution alone is responsible for 3.3 million deaths per year in low and middle income countries. Groundwater is unsustainably extracted in many areas, placing agriculture at risk. About 30% of fish stocks are overexploited, depleted, or recovering. These are just a few of the environmental challenges facing developing and transition economies. Climate change exacerbates most of them.

These burdens fall disproportionately on the poor, who often face the highest exposure to environmental hazards and are least able to invest in protection, e.g. via purchasing air conditioners or digging deeper wells. But poor people are sometimes the source of environmental externalities, so solutions must address the environmental problem without exacerbating poverty.

Environmental problems are inherently social problems: one person's pollution or resource depletion imposes costs on other people. So institutions – such as pollution control laws and agencies -- are essential to mediate between polluter and pollute, finding efficient and equitable ways of resolving environmental externalities.

Because they allocate costs and benefits of reducing environmental damage, these institutions can have profound distributional impacts

2. Purpose, Objectives, and Audience

The evaluation will focus on WBG-wide efforts to improve environmental management institutions, via analytic, advisory and technical assistance work, policy lending, investment lending, and standard-setting. "Institutions" is broadly interpreted, and includes (for example) policies and regulations on air and water pollution; 'command and control' agencies to implement these regulations; tradeable permits for sulfur or GHG pollution; tradeable fishing quotas; formal and informal local institutions for watershed management; payments for environmental services; certification systems for sustainably produced commodities; feed-in tariffs for renewable energy; standards-setting as in the World Bank/IFC industrial pollution standards; enforcement of laws against trade in endangered species and illegal timber; demand-side management of traffic to reduce urban congestion.

There would be wide audiences for the product in the WBG, across environment and natural resource management, energy, transport, urban and rural, and water global practices.

Key evaluation questions could include: what combinations of advisory, technical assistance, investment, and policy lending have been most effective in setting up working environmental management institutions? How has environmental management figured into country diagnostics and partnership strategies? How have these institutions grappled with political economy factors that favor polluters and resource depleters? What kinds of institutions have been successful, in which contexts, and why? What has been their direct and indirect impact on the poorest, and on the welfare of the bottom 40%? To what extent have 'green growth' and other growth strategies incorporated support for environmental management institutions?

3. Relevance to WBG Strategy

Sustainability is part of the core corporate goals of the new WBG Strategy, which aims to "end extreme poverty and promote shared prosperity in a sustainable manner", and includes an explicit "global commitment to environmental sustainability." The new WBG Strategy also identifies the risk that development progress made today may be reversed tomorrow unless sustainability is ensured.

Environmental externalities have a large impact on the well-being of poor people and of the bottom 40%. Achieving the twin poverty related goals of the WBG requires attention to this aspect of welfare. This is highlighted in the Strategy, which states that “environmental constraints are already affecting the progress of poverty reduction, and promoting shared prosperity is impossible without stepping up action to address such environmental challenges...”

4. Relevance to IEG Strategy

This evaluation would be an indispensable component of Objective 1, as it would be IEG’s flagship work on sustainability in the FY15-17 work program. IEG’s last evaluation of the environment was in 2008, which would be a 9 year gap between evaluations by the time this evaluation was complete. Compared to the 2008 environmental evaluation, this one would be more tightly focused, and would place more emphasis on the connection with poverty. It would draw on a wide range of more recent experiences.

The report would be able to draw on learning products on environmental DPLs, and on proposed evaluations of fisheries and of water supply and sanitation. It would also draw on relevant evaluation of World Bank and IFC projects.

The evaluation will explore the potential to use newly available remote sensing and industrial monitoring data on environment to assess project and policy impacts, as part of IEG’s initiative to harness Big Data for evaluative purposes.

5. Potential Influence

The lead champion in the Bank would be the new Environment and Natural Resources Global Practice, with interest across many other GPs with sustainability as a goal. The topic was strongly endorsed by the current ENV sector board.

This evaluation will contribute to the implementation of the WBG Environment Strategy (2012-22) vision of a “green, clean, and resilient” world.

Given its centrality to the new WBG Strategy, it is expected that there would also be interest more broadly among CODE members, the Board, and senior Bank management.

