Results and Performance of the World Bank Group 2018

AN INDEPENDENT EVALUATION

IEG
Independent Evaluation Group

WORLD BANK GROUP
World Bank • IFC • MIGA

WHAT WORKS

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August 27, 2019

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WHAT WORKS

Careful observation and analysis of program data and the many issues impacting program efficacy reveal what works as well as what could work better. The knowledge gleaned is valuable to all who strive to ensure that World Bank goals are met and surpassed.

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abbreviations

CY	calendar year
CPIA	Country Policy and Institutional Assessment
FCS	fragile and conflict-affected situations
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IDA18	18th Replenishment of IDA
IFC	International Finance Corporation
FY	fiscal year
M&E	monitoring and evaluation
MAR	Management Action Record
MIGA	Multilateral Investment Guarantee Agency
MS+	moderately satisfactory, satisfactory, or highly satisfactory (for World Bank projects); mostly successful, successful, or highly successful (for IFC investments and IFC advisory services)

All dollar amounts are U.S. dollars unless otherwise indicated.

acknowledgments

Joy Behrens and Melvin Vaz co-led work for this report which was cowritten by Rasmus Heltberg, under the guidance of Auguste Kouame (director), Emanuela Di Gropello (manager), and Alison Evans (Director-General, Evaluation). The core team comprised Xiaoxiao Peng, Houqi Hong, Erik Cruikshank, Bianca Castro, Shalini Bhagat, Anthony Tyrrell, Breda Griffith, and Shiva Sharma. Other Independent Evaluation Group colleagues also made valuable contributions.

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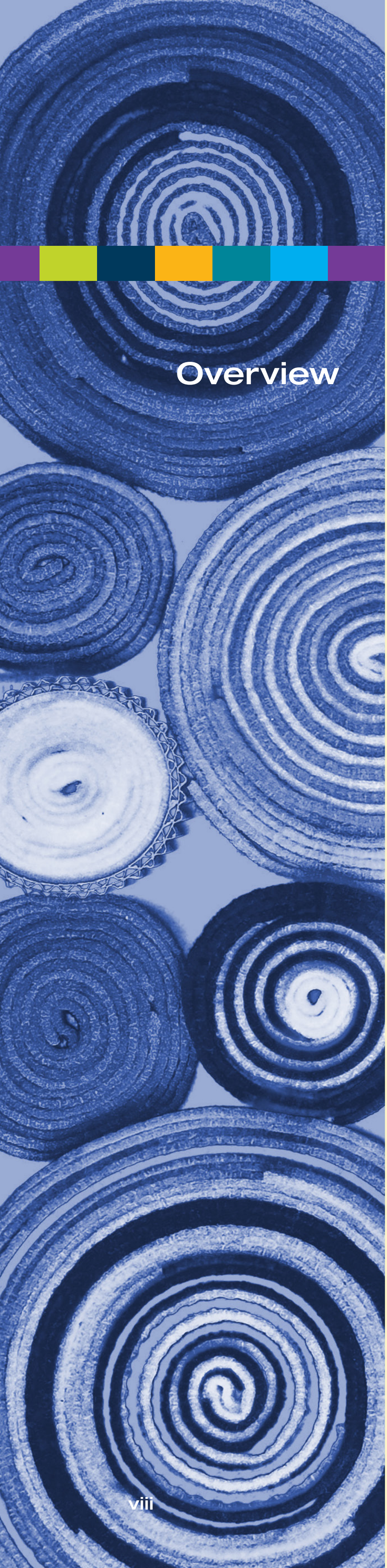
preface

2018 was an ambitious year for the World Bank Group. At the Spring Meetings, the shareholders approved major capital increases for the International Bank for Reconstruction and Development and the International Finance Corporation (IFC), building on the "Forward Look," IFC's new strategy, "IFC 3.0," and the commitments made as part of the 18th Replenishment of the International Development Association (IDA18). The Bank Group has emphasized its ambition to achieve greater results and impact in all client segments as well as leading on global issues. IDA18 and the capital increase also bring with them a push to provide more financing, including for fragile and conflict-affected situations (FCS).

This report provides a retrospective assessment of the Bank Group's results and performance across its project and program portfolio. This is relevant for understanding the stock of achievements to date and the foundations on which the Bank Group is delivering on the Forward Look and its ambitious capital package. The report synthesizes trends in Independent Evaluation Group (IEG) ratings and identifies explanatory factors behind portfolio performance. Each of the three Bank Group institutions assesses results differently because of their differing reporting periods, operating models, and clients. The data presented in this report cover the following:

- World Bank (the International Bank for Reconstruction and Development and the International Development Association) projects closed in FY17 or earlier with completion reporting validated by IEG;
- International Finance Corporation (IFC) investment projects based on Expanded Project Supervision Reports, which are typically written five years after Board of Executive Directors approval and validated by IEG;
- IFC advisory services projects based on Project Completion Reports and validated by IEG; and
- Multilateral Investment Guarantee Agency projects based on Project Evaluation Reports written typically five years after Board approval and validated by IEG.

This year, in anticipation of a rethinking of the format for future years, this results and performance report does not include a special theme. Online appendixes contain additional background data and methodological details.



Overview

THIS REPORT synthesizes Independent Evaluation Group (IEG) ratings and other evidence on World Bank Group results and performance.

World Bank

Outcome ratings for World Bank lending have continued on an upward trajectory.

The share of closed projects rated moderately satisfactory or above (MS+) on outcome was 76 percent in FY15–17 compared with 69 percent in FY12–14.

Measured by lending volume, the share of MS+ projects was 86 percent in FY15–17 compared with 80 percent in FY12–14.

Bank performance ratings rose in tandem, from 70 percent MS+ for projects closed in FY12–14 to 76 percent for projects closed in FY15–17.

Project outcome ratings were higher in FY15–17 than FY12–14 for both investment projects and development policy financing. Ratings for projects in International Bank for Reconstruction and Development (IBRD) countries continued their upward trend in FY15–17 to 78 percent. Ratings for projects in International Development Association (IDA) countries moved strongly upward in FY15–17 to 75 percent MS+ but on a smaller share of projects compared with FY12–14.

Ratings moved upward in all Practice Groups, with standout improvements in the Human Development Practice Group. Project outcome ratings in FY15–17 moved upward across all Regions, except for the Latin America and the Caribbean Region, which is largely explained by weaker project outcomes in both Mexico and Brazil.

Project outcome ratings in countries with fragile and conflict-affected situations (FCS) showed a modest decline overall, but the decline is largely explained by weak project outcomes in Afghanistan and the Republic of Yemen.

Project performance trends are generally positive. Further analysis undertaken for this report indicates, however, that strong results and growing portfolios in a number of countries with relatively high capacity account for a good share of the observed improvement (the delta) in project outcomes between FY12–14 and FY15–17. Together the large and high-performing portfolios of three IBRD countries were an important factor in pulling up overall portfolio ratings. More broadly, IBRD-funded projects account for more of the outcome improvement than do IDA projects, in part because of IBRD's larger portfolio share.

Beyond the project level, ratings for country strategy outcomes for FY14–18 increased to 69 percent MS+, just below the FY17 corporate target of 70 percent. Country strategy outcomes in FCS were rated far lower, however, at 46 percent MS+. Ratings for Bank Group performance in country strategies were 62 percent good or above for all country strategies reviewed in FY14–18. This rating was particularly low in Africa and in FCS countries at 42 percent and 54 percent good or above, respectively.

Ratings for monitoring and evaluation (M&E) quality shifted upward from 30 percent substantial or above in FY12–14 to 40 percent in FY15–17, the highest level since the rating was introduced in 2006.

Ratings related to quality at entry show continued upward movement but remain below ratings for the quality of supervision and for overall project outcome. There are persistent challenges to quality at entry related to overly complex projects, over-optimistic implementation schedules, weakly designed results frameworks, and approved projects not being ready to start implementation. An in-depth look at quality at entry shows that the World Bank can continue to enhance quality at entry by continuing to invest in good relationships with clients prior to projects, quality analytical work and team composition, and more effective and enabling internal processes.

International Finance Corporation

The most recent cohort of evaluated International Finance Corporation (IFC) investment projects continues the downward trend in development outcome ratings since CY08–10. Although 16 percent of IFC projects evaluated in CY15–17 achieved strong positive outcomes, 33 percent were rated as unsuccessful and, of these, 12 percent were highly unsuccessful compared with 5 percent in CY12–14. It is important to note that the latest cohort of projects was approved and evaluated during a period of sustained decrease in commodity prices, volatile macroeconomic conditions, and difficult private sector environments in many countries, as well as internal changes within IFC.

Development outcome performance was better in non-IDA countries and for the environmental and social effects of investment projects. Ratings for project business success and economic sustainability saw a drop in CY15–17, as did private sector development—but from a higher base. Performance was weaker in IDA countries; Sub-Saharan Africa; commercial banking; oil, gas, and mining sectors; and infrastructure investments.

Performance of IFC advisory services showed a more rapid decline. The share of IFC advisory services projects rated mostly successful or better dropped from 65 percent in FY12–14 to 37 percent in FY15–17. Advisory projects in IDA countries performed well below average, at 31 percent mostly successful or better.

Development outcome ratings are strongly associated with IFC's work quality, especially its front-end work. IFC is actively addressing work quality issues to reverse the trend and improve its future performance. The effects of these improvements will take some time to show in ex post ratings.

Multilateral Investment Guarantee Agency

Development outcome ratings for Multilateral Investment Guarantee Agency operations increased from 62 percent of projects rated satisfactory or better in FY06–11 to 65 percent in FY12–17. The Multilateral Investment Guarantee Agency had strong performance in the energy and extractive industries and infrastructure sectors and in IDA countries, where performance for FY12–17 reached 70 percent satisfactory or better, above the performance of operations in non-IDA countries (61 percent).

Of the four outcome indicators used to assess development outcome ratings, there was strong performance between FY06–11 and FY12–17 on environmental and social effects but a decline in ratings for project business success, economic sustainability, and, notably, private sector development—where the rating dropped from 84 percent to 65 percent satisfactory or better.

Management Follow-Up to IEG Major Evaluations

Progress in implementing action plans created in response to recommendations from IEG's major evaluations has been slow. IEG rates a little more than half of the action plans as highly or completely implemented after four years. Also, tracking and reporting on action plans does not work well, and significant delays occur during the formulation of action plans. Reform of the process is now being considered by IEG and Bank Group management.

management response

Management of the World Bank Group institutions welcomes the Independent Evaluation Group (IEG) report, *Results and Performance of the World Bank Group 2018* (RAP). We welcome the revised approach and format that succinctly summarize rich analyses with a sharper focus on the results and performance of each institution while eliminating the special thematic section. The report's findings provide useful inputs to both learning and strategic decision-making.

World Bank Management Comments

World Bank management is pleased that overall outcome ratings for World Bank operations have continued to improve. The share of closed operations rated moderately satisfactory or above has increased steadily over the past three years and exceeded both targets—by project number and by volume—in fiscal year (FY)15–17 (76 percent and 86 percent, respectively). Outcome ratings in fragile and conflict-affected situations (FCS) showed a modest decline, primarily owing to weak results in Afghanistan and the Republic of Yemen. These countries have unique and substantial challenges affecting project implementation and effectiveness and are examples of the extent to which the Bank Group must address and adapt to high levels of uncertainty and acute needs in fragile situations.

Country program outcome ratings are above their historic average in all regions and just below the FY17 corporate target of 70 percent (based on the overall rating of the Completion and Learning Review at the end of the Country Partnership Framework period, as validated by IEG), indicating a need to improve further. Special attention and concerted effort are needed for FCS countries, for which country program ratings were significantly lower in FY14–18 compared with those in non-FCS countries. In these countries, often-unstable conditions (due to various factors, including low capacity, uncertainty, and security risks) present challenges to close and effective engagement and supervision. Simple project design, realistic objective setting, and use of innovative approaches and technology in monitoring and supervision are key under these circumstances.

Targeted efforts to tackle specific challenges have been made to improve portfolio performance. The Middle East and North Africa Region is still the weakest among all Regions in outcome ratings but has shown a tremendous improvement since the significant challenges of FY08–10. The Region has recently undertaken a comprehensive portfolio review to identify problem projects and allocate resources where most needed. Improvements in project performance ratings have been steadily realized. Similarly, projects in several small Pacific Island States have experienced challenges, including those associated with weak country capacity, being new clients, or having limited experience with Bank Group procedures. The East Asia and Pacific Region has initiated various measures to address these constraints, such as consolidation of project management capacity, enhanced local presence and in-country support, and regular country portfolio reviews. Furthermore, the Bank Group has now prepared a Regional Partnership Framework for the subregion, instead of a separate Country Partnership Framework for each island country.

Management appreciates the report's focused analysis of quality at entry, which has repeatedly been found as having a strong association with project outcome. The report's findings generally resonate well with management. The list of key enablers, levers, and challenges (see figure 1.9 of the report) for high quality at entry is useful. Other than the operating environment such as fragility, conflict, and violence situations, many key challenges identified are under management's control—namely, complexity in project design and weakly aligned results frameworks, over-optimism in implementation schedules, and implementation readiness. In this context, management has been taking action to strengthen quality assurance and contestability. The Accountability and Decision-Making framework for operations has recently been revised to better balance accountability across the matrix—that is, between the Global Practices and Country Management Units. Efforts are under way to strengthen our global footprint to boost local presence for effective support and stronger client relationships. In particular, management has been increasing the number of GE+ staff posted in FCS countries and strengthening support and incentives to staff who work under difficult conditions. The realignment of the Practice Groups as of July 2019 is expected to enhance oversight by Region-facing directors and synergy across Global Practices. Furthermore, management is exploring ways to strengthen risk management for operations, which will enable greater management attention for riskier engagements.

The continued upward trend in monitoring and evaluation (M&E) ratings is encouraging, though much more needs to be done to accelerate the progress. Several steps have been taken to enhance tools and resources for staff to strengthen project quality and promote more robust and consistent M&E practices. These include the enhanced guidance and operational documents with stronger focus on intervention logic and M&E frameworks and new or updated staff training and learning activities on results and M&E (for example, Results Academy, operational clinics, and learning activities organized by the Results Measurement and Evidence Stream). Management is exploring other ways to increase its efforts to encourage and support continued improvements in project-level M&E and quality at entry. In addition, the Regions and Global Practices have taken their own initiatives to identify and address issues to enhance project monitoring. For example, the East Asia and Pacific Region has invested staff time and resources to strengthen project quality and has made M&E training available to staff.

Robust assessments and due diligence work in financial management, procurement, and environmental and social safeguards are critical to ensure high quality at entry of projects and, ultimately, project outcomes. The new Environmental and Social Framework will enhance protection for the environment and the vulnerable; drive sustainable development through capacity and institution building and country ownership; and enhance efficiency for borrowers and the World Bank. The framework makes important advances in areas such as transparency, nondiscrimination, social inclusion, public participation, and accountability—including expanded roles for grievance redress mechanisms.

Gender equality is central to the Bank Group's goals of eliminating extreme poverty and boosting shared prosperity. The gender tag introduced in FY17 distinguishes projects and programs that (i) identify gender gaps, particularly as they relate to the World Bank's broader country engagement framework (for example, Country Gender Assessment, Poverty and Social Impact Analysis, Systematic Country Diagnostic, Country Partnership Framework, and Country Gender Action Plan); (ii) address these gender gaps through specific actions; and (iii) link these gender-related actions to indicators in the results framework. This encourages each project and program to identify specific areas to address gender gaps and monitor their impact, going beyond the previous system in which operations were gender-informed or gender-sensitive based on gender assessments.

Finally, on the Management Action Records (MAR), management is committed to reforming the MAR update process in close collaboration with IEG. The reform is aimed at enhancing the strategic relevance and impact of IEG recommendations and of management actions to improve the Bank Group's development effectiveness. The current approach is overly focused on individual actions and targets, is not conducive to learning and adaptation during implementation, and does not allow a comprehensive view across the IEG reports that are often interrelated. A review of the existing MARs will streamline annual progress updates by restructuring or consolidating the management action plans against about 130 IEG recommendations made over the past four years. The ongoing stocktaking exercise reveals that some recommendations ask management to do more or better without taking into account the fit with strategic priorities, resource trade-offs, or client demand. In addition, some recommendations are not under management's control or fully attainable within a four-year MAR implementation period.

Management welcomes the IEG's intention to move toward a new approach with fewer, more strategic recommendations. Combined with the more streamlined progress updates envisaged, a new process will help ensure more focused attention of Bank Group management to address the strategic thrusts of IEG recommendations. Because of these ongoing discussions, management is closely reviewing pending action items to ensure that they can be integrated into the new process and conform to the revised forms and standards.

International Finance Corporation Management Comments

Management of the International Finance Corporation (IFC) welcomes IEG's flagship report, RAP 2018. IFC management appreciates IEG's sustained engagement and collaboration with IFC. IFC management takes seriously the continuous decline in IFC's investment development outcome rating and the sharp decline in its advisory development effectiveness rating, as measured by the respective latest three-year cohorts.

Update on IFC efforts to improve investment development outcome. Building on various diagnostics of key drivers of declining development outcomes over the past two years, IFC management has been taking actions to improve investment development results, and improvements are expected to materialize in the ex post ratings in the future. A joint IEG-IFC study to identify the drivers of declining development outcomes was presented to the Committee on Development Effectiveness in FY17. Its findings and recommendations shared many similarities with the IFC diagnostic, a separate corporate study conducted around the same time. Key recommended actions have been implemented, including for example, the creation of the Economics and Private Sector Development Vice Presidential Unit to strengthen project and macroeconomic analyses, the launch of the Anticipated Impact Measurement and Monitoring (AIMM) framework, and the Accountability Initiative to clarify, among other things, the roles and responsibilities in the investment team and the importance of proactive portfolio supervision. The latter initiative informed subsequent decisions in the operational realignment, including a new accountability and decision-making system. With these efforts, the strengthening of IFC's operational practices and process is ongoing.

In FY19, IFC management launched a complementary effort on a pilot basis to improve the quality of self-evaluations (Expanded Project Supervision Reports [XPSRs] / Project Completion Reports) and other associated activities, including the review of validation notes (EvNotes) and IEG independent evaluations undertaken on closed projects (Project Evaluation Summaries). This effort comprises targeted, expert advice to strengthen the analysis and articulation of a project's overall outcome, including development impact. The pilot also started the provision of additional support to facilitate the effective management and processing of the XPSR and Project Evaluation Summary program by improve internal capacity to prepare and review project evaluation documents and enabling teams to better understand the process and input requirements while facilitating effective collaboration with IEG. With support from IEG, IFC has also resumed XPSR trainings, which have been well attended.

To promote better IEG-IFC collaboration and increase alignment on issues related to XPSR and Project Evaluation Summary framework and process, a joint IEG-IFC working group supported by senior leadership has been set up. It is IFC's goal for the working group to support the review and update of the assessment guidelines and to help improve the process as early as feasible in FY20. IFC management reiterates its appreciation for IEG's thoughtful and collaborative engagement with IFC in this dialogue.

Additionally, IFC management will continue its focus on improving IFC's development results through a broad engagement with IFC operational staff and management. With the introduction of AIMM, IFC is strengthening staff focus on upfront impact assessment, enhanced impact articulation, and improved design of the results framework for its investments, ensuring better defined and more realistic targets. It is also IFC management's goal to ensure a more robust monitoring of IFC's overall objectives—at the project level and at the sector and market levels—including development outcomes, along with a more systematic approach to, and documentation of, IFC's engagement in pursuit of such targets during the portfolio stage. With this, IFC expects to improve development outcomes from investment operations over the medium term. Further strengthening of IFC's information technology systems would better facilitate this process over time. Finally, IFC also plans to expand XPSR training to strengthen skills of operational staff for XPSR completion and to ensure that the self-assessment lens can be better integrated into project design and decision-making throughout the project investment cycle.

Efforts to improve Advisory Services development effectiveness. IFC management thanks IEG for its advice on the widening gap between IFC's self-ratings and IEG's validation ratings and notes the sharp year-on-year decline in IFC Advisory Services' development effectiveness rating to 37 percent on an unweighted basis from 65 percent in FY12–14 and from 44 percent in FY14–16. IFC management has factored this into many of the organizational and procedural changes it has made over the past year and those planned for the near future.

In FY18, IFC concluded a diagnostic effort with IEG on Advisory Services development effectiveness and started to implement a number of changes to improve design and supervision of Advisory Services projects. IFC management would like to acknowledge the constructive dialogue it has already had with IEG. Two specific examples are (i) agreeing on the principle of split development effectiveness ratings, which recognizes that some advisory projects do require significant course corrections midstream, and (ii) the recent collaboration on identifying vulnerabilities in recently approved projects due to perceived weaknesses in project design.

The action plan developed from the joint IEG-IFC analysis has moved into implementation: semiannual portfolio reviews have already been held at the regional and global level. Further changes to IFC's Advisory Services business model have been completed with the integration of almost all advisory units into either industry departments or the Economics and Private Sector Development Vice Presidency to better align with delivery based on IFC's 3.0 strategy, the Global Upstream Unit, and investment operations. Training is being developed to both showcase best practices in project design and to enable senior decision-makers to clearly assess project quality at the design and supervision stages of projects. Design workshops are being held to strengthen the design of larger and more complex projects in line with these best practices. In addition, management is in the process of finalizing action items that will complement efforts already under way through the Advisory Services portfolio reviews to monitor, track and as needed, course correct projects that may be at risk. IFC is creating a special team that will review EvNotes and ensure that IEG receives feedback on all of them. This team will also provide additional support to teams, especially for projects that may be at the borderline of positive and negative ratings. FY20 will also see the introduction of a pilot AIMM for advisory, which should strengthen project design and give better baselines against which progress on projects can be measured.

Effective advisory engagement is critical to the success of IFC 3.0 as a key tool for doing the upstream work related to market creation. In this regard, and in parallel to taking many actions to remedy the situation, IFC management will further engage through the joint IEG-IFC working group in two key areas: first, about the sampling methodology, especially for the Transaction Advisory Business Area; and second, regarding the Project Completion Report ratings methodology to achieve greater harmony of understanding between IEG and IFC on how ratings are assessed. Management and staff in IFC look forward to further engagement and collaboration.

In both investment and advisory services, it is important to note that IEG and IFC agree that development results are likely to remain weak in the coming year as the impact of the measures taken will be felt most strongly on recently approved projects, which will only begin to close in several years. IFC management, however, believes that IFC is on the right trajectory in its efforts to address the downward trends and remains committed to reversing the declines in the development results.

Multilateral Investment Guarantee Agency Management Comments

Multilateral Investment Guarantee Agency (MIFA) development results. RAP 2018 notes the steady increase in the development outcome success rate of MIGA guarantee projects to 65 percent by number (n = 65) and 70 percent by volume or gross issuance amount ($7,568 million) during FY12–17. The development outcome success rate increase has been driven by strong performance of the Energy and Extractive Industries (83 percent by number [n = 12]; 90 percent by volume] and Infrastructure (71 percent by number [n = 14]; 77 percent by volume) sectors. As noted in the report, the key success drivers in the Energy and Extractive Industries and Infrastructure sectors were strategic relevance to countries, a stable regulatory environment, sponsors with strong track record, stable demand, and competitive products.

International Development Association (IDA) results. MIGA notes the report's important finding regarding the good performance of MIGA guarantee projects in IDA countries, a key strategic priority for MIGA. The development outcome success rate in these countries, at 70 percent, improved and exceeded the development outcome success rate in non-IDA countries, at 61 percent, for FY12–17. The report notes that the good IDA performance was due to the strong performance of the energy and extractive and infrastructure sectors, with a development outcome success rate of 78 percent, similar to the overall development outcome success rate story for MIGA. The Report finds MIGA's good IDA performance to be an important foundation for the Agency's FY18–20 strategy, which emphasizes support for IDA projects.

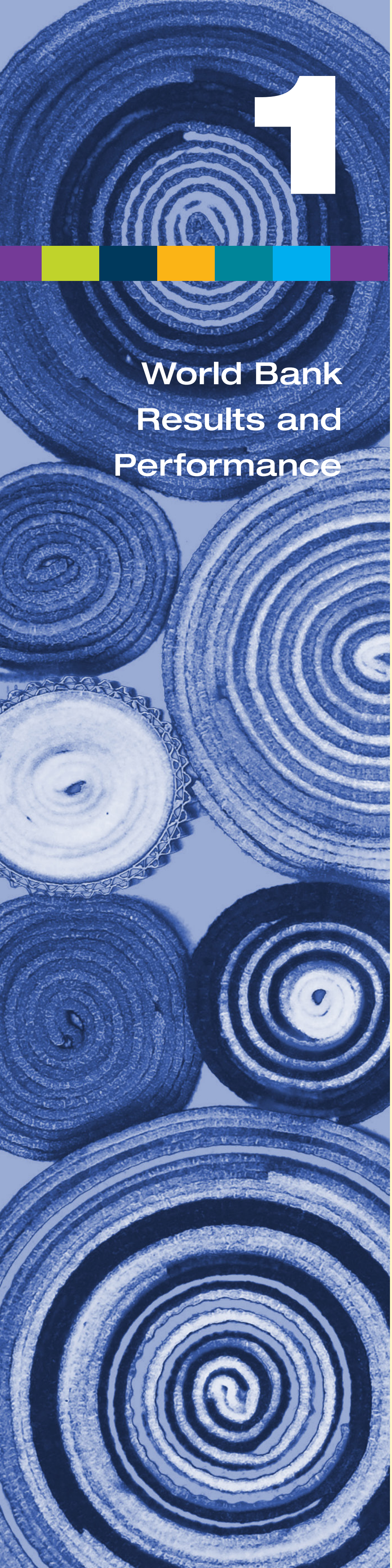
Environmental and social performance. MIGA welcomes the report's recognition of the remarkable progress made regarding the environmental and social (E&S) results of MIGA guarantee projects. During FY12–17, E&S effects was the highest-rated development outcome indicator (77 percent by number; 81 percent by volume). MIGA notes the rapid strides made in E&S monitoring and supervision after the adoption of Performance Standards on Social and Environmental Sustainability in 2007 and the launching of E&S policy implementation monitoring in MIGA guarantee projects in 2011. MIGA notes that the strong E&S results highlighted in the report resulted from MIGA's enhanced E&S monitoring and supervision efforts. MIGA also notes from the RAP 2016 report that MIGA provides active guidance and monitoring for strengthening the E&S performance of its guarantee projects. MIGA notes that the example cited in RAP 2016 of an oil and gas sector project in Uzbekistan, where the MIGA team helped solve critical E&S issues by convening external industry experts.

Outcome indicator ratings. Although the RAP notes the steady increase in development outcome success rates, it states that a third of MIGA projects with development outcome rated satisfactory or better achieved a less than satisfactory rating on one of the four outcome indicators during FY12–17 compared with a quarter during FY06–11, noting them to be areas where performance could be better.

With regard to indicator ratings, MIGA notes from the joint IEG-MIGA evaluation guidelines that the development outcome rating is a synthesis of the four indicator ratings—project business success, economic sustainability, E&S effects, contribution to private sector development—and not a simple average. MIGA also notes that although the indicator ratings are important in their own right, the development outcome success rate has been the key metric for assessing MIGA's development results on a corporate basis, featured in the Bank Group Corporate Scorecard and IEG Macro Evaluation Reports.

With regard to areas where performance could be better, MIGA notes the need to view the results in context, in terms of comparing the performance for FY12–17 and FY06–11. Unlike FY06–11, many MIGA guarantee projects evaluated during FY12–17 were supported in response to the Global Financial Crisis (Vienna initiative). As noted in the RAP, most of the projects were in the finance and capital markets sector in the Europe and Central Asia region. Although the projects focused on strengthening local financial sectors, the magnitude and duration of the macroeconomic challenges proved to be deeper and longer in the region than expected. In this context, MIGA notes the successful portfolio diversification that the MIGA has made over the past several years, wherein the share the Europe and Central Asia portfolio has fallen from half about four years ago to less than one-third recently. MIGA has undertaken the portfolio diversification by increasing support to other regions, especially Africa, rather than by decreasing exposure in Europe and Central Asia.

Assessment, underwriting, and monitoring of financial sector projects. The RAP notes that MIGA's assessment, underwriting, and monitoring quality was weak in financial sector projects and identifies a range of underlying factors: lack of indicators to measure expected impacts, failure to explain outcomes and impacts, lack of monitoring of development impacts, and E&S aspects. Regarding the issue of monitoring development impacts, MIGA notes from IEG's 2013 *Biennial Report on Operations Evaluation: Assessing the Monitoring and Evaluation Systems of IFC and MIGA* that MIGA has made steady progress in upgrading its system for assessing development performance. The report found that MIGA's M&E is constrained by its business model as a political insurance provider. The arms-length nature of MIGA's relationship with the project company means that access to project information is not automatic, which limits the scope and depth of M&E. Despite these challenges, MIGA mainstreamed self-evaluations in 2010 and created a Development Effectiveness Indicator System in 2011 for collecting sector-specific indicators and standard development impacts indicators for projects. MIGA also launched an ex ante development impact assessment tool, IMPACT (Impact Measurement and Project Assessment Comparison Tool), in 2018. Another MIGA initiative for addressing weaknesses in assessment, underwriting, and monitoring of MIGA guarantee projects has been learning from evaluations. MIGA self-evaluations, which were initiated in the early 2010s, have been beneficial in promoting organizational learning. In particular, self-evaluation missions have helped operational staff experience firsthand the development impacts of MIGA guarantee projects. Given the absence of the supervision function (except for in E&S aspects) in MIGA as a political risk insurance provider, self-evaluations have played a critical role in development data gathering. MIGA has also established a joint seminar program with IEG on completed self-evaluations for bringing the lessons of experience to a broader MIGA and IEG audience. These MIGA initiatives are key elements of the MIGA's feedback loop mechanism and have been recognized as good practices in the IEG assessments of Bank Group self-evaluation systems.

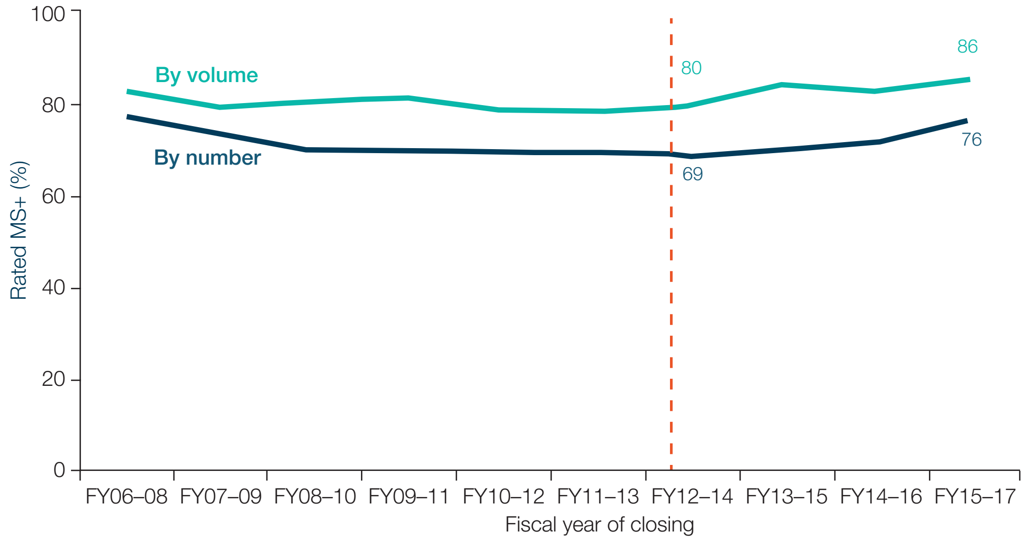


1 World Bank Results and Performance

OVERALL OUTCOME RATINGS for World Bank lending continued their upward trajectory and returned to pre-2008 levels. The FY15–17 cohort of 704 project completions validated by the Independent Evaluation Group (IEG) show the share of projects with outcome rated moderately satisfactory or above (MS+) increased to 76 percent. This is up from 69 percent in FY12–14 (figure 1.1). There was a sizeable increase in the share of projects rated satisfactory and a similar decrease in the share rated moderately unsatisfactory (figure 1.2). When measured by project volume, outcome ratings of MS+ increased from 80 percent to 86 percent during the same period, exceeding the corporate target of 80 percent of volume rated MS+ for quality of supervision and quality at entry, the two components of the World Bank performance rating. (For details, see appendix A.) With this most recent improvement, outcome ratings for World Bank projects now exceed the levels they had among projects closed in FY06–08—before the financial crisis.

Project outcome ratings in both International Development Association (IDA) and International Bank for Reconstruction and Development (IBRD) countries improved, whereas the share of projects in IDA countries declined. IDA countries' outcome and World Bank performance ratings have historically trailed those of IBRD countries. This continues, despite a strong performance from IDA countries during the period. Outcome ratings for projects in IDA countries rose from 68 percent to 75 percent rated MS+ between FY12–14 and FY15–17. Ratings for projects in IBRD countries rose from 70 percent to 78 percent rated MS+ (figure 1.3). Projects in IDA countries, however, accounted for 324 of the 659 projects in IBRD or IDA countries that closed in FY15–17. With this, IDA countries' share declined from 61 percent to 49 percent of projects, and from 41 percent to 29 percent of volume.

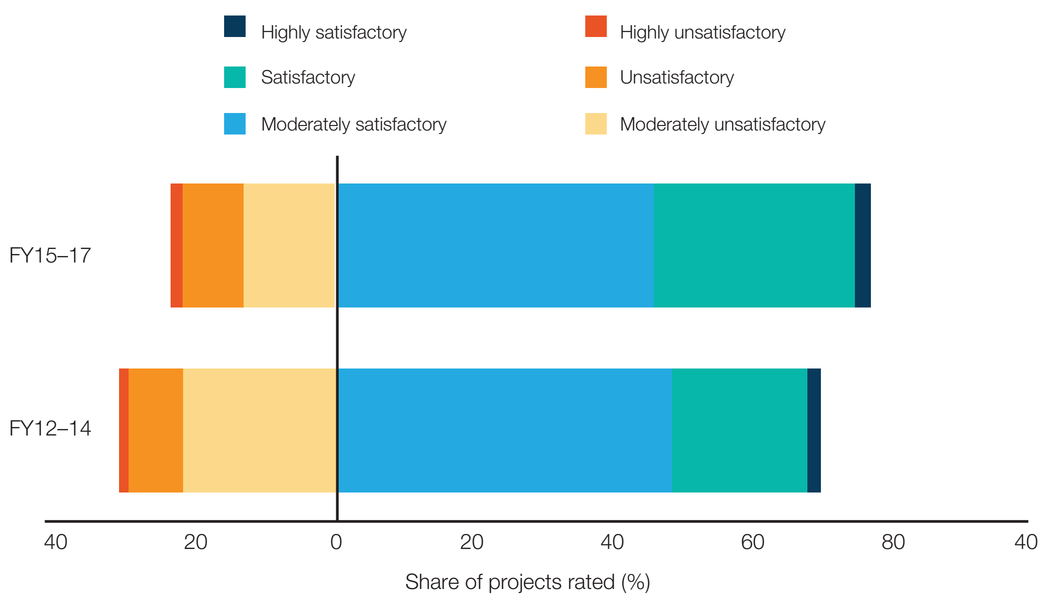
FIGURE 1.1 | Ratings of World Bank Project Outcomes Have Improved Since FY12–14



Source: Independent Evaluation Group.

Note: IEG = Independent Evaluation Group; MS+ = moderately satisfactory or above.

FIGURE 1.2 | Distribution of Outcome Ratings of World Bank Projects Closed in FY12–14 and FY15–17



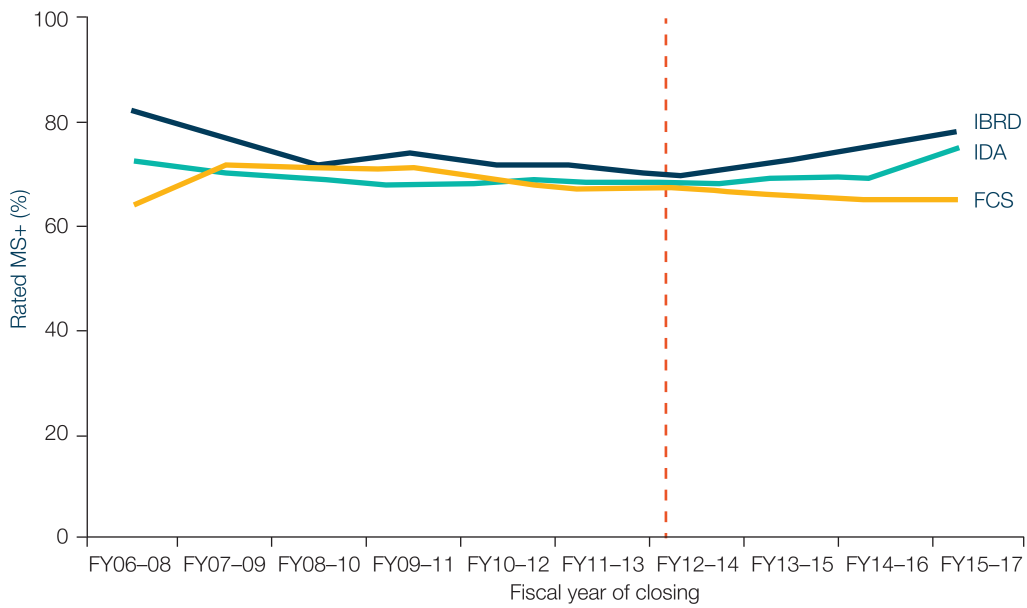
Source: Independent Evaluation Group.

Note: FY = fiscal year of project closing.

The number and volume of IDA projects is projected to increase after the most recent IDA Replenishment.

Project outcome ratings in fragile and conflict-affected situation (FCS) IDA countries showed a modest decline, influenced by weaker results in some challenging contexts. Project outcome ratings (by number) in IDA FCS countries declined from 69 percent MS+ in FY12–14 to 65 percent in FY15–17. By volume, project outcome ratings in IDA FCS countries went from 76 percent MS+ in FY12–14 to 75 percent in FY15–17. These results are based on 91 rated projects that exited the portfolio in FY15–17 with a combined volume of $3.3 billion. The downward shift can be mostly attributed to weaker project performance in Afghanistan and the Republic of Yemen, which was in active conflict during the period. If project results relating to both of these countries are excluded, ratings for the remaining IDA FCS show a marginal improvement over the period. Outcome ratings for IBRD FCS projects increased, based on 10 rated projects exiting in FY15–17. Overall, results for FCS are particularly sensitive to changes in portfolio composition from countries shifting in and out of FCS status.

FIGURE 1.3 | Outcome Ratings for Projects in IBRD, IDA, and FCS Countries,[a] by Number



Source: Independent Evaluation Group.

Note: FY = fiscal year of project closing; IBRD = International Bank for Reconstruction and Development; IDA = International Development Association, and the IDA category includes IDA blend; FCS = fragile and conflict-affected situations.

a IEG assigned FCS status based on the harmonized list of FCS situations.

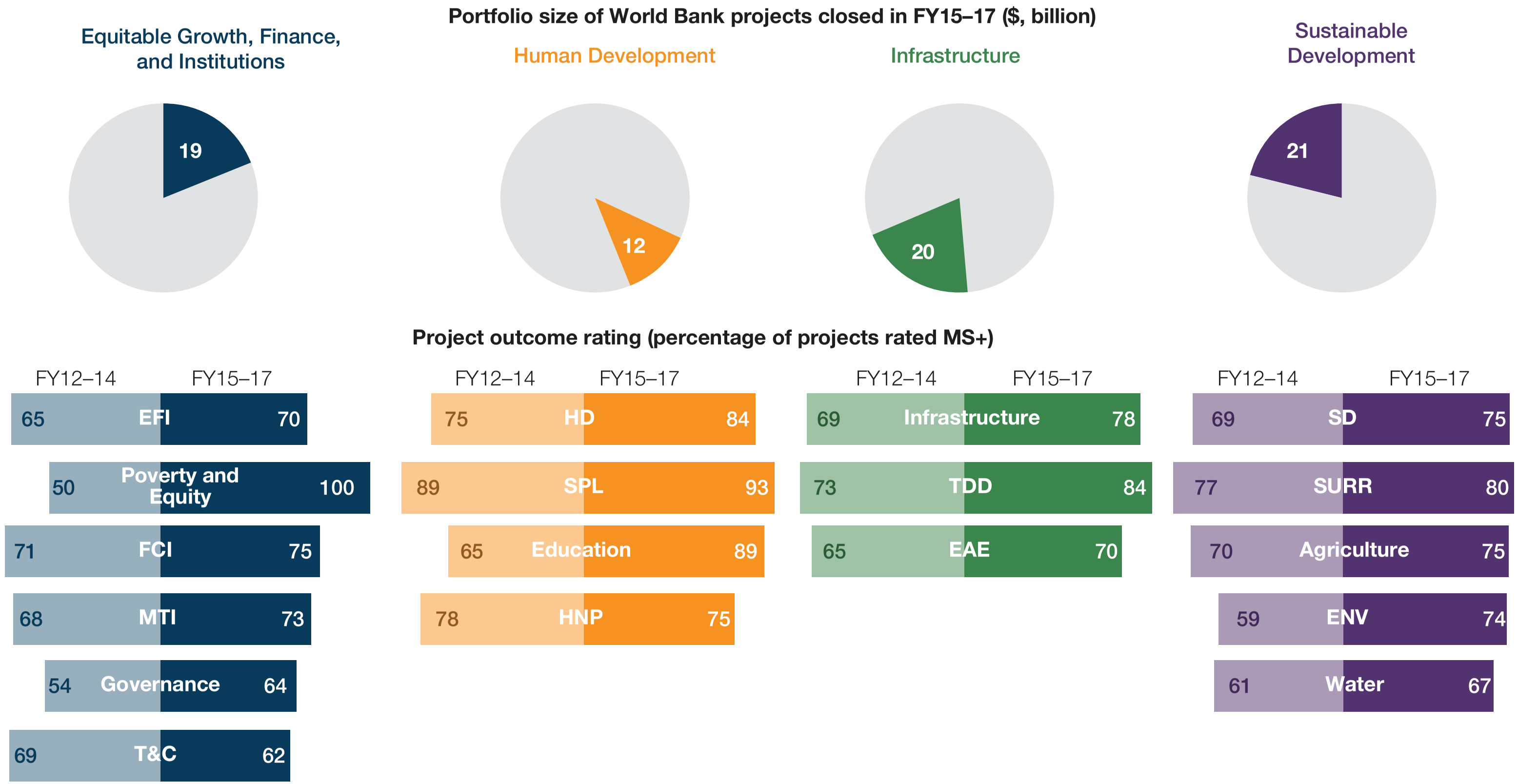
Across sectors, outcome ratings improved almost everywhere. Ratings improved for both investment projects and development policy financing and for all Practice Groups, with standout improvements in the Human Development Practice Group (see figure 1.4). Within Human Development, the Education Global Practice saw a 24 percentage point jump in the share of its projects achieving MS+. In the Equitable Growth, Finance, and Institutions Practice Group, where overall project performance lags behind the other Practice Groups, all five rated projects in the Poverty Global Practice for FY15–17 were rated MS+ (box 1.1).

