

29783



## Assessing Development Effectiveness

# Assessing Development Effectiveness

Evaluation in the World Bank and the International Finance Corporation

## WORLD BANK OPERATIONS EVALUATION DEPARTMENT

This publication was produced as part of the OEDPK publication series by a team under the direction of Elizabeth Campbell–Pagé, consisting of Tsige Kagombe, Leo Demesmaker, Roshna Kapadia, and Kathy Strauss. Kathy Strauss designed and art directed this edition. Cover design by Lunn Lestina. Special thanks to William Battaile and Wendy Jarvie.

Director–General, Operations Evaluation Department: Robert Picciotto

Director, Operations Evaluation Department: Elizabeth McAllister

Manager, OEDPK: Osvaldo Feinstein

The International Bank for Reconstruction and  
Development / THE WORLD BANK  
1818 H Street, N.W.  
Washington, D.C. 20433

Manufactured in the United States of America  
First printing September 1998

This document may be cited or reproduced  
in whole or in part without permission.

### *Library of Congress Cataloging–in–Publication Data*

Assessing development effectiveness : evaluation in the World Bank and  
the International Finance Corporation.

p. cm.

Includes bibliographical references.

ISBN 0–8213–4395–5

1. Economic development projects—Evaluation. 2. International Bank for  
Reconstruction and Development. 3. International Finance Corporation.

I. International Bank for Reconstruction and Development.

HC79.E44A88 1994

332.1'532—dc20

94–15316

CIP

This publication is also available in French and Spanish.

Aussi disponible en français.

Disponible también en español.

## Contents

The World Bank and International Finance Corporation	<a href="#">link</a>
Foreword	<a href="#">link</a>
Introduction	<a href="#">link</a>
Overview	<a href="#">link</a>
Goals	<a href="#">link</a>
Structure	<a href="#">link</a>
Evolution	<a href="#">link</a>
Related but Distinct Functions	<a href="#">link</a>
Self-Evaluation	<a href="#">link</a>
Strategies	<a href="#">link</a>
Country Assistance Strategies	<a href="#">link</a>
Sector Strategy Papers	<a href="#">link</a>
Lending Operations	<a href="#">link</a>
Current Operations	<a href="#">link</a>
Loan Supervision	<a href="#">link</a>
Country Portfolio Performance Reviews	<a href="#">link</a>
Annual Report on Portfolio Performance	<a href="#">link</a>
Completed Operations	<a href="#">link</a>
Implementation Completion Reports	<a href="#">link</a>
Borrowers' Contribution	<a href="#">link</a>
Advisory and Analytical Activities	<a href="#">link</a>
Economic Sector Work	<a href="#">link</a>
Policy Work	<a href="#">link</a>
Development Training	<a href="#">link</a>
Research	<a href="#">link</a>
Technical Assistance	<a href="#">link</a>
Private Sector Development	<a href="#">link</a>
Grants and Externally Funded Programs	<a href="#">link</a>
Independent Evaluation	<a href="#">link</a>
Independence and Relevance	<a href="#">link</a>
Evaluation Criteria	<a href="#">link</a>
Outcomes	<a href="#">link</a>
Sustainability	<a href="#">link</a>

## Assessing Development Effectiveness

Institutional Development Impact	<a href="#">link</a>
Performance	<a href="#">link</a>
Stakeholders' Views	<a href="#">link</a>
Evaluation Instruments	<a href="#">link</a>
Review of Implementation Completion Reports	<a href="#">link</a>
Performance Audits	<a href="#">link</a>
Impact Evaluations	<a href="#">link</a>
Sector Impact Evaluations	<a href="#">link</a>
Country Assistance Reviews	<a href="#">link</a>
Thematic Evaluation Studies	<a href="#">link</a>
Sector Studies	<a href="#">link</a>
Process Studies	<a href="#">link</a>
Annual Review of Development Effectiveness	<a href="#">link</a>
Annual Report on Evaluation Activities	<a href="#">link</a>
Review of Annual Report on Portfolio Performance	<a href="#">link</a>
Institutional Memory	<a href="#">link</a>
Evaluation Outreach and Capacity Building	<a href="#">link</a>
Feedback Within the Bank	<a href="#">link</a>
Monitoring the Use of Evaluation Findings	<a href="#">link</a>
Disclosure of Evaluation Results	<a href="#">link</a>
Communication and Dissemination Program	<a href="#">link</a>
Developing Evaluation Capacity	<a href="#">link</a>
Operations Evaluation in the International Finance Corporation	<a href="#">link</a>
Self–Evaluation of Investment Operations	<a href="#">link</a>
Evaluation Studies	<a href="#">link</a>
Dissemination and Application of Evaluation Results	<a href="#">link</a>
Appendix A: The World Bank Project Cycle	<a href="#">link</a>
Identification	<a href="#">link</a>
Preparation	<a href="#">link</a>
Appraisal	<a href="#">link</a>
Negotiations and Board Approval	<a href="#">link</a>
Implementation and Self–Evaluation	<a href="#">link</a>
Independent Evaluation	<a href="#">link</a>
Adaptable Lending Instruments	<a href="#">link</a>

Figures [link](#)

1. Building Blocks of Independent Evaluation [link](#)

2. Evaluation and the Policy Cycle [link](#)

A–1. The Project Cycle [link](#)

Boxes

1. Basic Principles of the World Bank's Evaluation System [link](#)

2. Developing Indicators for Monitoring Country Assistance  
Strategy Implementation [link](#)

3. Self–Evaluation Instruments in Lending Operations [link](#)

4. Monitoring and Evaluation in Investment Projects [link](#)

5. Typical Questions Addressed by Implementation Completion  
Reports [link](#)

6. Recent Changes in OED's Evaluation Strategy [link](#)

7. Example of an Unsatisfactory Project with Moderate  
Achievement of Physical/Technical Objectives [link](#)

8. Assessing the Effects of Projects [link](#)

9. Improving the Quality of Investment Assessment Reports [link](#)

## The World Bank and International Finance Corporation

The World Bank is a development institution owned by the governments of 181 countries. Its purpose is to assist its developing member countries to further their economic and social progress so that people now in poverty may live better and fuller lives. To do this the Bank lends for priority development operations, gives economic advice and technical assistance, and provides a platform for collaborative development activities. Bank–financed activities often serve as catalysts for development assistance from other agencies.

The name World Bank refers to two legally and financially distinct entities: the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA). IBRD, which began operations in 1946, finances its lending operations by borrowing in world capital markets. IDA was founded in 1960 to assist the poorest developing countries with concessional resources provided by its wealthier members and IBRD surpluses.

Most of the Bank's lending is used for investment projects. These build up physical and human capital; help countries increase agricultural productivity; provide basic health care; train teachers; build roads, power stations, schools and health clinics; modernize industries; expand telecommunications networks; and construct water and sewerage facilities.

Adjustment operations account for about 25 percent of lending. They provide fast–disbursing finance to support the borrower's balance of payments while reforms in policies and institutions are implemented, to make the economy more efficient and flexible and better positioned to achieve long–term growth.

The International Finance Corporation (IFC), an affiliate of the World Bank, seeks to promote growth in the private sector of developing countries by mobilizing foreign and domestic capital to invest in commercial enterprises. It was established in 1956.

### Foreword

To succeed in its mission to reduce poverty, the World Bank continually adapts its policies and practices to a rapidly changing world. To do this, it seeks reliable and objective information on the effectiveness of its operations. Evaluation is a privileged tool for identifying the most effective and efficient ways of managing and fostering development assistance. It provides insights into the dynamics of outcomes, generates lessons for improving performance, and demonstrates accountability for the Bank's development impact.

In turn, as the development enterprise evolves, operations evaluation itself must adapt to changes in policies, programs, and instruments. The imperative of achieving results on the ground underlies the World Bank's new evaluation strategy. First, operations evaluation in the World Bank is increasingly focused on real time feedback to assist management in decisionmaking. Second, it is becoming more participatory through the active involvement of borrowers, cofinanciers, volunteer organizations, and the ultimate beneficiaries of Bank assistance. Third, it is emerging as an important input for knowledge management of development by identifying best practices and informing the policies of the World Bank and its member countries.

Thus, as the Bank Group adapts the way it does business to meet the needs of the developing world, it is revamping its evaluation system. We believe that nothing is more important than measuring the effectiveness of our operations and programs, so that we may be accountable to our shareholders and our clients. This allows us to enhance the development effectiveness of our lending and advisory and analytical activities, provide timely feedback for the management of our portfolio, and create learning opportunities for the entire development community.

JAMES D. WOLFENSOHN  
PRESIDENT, WORLD BANK

### Introduction

The basic mandate of evaluation in any organization is twofold: to measure to what extent and how efficiently operational programs and activities are producing the desired results, and to feed the information back into the formation of new directions, policies, and procedures. Evaluation is thus a key tool to support results-based management (RBM), whose purpose is to provide a framework for strategic planning and management based on the principles of learning and shared responsibility.

The World Bank Group, as an organization that promotes development through international cooperation, is expected to take risks. It has special features which were taken into account in the design of its evaluation processes:

*Its substantial resources.* Allocative decisions must be made about both the resources the Bank lends (roughly \$2025 billion annually) and those it spends for administrative purposes (about \$1.4 billion).

*A decentralized decisionmaking structure.* The Board of Executive Directors makes decisions on policies, budgets, and lending and borrowing commitments; the president sends recommendations on these matters to the board and makes major administrative decisions; and responsibility and accountability of day-to-day operational and administrative decisions are devolved to the lowest competent level to ensure that the Bank responds flexibly to borrowers' needs.

*Shared responsibility for outcomes.* Borrowers are primarily responsible for the implementation of operations supported by Bank lending. In addition to the borrower and the Bank, many of these operations involve

## Assessing Development Effectiveness

participation by other development agencies and nongovernmental organizations.