6. IEG Readiness and Value Added

IEG has considerable expertise on environmental issues within its core staff in IEGPS and IEGPE.

IEG has the essential ability to work across Global Practices and to collaborate between public and private sector evaluation departments.

Selectivity Sheet: FY17 Tackling Urban Poverty

1. Background and Context

The growth of world population is slowing, but that of the urban population is accelerating, a trend expected to continue in the foreseeable future. The World Health Organization predicted that by 2050 the urban population will have doubled since 2009 and reached 6.4 billion, with most of all urban population growth occurring in cities of developing countries. While most of urban immigrants are benefiting from better-off lives, the poorest population and those with low skill levels are often left behind and find themselves struggling with the day to day challenges of city life. The vulnerability of the urban poor is exacerbated by the inadequate provision of basic public services, e.g., housing, transportation, electricity, water, sanitation, health and education.

Improving access to urban services is essential for health, security, livelihood, and quality of life of the urban poor; it is also an important step of lifting the poor out of extreme poverty. While the role and responsibilities of municipal governments vary a lot across countries, the local government plays a crucial role of reaching and extending services to vulnerable groups. In her article, “Local Government Actions to Reduce Poverty and Achieve the Millennium Development Goals”, Harvard professor, Mona Serageldin, reviewed the range and diversity of local authority-driven initiatives of improving the livelihoods of the urban poor. The review found that infrastructure is a dominant component, which reflects the priority placed on access to services. Direct involvement of local authorities in health care, education, vocational training, and other social services depends on the degree of decentralized delivery of these services in each country, and the devolution of functions to the local level.

The World Bank has a long history of working with local governments to improve access to urban services for the poor. Over the last 10 year period the Bank’s investment (excluding IFC and MIGA) in the urban development area totaled USD36 billion (about 1000 projects), 10% of the total Bank’s portfolio, with the majority of the activities executed by the local governments. With the new WBG strategy clearly focusing on eliminating extreme poverty and promoting shared prosperity (inclusive growth), it is therefore necessary to evaluate the effectiveness of the Bank’s support in increasing the access to urban services and the Bank’s contribution to ensuring sustained access for the poor.

2. Purpose, Objectives, and Audience

The key questions to be answered by this report are: to what extent the Bank’s engagement has helped increase the accessibility and sustainability of urban services, especially for the poor? What has worked in which context? and in what ways can improvements be made to benefit the poorest population? The World Bank Group’s Board of Directors, Management, and the practices staff working on urban development and urban poor are the main audience of this product.

3. Relevance to WBG Strategy

Evaluating the Bank’s engagement in urban services to the poor is very relevant to the WBG strategy of ending extreme poverty and promoting shared prosperity because the number of urban poor is increasing rapidly. Typical urban service provided by municipalities and local governments would be related to infrastructure, but entail a broad range of activities, including housing, solid waste, street lighting, urban transport, and water supply. Such multi-sectoral focus is central to the new WBG strategy. The fact that urban service management spans a number of the Bank’s global practices means that the findings from the evaluation could shed light on how the global practices could work more effectively together to meet the twin goals.

4. Relevance to IEG Strategy

The evaluation is relevant to Objective 1, as it would generate evaluation evidence on the results of WBG programs and activities in the urban sector, and their effectiveness for accelerating growth, inclusion, and sustainability.

A desk-based IEG evaluation, “Improving municipal management for cities to succeed, 2009” provided an overview of the World Bank’s support for municipal management, but it did not find evidence related to their impact on the poorer population. The proposed evaluation is expected to fill the gap and focus on assessing the effectiveness of various interventions undertaken by Bank-funded projects for improving the access to urban services, particularly to the poor. The evaluation will build on other existing and new evaluations in IEG, including: urban transport sections of “improving institutional capability and financial viability to sustain transport” (completed), “Access to Electricity” (on-going), Systematic Reviews of Impact Evaluation Evidence in Infrastructure Development (FY15), urban water and sanitation sections of “Sustained Access to Water Supply and Sanitation” (FY16), and “Environmental Sustainability for the Poor” (FY17).

