

Validation of Management's Progress on Independent Evaluation Group Recommendations

An Independent Evaluation



IEG
INDEPENDENT
EVALUATION GROUP

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September 13, 2021

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Abbreviations

FY	Fiscal Year
IEG	Independent Evaluation Group
IFC	International Finance Corporation
MAR	Management Action Record

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Overview

This document is the validation by the Independent Evaluation Group (IEG) of the report entitled *Using Evaluative Evidence to Deliver Development Outcomes: A World Bank Group Management Report on Implementation of IEG Recommendations FY17–21*, which is management’s report on the Management Action Record (MAR; World Bank 2021). The MAR system tracks follow-up to IEG evaluations. There are 15 evaluations in this year’s MAR report. The document covers IEG’s synthesis of progress toward achieving IEG evaluations’ intended outcomes and its assessment of the approach and evidence in management’s MAR report.

Progress has been made toward making the MAR more useful, focused on outcomes, and aligned with the World Bank Group’s broad strategic priorities, though gaps in evidence remain.

The MAR report’s evidence suggests good implementation progress has been made on many IEG evaluations, including capital markets, citizen engagement, International Finance Corporation client engagement, forced displacement, health services, knowledge flow and collaboration, and regional integration. There has also been implementation progress on many other evaluations, including core diagnostics related to the creation of markets and urban resilience evaluations; carbon fund consolidation related to the carbon finance evaluation; and analytics, technical assistance, and trust fund consolidation for pollution control work.

More progress can be made on the quality, depth, and type of evidence. The evidence in the 2021 MAR report on progress toward key outcomes or outputs is broadly satisfactory for about half of the 15 covered evaluations. For many of the remaining evaluations, the evidence quality makes it hard to understand the extent of implementation progress toward outcomes. Evidence on implementation and outcomes is particularly important for recommendations proposed to be retired. Areas for future improvement of the MAR therefore include greater clarity on intended and achieved outcomes, more understanding of plausible links from implementation actions to intended outcomes, better evidence regarding implementation actions and trends, and candid dialogue and learning. This assessment makes suggestions for how to progress in these directions.

IEG can accept most of the proposals to retire specific recommendations, with some qualifications, but suggests continued reporting on carbon fund coordination.

Report to the Board from the Committee on Development Effectiveness

The Committee on Development Effectiveness met to consider the World Bank Group management report *Using Evaluative Evidence to Deliver Development Outcomes—A World Bank Group Management Report on Implementation of Independent Evaluation Group Recommendations FY17–21* together with the *Validation of Management’s Progress on Independent Evaluation Group Recommendations: An Independent Evaluation*.

The committee welcomed the World Bank Group management’s Management Action Record (MAR) report (MAR) and Independent Evaluation Group (IEG) validation report, and the constructive and collaborative IEG–management engagement. Members highlighted that the MAR process was moving in the right direction and was leading to building feedback loops; refining the quality, practicality, and strategic relevance of IEG’s recommendations; and improving the way management responds to, tracks, and reports on progress toward the intended outcomes of IEG evaluations and recommendations. Yet, members noted there was still room to improve the way plausible causal links from actions to outcomes are defined and tested and the way the evidence is used to discern the extent of progress. Also, there is a need to reach a shared understanding of the evaluations’ intended outcomes. Members agreed with the need for IEG and management to continue collaborating closely to develop a systematic approach to improve evidence collection, define outcome-oriented progress milestones, and ensure a consistent framework to report on progress and assess evidence of progress on the implementation of IEG recommendations.

Members appreciated management’s efforts to develop a systematic approach for reporting on IEG recommendations, the thematic grouping of management’s actions along IEG’s six workstreams, and aligning them with corporate strategic priorities. They welcomed management’s and IEG’s continuous efforts to improve development outcomes based on strong evidence and knowledge sharing and were pleased to learn that the World Bank is taking a leading role in the Multilateral Development Bank Working Group on Managing for Development Results. Some highlighted the importance of the MAR process to provide enough flexibility to adjust to the post-coronavirus pandemic reality and enable IEG and management to prioritize the most relevant recommendations. They encouraged management to consider reviewing the strategic priorities or framework in situations where there is lackluster client demand, to remain responsive to clients.

The committee supported Bank Group management’s and IEG’s proposal to retire 20 recommendations and to continue monitoring and demonstrating impact on the

remaining 39 recommendations, including those related to carbon finance funds. Some expressed concern regarding the retirement of recommendations related to knowledge management, underscoring that the best way to report progress on the knowledge agenda is through a concrete, actionable, and measurable Bank Group knowledge management action plan with timebound deliverables, as requested during the committee meeting on the Knowledge Strategic Framework. They welcomed management's commitment to engage with committee on the Knowledge Strategic Framework follow up matrix.