Project outcome ratings rose in five Regions but declined in Latin America and the Caribbean. Comparing FY15–17 with FY12–14, IEG finds that

- The Africa Region were boosted from 61 percent to 71 percent MS+ by number, and from 63 percent to 77 percent by volume, becoming the fourth most successful Region in FY15–17. Bank performance ratings also improved, but more modestly, from 63 percent to 67 percent MS+, still lagging behind other Regions. In contrast to a World Bank–wide trend, project outcome ratings for smaller projects did not improve in Africa and remain low, at 61 percent MS+. Projects of $20 million or less comprise approximately one-third of recently closed projects in Africa and World Bank–wide.
- The East Asia and Pacific Region saw the largest upward movement in ratings, with MS+ ratings increasing from 67 percent to 88 percent, by number of projects. East Asia and Pacific's strong performance is explained by very high and improving ratings in China, Indonesia, and Vietnam, which together account for two-thirds of East Asia and Pacific's portfolio. China more than doubled its share of East Asia and Pacific's lending portfolio during the same period.
- In the Europe and Central Asia Region, outcome ratings increased from 76 percent to 85 percent MS+ by number and from 88 percent to 95 percent by volume. Ratings for small and very large projects increased. Ratings for Bank performance, quality at entry, quality of supervision, and M&E quality also improved.
- In the Middle East and North Africa Region, outcome ratings increased modestly from 63 percent to 67 percent MS+ by number but by a much larger amount by volume—from 61 percent to 80 percent. Notwithstanding these improvements, the Middle East and North Africa Region continues to lag other Regions in terms of outcome ratings and Bank performance.
- Outcome ratings in South Asia increased from 77 percent to 82 percent MS+ by number and from 86 percent to 91 percent by volume. Bank performance was rated MS+ for 84 percent of projects and 94 percent of volume. All these ratings represented increases of about 5 percentage points during the FY12–14 period. Ratings for quality at entry and quality of supervision in South Asia also increased.
- Outcome ratings in Latin America and the Caribbean continued to decline in FY15–17, falling from 76 percent MS+ in FY12–14 to 69 percent MS+ in FY15–17 by number, and from 90 percent to 73 percent MS+ by volume. Portfolio outcome ratings have been trending down for some time (figure 1.5); most recently the decline is associated with poorer project outcomes in Mexico and Brazil.

Ratings for country strategy outcomes are above their historic average. IEG reviewed 92 country strategy completion and learning reviews in FY14–18. Of these, 69 percent had country development

FIGURE 1.4 | Outcome Ratings Improved in all Practice Groups



Source: Independent Evaluation Group.

Note: FY = fiscal year of project closing; EFI = Equitable Growth, Finance, and Institutions; HD = Human Development; SD = Sustainable Development; FCI = Finance, Competitiveness, and Innovation; MTI = Macroeconomics, Trade, and Investment; T&C = Trade and Competitiveness; SPL = Social Protection and Labor; HNP = Health, Nutrition, and Population; TDD = Transport and Digital Development; EAE = Energy and Extractives; SURR = Social, Urban, Rural, and Resilience; ENV = Environment and Natural Resources. Although the FY18 restructuring of EFI phased out the T&C Global Practice, some projects mapped to T&C remained in World Bank business systems as of October 3, 2018, the data cutoff date for this report. Therefore, T&C is still reported as a Global Practice in this report. Some T&C-mapped projects are expected to be remapped to FCI, others to MTI.

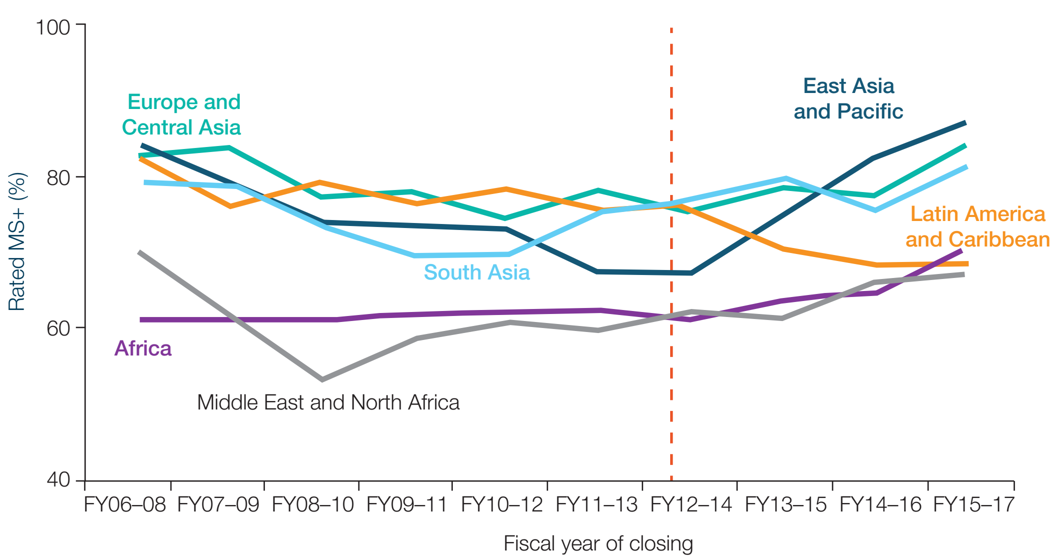
Box 1.1 | Statistical Capacity Building Projects Met Country Needs and Had Impact

The 100 percent MS+ outcome ratings of the five projects mapped to the Poverty and Equity Global Practice reflect strong World Bank performance in statistical capacity building, the main area of lending for that Global Practice. The projects were in Chile, Colombia (two projects), Kazakhstan, and Rwanda.

The Independent Evaluation Group rated these five projects MS+ because of strong data and statistical capacity building activities that met country needs, incorporated lessons from previous similar projects, and substantially improved the collection and quality of data produced by national systems. The projects helped set national statistical standards and frameworks and supported collaboration between data users and data producers. Users reported higher satisfaction as data became easier to use and more credible. This was because of methodological and operational changes to data systems, increased transparency and accountability, better dissemination, and training. The World Bank supported these projects in partnership with donors, such as the European Union and the United Kingdom.

Source: Independent Evaluation Group.

FIGURE 1.5 | IEG Project Outcome Ratings by Region (percent rated MS+)



Source: Independent Evaluation Group.

outcome ratings of MS+. Ratings for country strategy outcomes are above their historic average in all Regions and just below the FY17 corporate target of 70 percent.

Weaknesses are found in country strategy outcomes in FCS countries and in Bank Group country strategy performance. FCS country strategy outcomes remain substantially below those for non-FCS countries: 46 percent MS+ compared with 72 percent MS+ in FY14–18, based on 13 reviewed FCS country strategies. However, ratings for Bank Group performance are below their historic average and are notably low in Africa, South Asia, and FCS countries; Bank Group performance was rated good or above for 42 percent of the 13 country strategies in Africa, in 2 of 4 South Asia country strategies (50 percent), and for 54 percent of the 13 FCS country strategies—compared with 57 of 92 (62 percent) for all FY14–18 country strategies reviewed.

The strong headline results for projects coexist with some shortcomings. For example, the World Bank has room to improve on incorporating gender in its projects and on tracking its gender results (box 1.2). Also, the quality of safeguards reporting in self-evaluations can be improved, especially for high-risk projects. IEG's assessment of environmental and social safeguard reporting in self-evaluations of 610 investment projects finds that, of the 70 projects with the highest safeguard risk rating (known as "Category A"), almost half of these projects (44 percent) rated safeguard implementation as only moderately satisfactory, often without providing an explanation of safeguard implementation shortcomings. Given the broad, diverse, and potentially irreversible impacts of Category A projects, these self-evaluations would be expected to provide an explanation of the shortcomings associated with the moderately satisfactory rating.

Factors Explaining World Bank Results and Performance

Project outcomes are driven by a combination of country-level factors and World Bank performance. The World Bank operates within-country programs. Transforming project technical and financial inputs into results depends on both the country's capacity and economic environment and the quality of the World Bank's support. Although the determinants of project success are difficult to assess precisely, project outcomes are often stronger in countries with good capacity and strong economic environments. Researchers often use the Country Policy and Institutional Assessment (CPIA) score as an indicator of country capacity, consistently finding a strong association between country capacity and World Bank project outcomes.

The FY15–17 portfolio includes many projects in countries with good capacity, which in turn accounts for a significant share of the observed gains in outcomes. IEG's regression and decomposition analyses suggest that country capacity as measured by CPIA score accounts for a large and growing share of the observed improvement in project outcome ratings. Decomposing the results of a regression analysis of project outcome ratings on country CPIA score and project-specific factors suggests the CPIA mattered far more among projects closed in FY15–17 than it did among projects closed in FY12–14. IBRD-funded projects also account for more of the outcome improvement than do IDA projects, in part because of its larger portfolio share. Among countries with CPIA ratings in both

Box 1.2 | Tracking Gender Results

Building on analysis in *Results and Performance of the World Bank Group (RAP)* 2015, 2016, and 2017 reports, analysis for this RAP finds that

- Gender was an explicit part of project development objectives for one or more project components in 114 (26 percent) of 440 projects reviewed during FY14–18. This percentage was higher among projects closed in FY15 (35 percent) than among projects closed in FY17 (24 percent).
- Projects with gender-specific objectives or component(s) did not consistently report on their gender results; of the 114 projects with gender-specific objectives or component(s), 74 projects (65 percent) had some sort of gender-related indicators in the completion report.

IEG's synthesis report *Learning from IDA Experience* found that the Bank Group has increasingly integrated gender into Systematic Country Diagnostics for IDA countries. Carryover into country partnership frameworks, however, has lagged, and progress in integrating gender into operations varies. For IDA countries,

- Country partnership frameworks have tended to reflect Systematic Country Diagnostics in integrating key gender issues, but they have not necessarily provided concrete actions or entry points for addressing them.
- Gender integration in IDA operations has been uneven across Global Practices. Community-Driven Development operations and those related to the development of the rural nonfarm economy have been relatively successful in addressing gender, although closer tracking of access to opportunities for women is needed.

The World Bank is taking steps to better track the gender results of projects:

- Starting in FY16, Systematic Country Diagnostics were required to incorporate gender in their analytical frameworks.
- In FY17, the World Bank introduced a "gender tag," applied at project entry, to identify projects that can address gender gaps in the Country Partnership Framework, in a specific sector, or in the World Bank's gender strategy. This tagging is expected to facilitate the identification of operations whose gender results and lessons should be tracked at closing.
- Corporate commitments on gender are reflected in the Bank Group Corporate Scorecards and IDA results framework. The capital package, for example, promises to increase the proportion of IBRD operations that narrow gender gaps from 42 percent to 55 percent by FY23 with that ambition maintained or increasing up to FY30.

Source: Independent Evaluation Group.

FY12–14 and FY15–17 periods, a smaller share of IDA countries improved their ratings compared with IBRD and blend countries.

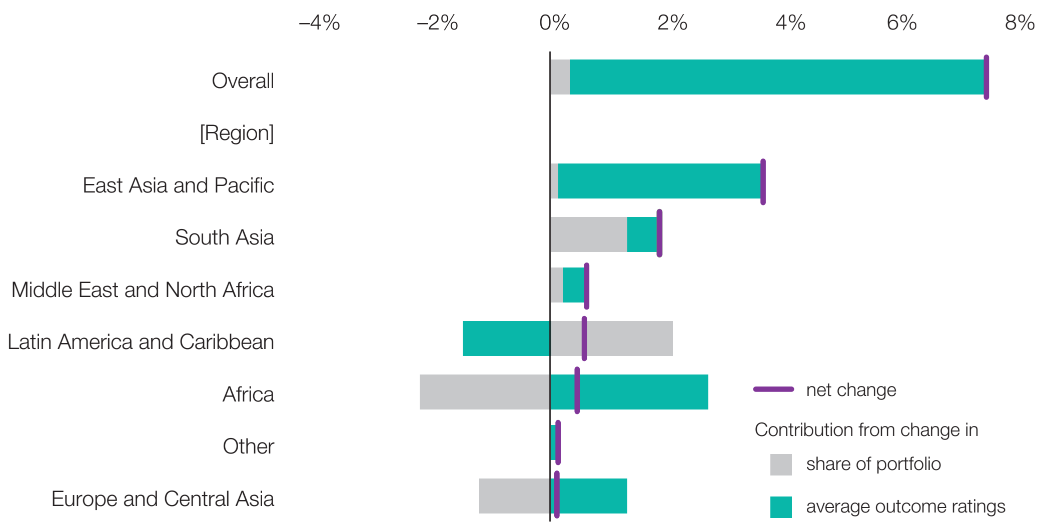
Strong results in a limited number of countries pull up the average ratings. Comparing projects closed in the two periods, FY12–14 and FY15–17, China, Pakistan, and the Arab Republic of Egypt saw improved project outcomes and larger World Bank funding commitments. Together the large and high-performing portfolios of these three countries pulled up overall portfolio performance. Their share of projects rose from 4.9 percent in FY12–14 to 11.8 percent in FY15–17, and project outcomes improved from 70 percent to 88 percent rated MS+. Among Regions, East Asia and Pacific's strong performance contributed significantly to the overall change (figure 1.6). Conversely, weak project outcomes in Brazil and Mexico contributed substantially to Latin America and the Caribbean's worsening trend.

Factors Internal to the World Bank

Investment projects dominated the outcome improvement. Development policy financing saw improved ratings but also a halving of its portfolio share, to 60 out of 704 total rated projects with FY15–17 exits, or 8.5 percent. Investment projects saw even stronger ratings improvements and a growing portfolio share, thereby accounting for more of the overall change in ratings (figure 1.7).

M&E quality ratings have improved considerably, from 30 percent of projects rated substantial or above in FY12–14 to 40 percent in FY15–17. Ratings for the M&E quality of projects have been low for

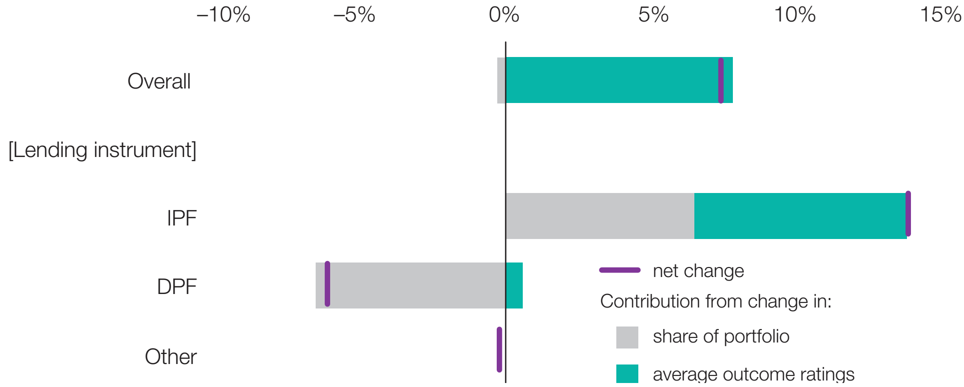
FIGURE 1.6 | Decomposing the Change in Project Outcomes into Changes in Ratings and Portfolios, by Region



Source: Independent Evaluation Group.

Note: net change = the net change in the weighted average outcome rating (weighted by the share of projects in each region); contribution from change in share of portfolio = the contribution to the net change from changes in the share of portfolio in each region across the two periods (the "between" effect); contribution from change in avg. outcome rating = contribution to the net change from changes in average outcome ratings in each Region across the two periods (the "within" effect).

FIGURE 1.7 | Decomposition of Project Outcome Rating Improvement by Lending Instrument



Source: Independent Evaluation Group.

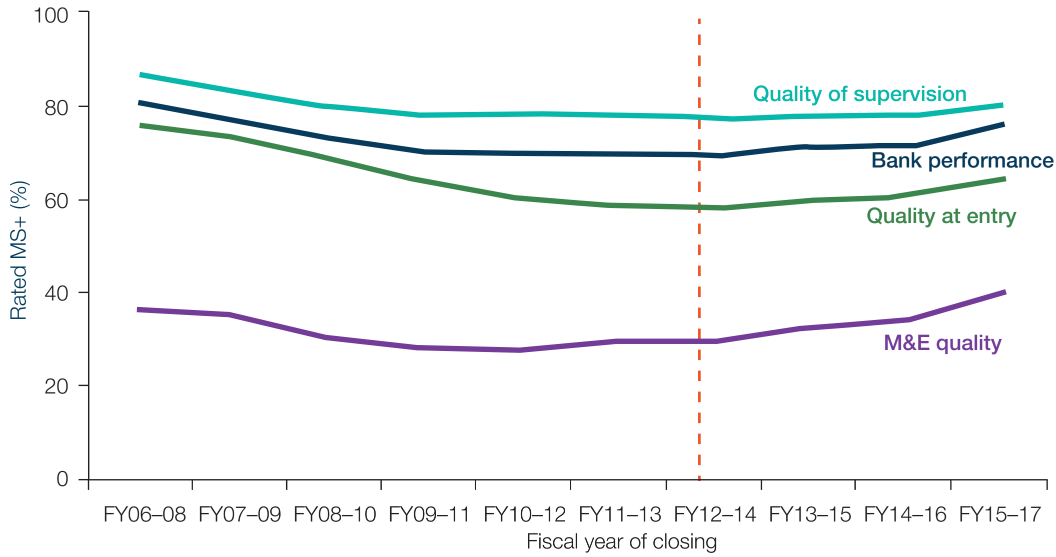
Note: net change = the net change in the weighted average outcome rating (weighted by the share of projects of each lending instrument type); contribution from change in share of portfolio = the contribution to the net change from changes in the share of portfolio of each lending instrument type across the two periods (the "between" effect); contribution from change in average outcome rating = contribution to the net change from changes in average outcome ratings by lending instrument type across the two periods (the "within" effect).

many years, but the result for FY15–17 is the strongest performance since IEG introduced the rating in 2006 (figure 1.6). The increase occurred in all Regions but was far more pronounced in East Asia and Pacific and Eastern Europe and Central Asia. East Asia and Pacific has invested staff resources in strengthening project M&E. Also, World Bank staff in all Regions have access to more training (by the Operations Policy and Country Services Group and others) on monitoring and results reporting. Ratings of M&E quality do not form an explicit part of the overall project outcome rating or the rating of Bank performance. The divergence in ratings relates to the fact that M&E quality is connected to shortcomings in data as well as in World Bank and client capacity and performance. However, the observed improvement in M&E quality may still be an important factor in improved project outcomes in FY15–17. Regression analysis that accounts for potential endogeneity shows that World Bank projects with good-quality M&E have substantially and statistically significant higher outcome ratings than otherwise similar projects (Raimondo 2016).

Quality of supervision ratings for the latest cohort returned to their FY08–10 levels (see figure 1.8). Supervision quality is a key factor in the effectiveness of project implementation and is likely to matter even more as an increasing number of projects are implemented in challenging country and regional contexts.

Quality at entry continues to have a strong influence on overall outcome ratings. The share of MS+ quality at entry ratings went up from 58 percent to 64 percent by number of projects from FY12–14 to FY15–17 (figure 1.8). The ratings for quality at entry were above average for development policy financing, IBRD and Global Environment Fund projects, and projects in East Asia and Pacific. All of this somewhat mirrors the pattern for project outcomes. Previous work by IEG and others has found a strong association between quality at entry and outcome ratings, motivating IEG to assess the enablers of, challenges to, and levers to improve quality at entry (figure 1.9).

FIGURE 1.8 | Ratings for Elements of World Bank Performance, by Number (percent rated MS+)



Source: Independent Evaluation Group

Note: M&E quality = quality of monitoring and evaluation.

Challenges to high quality at entry include the challenges of the operating environment—especially in FCS—complexity of project design and weakly aligned results frameworks, a tendency to over-optimism in implementation schedules, and implementation readiness. A special assessment undertaken for this report included articulation of a framework for assessing quality at entry, review and coding of project appraisal documents of recently approved projects, review and coding of relevant sections from recent IEG reviews of self-evaluations, structured interviews and workshops with 104 World Bank operational staff on recently approved projects, and more. Triangulation of findings sheds light on recent experience as well as past issues. The challenges identified in this assessment, quite persistent over time, include the following:

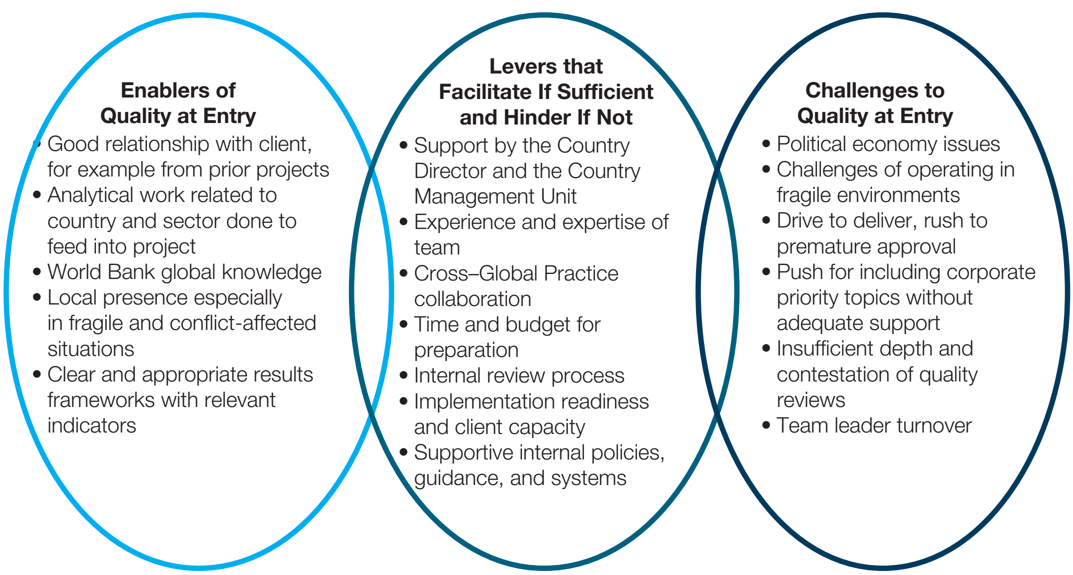
- Challenges of the operating environment and overly complex project design—This generally means projects with multiple, unrelated components or complex, multilayered designs. Staff noted that they can feel under pressure to identify and prepare larger, more complex projects with fewer resources. This can lead to a disconnect between project ambitions, the context, and client implementation capacity. Staff cited several reasons for this, including the desire to have multi–Global Practice projects, pressure to incorporate corporate priorities with what they consider to be stretched resources and teams, and a persistent tendency to want to overestimate client buy-in or capacity.
- Over-optimistic implementation schedules—Project plans can suffer from optimism bias as project leaders try to respond to multiple country and corporate priorities. Stretch objectives are set despite being unlikely to be met in the given time frame.
- Weakly specified results frameworks—Results frameworks can be hard to design well, the more complex the operation and the context. Common weaknesses include flaws in the logic of the

results chain, a mismatch between key indicators and intended results, and lack of measurability. These issues can result in project teams being unclear about the results they need to pursue and, later down the line, a failure to collect the evidence necessary to support projects' results claims which, in turn, leads to poor M&E quality. IEG will sometimes downgrade its outcome ratings because of weak or nonverifiable evidence of results.

- Projects not ready for implementation—IEG's analysis of quality at entry found persistent challenges with procurement arrangements not being in place, feasibility studies not completed, capacity assessments not done or poorly done, or capacity assessments that identified areas for capacity development but arrangements for doing so had not been made. The inevitable result is delays and loss of momentum when projects should be entering the implementation phase. Staff frequently cited time pressures and a push to approve projects prematurely as contributing factors and expressed concern that some appraisal reports are overly optimistic despite known implementation challenges.

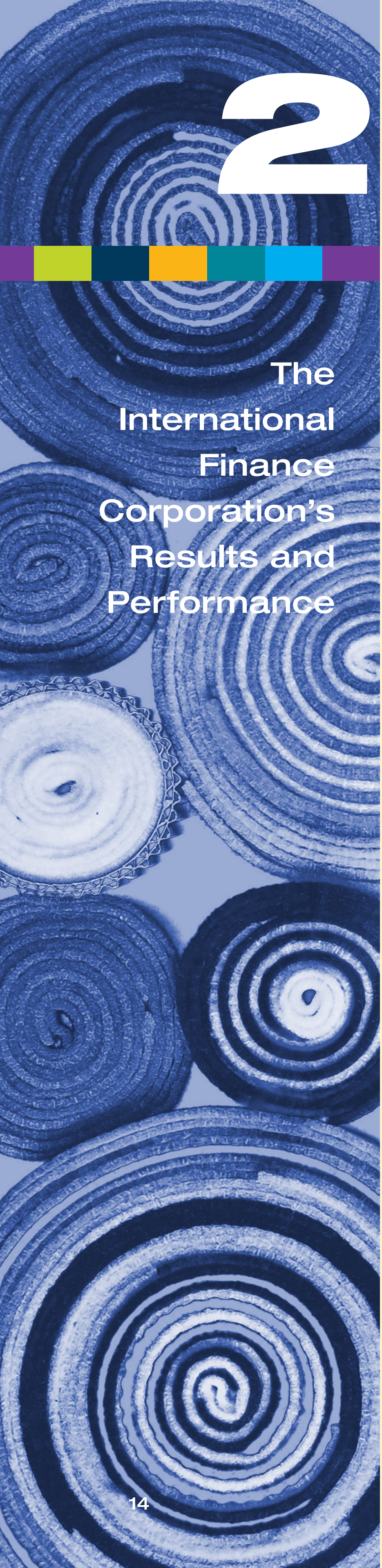
The most important levers and enablers of improvement in quality at entry include—according to IEG's assessment—strong client relationships and well-timed analytical work as a foundation for project design; team composition and experience; and supportive internal processes (figure 1.9). Presence of World Bank staff in the country is important to strong client relationships and may be especially important in FCS countries. Some interviewees suggested that lack of staff capacity and in-country support in FCS countries with small programs adversely affects the World Bank's work there. Some staff proposed stronger incentives for working in FCS countries. Doing analytical work prior to

FIGURE 1.9 | Quality at Entry: Enablers, Levers, and Challenges



Source: Independent Evaluation Group.

preparing projects helps World Bank teams manage tight time pressures because it results in more time to develop client relationships and conduct technical dialogue. Internal processes sometimes help and sometimes hinder quality at entry. Staff perceived operational processes as heavy. Some staff appreciated the Agile initiative, whereas others cited examples of colleagues who used Agile as a pretext for omission of key analysis or consultation in project preparation and thus reduced quality. Staff thought it would be helpful to have reduced turnover of seasoned team leaders and better help and support from Country Management Units, mentors, and others in complying with internal processes. They also suggested greater managerial attention to technical quality along with more candor and contestability in internal quality assurance processes. This was in the general context of staff expressing a sense of being overburdened, with little time to engage clients and learn from experience.



2 The International Finance Corporation's Results and Performance

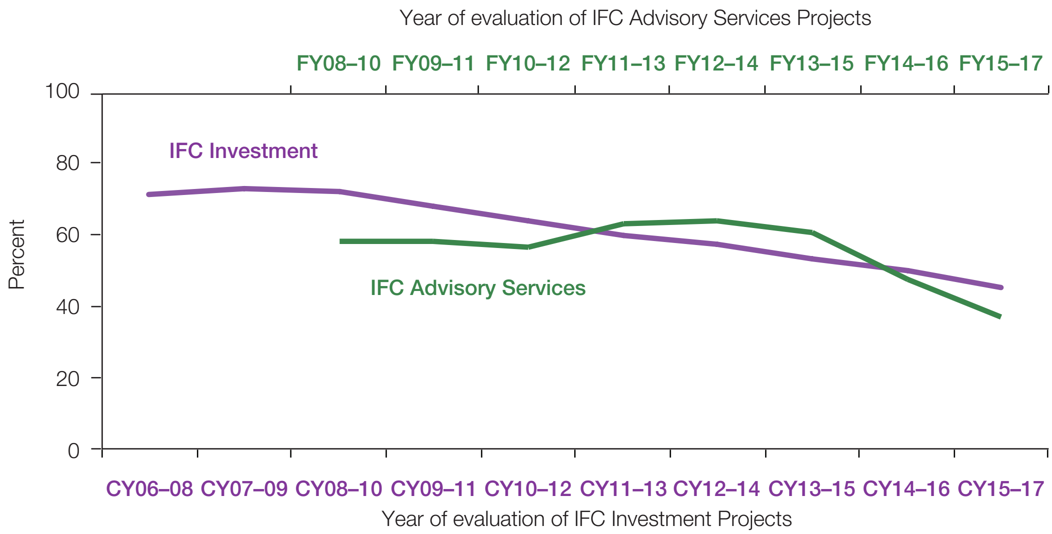
IFC Investment Projects

THE MOST RECENT COHORT of International Finance Corporation (IFC) investment projects evaluated shows a continued decline in development outcome ratings (figure 2.1). Of 253 investment projects approved in FY09–13 and with completed evaluations as of October 2018, 45 percent were rated mostly successful or better, and 54 percent were rated mostly unsuccessful or worse (figure 2.2 and appendix B). These projects were approved and evaluated during a period of sustained decrease in commodity prices, volatile macroeconomic conditions, and difficult private sector environments in many countries. Although the difficult economic context played a role in weakening project performance, the quality of IFC's front-end work also factored in.

Development outcome performance of IFC investment projects is assessed across four dimensions. Project business success (at 39 percent successful or better), economic sustainability (at 41 percent), and private sector development (at 58 percent) all saw a drop in the CY15–17 project cohort compared with the CY12–14 cohort. By contrast, the environmental and social effects indicator increased from 64 percent in CY12–14 to 72 percent in CY15–17. This was because of steady improvement of IFC's work quality at both project appraisal and supervision, including improved environment and social review procedures and guidelines, adequate staff resources and training, and satisfactory project monitoring and client interaction.

IFC's performance in IDA countries, at 41 percent mostly successful or better, was below its performance in non-IDA countries, at 47 percent. Weak performance in Africa and in the commercial banking and oil, gas, and mining sectors largely explains the difference in performance of the CY15–17 IDA cohort. Although FCS countries averaged only 4 percent

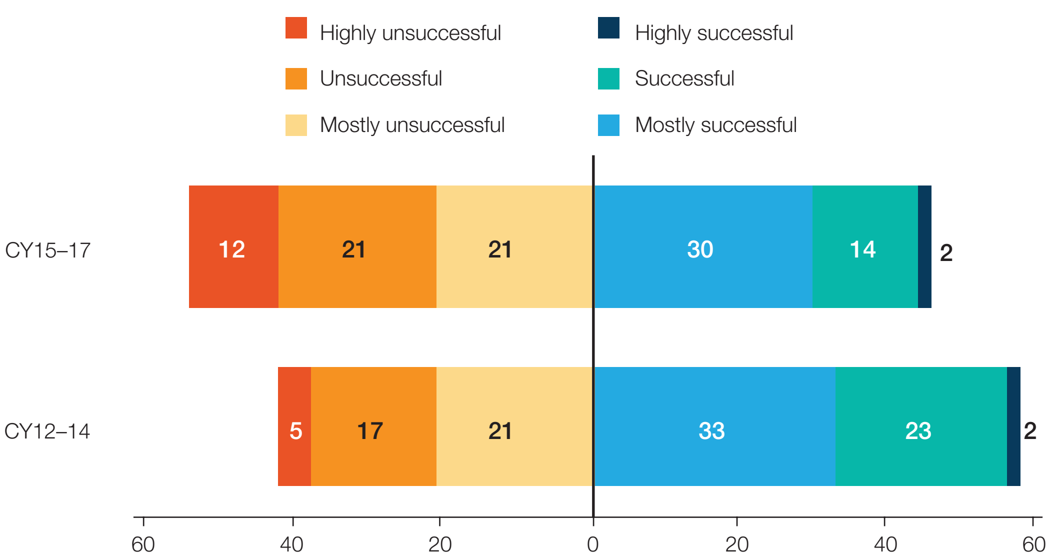
FIGURE 2.1 | Development Outcomes of IFC Investment and Advisory Projects, by Number (percent rated MS+)



Source: Independent Evaluation Group.

Note: CY = calendar year; FY = fiscal year; IFC = International Finance Corporation; MS+ = mostly successful or better. Different time frames are generally applied to assessing the performance of projects across the institutions. IFC investment projects are sampled, evaluated, and reported by calendar year. World Bank, IFC advisory services, and Multilateral Investment Guarantee Agency projects are reported on a fiscal year basis.

FIGURE 2.2 | Distribution of Development Outcome Ratings of IFC Investment Projects, CY15–17 (percent)



Source: Independent Evaluation Group Evaluative Notes.

Note: CY = calendar year; IFC = International Finance Corporation.

of IFC investment commitments during FY10–18, understanding the factors linked to successful development outcomes in those countries is relevant because IFC has promised to deliver 40 percent of its commitments in IDA and FCS countries by 2030 as part of the World Bank Group capital increase package (box 2.1).

All industry groups saw declining outcome ratings (figure 2.3). Infrastructure, an important strategic priority for IFC, experienced the largest decline in development outcome ratings, from 69 percent mostly successful or better in CY12–14 to 48 percent in CY15–17. Deteriorating macro, market, and regulatory environments and declining commodities prices have contributed to weakening of performance, which could have been avoidable in some cases with stronger front-end work. The telecom, media, technology (TMT), venture capital, and funds industry group had the lowest outcome rating, with only 24 percent rated mostly successful or better. This was due largely to weak performance of the IFC-supported investment funds in this industry group. Ratings declined in the manufacturing, agribusiness, and services (MAS) industry group mainly because of weak performance of tourism, retail, construction and real estate (TRP) and manufacturing projects.

Box 2.1 | Emerging Findings in Fragile and Conflict-Affected Situations

A small, nonrepresentative sample of eight International Finance Corporation (IFC) investment projects in countries with fragile and conflict-affected situations (FCS) offers some emerging findings about factors linked to success or failure in risky contexts. The Independent Evaluation Group rated five of these projects mostly successful or better and three of the projects mostly unsuccessful or worse.

Success Factors

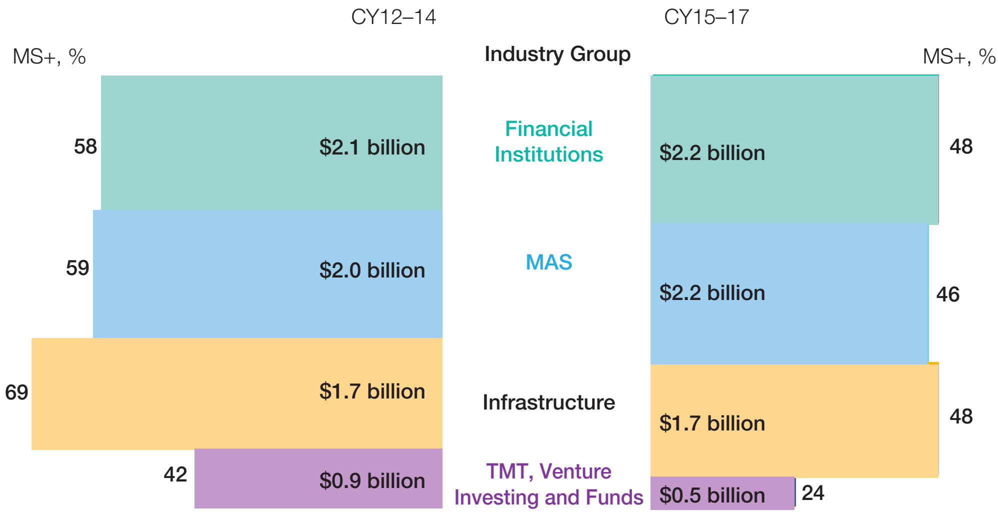
Selecting an experienced business partner with knowledge of how to operate in high-risk conditions was a common factor linked to successful project performance of five projects. Satisfactory IFC front-end work and supervision was also linked to positive development outcomes. Other success factors included good technical analysis with conservative projections; special loan protection to address FCS risks; and policies to help maintain asset quality in an FCS environment, such as a low interest rate in some microfinance projects.

Failure Factors

Weak front-end work was the common factor in the review of three IFC projects with unsuccessful development outcomes in FCS countries. This involved weak understanding of business strategy, poor project structuring and risk assessment, and insufficient due diligence.

Source: Independent Evaluation Group.

FIGURE 2.3 | Ratings and Size of Rated Portfolio, by Industry Group



Source: Independent Evaluation Group Evaluative Notes.

Note: CY = calendar year; MS+ = mostly successful, successful, or highly successful; MAS = manufacturing, agribusiness, and services; TMT = telecom, media, and technology.

Ratings in the financial institutions industry group declined because of weak performance of commercial banking, nonbanking finance, and insurance and pension projects. Based on the information in IEG's "Sector Highlights for Financial Markets FY14 –16," Europe and Central Asia accounted for approximately 33 percent of underperforming projects, and most of them were affected by significant devaluations.

Experience from a small sample of projects using blended finance reveals challenges related to a low uptake by IFC clients of risk-sharing facilities. A sample of 10 IFC projects in the CY15–17 cohort, which had subsidy facilities in their financing structure, all struggled to realize their full potential, with 9 rated mostly unsuccessful or worse. The project sample targeted climate change (8 projects), agribusiness (1 project), and small and medium enterprise finance (1 project). Their underperformance was largely associated with a low use of the blended finance facilities caused by a misalignment between the objectives of the facilities and the strategic business interests of the IFC clients involved.

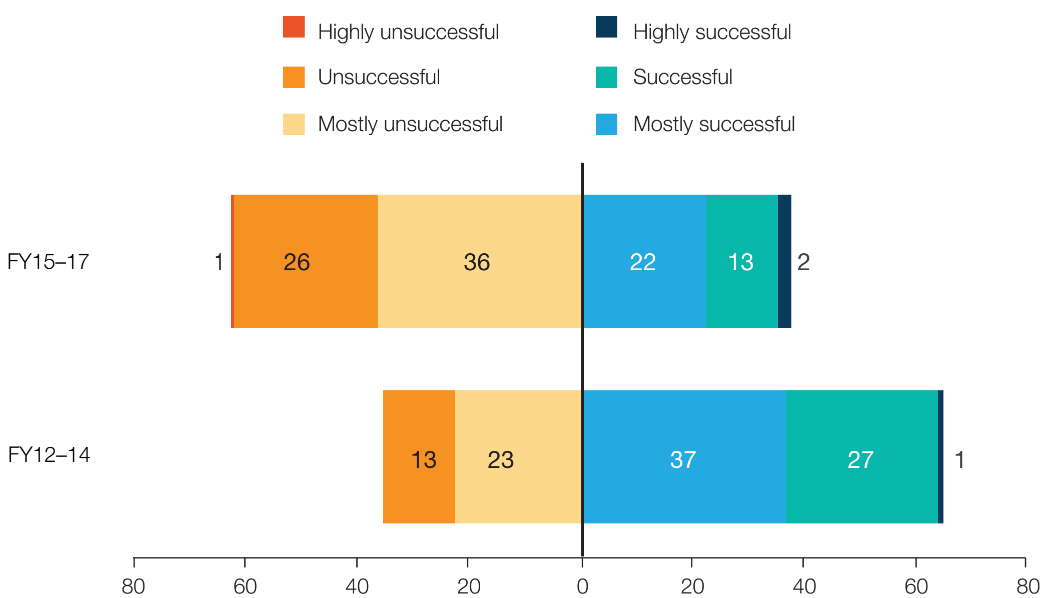
Loan and mixed (debt and equity) financing instruments achieved better development outcome ratings in CY15–17 than equity-only instruments. The lower performance of equity financing reflects in part the high-risk-profile nature of the instrument. Other factors relate to sector-specific risks such as those experienced by equity funds and infrastructure equity investments, especially early exploration investments with junior mining companies in Africa. These mining companies had limited resources to overcome major challenges when faced with financial, operational, or project structure issues, which was the case during the commodities price downturn. Improving the performance of IFC equity investments is important because IFC 3.0 calls for IFC to scale up scarce equity investments, especially in challenging markets.

Large-size investments experienced above-average development outcome performance. Large investment projects (at 60 percent mostly successful or better) performed better than medium (at 41 percent) and small (at 40 percent) projects in CY15–17. Based on the *2016–17 IFC-IEG Joint Deep-Dive on IFC Development Outcome and Work Quality,* the difference in performance reflects the presence in large projects of more senior staff, the participation of industry specialists, and a greater managerial involvement of both IFC and its clients.

IFC Advisory Projects

Performance of IFC advisory services has continued to decline since FY13–15. The share of IFC advisory services projects rated mostly successful or better dropped sharply between the peak performance in FY12–14 and FY15–17, from 65 percent to 37 percent based on a sample of 140 rated projects in FY15–17. By contrast, those advisory services projects rated mostly unsuccessful or worse increased from 35 percent to 63 percent between FY12–14 and FY15–17 (figure 2.4). Performance ratings dropped for all five dimensions of development effectiveness of IFC advisory services. These dimensions include strategic relevance, output achievement, outcome achievement, impact achievement, and efficiency (see appendix C).

FIGURE 2.4 | Distribution of Development Outcome Ratings of IFC Advisory Projects, FY12–14 and FY15–17 (percent)



Source: Independent Evaluation Group evaluative notes.

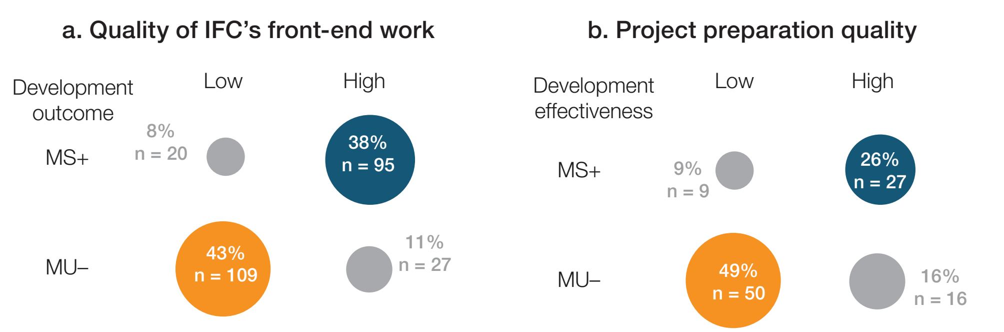
Advisory projects in IDA countries performed below average, with only 31 percent rated mostly successful or better. This represents a significant challenge to IFC, given that advisory services are a major tool for IFC to support private sector development and create markets in IDA and FCS countries. Also, 60 percent of IFC's active advisory portfolio of more than 700 projects, worth more than $1.5 billion, is in IDA countries.

Factors Explaining IFC Results

The downward trend in the development outcome ratings of IFC investment projects is linked to a combination of external and internal factors; IFC is addressing those factors under its control to reverse the trend and improve its future performance. In FY16–17 IFC undertook a joint study with IEG on the drivers behind the deteriorating development outcome performance of investment projects. In FY19, in parallel with implementing the study recommendations, IFC launched a pilot exercise to improve the quality of its self-evaluations. These combined efforts identified several work quality issues that IFC is addressing, including the focus and realism of development impact targets and the introduction of the Anticipated Early Impact Measurement and Monitoring system, early detection of underperformance, attention to quality in the economic analysis of ex post assessments, and improving staff incentives and resources for self-evaluation.

The underperformance of advisory services, as with IFC investment projects, is strongly linked to shortcomings in project preparation and design (figure 2.5). IFC is working to address advisory work quality issues. In FY18 IFC undertook a joint study with IEG on the causes of the underperformance in development effectiveness of advisory services projects. Issues identified by the study that IFC is working to address include (i) greater attention to defining project scope and associated results framework to avoid an expansive scope and complexity, (ii) improved on-time completion of self-evaluations to avoid backlog, (iii) enhanced training for project leaders and managers, and (iv) strengthening the positioning of the M&E function.

FIGURE 2.5 | Development Outcome Associated with IFC's Front-End Work

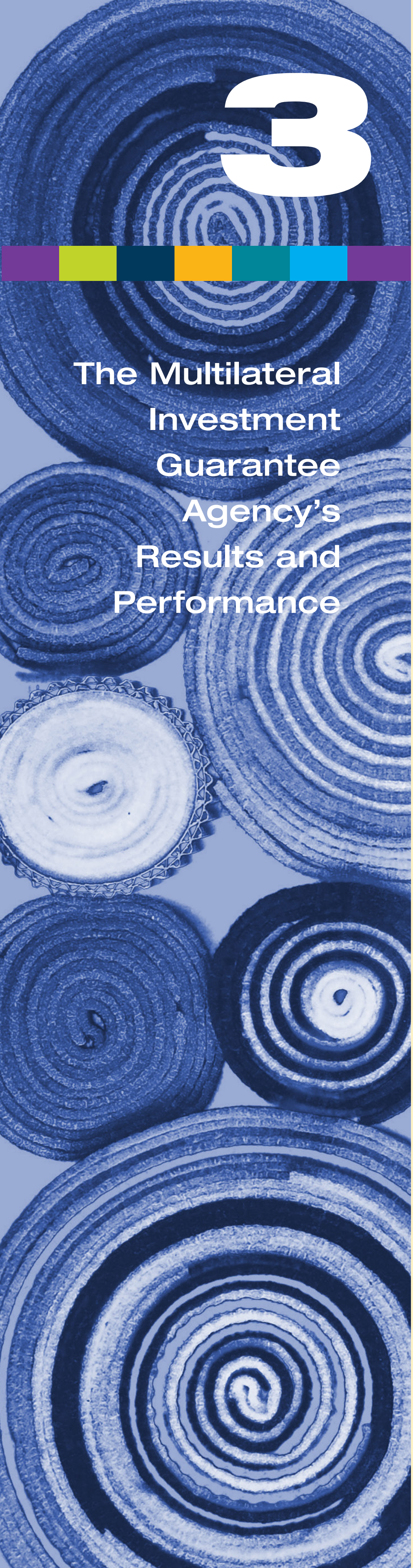


Source: Independent Evaluation Group.