5. Potential Influence

The proposed evaluation which focuses on the urban poor is highly relevant to the Bank’s strategy and the related twin goals; therefore, the level of interest from CODE and the Bank management is likely to be high. The Urban, Rural and Social Development practice is expected to be the lead champion, but this evaluation will involve multiple Global practices. The evaluation would shed light on how the Global Practices could work effectively on improving the urban service management so as to enable sustained access to services by urban poor.

In addition to influencing the way the World Bank-supported projects tackle issues related to urban services to the poor, IEG will seek to present and disseminate this evaluation in various international conferences on urban development to contribute to the global efforts of making city life more livable and affordable for the poor. These conferences are likely to include the bi-annual Urban Research and Knowledge Symposium and events hosted by the International Urban Development Association.

6. IEG Readiness and Value Added

IEGPS has the required sectoral and evaluation expertise to deliver the product.

Selectivity Sheet: FY17 Mobilizing Private Resources for Large Scale Impact

1. Background and Context

Meeting the twin goals of eliminating extreme poverty and boosting shared prosperity demands deepening partnerships that bring together the resources, expertise, and ideas of actors across the development spectrum. Private sector resources and expertise are critical to achieve the goals. As recognized in the new WBG Strategy, given the scope of development challenge and the limited resources of its agencies, the “WBG must crowd in the private sector on a much greater scale than in the past”. IDA is the main instrument for pursuing the WBG goals in the world’s poorest countries. Participants in the IDA 17 replenishment discussion emphasized the importance of better leveraging private resources for “maximum development impact”—the overarching theme for IDA 17.

The WBG has increased its emphasis in recent years on mobilizing private capital and alternative investors to address development challenges. IFC has expanded its syndication program and has been mobilizing alternative investors in its Asset Management Company. MIGA works intensively with other insurers to create capacity and manage risks, especially in large and long-term projects. The Bank has expanded the scope of IDA guarantees to attract and leverage private resources and pioneered green bonds aiming to catalyze the green bond market and mobilize increased capital for climate change mitigation and adaptation.

2. Purpose, Objectives, and Audience

Mobilizing private capital and alternative investors for scaling up development impact is a big business for the WBG and an important priority for the institution in its new strategy. The focus of this evaluation will be on the traditional IFC’s core mobilization such as syndication and the AMC, IBRD’s key initiatives and instruments such as the green bond initiative and IDA guarantees, and MIGA’s reinsurance program. A brief description of each of these mobilization programs follow.

Through IFC’s syndication IFC sells participations in portions of its loans to co-financiers while remaining the lender of record for the entire amount. Co-financiers share in all project risks, as well as in any benefit which IFC derives from its status as a multilateral development institution, including preferred creditor status. Over the last year or so IFC has mobilized \$3.5bn through syndications. IFC Asset Management Company, LLC (AMC) is a wholly-owned subsidiary of IFC. It is IFC’s fund management arm, raising and managing third-party capital, which it invests in IFC transactions in developing countries. Today, AMC has 6 funds totaling US\$5.5 billion.

Since the inaugural issue in 2008, the World Bank has issued over USD 4.5 billion in Green Bonds through 60 transactions and 17 currencies. Recently, the Bank introduced IDA’s Partial Credit Guarantees and Policy Based Guarantees in addition to the existing Partial Risk Guarantees.

MIGA uses reinsurance to leverage its investment guarantee capacity, and foster the growth of the private political risk insurance market.

This evaluation will provide a first assessment of the development effectiveness of these efforts and generate knowledge that could be useful in implementing WBG’s strategic decision to expand significantly the crowding in of private capital for scaling up of development impact.

The key audiences for this evaluation are WBG management and in particular, Syndication, IFC’s AMC, WBG Treasury, and MIGA. Donors and private sector investors are also potential audience of this evaluation.

The most critical question that this evaluation will answer is about the extent to which the WBG has been effective in mobilizing private capital and alternative investors to address some of the most difficult developmental challenges that clients face and for scaling up development impact including in IDA countries.

3. Relevance to WBG Strategy

The new WBG strategy recognizes that achieving the twin goals will not happen without increasing significantly the crowding in of private capital for scaling up development impact. As a result, the Strategy emphasizes the importance of partnering with the private sector and alternative investors to bring capital, expertise and private sector discipline into development programs. IDA-17 replenishment also emphasized the importance of leveraging private resources for advancing the twin goals in the world's poorest countries.