Members welcomed IEG's and management's commitment to continue working to address the issues raised by members, such as plausible links from actions to outcomes, the evidence regarding the progress, and the need to reach a shared understanding of the evaluations' intended outcomes.

1. Introduction

1.1 The MAR is a key element of the World Bank Group’s accountability framework. The MAR supports accountability in the follow-up of Independent Evaluation Group (IEG) recommendations by enabling meaningful tracking, dialogue, and self-assessment of Bank Group management’s implementation of IEG recommendations.

1.2 The 2020 MAR reform was grounded in a common vision of how IEG recommendations can contribute to enhanced Bank Group development effectiveness through more strategic recommendations, more decisive management actions in response, and better tracking of recommendation implementation and the ensuing outcomes. It also aimed to achieve increased engagement of senior management and members of the Board of Executive Directors. As part of the MAR reform, many recommendations were “retired,” meaning there was no further reporting on them. IEG and management agreed that there will be fewer IEG recommendations in the future and they will be more strategically focused; management responses will clearly state agreements and disagreements with the recommendations; and management will report annually on the progress made toward desirable outcomes intended by IEG recommendations.

1.3 This document is IEG’s validation of management’s 2021 MAR report and is intended to complement the report, *Using Evaluative Evidence to Deliver Development Outcomes: A World Bank Group Management Report on Implementation of IEG Recommendations FY17–21* (World Bank 2021). Both reports will be discussed simultaneously by the Committee on Development Effectiveness. This document presents IEG’s assessment of the approach used and evidence found in management’s MAR report; its synthesis of progress toward outcomes for the 15 evaluations in this year’s MAR cycle; its agreements and disagreements regarding proposals to retire specific recommendations; and its suggestions for how to continue improving the MAR’s usefulness.

2. Process and Methods

2.1 This is the second reporting cycle after the MAR reform. Given this, some aspects of process and method remain in flux. IEG, Operations Policy and Country Services, and the International Finance Corporation (IFC) had constructive engagements, with meetings to discuss the scope, timeline, and overall approach to outcome-based reporting. Seven meetings were held to present and discuss implementation progress in various thematic areas. IEG also had the opportunity to comment on an earlier version of the MAR report.

2.2 Dialogue between evaluators and operational staff is essential for evaluations to foster learning and deeper understanding and foster buy-in and implementation. This is true before, during, and after evaluations are completed. The thematic meetings mentioned above involved IEG teams, technical teams in charge of implementing the recommendations, and corporate units. The meetings discussed implementation progress and promoted understanding of the outcome-based reporting approach, what evidence IEG staff would like to see, and what actions management has taken and why. The direct personal engagement allowed for candid exchanges and enhanced understanding, but the meetings could have been more useful if they had been held earlier in the process, when there was more time to inform the final product.

2.3 This document is based on the evidence in management's MAR report and the presentations and discussions during the meetings with management. IEG assessed this evidence against the technical and evaluative understandings that underpin the original recommendations. IEG arrived at its assessment through discussion, commenting, and deliberation among IEG staff. The assessment's main methodological weakness is the reliance on evidence of mixed depth and quality in management's MAR report and the absence of agreed-on benchmarks for assessing implementation progress.

3. IEG's Assessment of Management's MAR Report

3.1 Management's MAR report demonstrates clear progress in implementing the MAR reform. The report's framing around outcomes and its linking of IEG recommendations to Bank Group strategic priorities hold promise. The report gives the IEG recommendations much of the credit for influencing the Bank Group's direction and development effectiveness (World Bank 2021). Good analysis has gone into grouping IEG recommendations functionally and thematically. The analysis that places evaluation follow-ups in the Bank Group's broad strategic priority areas is likely to be useful to members of the Board of Executive Directors and management. The grouping by strategic priority areas makes synergies across evaluations explicit, stimulates thinking on strategic directions, and aligns with IEG's work program. This more analytical and outcome-oriented approach is an improvement on the more tedious reporting on action plan outputs that was used before the MAR reform. The Bank Group's new approach to MAR is likely to spark interest and replication among other multilateral development banks.

3.2 Yet the approach can be further improved in future years, which management recognizes. IEG agrees with the directions for future improvement outlined in the concluding section of management's MAR report. Specifically, there is room for more conceptual clarity on outcomes, better data and evidence on outcomes achievement, and more candor. Candid discussion based on sound evidence regarding when management has acted on IEG recommendations, and when it has not, is essential for the MAR's usefulness. IEG and management should collaborate to further develop the approach in future MAR cycles.