Effective management of development assistance requires reliable feed-back about the impact of ongoing and completed operations. In addition to providing report cards on the Bank's record, evaluation supports the Bank's effort to improve its development effectiveness in two ways: by providing lessons of experience for operations and policies, and by helping to enhance quality management through links to training programs and to the monitoring and evaluation on ongoing operations. The reporting aspect of evaluation strengthens shared accountability. The learning dimension assists management with decisionmaking.

All of the Bank's lending and advisory and analytical activities call for evaluation. If useful lessons are to be effectively absorbed, evaluation staff need to interact closely with operational staff at all levels. And borrowers and other stakeholders need to be involved in the evaluation process. This said, evaluation in the Bank and IFC has full freedom to review, assess, and derive lessons from operational experience.

The following three chapters describe operations evaluation at the World Bank. Chapter 5 covers operations evaluation at IFC.

### Overview

#### Goals

Evaluation measures achievements in relation to institutional policies, Bankwide program objectives, and the goals set for each operation. It is designed to:

Provide an objective basis for assessing the performance of policies, programs, projects, and processes.

Help provide shared accountability for the achievement of the Bank's objectives.

Improve policies, programs, and projects by identifying and disseminating the lessons learned from experience and by making recommendations drawn from evaluation findings.

#### Structure

Evaluation in the Bank has two major dimensions: (a) self-evaluation by the units responsible for particular programs and activities; and (b) independent evaluation by the Operations Evaluation Department (OED). Box 1 outlines the basic principles underlying evaluation activities.

The Bank's first operations evaluation unit, established in 1970, reported to the president through a vice president with no operational duties. The evaluation function took on its present independent character in 1975, when the post of Director General, Operations Evaluation (DGO), was established.

*The DGO* is appointed by the Board of Executive Directors for renewable terms of five years and is responsible to the board under the aegis of the Committee on Development Effectiveness (see below). The DGO's responsibilities are discharged, for the World Bank, through OED and, for the IFC, through functional oversight of the IFC's Operations Evaluation Group (OEG). The DGO is responsible for: appraising the Bank's operations evaluation system and reporting on its adequacy to the Bank's member governments; conducting independent reviews of programs and activities; encouraging and assisting member countries to develop their own evaluation systems; reporting on actions taken by the Bank in response to evaluation findings; and presenting an overall assessment of the effectiveness of the feedback system.

## Assessing Development Effectiveness

*The Committee on Development Effectiveness (CODE)* oversees the operations evaluation system of the Bank and of IFC. It was established in 1994 as a standing committee of the Board of Executive Directors. The eight-member committee has the following terms of reference:

To review the work program and reports produced by OED and OEG—and

### *Box 1: Basic Principles of the World Bank's Evaluation System*

The following principles apply to both independent and self-evaluation.

*Usefulness:* For evaluation to affect decisionmaking, decisionmakers must perceive the findings as useful, timely, and geared to current operational concerns. To ensure a practical focus, evaluation involves operational managers, borrowers, cofinanciers, and beneficiaries of Bank assistance.

*Credibility:* If Bank managers and staff are to use the lessons learned from evaluation, they must perceive the evaluation as objective, rigorous, and impartial. The credibility of evaluation rests on the professional quality of the staff, the rigor of its methods, and timely availability of its findings.

*Transparency:* All evaluation reports are issued to Bank member governments and to the Bank's management, and are available to all staff. The evaluation process itself (including self-evaluation) is subject to independent annual reviews by the Committee on Development Effectiveness of the Bank's board.

In addition, evaluation by OED must be based on:

*Independence:* If independent evaluation is to be impartial, its findings, analyses, and conclusions must be free from bias. This means that evaluation by OED must be independent from line management at all stages of the process, including planning of work programs, formulation of terms of reference, staffing of evaluation teams, and clearance of reports.

management's responses to them—and to identify policy issues for consideration by the board.

To satisfy itself that the Bank's operations evaluation and self-evaluation activities are adequate and efficient.

To examine selected issues concerning operations evaluation and development effectiveness for review and decisionmaking by the board. CODE deliberates on issues that have a bearing on the relevance, efficiency, and effectiveness of the Bank's operations—including operational policies and business processes—and monitors the implementation of Bank activities to ensure that the overall purpose of reducing poverty is being served.

In discussions with the board and CODE, Bank management provides a thorough reporting on the quality of portfolio management as well as on the implementation of management responses to recommendations from OED. In

the same vein, CODE reviews with top management specific examples of significant project restructuring and country portfolio performance reviews, so that all parties can better understand the development issues involved.



While maintaining their distinctive institutional roles and perspectives, CODE, Bank management, and OED collaborate to encourage learning and organizational change with the aim of making the Bank more responsive to the needs of clients and more accountable for results on the ground. In this spirit, OED has also taken a leading role in advocating a view of evaluation as more than a technocratic activity. Evaluation is an integral part of an RBM philosophy that emphasizes strategic outcomes and results on the ground, that devolves and decentralizes authority, that highlights shared responsibility and accountability for results, and that encourages continuous learning from evaluations of actual results achieved.

*The Quality Assurance Group (QAG)* was created in February 1996. It provides line managers and staff with independent assessments of the quality of ongoing work and identifies and helps them address critical problem areas in the current portfolio. It thus differs from OED in that it is a tool for quality assurance during project preparation and implementation. QAG reviews operational products on a sample basis—including reviews of supervision, checks on the quality of proposed new projects, and troubleshooting for problem projects—and assesses the quality of advisory services and of country portfolio performance reviews.

These assessments are normally carried out by customized panels involving senior Bank staff and experienced and respected non-Bank staff from aid agencies, nongovernmental organizations and elsewhere. Findings from these assessments improve the Bank's understanding of the factors determining operational quality that are used to catalyze changes in Bank policies, programs, and processes.

### Evolution

Initially, operations evaluation in the Bank concentrated mainly on individual investment projects. In the mid-1970s, the focus was broadened to cover the Bank's operational policies and processes through cross-country evaluation studies. The late 1980s saw the start of increased emphasis on dissemination and feedback—that is, on ensuring that evaluation programs focused on topics relevant to operational needs and made their results and recommendations readily accessible to decision makers.

In 1992, a seminal report by a task force on the Bank's portfolio management<sup>1</sup> (the so-called Wapenhans Report) raised awareness of the evaluation function and created fresh demand for evaluation output, both inside and outside the Bank. This report was commissioned by the president in response to a report by OED of a decline in the performance of the Bank's lending operations. In May 1993, adopting the recommendations of management, the board supported enhancements in the role of independent operations evaluation and for a stronger OED.

Evaluation has since played a more direct role in the ongoing portfolio's management. At the president's request, the Operations Policy Department and OED in 1996 jointly reviewed the economic analysis of new operations proposed for financing and made recommendations for action. The review found that today's operations are based on somewhat better analysis than those approved in previous years; nevertheless, it identified a continuing need for more analytical rigor in project appraisal, particularly in analyzing poverty reduction impacts.

Also, responding to OED findings that the monitoring and evaluation of ongoing operations still need improvement, Bank management has undertaken to ensure that appropriate monitoring and evaluation provisions are built into new operations and the portfolio, to provide better technical leadership and support services to operational staff for monitoring and evaluation, and to retrofit the existing portfolio with performance indicators when lacking or where ongoing projects do not have clear, realistic, or monitorable performance indicators. Management has also designed new project appraisal and supervision forms to enhance monitoring and evaluation by operational staff.

Additionally, in response to evaluation findings the Bank's ongoing portfolio management program includes:

## Assessing Development Effectiveness

Better quality assurance at the start of a project.

Proactive portfolio management through greater focus on development outcomes; more realistic supervision ratings; more frequent mid-term

reviews; earlier restructuring of problem projects; and higher-level, action oriented country portfolio performance reviews.

Stronger self-evaluation processes.

Substantive borrower participation in portfolio management and evaluation, and support for related capacity development.

Over time, the goals of evaluation have changed in response to changes in ideas of what constitutes successful development. Correspondingly, the Bank now seeks to measure its development effectiveness on the basis of the whole of its assistance, encompassing both lending operations and advisory and analytical activities.

The unit of account for evaluation has thus shifted from individual projects to entire country assistance programs and global development initiatives. While maintaining focus on portfolio management and follow-up, the new approach places evaluation within the context of the Bank's shift from a lending to a full-service institution, and of a new strategic compact emphasizing better results on the ground in partnership with borrowers and other stakeholders.

*1 Effective Implementation: Key to Development Impact*, Report of Task Force on Portfolio Management, World Bank, November 1992.

### **Related but Distinct Functions.**

To protect its independence, OED steers clear of involvement in operational decisionmaking. Although operations evaluation actively promotes institutional learning and the adjustment of policies and programs in the light of experience, it cannot guarantee that lessons are learned nor that policies and programs are corrected in a timely and effective way. This is the responsibility of the Bank's management and of the board.

Evaluation in the Bank covers one aspect of accountability: the expert assessment of economy, efficiency, and effectiveness in pursuit of development goals. The other, learning aspect of accountability—through which action is taken to reward good performance and improve from failure and poor performance—is a management rather than an evaluation function. However, evaluation is increasingly providing user-friendly and timely data for application by Bank management and the board, to enhance individual and group incentives for development effectiveness.

The director general is not involved with the functions of the external auditor, who is appointed by the Board of Executive Directors to examine and report on the annual financial statements of the World Bank and its affiliates. The director general does, however, keep abreast of the Internal Auditing Department's activities by maintaining contact with the auditor general on matters affecting the Bank's effectiveness and efficiency.<sup>1</sup> The director general also provides advice, as needed, to the independent Inspection Panel, which investigates claims by affected parties that the Bank may have failed to adhere to its operational policies and procedures in the design, appraisal, or implementation of ongoing or new operations.<sup>2</sup>

1 The Internal Auditing Department furnishes management with analyses, recommendations, counsel, and information concerning the adequacy and effectiveness of the Bank's systems of internal controls. Its main responsibilities are to: (1) assess the reliability and integrity of financial and control information; (2) review the internal control systems established to ensure compliance with Bank Group policies, plans, procedures, and internal regulations; (3) assess the effectiveness of the systems used to account for and safeguard from losses of assets; (4) assess the economy and efficiency with which resources are employed; (5) review operations or programs to ascertain whether, from the viewpoint of internal controls systems, results are consistent with established objectives and goals; and (6) carry out specific audits or investigations on request from the President.