Note: IFC = International Finance Corporation; MS+ = mostly successful or better; MU– = mostly unsuccessful or worse.

Within IDA countries, issues with design, supervision, and external factors contributed to weak performance of IFC advisory services. This is according to IEG's review of 15 large projects in IDA countries that received mostly unsuccessful or worse ratings on development effectiveness. The review identified weak project design, for example with complex or overly ambitious scope or targets, and weak M&E design. There were also issues related to IFC's supervision and to external factors, including clients, governments, and partners' commitments to the project.

Organizational changes weakened IFC's advisory services performance. In 2014, IFC undertook a reorganization that eliminated the Advisory Services Vice Presidency and integrated a significant number of staff into investment departments or joint Bank Group Global Practices. This weakened both accountability and governance. IFC recently started a comprehensive reform package to address the negative effects of these changes, but any effects on portfolio quality and results will take some time to emerge.



3

The Multilateral Investment Guarantee Agency's Results and Performance

DEVELOPMENT OUTCOME RATINGS for the Multilateral Investment Guarantee Agency (MIGA) operations have increased. All success rate percentages in this chapter are based on number of projects, unless stated otherwise. The share of MIGA projects rated satisfactory or better increased from 62 percent in FY06–11 to 65 percent in FY12–17 by number of projects, and from 66 percent to 70 percent by gross issuance amount. This is based on 65 rated projects in FY12–17. MIGA's strongest performance was in the energy and extractive industries and infrastructure sectors, which together reveal a step change in outcome rating from 52 percent in FY06–11 to 77 percent in FY12–17. Projects in these sectors were successful because of strategic relevance to countries, a stable regulatory environment, sponsors with strong track records, stable demand, and competitive products (that is, lower production costs of power generation projects supported by MIGA). (For details, see appendix D.)

Performance in IDA countries, at 70 percent satisfactory or better, improved and exceeded performance among non-IDA countries, at 61 percent, for FY12–17. This was owing to strong performance of projects in the energy and extractive industries sector in IDA countries, with ratings of 78 percent satisfactory or better. This is an important foundation for MIGA's FY18–20 strategy, which emphasizes support for projects in IDA countries. MIGA underwrote eight projects in FCS countries during FY12–17, with ratings about average by number of projects (at 63 percent satisfactory or better) and below average by gross issuance amount (64 percent).

Positive headline results notwithstanding, there are areas where performance could be better. A third of MIGA projects rated overall satisfactory or better achieved a partly unsatisfactory or unsatisfactory rating on at least one of the four outcome indicators. This is up from a quarter in FY06–11. Environment and social effects indicators increased from 52 percent to 77 percent between FY06–11 and FY12–17 as a result of MIGA's environment and social monitoring and supervision efforts. The other outcome indicators (project business success, economic sustainability, and private sector development) experienced a decline in ratings. Among those indicators, the decline was notable in private sector development, from 84 percent to 65 percent between FY06–11 and FY12–17 owing to declines linked to MIGA projects in finance and capital markets, IDA, and Africa.

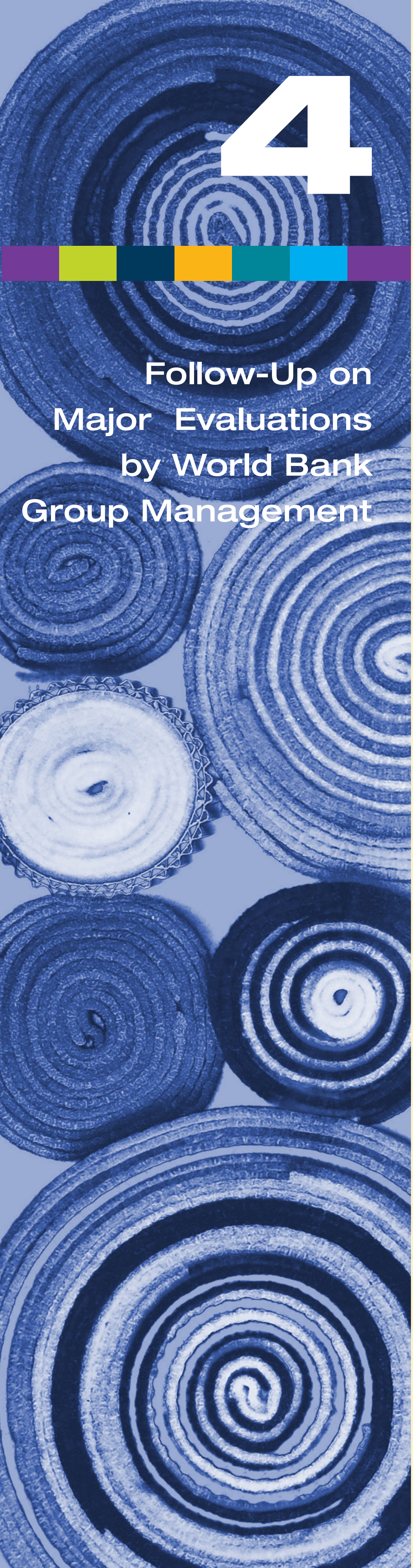
The performance of MIGA projects in finance and capital markets was the weakest across sectors. MIGA projects in finance and capital markets were rated well below average by number, at 44 percent satisfactory or better, and by volume, at 60 percent satisfactory or better. Most of these projects addressed the global financial crisis, particularly in Europe and Central Asia. Box 3.1 explores factors linked to strong and weak performances in these projects. Moreover, MIGA's assessment, underwriting, and monitoring quality was weak in the finance and capital markets sector. IEG rated this at 39 percent satisfactory or better, which is 22 percentage points below the MIGA average by number of projects. In this sector, the decline in ratings can be linked to lack of indicators to measure expected impacts, failure to explain outcomes and impacts, and weak monitoring of development impacts and of environmental and social aspects.

Box 3.1 | What Does and Does Not Work in MIGA's Finance and Capital Markets Projects

The majority of the Multilateral Investment Guarantee Agency (MIGA) projects in finance and capital markets evaluated by the Independent Evaluation Group in FY12–17 were created in response to the global financial crisis. Of 18 MIGA finance and capital markets projects evaluated by IEG in FY12–17, 14 were in Europe and Central Asia. These projects focused on strengthening local financial sectors by enabling banks to improve their assets and liability management and to provide long-term funding in the markets.

The projects that succeeded did so by, for example, securing financing from other financial institutions or supporting targeted rather than general-purpose interventions. Some projects focused on development impacts rather than merely refinancing of banks. But most projects did not succeed. Weak outcomes stemmed from deteriorating macroeconomic conditions affecting bank performance and asset quality, high leverage, and weak environmental and social aspects in some projects.

Source: Independent Evaluation Group.



4

Follow-Up on Major Evaluations by World Bank Group Management

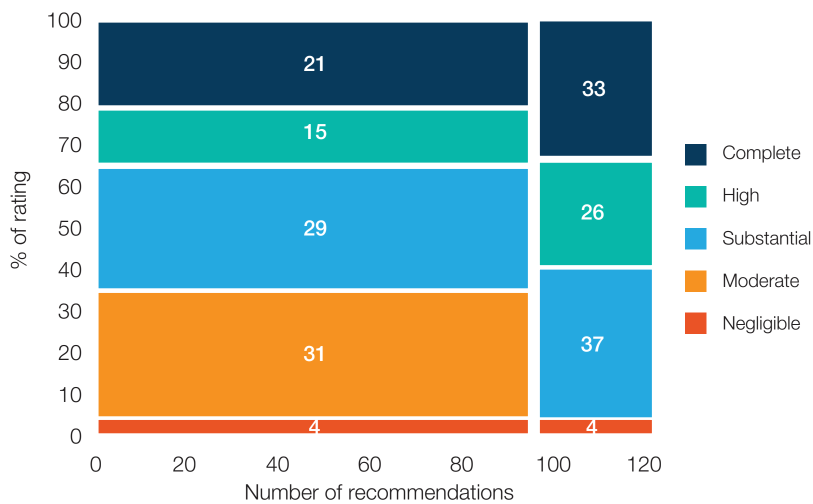
THIS CHAPTER SUMMARIZES PROGRESS made in implementing action plans created in response to recommendations from IEG's major evaluations. It finds that progress can be slow, that the current system for tracking and reporting on action plans does not work well, and that delays in formulating action plans are reducing the organization's ability to use and learn from evaluation findings and recommendations.

Implementation of action plans can be slow and sometimes incomplete. In 2018, IEG tracked the implementation of action plans for 126 recommendations across the Bank Group, drawn from 19 evaluations produced between FY14 and FY17 figure 4.1). In this tracking system, IEG and management rate progress annually in a cumulative fashion, so that implementation ratings normally advance toward completion throughout the four-year tracking cycle. The latest IEG ratings show that management is not nearing full implementation for 41 percent of its own action plans after four years. It is important to acknowledge that management often rates action plans as more completely implemented than IEG does and sometimes retires them from the tracking system before IEG has rated them complete.

Implementation progress varies based on type of recommendations. Recommendations related to strengthening client capacity and defining strategies and approaches have seen the fastest implementation. The slowest implementation has been in strengthening internal capacity and collaboration, with only 47 percent of action plans rated high or complete after four years. Actions aiming for collaboration are particularly slow to be implemented. Actions on improving M&E and data collection had 67 percent high or complete implementation (figure 4.2).

The process for ensuring effective follow-up on IEG evaluation recommendations by management does not work well. Accountability for follow-up on IEG's evaluations and the implementation of management's action plans is unclear. As shown in figure 4.3, in FY16–18 there have been significant delays in management creating action plans in response to IEG's recommendations. The agreement between Bank Group

FIGURE 4.1 | Action Plan Implementation Ratings, FY14–17

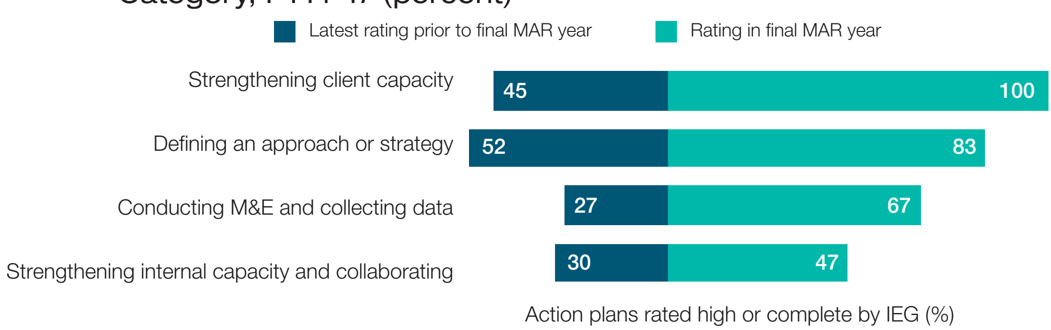


Source: Independent Evaluation Group Management Action Record 2018 update data.

Note: Action plans are created by management in response to IEG's recommendations. MAR = Management Action Record.

management and IEG states that draft action plans are due to IEG within 90 business days after the Committee on Development Effectiveness discussion. As shown in figure 4.3, some action plans were finalized, albeit with a delay, and some are still pending finalization by management. In FY18, all action plans were delayed by an average of more than 200 business days. Of seven action plans

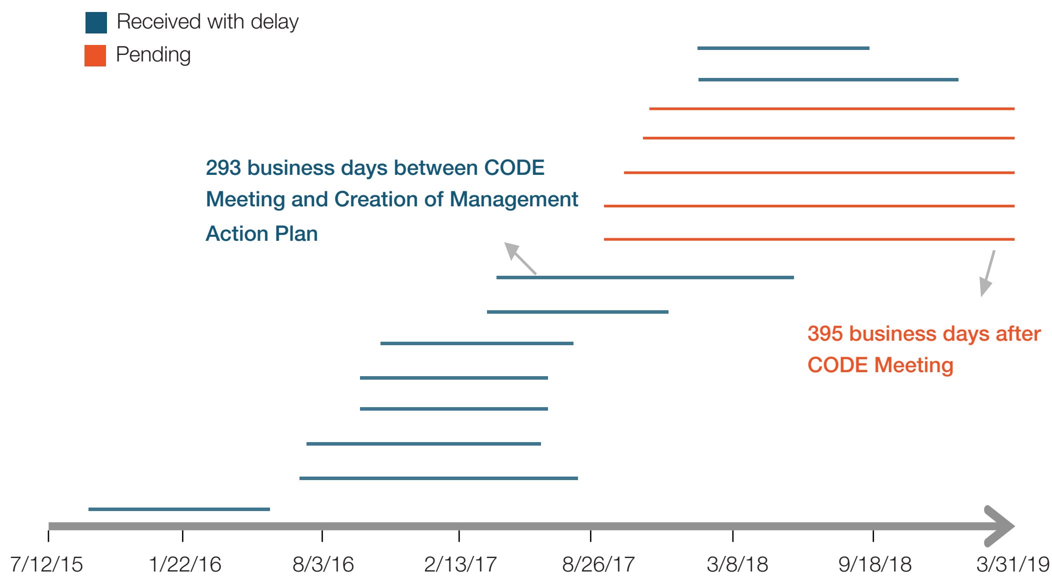
FIGURE 4.2 | Action Plan Implementation Rated High and Complete, by Category, FY14–17 (percent)



Source: Independent Evaluation Group Management Action Record 2018 update data.

Note: Action plans are created by management in response to IEG's recommendations. MAR = Management Action Record; M&E = monitoring and evaluation.

FIGURE 4.3 | Time between CODE Meetings and Creation of Management Action Plans, FY16–18



Source: Independent Evaluation Group Management Action Record 2018 update data. Data are current as of March 31st, 2019.

Note: CODE = Committee on Development Effectiveness.

that management should have shared with IEG in FY18, only two were finalized and two presented as drafts during the period when this review was conducted.

The annual process of tracking and reporting on implementation of management's action plans has problems. Focus group discussions with management counterparts reveal that staff assigned to prepare the annual progress update regard it as a bureaucratic exercise without formal space in their work programs and with unclear links to operational work. More broadly, management has expressed concerns about having too many recommendations to respond to and being unable to reframe action plans during the implementation period to ensure their continued relevance. This points to missed opportunities to ensure adequate institutional accountability and learning.

IEG and management continued improving engagement on major evaluations. For example, interactive workshops are used to solicit early feedback from management counterparts on IEG's approach papers and evaluation recommendations and increase management's ownership of recommendations. An early assessment of these workshops by an independent consultant found them to be useful. With some changes to the processes based on the assessment's findings, IEG has continued hosting these workshops. In addition, IEG and Bank Group management continued implementing and monitoring recommendations from two adaptable action plans designed in response to IEG's evaluations.

IEG and management are rethinking the process to ensure follow-through on IEG recommendations. A working group comprising IEG and Bank Group management is currently identifying options to make the recommendations, management response, and follow-up process more streamlined and useful to enhance uptake and learning from IEG evaluations. Proposals being considered would move to a new approach with fewer, more strategic recommendations and more effective accountability for implementing them. The process of moving to the new approach would entail a review of the current stock of active recommendations and retirement of some of them.

reference

Raimondo, Estelle. 2016. “What Difference Does Good Monitoring and Evaluation Make to World Bank Project Performance?” Policy Research Working Paper 7726, World Bank, Washington, DC.

APPENDIXES

Results and Performance of the World Bank Group 2018

AN INDEPENDENT EVALUATION

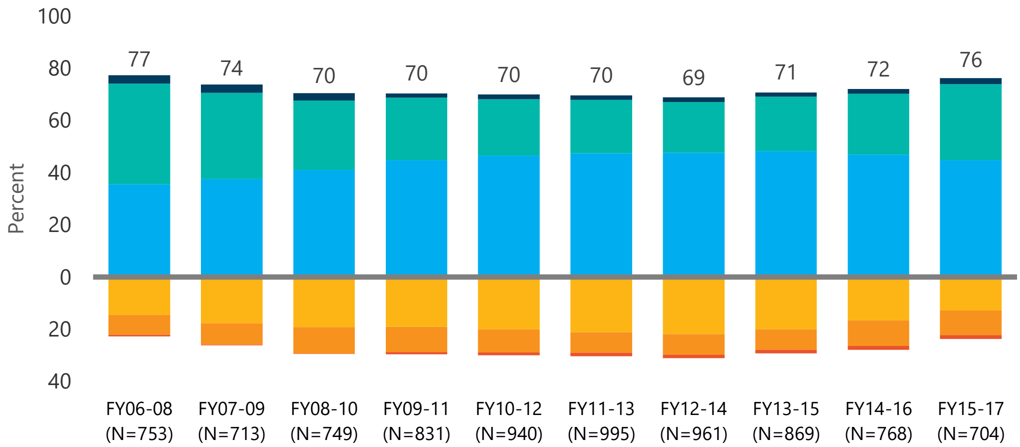
IEG Independent Evaluation Group | WORLD BANK GROUP World Bank • IFC • MIGA

WHAT WORKS

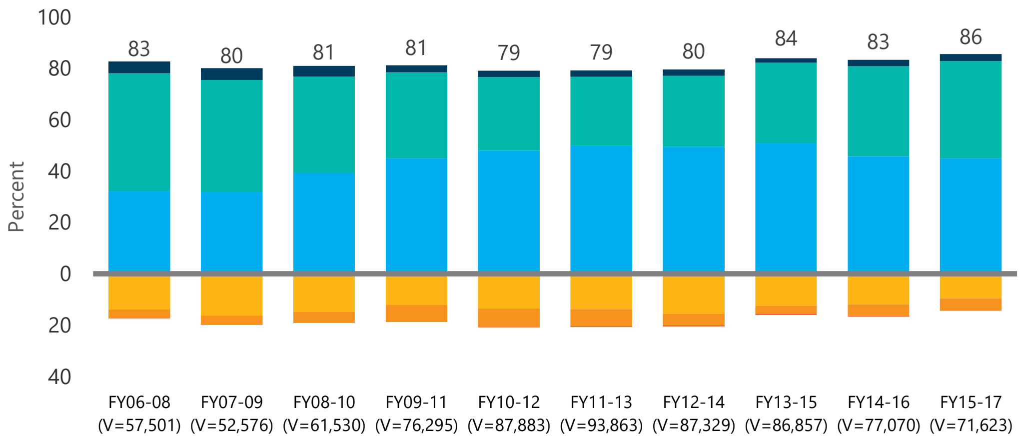
Appendix A. Additional Information on World Bank Performance

Figure A.1. World Bank Projects: Outcome Ratings over Time, Three-Year Rolling

a. Outcome ratings of World Bank lending projects, with the total percentage of projects rated MS+ indicated above each bar



b. Outcome ratings of World Bank lending projects, with the total percentage of volume rated MS+ indicated above each bar



Source: World Bank Business Intelligence and Independent Evaluation Group World Bank project ratings data.
Note: FY = fiscal year (of project closing); MS+ = moderately satisfactory or above; V = total volume of projects ($, millions). All dollar amounts are U.S. dollars unless otherwise indicated.

Table A.1. World Bank Projects: Outcome Ratings over Time, Three-Year Rolling

a. Percentage distribution of outcome ratings for World Bank lending projects, by number of projects

Rating	FY06–08	FY07–09	FY08–10	FY09–11	FY10–12	FY11–13	FY12–14	FY13–15	FY14–16	FY15–17
Highly satisfactory *(%)*	3	3	3	2	2	2	2	2	2	2
Satisfactory *(%)*	39	33	27	24	22	21	19	21	23	29
Moderately satisfactory *(%)*	35	38	41	45	47	47	48	48	47	45
Moderately unsatisfactory *(%)*	14	18	19	19	20	21	22	20	17	13
Unsatisfactory *(%)*	8	8	10	10	9	8	8	8	10	10
Highly unsatisfactory *(%)*	1	0	0	1	1	1	1	1	1	1
Moderately satisfactory or above *(%)*	77	74	70	70	70	70	69	71	72	76
Projects with ratings *(no.)*	753	713	749	831	940	995	961	869	768	704

b. Percentage distribution of outcome ratings for World Bank lending projects, by volume of projects

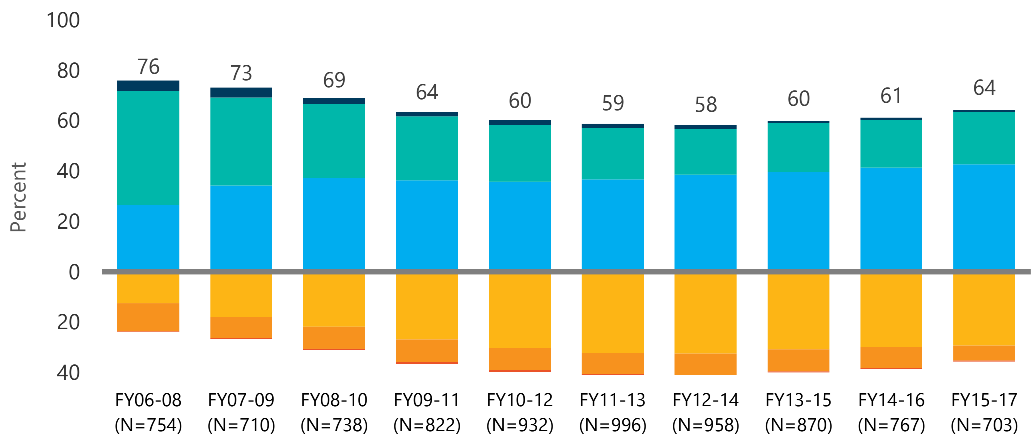
Rating	FY06–08	FY07–09	FY08–10	FY09–11	FY10–12	FY11–13	FY12–14	FY13–15	FY14–16	FY15–17
Highly satisfactory *(%)*	5	5	4	3	3	2	2	2	2	3
Satisfactory *(%)*	46	44	37	33	29	27	28	31	35	38
Moderately satisfactory *(%)*	32	32	39	45	48	50	49	51	46	45
Moderately unsatisfactory *(%)*	14	16	15	12	14	14	16	13	12	10
Unsatisfactory *(%)*	3	3	4	7	7	7	5	3	4	5
Highly unsatisfactory *(%)*	0	0	0	0	0	0	0	0	0	0
Moderately satisfactory or above *(%)*	83	80	81	81	79	79	80	84	83	86
Total volume of projects with ratings *($, millions)*	57,501	52,576	61,530	76,295	87,883	93,863	87,329	86,857	77,070	71,623

Source: World Bank Business Intelligence and Independent Evaluation Group World Bank project ratings data.
Note: FY = fiscal year (of project closing). All dollar amounts are U.S. dollars unless otherwise indicated.

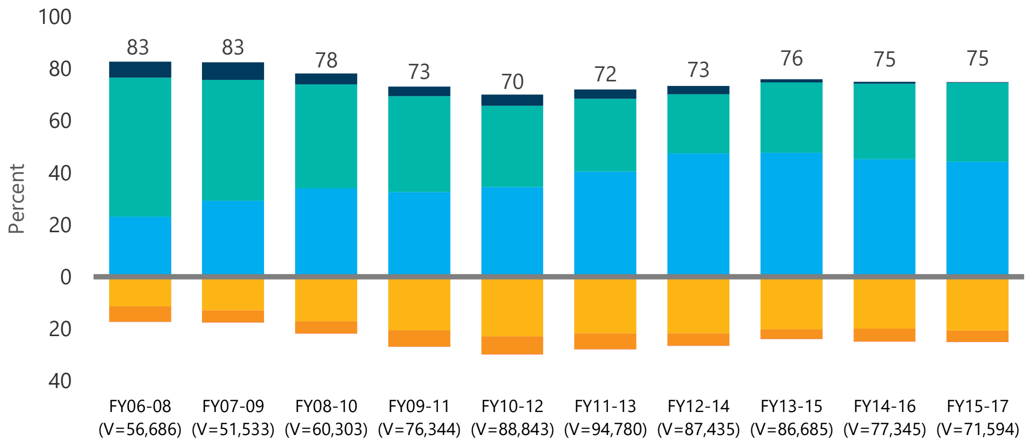
Figure A.2. World Bank Projects: Quality at Entry Ratings over Time, Three-Year Rolling

Highly Satisfactory
Satisfactory
Moderately Satisfactory
Highly Unsatisfactory
Unsatisfactory
Moderately Unsatisfactory

a. Quality at entry ratings of World Bank lending projects, with the total percentage of projects rated MS+ indicated above each bar



b. Quality at entry ratings of World Bank lending projects with the total percentage volume rated MS+ indicated above each bar



Source: World Bank Business Intelligence and Independent Evaluation Group World Bank project ratings data.
Note: FY = fiscal year (of project closing); MS+ = moderately satisfactory or above; V = total volume of projects ($, millions). All dollar amounts are U.S. dollars unless otherwise indicated.

Table A.2. World Bank Projects: Quality at Entry Ratings over Time, Three-Year Rolling

a. Percentage distribution of quality at entry ratings of World Bank lending projects, by percentage of projects

Rating	FY06–08	FY07–09	FY08–10	FY09–11	FY10–12	FY11–13	FY12–14	FY13–15	FY14–16	FY15–17
Highly satisfactory *(%)*	4	4	2	2	2	2	2	1	1	1
Satisfactory *(%)*	45	35	29	26	22	20	18	19	19	21
Moderately satisfactory *(%)*	27	34	37	36	36	37	39	40	41	43
Moderately unsatisfactory *(%)*	12	18	22	27	30	32	32	31	30	29
Unsatisfactory *(%)*	11	8	9	9	9	8	9	9	8	6
Highly unsatisfactory *(%)*	0	0	0	1	1	1	0	0	1	0
Moderately satisfactory or above *(%)*	76	73	69	64	60	59	58	60	61	64
Projects with ratings *(no.)*	754	710	738	822	932	996	958	870	767	703

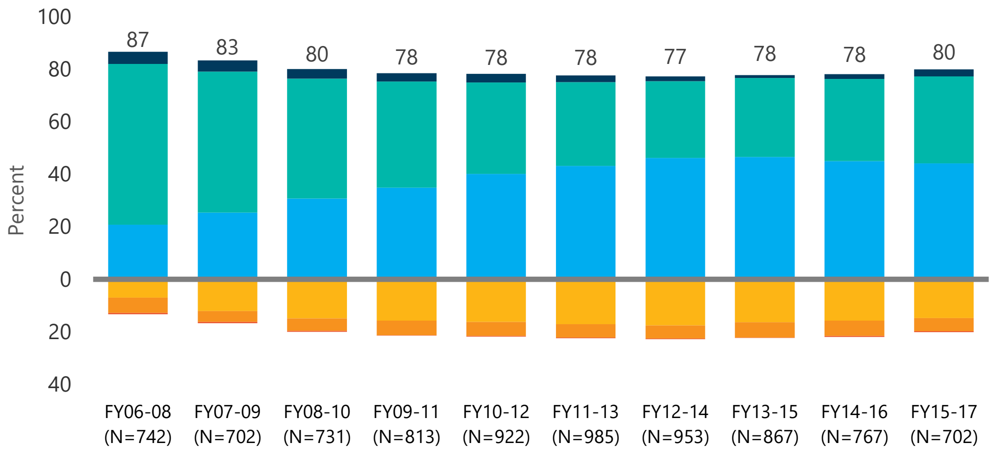
b. Percentage distribution of quality at entry ratings of World Bank lending projects, by percentage of volume

Rating	FY06–08	FY07–09	FY08–10	FY09–11	FY10–12	FY11–13	FY12–14	FY13–15	FY14–16	FY15–17
Highly satisfactory *(%)*	6	7	4	4	4	4	3	1	1	0
Satisfactory *(%)*	53	46	40	37	31	28	23	27	29	30
Moderately satisfactory *(%)*	23	29	34	33	35	40	47	48	45	44
Moderately unsatisfactory *(%)*	11	13	17	21	23	22	22	20	20	21
Unsatisfactory *(%)*	6	4	5	6	7	6	5	4	5	4
Highly unsatisfactory *(%)*	0	0	0	0	0	0	0	0	0	0
Moderately satisfactory or above *(%)*	83	83	78	73	70	72	73	76	75	75
Total volume of projects with ratings *($, millions)*	56,686	51,533	60,303	76,344	88,843	94,780	87,435	86,685	77,345	71,594

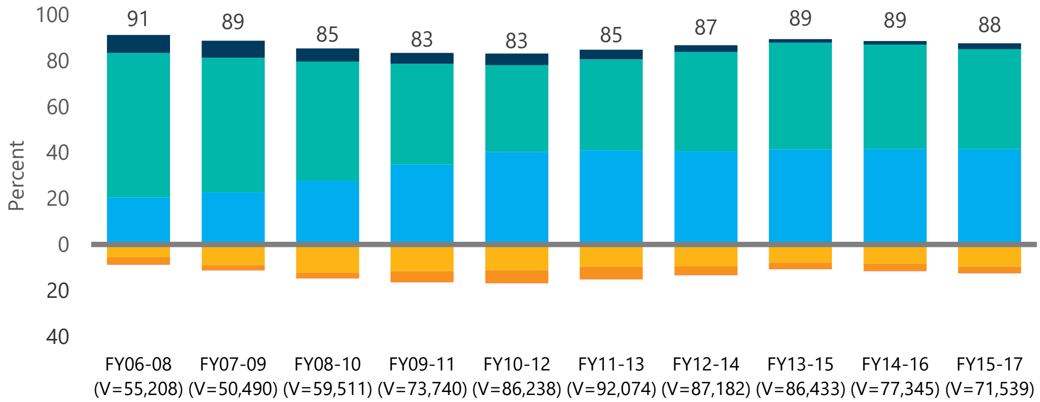
Source: World Bank Business Intelligence and Independent Evaluation Group World Bank project ratings data.
Note: FY = fiscal year (of project closing). All dollar amounts are U.S. dollars unless otherwise indicated.

Figure A.3. World Bank Projects: Quality of Supervision Ratings over Time, Three-Year Rolling

a. Quality of supervision ratings of World Bank lending projects, with the total percentage of projects rated MS+ indicated above each bar



b. Quality of supervision ratings of World Bank lending projects, with the total percentage of volume rated MS+ indicated above each bar



Source: World Bank Business Intelligence and Independent Evaluation Group World Bank project ratings data.
Note: FY = project closing fiscal year; MS+ = moderately satisfactory or above; V = total volume of projects ($, millions). All dollar amounts are U.S. dollars unless otherwise indicated.

Table A.3. World Bank Projects: Quality of Supervision Ratings over Time, Three-Year Rolling

a. Percentage distribution of quality of supervision ratings of World Bank lending projects, by percentage of projects

Rating	FY06–08	FY07–09	FY08–10	FY09–11	FY10–12	FY11–13	FY12–14	FY13–15	FY14–16	FY15–17
Highly satisfactory *(%)*	5	4	4	3	3	3	2	1	2	3
Satisfactory *(%)*	61	54	46	40	35	32	29	30	31	33
Moderately satisfactory *(%)*	21	25	31	35	40	43	46	47	45	44
Moderately unsatisfactory *(%)*	7	12	15	16	16	17	18	16	16	15
Unsatisfactory *(%)*	6	4	5	6	5	5	5	6	6	5
Highly unsatisfactory *(%)*	1	0	0	0	0	0	0	0	0	0
Moderately satisfactory or above *(%)*	87	83	80	78	78	78	77	78	78	80
Projects with ratings *(no.)*	742	702	731	813	922	985	953	867	767	702

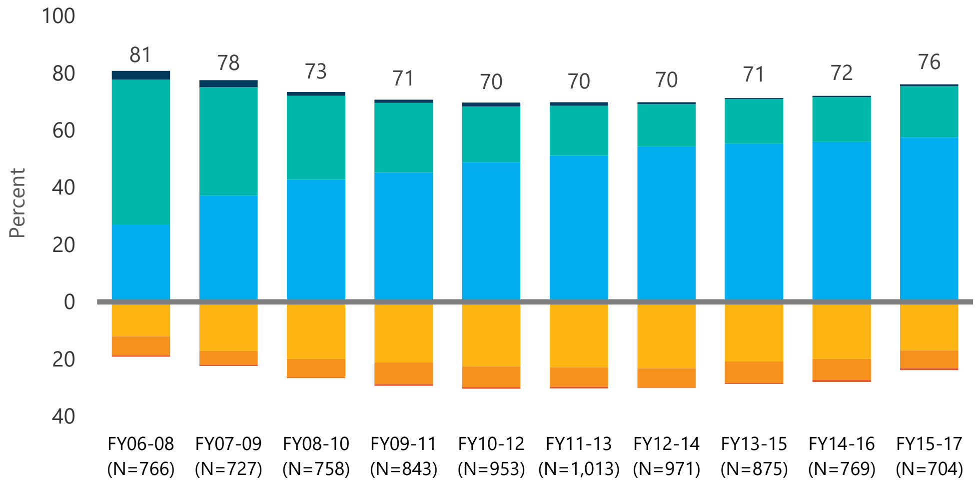
b. Percentage distribution of quality of supervision ratings of World Bank lending projects, by percentage of volume

Rating	FY06–08	FY07–09	FY08–10	FY09–11	FY10–12	FY11–13	FY12–14	FY13–15	FY14–16	FY15–17
Highly satisfactory *(%)*	8	7	6	5	5	4	3	2	2	3
Satisfactory *(%)*	63	59	52	44	38	40	43	46	45	43
Moderately satisfactory *(%)*	20	23	28	35	40	41	41	41	42	42
Moderately unsatisfactory *(%)*	6	9	12	12	11	10	9	8	8	10
Unsatisfactory *(%)*	3	2	2	5	6	5	4	3	3	3
Highly unsatisfactory *(%)*	0	0	0	0	0	0	0	0	0	0
Moderately satisfactory or above *(%)*	91	89	85	83	83	85	87	89	89	88
Total volume of projects with ratings *($, millions)*	55,208	50,490	59,511	73,740	86,238	92,074	87,182	86,433	77,345	71,539

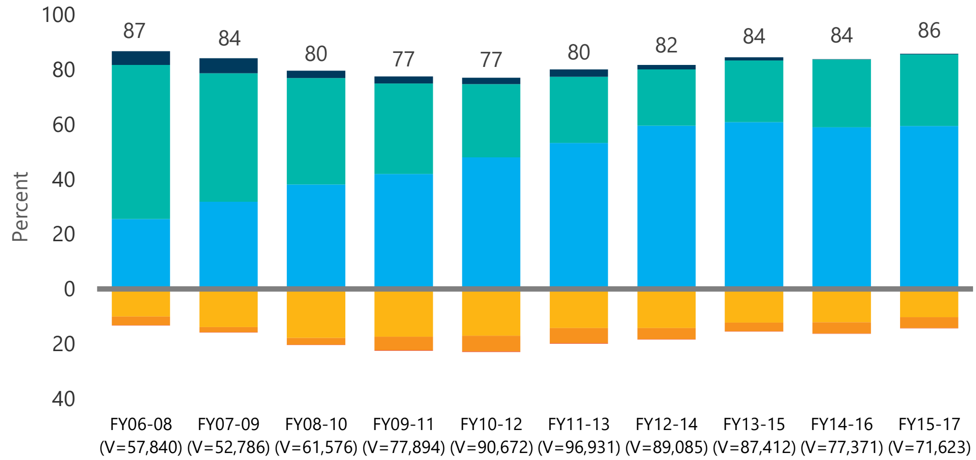
Source: World Bank Business Intelligence and Independent Evaluation Group World Bank project ratings data.
Note: FY = fiscal year (of project closing). All dollar amounts are U.S. dollars unless otherwise indicated.

Figure A.4. World Bank Projects: Bank Performance Ratings over Time, Three-Year Rolling

a. Bank performance ratings of World Bank lending projects, with the total percentage of projects rated MS+ indicated above each bar



b. Bank performance ratings of World Bank lending projects, with the total percentage of volume rated MS+ indicated above each bar



Source: World Bank Business Intelligence and Independent Evaluation Group World Bank project ratings data.
Note: FY = project closing fiscal year; MS+ = moderately satisfactory or above; V = total volume of projects ($, millions). All dollar amounts are U.S. dollars unless otherwise indicated.

Table A.4. World Bank Projects: Bank Performance Ratings over Time, Three-Year Rolling

a. Percentage distribution of Bank performance ratings of World Bank lending projects, by percentage of projects

Rating	FY06–08	FY07–09	FY08–10	FY09–11	FY10–12	FY11–13	FY12–14	FY13–15	FY14–16	FY15–17
Highly satisfactory *(%)*	3	2	1	1	1	1	1	0	0	1
Satisfactory *(%)*	51	38	29	24	20	17	15	16	16	18
Moderately satisfactory *(%)*	27	37	43	45	49	51	54	55	56	58
Moderately unsatisfactory *(%)*	12	17	20	21	23	23	23	21	20	17
Unsatisfactory *(%)*	7	5	6	8	7	7	7	8	7	6
Highly unsatisfactory *(%)*	1	0	0	0	1	0	0	0	1	1
Moderately satisfactory or above *(%)*	81	78	73	71	70	70	70	71	72	76
Projects with ratings *(no.)*	766	727	758	843	953	1013	971	875	769	704

b. Percentage distribution of Bank performance ratings of World Bank lending projects, by percentage of volume

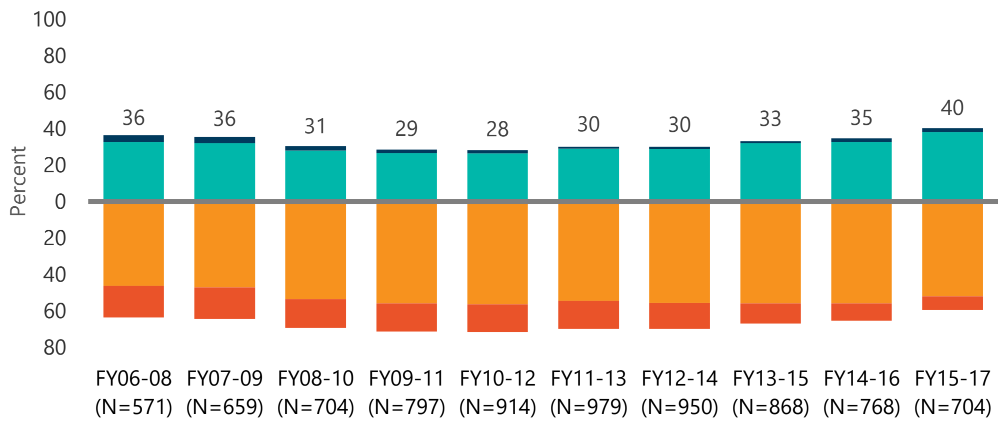
Rating	FY06–08	FY07–09	FY08–10	FY09–11	FY10–12	FY11–13	FY12–14	FY13–15	FY14–16	FY15–17
Highly satisfactory *(%)*	5	5	3	3	2	3	2	1	0	0
Satisfactory *(%)*	56	47	39	33	27	24	21	22	25	26
Moderately satisfactory *(%)*	26	32	38	42	48	53	60	61	59	59
Moderately unsatisfactory *(%)*	10	14	18	17	17	14	14	12	12	10
Unsatisfactory *(%)*	3	2	2	5	6	6	4	3	4	4
Highly unsatisfactory *(%)*	0	0	0	0	0	0	0	0	0	0
Moderately satisfactory or above *(%)*	87	84	80	77	77	80	82	84	84	86
Total volume of projects with ratings *($, millions)*	57,840	52,786	61,576	77,894	90,672	96,931	89,085	87,412	77,371	71,623

Source: World Bank Business Intelligence and Independent Evaluation Group World Bank project ratings data.
Note: FY = project closing fiscal year. All dollar amounts are U.S. dollars unless otherwise indicated.

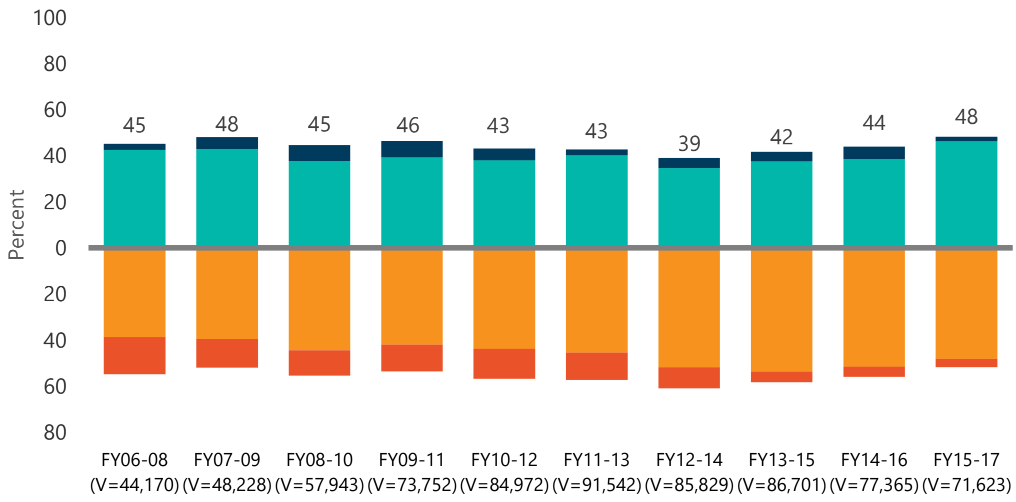
Figure A.5. World Bank Projects: Rating of Quality of Monitoring and Evaluation over Time, Three-Year Rolling

High Substantial Modest Negligible

a. M&E quality ratings of World Bank lending projects, with the total percentage of projects rated S+ indicated above each bar



b. M&E quality ratings of World Bank lending projects, with the total percentage of volume rated S+ indicated above each bar



Source: Independent Evaluation Group data.
Note: FY = fiscal year (of project closing); M&E = monitoring and evaluation; S+ = substantial or above; V = total volume of projects ($, millions). All dollar amounts are U.S. dollars unless otherwise indicated.