Outcome Focus

3.3 Future MAR reports could strive for more clarity on the type and levels of outcomes to report. The MAR report moves between the long-term outcomes the Bank Group pursues through its broad strategic themes and the intermediate outcomes and actions implemented in response to specific IEG recommendations. The "Outcome Frameworks" in the MAR report's tables 1–5 may have been helpful organizing devices for the report authors, but they may not be as helpful to many readers. The detailed sections of management's MAR report tend to focus on activities, processes, and outputs, often with little evidence of outcomes. For example, the report describes some trust fund consolidations, which are processes, without discussing whether these resulted in more coherent or increased funding for the respective areas of work, which would be relevant outcomes. This area will need continued work and dialogue.

3.4 It can be useful to focus future MAR reporting on the intended outcomes identified in IEG evaluations. Table 3.1 lists such outcomes for the 15 evaluations in this year's MAR report in the form of brief summaries of what, in IEG's view, the Bank Group would do differently if it fully implemented the evaluations' recommendations. For example, the outcome orientation at the country level evaluation lays out a vision in its concluding chapter for a renewed country-level results system with tools, accountability, and incentives that better capture the Bank Group's contributions to countries' outcomes (World Bank 2020a). The vision that tied the knowledge flow and collaboration evaluation's six recommendations together was to improve the functioning of the World Bank's matrix system; the recommendations specified IEG's view of the actions management should take to get there—namely, improving the approach to knowledge, ensuring robust connectors between the two sides of the matrix (directors and program leaders), adjusting incentives for collaboration, having more contestability in quality assurance, and paying continuous attention to the World Bank's organizational effectiveness.

3.5 For existing evaluations, the descriptions of evaluations' intended outcomes are explanatory vision statements, and they do not replace IEG recommendations. IEG recommendations focus on specific actions and are written to support the MAR's accountability. IEG extracted the outcome descriptions from the evaluations' conclusions, synthesized them from the recommendations, or adapted them from management's MAR report. In future evaluations, IEG will endeavor to clarify the intended outcomes of its recommendations to support MAR reporting.

Quality of Evidence

3.6 In IEG's assessment, the evidence on progress toward key outcomes or outputs is broadly satisfactory for half of the covered evaluations. For these, IEG was able to make a qualitative assessment of implementation progress. The evidence is either partially satisfactory or unsatisfactory for the remainder of the evaluations. In many instances, IFC provided more detail than the World Bank. Table 3.1 shows IEG's assessment of the evidence's quality and relevance, and box 3.1 describes the criteria and considerations IEG used to assess the evidence.

Table 3.1. Intended Outcomes, Implementation Progress, and Evidence Quality

Evaluation Topic	Description of the Evaluation's Intended Outcome ^a	Progress toward Outcomes and Implementation of Key Actions as Reported in Management's MAR Report	Quality of Evidence in Management's MAR Report ^b
Capital markets	More coherent and integrated capital market development programs across the World Bank Group underpinned by diagnostics, improved knowledge management, and adequate funding.	Substantial progress, including via the Joint Capital Markets initiative, which seeks to foster coherent capital market development programs.	Satisfactory evidence. The information is relevant and adequate and covers outputs with likely links to intended outcomes. There is quantitative data on the number of countries that have been assisted with integrated capital market development programs and amounts mobilized.
Rural nonfarm economy	World Bank interventions will better target context-specific constraints to nonfarm employment, income, and productivity faced by rural poor people, women, and youth.	It is not clear what and how much action management has taken on identifying context-specific constraints to rural poverty reduction, though there has been apparent progress on knowledge products, including rural income diagnostics. Also, the MAR report focuses on a generic screening process that applies to every single World Bank operation and does not discuss how rural project interventions align to target relevant constraints or whether monitoring and evaluation practices have changed.	Unsatisfactory evidence. Major elements of the recommendations were not covered.
Pollution	Increased World Bank efforts help countries be more aware of the most serious pollution issues and how to monitor and address these, leveraging the climate change portfolio as well to combat pollution. IFC clients enhance compliance with performance standards on pollution.	The World Bank has taken many actions regarding analytics, technical assistance, and trust fund consolidation for pollution control work. IFC has provided advice on compliance with performance standards.	Partially satisfactory evidence. The MAR report could include trend data to discern change over time and evidence on progress toward outcomes such as whether Bank Group-supported analytical work is helping countries establish pollution control priorities.
Trade facilitation	More effective Bank Group promotion of trade facilitation via a programmatic approach that addresses binding constraints to reforms and monitors public policy impacts.	Cannot discern progress on implementing the recommendations.	Unsatisfactory evidence. Very limited evidence and no quantitative data were provided, making it impossible for the Independent Evaluation Group (IEG) to assess implementation progress.