This product tackles a key development challenge and focuses on initiatives and programs that represent a significant part of WBG support.

4. Relevance to IEG Strategy

This evaluation is highly relevant for IEG's strategic directions as it deals with partnering with the private sector and within the WBG for achieving the twin strategic goals of the WBG. It would directly contribute to Objective 1 in the Results Framework about the effectiveness of WBG support for inclusive growth, as well as the partnership element of Objective 2.

This evaluation will balance accountability and learning. The accountability involves additional complexities in the case of mobilization as mobilization involves fiduciary duties to external private parties in addition to the traditional accountability for development results to shareholders and traditional donors. The learning potential is also significant as no evaluation has been conducted on these important aspects of WBG operations.

The evaluation can draw from the 2008 evaluation of WBG guarantee instruments.

5. Potential Influence

This topic generates a lot of interest within the Board and WBG Sr management. It is of the high importance for all four WBG institutions—IBRD, IDA, MIGA and IFC.

6. IEG Readiness and Value Added

IEG has the expertise needed to deliver the product. The significant impact achieved in the case of the evaluation of WBG guarantee instruments, which demanded similar skills and expertise, provides the confidence that IEG will be able to deliver a high quality product.

This is likely to be a sensitive evaluation as it involves assessing WBG interactions with third parties and may influence WBG future efforts to mobilize these investors for development purposes.

Selectivity Sheet: FY17 Promoting Private Sector Development in Frontier Markets

1. Background and Context

Frontier markets, including low income countries, lagging regions in other developing countries, and fragile and conflict-affected states, present one of the strongest development challenges to the World Bank Group. For while institutional weakness and lack of market development typically characterize these regions, private sector development is the critical mechanism for lifting populations in these regions out of poverty. Yet, the private sector in these environments is small, weak and largely informal with limited capacity to create, identify and seize investment opportunities that could offer pathways out of poverty. As the WBG strategy points out “in the poorest countries and FCS, where capital is scarce...the informal sector will remain an important source of employment propagating concerns about low productivity and wages.” How to structure and sequence strategies to promote private-led growth in countries and regions with limited human, physical and social capital represents a fundamental challenge – given that the majority of the world’s poor reside in such conditions.

2. Purpose, Objectives, and Audience

While WBG is engaged in PSD in frontier states, there seems to be a huge potential to expand it. Understanding the lessons of experience – including the challenges the WBG faces in frontier markets, which products have worked best and what sequence and combination of engagements have worked best in which contexts -- can assist the Bank Group to gear up its engagement PSD activities in frontier states, hence its impact on poverty and shared prosperity.

By undertaking this analysis IEG hopes to shed light on the relevance, efficacy and efficiency of work in this area, including by examining evidence of the coherence of existing strategies, the appropriateness of projects to country conditions, and the direct, demonstration and “catalytic” effects of projects on the ground.

The product is timely as new GPGs and cross-cutting thematic teams assess how best to pursue their redefined mandates and results frameworks in light of the twin goals of the WBG and newly emerging strategies. The internal audience for this evaluation is broad and includes IFC and MIGA management as well as the new GPGs on trade and competitiveness and finance and markets, as well as the cross-cutting themes of jobs and of fragility, conflict and violence.

3. Relevance to WBG Strategy

Because the private sector is the major source of jobs and opportunity for the poor, the ability of the World Bank Group to promote private sector development in frontier countries and regions is essential to its twin goals. Clearly the WBG cannot rely on transfers and migration alone to solve the problem of frontier countries and regions. Understanding experience in promoting private-led growth at the frontier will help to better utilize resources and increase impacts by taking educated risks. With ambitious interventions like the Sierra Leone Growth Pole project being launched, it is vital to understand what can be achieved, how to address capacity constraints, and how to better capture useful information for diagnostic, monitoring and evaluation purposes. Promoting PSD where the majority of the poor live is a critical challenge that must be confronted to advance towards the twin goals.

