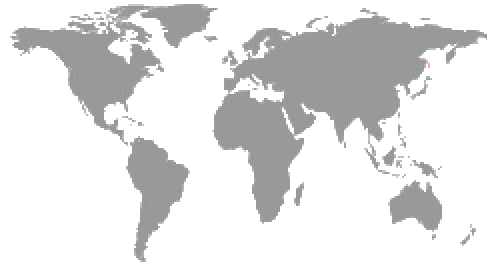


THE WORLD BANK OPERATIONS EVALUATION DEPARTMENT



**Institutional Changes for
Independent Evaluation at the
World Bank**
A Chronology (1970-2002)

2002
The World Bank
Washington, D.C.



OPERATIONS EVALUATION DEPARTMENT

ENHANCING DEVELOPMENT EFFECTIVENESS THROUGH EXCELLENCE AND INDEPENDENCE IN EVALUATION

The Operations Evaluation Department (OED) is an independent unit within the World Bank; it reports directly to the Bank's Board of Executive Directors. OED assesses what works, and what does not; how a borrower plans to run and maintain a project; and the lasting contribution of the Bank to a country's overall development. The goals of evaluation are to learn from experience, to provide an objective basis for assessing the results of the Bank's work, and to provide accountability in the achievement of its objectives. It also improves Bank work by identifying and disseminating the lessons learned from experience and by framing recommendations drawn from evaluation findings.

OED Working Papers are an informal series to disseminate the findings of work in progress to encourage the exchange of ideas about development effectiveness through evaluation.

The findings, interpretations, and conclusions expressed here are those of the author(s) and do not necessarily reflect the views of the Board of Executive Directors of the World Bank or the governments they represent.

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Institutional Changes for Independent Evaluation at the World Bank

A Chronology (1970–2002)

Before 1969

Bank auditing consists of a three-person internal auditing unit; work is carried out by external auditors.

1969

Internal Audit becomes an independent office reporting to a vice president.

1970

May

Joint Bank-IFC Audit Committee (JAC) is established to discuss, among other things, the scope and results of Internal Audit and its relations to external auditors. JAC aims to “strengthen the assurance of the integrity of the financial statements as a realistic reflection of the Bank Group’s operations.”

September 2

President Robert McNamara creates Operations Evaluation Unit within the Programming and Budgeting Department (PBD), under John H. Adler, Director, with responsibility for evaluating the contribution of the Bank’s operations to the development of member countries.

The unit numbers five professionals, and makes extensive use of consultants as well as receiving staff support from elsewhere in the Bank.

Initial, experimental work concentrates on a comprehensive evaluation of the Bank’s 20-year-long development work in Colombia and a more summary evaluation of lending to seven important electric power borrowers in Latin America, Asia, and Africa.

1971

The Operations Evaluation Unit is converted to the Operations Evaluation Division in the PBD.

The Division has a small staff of six professionals (mostly new graduates from the Young Professionals Program) and several research assistants.

1972

Two main reports, *Operations Evaluation Report: Electric Power* (IBRD Report No. Z-17, dated March 10, 1972) and *Bank Operations in Colombia—An Evaluation* (IBRD Report No. Z-18, dated May 25, 1972), are produced and distributed to the Executive Directors (EDs) for review and discussion.

1973

Project performance audits begin for all projects one year after completion of loan/credit disbursement (typically four to eight years after project approval by the Board).

In-depth studies begin of selected portions of operations—for example, Development Finance Companies studies.

July 1

Operations Evaluation Department (OED) is established, along with the Internal Audit Department, under the supervision of Mohammad Shoaib, a vice president without operational responsibilities.

Christopher R. Willoughby is appointed first director of OED. One chief evaluation officer and two senior evaluation officers dealing with the sectors of agriculture and industry, respectively, are appointed.

November

OED is placed under the overview of JAC, which consists of six executive directors.

1974

Key performance indicators—critical variables used to measure implementation progress and development—are first proposed in the 1974 Operational Memorandum on Project Supervision.

A monitoring unit is created within the Agriculture and Rural Development Department (AGR). As the first and only Bank unit ever formed with a mandate to support monitoring and evaluation, it is responsible for producing global performance indicators on rural poverty and for assisting regional staff in institutional capacity building.

OED issues the first Concordance of OED Reports.