2 The panel consists of three highly qualified individuals appointed by the Executive Directors; they come from outside the Bank and are from different countries. Inspections by the panel are not a regular feature of the Bank's work; rather, they provide a safety net for use in exceptional circumstances where, because the Bank's own policies and procedures have not been followed, there have been or could have been adverse consequences for people affected by ongoing projects or projects under consideration by the Bank.

## Self-Evaluation

To encourage effective learning and application of lessons, much of the evaluation activity in the Bank is based on self-assessment. The first two sections describe the self-evaluation processes that are part of the Bank's key strategy planning instruments. The latter two deal with lending operations and advisory and analytical activities.

### Strategies

#### Country Assistance Strategies

The country assistance strategy (CAS) is a Bank document prepared by operational staff in collaboration with the government. It sets out the Bank's program of support for the country in light of the broader country context including recent economic and social developments, the external environment, and the government's development agenda and priorities.

As the main instrument for guiding Bank strategy and operations, the CAS includes a self-evaluation framework for focusing Bank activities on results on the ground and for monitoring progress, assessing what has worked and what has not, and making corresponding adjustments in the Bank's lending and nonlending programs.

Good-practice CAS evaluation is a continuous process, with three main phases. Each phase of CAS monitoring and evaluation combines self-evaluation by the Bank's country team with external evaluation (OED, QAG, client surveys, stakeholder feedback, etc.).

*First phase: ex-ante evaluation during CAS preparation.* There are two aspects to self-evaluation during CAS preparation, one that looks backward and one that looks forward. Backward-looking evaluation examines the Bank's track record in implementing the previous CAS, draws out lessons (from OED and QAG studies, past client surveys, and so on), and incorporates them in the current CAS. The Bank is making strong efforts to enhance this process by scheduling OED Country Assistance Reviews so that their review by the board precedes the completion of CASs. In this way, the lessons learned can inform the CAS preparations and client consultations.

Forward-looking evaluation involves defining and including in the CAS specific indicators and benchmarks for measuring the country's and the Bank's progress in meeting core development objectives over the period of CAS implementation that lies ahead. This depends on the development of easily

monitorable and operationally meaningful progress benchmarks. The ultimate objective of development is maximum impact on the ground. The challenge is to translate this highly complex, intangible, and multifaceted objective into several simpler, specific, tangible, and—as much as possible—objectively measurable indicators that capture concrete progress in meeting the key development challenges of the particular country (Box 2). CASs for nine countries have been selected to pilot various approaches to such forward-looking self-evaluation.

*Second phase: monitoring and evaluation during CAS implementation.* During this phase, the government and the Bank assess the extent to which (a) country performance is in line with agreed country progress benchmarks, and (b) Bank progress benchmarks have been met and actual Bank lending and advisory and analytical activities remain in line with agreed priorities.

### *Box 2: Developing Indicators for Monitoring Country Assistance Strategy Implementation*

Recent work to develop a best-practice framework for monitoring indicators for CAS implementation suggests four features may be particularly important:

**Focus on the Bank's value-added:** separate benchmarks to measure the country's progress in attaining its development objectives and the Bank's progress in contributing to the achievement of the country's development objectives in those areas where Bank influence is significant. Country progress benchmarks would tend to focus on outcomes, such as a certain decrease in infant mortality. Bank progress benchmarks would tend to focus on outputs, such as a certain increase in the share of the rural population (in a certain region where there is a Bank project) with access to clean water and sanitation services.

**Specificity:** progress benchmarks as precise as possible to minimize uncertainty about whether or not they are met. Where possible, quantitative indicators are preferable.

**Regularity:** indicators that are available regularly (at least annually) and comparable over time. Where information appears crucial to measuring progress in an important area but it is not currently available, systems may need to be developed and put in place for regular compilation and analysis of the information (with due regard to the often substantial costs). An example would be the need for adequate poverty monitoring systems.

**Ownership:** progress benchmarks in a participatory manner and in agreement with country client counterparts, to help ensure full ownership of the evaluation process by both government and Bank teams. Monitoring progress during CAS implementation should be a joint undertaking.

*Third phase: ex-post evaluation of the CAS after its completion.* During this phase, the Bank assesses the development impact of the completed CAS against the broad priority objectives identified in the CAS, the specific progress benchmarks laid out in the CAS matrix, and best practices compiled and disseminated within the Bank. This activity feeds into the first phase of monitoring and evaluating the next CAS.

### Sector Strategy Papers

The Bank's assistance strategies for particular sectors are updated periodically in the form of sector strategy papers (SSPs), which serve as important instruments for self-evaluation. In addition to defining the strategies and objectives for the sector, SSPs review the Bank's past performance in the sector and promote the development of monitorable indicators of progress towards achieving these objectives. Work in this area of performance monitoring is continuing. Ideally, the indicators capture the impact of specific interventions and of whole programs, and reflect known relationships between inputs, processes, outputs, and outcomes. In addition, a strong commitment to self-evaluation has to be articulated along with explicit steps for incorporating the results of these evaluations into future work.

Sector strategy papers are moving in this direction. Self-evaluation in the Health, Nutrition and Population Sector Strategy (1997), one of the most recent SSPs, was based on a matrix of qualitative and quantitative progress indicators. It also cites other indicators that are useful but not readily available in standardized form. The Education Sector Strategy, which is due to be finalized in late 1998, is even more explicit on self-evaluation in that it proposes creating a culture of evaluation both internally (within the Bank) and externally (among clients). Measures to be used include client surveys, benchmarking against institutions that lead in particular aspects of development work, evaluation against project-specific goals, and the tracking of internal indicators (such as the utilization of knowledge management) and external educational outcome indicators.

### Lending Operations

Lending operations are evaluated by the operational staff responsible for them, both while they are under implementation and later, after disbursements on the Bank loan have been closed.

Quality of lending operations is subject to independent review by QAG, which assesses the quality of the portfolio and its operational effectiveness (Box 3). QAG identifies projects with a high risk of failure and targets the attention of management on those projects whose improvement can be expected to have a high payoff. It monitors problem and at risk projects for possible restructuring, closing or upgrading. It assesses the quality at entry of almost half of new Bank projects, either before or shortly after board presentation. It also assesses supervision performance for about 15% of the portfolio. The assessments are directed at measuring the quality of the Bank's efforts, providing rapid feedback to managers and staff for continual learning, and providing information to enable management to monitor quality over time and focus management attention on problem areas.

#### *Box 3: Self-Evaluation Instruments in Lending Operations.*

*For all individual lending operations:* Supervision reports prepared regularly for ongoing operations, and implementation completion reports prepared soon after the closing of the loan.

*For country lending portfolios:* Country portfolio performance reviews, which the Bank's country departments carry out annually for major borrowers and over a longer but regular cycle for countries with smaller portfolios; and self-evaluations of individual country assistance programs, in the form of progress reviews included in country assistance strategy reports.

For a large sample of lending operations, QAG assesses quality at entry and quality of supervision. In addition, QAG prepares an overview of

portfolio quality, the *Annual Report on Portfolio Performance*, which informs the Bank's board and management on the condition of the portfolio and the quality of its management. QAG also prepares frequent updating reports on portfolio issues throughout the year.

### Current Operations

#### Loan Supervision

The Bank's operational staff regularly evaluate lending operations in progress through loan supervision. Currently, the Bank uses a fifth of its operational staff time to supervise its portfolio of operations in progress around the world. Implementation is largely the responsibility of the borrower, who bears the costs and realizes the benefits of the investments. By supervising its loans, the Bank carries out a fiduciary responsibility and assists the borrower with implementation.

As a lending institution, the Bank monitors progress in implementation and compliance with legal loan conditions to ensure that loan proceeds are appropriately used. As a development institution, the Bank helps borrowers obtain the greatest benefit from their loans. Through interaction with borrowers and their implementing agencies in supervising individual operations, it helps borrowers identify and resolve operational and management problems and respond suitably to changing circumstances. More complex projects and weaker institutions require more supervision support.

The Bank's supervision system covers all ongoing operations. Once a loan has been approved by the Bank's board, supervision concentrates on getting the project off to a good start and familiarizing new borrowers and implementing agencies with the Bank's requirements regarding procurement, disbursement, reporting, and auditing. Most supervision is carried out during the investment or project execution stage. The Bank reviews all progress reports by the borrower, and Bank staff visit project sites and facilities to review progress, provide advice, and obtain information. Once a loan account has been closed, at the end of the investment phase, Bank staff prepare a completion report to assess the outcome of the project and make recommendations for its future operation.

Procedures for monitoring and rating the performance of ongoing operations have been enhanced to deal not just with financial and economic indicators, but also with issues of equity, sustainability of benefits, and participation by project beneficiaries in decision making. Some of the indicators used to measure performance take into consideration issues such as environmental concerns, poverty reduction, public sector management, and technical assistance. Operational staff are expected to take the findings of supervision reviews into account in planning and implementing new operations.

Supervision relies on information from the monitoring and evaluation systems that are now incorporated in most projects and programs (Box 4).

Borrowers participate in the creation and running of these systems. The monitoring and evaluation components of projects provide fundamental inputs to completion reports and performance audits. Supervision reports feed into country portfolio performance reviews and into the *Annual Report on Portfolio Performance* (see below).

### *Box 4: Monitoring and Evaluation in Investment Projects*

Since the 1970s the Bank has promoted monitoring and evaluation as tools for managing the operations it supports.