IFC has an explicit strategic focus on frontier markets. It aims to have 45-50% of investment projects per year in low income countries and seeks to increase its focus on frontier markets. MIGA also targets frontier countries, emphasizing its successes in bringing new investments into countries “characterized by low incomes and high risks”.

4. Relevance to IEG Strategy

The evaluation is central to Objective 1 in the Results Framework about the effectiveness of WBG support for inclusive growth, as well as the partnership element of Objective 2. It will have an emphasis on learning, but there is a strong accountability element in that the term “frontier” is weakly defined and sometimes misused and it is important to understand to what extent the Bank has been able to contribute to shaping country development paths to encourage private-led growth in the most challenging areas where the need is greatest.

This will compliment work from a number of other evaluations that have raised the theme of the frontier without addressing it in detail. The FCS evaluation examined PSD issues, but did not delve deeply into questions of instruments and sequencing, nor did it address either non-FCS frontier or fragile regions in non-FCS countries. On both the financial and real sector fronts, the details on the relevance and efficacy of key instruments, the ways of approaching governance, political commitment and capacity challenges, and the need to address information constraints has barely been touched. Essential questions remain unanswered, such as whether more complex projects can succeed, what are the preconditions for targeted investments, and how can common risks be mitigated.

There is a strong potential for initial meso products to contribute to this work based on the major interventions or with a specific regional focus.

5. Potential Influence

CODE is interested in understanding both the potential and the limitations of promoting the private sector near the frontier, and has been generally supportive of IEG recommendations that the WBG move more of its portfolio towards the frontier, in the context of appropriate risk management. As noted above, the evaluation is expected to be of interest to a broad internal and external to the WBG audience of development practitioners that are seeking to support PSD in challenging environments.

6. IEG Readiness and Value Added

IEG has the in-house expertise as well as ability to tap recognized experts to shed light on the issues to be addressed by this evaluation.

There may be a lively debate about how to define the frontier, to what extent it carries with it inescapable risks that cannot be mitigated, and whether market-based solutions can provide practical and scalable answers to unemployment and poverty challenges.

Although the portfolio may be underweighted towards the frontier, there is substantial engagement on frontier countries and regions accounting for many billions of dollars over the evaluation period. It is essential for IEG to shine a bright light on a potential pathway to poverty and shared prosperity through projects aimed to enhance private sector development and employment in lagging countries and regions, where the challenges are great and learning has been limited.

Selectivity Sheet: FY17 Process Evaluation of Global Practices

1. Background and Context

The success of the WBG strategy in pursuit of its twin goals is heavily dependent on the success of the newly established Global Practices (GPs). The GPs are a fundamental part of the organizational restructuring envisaged in pursuit of the transformation of the WBG into a solutions oriented organization. According to the strategy, they will (i) be the “cornerstone of an agile global knowledge and talent organization”; (ii)

“combine the established strengths of local delivery support with the ability to generate, share, and deploy knowledge globally”; and (iii) “strengthen the mobilization, flow, and sharing of expertise and knowledge that is presently fragmented across geographic and sector units”. Global practices will also foster learning and career development for staff through greater mobility, stronger talent management, and better-connected professional communities.

The organization of technical expertise into GPs is intended to signal selectivity and an emphasis on multi-sector solutions that will evolve to reflect changes in development challenges, “with the potential for dynamic entry and exit”. Global practices will also foster learning and career development for staff through greater mobility, stronger talent management, and better-connected professional communities.

Fourteen GPs have been identified. The objectives of the Global Practice Vice Presidents (GPVPs) charged with setting up the GPs are to: optimize the use of talent and expertise, wherever they are located – this involves maintenance of country-level focus with the additional possibility of pulling in expertise as required to meet client need; collect, curate, and manage knowledge for impact – new practices to support staff to share the lessons of their work as a core part of business, and the mobilization of knowledge from partners and other sources; and, to strategically manage careers – managers to better nurture talent, make more strategic decisions about careers, and create opportunities for greater professional growth.

But the WB has previously experimented with structural change in pursuit of enhanced performance. The core objective of the 1997 reform (matrix system) was to create a new knowledge Bank culture through increased “client responsiveness” and delivery of “quality services.” However, IEG found (*The Matrix System at Work*, 2012) that the matrix system, which was predicated on collaboration and teamwork across regions and sectors, left intact or strengthened the incentives and underlying organizational culture, maintaining silos and competition among them.