January

Management policy reviews begin, with the *Delays in Loan Effectiveness* and *Delays in Project Preparation* reports.

September

Establishment of Director-General of Operations Evaluation (DGO) position is proposed by President Robert McNamara with a view to ensuring independent evaluation of projects and programs. Request is made that the new DGO with the rank of vice president “hold office for renewable terms of five years, be removable only by the executive directors and be ineligible for subsequent appointment or reappointment to the Bank Group staff except in unusual circumstances.” The DGO is to be appointed by the Board from a short list of nominees proposed by the president.

October

The Board decides that OED will report directly to the Board with an administrative link to the president.

1975

JAC establishes a subcommittee to review project evaluation reports and to assess the adequacy of the project evaluation system in the Bank.

September 26

First *Annual Review of Project Performance Audit Results* covering 50 projects is released.

October 1

Mervyn L. Weiner is appointed first DGO. Upon the appointment of the DGO, Vice President Shoaib relinquishes the responsibility of supervising OED.

1976

New senior evaluation officer positions are established within OED.

First *Annual Report on Operations Evaluation* is released.

Completion reporting by operational staff becomes mandatory for all completed projects, with all being subject to audit by OED and then submitted by the DGO to the Board.

More than 70 percent of OED resources are devoted to project auditing; about 25 percent are used for evaluation studies and policy reviews.

June

Shiv S. Kapur is appointed second director of OED.

Standards and procedures for operations evaluation are developed. These provide—for the first time—that the voice of operational as well as OED staff is to be protected in all OED reporting to the Board.

1977

The Bank issues the first directive on Project Monitoring and Evaluation: *Operational Manual Statement (OMS) 3.55*, which recommends (but does not require) that all projects include some form of both monitoring and evaluation.

OED begins to formally invite borrowers' comments on all draft completion reports on their projects, with the understanding that borrowers' comments, like comments of operational staff, will be included in all final reports to the Board.

June

General guidelines for preparing project completion reports (PCRs) are developed by OED and Operational staff.

1979

Inclusion of key performance indicators in all Bank reports is mandated by OMS 3.50.

AGR's Monitoring Unit is renamed the Monitoring and Evaluation Unit (AGRME). The unit begins disseminating "lessons learned" notes, based on PCRs and OED reports to all operational staff; it is the only central sectoral unit to undertake such feedback to its staff.

OED begins to participate in Development Assistance Committee (DAC) (of the OECD) Evaluation Committee meetings, to exchange evaluation experience with participating DAC members and multilateral development banks.

August

Second edition of *Standards and Procedures for Operations Evaluation* is released.

1980

The DGO organizes regional seminars in Nairobi and Kuala Lumpur to inform borrowers in these regions about the Bank's evaluation system and invite them to participate in OED's activities in their countries with a view to establishing evaluation systems of their own.

In pursuit of the same goal, the DGO is invited by the Comptroller General of the United States to attend a meeting of the International Association of Supreme Audit Institutions (INTOSAI) as an observer; from 1980 to 1982, the DGO visits selected auditors general and planning directors of member countries.

1981

A.W. Clausen becomes sixth president of the World Bank.

1982

OED establishes senior positions, to have three chief evaluation officers and six senior evaluation officers.

1983

April

Selective auditing system is introduced.

1984

Operations Evaluation Unit is established within the Development Department of the IFC.

June

Shiv S. Kapur is appointed second DGO.

August

Yukinori Watanabe is appointed third director of OED.

1985

Working Group on M&E is formed by AGRME with active staff participation from other sectors.

September

Annual Review of Project Performance Audit Results is replaced by *Annual Review of Project Performance Results*.

1986

Barber B. Conable becomes seventh president of the World Bank.

January 27

With *World Bank and Sri Lanka: Review of a Relationship 1960–1984*, OED launches a new series of reviews to evaluate the interactions between the Bank and selected borrowing countries at different levels and over extended periods of time.

May

Yves Rovani is appointed third DGO.

Procedural guidelines for OED staff are developed.

August

Ram K. Chopra is appointed fourth director of OED.

1987

OED Publications Committee is established with two primary purposes: to propose criteria for publication of OED material and to counsel the DGO regarding the annual publication of a few selected studies subject to the agreement of the JAC and/or the Board.