Table A.5. World Bank Projects: Quality of Monitoring and Evaluation Ratings over Time, Three-Year Rolling

a. Percentage distribution of M&E quality ratings of World Bank lending projects, by percentage of projects

Rating	FY06–08	FY07–09	FY08–10	FY09–11	FY10–12	FY11–13	FY12–14	FY13–15	FY14–16	FY15–17
High *(%)*	4	3	3	2	2	1	1	1	2	2
Substantial *(%)*	33	32	28	27	26	29	29	32	33	38
Modest *(%)*	46	47	54	56	56	55	56	56	56	52
Negligible *(%)*	17	17	16	16	15	15	14	11	10	8
Substantial or above *(%)*	36	36	31	29	28	30	30	33	35	40
Total *(no.)*	571	659	704	797	914	979	950	868	768	704

b. Percentage distribution of M&E quality ratings of World Bank lending projects, by percentage of volume ($, millions)

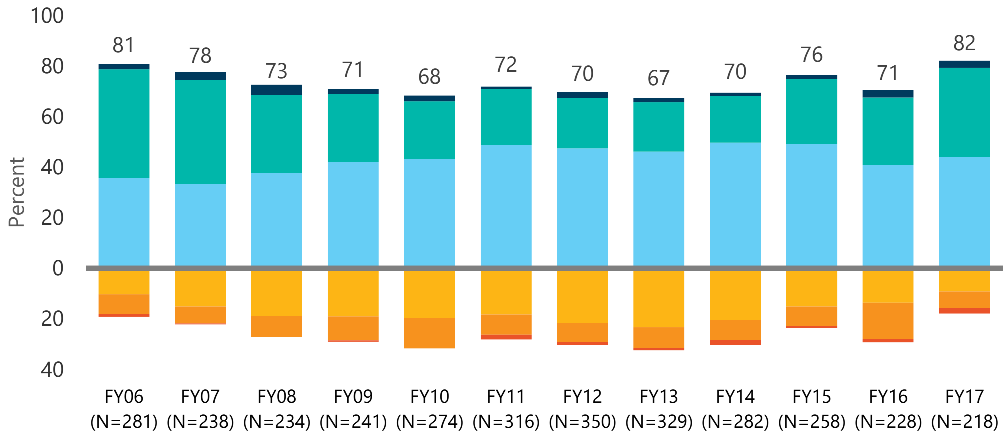
Rating	FY06–08	FY07–09	FY08–10	FY09–11	FY10–12	FY11–13	FY12–14	FY13–15	FY14–16	FY15–17
High *(%)*	3	5	7	7	5	3	4	4	5	2
Substantial *(%)*	43	43	38	39	38	40	35	38	39	46
Modest *(%)*	39	40	44	42	44	45	52	54	52	48
Negligible *(%)*	16	12	11	12	13	12	9	5	4	4
Substantial or above *(%)*	45	48	45	46	43	43	39	42	44	48
Total *(no.)*	44,170	48,228	57,943	73,752	84,972	91,542	85,829	86,701	77,365	71,623

Source: Independent Evaluation Group data.
Note: FY = fiscal year (of project closing); M&E = monitoring and evaluation. All dollar amounts are U.S. dollars unless otherwise indicated.

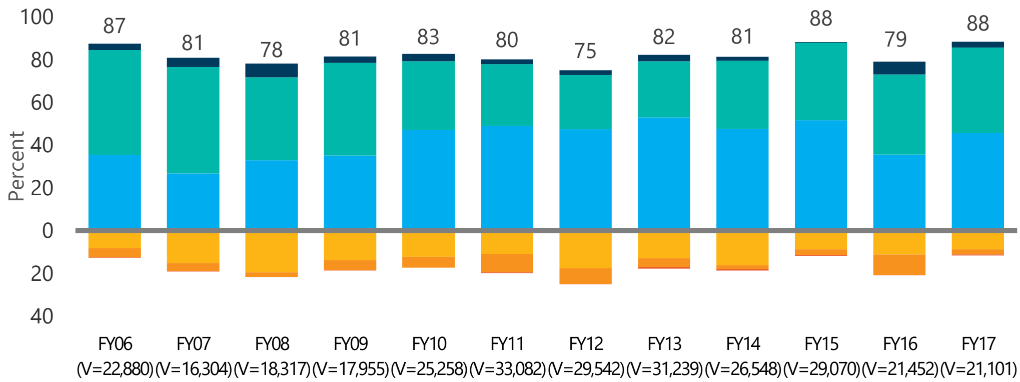
Figure A.6. World Bank Projects: Outcome Ratings over Time, Year by Year

Highly Satisfactory | Highly Unsatisfactory
Satisfactory | Unsatisfactory
Moderately Satisfactory | Moderately Unsatisfactory

a. Outcome ratings of World Bank lending projects, with the total percentage projects rated MS+ indicated above each bar



b. Outcome ratings of World Bank lending projects, with the total percentage of volume rated MS+ indicated above each bar



Source: *Source*: World Bank Business Intelligence and Independent Evaluation Group World Bank project ratings data.
Note: FY = fiscal year (of project closing); MS+ = moderately satisfactory or above; V = total volume of projects ($, millions). All dollar amounts are U.S. dollars unless otherwise indicated.

Table A.6. World Bank Projects: Outcome Ratings over Time, Year by Year

a. Percentage distribution of outcome ratings of World Bank lending projects, by percentage of projects

Rating	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17
Highly satisfactory *(%)*	2	3	4	2	2	1	2	2	1	2	3	3
Satisfactory *(%)*	43	41	31	27	23	22	20	19	18	26	27	35
Moderately satisfactory *(%)*	36	33	38	42	43	49	47	46	50	49	41	44
Moderately unsatisfactory *(%)*	10	15	19	19	20	18	22	23	21	15	14	9
Unsatisfactory *(%)*	8	7	9	10	12	8	7	8	8	8	14	6
Highly unsatisfactory *(%)*	1	0	0	0	0	2	1	1	2	1	1	2
Moderately satisfactory or above *(%)*	81	78	73	71	68	72	70	67	70	76	71	82
Projects with ratings *(no.)*	281	238	234	241	274	316	350	329	282	258	228	218

b. Percentage distribution of outcome ratings of World Bank lending projects, by percentage of volume

Rating	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17
Highly satisfactory *(%)*	3	4	7	3	3	2	2	3	2	0	6	3
Satisfactory *(%)*	49	50	39	43	32	29	25	26	32	36	38	40
Moderately satisfactory *(%)*	35	27	33	35	47	49	47	53	48	52	36	46
Moderately unsatisfactory *(%)*	8	15	20	14	12	11	18	13	16	9	11	9
Unsatisfactory *(%)*	4	4	2	5	5	9	7	4	2	3	10	2
Highly unsatisfactory *(%)*	0	0	0	0	0	0	0	1	1	0	0	0
Moderately satisfactory or above *(%)*	87	81	78	81	83	80	75	82	81	88	79	88
Total volume of projects with ratings *($, millions)*	22,880	16,304	18,317	17,955	25,258	33,082	29,542	31,239	26,548	29,070	21,452	21,101

Source: World Bank Business Intelligence and Independent Evaluation Group World Bank project ratings data.
Note: FY = fiscal year (of project closing). All dollar amounts are U.S. dollars unless otherwise indicated.

Figure A.7. World Bank Projects: Quality at Entry Ratings over Time, Year by Year

Source: World Bank Business Intelligence and Independent Evaluation Group World Bank project ratings data.
Note: FY = FY (of project closing); MS+ = moderately satisfactory or above; V = total volume of projects ($, millions). All dollar amounts are U.S. dollars unless otherwise indicated.

Table A.7. World Bank Projects: Quality at Entry Ratings over Time, Year by Year

a. Percentage distribution of quality at entry ratings of World Bank lending projects, by percentage of projects

Rating	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17
Highly satisfactory *(%)*	3	6	4	2	1	2	3	1	1	0	1	1
Satisfactory *(%)*	58	42	34	29	25	24	19	19	16	24	16	22
Moderately satisfactory *(%)*	18	27	37	39	36	34	37	39	40	41	44	44
Moderately unsatisfactory *(%)*	7	15	17	22	26	31	33	33	32	27	31	30
Unsatisfactory *(%)*	15	10	9	6	11	9	8	9	10	7	7	3
Highly unsatisfactory *(%)*	0	0	0	1	0	1	1	0	0	1	0	0
Moderately satisfactory or above *(%)*	78	74	75	70	63	59	59	58	58	65	61	66
Projects with ratings *(no.)*	280	239	235	236	267	319	346	331	281	258	228	217

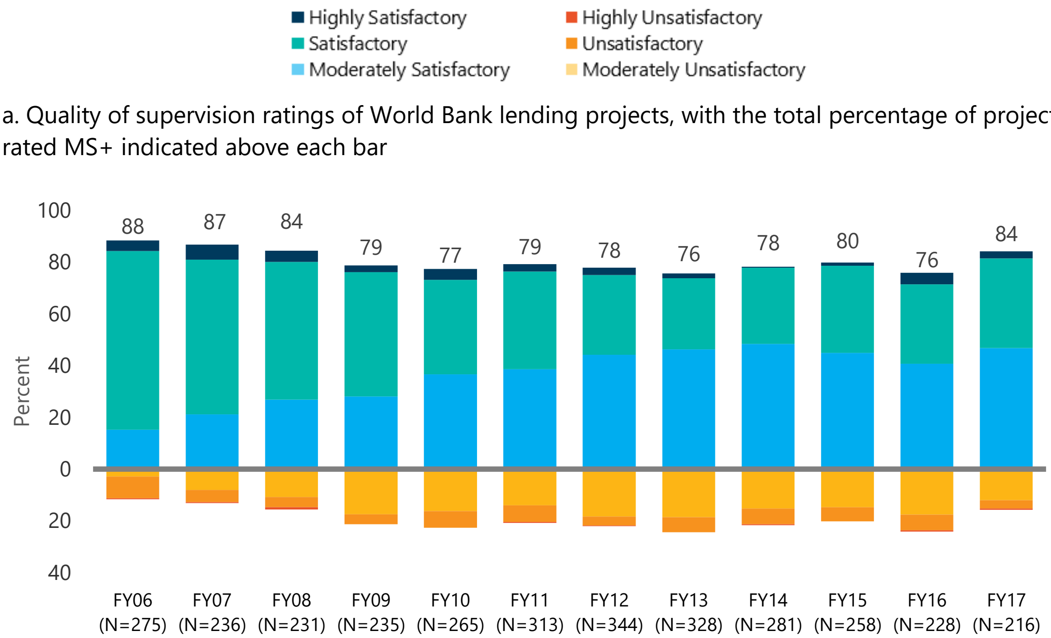
b. Percentage distribution of quality at entry ratings of World Bank lending projects, by percentage of volume

Rating	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17
Highly satisfactory *(%)*	3	12	5	4	4	3	6	2	2	0	0	1
Satisfactory *(%)*	63	50	45	45	33	36	24	23	21	37	28	23
Moderately satisfactory *(%)*	20	19	31	37	34	29	41	52	49	42	46	46
Moderately unsatisfactory *(%)*	8	12	15	11	22	24	22	19	24	17	18	28
Unsatisfactory *(%)*	7	7	3	3	7	8	6	4	4	3	8	2
Highly unsatisfactory *(%)*	0	0	0	0	0	0	0	0	0	0	0	0
Moderately satisfactory or above *(%)*	85	81	81	86	71	68	71	77	72	79	74	70
Total volume of projects with ratings *($, millions)*	22,474	16,084	18,128	17,321	24,854	34,168	29,820	30,791	26,823	29,070	21,452	21,072

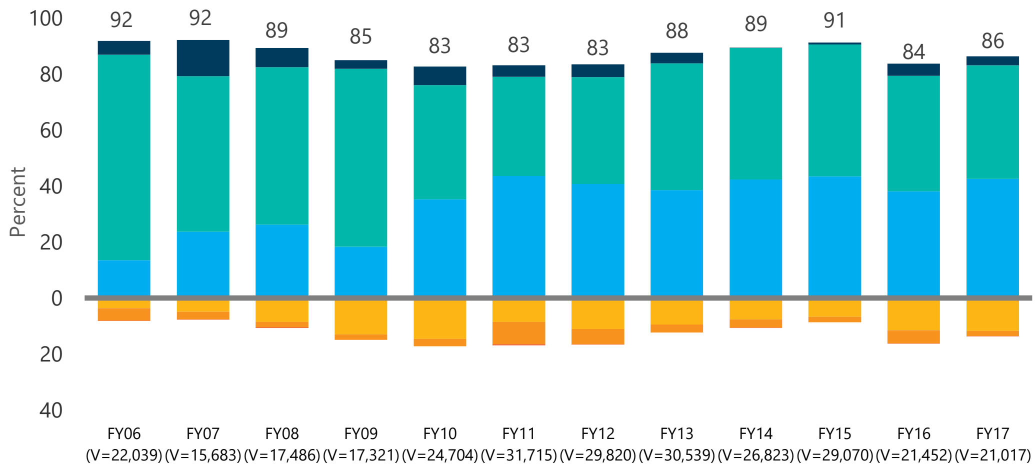
Source: World Bank Business Intelligence and Independent Evaluation Group World Bank project ratings data.
Note: FY = fiscal year (of project closing). All dollar amounts are U.S. dollars unless otherwise indicated.

Figure A.8. World Bank Projects: Quality of Supervision Ratings over Time, Year by Year

a. Quality of supervision ratings of World Bank lending projects, with the total percentage of projects rated MS+ indicated above each bar



b. Quality of supervision ratings of World Bank lending projects, with the total percentage of volume rated MS+ indicated above each bar



Source: World Bank Business Intelligence and Independent Evaluation Group World Bank project ratings data.
Note: FY = project closing fiscal year; MS+ = moderately satisfactory or above; V = total volume of projects ($, millions). All dollar amounts are U.S. dollars unless otherwise indicated.

Table A.8. World Bank Projects: Quality of Supervision Ratings over Time, Year by Year

a. Percentage distribution of quality of supervision ratings of World Bank lending projects, by percentage of projects

Rating	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17
Highly satisfactory *(%)*	4	6	4	3	4	3	3	2	0	1	4	3
Satisfactory *(%)*	69	60	53	48	37	38	31	27	30	34	31	35
Moderately satisfactory *(%)*	15	21	27	28	37	39	44	46	48	45	41	47
Moderately unsatisfactory *(%)*	3	8	11	17	16	14	18	19	15	15	18	12
Unsatisfactory *(%)*	8	5	4	4	6	6	3	6	6	5	6	3
Highly unsatisfactory *(%)*	0	0	1	0	0	0	0	0	0	0	0	0
Moderately satisfactory or above *(%)*	88	87	84	79	77	79	78	76	78	80	76	84
Projects with ratings *(no.)*	275	236	231	235	265	313	344	328	281	258	228	216

b. Percentage distribution of quality of supervision ratings of World Bank lending projects, by percentage of volume

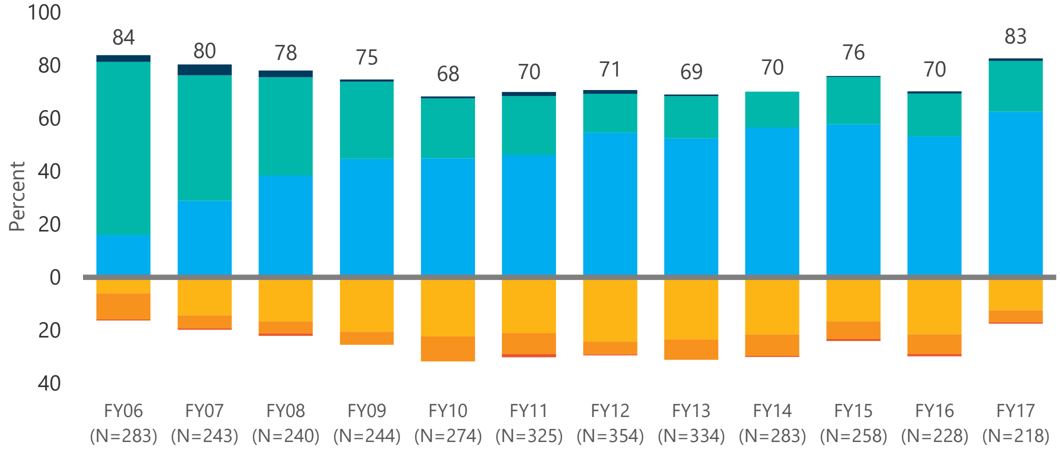
Rating	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17
Highly satisfactory *(%)*	5	13	7	3	7	4	5	4	0	1	4	3
Satisfactory *(%)*	73	56	56	64	41	35	38	45	47	47	41	41
Moderately satisfactory *(%)*	14	24	26	18	35	44	41	39	42	43	38	43
Moderately unsatisfactory *(%)*	4	5	9	13	15	8	11	9	8	7	11	12
Unsatisfactory *(%)*	4	3	2	2	3	8	5	3	3	2	5	2
Highly unsatisfactory *(%)*	0	0	0	0	0	0	0	0	0	0	0	0
Moderately satisfactory or above *(%)*	92	92	89	85	83	83	83	88	89	91	84	86
Total volume of projects with ratings *($, millions)*	22,039	15,683	17,486	17,321	24,704	31,715	29,820	30,539	26,823	29,070	21,452	21,017

Source: World Bank Business Intelligence and Independent Evaluation Group World Bank project ratings data.
Note: FY = fiscal year (of project closing). All dollar amounts are U.S. dollars unless otherwise indicated.

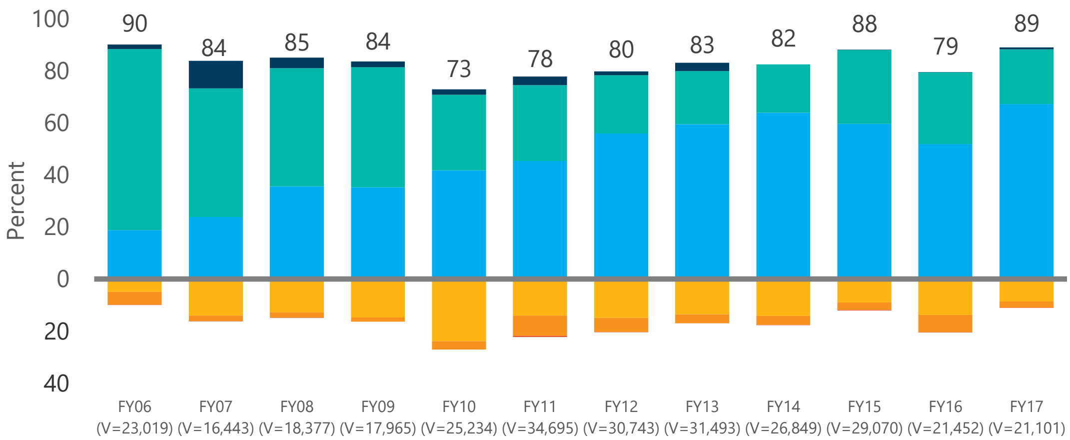
Figure A.9. World Bank Projects: Bank Performance Ratings over Time, Year by Year

Highly Satisfactory
Satisfactory
Moderately Satisfactory
Highly Unsatisfactory
Unsatisfactory
Moderately Unsatisfactory

a. Bank performance ratings of World Bank lending projects, with the total percentage of projects rated MS+ indicated above each bar



b. Bank performance ratings of World Bank lending projects, with the total percentage of volume rated MS+ indicated above each bar



Source: World Bank Business Intelligence and Independent Evaluation Group World Bank project ratings data.
Note: FY = fiscal year (of project closing); MS+ = moderately satisfactory or above; V = total volume of projects ($, millions). All dollar amounts are U.S. dollars unless otherwise indicated.

Table A.9. World Bank Projects: Bank Performance Ratings over Time, Year by Year

a. Percentage distribution of Bank performance ratings of World Bank lending projects, by percentage of projects

Rating	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15
Highly satisfactory *(%)*	2	4	3	1	1	2	1	1	0	0
Satisfactory *(%)*	65	47	37	29	23	22	15	16	13	18
Moderately satisfactory *(%)*	16	29	38	45	45	46	55	52	57	58
Moderately unsatisfactory *(%)*	6	14	17	20	22	21	24	23	22	17
Unsatisfactory *(%)*	10	5	5	5	9	8	5	8	8	7
Highly unsatisfactory *(%)*	0	0	1	0	0	1	0	0	0	1
Moderately satisfactory or above *(%)*	84	80	78	75	68	70	71	69	70	76
Projects with ratings *(no.)*	283	243	240	244	274	325	354	334	283	258

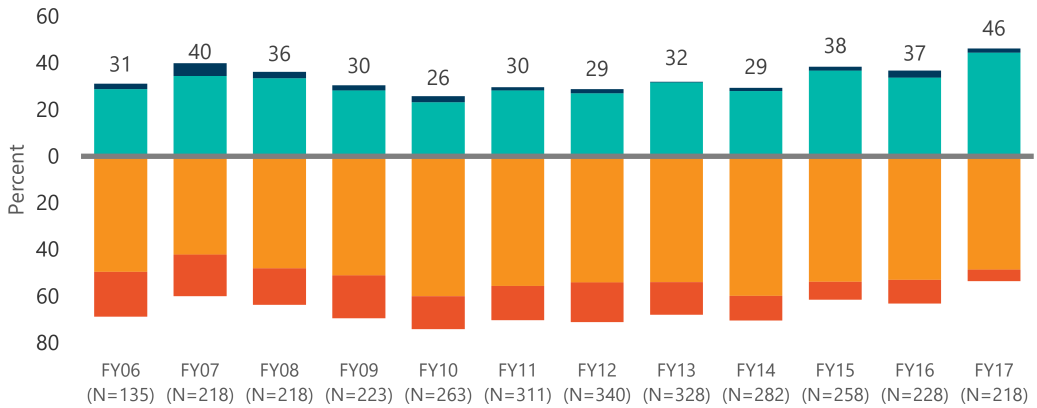
b. Percentage distribution of Bank performance ratings of World Bank lending projects, by percentage of volume

Rating	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15
Highly satisfactory *(%)*	2	11	4	2	2	3	2	3	0	0
Satisfactory *(%)*	70	49	45	46	29	29	22	20	19	28
Moderately satisfactory *(%)*	19	24	36	35	42	45	56	59	64	60
Moderately unsatisfactory *(%)*	5	14	13	15	24	14	15	14	14	9
Unsatisfactory *(%)*	5	2	2	2	3	8	5	3	3	3
Highly unsatisfactory *(%)*	0	0	0	0	0	1	0	0	0	0
Moderately satisfactory or above *(%)*	90	84	85	84	73	78	80	83	82	88
Total volume of projects with ratings *($, millions)*	23,019	16,443	18,377	17,965	25,234	34,695	30,743	31,493	26,849	29,070

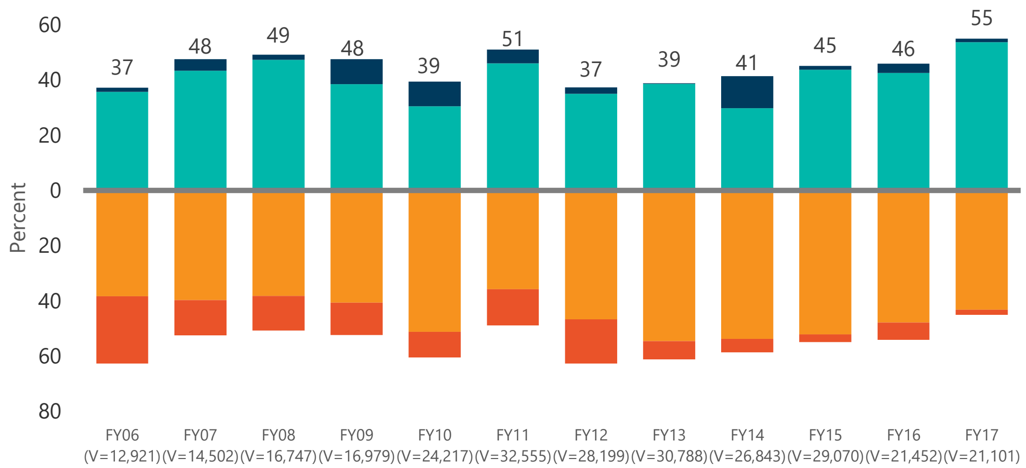
Source: World Bank Business Intelligence and Independent Evaluation Group World Bank project ratings data.
Note: FY = fiscal year (of project closing). All dollar amounts are U.S. dollars unless otherwise indicated.

Figure A.10. World Bank Projects: Ratings of Quality of Monitoring and Evaluation over Time, Year by Year

a. M&E quality ratings of World Bank lending projects, with the total percentage rated S+ indicated above each bar



b. M&E quality ratings of World Bank lending projects, with the total percentage rated S+ indicated above each bar



Source: World Bank Business Intelligence and Independent Evaluation Group World Bank project ratings data.
Note: FY = fiscal year (of project closing); M&E = monitoring and evaluation; S+ = substantial or above; V = total volume of projects ($, millions). All dollar amounts are U.S. dollars unless otherwise indicated.

Table A.10. World Bank Projects: Ratings of Quality of Monitoring and Evaluation over Time, Year by Year

a. Percentage distribution of M&E quality ratings of World Bank lending projects, by percentage of projects

Rating	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17
High *(%)*	2	6	3	2	3	1	2	0	1	2	3	2
Substantial *(%)*	29	34	33	28	23	28	27	32	28	37	34	44
Modest *(%)*	50	42	48	51	60	56	54	54	60	54	53	49
Negligible *(%)*	19	18	16	18	14	15	17	14	11	8	10	5
Substantial or above *(%)*	31	40	36	30	26	30	29	32	29	38	37	46
Projects with ratings *(no.)*	135	218	218	223	263	311	340	328	282	258	228	218

b. Percentage distribution of M&E quality ratings of World Bank lending projects, by percentage of volume

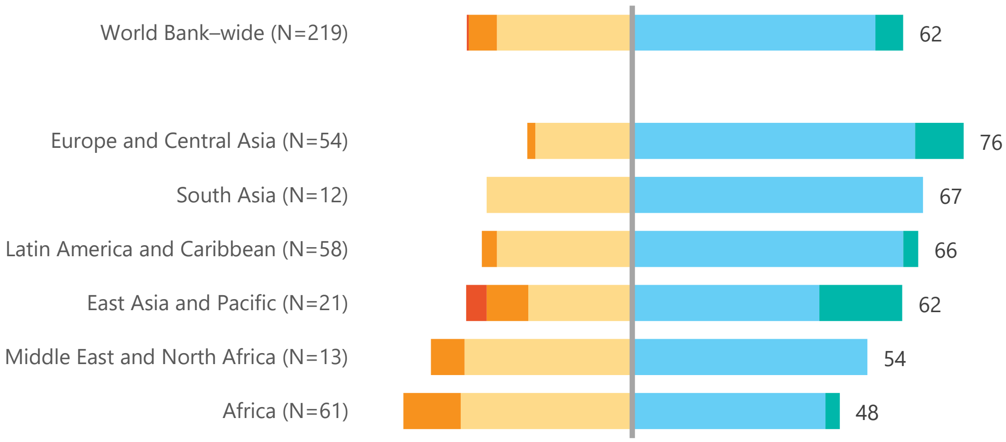
Rating	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17
High *(%)*	2	4	2	9	9	5	2	0	12	1	3	1
Substantial *(%)*	36	43	47	39	31	46	35	39	30	44	43	54
Modest *(%)*	38	40	38	41	51	36	47	55	54	52	48	43
Negligible *(%)*	24	13	13	12	9	13	16	7	5	3	6	2
Substantial or above *(%)*	37	48	49	48	39	51	37	39	41	45	46	55
Total volume of projects with ratings *($, millions)*	12,921	14,502	16,747	16,979	24,217	32,555	28,199	30,788	26,843	29,070	21,452	21,101

Source: World Bank Business Intelligence and Independent Evaluation Group World Bank project ratings data.
Note: FY = fiscal year (of project closing); M&E = monitoring and evaluation. All dollar amounts are U.S. dollars unless otherwise indicated.

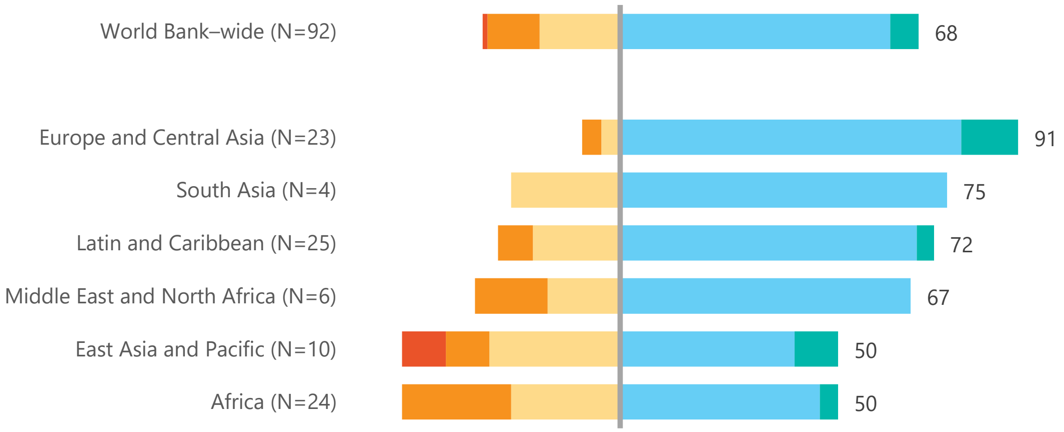
Figure A.11. Country Strategy Development Outcome Ratings, by Region

■ Highly Unsatisfactory ■ Unsatisfactory ■ Moderately Unsatisfactory ■ Moderately Satisfactory ■ Satisfactory

a. Percentage distribution of development outcome ratings in CLR reviews, with the total percentage rated moderately satisfactory or above indicated on the right, FY07–18



b. Percentage distribution of development outcome ratings in CLR reviews, with the total percentage rated moderately satisfactory or above indicated on the right, FY14–18



Source: Independent Evaluation Group Completion and Learning Review ratings data.
Note: CLR = Completion and Learning Review; FY = fiscal year; N = number of CLRs.

Table A.11. Country Strategy Development Outcome Ratings, by Region (percent)

a. Percentage distribution of development outcome ratings in CLR reviews, FY07–18

Region	Highly Unsatisfactory	Unsatisfactory	Moderately Unsatisfactory	Moderately Satisfactory	Satisfactory	MS+
World Bank–wide (N = 219)	0	6	31	56	6	62
Europe and Central Asia (N = 54)	0	2	22	65	11	76
South Asia (N = 12)	0	0	33	67	0	67
Latin America and Caribbean (N = 58)	0	3	31	62	3	66
East Asia and Pacific (N = 21)	5	10	24	43	19	62
Middle East and North Africa (N = 13)	0	8	38	54	0	54
Africa (N = 61)	0	13	39	44	3	48

b. Percentage distribution of development outcome ratings in CLR reviews, FY14–18

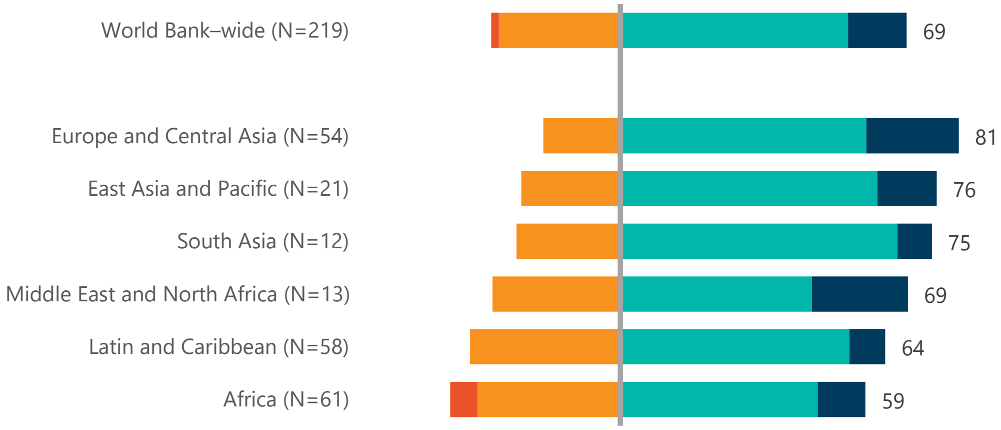
Region	Highly Unsatisfactory	Unsatisfactory	Moderately Unsatisfactory	Moderately Satisfactory	Satisfactory	MS+
World Bank–wide (N = 92)	1	12	18	62	7	68
Europe and Central Asia (N = 23)	0	4	4	78	13	91
South Asia (N = 4)	0	0	25	75	0	75
Latin America and Caribbean (N = 25)	0	8	20	68	4	72
Middle East and North Africa (N = 6)	0	17	17	67	0	67
East Asia and Pacific (N = 10)	10	10	30	40	10	50
Africa (N = 24)	0	25	25	46	4	50

Source: Independent Evaluation Group Completion and Learning Review ratings data.
Note: CLR = Completion and Learning Review; FY = fiscal year; MS+ = moderately satisfactory or above; N = number of CLRs.

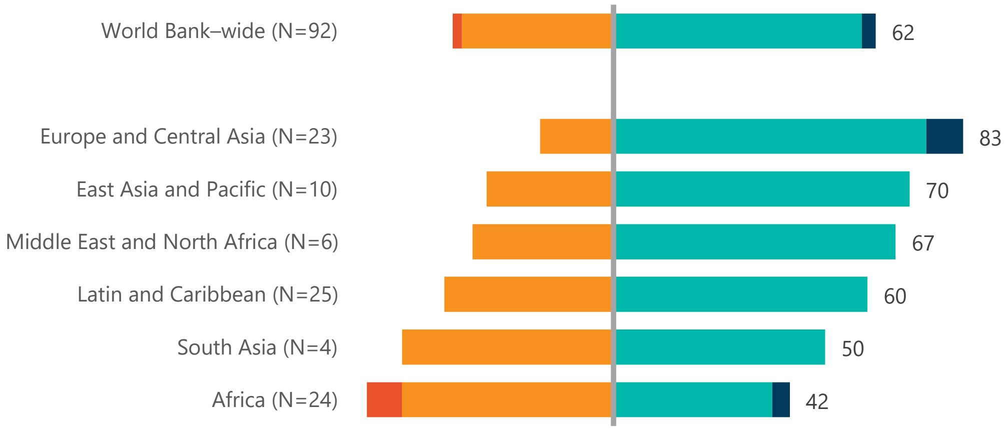
Figure A.12. Country Strategy World Bank Group Performance Ratings, by Region

Poor Fair Good Superior

a. Percentage distribution of World Bank Group performance ratings in CLR reviews, with the total percentage rated good or superior indicated on the right, FY07–18



b. Percentage distribution of World Bank Group performance ratings in CLR reviews, with the total percentage rated good or superior indicated on the right, FY14–18



Source: Independent Evaluation Group Completion and Learning Review ratings data.
Note: CLR = Completion and Learning Review; FY = fiscal year; N = number of CLRs.

Table A.12. Country Strategy World Bank Group Performance Ratings, by Region (percent)

a. Percentage distribution of World Bank Group performance ratings in CLR reviews, FY07–18

Region	Poor	Fair	Good	Superior	GS
World Bank–wide (N = 219)	2	29	55	14	69
Europe and Central Asia (N = 54)	0	19	59	22	81
East Asia and Pacific (N = 21)	0	24	62	14	76
South Asia (N = 12)	0	25	67	8	75
Middle East and North Africa (N = 13)	0	31	46	23	69
Latin and Caribbean (N = 58)	0	36	55	9	64
Africa (N = 61)	7	34	48	11	59

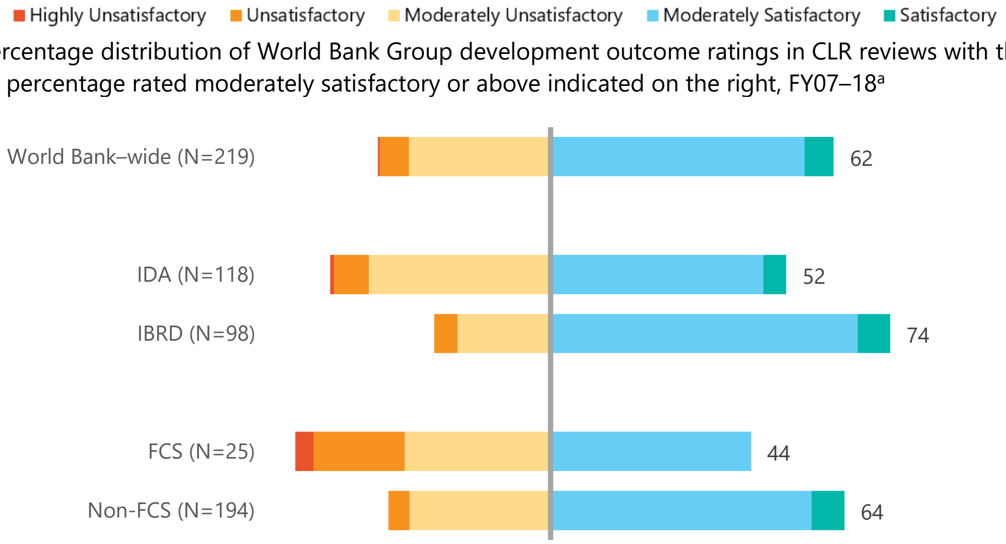
b. Percentage distribution of World Bank Group performance ratings in CLR reviews, FY14–18

Region	Poor	Fair	Good	Superior	GS
World Bank–wide (N = 92)	2	36	59	3	62
Europe and Central Asia (N = 23)	0	17	74	9	83
East Asia and Pacific (N = 10)	0	30	70	0	70
Middle East and North Africa (N = 6)	0	33	67	0	67
Latin and Caribbean (N = 25)	0	40	60	0	60
South Asia (N = 4)	0	50	50	0	50
Africa (N = 24)	8	50	38	4	42

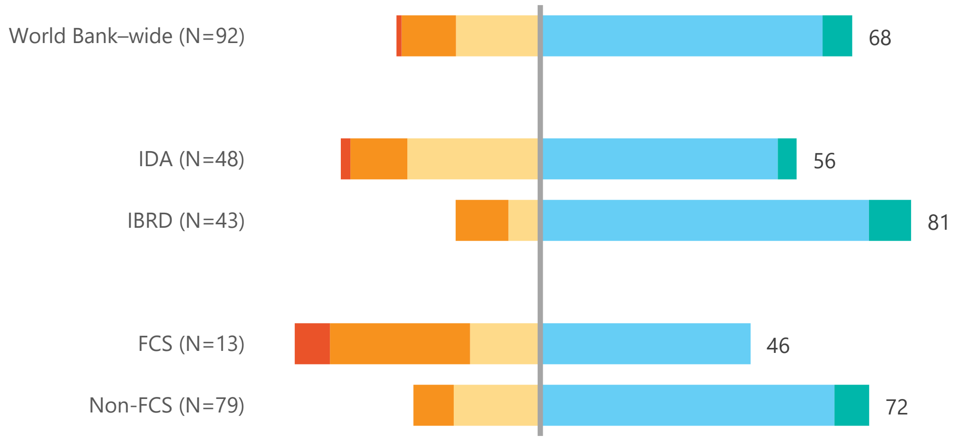
Source: Independent Evaluation Group Completion and Learning Review ratings data.
Note: CLR = Completion and Learning Review; FY = fiscal year; GS = good or superior; N = number of CLRs.

Figure A.13. Country Strategy Development Outcome Ratings, by Lending Category

a. Percentage distribution of World Bank Group development outcome ratings in CLR reviews with the total percentage rated moderately satisfactory or above indicated on the right, FY07–18[a]



b. Percentage distribution of World Bank Group development outcome ratings in CLR reviews, with the total percentage rated moderately satisfactory or above indicated on the right, FY14–18[a]



Source: Independent Evaluation Group Completion and Learning Review ratings data.
Note: CLR = Completion and Learning Review; FCS = fragile and conflict-affected situation; FY = fiscal year; IBRD = International Bank for Reconstruction and Development; IDA = International Development Association; N = number of CLRs.
[a] The total number of IBRD and IDA country results is one less than the total number of CLR reviews because Antigua and Barbuda are categorized as Other in the World Bank lending category.

Table A.13. Country Strategy Development Outcome Ratings, by Lending Category (percent)

a. Percentage distribution of World Bank Group development outcome ratings in CLR reviews, FY07–18

Lending Category	Highly Unsatisfactory	Unsatisfactory	Moderately Unsatisfactory	Moderately Satisfactory	Satisfactory	MS+
World Bank–wide (N = 219)	0	6	31	56	6	62
IDA (N = 118)	1	8	40	47	5	52
IBRD (N = 98)	0	5	20	67	7	74
FCS (N = 25)	4	20	32	44	0	44
Non-FCS (N = 194)	0	5	31	57	7	64

b. Percentage distribution of development outcome ratings in CLR reviews, FY14–18

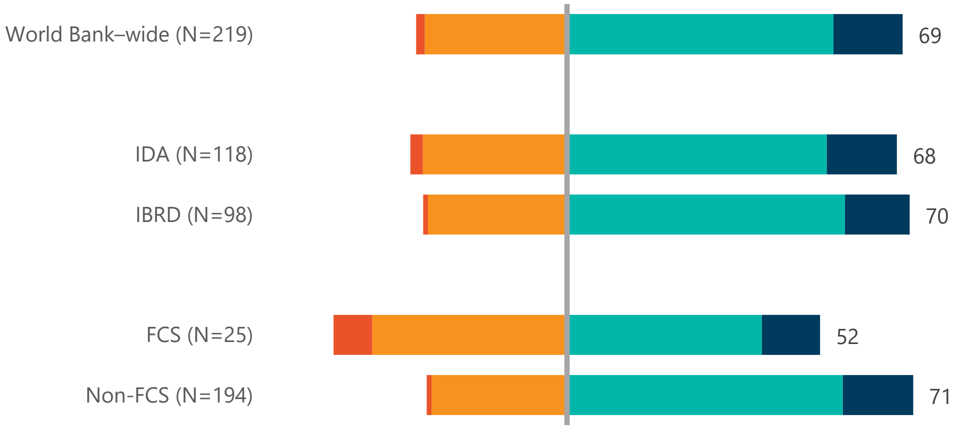
Lending Category	Highly Unsatisfactory	Unsatisfactory	Moderately Unsatisfactory	Moderately Satisfactory	Satisfactory	MS+
World Bank–wide (N = 92)	1	12	18	62	7	68
IDA (N = 48)	2	13	29	52	4	56
IBRD (N = 43)	0	12	7	72	9	81
FCS (N = 13)	8	31	15	46	0	46
Non-FCS (N = 79)	0	9	19	65	8	72

Source: Independent Evaluation Group Completion and Learning Review ratings data.
Note: CLR = Completion and Learning Review; FCS = fragile and conflict-affected situation; IBRD = International Bank for Reconstruction and Development; IDA = International Development Association; MS+ = moderately satisfactory or above; N = number of CLRs.

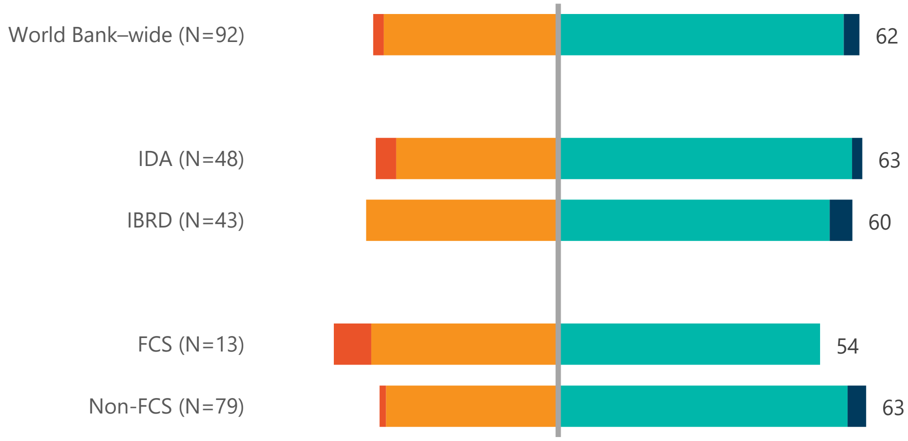
Figure A.14. Country Strategy World Bank Group Performance Ratings, by Lending Category

Poor Fair Good Superior

a. Percentage distribution of World Bank Group performance ratings in CLR reviews, with the total percentage good or superior indicated on the right, FY07-18



b. Percentage distribution of World Bank group performance ratings in CLR reviews, with the total percentage rated good or superior indicated on the right, FY14–18



Source: Independent Evaluation Group Completion and Learning Review ratings data.
Note: CLR = Completion and Learning Review; FCS = fragile and conflict-affected situation; IBRD = International Bank for Reconstruction and Development; IDA = International Development Association; N = number of CLRs.