*Monitoring* is the continuous assessment of project implementation in relation to agreed indicators and of the use of project outputs, including infrastructure and services, by project beneficiaries.

*Evaluation* is the periodic assessment of the relevance, performance, efficiency, and impact of the project in relation to stated objectives.

*Monitoring* and evaluation (M&E) is an integral part of good management by a project's implementing agency. The main goals are to provide continuous feedback on implementation and to identify potential successes and problems as early as possible to facilitate timely adjustments to project operation.

Plans for monitoring and evaluation are included in all Bank-supported operations. Their relative importance, scope, and organization vary depending on the operation and the implementing agency. OED, in collaboration with the Operational Core Services Network, advises on methods and indicators for use in monitoring operations. It also advises on the monitoring and evaluation components of new operations entering the portfolio to ensure that the evaluation criteria are sound and can yield the information required for assessing the operation's impact after its completion.

### **Country Portfolio Performance Reviews**

During country portfolio performance reviews, the Bank's management and staff discuss with borrowers issues that affect the performance of Bank-supported operations. The purpose of these reviews is to:

Take stock of progress in implementing the operations in the portfolio.

Identify solutions to problems in individual projects and programs.

Identify systemic problems that need attention.

Agree on remedial actions.

Establish clear links between the performance of the operations in progress and the Bank's future assistance to the country.

### **Annual Report on Portfolio Performance**

The *Annual Report on Portfolio Performance*, prepared by QAG for the Bank's board and management, reports on the quality of the portfolio and its management and pinpoints problem areas that need special attention. In preparation for the report, staff update the performance ratings of all ongoing operations on the basis of reports from supervision missions during the year. The Bank's regional managers review these ratings to ensure consistency of judgment. The process is subject to independent review by OED (see Chapter 3).

### Completed Operations.

#### Implementation Completion Reports

The regional staff evaluate all completed operations for which they are responsible. For each operation, regional staff prepare an *implementation completion report* (ICR) in conjunction with the last supervision mission (which takes place as the Bank is completing its disbursements on the operation). Among other things, the ICR assesses the outcome of the operation and the plan the borrower has proposed for its future management and makes recommendations (Box 5).

#### Borrowers' Contribution

Contributions from borrowers—in the form of either a whole project evaluation report or a summary of the report—are annexed to the ICR. Though levels of participation vary among countries, borrowers can provide valuable insights about project design and implementation, and about the Bank's and their own performance. In this final stage of the implementation partnership between the Bank and the borrower, the implementing agency outlines how it plans to operate and maintain the project after the Bank's direct involvement with the operation has ended.

All ICRs are issued to the Bank's board and management and, through the executive directors, to the authorities in all the Bank's member countries. OED reviews all ICRs to validate ratings, extract data, and record assessments. For each completed operation, OED produces an evaluation summary available to the Board that summarizes OED's comments, assesses the quality of the ICR, and validates completion ratings. This summary is also shared with the country director and responsible staff in draft form, and incorporates subsequent operational comments.

The Bank invites cofinanciers to participate in evaluations of operations they have cofinanced.

#### *Box 5: Typical Questions Addressed by Implementation Completion Reports*

*Goals of the operation.* Were goals clearly defined? Were they realized, in the judgment of Bank and borrower? In retrospect, were the original goals appropriate?

*Economic and social benefits.* Are the operation's economic and social benefits likely to reach the expected levels? Are they being distributed as expected?

*Institution building.* Was the institution-building strategy that was adopted appropriate and effective? Have the intended policy and structural reforms been successfully carried out? Were the project management arrangements satisfactory?

*Efficiency.* Could similar operations be prepared, appraised, and implemented more quickly or economically in future without undue risk to their own or sectoral goals?

*Financial performance.* Has the operation met its financial goals?

*Implementation.* Were the operation and its main components fully completed, on time, and within realistic estimates of costs? What changes were made during implementation, and why? Did the borrower and its



consultants perform as expected?

*Compliance.* Did the borrower and government comply with the loan covenants and related agreements?

*The World Bank's contribution.* How does the borrower perceive the Bank's involvement with this operation? Did the Bank influence the design or implementation of the operation, and was this influence constructive?

*Other considerations.* Did the operation have unintended social, economic, or environmental effects? Does the investment remain worthwhile even after delays, increases in costs, or shortfalls in expected benefits? What lessons does the experience yield for the Bank or the borrower?

*Development impact.* What measures are underway or planned to ensure that full and sustained benefits are secured from the financial assets?

### Advisory and Analytical Activities

The Bank is gradually shifting the emphasis of its evaluations from individual projects to country programs and to its overall development effectiveness. In response to this shift, the Bank is establishing a comprehensive system for the self-evaluation of its many advisory and analytical activities.

#### Economic and Sector Work

Economic and sector work (ESW) is a key element of the Bank's assistance to its borrowers. It provides a critical basis for the Bank's lending operations, policy dialogues, and aid mobilization and coordination. While realizing the importance of ESW, the Bank management has revamped the ESW governance framework to improve the quality, timeliness and cost-effectiveness of Regional ESW programs.

Two important elements of the framework are ex-ante and ex-post evaluations of ESW programs.

*Ex-ante evaluation:* Ex-ante evaluation emphasizes clear specification of audience and purpose, and its strategic linkage to the country assistance strategy. The key elements of ex-ante evaluation are i) strategic selection: ESW should be geared to the reform agenda and the policy dialogue; ii) workmanship quality: country directors should equip ESW tasks with the best staff and needed resources; iii) cost effectiveness and timeliness: the appropriate timeline and budget should be decided up-front.

*Ex-post evaluation:* Ex-post evaluation activities are carried out by various relevant units in the Bank.

**Regional staff: strategic impact.** Regional staff conduct retrospective reports in which they evaluated the quality and impact of their ESW programs. Recently, regional staff have strengthened their evaluation program, relying on Activity Completion Summaries (ACS) by task teams and their independent ex-post reviews. ACS requires staff to provide a candid assessment of what did and did not work, and how problems were addressed during the implementation of the task.

**QAG: workmanship quality.** QAG has just embarked upon a systematic assessment of the quality of ESW, which covers about one-third of completed ESW. These assessments are carried out within a few weeks of completion. The QAG program focuses on the workmanship quality of individual ESW reports, starting with scheduled tasks. The four broadly defined criteria of QAG's ESW evaluation program are: strategic relevance and timeliness, internal quality, clarity of presentation and likely impact.

### Policy Work

In general, the self-evaluation of the Bank's operational policies follows a long-term agenda agreed on by the board and management and proposed by the Bank's Operational Policy Committee, which is headed by a managing director. Most of the evaluations of policy take the form of papers on best practice and lessons of experience or sector or subsector policy reviews and progress reports prepared by the Bank's central staff. To review major policy matters, the Bank sets up a formal group that represents all the concerned vice presidencies. For certain special studies the Bank assembles review panels of outside experts.

### Development Training

The Economic Development Institute (EDI) is responsible for the Bank's development training programs. The institute carries out self-evaluation to assess the quality and usefulness of its training activities in achieving objectives stipulated in the Strategic Compact, regional and thematic objectives, and feeds the results back into the improvement of present programs and design of its new work programs. The institute also shares these evaluation results with donor agencies that have financed or helped cofinance selected activities.

As the role of EDI within the Bank has grown in recent years, so has its evaluation capacity. In 1996, EDI created the position of evaluation advisor and increased resources for evaluation fivefold. These increased resources have enabled EDI to create a new evaluation unit. The advisor provides technical advice and training, conducts evaluations of EDI programs and training activities, works to build evaluation partnerships with institutions in borrowing countries, monitors EDI's evaluation work programs, and communicates with other Bank units, including OED, to ensure dissemination and feedback of evaluation lessons.

### Research

Research is the most systematically and rigorously evaluated advisory and analytical activity in the Bank. Research projects are selectively evaluated by outside experts who assess the goals, design, method, supervision, results, and dissemination of research, drawing conclusions about the quality, implementation, objectivity, costs, and dissemination of findings, making recommendations for improvements.

The evaluations also assess the influence of the Bank's research program on those outside the Bank: policymakers, analysts, researchers, students, and the development community. For each research topic selected, evaluators comment on the consistency of the group of projects with the Bank's comparative advantage and on how the results have affected the Bank's operations and policy advice.

### Technical Assistance

The Public Sector Group prepares a *Technical Assistance Biennial Report* that tracks the evolution of technical assistance activities, most of which are in support of country assistance strategies. CODE reviews the report, OED contributes comments, and management responds formally to those comments.

### Private Sector Development

Reports reviewing the Bank's progress in helping to develop the private sector address strategies and processes, lessons, and best practices. These reports cover the Bank's activities in sectors such as enterprise reform and privatization, and offer important insights on the implications of Bank processes for project performance and strategic implications for portfolio improvement.

### Grants and Externally Funded Programs.

Self-evaluations of special grants and externally funded programs are of two types: external, done outside the Bank by the sponsoring agencies, independent experts, or advisory committees; and internal, done by the grant-managing units in the Bank. A self-evaluation system for trust-funded programs was set up in 1996 by OED and the Controller's Department.

The longer-established special grant programs under the Development Grant Facility (DGF), such as the Consultative Group on International Agricultural Research (CGIAR), undergo both types of evaluations. CGIAR has its own impact assessment and evaluation group, established in 1995, which developed an evaluation strategy and commissioned impact studies. The large number of relatively small grants involving a wide variety of agencies poses special problems for evaluation. The former Special Grants Committee, since replaced by the DGF, initiated an internal review of programs to gauge their results against institutional priorities. In 1997, the Institutional Development Fund (IDF) and the Consultative Group to Assist the Poorest (CGAP), among others, prepared evaluation reports on their activities. In addition, individual grants under these programs are required to be evaluated upon completion.