Clearly, given the importance of the GPs to the current reform agenda and the twin goals of the WBG, the extent to which they have developed in order to support the progressive realization of the aspirations set out for them is a critical issue meriting evaluation.

2. Purpose, Objectives, and Audience

The purpose of this evaluation is to assess the manner in which the GPs were established and operationalized, and to identify how they are contributing to engendering culture, practice and process in support of a “solutions Bank”, and in pursuit of the twin goals of the WBG strategy. The evaluation will not, at this early stage, seek to measure the contribution of the GPs to development effectiveness; instead, the evaluation will be designed to inform the ongoing engineering and fine-tuning of the core components of the GPs which, if working effectively, will ultimately underpin and contribute to enhanced WBG performance.

The objectives of the evaluation are to assess:

- the process through which the GPs were introduced and developed; and
- the extent to which the GPs have, as anticipated in the strategy:
 - combined the established strengths of local delivery support with the ability to generate, share, and deploy knowledge globally;
 - strengthened the mobilization, flow, and sharing of expertise and knowledge; and
 - fostered learning and career development for staff through greater mobility, stronger talent management, and better-connected professional communities.

The evaluation will also seek to identify and describe good practices in relation to the above that will be subject to in-depth case study with a view to generating learning and informing on-going practice.

The critical question underpinning the evaluation is: have the newly established GPs been successful in influencing desired change in the culture, processes, and systems of the WB in pursuit of the realization of a “solutions Bank” and the twin goals of the WB strategy?

The primary audiences for the report include the Board and WBG management. Other interested parties may include WBG staff more generally and the broader development community.

3. Relevance to WBG Strategy

The GPs are perhaps the most fundamental component of the WBG reform agenda from a WB perspective. They are identified in the strategy document as the “cornerstone of an agile global knowledge and talent organization” and, as such, their successful implementation and realization underpins the potential success of the strategy as a whole and the associated attainment of the twin goals.

4. Relevance to IEG Strategy

This evaluation speaks primarily to Objective 2 of the Results Framework, and is designed to generate evaluation evidence on the early implementation of the GP model to enable real-time learning and mid-course corrections, as needed.

5. Potential Influence

The evaluation will provide early feedback into the functioning of the GPs. Independent and objective evaluation will support WBG management in making necessary adjustments in design, and will identify good practice that can be replicated towards overall system improvement.

6. IEG Readiness and Value Added

IEG has long experience and established expertise in undertaking corporate level evaluations, including an evaluation of the previously introduced organizational reform (e.g., the Matrix Evaluation, 2012). IEG’s informed, independent, and objective evaluation of the introduction and development of the GPs will allow for mid-course correction and calibration of relevant systems with a view to supporting organizational learning and effectiveness and, in turn, the realization of the twin goals.

Selectivity Sheet: FY17 Engaging Citizens

1. Background and Context

The WBG has long espoused a broad commitment to work with citizens and civil society. Key commitments to deepen Bank Group engagement with citizens were made by the *World Development Report 2004* on 'Making Services Work for Poor People' and the 2007 Governance and Accountability Strategy. The Bank's policy on Development Policy Lending (OP 8.60) also requires citizen participation in formulating policy reforms, especially those which have significant distributional or environmental effects. Many projects, in particular those aimed at service delivery, community-driven development, as well as projects triggering safeguards embody various mechanisms for beneficiary participation and feedback. Similarly, IFC's Sustainability Framework offers entry points for citizen engagement. But citizen engagement has not been adopted consistently in the World Bank and the IFC. It has often been used for information sharing rather than for a two-way interaction, and there has been uneven monitoring and reporting of citizen engagements in projects, policy-based operations, and strategies.

As part of its new strategy, the WBG has committed to mainstream citizen engagement, announcing a goal of 100% beneficiary feedback in order to improve accountability, legitimacy, and ultimately results (see the March 2014 Technical Briefing from OPCS to the Board). This comes as many client governments are facing domestic pressure from various sources to be more open, responsive, and accountable to their citizens, and as ICT opens opportunities to make such engagement faster, cheaper, and more comprehensive.