Table A.14. Country Strategy World Bank Group Performance Ratings, by Lending Category

a. Percentage distribution of World Bank Group performance ratings in CLR reviews, FY07–18

Lending Category	Poor	Fair	Good	Superior	GS
World Bank–wide (N = 219)	2	29	55	14	69
IDA (N = 118)	3	30	53	14	68
IBRD (N = 98)	1	29	57	13	70
FCS (N = 25)	8	40	40	12	52
Non-FCS (N = 194)	8	28	57	14	71

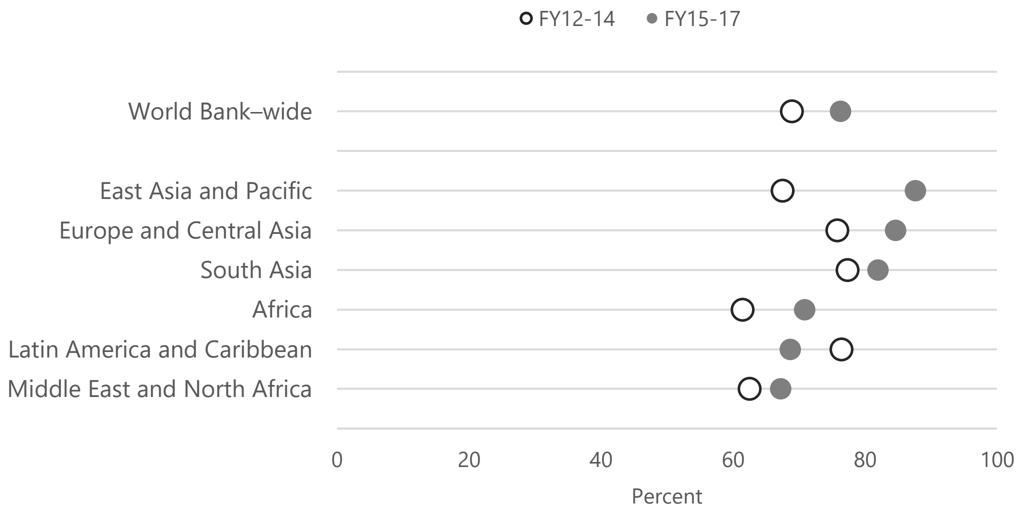
b. Percentage distribution of World Bank group performance ratings in CLR reviews, FY14–18

Lending Category	Poor	Fair	Good	Superior	GS
World Bank–wide (N = 92)	2	36	59	3	62
IDA (N = 48)	4	33	60	2	63
IBRD (N = 43)	0	40	56	5	60
FCS (N = 13)	8	38	54	0	54
Non-FCS (N = 79)	1	34	59	4	63

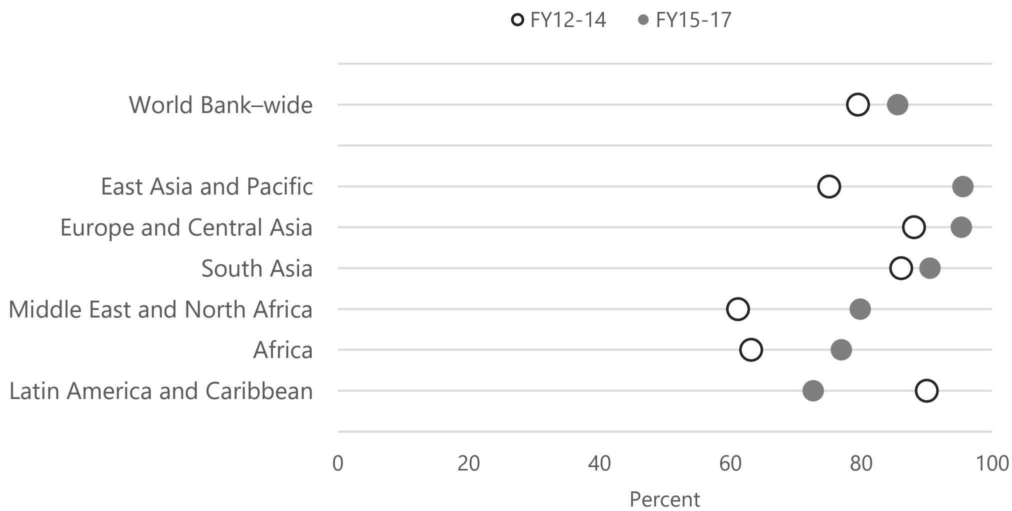
Source: Independent Evaluation Group Completion and Learning Review ratings data.
Note: CLR = Completion and Learning Review; FCS = fragile and conflict-affected situation; IBRD = International Bank for Reconstruction and Development; IDA = International Development Association; GS = good or superior; N = number of CLR reviews.

Figure A.15. World Bank Projects: Outcome Ratings, by Region[a]

a. Projects rated moderately satisfactory or above, by number



b. Projects rated moderately satisfactory or above, by volume



Source: World Bank Business Intelligence and Independent Evaluation Group World Bank project ratings data.
Note: FY = fiscal year (of project closing).
[a] World Bank–wide includes projects not tagged to a region.

Table A.15. World Bank Projects: Outcome Ratings, by Region

a. Projects rated moderately satisfactory or above, by number

Region	Projects Rated MS+ FY12–14 *(%)*	FY15–17 *(%)*	FY12–14 *(no.)*	FY15–17 *(no.)*
World Bank–wide[a]	69	76	961	704
East Asia and Pacific	67	88	163	121
Europe and Central Asia	76	85	157	104
South Asia	77	82	97	83
Africa	61	71	306	199
Latin America and the Caribbean	76	69	157	134
Middle East and North Africa	63	67	80	61

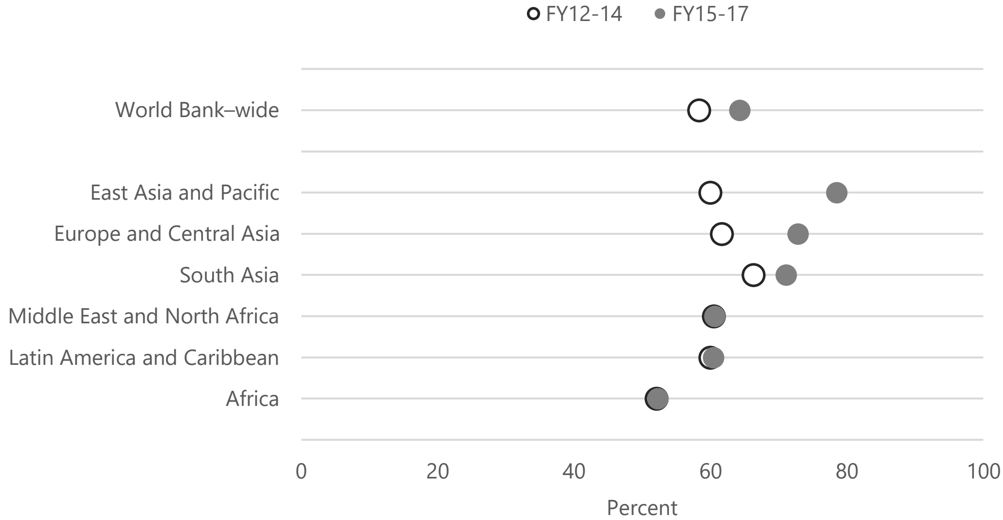
b. Projects rated moderately satisfactory or above, by volume

Region	Projects Rated MS+ FY12–14 *(%)*	FY15–17 *(%)*	FY12–14 *($, millions)*	FY15–17 *($, millions)*
World Bank–wide[a]	80	86	87,329	71,623
East Asia and Pacific	75	96	17,662	12,672
Europe and Central Asia	88	95	13,247	14,574
South Asia	86	91	13,995	11,927
Middle East and North Africa	61	80	5,425	4,185
Africa	63	77	15,433	14,190
Latin America and the Caribbean	90	73	21,562	14,060

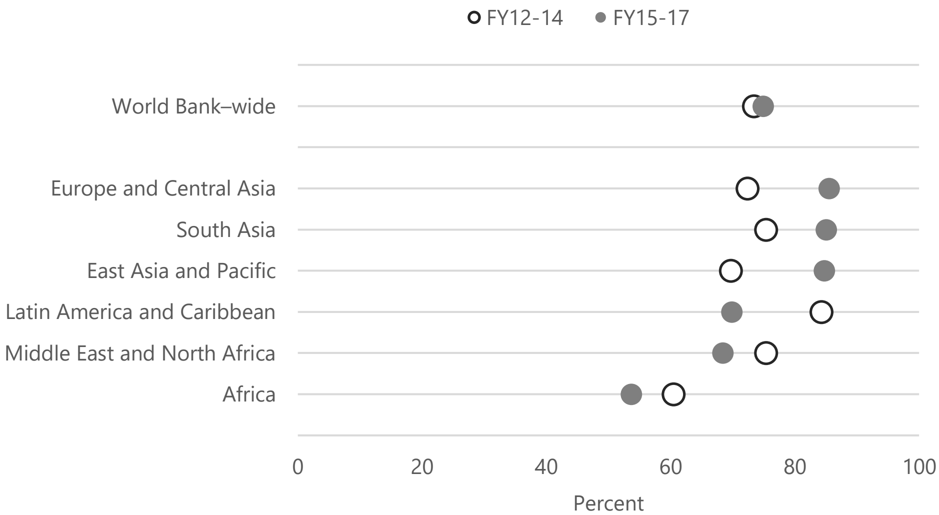
Source: World Bank Business Intelligence and Independent Evaluation Group World Bank project ratings data.
Note: FY = fiscal year (of project closing); MS+ = moderately satisfactory or above.
[a] World Bank–wide includes projects not tagged to a region.

Figure A.16. World Bank Projects: Quality at Entry Ratings, by Region[a]

a. Projects rated moderately satisfactory or above, by number



b. Projects rated moderately satisfactory or above, by volume



Source: World Bank Business Intelligence and Independent Evaluation Group World Bank project ratings data.

Note: FY = fiscal year (of project closing).

[a] World Bank–wide includes projects not tagged to a region.

Table A.16. World Bank Projects: Quality at Entry Ratings, by Region

a. Projects rated moderately satisfactory or above, by number

Region	Projects Rated MS+ FY12–14 (%)	FY15–17 (%)	FY12–14 (no.)	FY15–17 (no.)
World Bank–wide[a]	58	64	958	703
East Asia and Pacific	60	79	160	121
Europe and Central Asia	62	73	154	103
South Asia	66	71	95	83
Africa	60	61	81	61
Latin America and the Caribbean	60	60	160	134
Middle East and North Africa	52	52	307	199

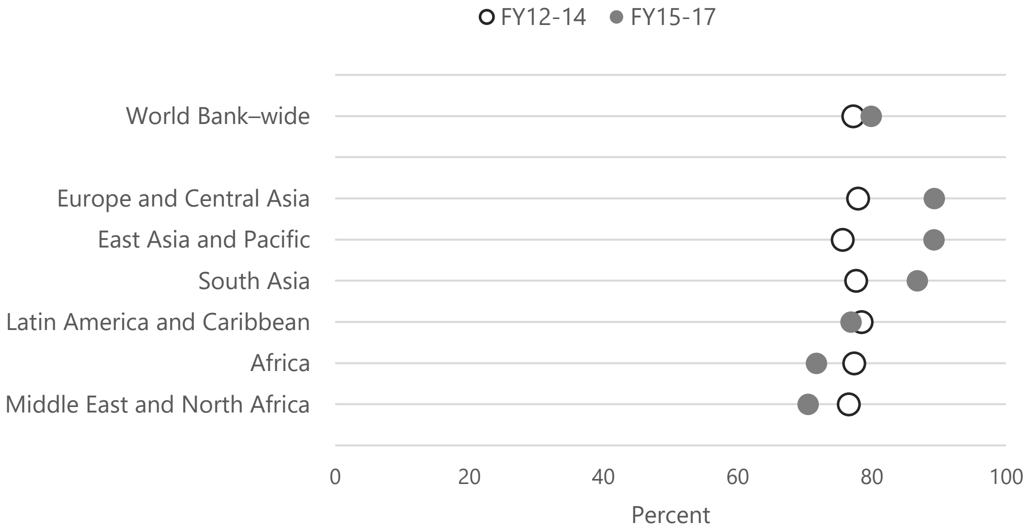
b. Projects rated moderately satisfactory or above, by volume

Region	Projects Rated MS+ FY12–14 (%)	FY15–17 (%)	FY12–14 ($, millions)	FY15–17 ($, millions)
World Bank–wide[a]	73	75	87,435	71,594
East Asia and Pacific	72	85	13,030	14,545
Europe and Central Asia	75	85	14,685	11,927
South Asia	70	85	17,062	12,672
Africa	84	70	21,857	14,060
Latin America and the Caribbean	75	68	5,425	4,185
Middle East and North Africa	60	54	15,370	14,190

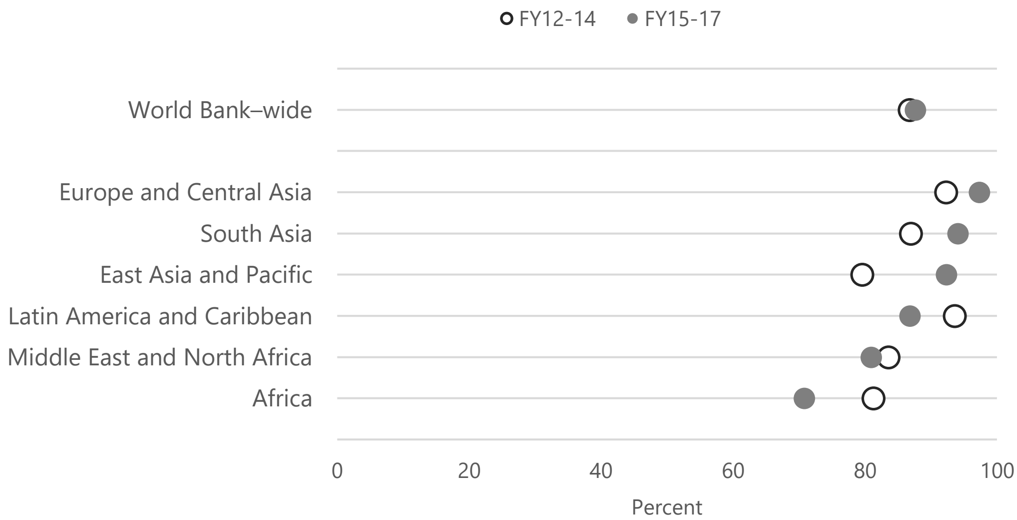
Source: World Bank Business Intelligence and Independent Evaluation Group World Bank project ratings data.
Note: FY = Fiscal year (of project closing); MS+ = moderately satisfactory or above.
[a] World Bank–wide includes projects not tagged to a region.

Figure A.17. World Bank Projects: Quality of Supervision Ratings, by Region[a]

a. Projects rated moderately satisfactory or above, by number



b. Projects rated moderately satisfactory or above, by volume



Source: World Bank Business Intelligence and Independent Evaluation Group World Bank project ratings data.
Note: FY = fiscal year (of project closing).
[a] World Bank–wide includes projects not tagged to a region.

Table A.17. World Bank Projects: Quality of Supervision Ratings, by Region

a. Projects rated moderately satisfactory or above, by number

Region	Projects Rated MS+ FY12–14 *(%)*	FY15–17 *(%)*	FY12–14 *(no.)*	FY15–17 *(no.)*
World Bank–wide[a]	77	80	953	702
East Asia and Pacific	78	89	154	103
Europe and Central Asia	76	89	160	121
South Asia	78	87	94	83
Africa	78	77	158	134
Latin America and the Caribbean	77	72	305	198
Middle East and North Africa	77	70	81	61

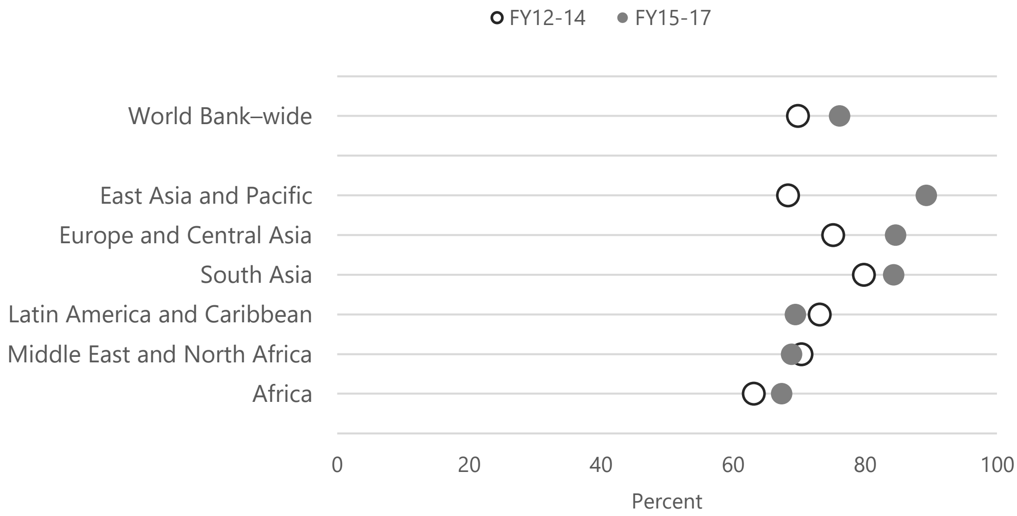
b. Projects rated moderately satisfactory or above, by volume

Region	Projects Rated MS+ FY12–14 *(%)*	FY15–17 *(%)*	FY12–14 *($, millions)*	FY15–17 *($, millions)*
World Bank–wide[a]	87	88	87,182	71,539
East Asia and Pacific	92	97	13,030	14,545
Europe and Central Asia	87	94	14,435	11,927
South Asia	80	92	17,062	12,672
Africa	94	87	21,856	14,060
Latin America and the Caribbean	84	81	5,425	4,185
Middle East and North Africa	81	71	15,368	14,135

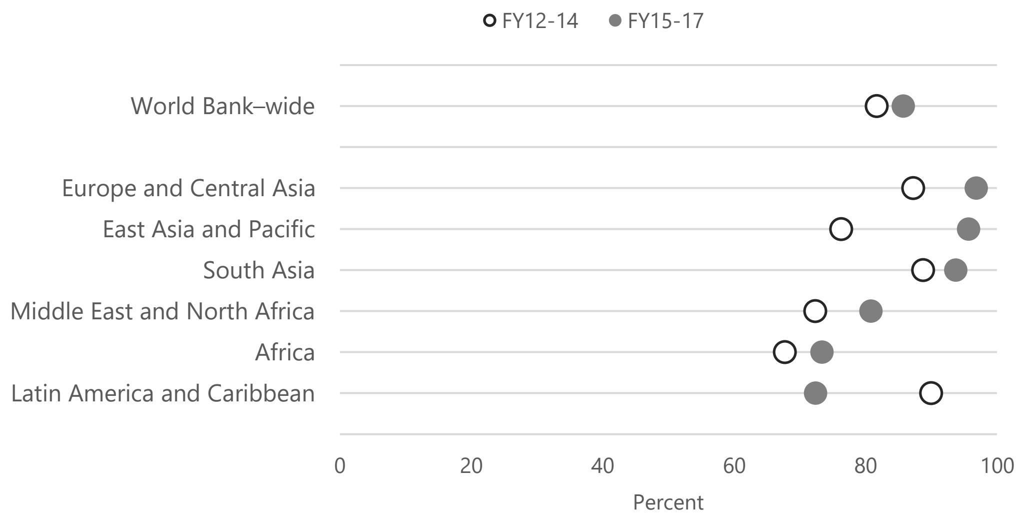
Source: World Bank Business Intelligence and Independent Evaluation Group World Bank project ratings data.
Note: FY = fiscal year (of project closing).
[a] World Bank–wide includes projects not tagged to a region.

Figure A.18. World Bank Projects: Bank Performance Ratings, by Region[a]

a. Projects rated moderately satisfactory or above, by number



b. Projects rated moderately satisfactory or above, by volume



Source: World Bank Business Intelligence and Independent Evaluation Group World Bank project ratings data.
Note: FY = fiscal year (of project closing).
[a] World Bank-wide includes projects not tagged to a region.

Table A.18. World Bank Projects: Bank Performance Ratings, by Region

a. Projects rated moderately satisfactory or above, by number

Region	Projects Rated MS+ FY12–14 (%)	FY15–17 (%)	FY12–14 (no.)	FY15–17 (no.)
World Bank–wide[a]	70	76	971	704
East Asia and Pacific	68	89	164	121
Europe and Central Asia	75	85	157	104
South Asia	80	84	99	83
Africa	73	69	160	134
Latin America and the Caribbean	70	69	81	61
Middle East and North Africa	63	67	309	199

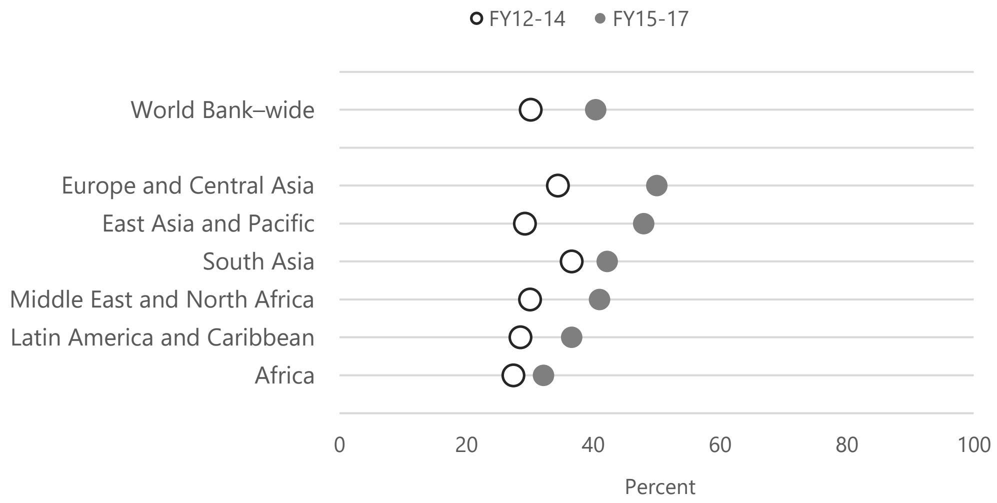
b. Projects rated moderately satisfactory or above, by volume

Region	Projects Rated MS+ FY12–14 (%)	FY15–17 (%)	FY12–14 ($, millions)	FY15–17 ($, millions)
World Bank–wide[a]	82	86	89,085	71,623
East Asia and Pacific	87	97	13,247	14,574
Europe and Central Asia	76	96	17,662	12,672
South Asia	89	94	15,445	11,927
Africa	72	81	5,425	4,185
Latin America and the Caribbean	68	73	15,437	14,190
Middle East and North Africa	90	72	21,864	14,060

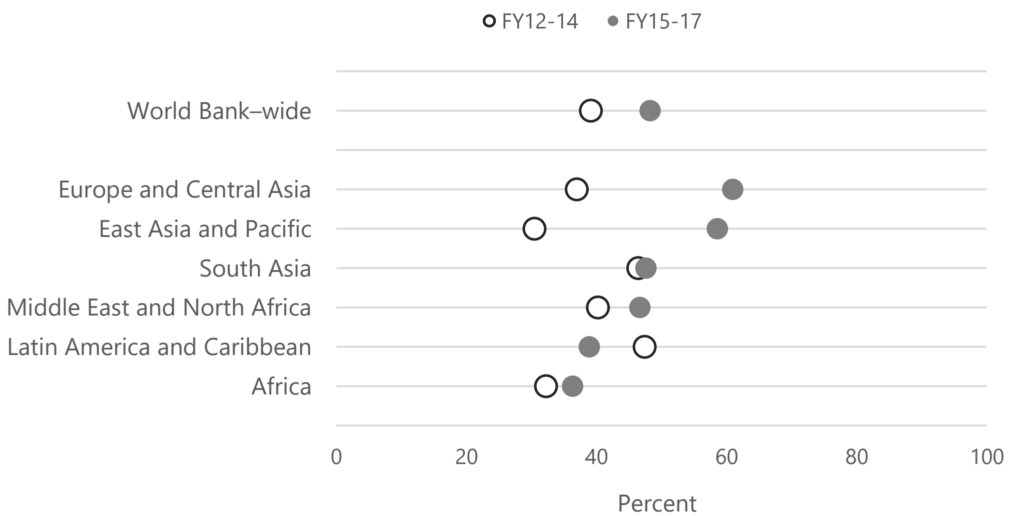
Source: World Bank Business Intelligence and Independent Evaluation Group World Bank project ratings data.
Note: FY = fiscal year of project closing.
[a] World Bank-wide includes projects not tagged to a region.

Figure A.19. World Bank Projects: M&E Quality Ratings, by Region[a]

a Projects rated substantial or above, by number



b. Projects rated substantial or above, by volume



Source: World Bank Business Intelligence and Independent Evaluation Group World Bank project ratings data.
Note: FY = fiscal year (of project closing).
[a] World Bank–wide includes projects not tagged to a region.

Table A.19. World Bank Projects: M&E Quality Ratings, by Region

a. Projects rated substantial or above, by number

Region	Projects Rated MS+ FY12–14 (%)	FY15–17 (%)	FY12–14 (no.)	FY15–17 (no.)
World Bank–wide[a]	30	40	950	704
East Asia and Pacific	34	50	154	104
Europe and Central Asia	29	48	161	121
South Asia	37	42	93	83
Africa	30	41	80	61
Latin America and the Caribbean	28	37	158	134
Middle East and North Africa	27	32	303	199

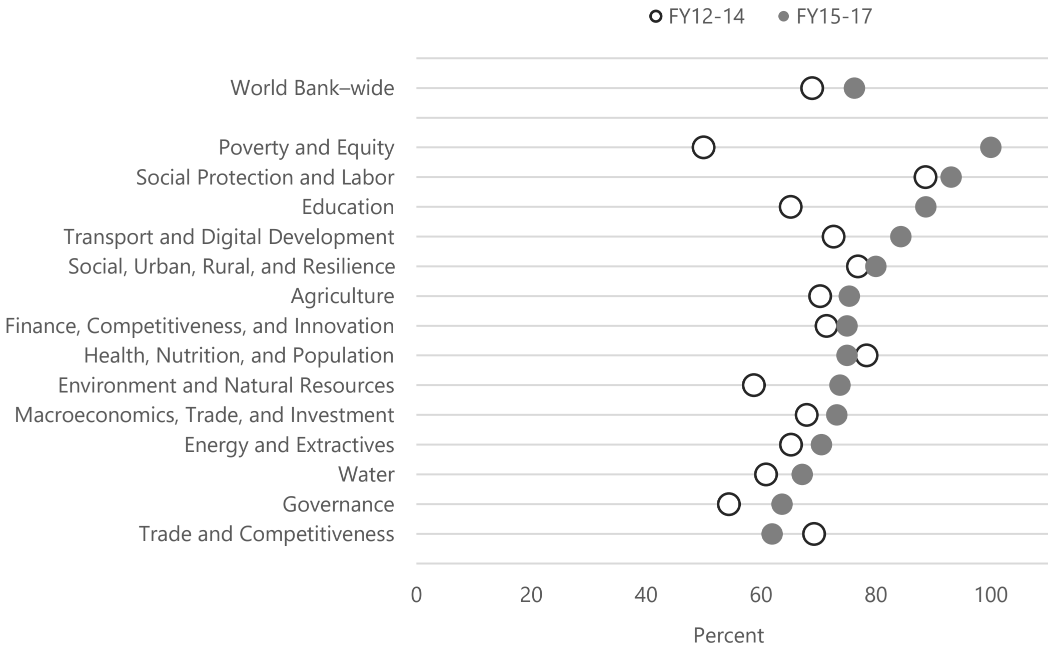
b. Projects rated substantial or above, by volume

Region	Projects Rated MS+ FY12–14 (%)	FY15–17 (%)	FY12–14 ($, millions)	FY15–17 ($, millions)
World Bank–wide[a]	39	48	85,829	71,623
East Asia and Pacific	37	61	13,030	14,574
Europe and Central Asia	30	59	17,082	12,672
South Asia	46	48	13,170	11,927
Africa	40	47	5,425	4,185
Latin America and the Caribbean	47	39	21,856	14,060
Middle East and North Africa	32	36	15,260	14,190

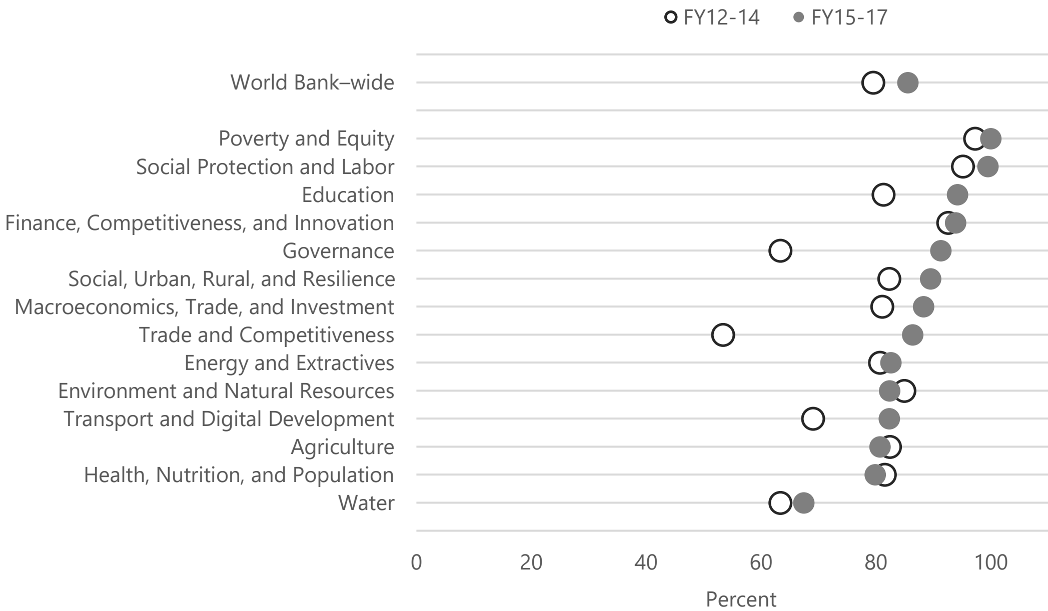
Source: World Bank Business Intelligence and Independent Evaluation Group World Bank project ratings data.
Note: FY = fiscal year of project closing.
[a] World Bank–wide includes projects not tagged to a region.

Figure A.20. World Bank Projects: Outcome Ratings, by Global Practice[a]

a. Projects rated moderately satisfactory or above, by number



b. Projects rated moderately satisfactory or above, by volume



Source: World Bank Business Intelligence and Independent Evaluation Group World Bank project ratings data.
Note: FY = fiscal year of project closing.
[a] World Bank–wide includes projects not tagged to a Global Practice.

Table A.20. World Bank Projects: Outcome Ratings, by Global Practice

a. Projects rated moderately satisfactory or above, by number

	Projects Rated MS+			
Global Practice	**FY12–14 *(%)***	**FY15–17 *(%)***	**FY12–14 *(no.)***	**FY15–17 *(no.)***
World Bank–wide[a]	69	76	961	704
Poverty and Equity	50	100	4	5
Social Protection and Labor	89	93	44	29
Education	65	89	89	53
Transport and Digital Development	73	84	84	83
Social, Urban, Rural, and Resilience	77	80	121	90
Agriculture	70	75	74	73
Finance, Competitiveness, and Innovation	71	75	56	24
Health, Nutrition, and Population	78	75	74	52
Environment and Natural Resources	59	74	63	61
Macroeconomics, Trade, and Investment	68	73	106	41
Energy and Extractives	65	70	92	61
Water	61	67	69	67
Governance	54	64	68	44
Trade and Competitiveness	69	62	13	21

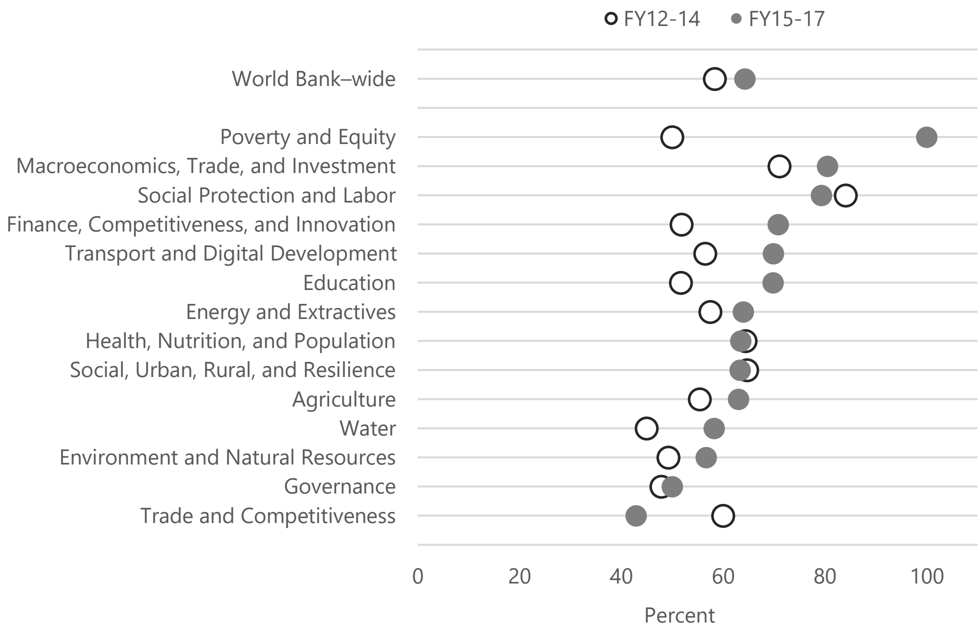
b. Projects rated moderately satisfactory or above, by volume

	Projects Rated MS+			
Global Practice	**FY12–14 *(%)***	**FY15–17 *(%)***	**FY12–14 *($, millions)***	**FY15–17 *($, millions)***
World Bank–wide[a]	80	86	87,329	71,623
Poverty and Equity	97	100	557	738
Social Protection and Labor	95	100	6,816	4,054
Education	81	94	7,188	4,047
Finance, Competitiveness, and Innovation	93	94	6,207	4,550
Governance	63	91	4,508	2,876
Social, Urban, Rural, and Resilience	82	90	9,930	7,977
Macroeconomics, Trade, and Investment	81	88	14,195	10,720
Trade and Competitiveness	53	86	986	475
Energy and Extractives	81	83	8,861	6,264
Environment and Natural Resources	85	82	2,609	1,831
Transport and Digital Development	69	82	10,605	13,287
Agriculture	82	81	3,328	5,143
Health, Nutrition, and Population	82	80	5,875	3,915
Water	63	67	5,552	5,745

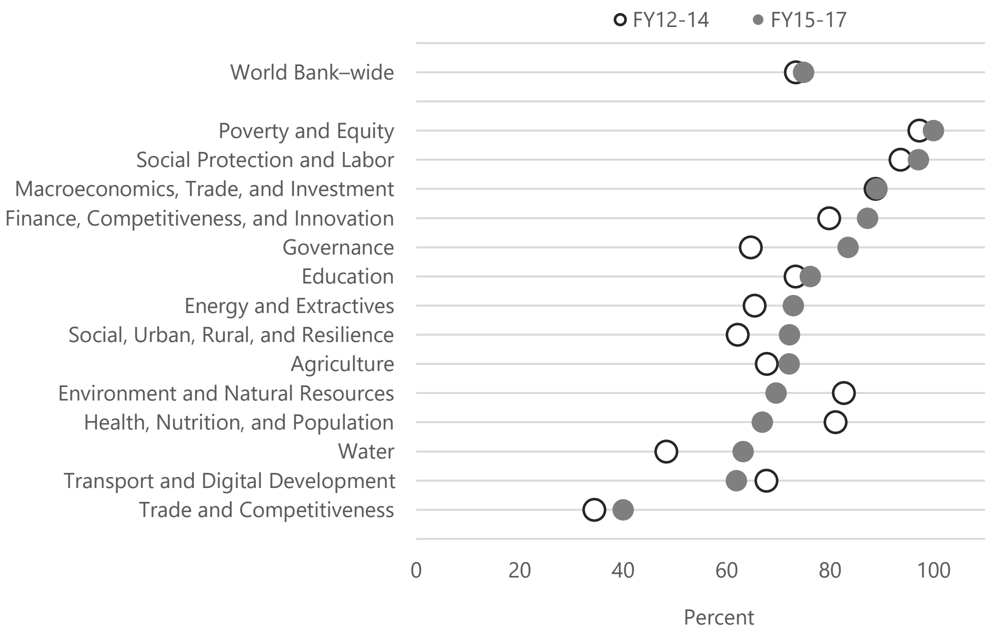
Source: World Bank Business Intelligence and Independent Evaluation Group World Bank project ratings data.
Note: FY = fiscal year (of project closing); MS+ = moderately satisfactory or above. Although the FY18 restructuring of the Equitable Growth, Finance, and Institutions Practice Group phased out the Trade and Competitiveness (T&C) Global Practice, some projects mapped to T&C remained in World Bank business systems as of October 3, 2018, the data cutoff date for this report. Therefore, T&C is still reported as a Global Practice in this report. Some T&C-mapped projects are expected to be remapped to Finance, Competitiveness, and Innovation; and others, to Macroeconomics, Trade, and Investment.
[a] World Bank–wide includes projects not tagged to a Global Practice.

Figure A.21. World Bank Projects: Quality at Entry Ratings, by Global Practice[a]

a. Projects rated moderately satisfactory or above, by number



b. Projects rated moderately satisfactory or above, by volume



Source: World Bank Business Intelligence and Independent Evaluation Group World Bank project ratings data.
Note: FY = fiscal Year of project closing.
[a] World Bank–wide includes projects not tagged to a Global Practice.

Table A.21. World Bank Projects: Quality at Entry Ratings, by Global Practice

a. Projects rated moderately satisfactory or above, by number

	Projects Rated MS+		Total Projects	
Global Practice	**FY12–14 *(%)***	**FY15–17 *(%)***	**FY12–14 *(no.)***	**FY15–17 *(no.)***
World Bank–wide[a]	58	64	958	703
Poverty and Equity	50	100	4	5
Macroeconomics, Trade, and Investment	71	80	107	41
Social Protection and Labor	84	79	44	29
Finance, Competitiveness, and Innovation	52	71	56	24
Transport and Digital Development	56	70	85	83
Education	52	70	89	53
Energy and Extractives	57	64	87	61
Health, Nutrition, and Population	64	63	73	52
Social, Urban, Rural, and Resilience	65	63	119	90
Agriculture	55	63	74	73
Water	45	58	69	67
Environment and Natural Resources	49	57	63	60
Governance	48	50	69	44
Trade and Competitiveness	60	43	15	21

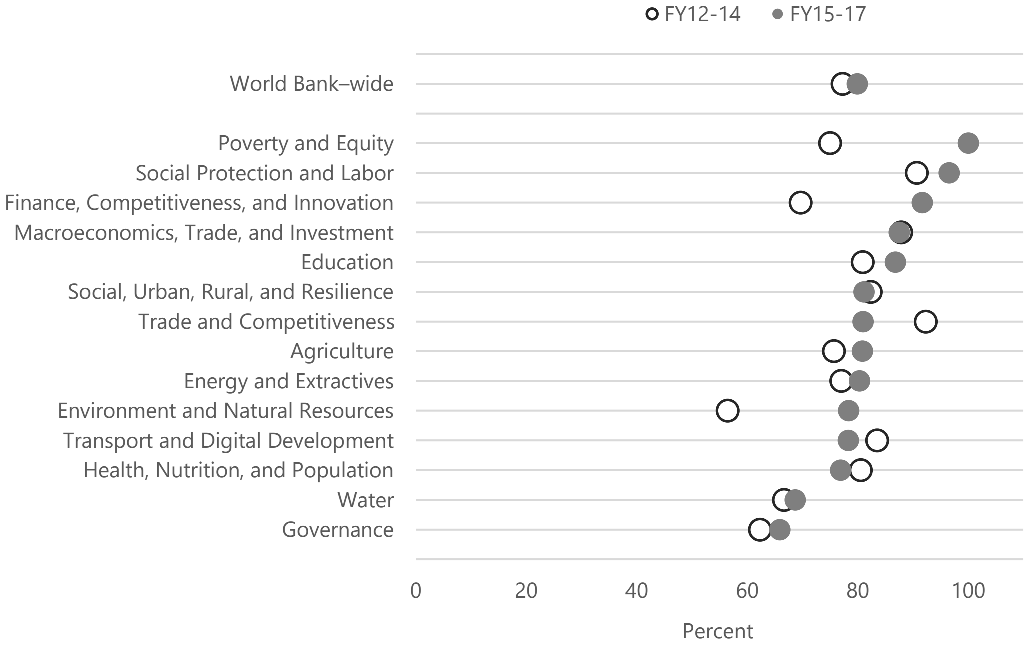
b. Projects rated moderately satisfactory or above, by volume

	Projects Rated MS+		Total Projects	
Global Practice	**FY12–14** *(%)*	**FY15–17** *(%)*	**FY12–14** *($, millions)*	**FY15–17** *($, millions)*
World Bank–wide[a]	73	75	87,435	71,594
Poverty and Equity	97	100	557	738
Social Protection and Labor	94	97	7,041	4,054
Macroeconomics, Trade, and Investment	89	89	14,496	10,720
Finance, Competitiveness, and Innovation	80	87	6,207	4,550
Governance	65	83	4,508	2,876
Education	73	76	7,126	4,047
Energy and Extractives	65	73	8,126	6,264
Social, Urban, Rural, and Resilience	62	72	9,600	7,977
Agriculture	68	72	3,328	5,143
Environment and Natural Resources	83	70	2,604	1,802
Health, Nutrition, and Population	81	67	5,560	3,915
Water	48	63	5,552	5,745
Transport and Digital Development	68	62	11,630	13,287
Trade and Competitiveness	34	40	988	475

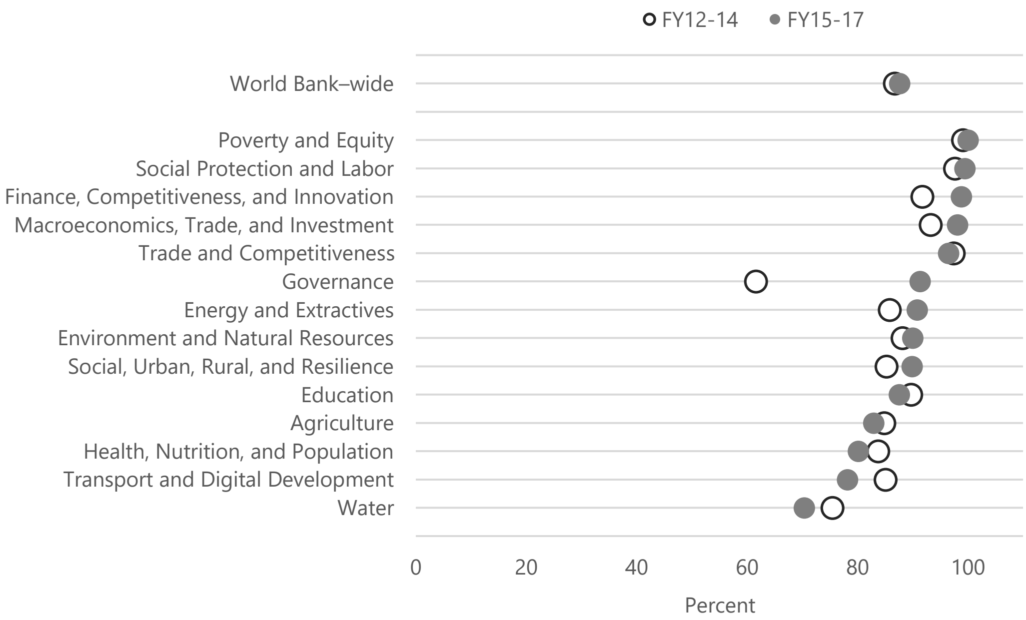
Source: World Bank Business Intelligence and Independent Evaluation Group World Bank project ratings data.
Note: FY = fiscal year of project closing; MS+ = moderately satisfactory or above. Although the FY18 restructuring of the Equitable Growth, Finance, and Institutions Practice Group phased out the Trade and Competitiveness (T&C) Global Practice, some projects mapped to T&C remained in World Bank business systems as of October 3, 2018, the data cutoff date for this report. Therefore, T&C is still reported as a Global Practice in this report. Some T&C-mapped projects are expected to be remapped to Finance, Competitiveness, and Innovation; and others, to Macroeconomics, Trade, and Investment.
[a] World Bank–wide includes projects not tagged to a Global Practice.