During the last three years the Global Environment Facility (GEF) has been developing its policies, guidelines and capacities. A senior officer in the GEF Secretariat has the role of drafting M&E systems and workplans. Monitoring and evaluation of GEF projects is a shared responsibility between the GEF Secretariat and implementing agencies, of which the Bank is one. OED and the Global Environment Division perform the same evaluation activities for GEF projects as for Bank lending projects.

## Independent Evaluation

***OED Mission: Enhancing development effectiveness through excellence and independence in evaluation.***

The basic purpose of the Operations Evaluation Department (OED) is to determine whether the World Bank's programs and activities are producing the expected results, and to help develop improved directions, policies, and procedures through the dissemination of lessons drawn from experience. OED's mandate covers the Bank's lending policies and programs and its advisory and analytical activities. The department's budget accounts for about one percent of the Bank's total administrative budget.

OED is headed by a director appointed by the Director General, Operations Evaluation. The department's responsibilities are to:

- Help the director general assess the adequacy and effectiveness of the Bank's operations evaluation system.

- Carry out performance audits of Bank operations, review reports on completed projects by operational staff, and conduct evaluation studies.

- Maintain the Bank's institutional memory regarding operational performance and identify lessons learned.

- Disseminate evaluation findings on Bank operations both within and outside the Bank.

- Assist member countries and other international development institutions, as well as other departments within the Bank, to develop or expand their own evaluation systems.

OED involves borrowers' personnel in its evaluations and sends its draft reports to borrowers for comment. Borrowers' comments are incorporated verbatim in the reports as sent to the Bank's board.

### *Box 6: Recent Changes in OED's Evaluation Strategy*

In 1997 a new OED strategy was endorsed by the board. This strategy was crafted to align OED's organizational culture, processes and structure to its strategic commitment to development effectiveness.

The key elements of the new OED strategy are:

**Move to a higher plane:** As the Bank shifts from a lending institution concentrating on projects to a full service development institution, OED's evaluations will increasingly scale up their emphasis to the country and thematic level.

**Promote participation:** Evaluation will increasingly be used as a platform for debate, and to induce conversations between developing country officials, the donor community, the private sector, and the beneficiaries of development.

**Build evaluation capacity:** Evaluation capacity development within and outside the Bank will become central to OED's work. The capacity on the ground to collect, verify, assess, and use performance information is essential for results on the ground, and the demand is growing.

**Invest in knowledge:** The constant upgrading of skills and the dissemination of lessons are vital to evaluation. This means OED will invest in evaluation research, training, data systems, and information technology.

**Manage for results:** OED will reshape its products, processes, and internal planning and incentives to maximize influence on behavior and contribution to the Bank's development mission.

## Independence and Relevance

The Bank's Board of Executive Directors oversees OED's work through the Committee on Development Effectiveness (CODE). OED has unrestricted access to the Bank's staff and records. OED staff—most of whom have had extensive development experience—may work in other departments before or after working in OED, but do not participate in evaluations or reviews of operations for which they were responsible before joining OED.

To help ensure that independent evaluation work responds to the Bank's needs for information to guide policy and operational decisions, OED's annual work programs are widely discussed during preparation with executive directors, managers, and Bank staff. CODE reviews the annual work program and recommends its endorsement to the board.

## Evaluation Criteria

To assess the development effectiveness of completed operations, OED examines their technical, financial, economic, social, and environmental aspects and provides ratings of their outcomes, sustainability, and effect on

institutional development. OED also evaluates the performance of the Bank, the borrower, and implementing agencies. The evaluation process is grounded in the same criteria and policies that are used to judge new operations.

### Outcomes

A satisfactory outcome means that an operation has achieved most of its major relevant goals efficiently. A project with an unsatisfactory rating may still have significant benefits even though it failed to meet one or more major objectives (Box 7).

To evaluate outcome, completed operations are analyzed from three perspectives:

*Relevance:* Evaluators determine whether the goals of the operation were consistent with country and sectoral assistance strategies, and whether the design was appropriate in terms of one or more of the Bank's goals of reducing poverty, protecting the environment, developing human resources, and fostering growth in the private sector.

*Efficacy:* Evaluators review the operation's effects and compare them with its goals, whether physical, financial, institutional, or policy related.

*Efficiency:* Evaluators assess outcomes in relation to inputs, looking at costs, implementation times, and economic and financial results. Where practicable, the evaluators reestimate the economic rate of return in relation to a minimum threshold of 10 percent.

### Sustainability

Sustainability is the probability, at the time of evaluation, of maintaining the achievements generated or expected to be generated in the operational plan. To assess sustainability, evaluators examine basic factors such as borrower commitment; the policy environment; institution/management effectiveness; and economic, social, technical, financial, institutional, and environmental viability. Sustainability is separate from the concept of economic justification in that it focuses on those features that contribute to the durability of the operation in relation to the project's expected useful life and its likely resilience to external shocks and changing circumstances.

#### *Box 7: Example of An Unsatisfactory Project with Moderate Achievement of Physical/Technical Objectives*

A project may receive an unsatisfactory outcome rating but still have some positive benefit in terms of achieving physical or technical objectives. One example is the fourth Caribbean Development Bank regional vocational and technical education project, approved in 1987 for Dominica, Grenada, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines.

The project successfully expanded the technical and vocational education capacity in the participating countries. A fellowship program was completed and a first comprehensive pre-vocational curriculum for lower secondary students was designed and integrated into the education systems.

However the project experienced serious implementation problems in the civil works, equipment, and furniture components. All subprojects were completed despite delays, but 18 of the 22 subprojects had cost overruns ranging from 40 to 100 percent. Improvements of facilities and instruction were lower than expected, there was a lack of coordination between civil works and procured furniture and equipment, and enhanced sector management was only partially achieved. Institutional strengthening measures were not achieved.

### **Institutional Development Impact**

Institutional development impact is the process of improving a country's ability to make effective use of its human, organizational, and financial resources. Evaluators assess the institutional development progress achieved, or expected to be achieved, as a result of the operation. Not all operations have institutional development goals, but many depend on institutional change to achieve a lasting development impact. Examples of such change include strengthening, eliminating, or reforming particular agencies; supporting regulatory or legal reforms; and supporting education and training.

### **Performance**

OED analyzes the Bank's performance at the various stages of the project cycle (see Appendix A). It also considers the following dimensions of performance:

*The borrower's performance*, evaluated in terms of the policy environment created for the project; the level of commitment of the government and of key institutions associated with the project; the provision and reliability of domestic funds for the operation; and the administrative procedures used and the quality of decisionmaking.

*The performance of implementing agencies* is rated on such elements as the quality of management and staff associated with the project; the use and effectiveness of technical assistance, including training, advisers, and contractual services; the adequacy of monitoring and evaluation systems; and the extent and quality of participation of intended beneficiaries, including their contribution to the project's outcome.

*Exogenous factors*, such as changes in prices and world market conditions; natural disasters; civil disorder and armed conflict; and actions of partners who are independent decision makers—for example, cofinanciers, nongovernmental organizations, contractors, and suppliers.

### **Stakeholders' Views**

To measure the development effectiveness of the operations the Bank supports, the Bank and its borrowers must find out how these operations actually affect people. To do this reliably, one must consider the views of all groups of people affected. Groups affected by a development project include the intended and unintended beneficiaries, those who bore the costs of the project, the borrower and its agents, the Bank, cofinanciers, and others. OED's evaluations seek to identify and explain how these various groups judge the effects of the intervention, recording the measures that each group considers important.

Evaluation teams use a variety of participatory techniques to obtain the views of principal stakeholders, direct beneficiaries, line agencies, project managers, and the government. Information is gathered from observations, individual interviews, and focus groups with local residents, community organizations, cooperatives, and peasant unions. Evaluators recognize that views of women often need to be captured separately from those of men. Quantitative data obtained from these sources, combined with official statistics, allow statistical inferences to be

made about factors such as income and production levels in the project areas. Afterwards, seminars or workshops are held with stakeholders to discuss the evaluation findings.

Client surveys are also expected to play a larger role in the feedback process, especially in self-evaluations. The Bank still needs to find ways to involve intended beneficiaries of projects more closely in the process of evaluation, both individually and in groups. Experience shows that people assess accurately the positive and negative effects of projects on their living conditions and that they may highlight effects that professionals have not thought worth measuring. Such measures of impact may actually be the ultimate test of a project's validity.

### Evaluation Instruments

#### Review of Implementation Completion Reports.

OED reviews all implementation completion reports (ICRs) to assess and report on their quality, collect evaluation data for aggregate analysis, extract findings and recommendations useful for new operations, and select operations to be audited. On the basis of independent review of each ICR including consultation with the responsible operational staff, OED makes available to the board and all Bank staff an evaluation summary that comments on the quality of the ICR, the performance rating of the operation, the lessons to be drawn, and whether the operation is a candidate for performance auditing.

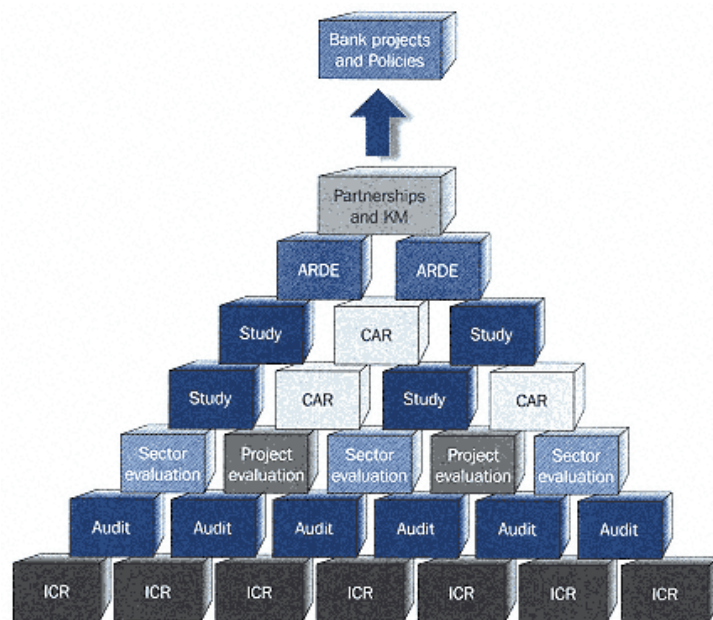


Figure 1.  
Building Blocks of Independent Evaluation

#### Performance Audits

Performance audit reports are prepared by OED on the basis of reviews of ICRs and field work for a sample of investment operations and adjustment operations. They validate and augment the information provided in the implementation completion report, but they also examine issues of special interest related to broader studies that are underway. Together with ICRs, they provide the basis for assessing outcomes.

