1. Introduction

Background and Context

This synthesis report draws conclusions and summarizes the first Clustered Country Program Evaluation (clustered CPE) undertaken by the Independent Evaluation Group (IEG). In addition to this overview report, the clustered CPE includes four individual country program evaluations (CPEs) for Bolivia, Kazakhstan, Mongolia, and Zambia, covering eight to ten years of World Bank Group engagement in these countries. The purpose of the clustered CPE is to exploit the learning potential of looking across a group of countries that have one common characteristic (in this case, rich endowment with and dependence on the extraction of non-renewable natural resources), but that are otherwise a fairly heterogeneous group in terms of geographic location, income levels, and depth of dialogue with the World Bank Group. The synthesis report summarizes the experiences and draws broader lessons across the four countries and the different models of Bank Group engagement therein. The heterogeneity of the group is intentional and aims to maximize the learning value of the evaluation product. This exercise does not intend to compare or benchmark the performance of these four countries against each other.

A clustered CPE is not a thematic evaluation, and there are important differences between the two. Whereas the clustered CPE is designed to draw lessons across countries, it remains an instrument for establishing Bank Group accountability and for learning from its experience by monitoring the impact of its programs within these countries. Each CPE in the cluster is a free-standing product that derives lessons for the coming country strategies, and provides Bank Group shareholders with an independent assessment of the relevance, effectiveness, and efficiency of Bank Group country programs. By contrast, a thematic evaluation would normally look at a larger and more representative sample, and would be intended to illuminate the Bank Group’s global impact on a particular theme. For thematic evaluations, the country case studies carried out for this purpose are generally not designed to be independent products.

The effective management and use of natural resources for development has important impacts on a significant group of Bank Group clients. It relates closely to the Bank Group’s twin goals of eradicating poverty and boosting shared prosperity. Therefore, the overarching question that all CPEs included in the cluster were designed to answer—“How effective and relevant was Bank assistance in helping the countries take advantage of their endowment with natural resources in a most effective and efficient manner?”—is relevant for a much larger group of Bank clients. In addition, this is an issue of great interest to Bank Group shareholders: for instance, the document on
Special Themes for International Development Association (IDA)-17 stated that: “Natural resource wealth has the potential to be a game-changer for accelerating development in IDA countries, although when not well managed it can be a significant economic stress factor for conflict.”

The World Bank Group does not have a standard definition for resource-richness. Traditional measures included the share of natural resource exports to gross domestic product (GDP) and production flows (mostly, oil and mineral extraction). A distinction is often made between “resource-rich” and “resource-dependent” countries. The term resource-rich normally refers to available deposits of oil, gas, and minerals below the ground, which are finite and can be exhausted; whereas the concept of a resource-dependent country captures the extent to which a country’s economy relies on resource rents—usually measured in proportion to GDP, exports, or government revenues. For the purposes of this evaluation, the term resource-rich developing countries (RRDCs) will refer to the countries that are both endowed with abundant non-renewable natural resources (hydrocarbons and minerals) and are resource-dependent, that is, they derive a significant share of their gross national product, exports, and government revenues from exhaustible resources.

Country Selection

This clustered CPE includes four countries, covering more or less the same period (from 2004–05 to 2012–13), and uses a common analytical framework. The process of country selection included several stages, and began with an analysis of the full set of RRDCs (about 50 countries) included in relevant World Bank Group and International Monetary Fund (IMF) documents. The task team then applied additional criteria, mainly related to the availability of evaluative evidence (presence of a Bank Group program in the last seven to ten years) and potential value for cross-country learning. This analysis led to the selection of Bolivia, Kazakhstan, Mongolia and Zambia, and included the drawing of lessons from the experience in the widely recognized “good practice” cases of Chile and Botswana.