This evaluation will examine WBG support for transparency, accountability and participation to enhance citizen voice, set up beneficiary feedback loops, and foster partnership with civil society organizations in order to strengthen the demand-side of governance and complement service delivery through public and private institutions. The report will aim to assess (1) the effectiveness and outcomes of past WBG citizen engagement and (2) whether the new citizen engagement approaches (to be launched in FY15) are robust and likely to address any shortcomings identified in past approaches adequately. It will cover both Bank and IFC.

The report will draw on evaluations of past projects, programs, and country assistance strategies; academic literature, especially the growing number of impact evaluations in this field; and early implementation experience of reforms in this area. Last time IEG/OED took a comprehensive look at citizen engagement was in the 1999 "Nongovernmental Organizations in World Bank-Supported Projects: A Review" (IEG has also worked on country-level governance and accountability).

2. Purpose, Objectives, and Audience

OPCS has started a process to develop staff guidance and training for a more consistent approach to citizen engagement in WBG lending. OPCS aims to roll this out the new approach beginning end-FY15. This will largely be in the form of guidance to staff and is currently not expected to contain any new mandatory requirements. This evaluation will offer early feedback on the implementation of the citizen engagement reform. As such, OPCS together with the WBG operational units will be a key audience.

Many CSOs—both international and in client countries—are keenly interested in WBG practices in this area and constitute a third audience for this evaluation.

3. Relevance to WBG Strategy

The WBG strategy contains a commitment to 'become a better listener' and President Kim has announced a commitment to achieve beneficiary feedback in 100% of projects with clearly identifiable beneficiaries.

Citizen engagement, when executed effectively, can contribute to better governance and better service delivery that is more responsive to the needs of poor and marginalized groups. It is hence an enabler for poverty orientation, effective service delivery, anti-corruption efforts, and shared prosperity.

4. Relevance to IEG Strategy

This FY17 evaluation of the WBG's partnership with citizens and civil society will be an integral part of IEG's emphasis on partnerships and will complement other IEG products that have focused primarily on donor partnerships and private sector partnerships. It will also be part of the suite of IEG's products taking the pulse on the implementation of the WBG strategy and change processes, thus falling under the second objective of IEG's results framework.

5. IEG Readiness and Value Added

IEG has experience from assessing other corporate processes (safeguards, procurement, governance and anti-corruption, and learning and results) and from parallel work on evaluating poverty, inclusive growth, and shared prosperity position it well to undertake this study. IEG's staff has the necessary skills in governance and social development, which will be augmented, as necessary with experts from IEG's pool of available consultants.

Selectivity Sheet: FY17 Clustered CPE on Inclusive Growth in MICs
--

1. Background and Context

With the adoption of the ‘twin goals’ of Bank lending, of removing poverty and increasing shared prosperity, this proposal for a cluster CPE aims to understand the extent to which these goals, especially, the goal of shared prosperity, has been achieved in Bank lending to its large middle income country clients.

A preliminary review of the growth and development patterns of these countries suggests sharp dissimilarities in their progress towards shared prosperity, despite shared success in the reduction of poverty. Inequality, as measured by the Gini coefficient (and subject to its limitations) declined in three countries - Brazil, Mexico and Turkey - despite relatively modest rates of growth of 1.9 to 3.2 percent in the last five years. But inequality increased, noticeably if measured over a long time period, in India and Indonesia, and in China despite higher growth rates in these countries. All achieved reductions in headcount poverty ratios. These patterns raise a range of questions regarding what factors in the development path of these countries may have prompted these outcomes, what the links may be between the achievement of both the twin goals, and why some countries are able to make progress towards both, while others are not, and finally, the extent to which the Bank’s programs in the respective countries have contributed to the achievement of these objectives. Shared prosperity has multiple dimensions, including an understanding of the drivers of economic growth, in addition to redistributive aspects, and the proposed CPE cluster would span all these relevant areas.