Evaluation Topic	Description of the Evaluation's Intended Outcome ^a	Progress toward Outcomes and Implementation of Key Actions as Reported in Management's MAR Report	Quality of Evidence in Management's MAR Report ^b
Forced displacement	The relevant recommendation's intended outcome is for the Bank Group to be more engaged and collaborative in supporting private sector development that can benefit displaced people and host communities.	IFC has made solid progress on advisory services, knowledge, partnerships, and investment projects, though more time is needed for outcomes to emerge. The retirement last year of recommendations to the World Bank has led to IFC reporting on its own activities, with no reporting on Bank Group collaboration on supporting private sector development for displaced people and host communities.	Satisfactory evidence. The evidence is relevant, albeit at the activity level. More outcome evidence would be expected as implementation progresses over time.
Carbon finance	Align different carbon finance initiatives and instruments, mainstream them in country programs, and use them in support of transformational approaches with poverty reduction co-benefits.	The presented evidence points to substantial progress on consolidating and mainstreaming carbon financing instruments, an important output.	Partially satisfactory evidence. While some elements of the recommendations are covered well, there is limited evidence on recommendations regarding finance mobilization, greenhouse gas emission reduction, and poverty reduction co-benefits. As implementation progresses, MAR reporting could provide evidence on progress toward intended outcomes, including aligning the funds' visions, governance, rules, and results frameworks.
Citizen engagement	Apply a deeper, more strategic approach to engaging with citizens when opportunities arise.	This evaluation has influenced a dynamic agenda that continues to enjoy strong ownership. The MAR report describes important activities, outputs, and processes, including a policy commitment in the 19th Replenishment of the International Development Association on establishing citizen-engagement country platforms. Such platforms hold promise to advance the deeper and more strategic citizen engagement at the recommendations' core.	Satisfactory evidence, including on activities with likely strong links to outcomes. Future MAR reporting could focus more on evidence of progress toward the evaluation's intended outcome of deeper, "thicker," and more strategic citizen engagement.
Regional integration	Increase regional integration initiatives in underserved regions, based on tailored,	There has been strong uptake of this report's findings and recommendations, including in this	Satisfactory evidence. The MAR report relevantly and adequately covers the

Evaluation Topic	Description of the Evaluation's Intended Outcome ^a	Progress toward Outcomes and Implementation of Key Actions as Reported in Management's MAR Report	Quality of Evidence in Management's MAR Report ^b
	evidence-informed approaches.	International Development Association cycle, via high-level strategic commitments in all Regions, and in the recent Africa regional strategy.	recommendations' major elements.
IFC client engagement	Leverage strategic clients to mobilize financing and enhance development impact in priority and underserved sectors.	After a slow start due to IFC's organizational adjustments, work is in progress on creating staff incentives and accountabilities, simplifying approval processes, and defining an approach for selection and segmentation of clients according to strategic priorities. IFC also has updated human resources competencies and strengthened diagnostic work and staff incentives for upstream engagements.	Satisfactory evidence. The MAR report adequately covers actions and outputs. More evidence on how these activities lead to outcomes would be welcome.
Health services	Provide better measurement of health service quality and equity, stronger World Bank–IFC synergies, more support to clients in improving pandemic preparedness capacity, and more strategic alignment and selectivity of Bank Group global partnership program engagements.	There has been substantial implementation progress. The MAR report describes important activities with the potential to promote outcomes in all of the evaluation's four outcome areas, including pandemic preparedness.	Satisfactory evidence. The MAR report has relevant descriptions of progress on most recommendations, though with a focus on diagnostics and other activities, limited quantitative data, and no evidence of outcomes. A planned IEG evaluation will assess some relevant outcomes, including on pandemic preparedness.
Knowledge flow and collaboration	Improve the functioning of the World Bank's matrix system via an improved approach to knowledge, robust connectors between the two sides of the matrix (directors and program leaders), incentives that promote collaboration, more contestability in quality assurance, and continuous attention to organizational effectiveness.	Most key actions were completed, including via two rounds of staff realignment.	Satisfactory evidence. The MAR report has relevant descriptions of key actions. The outcome assessment (that is, How well does the operating model function?) will await a planned future IEG evaluation.
Creating markets	Look for and act on opportunities more systematically to create markets by either investing	There has been progress on Country Private Sector Diagnostics and using these to influence country partnership frameworks' design.	Partially satisfactory evidence. The description is only partially relevant and is confusing in places. The description has limited evidence of deeper