Evaluation Capability Development (ECD) Program is created to assist client countries with central capacity building for ex-post development evaluation and to advise and support implementing agencies in preparing evaluation reports, including those of Bank-supported projects.

October

Directory of OED Reports, catalogued by sector, Region, and report number, is issued and disseminated to Bank staff.

December

A task force, chaired by Policy, Research and External Affairs (PRE), with the participation of OED and Operations, is formed to review means to enhance the effectiveness of internal dissemination and feedback processes in the reorganized Bank.

1988

A three-year Technical Cooperation Program is set up between OED and the Canadian International Development Agency (CIDA). The program provides additional resources for OED to enhance the analytical depth of, and add new insights to, ongoing OED studies.

1989

Annual Review of Project Performance Results is replaced by *Annual Review of Evaluation Results*.

Two OMSs on key performance indicators (KPI) and monitoring and evaluation (M&E) are reissued as Operational Directives (OD). *OD 13.05* mandates that KPI be reintroduced into all supervision reports; *OD 10.70* mandates that M&E systems be included in all Bank-funded projects.

May

OD 13.60: *Dissemination and Utilization of OED Findings* is issued. Reflecting the recommendations of the Task Force on Dissemination and Utilization of OED Findings, this directive mandates that Bank staff seek out OED findings, disseminate them to others concerned, and take the findings into account in future activities.

1990

May

A revised version of *Procedural Guidelines for Operations Evaluation Staff* is produced.

July

Hans-Eberhard Köpp is appointed fifth director of OED.

First issue of the *Précis* is released. OED *Précis* are intended to help inform Bank staff of new evaluation findings and recommendations for the Bank's current and future work programs.

August

OED develops, in collaboration with the Information, Technology, and Facilities Department, the Evaluation Text Base (ETB), which contains summaries of all the Bank's ex-post evaluation reports, along with basic information on all completed operations in a computerized system. ETB, an innovative text base with bibliographic and text search capacities, is intended to make OED's work more service-oriented by facilitating easier access to lessons of evaluation for Bank staff members.

1991

Lewis T. Preston becomes eighth president of the World Bank.

OED's Annual Review Database is expanded and now contains information on the operational performance of all completed lending operations, including completion reports, OED audit reports, and performance ratings by OED.

1992

May

The Future of Evaluation in the World Bank: Mandate, Mission, and Resources is prepared by Yves Rovani, DGO, for discussion at the request of JAC.

September 1

Robert Picciotto is appointed fourth DGO.

September 22

Effective Implementation: Key to Development Impact (the “Wapenhans Report”) is produced by the Bank’s Portfolio Management Task Force (PMTF). As one of its six principal recommendations to improve the Bank’s portfolio performance management, the PMTF proposes that OED enhance its role of independent accountability and focus on sustainable development impact. The report was prepared in response to OED’s annual review of the previous year, which showed a worsening decline in portfolio performance and, implicitly, in the Bank’s portfolio management.

November 3

The Wapenhans Report is transmitted to the Board.

1993

April 13

Report on Portfolio Management and the Evaluation Function is produced by JAC.

July 8

Next Steps—A Program of Actions is approved by the Board, based on management’s proposals on how to implement the recommendations of the PMTF.

August 26

The Bank’s disclosure policy is endorsed by the Board; the policy subsequently (in 1994) provides for disclosure of OED *Précis*, OED’s *Annual Review of Evaluation Results*, and selected OED evaluation studies.

September 1

First issue of *Lessons and Practices* is released. Drawn from completed Bank and external evaluations, the series provides recommendations and good practice guidelines for development practitioners, synthesizing what has and has not worked from past development operations.

September 22

An independent Inspection Panel is established by the Board to ensure that Bank operations adhere to the institution's operational policies and procedures. The panel is to consist of three members of different nationalities from Bank member countries, who will be nominated by the president and appointed by the Board. The nominees must not be World Bank staff members. The panel will review and investigate requests made by affected parties or an ED, and will report its findings to the Board.

1994

OED launches its Web site.

February

A Bankwide task force is established with the participation of OED to review and assess the dissemination of lessons learned from experience within the Bank and outside.

April

The initial three Inspection Panel members (one full-time chairman and two part-time members) are appointed by the Board.

May 16

OED Review is produced by Organization and Business Practices Department (OBP).

