RESULTS IN DEVELOPMENT CO-OPERATION

Provider Case Studies: World Bank Group

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THE DEVELOPMENT ASSISTANCE COMMITTEE:
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RESULTS IN DEVELOPMENT CO-OPERATION

Case studies of results-based management by providers: WORLD BANK

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This paper is one of a series of case studies that describe approaches to results-based management by development co-operation providers. The purpose of the case study project is to identify and document approaches, key themes, current challenges and good practice in results-based management. In particular, the case studies document how providers use results information for accountability, communication, direction and learning. The case studies and an accompanying discussion paper will be used as a platform for dialogue and to drive collective learning within the OECD Development Assistance Committee Results Community.

The case studies are based on a desk-based review of relevant material and telephone interviews with staff responsible for results.

The full set of case of studies (Canada, the Netherlands, New Zealand, Sweden, Switzerland, the United Kingdom and the World Bank) and the discussion paper can be accessed on the OECD results in development co-operation website.

OECD DEVELOPMENT CO-OPERATION POLICY PAPERS

Comments on the series are welcome and should be sent to dac.contact@oecd.org.

Executive summary

- The World Bank Group has a structured and well-established approach to results-based management. A Corporate Scorecard is the apex of the results system and measures results on three tiers: development context, client results, and operational and organisational performance.

- Tier one provides global context. Tier two is used to communicate scale and reach of results achieved by clients with World Bank Group support. These results are presented as contributions and not attributed directly to the World Bank Group. Tier three is central to accountability processes, and tracks progress against annual organisational effectiveness targets to guide direction and decision making. There are perceived challenges in logically linking the three tiers to demonstrate the World Bank's contribution in achieving development results on the ground.

- Recently established Country Partnership Frameworks (CPFs) translate regional and strategic goals into a country context and ensure the Bank is working coherently in client countries. However, results-based decision making and use of country-led results frameworks is perceived as an ongoing challenge.

- Self-evaluations are the key mechanism for results-based management at project-level and have provided important insights to challenges and opportunities that are being addressed by the World Bank. Recent reviews suggest that project-level data may not be utilised to its full potential for learning across the organisation, and that monitoring and evaluation systems – and in-turn data quality – could be improved.

- In summary, tiers one and two of the World Bank Group's corporate results frameworks are used mostly for **communication** purposes, while tier three performance data serve accountability and also steering and direction purposes. Use of results information for **learning** is an area for ongoing improvement and is focused at project-level**.**

1. Overview of Results-Based Management

The World Bank Group is a multilateral development bank comprised of five separate agencies,[1] each governed by a board of member countries. The World Bank Group's total disbursements for 2015 were USD 45 billion (WBG, 2016a: 6).

The World Bank Group is guided by a shared strategy articulating two overall goals for the world to achieve by 2030:

- End extreme poverty by decreasing the percentage of people living on less than USD 1.90 a day to no more than 3%.
- Promote shared prosperity by fostering the income growth of the bottom 40% in every developing country.

These "twin goals" are seen as the apex of the World Bank Group's results measurement system and approach. Distinct results and performance measurement systems for each agency cascade from the goals down to sector, region, country, project, and individual staff performance level. The approaches at different levels are briefly described below.

1.1 Corporate level results

At the *corporate* level, the World Bank Group publishes results information via the World Bank Group Corporate Scorecard (CSC). The Corporate Scorecard is organized into three related tiers of indicators. First introduced in 2011, indicator sets are reviewed and updated on an annual basis. Separate scorecards are also in place for the separate agencies within the World Bank (International Development Association (IDA) and International Bank for Reconstruction and Development (IBRD)), International Finance Corporation (IFC) and Multilateral Investment Guarantee Agency (MIGA). The table below outlines the focus of each tier and the types of results information that are collected and reported.