Figure A.22. World Bank Projects: Quality of Supervision, by Global Practice[a]

a. Projects rated moderately satisfactory or above, by number



b. Projects rated moderately satisfactory or above, by volume



Source: World Bank Business Intelligence and Independent Evaluation Group World Bank project ratings data.
Note: FY = fiscal year (of project closing).
[a] World Bank–wide includes projects not tagged to a Global Practice.

Table A.22. World Bank Projects: Quality of Supervision Ratings, by Global Practice

a. Projects rated moderately satisfactory or above, by number

Global Practice	Projects Rated MS+ FY12–14 (%)	Projects Rated MS+ FY15–17 (%)	Total Projects FY12–14 (no.)	Total Projects FY15–17 (no.)
World Bank–wide[a]	77	80	953	702
Poverty and Equity	75	100	4	5
Social Protection and Labor	91	97	43	29
Finance, Competitiveness, and Innovation	70	92	56	24
Macroeconomics, Trade, and Investment	88	88	107	40
Education	81	87	89	53
Social, Urban, Rural, and Resilience	82	81	119	90
Trade and Competitiveness	92	81	13	21
Agriculture	76	81	74	73
Energy and Extractives	77	80	87	61
Environment and Natural Resources	56	78	62	60
Transport and Digital Development	84	78	85	83
Health, Nutrition, and Population	81	77	72	52
Water	67	69	69	67
Governance	62	66	69	44

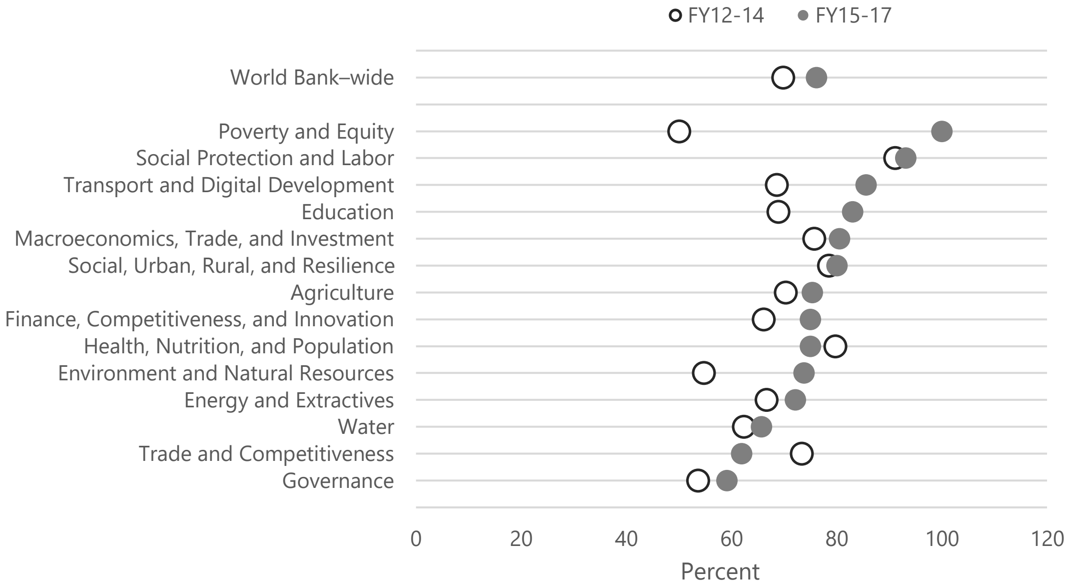
b. Project rated moderately satisfactory or above, by volume

	Projects Rated MS+		Total Projects	
Global Practice	**FY12–14** *(%)*	**FY15–17** *(%)*	**FY12–14** *($, millions)*	**FY15–17** *($, millions)*
World Bank–wide[a]	87	88	87,182	71,539
Poverty and Equity	99	100	557	738
Social Protection and Labor	98	99	6,791	4,054
Finance, Competitiveness, and Innovation	92	99	6,207	4,550
Macroeconomics, Trade, and Investment	93	98	14,496	10,665
Trade and Competitiveness	97	97	986	475
Governance	62	91	4,508	2,876
Energy and Extractives	86	91	8,126	6,264
Environment and Natural Resources	88	90	2,603	1,802
Social, Urban, Rural, and Resilience	85	90	9,600	7,977
Education	90	88	7,126	4,047
Agriculture	85	83	3,328	5,143
Health, Nutrition, and Population	84	80	5,560	3,915
Transport and Digital Development	85	78	11,630	13,287
Water	75	70	5,552	5,745

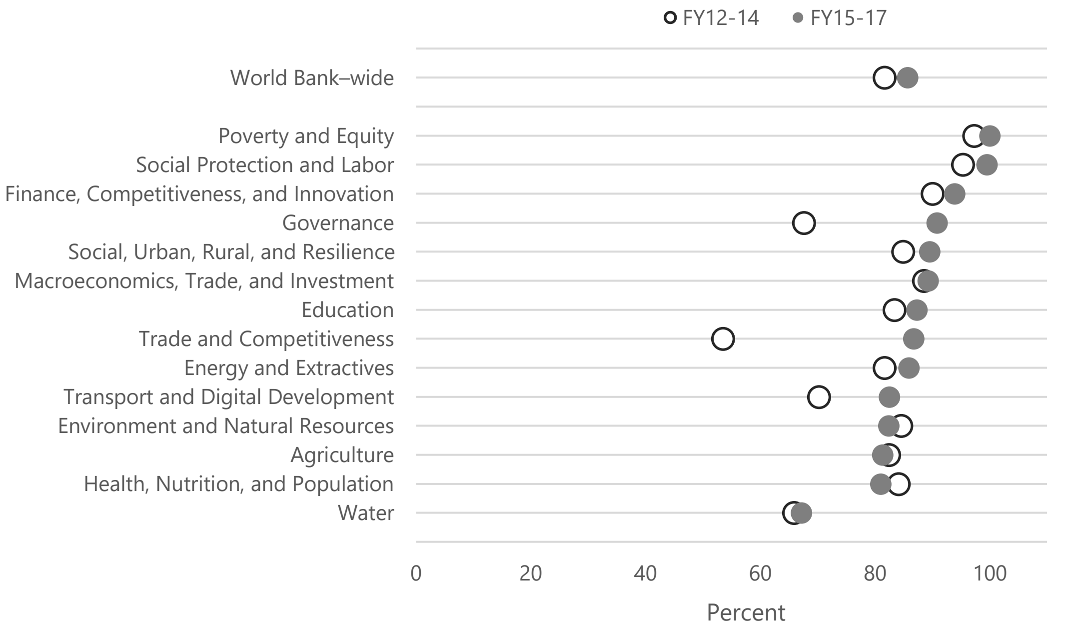
Source: World Bank Business Intelligence and Independent Evaluation Group World Bank project ratings data.
Note: FY = fiscal year of project closing; MS+ = moderately satisfactory or above. Although the FY18 restructuring of the Equitable Growth, Finance, and Institutions Practice Group phased out the Trade and Competitiveness (T&C) Global Practice, some projects mapped to T&C remained in World Bank business systems as of October 3, 2018, the data cutoff date for this report. Therefore, T&C is still reported as a Global Practice in this report. Some T&C-mapped projects are expected to be remapped to Finance, Competitiveness, and Innovation; and others, to Macroeconomics, Trade, and Investment.
[a] World Bank–wide includes projects not tagged to a Global Practice.

Figure A.23. World Bank Projects: Bank Performance Ratings, by Global Practice[a]

a. Projects rated moderately satisfactory or above, by number



b. Projects rated moderately satisfactory or above, by volume



Source: World Bank Business Intelligence and Independent Evaluation Group World Bank project ratings data.
Note: FY = fiscal year of project closing.
[a] World Bank–wide includes projects not tagged to a Global Practice.

Table A.23. World Bank Projects: Bank Performance Ratings, by Global Practice
a. Projects rated moderately satisfactory or above, by number

	Projects Rated MS+		Total Projects	
Global Practice	**FY12–14 *(%)***	**FY15–17 *(%)***	**FY12–14 *(no.)***	**FY15–17 *(no.)***
World Bank–wide[a]	70	76	971	704
Poverty and Equity	50	100	4	5
Social Protection and Labor	91	93	45	29
Transport and Digital Development	69	86	86	83
Education	69	83	90	53
Macroeconomics, Trade, and Investment	76	80	107	41
Social, Urban, Rural, and Resilience	79	80	121	90
Agriculture	70	75	74	73
Finance, Competitiveness, and Innovation	66	75	56	24
Health, Nutrition, and Population	80	75	74	52
Environment and Natural Resources	55	74	64	61
Energy and Extractives	67	72	93	61
Water	62	66	69	67
Trade and Competitiveness	73	62	15	21
Governance	54	59	69	44

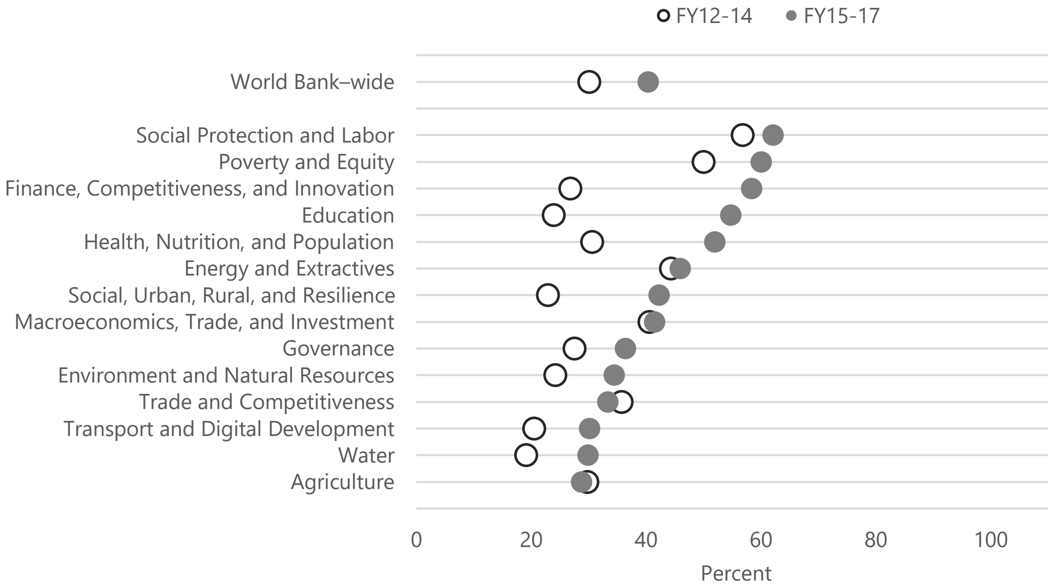
b. Projects rated moderately satisfactory or above, by volume

Global Practice	Projects Rated MS+ FY12–14 (%)	Projects Rated MS+ FY15–17 (%)	Total Projects FY12–14 ($, millions)	Total Projects FY15–17 ($, millions)
World Bank–wide[a]	82	86	89,085	71,623
Poverty and Equity	97	100	557	738
Social Protection and Labor	95	100	7,066	4,054
Finance, Competitiveness, and Innovation	90	94	6,207	4,550
Governance	68	91	4,508	2,876
Social, Urban, Rural, and Resilience	85	90	9,930	7,977
Macroeconomics, Trade, and Investment	89	89	14,496	10,720
Education	83	87	7,188	4,047
Trade and Competitiveness	53	87	988	475
Energy and Extractives	82	86	8,861	6,264
Transport and Digital Development	70	83	11,807	13,287
Environment and Natural Resources	85	82	2,610	1,831
Agriculture	82	81	3,328	5,143
Health, Nutrition, and Population	84	81	5,875	3,915
Water	66	67	5,552	5,745

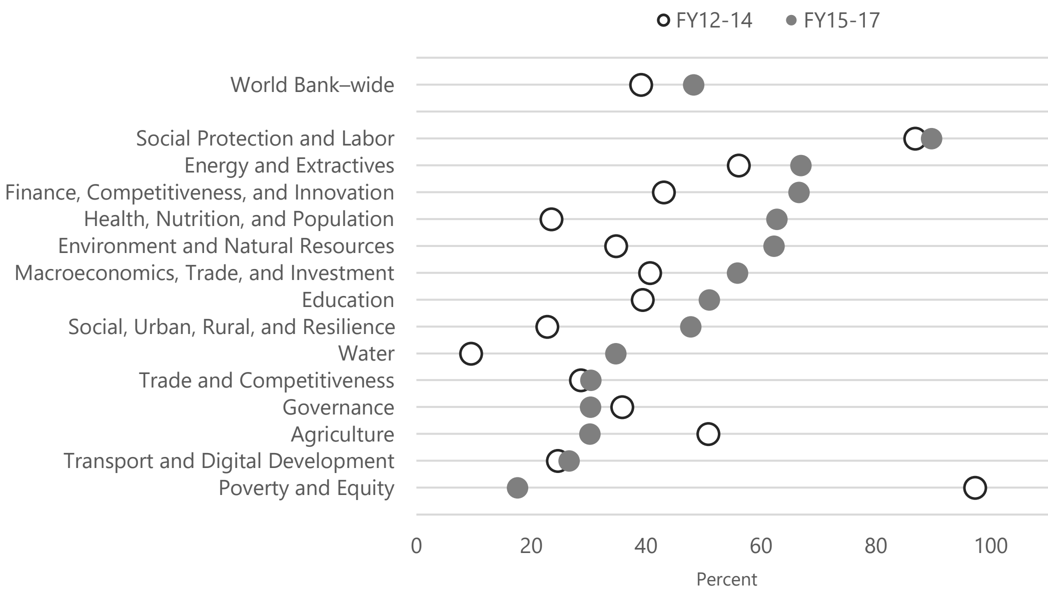
Source: World Bank Business Intelligence and Independent Evaluation Group World Bank project ratings data.
Note: FY = fiscal year (of project closing); MS+ = moderately satisfactory or above. Although the FY18 restructuring of the Equitable Growth, Finance, and Institutions Practice Group phased out the Trade and Competitiveness (T&C) Global Practice, some projects mapped to T&C remained in World Bank business systems as of October 3, 2018, the data cutoff date for this report. Therefore, T&C is still reported as a Global Practice in this report. Some T&C-mapped projects are expected to be remapped to Finance, Competitiveness, and Innovation; and others, to Macroeconomics, Trade, and Investment.
[a] World Bank–wide includes projects not tagged to a Global Practice.

Figure A.24. World Bank Projects: Monitoring and Evaluation Quality, by Global Practice[a]

a. Percentage of projects rated substantial or above



b. Percentage of volume rated substantial or above



Source: World Bank Business Intelligence and Independent Evaluation Group World Bank project ratings data.
Note: FY = fiscal year of project closing.
[a] World Bank–wide includes projects not tagged to a Global Practice.

Table A.24. World Bank Projects: Monitoring and Evaluation Quality Ratings, by Global Practice

a. Percentage of projects rated substantial or above

	Projects Rated S+		Total Projects	
Global Practice	**FY12–14 *(%)***	**FY15–17 *(%)***	**FY12–14 *(no.)***	**FY15–17 *(no.)***
World Bank–wide[a]	30	40	950	704
Social Protection and Labor	57	62	44	29
Poverty and Equity	50	60	4	5
Finance, Competitiveness and Innovation	27	58	56	24
Education	24	55	88	53
Health, Nutrition and Population	31	52	72	52
Energy and Extractives	44	46	88	61
Social, Urban, Rural and Resilience	23	42	118	90
Macroeconomics, Trade and Investment	41	41	106	41
Governance	28	36	69	44
Environment and Natural Resources	24	34	62	61
Trade and Competitiveness	36	33	14	21
Transport and Digital Development	20	30	83	83
Water	19	30	68	67
Agriculture	30	29	74	73

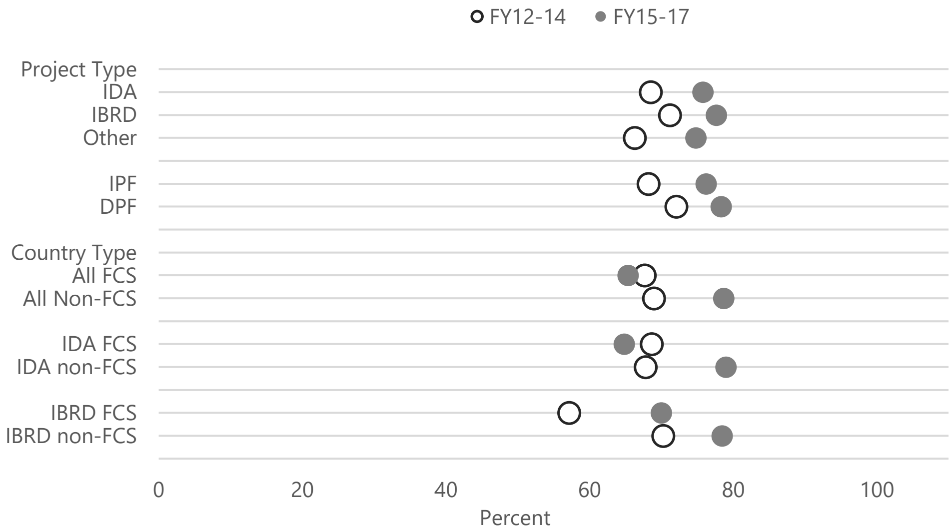
b. Percentage of volume rated substantial or above

Global Practice	Projects Rated S+ FY12–14 (%)	Projects Rated S+ FY15–17 (%)	Total Projects FY12–14 ($, millions)	Total Projects FY15–17 ($, millions)
World Bank–wide[a]	39	48	85,829	71,623
Social Protection and Labor	87	90	7,041	4,054
Energy and Extractives	56	67	8,145	6,264
Finance, Competitiveness, and Innovation	43	67	6,207	4,550
Health, Nutrition, and Population	23	63	5,560	3,915
Environment and Natural Resources	35	62	2,603	1,831
Macroeconomics, Trade, and Investment	41	56	14,396	10,720
Education	39	51	7,126	4,047
Social, Urban, Rural, and Resilience	23	48	9,284	7,977
Water	10	35	5,546	5,745
Trade and Competitiveness	29	30	986	475
Governance	36	30	4,508	2,876
Agriculture	51	30	3,328	5,143
Transport and Digital Development	25	27	10,427	13,287
Poverty and Equity	97	18	557	738

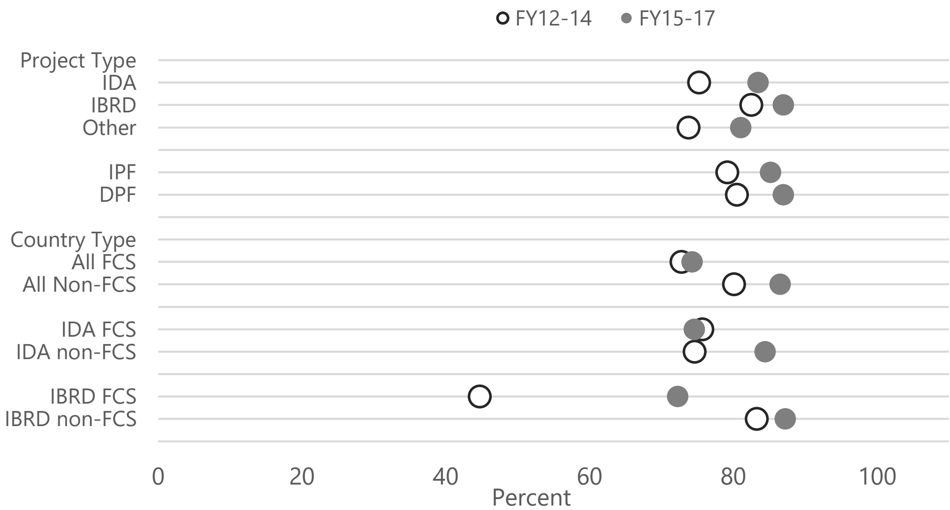
Source: World Bank Business Intelligence and Independent Evaluation Group World Bank project ratings data.
Note: FY = fiscal year (of project closing); S+ = substantial or above. Although the FY18 restructuring of the Equitable Growth, Finance, and Institutions Practice Group phased out the Trade and Competitiveness (T&C) Global Practice, some projects mapped to T&C remained in World Bank business systems as of October 3, 2018, the data cutoff date for this report. Therefore, T&C is still reported as a Global Practice in this report. Some T&C-mapped projects are expected to be remapped to Finance, Competitiveness, and Innovation; and others, to Macroeconomics, Trade, and Investment.
[a] World Bank–wide includes projects not tagged to a Global Practice.

Figure A.25. World Bank Projects: Outcome Ratings, by IBRD/IDA, IPF/DPF, and FCS Status

a. Percentage of projects rated moderately satisfactory or above



b. Percentage of volume rated moderately satisfactory or above



Source: World Bank Business Intelligence and Independent Evaluation Group World Bank project ratings data.
Note: DPF = development policy financing; FCS = countries affected by fragility, conflict, or violence, based on the World Bank's list of fragile and conflict-affected situation countries in effect in the fiscal year when the project closed http://www.worldbank.org/en/topic/fragilityconflictviolence/brief/harmonized-list-of-fragile-situations; FY = fiscal year (of project closing); IBRD = International Bank for Reconstruction and Development; IDA = International Development Association; IPF = investment project financing.

Table A.25. World Bank Projects: Outcome Ratings, by IBRD/IDA, IPF/DPF, and FCS Status

a. Percentage of projects rated moderately satisfactory or above

Type	Projects Rated MS+ FY12–14 (%)	Projects Rated MS+ FY15–17 (%)	Total Projects FY12–14 (no.)	Total Projects FY15–17 (no.)
Project type				
IDA	68	76	492	318
IBRD	71	78	288	255
Other	66	75	181	131
IPF	68	76	786	643
DPF	72	78	172	60
Country type				
All FCS	68	65	164	101
All non-FCS	69	79	747	558
IDA FCS	69	65	150	91
IDA non-FCS	68	79	404	233
IBRD FCS	57	70	14	10
IBRD non-FCS	70	78	343	325

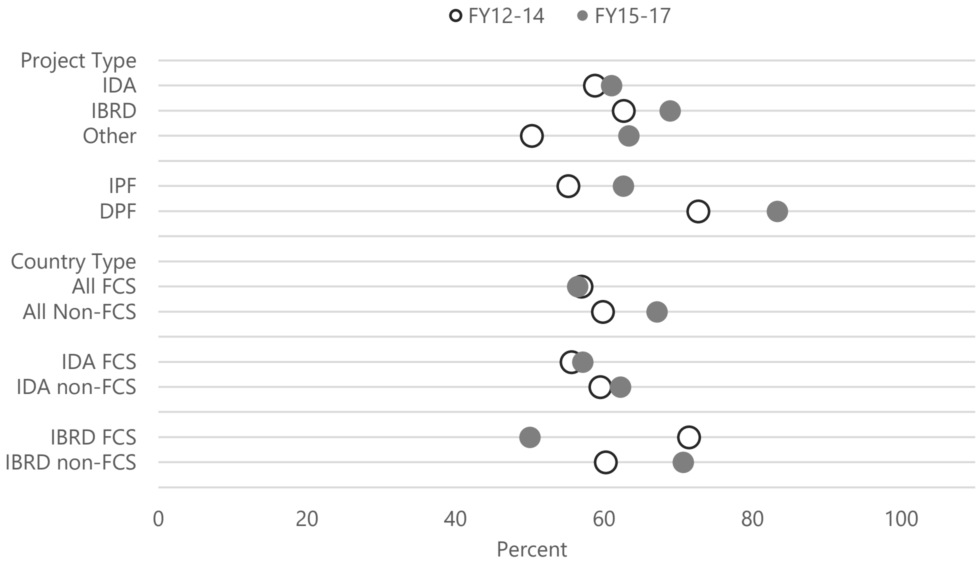
b. Percentage of volume rated moderately satisfactory or above

	Projects Rated MS+		Total Projects	
Type	**FY12–14** *(%)*	**FY15–17** *(%)*	**FY12–14** *($, millions)*	**FY15–17** *($, millions)*
Project type				
IDA	75	83	31,613	24,606
IBRD	82	87	52,314	44,930
Other	74	81	3,402	2,087
IPF	79	85	59,998	55,599
DPF	80	87	27,282	16,024
Country type				
All FCS	73	74	6,588	3,833
All non-FCS	80	86	79,591	64,981
IDA FCS	76	75	5,973	3,292
IDA non-FCS	75	84	29,208	16,795
IBRD FCS	45	72	615	541
IBRD non-FCS	83	87	50,383	48,186

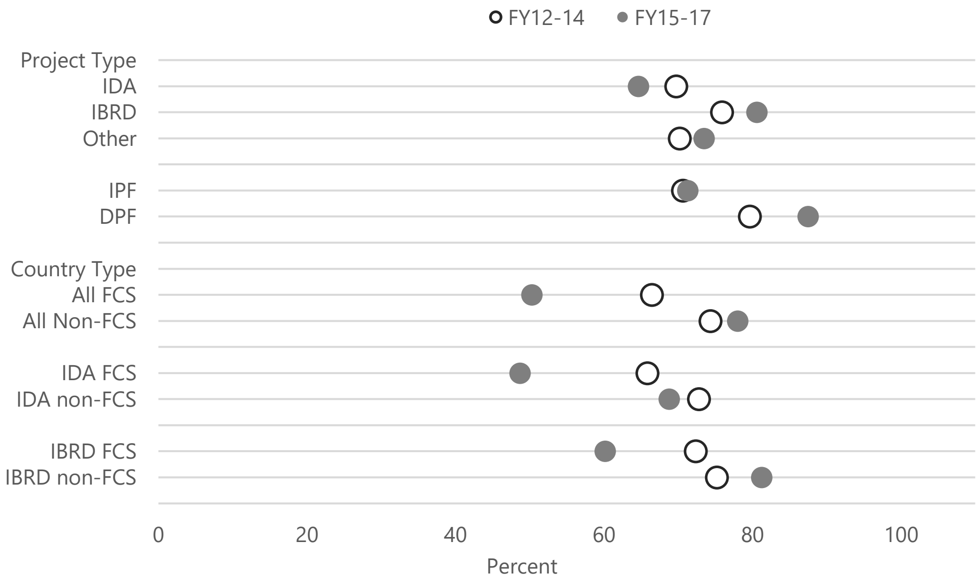
Source: World Bank Business Intelligence and Independent Evaluation Group World Bank project ratings data.
Note: DPF = development policy financing; FCS = countries affected by fragility, conflict, or violence based on the World Bank's list of fragile and conflict-affected situation countries in effect in the fiscal year when the project closed http://www.worldbank.org/en/topic/fragilityconflictviolence/brief/harmonized-list-of-fragile-situations; FY = fiscal year (of project closing); IBRD = International Bank for Reconstruction and Development; IDA = International Development Association; IPF = investment project financing; MS+ = moderately satisfactory or above.

Figure A.26. World Bank Projects: Quality at Entry Ratings, by IBRD/IDA, IPF/DPF, and FCS Status

a. Percentage of projects rated moderately satisfactory or above



b. Percentage of volume rated moderately satisfactory or above



Source: World Bank Business Intelligence and Independent Evaluation Group World Bank project ratings data.
Note: DPF = development policy financing; FCS = countries affected by fragility, conflict, or violence, based on the World Bank's list of fragile and conflict-affected situation countries in effect in the fiscal year when the project closed http://www.worldbank.org/en/topic/fragilityconflictviolence/brief/harmonized-list-of-fragile-situations; FY = fiscal year (of project closing); IBRD = International Bank for Reconstruction and Development; IDA = International Development Association; IPF = investment project financing.

Table A.26. World Bank Projects: Quality at Entry Ratings, by IBRD/IDA, IPF/DPF, and FCS Status

a. Percentage of projects rated moderately satisfactory or above

	Projects Rated MS+		Total Projects	
Type	**FY12–14** *(%)*	**FY15–17** *(%)*	**FY12–14** *(no.)*	**FY15–17** *(no.)*
Project type				
IDA	59	61	490	318
IBRD	63	69	289	254
Other	50	63	179	131
IPF	55	63	783	240
DPF	73	83	172	10
Country type				
All FCS	57	56	165	101
All non-FCS	60	67	742	557
IDA FCS	56	57	151	91
IDA non-FCS	60	62	400	233
IBRD FCS	71	50	14	10
IBRD non-FCS	60	71	342	324

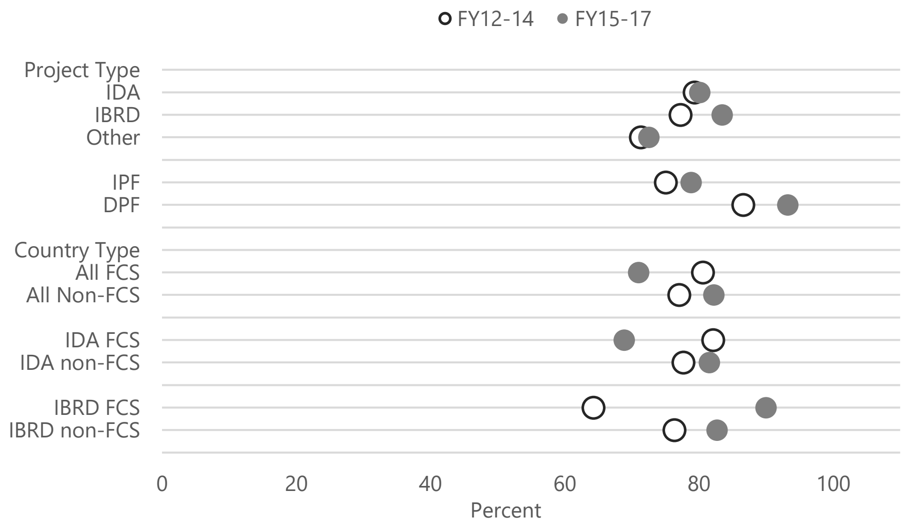
b. Percentage of volume rated moderately satisfactory or above

	Projects Rated MS+		Total Projects	
Type	**FY12–14** *(%)*	**FY15–17** *(%)*	**FY12–14** *($, millions)*	**FY15–17** *($, millions)*
Project type				
IDA	70	65	31,982	24,606
IBRD	76	81	52,084	44,901
Other	70	73	3,369	2,087
IPF	71	71	59,828	15,963
DPF	80	87	27,557	2,008
Country type				
All FCS	66	50	6,588	3,833
All non-FCS	74	78	79,695	64,952
IDA FCS	66	49	5,973	3,292
IDA non-FCS	73	69	29,581	16,795
IBRD FCS	72	60	615	541
IBRD non-FCS	75	81	50,114	48,157

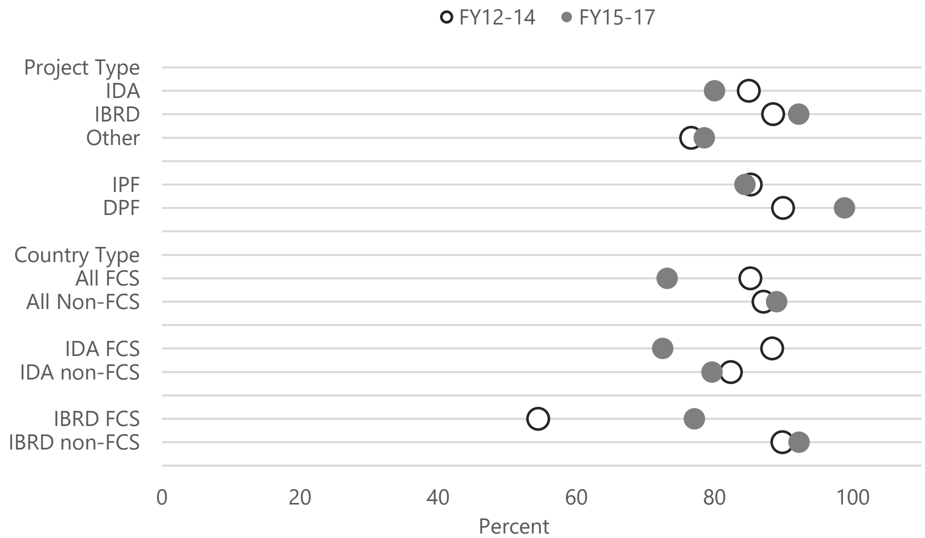
Source: World Bank Business Intelligence and Independent Evaluation Group World Bank project ratings data.
Note: DPF = development policy financing; FCS = countries affected by fragility, conflict, or violence, based on the World Bank's list of fragile and conflict-affected situation countries in effect in the fiscal year when the project closed http://www.worldbank.org/en/topic/fragilityconflictviolence/brief/harmonized-list-of-fragile-situations; FY = fiscal year (of project closing); IBRD = International Bank for Reconstruction and Development; IDA = International Development Association; IPF = investment project financing; MS+ = moderately satisfactory or above.

Figure A.27. World Bank Projects: Quality of Supervision Ratings, by IBRD/IDA, IPF/DPF, and FCS Status

a. Percentage of projects rated moderately satisfactory or above



b. Percentage of volume rated moderately satisfactory or above



Source: World Bank Business Intelligence and Independent Evaluation Group World Bank project ratings data.
Note: DPF = development policy financing; FCS = countries affected by fragility, conflict, or violence, based on the World Bank's list of fragile and conflict-affected situation countries in effect in the fiscal year when the project closed http://www.worldbank.org/en/topic/fragilityconflictviolence/brief/harmonized-list-of-fragile-situations; FY = fiscal year (of project closing); IBRD = International Bank for Reconstruction and Development; IDA = International Development Association; IPF = investment project financing.

Table A.27. World Bank Projects: Quality of Supervision Ratings, by IBRD/IDA, IPF/DPF, and FCS Status

a. Percentage of projects rated moderately satisfactory or above

	Projects Rated MS+		Total Projects	
Type	**FY12–14** ***(%)***	**FY15–17** ***(%)***	**FY12–14** ***(no.)***	**FY15–17** ***(no.)***
Project type				
IDA	79	80	489	317
IBRD	77	83	286	254
Other	71	73	178	131
IPF	75	79	778	136
DPF	87	93	172	4
Country type				
All FCS	81	71	165	100
All non-FCS	77	82	737	557
IDA FCS	82	69	151	90
IDA non-FCS	78	82	399	233
IBRD FCS	64	90	14	10
IBRD non-FCS	76	83	338	324

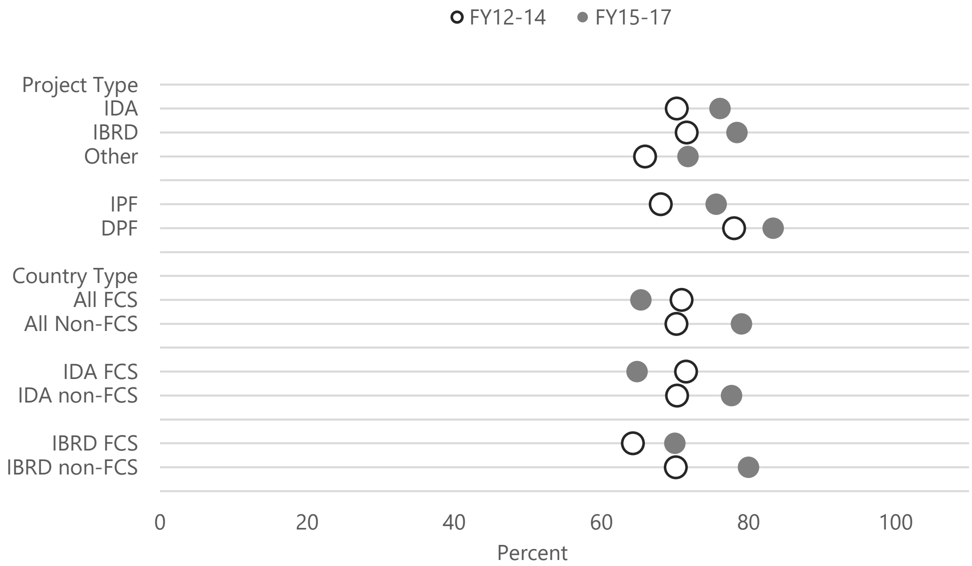
b. Percentage of volume rated moderately satisfactory or above

	Projects Rated MS+		Total Projects	
Type	**FY12–14** *(%)*	**FY15–17** *(%)*	**FY12–14** *($, millions)*	**FY15–17** *($, millions)*
Project type				
IDA	85	80	31,732	24,551
IBRD	88	92	52,082	44,901
Other	77	79	3,368	2,087
IPF	85	84	59,575	8,674
DPF	90	99	27,557	185
Country type				
All FCS	85	73	6,588	3,778
All non-FCS	87	89	79,442	64,952
IDA FCS	88	72	5,973	3,237
IDA non-FCS	82	80	29,331	16,795
IBRD FCS	54	77	615	541
IBRD non-FCS	90	92	50,111	48,157

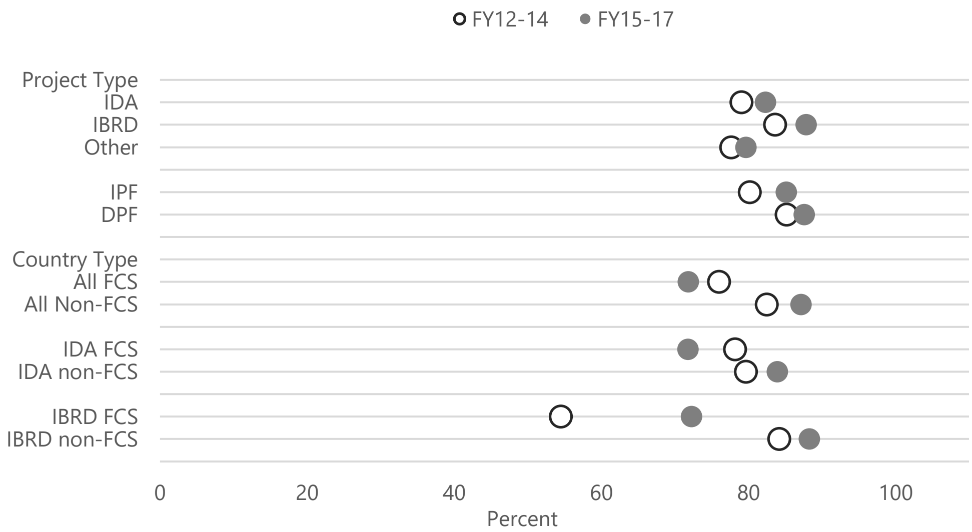
Source: World Bank Business Intelligence and Independent Evaluation Group World Bank project ratings data.
Note: DPF = development policy financing; FCS = countries affected by fragility, conflict, or violence, based on the World Bank's list of fragile and conflict-affected situation countries in effect in the fiscal year when the project closed http://www.worldbank.org/en/topic/fragilityconflictviolence/brief/harmonized-list-of-fragile-situations; FY = fiscal year (of project closing); IBRD = International Bank for Reconstruction and Development; IDA = International Development Association; IPF = investment project financing; MS+ = moderately satisfactory or above.

Figure A.28. World Bank Projects: Bank Performance Ratings, by IBRD/IDA, IPF/DPF, and FCS Status

a. Percentage of projects rated moderately satisfactory or above



b. Percentage of volume rated moderately satisfactory or above



Source: World Bank Business Intelligence and Independent Evaluation Group World Bank project ratings data.
Note: DPF = development policy financing; FCS = countries affected by fragility, conflict, or violence, based on the World Bank's list of fragile and conflict-affected situation countries in effect in the fiscal year when the project closed http://www.worldbank.org/en/topic/fragilityconflictviolence/brief/harmonized-list-of-fragile-situations; FY = fiscal year (of project closing); IBRD = International Bank for Reconstruction and Development; IDA = International Development Association; IPF = investment project financing.

Table A.28. World Bank Projects: Bank Performance Ratings, by IBRD/IDA, IPF/DPF, and FCS Status

a. Percentage of projects rated moderately satisfactory or above

	Projects Rated MS+		Total Projects	
Type	**FY12–14** *(%)*	**FY15–17** *(%)*	**FY12–14** *(no.)*	**FY15–17** *(no.)*
Project type				
IDA	70	76	497	318
IBRD	72	78	292	255
Other	66	72	182	131
IPF	68	76	795	157
DPF	78	83	173	10
Country type				
All FCS	71	65	165	101
All non-FCS	70	79	755	558
IDA FCS	72	65	151	91
IDA non-FCS	70	78	407	233
IBRD FCS	64	70	14	10
IBRD non-FCS	70	80	348	325

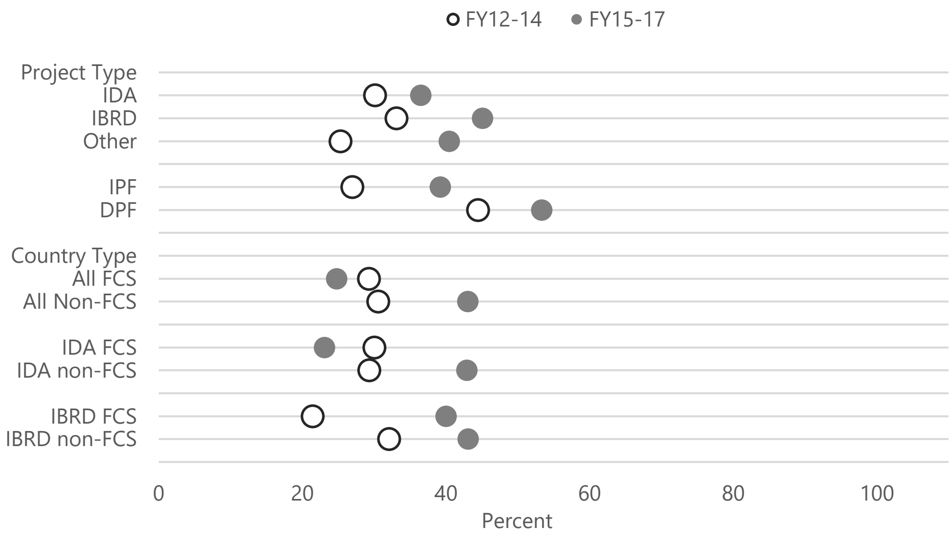
b. Percentage of volume rated moderately satisfactory or above

Type	Projects Rated MS+		Total Projects	
	FY12–14 (%)	FY15–17 (%)	FY12–14 ($, millions)	FY15–17 ($, millions)
Project type				
IDA	79	82	33,065	24,606
IBRD	84	88	52,617	44,930
Other	78	80	3,403	2,087
IPF	80	85	61,452	8,258
DPF	85	88	27,582	1,988
Country type				
All FCS	76	72	6,588	3,833
All non-FCS	82	87	81,344	64,981
IDA FCS	78	72	5,973	3,292
IDA non-FCS	80	84	30,658	16,795
IBRD FCS	54	72	615	541
IBRD non-FCS	84	88	50,687	48,186

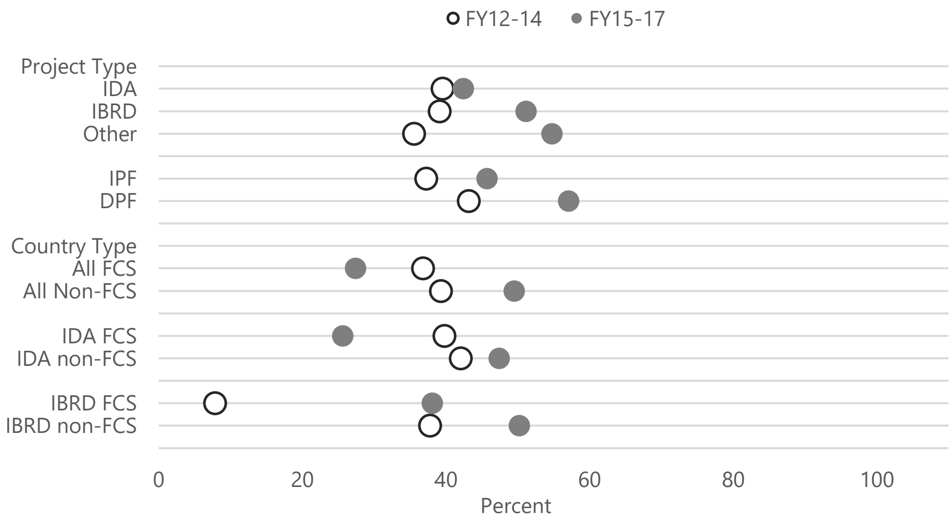
Source: World Bank Business Intelligence and Independent Evaluation Group World Bank project ratings data.
Note: DPF = development policy financing; FCS = countries affected by fragility, conflict, or violence, based on the World Bank's list of fragile and conflict-affected situation countries in effect in the fiscal year when the project closed http://www.worldbank.org/en/topic/fragilityconflictviolence/brief/harmonized-list-of-fragile-situations; FY = fiscal year (of project closing); IBRD = International Bank for Reconstruction and Development; IDA = International Development Association; IPF = investment project financing; MS+ = moderately satisfactory or above.

