

**EXTERNAL REVIEW OF THE INDEPENDENT
EVALUATION GROUP OF THE WORLD BANK
GROUP**

**REPORT TO CODE FROM THE INDEPENDENT
PANEL**

IEG'S RESPONSE

JUNE 30, 2015

External Review of the Independent Evaluation Group of the World Bank Group

IEG Response

1. IEG welcomes the comprehensive and insightful report of the Independent Panel. We appreciate the reaffirmation of the importance of IEG's independence combined with suggestions to enhance our engagement; a challenging balance, as recognized in various parts of the report. We find many of the review's recommendations give further impetus to initiatives we have started and opens the dialogue to push some of them further. While we will be guided by CODE's decisions about the Panel's report, this DGE statement proposes actions to some of the recommendations, while seeking guidance from CODE on others.
2. The focus of the report on "double-loop learning" is valuable, and we welcome that the Panel has positioned its assessment within the larger, interdependent system in which IEG operates. While the roles of IEG and CODE in this system have been well covered, the Review touches little upon WBG Management beyond its role as "consumer." We believe that Management also plays an essential role in incentivizing staff to create, apply, and share evaluation knowledge, and take ownership for delivering results to clients based on evidence – a key message that could be more prominent in the Review.
3. More broadly, we are puzzled by the Review's portrayal of the roles of CODE and the Board, who as shareholders primarily exercise governance over the WBG institutions and who established IEG to support them in that function. The report, however, seems to view IEG more as a potential "instrument" of Management, and thereby focuses more on IEG's role in supporting the learning needs of Management rather than the governance needs of the Board. CODE guidance would be helpful in this respect, as such a change of IEG's role would fundamentally change its Mandate and potentially challenge and erode IEG's independence.

World Bank Group-wide Evaluation Policy

4. We strongly endorse the need for an institution-wide, principle-based evaluation policy, and the proposal to review and update the IEG Mandate. Our series of evaluations focused on learning and self-evaluation at the World Bank Group is in the process of unpacking what works and what does not, and how best to develop a cohesive system of interlocking monitoring, self-evaluation and independent evaluation. If CODE endorses this recommendation, we suggest that such a policy be informed by IEG's evaluations of the self-evaluation systems to ensure the Panel's review of IEG is complemented with requisite evidence about the "other side of the coin" to inform discussion and choices. We propose to come back to a number of detailed recommendations about the content of the evaluation policy at that time.

IEG Strategy: Increasing Evaluation Effectiveness

5. We concur with the Panel's focus on deepening IEG impact and influence. IEG's strategy has taken a similar approach. We found the three pillars of our strategy – making strategic choices about what to evaluate (doing the right things), combined with innovations in the way evaluations are conducted (doing things right), and exploring systemic ways to embed

knowledge from evaluation in operational thinking and action (reaching the right people at the right time) – are necessary to hold up the bargain from IEG’s side to achieve effectiveness of evaluation, both utility and actual change resulting from evaluation.

6. Our focus on **“doing the right things”** has led to:

- (a) Strategically aligning IEG’s work with the 2013 Bank Group Strategy, including the development of strategic engagement areas as a platform for a more strategic and continuous engagement with CODE and management on issues of highest relevance to the Bank Group’s development effectiveness. We understand that the Panel feels more can be done in this respect and will be happy to consult with CODE about further adjustments to the current extensive consultative process.
- (b) Reprioritizing IEG’s work program to include learning-focused products. While we recognize the first year of implementation has inevitable “teething pains,” we are also proud that a number of these products are the basis for IEG’s teaching at WBG academies; an approach that promises systemic influence on the way in which Bank Group staff work.
- (c) Fundamentally revamping IEG’s results framework to focus on higher-level outcomes. We welcome the Panel’s suggestion to transform the results framework into a dashboard to communicate more effectively and strategically. We would also welcome a discussion with Managements about the indicators to measure changes in World Bank Group outcomes, especially as related to IEG’s strategic engagement areas.