Tier one reports the long-term development outcomes and the broader context of countries in which the World Bank Group is operating. Improvements observed in tier one indicators are not attributed to the World Bank Group; they are the outcome of collective efforts by countries and their development partners.

Tier two includes selected indicators that report client results achieved with World Bank Group support. Data are drawn from project results frameworks, e.g. by using the World Bank's "Corporate Results Indicators" (CRIs). CRIs are output and outcome measures aggregated from project level for use in scorecards and other external communication products (for example the World Bank Annual Report). Tier three indicators are based on a selection of internal performance measures. Corporate Scorecard results are updated and shared publicly annually.

[1] "The World Bank Group" refers to the legally separate organizations of the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), the International Finance Corporation (IFC), the International Centre for Settlement of Investment Disputes (ICSID), established in 1965, and the Multilateral Investment Guarantee Agency (MIGA). The term "World Bank" is used to refer to IBRD and IDA collectively. The case study describes the common framework for results measurement for the World Bank Group at the corporate and country level, while focusing on the World Bank (IBRD/IDA) at project level.

Table 1. World Bank Group Corporate Scorecard Structure

Tier	Purpose	Indicator sub-headings	No. of indicators*	Example indicator
Tier one: Development context	*Reports the long term development outcomes that client countries are achieving*	Goals Growth Inclusion Sustainability and resilience	26	*Under 5 mortality rate.*
Tier two: WBG supported results	*Reflects results reported by WBG clients implementing WBG-supported operations*	Growth Inclusion Sustainability and resilience	15	*People who have received essential health, nutrition and population services (millions- disaggregated by sex).*
Tier three: Operational and organizational performance	*Tracks measures of operational and organisational effectiveness*	Development impact Strategic context, operational delivery for clients Financial sustainability and efficiency; Managing talent	32	*Satisfactory outcomes of WBG operations (%).*

* The number of indicators quoted here and in the following paragraphs is based on the revised WBG CSC for FY18.
Source: WBG, 2016b

The World Bank Group recently underwent a process of refining the Scorecard and the various measurement systems that support it. The revision was guided by principles of strengthening strategic alignment, enhancing data quality and validity of reported results, and balancing monitoring needs with harmonisation and efficiency (WBG, 2016c). One of the main drivers of the revision was to ensure the Sustainable Development Goals were adequately reflected in results systems. From 2018, 34 of the 66 World Bank Group indicators will align to the SDGs and address 15 of the 17 Global Goals (mostly at tier one). CSC indicators are aligned to the Global Goals and their related targets and reflect the Bank's comparative advantage and areas of engagement with client countries (WBG, 2016d).

The revision has also been geared toward harmonising, aligning and rationalising the different internal indicator sets that are in use across the World Bank Group. Different indicator sets were mapped and then refined to ensure the relevance and utility of specific indicators. The World Bank's ''Core Sector Indicators'' (a set of more than 179 indicators structured by sector) have been phased out and replaced by the newly defined Corporate Results Indicators (25 in total), which will be applied to both IDA and IBRD. As noted above, CRIs also form the basis of tier two of the Scorecard of the World Bank.

1.2 Country level results

Following re-organisation in 2014, and to ensure learning and knowledge remained client driven and relevant to country context, the World Bank Group introduced detailed *Country Partnership*

Frameworks (though country strategies in a similar form had been in place prior to 2014) (WBG, 2015: 8). These frameworks are developed following detailed *Systematic Country Diagnostics*, which require extensive research and consultation with partner government and other in-country stakeholders.

Based on the priorities identified in the Systematic Country Diagnostics, the Country Partnership Frameworks identify the engagement areas for the World Bank Group. Objectives and indicators are set out against the priorities (in the form of results matrices). The frameworks span the bridge between country goals and the Banks' regional and global goals – while highlighting the Bank's comparative advantage in a particular country. They also ensure that the work of the different branches of the Bank is presented coherently for each country.