OED currently audits about 25 percent of the Bank's lending operations. In selecting operations for audit, preference is given to those that are innovative, large, or complex; those for which executive directors request audits; and those that, individually or as part of a cluster, are likely to generate important lessons. Thus, projects, topics, and analytical approaches for the audit work program are chosen to provide inputs for comparative evaluation studies.

To prepare audits, OED staff examine project files and other documents, interview operational staff, and in most cases visit the borrowing country for onsite discussions. The operational staff concerned, and subsequently the borrowers, receive draft audits; the borrowers' comments are incorporated into the document that is sent to the Bank's board. When an audit report is released to the board by the director general, it is also widely distributed within the Bank and to concerned authorities in member countries.

### **Impact Evaluations**

Impact evaluations attempt to assess the performance of projects at full development, which usually occurs five to ten years after the close of disbursements on the Bank's loan. Usually based on field studies, they focus on the project's impact, including intended and unintended effects on people, institutions, and the physical environment. By following investments through to their ultimate goals, they maintain the accountability of the Bank and borrowers for the effects of the project on sustainable development.

Impact evaluations assess projects against the goals that were stated at appraisal and also against a broader set of criteria that relate to social dynamics, income distribution, effects on women and families, institutional development, and the environment (Box 8). They examine what has happened to the infrastructure created under the project, the experience with production of goods and services aided by the project, the distribution of the benefits created, and the performance of the implementing organizations.

### **Sector Impact Evaluations**

Sector impact evaluations are a relatively new product. They examine the relevance of the Bank's objectives in a specific sector and country/region. They

assess the Bank's effectiveness by looking at past as well as ongoing projects and related advisory and analytical activities. Some of these evaluations are phased so that lessons can be built into the design of subsequent operations and so as to eventually draw lessons from cross-country experiences. These evaluations aim at assessing development effectiveness and increasing the relevance of impact evaluations from the perspective of country assistance management.

Most impact evaluations to date have used relatively formal study methods—in particular, field surveys that use key questions to gather opinions of stakeholders, including the ultimate beneficiaries. OED also uses low-cost evaluation methods of the rapid appraisal type, including interviews, direct observation, informal surveys, and reviews of existing information.

### **Country Assistance Reviews**

Country assistance reviews are, in essence, country-wide impact evaluations that concentrate on the impact and development effectiveness of the Bank's whole program of assistance to each country. They have essentially the same relationship to the Bank's overall assistance program that performance audits have to individual lending operations. They provide an opportunity to assess lending and advisory and analytical activities in the context of the overall country assistance strategy, the Bank's impact on country policies, and its aggregate contribution to global development priorities.



## Assessing Development Effectiveness

OED's country studies are issues-oriented and geared to current decisionmaking, in keeping with the Bank's increased emphasis on better management of operations in progress. For each country to be covered, they:

evaluate the effectiveness of the Bank's country assistance strategy, taking into account country conditions (for example, economic policies and budget constraints), the impact of external factors, and the role of other development agencies and financiers; and

assess the effectiveness of the various instruments of Bank assistance: investment project lending, adjustment lending, technical assistance, economic and sector work, policy dialogue, and aid mobilization and coordination.

The studies give particular attention to institutional development and capacity building, project and borrower ownership, the sources of long-term growth in the real economy, human resource development, governance and the political economy of development, and environmental sustainability. They offer lessons and recommendations for the Bank's regional staff to feed into country portfolio performance reviews and the design of country assistance strategies.

### *Box 8: Assessing the Effects of Projects*

OED evaluates a project's overall impact in terms of its effects on beneficiaries and the natural environment, and the sustainability of these effects. Evaluators pay particular attention to the Bank's areas of special emphasis: poverty reduction, the development of private enterprise, the environment, and conditions for women.

Impact evaluations build up their overall assessments from investigations using the following typology:

*Technical impact*, including changes in technology, effects on output, changes in the use of inputs, changes in cropping patterns, resource flows, and resource productivity.

*Institutional impact*—development of markets, establishment and operation of financial systems, changes in trading relations, and effects on local government or on regulations.

*Economic impact*, reflected in changes in consumption, savings, asset levels, and other indicators of change in families' net worth. An overall assessment is made through cost-benefit analysis, which reflects both positive and negative benefit flows.

*Social and cultural impact*, assessed through changes in income distribution, migration, household structure, family size, gender roles, demographic patterns, labor force participation, and patterns of community interaction. Evaluators note changes in life span, health, education, and other social indicators. They assess working conditions, as well as changes in burdens of different family members.

*Environmental impact*—changes in the natural resource base, water and air quality, and other indicators related to specific locations, including genetic diversity and the survival of wildlife.

### Thematic Evaluation Studies

OED uses findings from independent completion, audit, and impact evaluation reports, supplemented by further investigation, including staff field work and surveys, to prepare evaluation studies. These studies assess the effectiveness of Bank policies, processes, and practices from the perspective of operational experience. The studies' work program is planned so as to feed into the Bank's reviews of its operational policies. Evaluation studies build on individual evaluations to address broader development issues—including policy and experience in countries, regions, sectors, and areas of special emphasis—and the Bank's operational processes. Evaluation studies are discussed by CODE.

Approach papers for proposed evaluation studies are reviewed by the Committee on Development Effectiveness. The studies are reviewed in draft form with borrowers and Bank staff in the same way as are performance audit reports. Completed studies are distributed to executive directors and their authorities and to Bank management; they are available to all Bank staff on request. Studies of broad interest are published (e.g., the recently published *Post–Conflict Reconstruction Study*).

### Sector Studies

Sector studies address issues such as the effectiveness of dialogue between borrowers and the Bank on sector policies or on project selection, design, and implementation; the socioeconomic impact of sector policies and programs; institutional development; or manpower needs. Often these studies compare experience across countries; others are in-depth reviews of particular sectors in individual countries. Recent examples include *India: The Dairy Revolution and Public Sector Management—The Critical Role of Evaluation*.

### Process Studies

Evaluating the Bank's business processes from a development perspective is part of OED's mandate. Process studies examine how well the Bank applies its policies, as well as the efficiency and effectiveness of the Bank's business practices in reaching their intended development goals. Examples of such processes include project identification, loan supervision, and the monitoring and evaluation components of projects.

### Annual Review of Development Effectiveness

OED synthesizes the findings of its work in the *Annual Review of Development Effectiveness* (ARDE, which in 1997 replaced the *Annual Review of Evaluation Results*). The ARDE is discussed by the Bank's board and is published. It presents the evaluation results for operations that exited the Bank's portfolio in the fiscal year. In addition to displaying project results, the review seeks to assess the Bank's overall development effectiveness to better measure the impact of the full range of Bank activities and services.

The review draws on the evaluation experience gained from completion reports, audit reports, and studies to ascertain trends in the Bank's operational performance and to review experience gained in special topic areas. It also comments on selected topics (such as experience with adjustment lending, the effects of Bank operations on the environment, and support for institutional development) using evidence from evaluation work.

### Annual Report on Evaluation Activities

Each year the director general reports to the executive directors and president on the status of independent and self-evaluation in the Bank and IFC. This Annual Report on Operations Evaluation provides an overview of the major activities of OED and of IFC's Operations Evaluation Group during the past fiscal year and reports on the effectiveness of evaluation, dissemination, and feedback processes for lending and advisory and analytical

activities.

### **Review of Annual Report on Portfolio Performance.**

OED periodically reviews the preparation of the Annual Report on Portfolio Performance by operational staff (see Chapter 2). It evaluates the methods used to measure progress and performance and provides a commentary for the executive directors and management on the report's treatment of systemic issues in the management of country and sector portfolios, including follow-ups to QAG recommendations.

### **Institutional Memory**

The database that OED uses for its annual review provides information on the operational performance of all individual completed Bank operations. The data, which are derived from more than 4,500 completion reports and performance audit reports, include ratings of overall outcomes, institutional development, and sustainability, as well as other variables such as economic rates of return, project costs, delays, and loan cancellations. Data are available to all Bank staff to help plan operational programs. Additionally, summary tables prepared as background for the Annual Review of Development Effectiveness are available externally through the Internet.

## **Evaluation Outreach and Capacity Building**

OED's communications program conveys the results of evaluation work to audiences within and outside the Bank. Within the Bank, dissemination makes lessons and recommendations accessible, helps shape debate about policies and practices, and influences the design and implementation of policies and project operations.

Implementing agencies and their authorities in borrowing countries receive all completed evaluation reports on the operations in which they have been involved. Most have been consulted during the report drafting period and contributed their comments to these documents. The authorities in all the Bank's member countries receive all implementation completion reports, performance audits, impact evaluations, and evaluation studies. OED staff hold seminars with borrower agencies to discuss evaluation results and recommendations arising from them.

For the development community, OED publicizes its results through seminars and conferences with development agencies and shares information electronically through the Evaluation Inventory of the Development Assistance Committee of the Organization for Economic Cooperation and Development (OECD).

For broader external audiences, the communications program helps to enhance the Bank's accountability and transparency, by providing an accessible track record of performance. Through publications, conferences, and an information clearinghouse, it provides practical lessons for decisionmakers.