Figure A.29. World Bank Projects: Monitoring and Evaluation Quality Ratings, by IBRD/IDA, IPF/DPF, and FCS Status

a. Percentage of projects rated substantial or above



b. Percentage of volume rated substantial or above



Source: World Bank Business Intelligence and Independent Evaluation Group World Bank project ratings data.
Note: DPF = development policy financing; FCS = countries affected by fragility, conflict, or violence, based on the World Bank's list of fragile and conflict-affected situation countries in effect in the fiscal year when the project closed http://www.worldbank.org/en/topic/fragilityconflictviolence/brief/harmonized-list-of-fragile-situations; FY = fiscal year (of project closing); IBRD = International Bank for Reconstruction and Development; IDA = International Development Association; IPF = investment project financing.

Table A.29. World Bank Projects: Monitoring and Evaluation Quality Ratings, by IBRD/IDA, IPF/DPF, and FCS Status

a. Percentage of projects rated substantial or above

Type	Projects Rated S+ FY12–14 (%)	Projects Rated S+ FY15–17 (%)	Total Projects FY12–14 (no.)	Total Projects FY15–17 (no.)
Project type				
IDA	30	36	485	318
IBRD	33	45	287	255
Other	25	40	178	131
IPF	27	39	776	391
DPF	44	53	171	28
Country type				
All FCS	29	25	164	101
All non-FCS	31	43	736	558
IDA FCS	30	23	150	91
IDA non-FCS	29	43	396	233
IBRD FCS	21	40	14	10
IBRD non-FCS	32	43	340	325

b. Percentage of volume rated substantial or above

Type	Projects Rated S+ FY12–14 (%)	Projects Rated S+ FY15–17 (%)	Total Projects FY12–14 ($, millions)	Total Projects FY15–17 ($, millions)
Project type				
IDA	40	42	30,365	24,606
IBRD	39	51	52,083	44,930
Other	36	55	3,382	2,087
IPF	37	46	58,322	30,193
DPF	43	57	27,457	6,881
Country type				
All FCS	37	27	6,588	3,833
All non-FCS	39	49	78,091	64,981
IDA FCS	40	26	5,973	3,292
IDA non-FCS	42	47	27,960	16,795
IBRD FCS	8	38	615	541
IBRD non-FCS	38	50	50,131	48,186

Source: World Bank Business Intelligence and Independent Evaluation Group World Bank project ratings data.
Note: DPF = development policy financing; FCS = countries affected by fragility, conflict, or violence, based on the World Bank's list of fragile and conflict-affected situation countries in effect in the fiscal year when the project closed http://www.worldbank.org/en/topic/fragilityconflictviolence/brief/harmonized-list-of-fragile-situations; FY = fiscal year (of project closing); IBRD = International Bank for Reconstruction and Development; IDA = International Development Association; IPF = investment project financing; S+ = substantial or above.

Table A.30. Portfolio of Projects with Completion Reporting and Ratings in Each Reporting Period, by Project Size Category

Project Size[a] Category ($, millions)	Projects Closed (no.)		Total Volume of Projects Closed ($, millions)		Percent of Projects		Percent of Volume		Percent Change in Number of Projects	Percent Change in Project Volume
	FY12–14	FY15–17	FY12–14	FY15–17	FY12–14	FY15–17	FY12–14	FY15–17		
(1) ≤20 (very small)	349	242	3,408	2,453	36	34	4	3	−31	−28
(2) >20 and ≤50	239	164	8,376	5,675	25	23	10	8	−31	−32
(3) >50 and ≤100	145	114	11,148	8,709	15	16	13	12	−21	−22
(4) >100 and ≤200	126	86	18,140	12,891	13	12	21	18	−32	−29
(5) >200 (very large)	97	96	46,257	41,895	10	14	53	58	−1	−9
N/A	5	2	—	—	1	0	0	0	−60	—
Total	961	704	87,329	71,623	100	100	100	100	−27	−18

Source: World Bank Business Intelligence and Independent Evaluation Group World Bank project ratings data.
Note: FY = fiscal year (of project closing).
[a] Projects are designated N/A under project size when the net commitment value for this project is blank in Business Intelligence. All dollar amounts are U.S. dollars unless otherwise indicated.

Table A.31. Portfolio of Projects with Completion Reporting and Ratings in Each Reporting Period, by Source of Funds

Source of Funds	Projects Closed (no.) FY12–14	Projects Closed (no.) FY15–17	Total Volume of Projects Closed ($, millions) FY12–14	Total Volume of Projects Closed ($, millions) FY15–17	Percent of Projects FY12–14	Percent of Projects FY15–17	Percent of Volume FY12–14	Percent of Volume FY15–17	Percent Change in Number of Projects	Percent Change in Project Volume
IBRD	288	255	52,314	44,930	30	36	60	63	−11	−14
IDA	492	318	31,613	24,606	51	45	36	34	−35	−22
Recipient Executed Trust Fund	91	60	1,872	1,446	9	9	2	2	−34	−23
Special Fund	23	11	371	173	2	2	0	0	−52	−53
Global Environment Fund	60	56	539	433	6	8	1	1	−7	−20
Carbon Initiative	1	0	—	n.a.	0	0	0	0	..	n.a.
Montreal Protocol	6	3	620	34	1	0	1	0	−50	−95
Other	0	1	n.a.	—	0	0	0	0	..	n.a.
Total	961	704	87,329	71,623	100	100	100	100	−27	−18

Source: World Bank Business Intelligence and Independent Evaluation Group World Bank project ratings data.
Note: IBRD = International Bank for Reconstruction and Development; IDA = International Development Association; FY = fiscal year (of project closing); other = projects are designated "other" when the net commitment value for this project is blank in Business Intelligence. All dollar amounts are U.S. dollars unless otherwise indicated.

Table A.32. Portfolio of Projects with Completion Reporting and Ratings in Each Reporting Period, by Country Designation

Country Designation Category	Projects Closed *(no.)*		Total Volume of Projects Closed *($, millions)*		Percent of Projects		Percent of Volume		Percent Change in Number of Projects	Percent Change in Project Volume
	FY12–14	**FY15–17**	**FY12–14**	**FY15–17**	**FY12–14**	**FY15–17**	**FY12–14**	**FY15–17**		
IBRD FCS	14	10	615	541	1	1	1	1	−29	−12
IBRD non-FCS	343	325	50,383	48,186	36	46	58	67	−5	−4
IDA FCS	150	91	5,973	3,292	16	13	7	5	−39	−45
IDA non-FCS	404	233	29,208	16,795	42	33	33	23	−42	−42
Other	50	45	1,150	2,809	5	6	1	4	−10	144
Total	961	704	87,329	71,623	100	100	100	100	−27	−18

Source: World Bank Business Intelligence and Independent Evaluation Group World Bank project ratings data.
Note: FCS = fragile and conflict-affected situation; FY = fiscal year (of project closing); IBRD = International Bank for Reconstruction and Development; IDA = International Development Association; other = projects are designated “other” when the net commitment value for this project is blank in Business Intelligence. All dollar amounts are U.S. dollars unless otherwise indicated.

Table A.33. Portfolio of Projects with Completion Reporting and Ratings in Each Reporting Period, by World Bank Region

World Bank Region	Projects Closed (no.)		Total Volume of Projects Closed ($, millions)		Percent of Projects		Percent of Volume		Percent Change in Number of Projects	Percent Change in Project Volume
	FY12–14	FY15–17	FY12–14	FY15–17	FY12–14	FY15–17	FY12–14	FY15–17		
Africa	306	199	15,433	14,190	32	28	18	20	−35	−8
East Asia and Pacific	163	121	17,662	12,672	17	17	20	18	−26	−28
Europe and Central Asia	157	104	13,247	14,574	16	15	15	20	−34	10
Latin America and the Caribbean	157	134	21,562	14,060	16	19	25	20	−15	−35
Middle East and North Africa	80	61	5,425	4,185	8	9	6	6	−24	−23
South Asia	97	83	13,995	11,927	10	12	16	17	−14	−15
Other	1	2	7	14	0	0	0	0	100	100
Total	961	704	87,329	71,623	100	100	100	100	−27	−18

Source: World Bank Business Intelligence and Independent Evaluation Group World Bank project ratings data.
Note: FY = fiscal year (of project closing); other = projects are designated "other" when the country/region for this project is blank in Business Intelligence. All dollar amounts are U.S. dollars unless otherwise indicated.

Table A.34. Portfolio of Projects with Completion Reporting and Ratings in Each Reporting Period, by Practice Group

Practice Group	Projects Closed *(no.)*		Total Volume of Projects Closed *($, millions)*		Percent of Projects		Percent of Volume		Percent Change in Number of Projects	Percent Change in Project Volume
	FY12–14[a]	FY15–17	FY12–14[a]	FY15–17	FY12–14[a]	FY15–17	FY12–14[a]	FY15–17		
Equitable Growth, Finance, and Institutions	247	135	26,453	19,359	26	19	30	27	−45	−27
Human Development	207	134	19,878	12,016	22	19	23	17	−35	−40
Infrastructure	176	144	19,466	19,552	18	20	22	27	−18	0
Sustainable Development	327	291	21,419	20,696	34	41	25	29	−11	−3
Other	2	0	113	—	0	0	0	0	−100	−100
Total	959	704	87,329	71,623	100	100	100	100	−27	−18

Source: World Bank Business Intelligence and Independent Evaluation Group World Bank project ratings data.
Note: FY = fiscal year (of project closing); other = projects are designated "other" when practice group for this project is blank in Business Intelligence.
[a] Two projects closed in FY12–14 are excluded because of missing data for Global Practice and net commitment. All dollar amounts are U.S. dollars unless otherwise indicated.

Table A.35. Portfolio of Projects with Completion Reporting and Ratings in Each Reporting Period, by Global Practice

Global Practice	Projects Closed (no.)		Total Volume of Projects Closed ($, millions)		Percent of Projects		Percent of Volume		Percent Change in Number of Projects	Percent Change in Project Volume
	FY12–14[a]	FY15–17	FY12–14[a]	FY15–17	FY12–14[a]	FY15–17	FY12–14[a]	FY15–17		
Finance, Competitiveness, and Innovation	56	24	6,207	4,550	6	3	7	6	−57	−27
Governance	68	44	4,508	2,876	7	6	5	4	−35	−36
Macroeconomics, Trade, and Investment	106	41	14,195	10,720	11	6	16	15	−61	−24
Poverty and Equity	4	5	557	738	0	1	1	1	25	32
Trade and Competitiveness	13	21	986	475	1	3	1	1	62	−52
Education	89	53	7,188	4,047	9	8	8	6	−40	−44
Health, Nutrition, and Population	74	52	5,875	3,915	8	7	7	5	−30	−33
Social Protection and Labor	44	29	6,816	4,054	5	4	8	6	−34	−41
Energy and Extractives	92	61	8,861	6,264	10	9	10	9	−34	−29
Transport and Digital Development	84	83	10,605	13,287	9	12	12	19	−1	25
Agriculture	74	73	3,328	5,143	8	10	4	7	−1	55
Environment and Natural Resources	63	61	2,609	1,831	7	9	3	3	−3	−30
Social, Urban, Rural, and Resilience	121	90	9,930	7,977	13	13	11	11	−26	−20
Water	69	67	5,552	5,745	7	10	6	8	−3	3
Other	2	0	113	n.a.	0	0	0	0	−100	n.a.
Total	959	704	87,329	71,623	100	100	100	100	−27	−18

Source: World Bank Business Intelligence and Independent Evaluation Group World Bank project ratings data. *Note:* FY = fiscal year (of project closing); other = projects are designated "other" when global practice for this project is blank in Business Intelligence.
[a] Two projects closed in FY12–14 are excluded because of missing data for Global Practice and net commitment. All dollar amounts are U.S. dollars unless otherwise indicated.

Appendix B. Results and Performance of International Finance Corporation Investment Projects

Results and Performance of the World Bank Group 2018 (RAP18) updated the analysis of the development results of investment projects by the International Finance Corporation (IFC) and IFC's performance by including findings from 87 project evaluations completed in the calendar year (CY)17 Expanded Project Supervision Report (XPSR) program. A total of 253 IFC investment projects with completed evaluations as of October 5, 2018 were included in the three-year review period of CY15–17, with approval years spanning fiscal year (FY)09–13 and evaluated in the CY15, CY16, and CY17 XPSR programs. This appendix presents project results data based on three-year rolling averages.

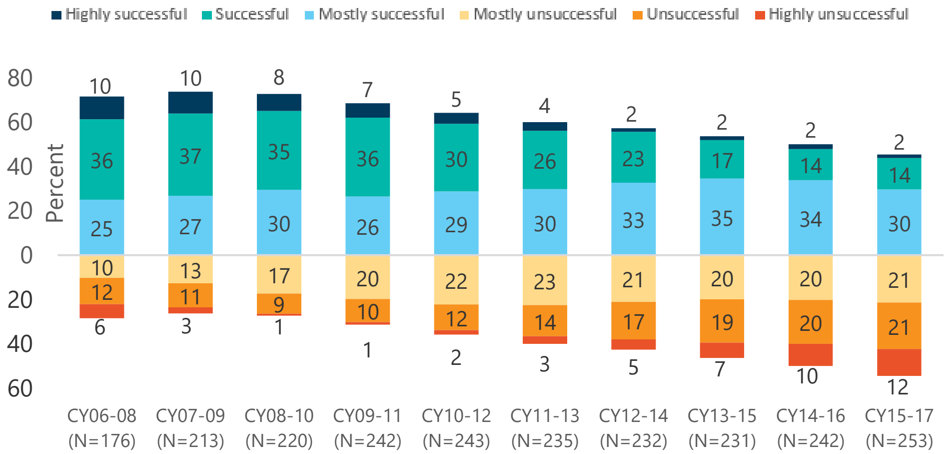
Development outcome rating reflects the overall contribution of the project to the development of its host country and thus implicitly addresses how well the project has contributed to fulfilling IFC's purpose. A project's development outcome encompasses all effects on a country's economic and social development. Development outcome has four elements or indicators: project business success, economic sustainability, environmental and social effects, and contribution to private sector development.

Trends in Performance

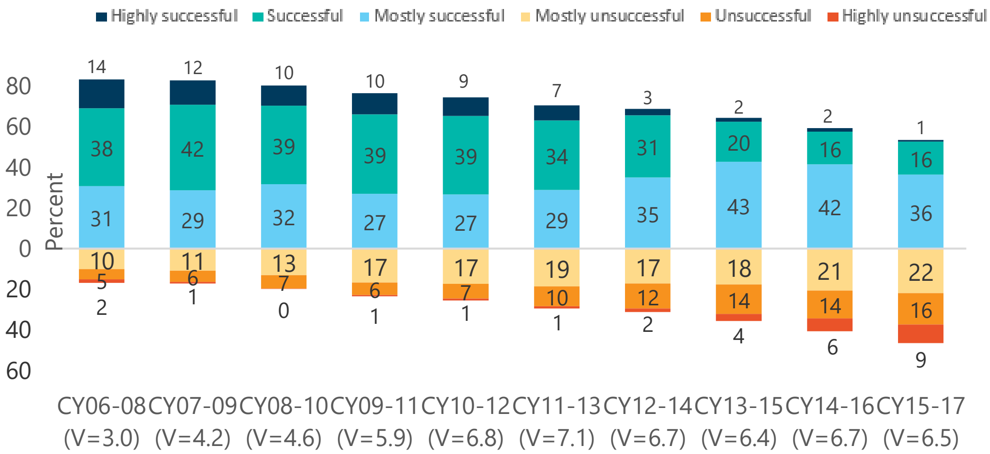
Performance of IFC investment projects on development outcome has continued to decline, with an increasing share of highly unsuccessful projects. The proportion of IFC investment projects rated mostly successful or better has declined significantly from 57 percent in CY12–14 to 45 percent in CY15–17 by number of projects (figure B.1, panel a),[1] and from 69 percent in CY12–14 to 53 percent in CY15–17 by commitment amount (figure B.1, panel b), on a three-year rolling average. During the same period, the proportion of projects rated highly unsuccessful increased from 5 to 12 percent. Among the Regions, the share of highly unsuccessful projects in CY15–17 was concentrated in Europe and Central Asia (about one-quarter). Among the industry groups, Infrastructure had the highest concentration of highly unsuccessful projects (about one-third), but Infrastructure also had higher than average positive ratings (about one-half) and the highest proportion of positive ratings (61 percent) when weighted by commitment volume.

Figure B.1. Performance of IFC Investment Projects by Development Outcome Rating, Three-Year Rolling Basis, CY06–17

a. Share of number of IFC investments, by development outcome rating (three-year rolling basis), CY06-17



b. Share of amount of IFC investments, by development outcome rating (three-year rolling basis, IFC net commitment; $, billions), CY06–17



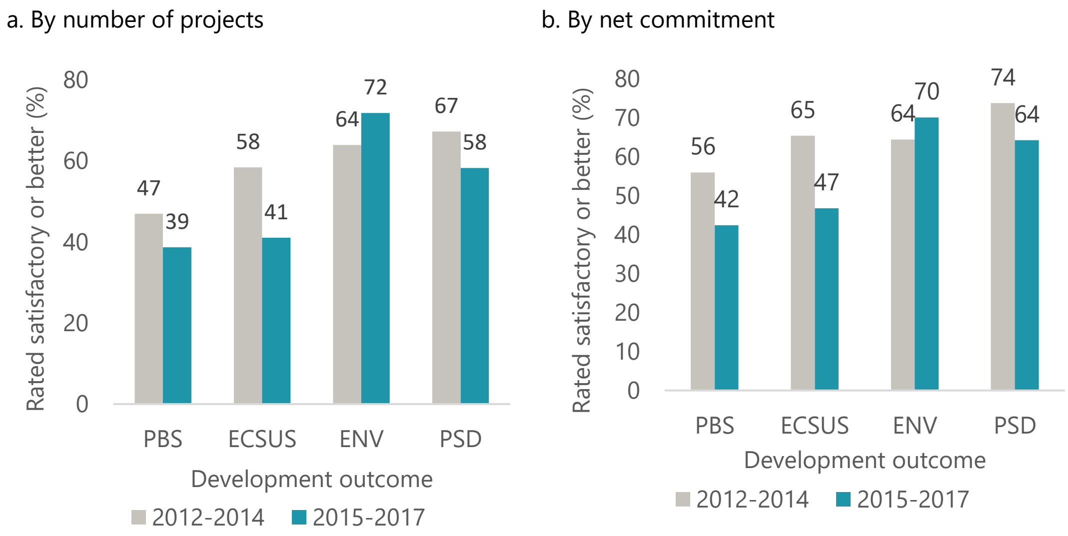
Source: Independent Evaluation Group evaluative notes.
Note: CY = calendar year; V = total volume of projects ($, billions). All dollar amounts are U.S. dollars unless otherwise indicated. Percentages may not add up to 100 percent because of rounding.

Indicators of Development Outcome

Three of the four indicators of development outcome showed significant decline in CY15–17. Environmental and social effects was the only indicator of development outcome that increased from 64 percent in CY12–14 to 72 percent in CY15–17.[2] The remaining three indicators of development outcome (project business success, economic sustainability, and private sector development) declined in the range of 8 to 17 percent during the same period (figure B.2, panels a and b). The increase in environmental and social effects performance was mainly because IFC's work quality related to environmental and social effects, both at appraisal and supervision, has been improving steadily over the years due to (i) well-articulated environmental and social effects sustainability policy; (ii) well-structured and improved environmental and social effects review procedures and guidelines; (iii) improved environmental and social effects capacity in terms of more staff resources, trainings, regional expertise, and so on; and (iv) more project monitoring and client interactions on environmental and social effects in all sectors.

Among the four indicators of development outcome, economic sustainability was strongly associated with development outcome, followed by project business success and private sector development; whereas, the association between environmental and social effects and development outcome was weak in the CY15–17 evaluation cohort.[3] To some extent, project business success and economic sustainability were associated with each other, indicating that projects with poor business results experienced sustainability challenges.[4] Among the indicators of development outcome, both project business success (at 39 percent satisfactory or better) and economic sustainability (at 41 percent) had the lowest ratings among the indicators in CY15–17. The associations between the various dimensions of development outcome suggest a decoupling between environmental and social effects performance and project business success. An important implication of this result is that good environmental and social effects performance is not necessarily predicated on strong profitability. An important question is whether strong environmental and social effects performance can become a driver for improvements in a project's business success by, for instance, enhancing resilience and, by extension, in overall development outcome. Additionally, for repeat clients, good environmental and social effects performance might be a useful proxy indicator (perhaps necessary but not sufficient) for client commitment when IFC is considering a new investment with that client.

Figure B.2. Indicators of Development Outcome, CY12–14 and CY15–17



Source: Independent Evaluation Group evaluative notes.
Note: CY = calendar year; ECSUS = economic sustainability; ENV = environmental and social effects; PBS = project business success; PSD = private sector development.

Performance of Infrastructure Industry Group

Infrastructure had the largest decline in development outcome ratings. Among the industry groups, the development outcome performance for infrastructure projects declined significantly from 69 percent in CY12–14 to 48 percent in CY15–17.[5] Deteriorating macro, market, and regulatory environments and declining commodity prices resulted in weakening performance. Weaknesses in IFC's front-end work, especially for projects evaluated in CY17, contributed to the decline in development performance of infrastructure projects. The factors contributing to IFC's weak front-end work relate to the assessment of (i) weak sponsor or company capabilities in terms of lack of relevant expertise, track record, or commitment in the targeted business areas; (ii) shortcomings in the new business models or strategies; (iii) increased competition in the market and lower than expected demand for the products or services provided; and (iv) regulatory and political issues.

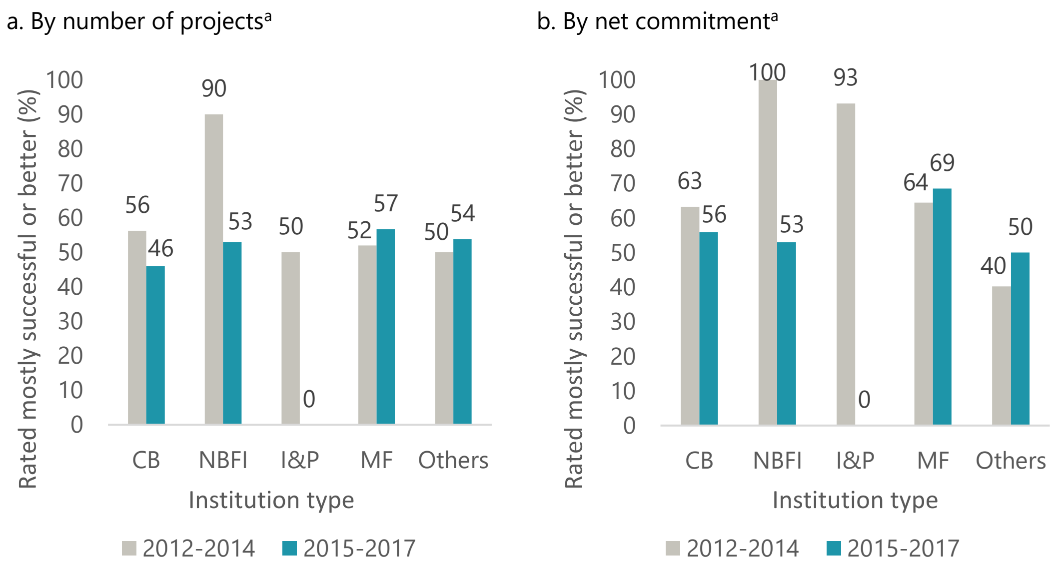
Performance of the Manufacturing, Agribusiness, and Services Industry Group

Decline in the performance of the manufacturing, agribusiness, and services (MAS) industry group in CY15–17 was due to weak performance of projects in tourism, retail, construction, and real estate and manufacturing sectors. IFC needs to pay greater attention to its tourism, retail, construction, and real estate portfolio because only 2 of 12 projects evaluated in CY15–17 were rated mostly successful or better. The weak performance in this sector was due to two main factors: (i) the sponsors' lack of experience in entering opportunistically into difficult and underdeveloped market segments in this sector and (ii) insufficient IFC industry specialist coverage in this sector, resulting in gaps in assessment of risks and market. The latter occurred mostly in small countries, where many of the evaluated projects are located, and/or in projects experimenting, and in projects experimenting with innovative business models. As a result, transactions were often carried out by teams without sector expertise. In the manufacturing sector, only two of every five projects were rated mostly successful or better on development outcome in CY15–17. This was due to three main factors: (i) shortage of IFC staff with industry knowledge in this very diverse sector, contributing to weaknesses in risk assessment at the appraisal stage of projects and inadequate follow-up during the supervision stage of projects; (ii) optimistic ex ante market assessment and business prospects; and (iii) changes in government regulation and policies, which had negative implications on projects.

Performance of Financial Institutions Industry Group

There was a decline in the performance of the financial institutions industry group in CY15–17 caused by weak performance of projects in three areas. These areas were (i) commercial banking (from 63 percent in CY12–14 to 56 percent in CY15–17), (ii) nonbanking financial institutions (from 100 to 53 percent), and (iii) insurance and pensions (from 93 to 0 percent, because all four projects were rated mostly unsuccessful or worse in CY15–17). Microfinance (at 69 percent) had the highest rating on development outcome within the financial institutions industry group in CY15–17 (figure B.3, panels a and b).

Figure B.3. Performance of Commercial Banking, Nonbanking Financial Institutions, and Insurance and Pensions Sectors, CY12–14 and CY15–17



Source: Independent Evaluation Group evaluative notes.
Note: The category "others" includes Distressed Asset Recovery Program, digital finance, funds, housing finance, other financial institutions group sector, and trade and commodity. CB = commercial banking; CY = calendar year; I&P = insurance and pension; MF = microfinance; NBFI = nonbanking financial institutions.
a. The decline for I&P is not statistically significant because there are only six I&P projects.

Financial Institutions Industry Group: What Works and Does Not Work

The analysis was based on an examination of the Evaluative Notes associated with a sample of 22 IFC financial institutions industry group projects that have been evaluated by IEG. The sample was partitioned into a group of 10 projects for which the development outcome was rated mostly successful or better, and a second group of 12 projects for which the development outcome was rated mostly unsuccessful or worse. For the first group, the analysis attempted to identify the recurring factors contributing to their successful development outcome rating. For the second group, the analysis attempted to identify the recurring factors contributing to their unsuccessful development outcome rating. In both groups of projects, factors were mostly identified from clear statements made in the relevant Evaluative Note for the project. In a few cases, factors were inferred from the evaluative description even though the factor as presented in this analysis was not explicitly mentioned.[6]

Financial Institutions Industry Group: Factors that Seem to Work

A positive business (or enabling) environment and benign or favorable market conditions appear to be factors present in every project rated mostly successful or better (table B.1). However, it is advisable not to stretch this interpretation to infer that they should be deemed a necessary condition for project success. Another factor present in all 10 projects in the sample is satisfactory environmental and social effects, which is possibly meaningful as a proxy for client commitment.[7] The final factor present in all 10 projects that is likely more robust as an explanatory factor is selection of IFC investment instruments in local currency. This is significant given that all the projects involved bank or financial institution onlending to relatively less-sophisticated end borrowers who otherwise might have been adversely affected by bearing the brunt of foreign exchange risk.

Table B.1. IFC Financial Institutions Industry Group Projects Rated Mostly Successful or Better: Factors that Seem to Work

	Serial No.										
Factor	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**Frequency**
Positive business environment	x	x	x	x	x	x	x	x	x	x	10
Benign or favorable market conditions	x	x	x	x	x	x	x	x	x	x	10
IFC relationship bank/FI	x	x		x	x	x		x			6
Good transaction structure	x							x	x		3
Good ID of risk and mitigants	x	x		x	x			x	x		6
Achieved development objectives	x		x	x			x	x			5
IFC investment in local currency	x	x	x	x	x	x	x	x	x	x	10
Satisfactory environmental and social effects	x	x	x	x	x	x	x	x	x	x	10
Satisfactory AS or knowledge transfer	x	x	x			x		x	x		6
Satisfactory use of specialists	x			x					x		3
Satisfactory due diligence	x	x		x	x		x	x	x	x	8

Source: Independent Evaluation Group evaluative notes.
Note: AS = Advisory Services; ID = identification; IFC = International Finance Corporation; FI = financial institution; no. = number.

The next important factor in terms of frequency of occurrence in the sample (8 of 10 projects) was adequacy of overall due diligence. Three important factors (each present in 6 of 10 projects) were good identification of risks and mitigants (actually a subcomponent of due diligence but considered worth treating separately because of its significance), satisfactory delivery and coordination of either Advisory Services (as promised to IFC's Board) or supervisory (or possibly other stakeholder) transfer of technical knowledge, and the selection of an IFC relationship bank as the partner in the project, the significance of which is that IFC is more likely to be successful in assessing both client commitment to and capacity for undertaking the project.

Regarding Advisory Services and knowledge transfer, not all projects with development outcome rated as successful actually required inputs from Advisory Services interventions. In the cases in which Advisory Services projects were explicitly mentioned in IFC Board Reports, all were delivered and, moreover, showed evidence of having been coordinated to some extent with the IFC investment in question. This is significant to the extent that at investment approval, key ingredients to the project's success were identified as depending on reasonable execution of an Advisory Services project, without which the investment project's success would be at risk.

Two factors (each present in 3 of 10 projects) that may not be as universally compelling but were explicitly observed in the Evaluative Notes were good transaction structuring and good use of IFC specialists. The former becomes particularly important when the IFC investment involves more than the usual degree of complexity, and the second is important where sectoral challenges are best met through specialized domain knowledge.

Financial Institutions Industry Group: What Does Not Work

The factor "weak enabling environment" in table B.2 covers macroeconomic conditions and government policy framework. Moreover, it includes problematic environments showing incipient signs at approval and other cases in which conditions deteriorated only post-disbursement. This is a difficult factor to categorize as being under IFC control because, as a development institution, IFC is expected to assume a certain amount of risk under difficult conditions and may not be able to avoid this risk to the extent a commercial institution would. However, the two most important controllable factors for IFC that seem to account for unsuccessful project performance are weak due diligence and other front-end work (other than risks and mitigants) (present in 11 of 12 projects in this group), and weak identification of risks and mitigants (present in 6 of 12 projects and which is a subset of IFC's front-end work but presented separately because of its significance).

Next in terms of frequency of occurrence was setting objectives and targets that cannot be verified (7 of 12 projects). Weak delivery or coordination of Advisory Services (or other knowledge transfer) in connection with the relevant investment was present in 6 of 12 projects and largely meant that the project was missing certain essential inputs as presented to IFC's Board for approval. In some cases, the Advisory Services project promised in the IFC Board Report never materialized. However, in other cases, Advisory Services projects were implemented but considered ineffective for one of two reasons: (i) an Advisory Services project had been initiated and was ongoing before approval of the relevant investment project with attendant limitations for changing previously and contractually established advisory objectives and priorities, or (ii) for Advisory Services projects undertaken post-IFC investment, early involvement of the IFC Advisory Services team at investment concept and Investment Review Memorandum stages (or at least minimal communication between the two teams) appears to have been lacking. Also present in 6 of 12 projects was weak client capacity. Moreover, weak client commitment and incentives was discernible in 5 of 12 projects; weak partner selection was present in 4 projects. In 3 projects, crystalized foreign exchange risk adversely impacted either the bank or financial institution or else their sub-borrowers.

Table B.2. IFC Financial Market Projects Rated Mostly Unsuccessful or Worse: Factors that Seem Not to Work

	Serial No.												
Factor	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**Frequency**
Weak enabling environment				x	x	x	x	x		x		x	7
Weak client commitment and incentive	x	x	x			x					x		5
Weak client capacity (for project)		x			x			x	x	x		x	6
Negative impact foreign exchange risk	x	x					x						3
Weak or negative demo effect	x	x				x	x	x		x	x	x	8
Weak due diligence and other IFC's front-end work	x	x		x	x	x	x	x	x	x	x	x	11
Weak identification of risks and mitigants						x	x		x	x	x	x	6
Weak partner selection	x		x			x				x			4
Weak AS or knowledge transfer			x	x	x	x	x			x			6
Weak supervision			x		x	x				x		x	5
Objectives or targets not verifiable	x	x		x	x	x	x				x		7

Source: Independent Evaluation Group evaluative notes.
Note: AS = Advisory Services*;* FX = foreign exchange; IFC = International Finance Corporation; no. = number.

Performance of Telecom, Media, Technology, Venture Capital and Funds Industry Group

Among the four industry groups, Telecom, Media, Technology (TMT), Venture Capital and Funds had the lowest rating on development outcome (about one-quarter of the projects rated mostly successful or better) in CY15–17. This was due largely to weak performance of the IFC-supported investment funds of the cohort in this industry group, which is not representative of the performance of IFC's investment fund portfolio overall. A review of IFC's investment fund projects in the TMT, Venture Capital and Funds industry group identified the following factors of underperformance:

- Weak measurability of the fund's development objectives related to (i) collecting information on the achievement of developmental objectives, particularly information on reaching targeted beneficiaries such as small and medium enterprises; and (ii) targets that are too broad and not necessarily reflective of the achievement of desired objectives (for example, the number of additional investee company board directors may not have necessarily implied that IFC helped improve corporate governance).

- Departure from the fund's mandate. This often assumed the form of investing in companies that fall outside of the definition of target companies stated both in the fund's investment strategy and development objectives.
- Weaknesses in the fund's business model related to (i) overambitious regional coverage without having achieved sufficient investment scale to avoid the excessive burden of high operational costs that this produced; (ii) tension between objectives (for example, targeting small entities while setting demanding emissions-reduction targets); and (iii) lack of a cap on fund manager expenses.
- Weaknesses in IFC's front-end work related to (i) adequate structuring of the IFC investment to address any inexperience or skill gaps in the fund manager; (ii) appropriate fund manager screening ratios (that is, the number of proposals reviewed per investments made); and (iii) the existence of a suitable fund manager control framework (for example, caps on fund manager expenses, budget ceilings for Advisory Services to investee companies, procedures for managing conflicts of interest, resolving or mitigating partner disputes, and changing or removing the fund manager).
- Undercapitalization. In most cases of underperforming projects, the funds proceeded despite being undercapitalized. For some, this increased costs or even impaired the fund's viability from the outset.
- Difficult macroeconomic environment. This was often identified as a factor for underperformance combined with overambitious objectives.

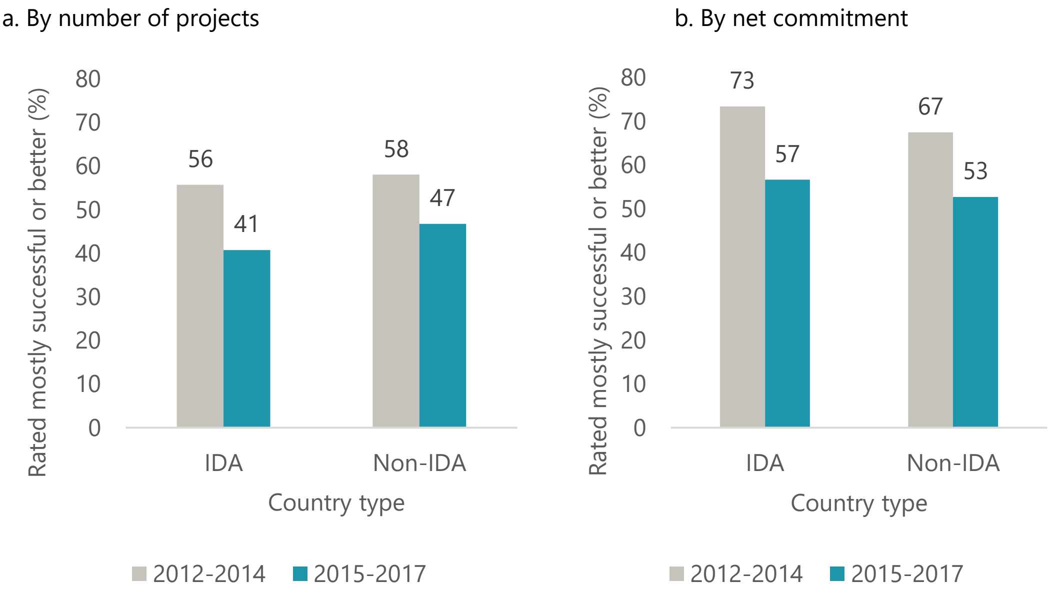
Performance of IFC Projects in IDA versus Non-IDA Countries

Improving the performance of IFC investments in IDA countries is important because IFC has promised to deliver 40 percent of its commitments in IDA countries by 2030 as part of commitments under the capital increase to its stakeholders. After years of convergence in development outcome performance in IDA and non-IDA countries, the performance of IFC investments in IDA (at 41 percent mostly successful or better) slipped and was below that of non-IDA (at

47 percent) countries in CY15–17 (figure B.4, panels a and b). About 60 percent of the IFC projects in IDA countries in CY15–17 were concentrated in Sub-Saharan Africa. Therefore, the weak performance of IFC projects in Sub-Saharan Africa (at 30 percent mostly successful or better) in CY15–17—especially in the commercial banking sector (where only one of seven projects was rated mostly successful or better) and in the oil, gas, and mining sector (at 17 percent)—contributed to the decline in IDA's performance.

For non-IDA countries, the weak performance of projects (reflected in percentages of those projects in each group rated mostly successful or better) in CIV (0 percent), tourism, retail, construction, and real estate (20 percent), and manufacturing (40 percent) sectors in CY15–17 contributed to the decline in performance (figure B.4).

Figure B.4. Performance of IDA and Non-IDA Countries, CY12–14 and CY15–17



Source: Independent Evaluation Group evaluative notes.
Note: IDA = International Development Association.

Fragile and Conflict-Affected Situations: What Works and Does Not Work

The Evaluative Notes for a sample of eight fragile and conflict-affected situations (FCS) projects were reviewed to ascertain those factors that contributed to apparent project success (in terms of a development outcome rating of mostly successful or better) and those that seem to have been responsible for unsuccessful performance (in terms of a development outcome rating of mostly unsatisfactory or worse). Because of the very small sample size, caution is recommended in inferring causality to all or even most other projects in the same sector. Nonetheless, applied with caution, the findings are believed to have heuristic value. The project sample is eclectic, drawing from diverse subsectors from among the financial sector (a bank and two microfinance institutions) and the real sector (telecommunications, cement, a gold mine, port infrastructure, and liquid natural gas energy). This resulted in the factors explaining what worked being unique in a few cases, whereas the factors contributing to unsuccessful performance were most common to all three projects in this group.

A factor common to all five successful projects was selecting an experienced partner that knew how to operate in challenging FCS working conditions (table B.3). Next in terms of frequency of occurrence was satisfactory IFC front-end work (four of five projects) and satisfactory IFC supervision and administration (four of five projects). Deficiencies in IFC’s front-end work (one project) and supervision and administration (one project) may not be crucial factors. Positive factors found in three of five projects were reasonably conservative projections (ideally based on probability-based expected value rather than projections that were too optimistic or too conservative) combined with good technical analysis. Factors present in two of five projects were special loan protection features because of the additional risk in an FCS environment and, for the two microfinance institution projects, effective microfinance institution strategy formulation, sound Advisory Services and Investment coordination, and low interest-rate policy that helped maintain asset quality in an FCS environment. Regarding Advisory Services and Investment coordination, despite some variations in expectations set for project targets and coordination achieved for the Advisory Services and Investment projects respectively, there was sufficient alignment of Advisory Services and Investment broader objectives and priorities, and effective and timely transfer of knowledge (both through training and on-the-job) to underpin project success. Moreover, coordination was most effective in those areas where there was flexible adaptation to changing project needs in a fluid FCS environment. Other factors identified as contributors to project success in this group tended to be project-specific.

Table B.3. Fragile and Conflict-Affected Situations: Factors that Seem to Work

	Serial No.					
Factor	**1**	**2**	**3**	**4**	**5**	**Frequency**
Conservative projections	x		x		x	3
Good technical analysis	x		x		x	3
Good analysis of policy and regulatory framework	x					1
Identification of corruption and COIs as risks	x					1
Governance issues addressed	x					1
Effective MFI strategy formulation		x		x		2
Effective use of government subsidy		x		x		2
Experienced partner for challenging conditions	x	x	x	x	x	5
Loan protection features			x		x	2
Sound AS and IS coordination		x		x		2
FCS low-interest-rate policy helps sustainability		x		x		2
Port solid FCS priority					x	1
Effective consultant use at appraisal					x	1
Satisfactory IFC front-end work	x		x	x	x	4
Satisfactory supervision and administration		x	x	x	x	4

Source: Independent Evaluation Group evaluative notes.
Notes: AS =Advisory Services; COI = conflict of interest; FCS = fragile and conflict-affected situation; IS = investment services; MFI = microfinance institution.

A common contributing factor to unsuccessful FCS project performance was weak IFC front-end work (table B.4). This was manifest in weak understanding of business strategy, flawed structuring,[8] weak risk assessment, weak due diligence, and weak partner selection. In one case, an ill-suited funding source contributed to an unsuccessful project performance. This factor, which involved relying on public securities markets to raise additional capital to address cost overruns instead of on a few patient, experienced investors with deep pockets, is likely worth considering where a challenging environment may create the need for additional funding. This is because it can become a costly distraction to the management team, as it was in this case. In only one of three projects, weak IFC supervision and administration was a contributing factor to unsuccessful project performance.

Table B.4. Fragility, Conflict, and Violence: Factors that Seem Not to Work

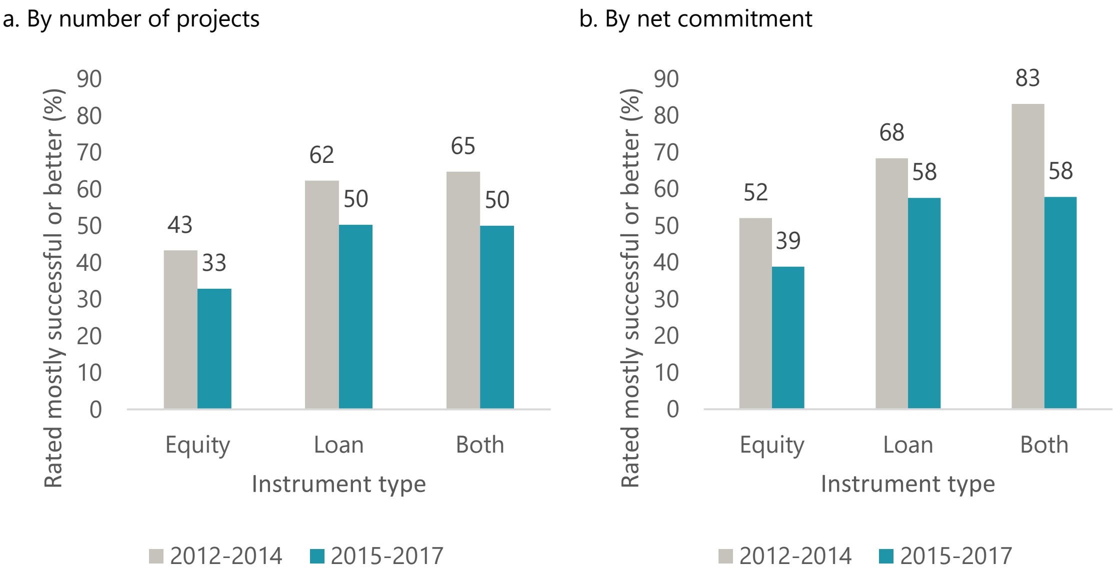
Factor	Serial No.			Frequency
	1	2	3	
Weak IFC front-end work caused by:	x	x	x	3
Weak understanding of business strategy	x	x	x	3
Flawed structuring	x	x	x	3
Weak risk assessment	x	x	x	3
Weak due diligence	x	x	x	3
Selection of weak partner	x			1
Ill-suited funding source			x	1
Weak IFC supervision and administration			x	1

Source: Independent Evaluation Group evaluative notes.
Notes: IFC = International Finance Corporation.