For example, the current Bangladesh Framework is structured to contribute to Bangladesh's seventh five year plan and reflects priorities from the Bank's South Asia regional strategy (WBG, 2016e). Importantly, this and all Country Partnership Frameworks seek to align with partner country planning cycles (usually 4-6 years). Every two years during the implementation of a Country Partnership Framework, or at midterm, a Performance and Learning Review is prepared to summarise progress in implementing the CPF programme as well as required adjustments. At the end of every CPF period country teams are required to complete a Completion and Learning Review to assess the CPF program performance using the results framework set out in the most recent Performance and Learning Review.

1.3 Project level results

Collation and use of results information at project level is dependent to a large extent on self-evaluation processes. All World Bank (i.e. IBRD and IDA) projects are subject to a self-evaluation at completion (via Implementation and Completion Results Reports (ICRs)). The reports are based on partner reporting and include results against indicators as well as self-ratings against a series of criteria (effectiveness, efficiency, quality of monitoring and evaluation etc.).

According to guidelines, ICRs serve the following purposes:

- providing an account of what was achieved
- capturing and disseminating experience and lessons
- providing accountability and transparency
- providing a vehicle for realistic self-evaluation
- contributing to results and effectiveness ratings (WBG, 2011).

On completion, all ICRs are reviewed by the Bank's Independent Evaluation Group (IEG) who assess both the project experience and the quality of the self-evaluation (i.e. validate the ratings). A sample of 20-25% these reports are subject to more in-depth verification. Ratings are aggregated for use across the system, including in the Corporate Scorecard and in an annual results and performance report produced by IEG. Once signed off, individual reports are uploaded to the World Bank website and become publicly available. This process has been in place for a number of years and forms the foundation of the Bank's results measurement and management system.

2. Challenges to Results-Based Management

As outlined above, the World Bank has a coherent and well-structured approach to results-based management at different levels including corporate, country and project. The following section provides a brief analysis of current challenges with respect to measuring and managing for results at the different levels.

2.1 Corporate: linking the different tiers of the Corporate Scorecard

Together, the three tiers of the corporate scorecard are designed to provide results information in support of the World Bank Group's strategy. As noted above, a number of refinements and improvements have been made to strengthen coherence and improve systems (to come into effect in 2018). However, the overall three tier architecture of the scorecard remains unchanged.

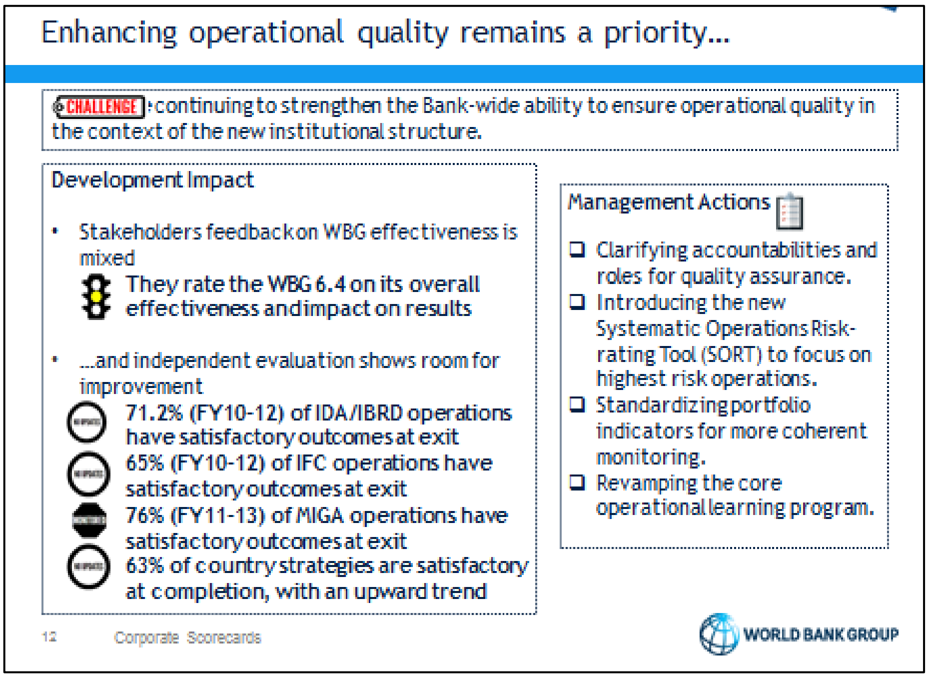
At tier one there is a clear focus on global goal achievement. Two specific indicators monitor global and national progress toward the twin goals:

- population living on less than USD 1.90 a day
- median of growth rates of an average real per capita income of the bottom 40%.

Further indicators at tier one provide *context*, and broadly reflect the strategic priorities of the Bank. Indicators at tier two have been selected to articulate 'results reported by clients that are supported by the World Bank Group' (WBG, 2016b). While outcomes reported in tier one are not attributable to the World bank Group's funds, there is an assumed link between project level outputs at tier two, and country level impacts or change at tier one. For example, we can assume that the World Bank Group's contribution to generation of additional megawatts of electricity at tier two, contributes to increased access to electricity at tier one. There is however a challenge to communicate that outcomes reported in tier one are impact to which tier two outputs contribute, rather than purely *context*. Regardless of ability to attribute, the scale of the World Bank Group's support means there is potential for results to be used to monitor and steer toward change. Without communication of these links, there is a risk that the substantial achievements at tier two become de-contextualized from change or progress at tier one.

Similarly, there is a perceived disconnect between tiers two and three. Tier three reports against specific operational and organisational targets. Results are collated, analysed and presented in a way which not only provides performance information, but also enables evidence-based management and decision making. The World Bank Group sets targets against most of the indicators at tier three, and then uses a traffic light system to communicate whether they are on track, and what actions might be taken to steer toward targets. Figure 1 is an example from an informal presentation to the World Bank Group's board and demonstrates how the Bank communicates tier three results, and uses them to demonstrate challenges and translate to action. However, this raises the question of *whether* and *how* this strong focus on achievement of performance targets can be linked logically to the concrete development results achieved at both tiers one and two.

Figure 1. Example communication of tier three data to the World Bank Group Board



Source: WBG, 2014b

2.2 Project: balancing learning with accountability

Recent IEG reports have focused on how the World Bank uses evidence to learn (WBG, 2017, 2016f, 2015). Reviews have, from different angles, looked at the extent to which project monitoring and self-evaluations (from which much of the tier three data are derived) enable learning, adaptive management and course correction in support of positive development outcomes. A key finding has been that while there is a comprehensive architecture for results, and no shortage of metrics (particularly at input and output level), the *quality* of results data collected at project level can be weak (WBG, 2015: 80-81). This in turn limits the ability of staff use of results information for learning and decision making. Studies have found that projects with strong monitoring and evaluation (M&E) systems are likely to have more positive outcomes (WBG, 2015: 74), and also that weak M&E systems are often the reason that outcome ratings are downgraded after IEG review (WBG, 2016f: xiii). In addition, the reviews suggest that for learning, staff are more likely to rely more on tacit knowledge than on written information from the self-evaluation systems (WBG, 2016f: xii).

The Bank's emphasis on use of self-evaluation data for performance monitoring has provided an evidence base for in-depth analysis and understanding of how results information may serve accountability and learning purposes and the inherent tension between the two. Findings from reviews have demonstrated the need for ongoing refinement of systems and incentives to promote collection and use of quality results information in increasingly complex contexts.