### **Feedback Within the Bank**

The application of lessons of experience is the responsibility of the Bank's management. The feedback process is buttressed by formal management directives, which instruct managers and staff to seek out the findings of evaluation reports, disseminate them to others concerned, and ensure they are taken into account in future activities. The directives also require the Bank's country strategy papers to identify any key factors that have constrained the effectiveness of Bank assistance, by incorporating OED findings reported in the country assistance reviews (CARs).

## Assessing Development Effectiveness

The findings of performance audits and evaluation studies begin to be disseminated well before the reports are completed; all operational units responsible for work that is being evaluated have the opportunity to comment on OED's reports in draft. (Unresolved differences of opinion between OED and operational units are recorded in the reports.) The department holds seminars and workshops for Bank staff to exchange views on ongoing and completed evaluation studies. By the time evaluation reports are submitted to the executive directors, many of the staff who need to be aware of the findings have already debated them.

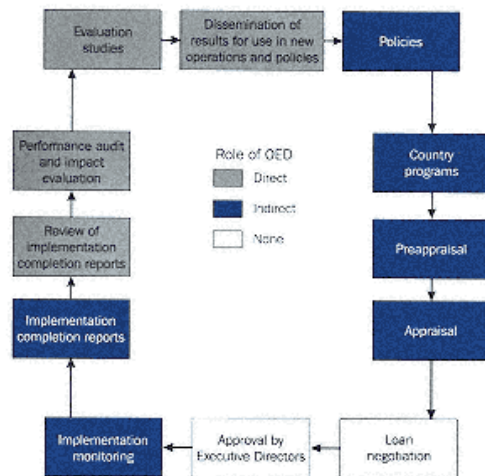


Figure 2.  
Evaluation and the Policy Cycle

### Monitoring the Use of Evaluation Findings

OED identifies in its studies any differences between its recommendations and the policies and practices of the Bank. Unless otherwise decided by CODE, the Bank's management responds formally to every major OED study, indicating the actions they propose to take. To monitor these responses, OED uses a Ledger of Evaluation Recommendations, Management Responses, and Actions which is made accessible electronically to all Bank staff.

OED also monitors the application of lessons from evaluation when, in the course of evaluation studies, it reviews projects in progress and compares them with those that have been completed.

### Disclosure of Evaluation Results

The disclosure policy for evaluation results is shaped by the same principles as the Bank's disclosure policy for operational documents. It is based on the presumption that evaluation results should be disclosed unless this poses significant risks to the integrity of the Bank's deliberative process or the quality of the Bank's work. More specific concerns that underlie the evaluation disclosure policy are the need to: (1) safeguard the Bank's relationship of trust with its borrower countries; (2) safeguard information that borrowers provide to Bank evaluators in confidence; (3) minimize the legal risks stemming from public disclosure of the performance of companies and individuals; and (4) preserve the integrity of the evaluation function.

With these reservations, the policy unequivocally maintains the guiding principle of maximum transparency. This is in line with Bank priorities and operating strategy.

The policy provides that the bulk of OED's work should be disclosed and widely disseminated. Annual Reviews of Development Effectiveness, country and sector evaluation studies, impact evaluations, *Précis* and *Lessons & Practices* (see below) are disclosed. The policy provides that the text of evaluation documents is not to be altered for disclosure purposes; thus, documents meeting the four criteria described above are disclosed to the public in their entirety, as issued to the Bank's executive directors. Evaluation documents are released through the Bank's InfoShop.

### Communication and Dissemination Program

OED's communications and publishing program, targeted at Bank senior management, Executive Directors, governments, donors, partner institutes, NGOs, academics and development decisionmakers throughout the international community, seeks to widely distribute results and findings of its performance audits and evaluations with a view to helping its targeted audience implement more effective development programs.

OED has a proactive dissemination program. All the Bank's senior managers receive copies of all evaluation reports. And all evaluation reports are available to Bank staff on request. It distributes synopses of evaluation results and recommendations throughout the Bank and, through various means, targets particular findings to staff who can feed them back directly into the design and implementation of policies and lending operations. Managers and all operational, central and field staff receive World Bank Evaluation Studies, *Lessons & Practices*, and OED *Précis* relevant to their work. The wider readership of special interest groups and development specialists outside the Bank also have access to these publications.

Drawing on research and findings conducted by its audits and evaluations, OED's publications contribute to the Bank's store of knowledge. OED's Publications Program has created a corporate identification and design, standardized its publications, and now employs new communications technology (such as video and the Internet) to reach ever wider audiences. It aims to enhance assimilation of lessons learned into Bank project delivery, and support the Bank's goal of sustained poverty alleviation and development effectiveness through informed decisionmaking.

Publications include the OED book series, study overviews, country case studies, working papers, Fast Track Briefs and proceedings. The following publications were recently produced: *Annual Review of Development Effectiveness (ARDE)*; *Evaluation and Development: The Institutional Dimension*; *India: The Dairy Revolution*; *Financial Sector Reform*; *Post–Conflict Reconstruction*; *Rebuilding the Mozambique Economy: Assessment of a Development Partnership*; *Catalogue of Publications*, and *Public Sector Performance — The Critical Role of Evaluation*.

*Lessons & Practices* is a series of good practices issued by OED synthesizing lessons arising from the Bank's development experience. It is distributed through targeted mailing lists to readers in governments, NGOs, and aid agencies worldwide. The series is also available from the Bank's

InfoShop.

*OED Précis* concisely report findings and recommendations from evaluation studies and audits for the benefit of development practitioners in and outside the Bank. Published in English, and posted on the Bank's Internet in (English) French, and Spanish, this series summarizes key findings and recommendations from OED evaluation work. People with a professional interest in development—in government agencies, nongovernmental organizations, development institutions and the academic community—receive copies of OED *Précis* by direct mail (on request). *Précis* are also available from the Bank's InfoShop and are free of charge.

*Seminars and workshops*, held for major performance audits and studies, are often organized for borrower countries. Others are aimed at development agencies, universities, and Bank staff. OED staff often use the Economic Development Institute's courses and seminars as a vehicle for disseminating OED Evaluation findings to a broader audience.

OED seminars and workshops tackle themes of particular importance to the World Bank. These have included Evaluation Capacity Development (ECD), Urban Transportation, and Fiscal Adjustment. Each seminar or workshop is usually followed by the issuance of a record in the form of Highlights or Proceedings. In addition, four working papers on Evaluation Capacity Development were issued. *The Annual Review of Development Effectiveness* (ARDE) results were discussed in the seminars and workshops along with the published report at each network and region. In a departure from previous years, where print media was the norm, OED took advantage of new communications technology to issue 400 copies of a videotape of the ARDE results available at the World Bank InfoShop free of charge.

*Conferences* organized by OED, bring together policymakers, academics, evaluators and development professionals. The 1997 Second Conference on Evaluation and Development, hosted by OED in Washington, D.C., focused on how institutional factors affect policy design and results and how evaluation approaches and practices evolve to give these factors greater relevance and attention. The conference volume, *Evaluation and Development: The Institutional Dimension*, (published jointly by the Bank and Transaction Publishers) is available in the World Bank InfoShop. OED participates in conferences and seminars organized by other agencies as well.

*Multimedia*. Evaluation materials are available through OED's website on the Internet, now accessed by users in more than a third of the Bank's

borrowing countries, and through the Bank's InfoShop. *Précis, Lessons & Practices*, and summaries of studies including the *Annual Review of Development Effectiveness* can be read on the Internet. For Bank staff and Executive Directors, OED maintains a searchable textbase, the Evaluation Textbase (ETB), which summarizes over 5,000 evaluation and implementation completion reports, and presents basic data on the lending operations evaluated. OED's *Précis* and *Lessons & Practices* are appended directly to an on-line Best Practice System created by the Bank's Africa region.

*OED's Catalogue of Publications* lists all the department's publications that are available at the Bank's InfoShop or through the Bank's network of distributors around the world. Publications are listed by title, author, country/region, subject, and series.

### Developing Evaluation Capacity

The Bank strongly supports the efforts of developing countries to build evaluation capacity. There are three major reasons for its continuing emphasis on evaluation capacity building. First, as the development assistance community as a whole turns to results-based management at project, country, and global levels, it is clear that for such an approach to be successful, capacity on the ground to collect, verify, assess, and use performance information is essential. Second, while monitoring and evaluation capacity in many developing countries is still very limited, at the country level the demand for policy and program evaluation capacities and skills is rising rapidly as country assistance strategies become more participatory and objective information is needed on how and to what effects resources are being used. Third, evaluation and public sector management are closely linked. A sound public sector is increasingly recognized as a vital indicator of national economic competitiveness. Markets reward countries able to manage public expenditures. Evaluation systems can provide a powerful support to high-quality decisionmaking and performance in the public sector, and thereby also enhance development

effectiveness.

The Bank has had a separate program to support evaluation capacity development since 1987. It has found through the years that as the development of evaluation capacity is a long-term proposition, the sustained support, commitment, and active involvement of the country government is a critical precondition for technical assistance. Additionally, it has found that for sustainability, it is important to develop capacity at the national or the sector level, rather than have a narrow focus on the project level and development agency evaluation requirements. It has also learned that the evaluation capacity building strategy is not a one approach fits all model and must be based on the specific country conditions and priorities, as well as an understanding of the role and objectives of development assistance in the country. Additionally, the Bank has learned that as much attention must be given to building in-country supply as demand.

As other donor organizations have increasingly also supported evaluation building activities, the Bank's approach is one of fostering donor collaboration in partnership with the country. OED and the Bank's country departments seek to work together with committed country governments. In each case, OED's strategy is to extend partnership to other multilateral and bilateral donors and to build coalitions with them and other parts of the Bank, such as the Networks, the Learning and Leadership Center or the Economic Development Institute, as appropriate. Within this framework, support for evaluation capacity

development can take many forms, such as:

Country diagnosis and action plan development.