This selection places a deliberate emphasis on country diversity, aimed at reinforcing the learning value of this cross-country review, and reflecting on how the Bank programs in these countries incorporated the particular needs of the clients and helped them find country-specific solutions to broadly similar challenges. Therefore, additional parameters applied for the final selection included: (a) global coverage—aiming to cover as many Bank regions as possible; (b) type of natural resource—including coverage of mineral-producing countries (Mongolia and Zambia), as well as oil and gas exporters (Bolivia and Kazakhstan; (c) income diversity—including a broad range of
income categories, both lower-middle-income (Bolivia, Mongolia, and Zambia) and upper-middle-income (Kazakhstan) economies; IDA, blend, and International Bank for Reconstruction and Development (IBRD) borrowers; (d) including a combination of varying degrees of depth of dialogue and engagement modalities with the clients (lending, technical assistance (TA), reimbursable advisory services (RAS) and combinations thereof); and (e) availability of evaluative material—including fairly recent Country Partnership Strategy and Completion Reports (CPSCRRs) and project-level evaluations that indicated potential issues for more in-depth assessments, as well as ensuring that there are no overlapping CPEs (see table 1.1 below.)

Table 1.1. CCPE Countries: Select Country Data

<table>
<thead>
<tr>
<th>Country/Region</th>
<th>Country Characteristics</th>
<th>World Bank Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>GNI per capita (2012)</td>
<td>Type of NR</td>
</tr>
<tr>
<td>Boliva (LAC)</td>
<td>2,220</td>
<td>Gas, mining</td>
</tr>
<tr>
<td>Kazakhstan (ECA)</td>
<td>9,730</td>
<td>Oil, gas</td>
</tr>
<tr>
<td>Mongolia (EAP)</td>
<td>3,160</td>
<td>Mining</td>
</tr>
<tr>
<td>Zambia (AFR)</td>
<td>1,350</td>
<td>Copper</td>
</tr>
<tr>
<td>Botswana (AFR)</td>
<td>7,650</td>
<td>Diamonds</td>
</tr>
<tr>
<td>Chile (LAC)</td>
<td>14,290</td>
<td>Copper</td>
</tr>
</tbody>
</table>

Sources: IMF and World Bank.

Notes: Includes projects approved in the FY07–13 period. AAA data refers to deliveries in a given fiscal year. Averages for years 2006–2010. Botswana and Chile country cases are used as reference points, and are not part of the cluster. AFR = Africa; CCPE = Clustered Country Program Evaluation; CPE = Country Program Evaluation; EAP = East Asia and Pacific; ECA = Europe and Central Asia; ESW = Economic and Sector Work; GNI = gross national income; IBRD = International Bank for Reconstruction and Development; IDA = International Development Association; LAC = Latin America and the Caribbean; NR = natural resource; TA = technical assistance.

Analytical Framework and Work Plan

The four CPEs follow a similar organizing framework based on a set of challenges that arise from high dependency on natural resources, and adjusted to particular features of the Bank Group program in each country. This synthesis report follows a similar structure based on this framework and a corresponding set of evaluation questions, grouping them into the following three categories:
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- **Management of resources**, including addressing risks to macroeconomic and fiscal sustainability; and improving governance and institutions for the effective use of resources.
- **Economic diversification and nonextractive growth**, including promoting growth, job creation, and the entry of the private sector into nonextractive sectors.
- **Inclusive growth**, including using revenues from natural resources to reduce poverty, build human capital, and address environmental challenges.

The evaluation work was completed in five main phases: (i) concept development, including a literature review; preparation of the approach paper; thematic and country desk reviews; (ii) headquarters-based interviews and discussions with Bank staff and external experts; (iii) field work, including country visits to Bolivia, Botswana, Chile, Kazakhstan, Mongolia, and Zambia; (iv) preparation and internal review of country reports; and (v) preparation of the consolidated synthesis report.

**Report Structure**

This report has six chapters including this introductory chapter. Chapter 2 reviews the World Bank Group strategic approach based on the experience in the four CPE countries; Chapters 3, 4, and 5 summarize the main findings of the evaluative work, organized around the three themes/pillars as described previously. Chapter 6 summarizes the most important findings derived from the four CPEs.

1 The final selection was done on the basis of the following criteria: (i) high levels of resource dependence for exports or revenues (threshold of 50 percent); (ii) the presence of a diverse Bank Group program of lending, technical assistance, and analytic work; and (iii) regional representation and balance.

2 IDA-eligible, but also creditworthy for some IBRD borrowing.