Chapter 3
IEG's Assessment of Management's MAR Report

Evaluation Topic	Description of the Evaluation's Intended Outcome ^a	Progress toward Outcomes and Implementation of Key Actions as Reported in Management's MAR Report	Quality of Evidence in Management's MAR Report ^b
	directly or working on the enabling environment.		engagement and outcomes beyond undertaking Country Private Sector Diagnostics. It is not clear that the report addresses the recommendation about IFC's financial sustainability.
Urban resilience	Strengthen the Bank Group's capacity to support client countries in building urban resilience to chronic stresses and disaster shocks.	There has been progress on key diagnostics for urban resilience such as the City Scan tool and the Resilience Rating System.	Partially satisfactory evidence. The description focuses on activities and lacks clarity. Future MAR reporting could focus on how the activities and diagnostic tools link to the intended outcome and progress toward integrating resilience considerations in operations' cost-benefit analysis.
World Bank Group global convening	Ensure more effective Bank Group convening on global issues through more selective scoping, life cycle management of convening initiatives, and stronger links with country programs.	With regard to the World Bank, it is unclear if there has been progress toward more intentional scoping and stronger management of convening besides trust fund and Financial Intermediary Funds reforms. Progress has been made in ensuring IFC convening efforts are strategic and selective.	Unsatisfactory evidence for the World Bank. The focus on trust fund and Financial Intermediary Funds reforms aligns partially with the evaluation's focus on convening activities but does not cover the recommendation on better aligning of convening initiatives with country activities. Partially satisfactory evidence for IFC, with a relevant focus on IFC's management of convening activities though with some gaps.
Outcome orientation at the country level	Improve accuracy, utility, and outcome orientation of the country-level results system via tools, principles, and incentives that better capture the Bank Group's contribution to country outcomes.	The World Bank's actions have a number of positive elements in line with the evaluation's recommendation, such as articulating a line of sight to higher-level outcomes over a longer time period, adjusting evaluation timing, and offering more flexibility for teams to report on contributions to	Satisfactory evidence, with key actions adequately described.

Evaluation Topic	Description of the Evaluation’s Intended Outcome ^a	Progress toward Outcomes and Implementation of Key Actions as Reported in Management’s MAR Report	Quality of Evidence in Management’s MAR Report ^b
		outcomes. Management has yet to address the evaluation’s other findings regarding the results system, including its skewing of incentives toward approvals, commitments, and outputs rather than outcomes; low utility; weak evidence on achievement of country programs’ objectives; and low use by teams and clients. Dialogue on how to continue progressing toward the evaluation’s outcome is ongoing.	

Source: Independent Evaluation Group; World Bank 2016, 2017a–b, 2018a–d, 2019a–f, 2020a–b, 2021.

Note: IEG = Independent Evaluation Group; IFC = International Finance Corporation; MAR = Management Action Record.

a. The column shows IEG’s reconstruction of the intended outcomes implicit in the 15 evaluations in this year’s MAR cycle. IEG extracted the outcome statements from the evaluations’ conclusions, synthesized the recommendations, or adapted language from management’s MAR report.

b. The column shows IEG’s assessment based on the criteria described in box 3.1.

c. The evaluation was retired in fiscal year 2020 for the World Bank, while IFC continues reporting on the recommendation to the Bank Group to catalyze private sector solutions to promote resilience of displaced and host communities. The entry relates to IFC’s reporting.

Box 3.1. Independent Evaluation Group’s Criteria for Assessing Management Action Record Evidence

The Independent Evaluation Group’s (IEG) technical assessment of implementation progress requires (at a minimum) a solid account of how recommendations have been acted on and, ideally, how the implementation of recommendations may plausibly contribute to desirable outcomes. IEG found the evidence provided in management’s Management Action Record (MAR) report on implementation and progress toward outcomes to be less than fully satisfactory in half the cases, as described below:

- Satisfactory evidence.** The presented evidence is relevant to, and adequately covers, the recommendations. The evidence relates to outcomes—or to activities and outputs with plausibly strong links to outcomes—and covers the major elements of the recommendations. For example, the MAR report allowed IEG to discern the type and range of actions taken to implement the recommendations made in the capital markets and the outcome orientation of country programs evaluations. Establishing the Joint Capital Markets initiative and related tools and mechanisms for enhanced Bank Group coherence is a relevant and important outcome for the capital markets evaluation. For the outcome orientation of country programs’ evaluations where actions are recent and no outcomes can yet be expected, the description is sufficient for IEG to discern what elements of the recommendation Bank Group management has or has not yet acted on. For the citizen engagement, knowledge flow and collaboration, and regional integration evaluations, management’s MAR report describes relevant and important strategy and

- International Development Association commitments with plausible links to important outcomes.
- **Partially satisfactory evidence.** The presented evidence is partially relevant to the recommendations or partially covers their major elements. For example, the MAR report's coverage of the carbon finance evaluation leaves some recommendations unaddressed, including those on finance mobilization, greenhouse gas emission reductions, and poverty reduction co-benefits. Likewise, for the creating markets evaluation, the MAR report does not address actions taken in response to recommendations to enhance access to markets for underserved groups and monitor how market creation activities affect poor people.
 - **Unsatisfactory evidence.** The presented evidence is not relevant to the recommendations or does not cover major aspects of the recommendations. For example, the MAR report's coverage of the convening (World Bank portion), rural nonfarm economy, and trade facilitation evaluations leaves many aspects of the recommendations unaddressed, making it impossible for IEG to assess management's implementation progress or even the direction of travel. For the convening, the World Bank's coverage centers on new frameworks for managing trust funds and Financial Intermediary Funds, which is only partially relevant to the evaluation's focus on how global initiatives are selected, managed, and linked to country programs, regardless of how they are financed.