Performance of Equity Investments

Improving the performance of IFC equity investments is important because IFC 3.0 calls for IFC to scale up equity investments, providing scarce equity capital in challenging markets. Equity (at 33 percent mostly successful or better) had the lowest rating on development outcome compared with loan and mix instrument types in CY15–17 (figure B.5, panels a and b). This was due to weak performance of equity projects in (i) TMT, Venture Capital and Funds industry group (with only 9 percent of the projects rated mostly successful or better)—especially in IFC-supported investment funds, where all the eight equity projects were rated mostly unsuccessful or worse in CY15–17; and (ii) infrastructure industry group (with only 20 percent of the projects rated mostly successful or better)—especially early exploration investments with junior mining companies in Africa. These mining companies had limited resources to overcome major challenges when faced with financial, operational, or project structure issues, which was the case during the commodities price downturn.

Figure B.5. Performance of IFC Instrument Types, CY12–14 and CY15–17



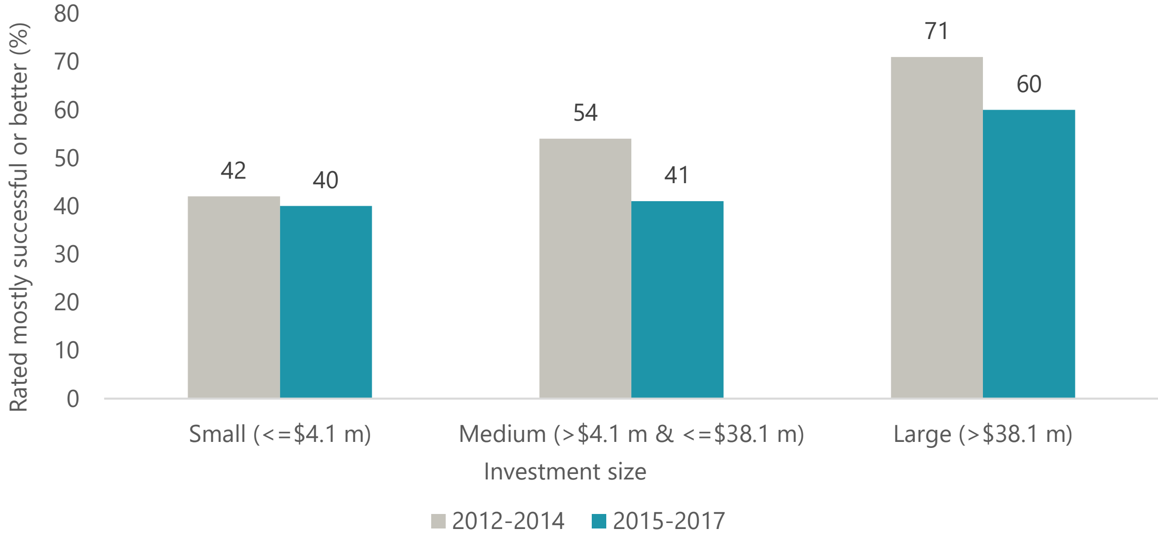
Source: Independent Evaluation Group evaluative notes.

Performance by Investment Size

Large-size investments performed better than medium- and small-size investments. Large-size investment projects (at 60 percent mostly successful or better) performed better than medium-size investment projects (at 41 percent) and small-size (at 40 percent) in CY15–17 (figure B.6). Based on a joint review by IFC and IEG on IFC's development outcome and work quality, the difference in performance reflects the presence in large projects of more senior staff, the participation of industry specialists, and a greater managerial involvement of both IFC and its clients.

There has been a significant decline in the performance of medium-size investments from 54 percent in CY12–14 to 41 percent in CY15–17 (figure B.6).[9] This was due to weak performance of projects in the TMT, Venture Capital and Funds industry group (15 percent mostly successful or better), tourism, retail, construction, and real estate (14 percent), and oil, gas, and mining (18 percent) sectors in CY15–17.

Figure B.6. Performance of IFC Investment-Size Projects, CY12–14 and CY15–17



Source: Independent Evaluation Group evaluative notes.

Quality of IFC's Supervision and Administration

Quality of IFC's Supervision and Administration has declined significantly from 82 percent in CY12–14 to 75 percent in CY15–17.[10] The decline is significant, especially in the Middle East and North Africa Region, IDA projects, and in the infrastructure industry group. Evaluative Notes finalized by IEG in CY17 for nine infrastructure projects for which IFC supervision and administration was rated as partly unsatisfactory or worse were reviewed to identify the main types of supervision deficiency. The deficiencies were (i) insufficiency of monitoring follow-up, where monitoring had been undertaken (observed in five projects);[11] (ii) insufficiency of IFC's environmental and social effects supervision and site visits applicable in situations in which IFC's environmental and social effects monitoring, follow-up, or client engagement was found to be less than satisfactory (five projects); (iii) insufficiency regarding enforcement of covenants, rights, and remedies (four projects);[12] and (iv) lack of adequate (non–environmental and social effects) engagement (four projects).[13] Given that supervision and administration is one of the important elements of IFC's work quality, the recent deterioration in the quality of supervision and administration is a concern, especially when IFC's 3.0 strategy is focusing on riskier markets.

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[1] Statistically significant at 99 percent confidence interval.

[2] Not statistically significant.

[3] Correlation coefficient (r) between: economic sustainability and development outcome is 0.8; project business success and development outcome is 0.73; private sector development and development outcome is 0.68; and environmental and social effects and development outcome is 0.28.

[4] Correlation coefficient (r) between project business success and economic sustainability is 0.58.

[5] Statistically significant at 95 percent confidence interval.

[6] In some cases, the absence of any indication that a particular factor was present may be because it had not been discussed (or no supporting analysis was present) in the Evaluative Note; in others, it was because it was not present.

[7] Several, if not most, projects categorized as unsuccessful also had satisfactory environmental and social effects, thus caution in drawing conclusions is warranted.

[8] The most notable case of flawed structuring involved lending funds to a bank holding company with the funds destined to a subsidiary bank (within a regional bank group) without adequate controls and without IFC having an equity position or other leverage over the subsidiary to encourage timely reporting or compliance with loan covenants.

[9] Statistically significant at 99 percent confidence interval.

[10] IFC's work quality consists of the following two dimensions: (i) front-end work, and (ii) supervision and administration. Decline in the quality of IFC's supervision and administration from 82 percent in CY12–14 to 75 percent in CY15–17 is statistically significant at 99 percent confidence interval.

[11] Such as, perhaps more proactive initial supervision on fine-tuning business plan and corporate governance, needed more active supervision for project site visits, or shortfall in monitoring systems and resource allocations.

[12] This is applicable to situations in which the IFC supervisory team failed to adequately enforce covenants, or exercise rights or take remedies allowed by contract or statutory law (for example, lapse in preparation of waiver memo for covenant breaches, needed more active supervision to enforce covenants or equity rights, and inadequate monitoring of capital expenditure [recorded but not flagged by analysis and ST financing]).

[13] This is applicable to instances in which the IFC supervision team did not engage adequately with the client or with other key shareholders (for example, the World Bank or

one or more relevant governmental agencies) regarding actions required to honor IFC Board Report representation or that were otherwise critical to the project’s performance. For example, failure to appoint IFC's board director, insufficient follow-up with state government, or insufficient engagement with government and the World Bank on sufficiency of tariff increase.

Appendix C. Results and Performance of International Finance Corporation Advisory Services Projects

Results and Performance of the World Bank Group 2018 (RAP18) updated the analysis of the development results of Advisory Services projects by the International Finance Corporation (IFC) and IFC's performance by including findings from 40 Advisory Services project evaluations completed in the fiscal year (FY)17 Project Completion Report (PCR) Program. A total of 140 IFC Advisory Services projects with completed evaluations as of October 5, 2018 were included in the three-year review period of FY15–17. This appendix presents project results data based on three-year rolling averages.

Development effectiveness reflects the extent to which an intervention achieved its intended development results and private sector development. The development effectiveness rating implicitly addresses how well the project has contributed to fulfilling IFC's purpose and mission. Development effectiveness is a synthesis of the following five dimensions: strategic relevance, output achievement, outcome achievement, impact achievement, and efficiency.

Trends in Performance

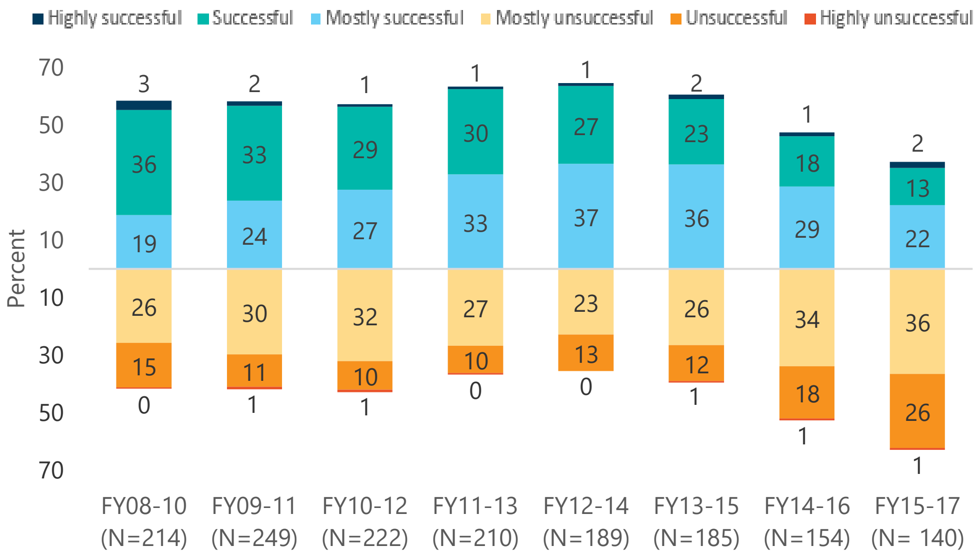
Performance of IFC Advisory Services on development effectiveness has continued to decline. The proportion of IFC Advisory Services projects rated mostly successful or better on development effectiveness has declined significantly from 65 percent in FY12–14 to 37 percent in FY15–17 by number of projects[1] (and from 72 to 34 percent by commitment amount), on a three-year rolling average (figure C.1, panels a and b). During the same period, the proportion of projects rated successful or better has also declined from 28 to 15 percent, whereas the proportion of projects rated unsuccessful or worse has increased from 13 to 26 percent. The net disconnect or gap between the development effectiveness ratings as reported by IFC (in its Self-Evaluation Reports) and Independent Evaluation Group (IEG; in its Evaluative Notes) has more than tripled from 11 percent in FY12–14 to 34 percent in FY15–17. The net disconnect or gap was higher than the IFC-wide average of 34 percent in FY15–17 for International Development Association (IDA; net disconnect or gap of 40 percent in FY15–17), Fragile and Conflict-affected situations (FCS; 42 percent), Sub-Saharan Africa (47 percent), and large-size projects (45 percent).

All five dimensions of development effectiveness (strategic relevance, output achievement, outcome achievement, impact achievement, and efficiency) showed significant decline in their ratings. The ratings across all five dimensions of development effectiveness declined significantly in the range of 9 to 27 percent in FY15–17 (figure C.2, panels a and b).[2] Among the indicators, outcome was strongly associated with development effectiveness—both declined at almost the same rate (26–27 percent) between FY12–14 and FY15–17. The efficiency indicator declined by 20 percent during the same period. IFC's strategic relevance dimension was rated mostly successful or better in two-thirds of the projects in FY15–17 compared with approximately 80 percent of the projects in FY12–14.

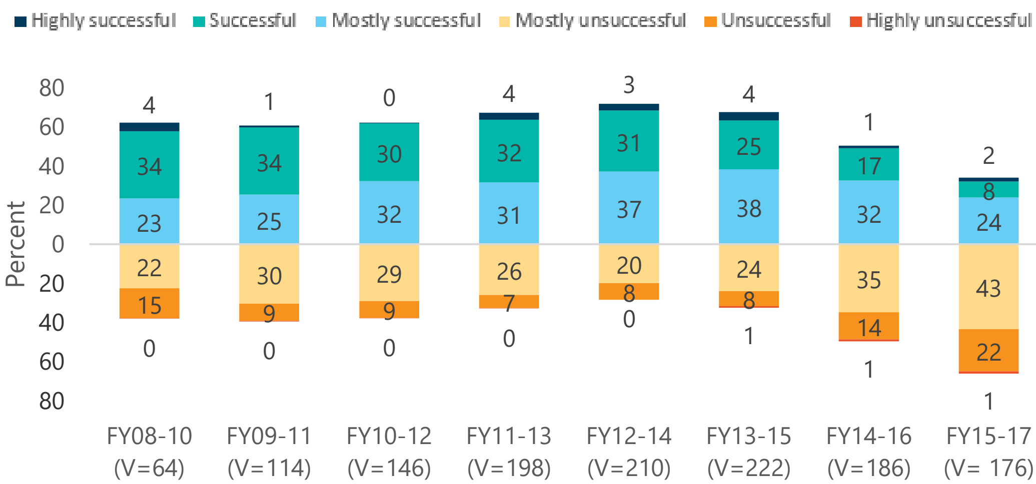
Among the dimensions of development effectiveness, impact achievement had the lowest rating of 16 percent in FY15–17 (figure C.2, panels a and b). Both IEG and IFC need to revisit the PCR Review Guidelines on rating the impact achievement indicator of development effectiveness because a high proportion of Advisory Services projects (42 projects or 30 percent) evaluated by IEG in FY15–17 did not have a numerical rating on impact achievement. That is, 18 projects were rated as "cannot be verified," 16 projects were rated as "not applicable," and 8 projects were rated as "too early to judge" on impact achievement in IEG Evaluative Notes.

Figure C.1. Performance of IFC Advisory Services on Development Effectiveness, Three-Year Rolling Basis, FY08–17.

a. Share of number of IFC advisory projects by development effectiveness rating, three-year rolling basis, FY08–17.

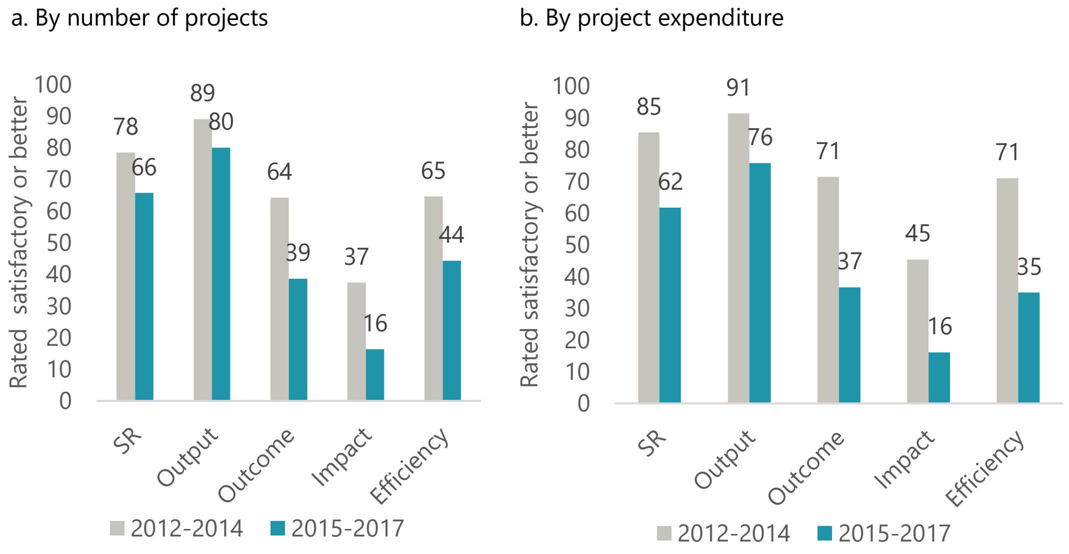


b. Share of expenditure of IFC advisory projects by development effectiveness rating, three-year rolling basis, $, millions), FY08–17



Source: IEG evaluative notes.
Note: FY = fiscal year; IFC = International Finance Corporation; V = total volume of projects ($, millions). All dollar amounts are U.S. dollars unless otherwise indicated.

Figure C.2. Ratings for the Five Indicators of Development Effectiveness, FY12–14 and FY15–17
(percent mostly successful or better)



Source: IEG evaluative notes.
Notes: DE = development effectiveness; FY = fiscal year; SR = strategic relevance.

Performance of IFC Projects in IDA and Non-IDA Countries

Performance of Advisory Services projects in IDA countries (at 31 percent mostly successful or better) was below non-IDA countries (at 43 percent) in FY15–17. This was due to weak performance of Advisory Services projects (i) across three Regions (Sub-Saharan Africa, East Asia and Pacific, and Latin America and the Caribbean) with a combined performance of only 27 percent mostly successful or better; (ii) in large-size Advisory Services projects, especially in South Asia and Sub-Saharan Africa, with a combined performance of only 15 percent mostly successful or better; and (iii) in medium-size Advisory Services projects, especially in East Asia and Pacific and Latin America and the Caribbean, with a combined performance of only 8 percent mostly successful or better. Advisory Services constitutes one of IFC’s most important vehicles for market creation and supporting the private sector in challenging environments. Furthermore, IFC has an advisory portfolio of more than 700 projects worth more than $1.5 billion, which are strongly focused on priority areas (for example, 60 percent of IFC's advisory work is in IDA countries).[3]

Review of Large Advisory Services Projects in IDA Countries

A review was undertaken of 15 large IFC Advisory Services projects in IDA countries that were evaluated by IEG (information taken from IEG Evaluative Notes for each project) and for which the projects' development effectiveness was rated as either mostly unsuccessful or worse. The objective of the review was to identify factors responsible for the projects' weak performance. The assessments made in this review were not constrained to conform to the IEG ratings. For example, this review in some cases attributes weaknesses in project preparation and design to IFC front-end work, despite the IEG evaluation having rated that work as satisfactory.

All 15 projects reviewed involved governmental agencies, if not directly as the client, then as a stakeholder with either a participatory or an oversight role. Most projects involved other institutional stakeholders, including private sector (commercial lenders or advisory institutions) and official international institutions (such as the World Bank, the International Monetary Fund, or regional development banks).

What Seems Not to Work

The factors presented appear to be the main ones responsible for Advisory Services project underperformance. In nearly all cases, performance shortfall was attributable to more than a single factor; in a few cases, most (though not all) of these factors were present in a single project. The factors are presented in three groups: (i) IFC project preparation and design, (ii) IFC project supervision, and (iii) external factors.

Weak IFC Project Preparation and Design

- **Project design too complex.** Excessive complexity (present in 10 of 15 projects) was manifest in too many components being addressed in the same project to the extent that project management was not able to exercise effective control. In some cases, it involved setting expectations too high regarding the ability of project clients and counterparts in a low-capacity country to deal with the complexity. It also entailed shortcomings at the project design stage in ascertaining the effective ceiling for the number of client institutions involved, beyond which their effective coordination became too cumbersome. The reason for the excessive complexity is not clear in many cases. In some, it might have been project preparation staff wanting to demonstrate their mastery of developmental issues and their complexity. In other cases, because many Advisory Services components are funded by donor concessional financing, donor pressure to undertake more with allocated resources within shorter time frames (both in terms of complexity and in breadth and depth of effort) might have been a major influence.

- **Lack of understanding of the theory of change.** This factor, which was present in 13 of 15 projects, showed up in different ways. However, in several cases, an important reason seemed to be the implicit assumption that the project addressed a "binding constraint,"[4] which proved not to be true after the fact (other essential factors and contributions may be missing, thus resulting in no evidence of positive impact).[5] Another reason is that the presumed behavioral response to project achievement was wrong (private sector clients find Advisory Services products too sophisticated, too risky,[6] or having some other drawback despite those outputs being technically sound).

- **Deficiency in establishing appropriate targets (subobjectives)**. This factor (present in 10 of 15 projects) revealed deficiencies at the project design stage of being overambitious or, in some cases, irrelevant (not measuring the right concepts).

- **Failure to establish at the design stage the appropriate data or information required for monitoring and evaluation (M&E) purposes.** In 10 of 15 projects, inadequate attention was given to subsequent M&E, thus thwarting verification that outcomes and impacts were achieved.

Weak IFC Project Supervision

- **Failure to revise project objectives and budget as circumstances change.** This factor was present in 8 of 15 projects. In some cases, major changes in projects occurred without the objectives being modified accordingly. In other cases, additional work components were added but not adequately funded, or project scope was reduced without a commensurate reduction in budget. In one case, the project team revised the project objectives downward to what had already been achieved.

- **Lack of enough effort for the uptake of project products.** This factor was present in 8 of 15 projects. Generally, this entailed the project team focusing more on technical achievement rather than final impact. It might be attributable in some cases to not having the right skills on the team, including not having selected the right team leader for the project. In other cases, political factors, changes in key client personnel, and lack of client ownership of project results were responsible.

- **Not enough effort to record information.** This factor was present in 10 of 15 projects. Given the significant (though not exact) overlap with inadequate attention to M&E at the project design stage, it was not possible in this review to conclude whether this was mainly caused by shortcomings on the part of staff responsible for implementing and supervising the project or was the result of lack of guidance from project design as to what information to collect and report. In any event, this resulted in difficulties in verifying the achievement of targets, outcomes, and impacts. A concomitant weakness was failure to leave an audit trail.

External Factors

- **Client or government commitment.** Weak commitment on the part of the client institution or higher levels of government was present in 13 of 15 projects. In a few cases, this should have been anticipated during project design. In others, the reasons for lack of commitment seemed to be more obscure. This is a factor that will not be easy to ascertain except through more careful upfront risk assessment to truly align interests and through greater attention to organizational arrangements to meet ostensibly shared objectives. To the extent feasible and to enhance client commitment, IFC should in future strive to (i) reduce the number and sharpen the focus of project objectives, (ii) select project components that are essential for achieving a common purpose (that is, that are ideally "indecomposable" in terms of achieving outcomes and impacts), and (iii) ensure that organizational and working arrangements pay due regard to the optimum roles and functions of key stakeholders to achieve project success (including whether the project is designed as a consultancy or an advisory engagement).

- **Actions or inactions of others.** This factor was present in 13 of 15 projects. Generally, it reflected a pronounced dependency of project impacts (if not always project outputs and outcomes) on contributions of other institutions (government, commercial banks, other donors, or international agencies and the World Bank). In some cases, this factor was manifest in others not fulfilling their contributions to objectives that were shared with the project. It is notable that at least a few of these likely became material problems because of the implicit assumption that the project was addressing a binding constraint, thereby taking other essential contributions for granted. In one case, another entity (including donor funding) was addressing similar, if not the same, objectives. The project design had materially underestimated the possibility of competition and the need for coordination. In at least two cases, IFC and World Bank priorities were misaligned, causing government confusion when it came to uptake.

- **Force majeure.** This factor was present in 2 of 15 projects—political instability in one case, and a combination of extreme weather conditions and a breakdown in the rule of law in the other.

- **Changes in government (client) organization.** This factor was present in 4 of 15 projects. It entailed institutional changes and the retirement of a senior official who had been the project's champion in one case.

Quality of IFC's Work in Project Preparation and Design for Advisory Services Projects

There was a strong association between development effectiveness and IFC's work in project preparation and design. Weakness in IFC's work in project preparation and design is a common contributing factor in Advisory Services projects rated mostly unsuccessful or worse on development effectiveness. Development effectiveness was associated with IFC's work in project preparation and design in 75 percent of the Advisory Services projects in FY15–17 (figure C.3, panels a and b).[7] Additionally, IFC Advisory Services projects with poor project preparation and design (those rated partly unsatisfactory or worse) rarely achieved mostly successful or better ratings on development effectiveness.[8] This indicates a strong association between development effectiveness and IFC's work in project preparation and design. Assessment of a sample of recently approved Advisory Services projects found recurring issues (such as broad scale and scope of project activities, unrealistic and ambitious time frames, and insufficient M&E planning) in IFC's work in project preparation and design.

Figure C.3. Association between Development Effectiveness and IFC's Project Preparation Quality

a. By number of evaluated projects

		Project Preparation Quality	
		LOW	HIGH
Development Effectiveness	High	9 percent n=9	26 percent n=27
	Low	49 percent n=50	16 percent n=16

b. By project expenditure

		Project Preparation Quality	
		LOW	HIGH
Development Effectiveness	High	8 percent $ 10 M	18 percent $ 22 M
	Low	55 percent $ 69 M	19 percent $ 24 M

Source: IEG.
Note: M = millions (dollars).

[1] Statistically significant at 99 percent confidence interval.

[2] Statistically significant either at 99 percent or 95 percent confidence interval.

[3] *IFC Strategy Business Outlook Update FY19–21: Implementing IFC 3.0* (April 12, 2018).

[4] A binding constraint is a constraint used in linear programming equations whose value satisfies the optimal solution; any changes in its value changes the optimal solution. When trying to find an optimal solution, the binding constraint is the factor on which the solution is more dependent.

[5] For example, in one case, the Advisory Services project did not adequately take the position of the banks into account while designing and implementing the Advisory Service. That is, the project did not consider whether the banks in the country considered Advisory Services project outcomes to have sufficiently improved small and medium enterprise creditworthiness to the extent that the banks would feel comfortable lending to them. This implies that in certain types of projects, contributions from other players are essential to positively affect the project's outcomes.

[6] For example, in a country lacking legal safeguards and reliable electrical power supply, advisory recommendations encouraging small and medium enterprises or individuals to switch from traditional cash-based commercial transactions to adopting Advisory Services–provided online digital payment systems may be perceived as carrying excessive risk—this could be from possible cyberfraud or identity theft and risk that frequent power outages might either curtail livelihoods or force additional cost by necessitating backup power supply (for example, buying generators that are not needed with traditional methods).

[7] Twenty-six percent of IFC Advisory Services projects were rated positive on both development effectiveness and IFC's work in project preparation and design. Similarly, 49 percent of IFC Advisory Services projects were rated negative on both development effectiveness and IFC's work in project preparation and design.

[8] Only 9 percent by number and 8 percent by commitments have development effectiveness rated mostly successful or better when IFC's work in project preparation and design is rated partly unsatisfactory or worse.

Appendix D. Results and Performance of Multilateral Investment Guarantee Agency Projects

Results and Performance of the World Bank Group 2018 (RAP18) updates the analysis of the development results of projects by the Multilateral Investment Guarantee Agency (MIGA) and MIGA's performance by including findings from nine project evaluations completed in the fiscal year (FY)17 Project Evaluation Report (PER) Program. Sixty-five MIGA projects with evaluations completed as of October 5, 2018, were included in the six-year review period of FY12–17. This appendix presents project results data based on six-year rolling averages. All success rate percentages in this appendix are based on number of projects unless stated otherwise.

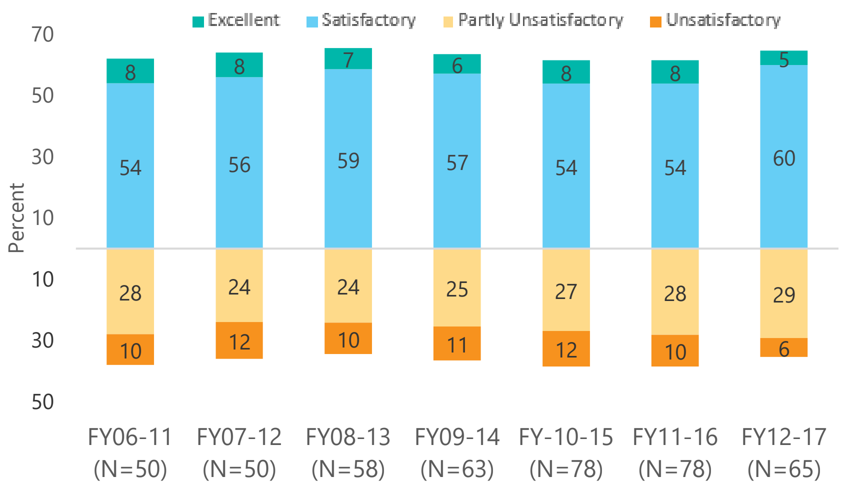
Development outcome aims to capture the project's overall impact on a country's economic and social development and, thus, is important as an implicit proxy for how well the project has contributed to fulfilling MIGA's purpose and mission. Development outcome is a synthesis of the four indicators: project business performance, economic sustainability, environmental and social effects, and private sector development impact. Development outcome for MIGA projects are rated on a four-point scale: excellent, satisfactory, partly unsatisfactory, and unsatisfactory.

Trends in Performance

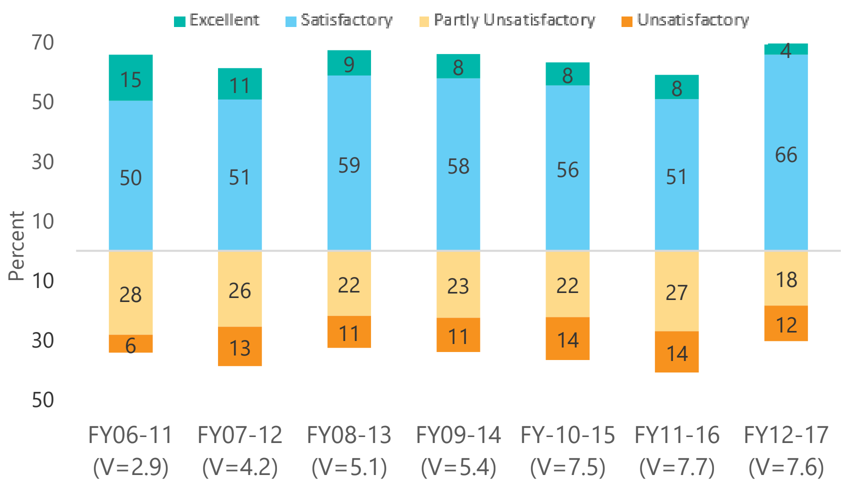
Performance of MIGA projects on development outcome has increased because of strong performance in both energy and extractive industries and infrastructure sectors.[1] The proportion of MIGA projects rated satisfactory or better has increased from 62 percent in FY06–11 to 65 percent in FY12–17 by number of projects (and from 66 percent in FY06–11 to 70 percent in FY12–17 by gross issuance amount) on a six-year rolling average (figure D.1, panels a and b). This was because of the strong performance of MIGA projects in both energy and extractive industries and infrastructure sectors—a combined increase in performance from 52 percent in FY06–11 to 77 percent in FY12–17. The factors contributing to project success in these sectors include (i) projects with strong strategic relevance to countries together with a stable regulatory environment, (ii) sponsors or companies with strong experience and track records in relevant sectors, and (iii) stable market or demand and competitive products (for example, lower production costs of power generation projects supported by MIGA).

Figure D.1. Development Outcome Ratings for MIGA, Six-Year Rolling Basis, FY06–17

a. Share of MIGA guarantees by development outcome rating, by number, six-year rolling basis, FY06–17



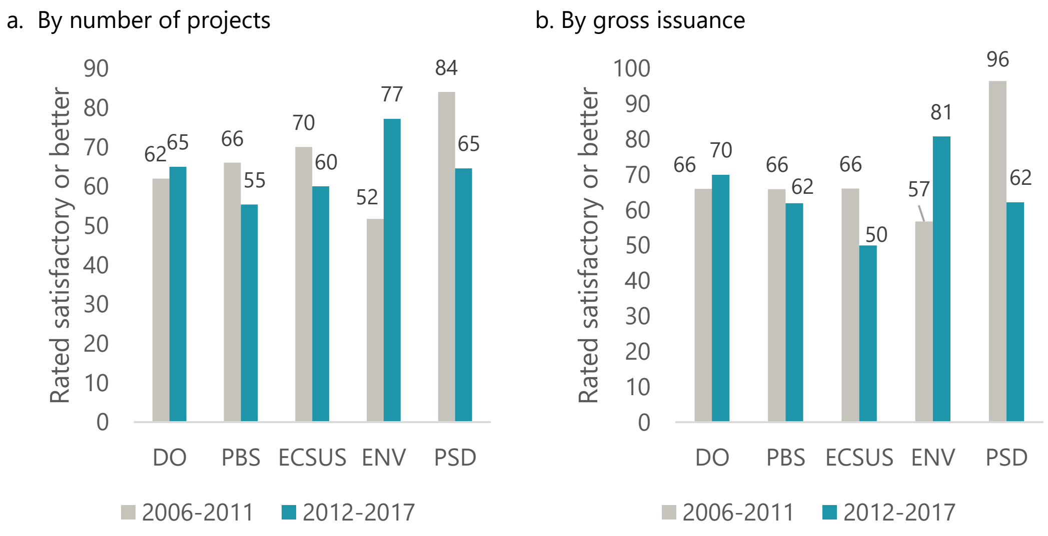
b. Share of MIGA guarantees by development outcome rating, by gross issuance $billion, six-year rolling basis, FY06–17



Source: Independent Evaluation Group evaluation notes and MIGA systems.
Note: The gross issuance amounts include guarantees issued and additions to existing guarantees during the evaluation period. FY = fiscal year; MIGA = Multilateral Investment Guarantee Agency.

Three of the four indicators of development outcome showed decline in FY12–17. The environmental and social indicator increased from 52 percent satisfactory or better in FY06–11 to 77 percent in FY12–17 (figure D.2, panels a and b). This was due to strong environmental and social performance across the energy and extractive industries (at 100 percent satisfactory or better), infrastructure (at 82 percent), and International Development Association (IDA) projects (at 83 percent). Among the indicators, the decline was notable in private sector development, from 84 percent satisfactory or better in FY06–11 to 65 percent in FY12–17. This was due to decline in ratings across finance and capital markets (from 88 percent in FY06–11 to 50 percent in FY12–17), IDA projects (from 86 percent to 63 percent), and Sub-Saharan Africa (from 83 percent to 52 percent).

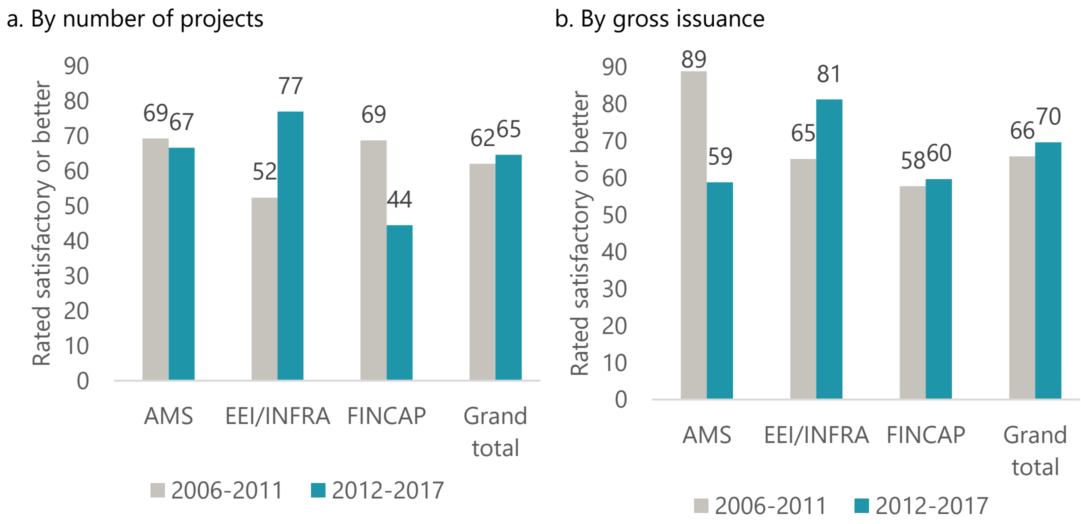
Figure D.2. Indicators of Development Outcome in FY06–11 and FY12–17



Source: Independent Evaluation Group evaluation notes and MIGA systems.
Note: DO = development outcome; ECSUS = economic sustainability; ENV = environmental and social effects; FY = fiscal year; PBS = project business success; PSD = private sector development.

The performance of financial markets was the weakest among the sectors. Both by number of projects (at 44 percent satisfactory or better) and by gross issuance amount (at 60 percent), the performance of MIGA projects in finance and capital markets was below the MIGA-wide average of 65 percent by number of projects and 70 percent by gross issuance amount in FY12–17 (figure D.3, panels a and b). This was due to weak performance of projects in Europe and Central Asia, where the concentration of finance and capital markets projects was high. Projects created in response to the global financial crisis (that is, MIGA guarantee support was provided as part of the global international financial institution response to the Europe and Central Asia financial crisis under the Vienna initiative) contributed to the decline in performance in Europe and Central Asia. Of 18 MIGA projects evaluated in FY12–17 in the finance and capital markets sector, 14 projects (or approximately 80 percent) were concentrated in Europe and Central Asia. Finance and capital markets also had the lowest rating across all four indicators—project business success (44 percent), economic sustainability (33 percent), environmental and social (64 percent), and private sector development (50 percent)—compared with the other three sectors (energy and extractive industries, agribusiness and general services, and infrastructure).

Figure D.3. Development Outcome Ratings, by Sector

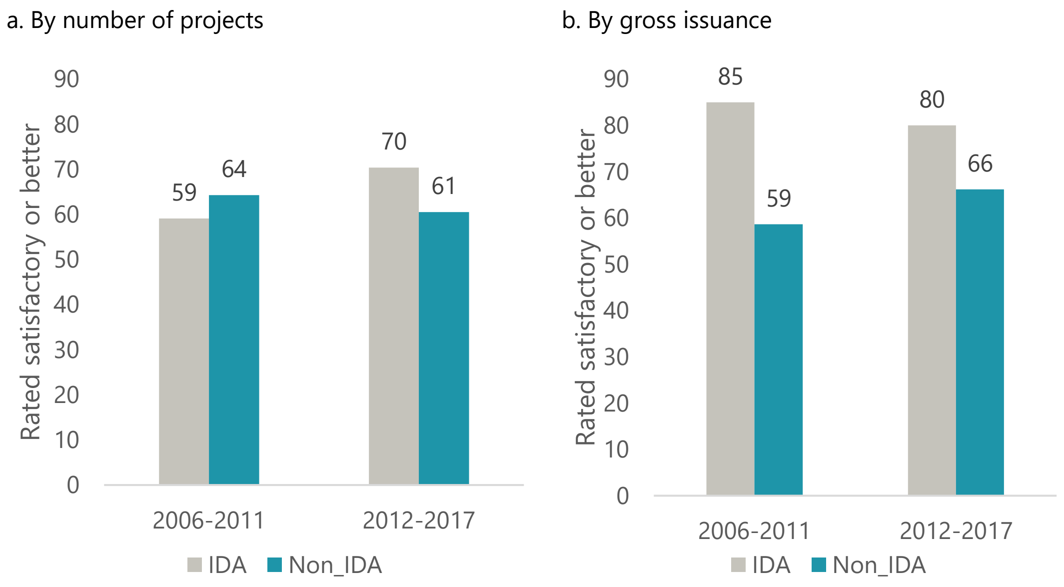


Source: Independent Evaluation Group evaluation notes and MIGA systems.
Note: AMS = agribusiness, manufacturing, and services; EEI/INFRA = energy and extractive industries/infrastructure; FINCAP = finance and capital markets; FY = fiscal year.

IDA projects have performed better than non-IDA projects did in FY12–17. One of three elements of MIGA's FY18–20 strategy is a reaffirmed commitment to the poorest through support for projects in IDA countries.[2] Also, under the 18th Replenishment of IDA, the private sector window seeks to expand private investment in IDA-only countries, with a focus on IDA-eligible fragile and conflict-affected situations, according to the *MIGA Strategy and Business Outlook FY18–20*.

That said, the development outcome performance for IDA (at 70 percent satisfactory or better) was above non-IDA performance (at 61 percent) in FY12–17, and IDA performance increased compared with 59 percent in FY06–11 (figure D.4, panels a and b). This was due to the strong performance of IDA projects in the energy and extractive industries sector (at 78 percent mostly successful or better).

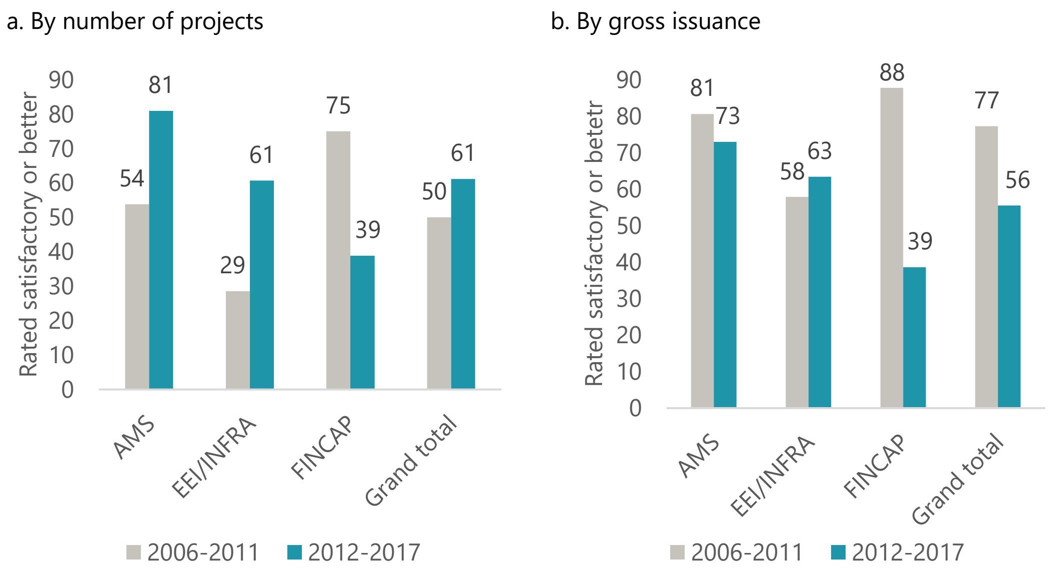
Figure D.4. Development Outcomes for International Development Association and Non-IDA



Source: Independent Evaluation Group evaluation notes and the Multilateral Investment Guarantee Agency.
Note: IDA = International Development Association.

MIGA's assessment, underwriting, and monitoring quality was weak in the financial markets sector. At 39 percent satisfactory or better, both by number of projects and by gross issuance amount, MIGA's assessment, underwriting, and monitoring quality for projects in the finance and capital markets sector was below the MIGA-wide average (61 percent by number of projects and 56 percent by gross issuance amount) (figure D.5, panels a and b). Lack of indicators to measure expected impacts, failure to explain outcomes and impacts, and lack of monitoring of development impacts and environmental and social aspects are linked to the decline in ratings.

Figure D.5. MIGA's Assessment, Underwriting, and Monitoring in the Finance and Capital Markets Sector



Source: Independent Evaluation Group evaluation notes and MIGA systems.
Notes: AMS = agribusiness and general services; EEI/INFRA = energy and extractive industries/infrastructure; FINCAP = financial and capital markets.

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[1] The following are the four MIGA management sectors: (i) agribusiness and general services, (ii) energy and extractive industries, (iii) infrastructure, and (iv) financial and capital markets.

[2] The three elements of MIGA's FY18–20 strategy are (i) a reaffirmed focus on the poorest through support for projects in International Development Association countries; (ii) a continuing emphasis on fragile and conflict-affected situations, where MIGA can have impact where private political risk insurance insurers are unwilling to go; and (iii) an expanded commitment to climate change mitigation and adaptation, targeting 28 percent of new issuance related to climate change mitigation or adaptation in 2020.

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