Box 1. Results Measurement and Evaluation Stream

In an effort to foster use of evidence and results the World Bank Group established in 2014 the Results, Measurement and Evidence Stream (RMES). The stream aims to professionalise results based management and brings together staff involved in measuring results from across the World Bank Group. The goals of the RMES are as follows:

- Promote and develop a world-class cadre of results measurement professionals.
- Foster a holistic approach towards results and evidence.
- Advance the frontiers of knowledge about key technical aspects of monitoring and evaluation to help the World Bank Group and its clients to adopt cutting-edge practices.

The stream has 215 members (as at 2017) who come together for conferences and training events. Innovative training methods include peer to peer clinics, master classes and brainstorming sessions.

2.3 Country: mutual accountability and reflecting country priorities

As outlined above, new systems have been introduced to enable context and results to guide programming decisions at country level. The Bank is confident that over time these systems will support country-led approaches, and CPF results matrices are required to describe how CPF objectives contribute to achieve one or several specific country development goals. However, alignment and harmonisation of the diverse objectives and measures of different parts of the World Bank Group working in a single country are also important. A new indicator at tier three (from 2018) will measure the extent to which country strategies are well aligned to World Bank corporate goals (WBG, 2016d), and CPF results matrices are required to describe the link between the Focus Area (that can group several CPF objectives) and the Twin Goals. As such, there may be a challenge in balancing and harmonising different parts of the Bank's work in client countries while also ensuring the Bank's alignment to a country's own goals and results frameworks.

IEG assesses the overall performance of the World Bank Group operations and country strategies and the extent to which outcome targets have been achieved. In the latest IEG effectiveness review, country programme outcome scores were below corporate target. This was partly attributed to ambitious strategies accompanied by weak results frameworks. Country strategies and results frameworks that were analysed were found to have weak links between interventions and country level outcomes, with many indicators based more on process than outputs (WBG, 2017).

To ensure improvement in the quality of data for use at country and corporate level, the Bank is committed to supporting client data collection (household surveys in particular), and statistical capacity. There is also recognition that capacity-building support needs to go beyond data collection to ensuring that data collected at country level is used for adaptive management and learning (WBG, 2017). Implementing strong results-based management that lifts analysis from project level to a more strategic focus on priorities in a way that is truly country led and focused, and that can be used for accountability direction and learning at country level, is undoubtedly difficult. There will be much to learn from the World Bank as their new processes are absorbed over the next few years, and the Bank is now planning analysis to capture and share good practice in this area (OECD, 2016).

3. Summary: How the World Bank Group Uses Results Information for Accountability, Communication, Direction and Learning

This case study presents a very brief outline of results-based management at The World Bank – and also provides discussion and analysis of some of the challenges faced. In summary, the World Bank has a comprehensive and robust results-measurement system that has been in place for a number of years and is replicated by other development co-operation providers. Results information is used to varying degrees and at different levels for accountability, communication, direction (steering) and learning.

The Corporate Scorecard is a mechanism to collate and present results information at three tiers to provide clear **accountability** to the public and to the World Bank Board. The scorecard collates both development results (contextual results and results achieved by clients' implementation of operations with Bank support) and performance data. Development results do not have targets applied to them. While this approach is methodologically robust, it limits the extent to which the data can be used for accountability. As such, data against performance targets (tier three) takes precedence in meeting the Bank's corporate accountability needs. In addition, accountability at country level may flow further upward to corporate level rather than towards mutual accountability to partner governments. Aggregated client results at tier two serve more of a **communication** purpose. The Bank primarily uses aggregated results in its publications to communicate the *scale* and *reach* of the Bank's operations globally.

Tier three data enable **direction and decision making** at corporate level. The Bank tracks progress towards performance targets, uses the data to inform management decisions and to justify these decisions to the Board. Use of results information for steering and **learning** at country and project level, and across countries and projects is an area of ongoing improvement and development. A strong body of evidence suggests that project-level results systems are not enabling learning and adaptive management to its full potential. The Bank is developing strategies and tools to enable better quality monitoring and evaluation systems that can be utilised for both adaptive management and learning, and ultimately to support positive development results.

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