Source: Independent Evaluation Group.

3.7 More quantitative data would support statements about progress. For many evaluations, management presents single-point data even as trend data would be needed to discern whether efforts have increased. For example, management's MAR report states, "Bank Group support for trade facilitation is increasingly based on a programmatic approach" (World Bank 2021, 29), but it does not indicate the number of countries with programmatic approaches or how this number changed after the trade facilitation evaluation. Also, specifying what was done during the past year and what actions were taken earlier would help indicate the pace of implementation progress.

3.8 Stronger reporting is particularly important for evaluations that are in their last year of MAR reporting or proposed for retirement. Ideally, management would sum up key actions taken, progress toward the evaluation's intended outcomes and Bank Group strategic priorities, any lessons, and whether reporting will continue via other channels. Stronger reporting is especially appropriate for evaluations that management proposes to retire early. However, for some evaluations, outcome data are not yet available, as reforms need time before bearing fruit. For other evaluations, the intended outcome is complex and may require more extensive evaluative work than what is feasible for the MAR to assess. This is the case for knowledge flow and collaboration, for example, where the intended outcome is more effective functioning of the World Bank's matrix management system. IEG can agree to retire this evaluation's recommendations in part

because it has a planned follow-up evaluation in its work program that would assess the matrix management system's functioning.

Implementation Progress

3.9 Implementation of IEG recommendations continues to help influence the direction and development effectiveness of the Bank Group. Though the magnitude of progress is often hard to assess, progress toward intended outcomes can be detected for the capital markets, citizen engagement, health services, knowledge flow and collaboration, and regional integration evaluations. This is according to evidence in the MAR report, as summarized in table 3.1. For example, establishing the Joint Capital Markets initiative and related tools and mechanisms has enhanced the coherence of the Bank Group's capital market development programs, a key intended outcome of the capital markets evaluation. The International Development Association policy commitment on establishing citizen-engagement country platforms holds promise to advance deeper and more strategic citizen engagement, which is core to the citizen engagement evaluation's recommendations. Staff realignments, the creation of regional director positions, and the development of the Strategic Framework for Knowledge are major efforts in the spirit of the knowledge flow and collaboration evaluation's recommendations, with potential to improve the World Bank operating model's functioning. Regarding the health services evaluation, the World Bank has taken important steps, including by strengthening pandemic preparedness and improving alignment and selectivity of its partnerships in public health. There has been strong uptake and use of the regional integration evaluation, including in the recent Africa regional strategy update, which explicitly builds on this evaluation. There has been clear progress on implementing outputs and activities related to many other evaluations' recommendations, though outcomes have not yet materialized. For example, there has been progress on core diagnostics relevant to the creating markets and urban resilience evaluations' recommendations, as well as on trust fund consolidation related to the carbon finance evaluation. The evaluation of outcome orientation at the country level has sparked recent guideline changes and dialogue on how to make the country-level results system more useful. IFC has acted on IEG recommendations to ensure that IFC's convening efforts are strategic and selective, it better leverages strategic clients, and it is more engaged in supporting private sector development that can benefit displaced people and host communities.

3.10 IEG cannot validate management's claim that "[the] quantitative and qualitative evidence demonstrates that the Bank Group has taken substantial action in 95 percent of recommendations, and roughly half of those actions are already delivering outcomes" (World Bank 2021, 6). The claim is based on an unvalidated assessment framework. The

MAR report's annex 3, which covers the World Bank only, operates with four assessment categories: substantial outcomes, moderate outcomes, substantial outputs, and moderate outputs. To validate claims about the share of recommendations where management has taken "substantial action" or reached outcomes, there would need to be a clearer understanding of, and agreement on, the criteria that distinguish outcomes from outputs and moderate outputs and outcomes from substantial outputs and outcomes. A credible methodology to distinguish between small steps in the right direction and substantial outputs or outcomes has not been established (box 3.2). However, IEG appreciates management's statements about the many areas where IEG evaluations have helped influence the Bank Group's actions, confirming that independent evaluation plays an important role for the Bank Group's organizational change and learning.

Box 3.2. Assessing Implementation Progress

The 2020 Management Action Record (MAR) reform aimed for increased focus on progress toward desirable outcomes at the strategic level. The Independent Evaluation Group (IEG) and management agreed that there should be a deliberate break with the previous system, which focused people's attention on ratings of action plan implementation progress and ratings disputes and was based on granular data on management's action plans, with sometimes tenuous links to the desirable outcomes intended by IEG recommendations. Instead, the objective was to have meaningful dialogue and reporting on progress toward IEG recommendations' desirable outcomes.