June 30

An Overview of Monitoring and Evaluation in the World Bank is released by OED with focus on the 20-year history of involvement with the establishment and use of project M&E systems.

July

Operational Policy (OP) and Bank Procedure (BP) 13.55: *Guidelines for Implementation Completion Reporting* become effective and

replace the OP, BP, and Good Practice (GP) 13.55 of April 1994. Under the new guidelines, ICRs will be transmitted directly to the Board by the Regions. OED will prepare an evaluative note on each ICR assessing its quality and circulate it to regional management for comment and feedback before producing the final version.

July 5

Report of the Task Force on Evaluation Capacity Development (ECD) is produced.

September

Committee on Development Effectiveness (CODE) is established as a standing committee of the Board. The committee reviews the work of the OED, management's responses thereon, and selected reports from management to satisfy the Bank Group's operations evaluation and determine whether self-evaluation activities are adequate and efficient.

September 7

Office of the Inspection Panel is opened.

November 1

Progress Report on the Implementation of Portfolio Management: Next Step—A Program of Actions is released by the Bank. The report highlights and summarizes the progress and changes that have been made by the Bank in the area of recommended actions proposed in *Portfolio Management: Next Steps—A Program of Actions*, 1993.

November 7

Revisions are made to the Bank's disclosure policy. The revised policy provides that evaluation documents be disclosed as presented to the Board and that publications based on evaluation studies incorporate management's responses to the studies and summaries of the JAC and/or Board discussions.

December

Ruth Jacoby becomes first chair of CODE.

December 5–6

The Bank's First Biennial Conference on Evaluation and Development is held.

1995

James D. Wolfensohn becomes ninth president of the World Bank.

March

Francisco Aguirre-Sacasa is appointed sixth director of OED.

June 1

The first in a series of new studies (*Ghana: Country Assistance Review [CAR]*) is released. These studies seek to evaluate the relevance and efficacy of the Bank's overall country assistance strategy as well as the effectiveness of various Bank lending and nonlending instruments.

October

In line with the revision of the operations evaluation mandate at the IFC, the Corporation's Operations Evaluation Unit is reorganized as a department, the Operations Evaluation Group (OEG), to provide for increased attention to the development impact of IFC operations. OEG transmits its report to the Board through the DGO. William Stevenson is appointed first director of OEG.

November

Upon EDs' request, OED conducts a review of evaluation in the Economic Development Institute (EDI). The purpose of the review is to establish an evaluation mechanism in accordance with EDI's expanding role.

December 29

Monitoring and Evaluation Plans in Staff Appraisal Reports Issued in Fiscal Year 1995 is released by OED with a view to follow up on the findings from the OED's report, *An Overview of Monitoring and Evaluation in the World Bank*, issued in 1994.

1996

OED's e-line is initiated to improve dissemination of OED products.

February

Evaluation Cooperation Group (ECG) is established by the heads of evaluation in the multilateral development banks. The purpose is to strengthen cooperation among evaluators and harmonize evaluation methodology in its member institutions: the World Bank Group, Inter-American Development Bank, Asian Development Bank, African Development Bank, European Investment Bank, and European Bank for Reconstruction and Development.

Quality Assurance Group (QAG) is established as part of the Bank's renewal effort aimed at improving decentralized decisionmaking, better accountability, and a faster learning loop. QAG's evaluation of the Bank's performance is ex ante and does not duplicate OED's work.

1997

OED reduces the ratio of completed projects audited in a given fiscal year from 40 percent to 25 percent.

OED introduces Country Assistance Notes (CANs)—smaller in scope and produced more quickly than full country assistance reviews.

OED introduces country sector impact studies to examine the long-term impact of Bank activities in particular sectors.

March 3

A partnership agreement is signed between OED and the Swiss Agency for Development and Cooperation (SDC). The purpose is to support evaluation activities related to making poverty alleviation more effective; strengthening evaluation capacity; eliciting participation, commitment, ownership, and empowerment of Bank clients and partners in developing countries; and strengthening their evaluation capacities.

April 1–2

The Bank's Second Biennial Conference on Evaluation and Development—the Institutional Dimension—is held.

May

Elizabeth McAllister is appointed seventh director of OED.

September

Surendra Singh becomes second chair of CODE.

November 24

Annual Review of Evaluation Results is redesigned as the *Annual Review of Development Effectiveness (ARDE)*.