7. In respect to **“doing things right,”** we thank the Panel for its recognition of IEG’s innovations in methods and ways of undertaking evaluations. Prior to the *Learning and Results in WB Lending*, IEG evaluations were strictly based on design documents with explicit objectives; something that does not exist for learning or for the self-evaluation system. Encouraged by these and other experiences, we also see the need for a more rapid expansion of innovative evaluation methods to capture, among others, gender results, the distributional effects of WBG work to assess its contributions to shared prosperity, and use of technology in evaluation, to name just three. The Panel’s recommendation for reaching out to client and partner countries to use and enhance their evaluation capacities will be considered when moving to full implementation of this change. These investments will continue enhancing the quality of evaluations and their usefulness, which we see as essential to ensure utility and effectiveness.

8. In respect to our third pillar of **“reaching the right people at the right time,”** we are taking actions that go further than what is recommended in the Review. For instance, we have introduced user-centric design features in a number of our outreach activities, have made them more dynamic and engaging, broadened the previously IEG-led evaluation week to one that was marketed as RMES-week, but fundamentally driven by IEG, and brought lecturers from the Evaluation Institute to give specialist courses at the World Bank for RMES members, including IEG. The examples of innovation range from outreach activities in Washington and client countries, to embedding knowledge in ongoing training, to new prototype “products” including infographics and videos. The encouragement of the Panel comes at an opportune time when we

were discussing options for deepening our work in this area as part of IEG's organizational change process.

Enhancing Recommendations

9. We welcome the Panel's suggestion to explore new approaches to the evaluation process that create a more constructive working environment between IEG and Management. The recent resurgence of "partially agreed" recommendations, often based on wording rather than substance, has given concern to IEG about this part of the evaluation process; and so have some of IEG's engagements with managements on their action plans.

10. We have recently experimented with a workshop-style discussion to develop and refine recommendations as part of the *Financial Inclusion* evaluation. We look forward to the upcoming CODE discussion of this evaluation, including both CODE's views of the recommendations, and managements' formal response to them. The Panel's proposal goes further than IEG's experimentation and leaves a number of questions for clarification, including:

- (a) Who, if anyone, would assess whether the management-owned recommendations are in line with the evidence and conclusions of the evaluation? If IEG were to play that role, the hoped-for reduction in tension may not be achieved.
- (b) How is the process described in paragraph 87 of the report different from what is currently done?
- (c) Are the Panel's suggestion in paragraph 88 meant to improve or replace the current Management Action Record system, which tracks implementation of recommendation over a four-year period and provides necessary inputs for IEG's reporting in the Results and Performance report?

11. Our own view is that it would be prudent to first pilot different approaches – and learn from experience, in the spirit of "double-loop learning" – before making any final decision on how to change the process for developing recommendations. We look forward to CODE's guidance on next steps.

Evaluation Capacity Development

12. We applaud the idea of investing more in evaluation capacity development (ECD), but are concerned that the Panel may not have spent sufficient time to understand our current programs and strategic directions in ECD. IEG's work has leveraged donor funds from the regional development banks, bilateral donors, and foundations for the CLEAR initiative (Centers for Learning Evaluation and Results) to build a network of institutions in partner countries that provide evaluation capacity development services. IEG is the originator and host of this initiative and has led its recent strategic repositioning, based on a mid-term evaluation of the initiative. Likewise, IEG has been the originator of the IPDET training program and is in the process of strategically reshaping it.

13. IEG's choice to work through these partnerships has been driven by the opportunity to leverage our reach and resources, as we are an attractive partner to others, both donors and

partner institutions. These initiatives were branded and are known in their own right, rather than seen as IEG as such; a deliberate choice as they may outlast their donor-supported phase. In addition, IEG is mindful that it has no operational role and a potential conflict of interest, should it expand its involvement in operational work. Instead, IEG has been working with the Governance Global Practice to embed ECD in the new country engagement model to leverage the larger reach of the World Bank Group.

Conclusion

14. In closing, we reiterate our appreciation of the review and look forward to the discussion of its recommendations at the CODE meeting and beyond. Once CODE has decided on the recommendations, we will develop a more detailed action plan.