IEG has concerns regarding the World Bank's framework for self-assessing progress toward outcomes in the 2021 MAR report's annex 3. Because there are no transparent criteria and targets for the complex strategic outcomes that the MAR reform aspires to focus on, it is hard to establish a rigorous methodology for assessing progress. For IEG to validate management's assessment of progress, the methodology would need to be jointly agreed to. Further, there is the risk of derailing focus from desirable outcomes, lessons learned, and stakeholder dialogue to ratings and ratings disputes. Work remains to be done in future MAR cycles on improving the evidence and developing criteria for assessing progress toward desirable outcomes.

Source: Independent Evaluation Group; World Bank 2021.

3.11 Some IEG evaluations have clearly seen more traction. Judging from this and last year's management MAR report, and the technical MAR discussions, the capital markets; citizen engagement; health services; knowledge flow and collaboration; Program-for-Results; regional integration; Systematic Country Diagnostics and Country Partnership Framework; and World Bank Group engagement in situations of fragility, conflict, and violence evaluations have seen much uptake and informed strategic, conceptual, and organizational changes. These evaluations were timely. Many of them were early assessments of programs or processes and arrived in time to inform strategic decisions or process adjustments. They achieved buy-in from champions in Bank Group

management, thanks to outreach and engagement efforts, and their recommendations pointed in a direction Bank Group management was willing to go.

3.12 Candor is important for the MAR process to function well. Candor is needed to foster learning on how, when, and why IEG's evaluations influence concepts, thinking, learning, strategies, and organizational action and change—and when they do not. IEG appreciates when management's MAR report is clear on where little progress has been made so far, as is the case on monitoring the public policy objectives of trade regulations and efforts to build urban resilience by strengthening mechanisms to address crime and violence. There are also other cases, however, where IEG would argue that the implementation progress has been limited and where candid discussion might promote learning and understanding. This includes, for example, some of the recommendations on scoping and managing convening initiatives more intentionally; creating budget systems that better incentivize collaboration; having stronger coordination across carbon funds; and implementing project interventions that better target the context-specific constraints to nonfarm employment, income, and productivity faced by rural poor people.

4. Proposals to Retire Specific Recommendations

4.1 Management proposes to retire 21 recommendations from future MAR reporting. IEG appreciates that management's proposal reflects its earlier feedback, to a degree. IEG has the following specific remarks on management's proposals and the justifications behind the proposals. Overall, IEG agrees to retire all proposed recommendations, except one related to carbon finance:

- **Capital markets evaluation.** Due to retire after the standard four-year reporting cycle, IEG is pleased with the progress toward desirable outcomes.
- **Carbon finance evaluation.** Management proposes to retire three recommendations on country focus and co-benefits, enhanced emphasis on the greenhouse gas emission reduction impact of carbon pricing, and coordination across different carbon finance funds. IEG agrees to retire the first two recommendations, given the work done. IEG suggests continued reporting on the recommendation on coordination across different carbon finance funds. Management has recently consolidated the carbon finance fund architecture. This action is in the recommendation's spirit but is, in itself, insufficient to reach the desirable outcomes described in the recommendations, such as shared vision, common governance systems, simpler rules, and well-functioning and consistent results frameworks across funds. It would make sense to report on how the consolidation affects coordination across funds, enables streamlining of approaches, improves synergy, and supports responding to the Paris Agreement, as well as on how management avoids future fragmentation of funds. IEG's position would therefore be to continue reporting on recommendations 1,2, and 5 and to retire recommendations 3 and 4, using the evaluation's original numbering.
- **Health services evaluation.** IEG agrees to retiring the two recommendations on World Bank and IFC synergy in public-private interactions and stronger alignment and selectivity of partnership engagements. IEG appreciates the continued reporting on the recommendations for improved measurement of health service quality and pandemic preparedness. As the World Bank works to address the COVID-19 crisis, it will be important to focus on strengthening health systems' preparedness for future pandemics as well.
- **IFC client engagement.** IFC proposes to retire the recommendation on accountability and incentives for strategic client relationship management because it has created a new human resources competency framework and new investment processing initiatives. IEG would have liked to have seen evidence

on client relationship outcomes from these actions but can agree with management's proposal to retire the recommendation.

- **Knowledge flow and collaboration evaluation.** World Bank management realigned the matrix system's reporting lines and formulated a new strategic framework for knowledge, among other things. IEG does not believe that there has been much progress on reforming World Bank budget systems to better incentivize collaboration as stated by management. Even so, IEG does not see any reason to oppose management's proposal to retire the evaluation from reporting, given plans to conduct future evaluations on collaboration and knowledge-related aspects.
- **Rural nonfarm economy evaluation.** IEG and management have struggled to reach a shared understanding of the extent of the progress in implementing the evaluation's recommendations. The MAR report has evidence on many outputs and activities but not on how these are making a difference in how the World Bank addresses rural poverty. There is no shared understanding of the evidence that would be needed to make a compelling case for implementation progress and achievement of intended outcomes. IEG continues to see merit in the recommendations but acknowledges that management does not see value in continued reporting on an evaluation whose recommendations are unlikely to see further action.