November 6

OED releases the first *Fast Track Brief (FTB)*, to provide timely and relevant evaluation findings on Bank operations to the president, Board, and senior management, before the reports are discussed by the Board.

December

Introduction to Program Evaluation (IPE) course starts as a classroom course for OED staff and evolves into a distance-learning course for Bank staff and clients involved in planning and implementing project and program evaluations.

1998

The Oversight Committee consisting of senior staff from the Legal Department, Internal Audit, the Office of Professional Ethics, and Operational Core Services is created.

Program evaluation workshops (PEWs) offering training in core M&E skills are initiated through the World Bank Institute. They focus on building local institutional capacity through training of trainers.

September 30

A partnership agreement is signed between OED and the Royal Ministry of Foreign Affairs of Norway. The objective is to strengthen the evaluation capacity of clients in developing countries (including NGOs) and that of Norway and the Bank.

October

OED Help Desk is created with the launch of OED's Knowledge Management Program.

November

Jan Piercy becomes third chair of CODE.

November 16–19

The Regional Seminar and Workshop on Monitoring and Evaluation Capacity Development in Africa is held in Abidjan. OED participates as a sponsor and co-publisher of the proceedings.

1999

The Evaluation and Control Working Group (ECWG) is established to address "a lack of knowledge among staff members regarding the Bank's mandates and operational policies of evaluation and control functions, as well as frustration with the administrative aspects of responding to evaluations."

CAR and CAN are replaced by *Country Assistance Evaluation (CAE)*.

June

The Bank's Third Biennial Conference on Evaluation and Development—Evaluation and Poverty Reduction—is held.

The first issue of ECG newsletter—*Evaluation Insights*—is released.

July

New Guidelines for ICR preparation replace *OP/BP/GP 13.55* of 1994. As a result of the Bankwide ICR Process Working Group of 1998, the changes are aimed mainly at strengthening the lesson-learning objectives of ICRs and streamlining the criteria, definition, and rating systems.

December

M&E working group is established to develop a comprehensive action plan for achieving sustainable improvements in M&E in Bank-financed projects.

2000

Development Gateway is launched. OED participates in the Aid Effectiveness Web site.

May

Gregory K. Ingram is appointed eighth director of OED.

July 13

Partnership agreement is signed between OED and the Policy and Operations Evaluation Department (IOB) of the Ministry of Foreign Affairs (MFA) of the Netherlands. The purpose is to strengthen cooperation between the two departments in evaluation, with special emphasis on evaluation capacity development.

August

Joint Task Force on Country Assistance Methodology is established by OED and the Bank's Operations Policy and Country Services (OPCS).

November

Pieter Stek becomes fourth chair of CODE.

2001

Project Performance Audit Report is replaced by *Project Performance Assessment Report*.

May

London Declaration on the establishment of an International Development Evaluation Association (IDEAS) is adopted at a meeting sponsored by the United Nations Development Programme (UNDP) Evaluation Office and OED in partnership with the Department for International Development, United Kingdom. Anchored in the needs of evaluators in developing countries and transition economies, IDEAS is an initiative to form a global professional network with an emphasis on ECD.

June-July

First International Program for Development Evaluation Training (IPDET) is held in Ottawa under the co-sponsorship of OED and

the Faculty of Public Affairs and Management at Carleton University. This four-week residential program is designed to meet the needs of evaluation and audit units of bilateral and multilateral development agencies and banks, governments, and evaluators working in development and nongovernmental organizations.

July 23–24

The Bank's Fourth Biennial Conference on Evaluation and Development—the Partnership Dimension—is held.

August

The Board endorses a newly revised disclosure policy effective January 2002. The updated policy provides for disclosure of the OED's performance assessment reports and process evaluations, as well as the management responses to these evaluations. Synthesis reports prepared by QAG on the quality of key activities (such as loan preparation, loan supervision, and economic and sector work) are also to be made publicly available.

October

OED establishes, for the first time, a multi-donor trust fund for carrying out a joint evaluation of the Comprehensive Development Framework (CDF) with eight development partners.

2002

January

MIGA's evaluation office is established. The office transmits its reports to the Board through the DGO. Aysegul Akin-Karasapan is appointed first director.

September

The International Development Evaluation Association is launched in Beijing, drawing development evaluators from more than 40 countries.