Concern about the success or failure of the development models of these countries is heightened by their persistently large share in the Bank’s lending portfolio, and the paucity of IEG validated information on the results achieved by many of these countries in recent years. In each year over the past decade, the seven countries in Table 1 have collectively accounted for between 36 to 50 percent of total Bank borrowing. Yet, in-depth IEG evaluations of several country programs among these middle income country borrowers have not been undertaken for several years. The proposed cluster CPE will examine the development effectiveness of Bank support to a subset of countries (3-4) among this group, with the selection balancing a series of criteria: the inclusion of countries with contrasting patterns of development in terms of shared prosperity; the inclusion of lower as well as upper middle income countries; scale and significance of the lending program, and the significance of the IEG knowledge gap in terms of in-depth evaluation of the Bank’s country program.

The study is motivated by several factors: the need to learn how the Bank’s twin goals may be achieved, based on the past success and failures of its large country programs, the need to understand whether a significant portion of Bank resources have been allocated to the most effective uses, in terms of achieving Bank objectives, and the need for greater program selectivity as some of these countries approach their single borrower limits or IDA graduation. Added to these factors is the extent to which these countries face similar challenges, thus offering opportunities to learn from each other, and the extent to which there are opportunities for WBG learning from a collective ‘cluster’ review of these countries that would show how WBG goals have been served by different WBG strategies, in these diverse country contexts. From the countries’ perspectives, the evaluation offers the MICs a valuable opportunity to learn from each other’s experiences.

2. Purpose, Objectives, and Audience

The study will not only be of interest to the country departments concerned but also to the respective RVPs, given the focal position of most of these countries in their respective regions, and to CODE members, given their role as watchdogs of the Bank’s development effectiveness. It will also be of interest to the specific global practices related to poverty reduction, macroeconomic management and governance, as well as

additional global practices, to the extent that the pillars focused on lie within their purview. It is intended that the product would also include a series of spin-off learning products as a part of overall evaluation design.

Beyond this it is expected that the study will be of huge interest, as a learning product, to the countries themselves. The last decade has seen a growing movement among many of these countries to learn from each other, as witnessed by emerging groups such as the G20 and the BRICs. There is an acknowledged growing congruence among these major emerging markets of strategic challenges they face, in terms of achieving sustainable growth and greater equity in large and decentralized geographic contexts).

3. Relevance to WBG Strategy

The twin corporate goals of shared prosperity and ending extreme poverty have been elements of recent Country Partnership Strategies of virtually all countries in this group (China: reducing poverty, inequality and social exclusion; India: achieving inclusive growth; Mexico: promoting social inclusion; Turkey: achieving equitable social and human development; Indonesia: improving community development and social protection). The proposed cluster CAE will focus, among other areas, on those elements of country strategies which will highlight past achievement of the twin corporate goals and lessons for the future.

There are a number of other elements of WBG Country Partnership strategy for these countries that are common, and that would impact upon the achievement of shared prosperity: these include, improving the quality and delivery of public services in areas such as health and education, managing environmental sustainability and disaster mitigation mechanisms, and better governance and stronger institutions to support economic growth. Results have varied across the countries and there is scope for useful learning by looking at the achievements of others in the group. For example, in terms of public service delivery, the Bank has helped China achieve better education spending, whereas in Indonesia, education quality has been hard to achieve; water management has likewise improved in China with Bank support, though efficient tools for the management of water and sanitation in Mexico are still to be found, etc.

4. Relevance to IEG Strategy

The proposed product is a part of the staple core of IEG country program evaluation work and is in accordance with IEG's strategy to improving timely and cost effective coverage of country partnership strategies by adopting a clustered approach. It would contribute to Objective 1 of the Results Framework, particularly increased accountability and learning for results in country programs. It is also expected that the widespread interest in such a report would trigger interest in a series of learning products and events ancillary to the main report.

5. IEG Readiness and Value Added

While the proposed cluster is ambitious, IEG is well positioned to deliver the proposed product, which in terms of scope and design, is outside the realm of WBG self-reviews, current DEC research etc. Nevertheless it is possible that analytic work already undertaken in WBG / DEC on select aspects of these countries' performance, and on the broader issue of the factors contributing to the achievement of shared prosperity, would contribute to the proposed cluster CPE in the form of building blocks and background materials.