5. Conclusions and Suggestions

5.1 This validation report concludes that there has been progress toward making the MAR more useful, focused on outcomes, and aligned with the Bank Group's broad strategic priorities. IEG can accept most of management's proposals to retire specific recommendations for a number of reasons, including the completion of the standard four annual reporting cycles, the completion of key actions, evidence of or plausible links to outcomes, and plans to conduct future IEG evaluations that will assess outcomes in some areas. The one exception is the recommendation on coordination across different carbon finance funds, which IEG proposes continued reporting on to track progress toward more streamlined funds after the recent carbon fund consolidation.

5.2 IEG believes, however, that more progress is feasible and desirable regarding the quality, depth, and type of evidence and what management provides in its MAR report. IEG is particularly concerned about the quality of evidence for some of the recommendations proposed to be retired and has outstanding concerns about the justification and evidence behind some of the proposals. These concerns point to areas for future improvement of the MAR, such as greater clarity on intended and achieved outcomes, more detailed and relevant descriptions of implementation actions, more discussion of outcomes or plausible links to outcomes, more quantitative data to discern whether efforts increased, and more candid dialogue.

5.3 Moving forward, IEG makes the following suggestions based on its analysis and assessment of the MAR process this year and in previous years:

- i. Maintain the organization of the MAR reporting by strategic priority areas, which is helpful, while some methodological aspects should be further improved.
- ii. Continue technical dialogue between evaluators, teams in charge of implementing the recommendations, and corporate units. Technical dialogues are essential for trust, understanding, and learning and could be made a structured part of the MAR process to be held at key junctures.
- iii. Ensure collaboration between IEG and management on ways to improve evidence collection and frameworks for assessing implementation progress. This collaboration could take the form of a learning-oriented pilot for a few selected evaluations. The objectives of the collaboration would include more aligned expectations on desirable and feasible evidence; improved evidence collection systems; and shared criteria for assessing progress toward outcomes.

- iv. Have IEG and management do more to reach a shared understanding of evaluations' intended outcomes. Some of the different views between IEG and management on progress and evidence may in fact stem from different visions of the intended outcomes.
- v. Hold candid discussions on progress, evidence, intended outcomes, and areas of agreement and disagreement to foster learning about how IEG's evaluations can best contribute to the Bank Group's development effectiveness.

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Appendix A. Scope of Management Action Record 2021

Table A.1 outlines the reports included in management’s MAR report and summarizes management’s proposed action.

Table A.1. Scope of Management Action Record 2021

Topic	CODE Discussion Year	Scope of Reporting in 2021	Management’s Proposed Action
Capital markets	FY17	All recommendations included.	Retire all four recommendations (age and other reasons).
Rural nonfarm economy	FY17	Recommendations for IFC were retired in 2020; others included.	Retire the remaining five recommendations.
Pollution	FY18	All recommendations included.	
Trade facilitation	FY19	All recommendations included.	
Forced displacement	FY18	One recommendation included, for IFC (World Bank Group to catalyze private sector solutions to promote resilience of displaced and host communities).	
Carbon finance	FY18	Recommendations pertaining to the World Bank included.	Retire three recommendations. ^a
Citizen engagement	FY18	All recommendations included.	
Regional integration	FY18	Recommendations 1 and 3–5 for the World Bank included.	
IFC client engagement	FY18	Recommendation 2 retired and recommendations 3 and 6 merged for reporting purposes.	Retire one additional recommendation.
Health services	FY19	All recommendations to the World Bank included; retired for IFC.	Retire two recommendations.
Knowledge flow and collaboration	FY19	All recommendations included; one recommendation partially agreed.	Retire all six recommendations. ^b
Creating markets	FY19	Recommendation 2 retired for IFC.	
Building urban resilience	FY20	First year of reporting; one recommendation disagreed and four recommendations partially agreed.	

Topic	CODE	Scope of Reporting in 2021	Management's Proposed Action
World Bank Group global convening	FY20	First year of reporting.	
Outcome orientation of country programs	FY21	First year of reporting.	

Source: Independent Evaluation Group.

Note: CODE = Committee on Development Effectiveness; FY = fiscal year.

a. Management's Management Action Record (MAR) report annex 4 table lists four recommendations, but the text clearly indicates the proposal to retire three.

b. Management's MAR report annex 4 indicates five recommendations, but the evaluation made six recommendations.



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