

DGO INTRODUCTION TO IDA DEPUTIES' DISCUSSION OF OED's IDA REVIEW

First, let me thank the deputies for demonstrating enough confidence in OED to entrust it with such an important and complex evaluation. It is not everyday that we are asked to assess the performance of a unique development organization which lent \$42 b over seven years for poverty reduction. I hope we have lived up to your trust and gotten value for money. In terms of quantity, there is no doubt that you did considering that we produced the synthesis report, the compliance matrix and eight working papers within the planned timeline and budget. In terms of quality, you will be the judge. We carried out extensive surveys, country consultations and workshops and we benefited from a great deal from OED studies and from other Bank evaluation material. The self evaluation work of the Operations Policy Vice Presidency and QAG work proved especially useful.

Second, a brief update. The report has been posted on the web with the approval of the Executive Directors. It includes a management response. It provides useful information on the dynamic progression of recent years and a commentary on the OED review. It should be viewed as an interim response since the full response will form part and parcel of the IDA 13 replenishment report. The OED report also includes a summary of the Board deliberations which took place on May 19. Finally, it includes a methodological note prepared at the request of the Committee on Development Effectiveness.

Third, I wish to connect the approach followed by the Review to yesterday's discussion on the Bank's business model. The OED Review assessed IDA's performance in terms of the replenishment undertakings. This is termed a "goal based evaluation". First, we assessed compliance, in terms of elements on which IDA has control. Second, we assessed outcomes, which are influenced not only by IDA but also by the actions taken by borrowers, donors and other stakeholders as well as by exogenous factors. The distinction is central to the Bank's business model since it reflects a joint responsibility for outcomes by partners tied by shared objectives, reciprocal obligations and distinct accountabilities, not least of which is IDA's accountability to deliver on replenishment undertakings.

A parenthesis on methodology : ideally, an evaluation of IDA would compare a world with IDA with a world without. In practice, the state of the art and the scarcity of data make the construction of a counterfactual extremely problematic. Nor would it have been feasible to conduct an impact evaluation for IDA10-12 : it is simply too early to attempt this. In due course, it would be useful to carry out such evaluative work, e.g. on the occasion of IDA turning fifty.

My fourth and final point is about the compliance matrix. It was pointed out yesterday that 157 conditions in an adjustment loan is excessive. As far as IDA 10-12 is concerned, the number of undertakings reaches 179 -- of which 114 concern thematic priorities and 65 process issues. IDA12 undertakings alone number 77 which is 50% more than the average for the prior two IDA rounds. The undertakings were highly relevant but they proved hard to digest given their "demandingness" and sheer number.

Hence, looking ahead, OED recommends consolidation. This means adopting a results based approach which distinguishes clearly between goals, outcomes, outputs and inputs, makes explicit the distinction between what IDA, its borrowers and its partners are accountable for and includes verifiable performance indicators. The latter suggests a need for an internal business model to complement the external business model presented by Joanne yesterday. In particular, the transmission belts through which global priorities are translated into local action will need strengthening. In this connection, it is symptomatic that the thematic, cross cutting emphases of the IDA undertakings (as distinct from the sectoral and country based undertakings) gathered the lowest scores (gender, private sector, rural development, environment). Enhanced accountability for mainstreaming of these operational emphases remains critical to the broad based growth agenda of IDA.

The IDA Review has been a fascinating voyage. We were fortunate to find a highly skilled guide to bring us to port -- Catherine Gwin. She was ably supported by Nils Fostvedt and Steve Eccles, both of whom are here. The rest of the IDA team and the many other development thinkers, policy makers and practitioners which Catherine attracted are listed in the acknowledgments section of the Review : it reads as a Who's Who in the development business. Without further ado, let me turn this over to Catherine.