Identification of existing promising practice, and development and dissemination of case studies.

Support of regional workshops and regional evaluation networks; conference or seminar support.

Secondments.

Linking performance management and evaluation systems.

Training and training materials.

Assistance with twinning arrangements.

Coordination of donor requirements.

## Operations Evaluation in the International Finance Corporation

The principles underlying operations evaluation in IFC are essentially the same as in the World Bank (Box 1), but modifications have been made in their application because of the market-based character of IFC operations. To avoid repetition, this section focuses on the main differences.

IFC's Operations Evaluation Group (OEG) is responsible for operations evaluation within IFC. The Operations Evaluation Group maintains close relations with OED and transmits its reports to the board through the Director General, Operations Evaluation (DGO), following review by IFC management. Like OED, OEG's functions and staff are organizationally independent from operations and policy departments. The DGO provides oversight to the function and work program of OEG, reviews the performance of the OEG director, and reports to the board on

## Assessing Development Effectiveness

the quality, usefulness and objectivity of IFC's evaluation processes and products.

OEG aims to:

Help provide accountability for the achievement of IFC's objectives.

Identify lessons from experience to improve operational performance.

Help reinforce corporate objectives and values among staff.

OEG's independent evaluation work encompasses:

Programs, investment projects, advisory and technical services, and the strategies, policies, and procedures that relate to them, with particular attention to the achievement of agreed objectives for private sector development and to the effects of investment activity.

Assessing the quality and usefulness of IFC's evaluation processes and products, and participating in the design of continuous improvements in evaluation policies, practices and instruments.

Identifying and disseminating lessons and making recommendations drawn from evaluation findings to contribute to improved operational performance, accountability for results, and corporate transparency.

### **Self-Evaluation of Investment Operations**

All IFC operations are subject to a market test. IFC makes equity investments and loans without government guarantees and, thus, receives clear feedback on the financial results of its investments. It requires audited financial statements and other periodic reports and supervises its investments as long as it continues to hold any equity or has any loan outstanding. Significant portfolio developments are brought to the attention of management and the Board of Executive Directors through periodic reports. Thus, IFC's normal supervision systems strengthen accountability and involve regular feedback regarding the financial health of the portfolio.

To supplement these systems, IFC's staff prepares investment assessment reports (IARs) on 30 percent of IFC's investments. These IARs are prepared after a project has reached early operational maturity, when informed judgments can be made and lessons relating to operating performance can be identified (Box 9). OEG selects investments for evaluation on a random basis, with due regard for regional and sectoral balance.

Each IAR is discussed by IFC's Portfolio Committee, which is chaired by the Corporation's vice president for portfolio operations. The meetings allow representatives of IFC management and others to exchange views on the findings of the IARs and to add their own insights into the lessons to be derived from the investments.

OEG participates actively in the Portfolio Committee's discussions of all IARs. It prepares an evaluative note for each IAR to give staff feedback on the report's quality, identify issues for discussion by the Portfolio Committee, and suggest additional lessons and actions to be taken.



### *Box 9: Improving the Quality of Investment Assessment Reports*

A number of innovations were introduced in 1996 to reorient the content and improve the quality of IARs and to increase the usefulness of findings, including:

A sampling process to select a random but representative 30 percent of projects that have reached early operational maturity.

Detailed guidelines (including key elements related to development effectiveness), best practice examples, and peer reviews of findings.

A systematic evaluation of the operation's performance in four key performance dimensions: the project's and company's sustainable business success; the project's development impact; the investment's performance and contribution to IFC's profitability objectives; and IFC's contribution and operational effectiveness.

Departmental workshops to familiarize staff and managers with the objectives, requirements, and methodologies required.

Identification of all staff involved in the operation from its inception.

Analysis of IFC's investment performance against expectations at the time of approval, and its contribution to IFC's profitability.

Rating each performance dimension and the overall operation, with guidelines on performance standards to ensure consistency in ratings across different operations.

An *Annual Review of Evaluation Results*, drawing together the most important cross-cutting themes and lessons relevant to each key performance dimension in the IARs.

### **Evaluation Studies.**

OEG also carries out special evaluation studies. These studies, on business sectors, regions, instruments, or business processes, are based on in-depth reviews of groups of investment operations to identify underlying patterns and broadly applicable lessons. The studies provide input into the design of policies and strategies and help IFC select, appraise, structure, and supervise its investments and other activities.

### **Dissemination and Application of Evaluation Results**

Because the output of IFC's evaluation efforts can affect the interests of IFC's private clients and partners, OEG's dissemination program is necessarily more limited than OED's. Nevertheless, OEG uses a number of instruments for dissemination within the World Bank Group. These include distributing abridged versions of its reports, holding seminars for IFC and World Bank staff, preparing training cases, and providing periodic summaries of findings.

To encourage the use of operations evaluation findings, IFC's procedures call for staff to:

Review the substantive elements of relevant OEG studies before presenting new investment proposals for initial review.

Ensure that the lessons of experience are taken into consideration in assessing and structuring new investments.

Indicate, in new investment proposals submitted to IFC's board of directors, how relevant OEG findings have been taken into account.

## Appendix A: The World Bank Project Cycle

Borrowing countries have full responsibility for the design, preparation, and implementation of individual projects, but the World Bank is deeply involved in each of these stages.

Once a project has been identified as having a high priority and being able to contribute significantly to the economic development of the country, it undergoes intensive preparation and analysis by the borrower and the Bank to ensure that it is soundly designed, properly organized, and up to standards of economy and efficiency. This process of project identification, preparation, appraisal, and implementation and supervision is referred to as the project cycle (Figure A–1).

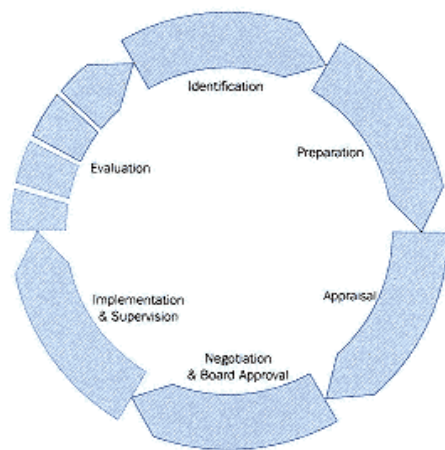


Figure A–1.  
The Project Cycle

### Identification

The first phase of the project cycle—identification—proceeds against the background of country economic and sector work. Although only governments can propose projects for financial assistance, identification can come from

several sources, including Bank identification missions, the work of other United Nations agencies, or even private sponsors, in some cases. However, for the project to be formally identified as a priority investment and included in the Bank's multi-year lending program or pipeline of projects, it must have the provisional support of both the borrowing country and the Bank to ensure that its objectives are shared by both.

### Preparation

Preparation begins when there is mutual agreement on project objectives. The process of preparing a project entails developing an idea into a detailed proposal that considers all aspects of the project—technical, economic,

financial, social, and institutional. The goal is to come up with the best method to achieve the project's objectives, by comparing alternatives on the basis of their relative costs and benefits.

Responsibility for project preparation rests primarily with the borrower, but the Bank has an obvious interest and often provides advice and assistance to ensure that the work is done well.

### **Appraisal**

After the borrower has completed project preparation, the Bank reviews the proposals and undertakes a full-scale project appraisal. There is a comprehensive review of the technical, economic, financial, and institutional aspects of the proposal. It is conducted by Bank staff, sometimes helped by outside consultants.

Cofinancing may be provided by bilateral aid agencies, regional development banks, export credit institutions, or commercial banks. These and other details of the project are outlined in an appraisal report.

### **Negotiations and Board Approval**

After the appraisal report is issued and reviewed, the Bank and the borrower begin formal loan negotiations. Both sides agree on the conditions necessary to ensure the project's success, including detailed schedules for implementation. These agreements, including procurement arrangements, are then formalized in loan documents, which are submitted to the executive directors of the World Bank for approval. After approval, the loan agreement is signed by the Bank and the borrower and thus becomes a legal obligation of both parties.

### **Implementation and Self-Evaluation**

After the loan is approved and it becomes effective, funds are available to implement the project and purchase the items, works, and expertise needed.

Implementation of the project is the responsibility of the borrower, as is procurement of goods and services. The World Bank is not a party to any contract, but it does require that procurement follow agreed procedures as reflected in the legal documents. It carefully supervises implementation and the procurement process to ensure that these procedures are followed and the process is fair and impartial.

### **Independent Evaluation**

Once the project is completed and the loan is fully disbursed, the Bank undertakes an independent evaluation. The project may later be re-evaluated, five to ten years into its operational phase, to assess the impact it has had on people, policies, institutions, and the physical environment.

### **Adaptable Lending Instruments**

The linear path of the project cycle described above was conceived for infrastructure lending, on the assumption that projects must be implemented over a fixed period of time, that particular development constraints and multi-year projects can be clearly identified, and that variables identified during preparation will remain constant throughout implementation. Over the years, however, client needs have changed, and the Bank has expanded its services. Clients increasingly borrow for complex projects that involve people, institutions, and less predictable processes (such as post-conflict reconstruction). Thus, the Bank is tailoring its services to client needs by adding to and adapting existing lending instruments and procedures, permitting more open-ended lending that is based on specific objectives and a long-term strategy, and by allowing piloting and innovation over a relatively short timespan. The goals are greater flexibility and responsiveness and reduced risk.

## Assessing Development Effectiveness

If you are interested in future updates of this volume, please fill out the following information:

Name\_\_\_\_\_

Address\_\_\_\_\_

City\_\_\_\_\_

State\_\_\_\_\_

Postal Code\_\_\_\_\_

Country\_\_\_\_\_

Mail to:

World Bank

OEDPK

1818 H Street, N.W.

Washington, D.C. 20433 USA

Attn: Editor-in-Chief