



MOPAN COMMON APPROACH

Executive Summary and Conclusions

World Bank 2009

February 19, 2010

Executive Summary

Background

The World Bank in 2009

- “ Performance is perceived to be adequate or better on most indicators . but it is challenged to do better
- “ Recognised for knowledge, technical competence, and experience in development; also for independent evaluation and financial accountability
- “ Adjustment of procedures and use of some country systems are ongoing concerns for respondents

The MOPAN Common Approach assesses the organisational effectiveness of multilateral institutions based on the perceptions of MOPAN members and direct clients/partners of these organisations. It is an exercise developed by a group of donor countries in order to contribute to improved performance of multilateral organisations.¹

In an ideal world, the effectiveness of multilateral organisations would be assessed by their contributions to the results achieved by developing countries. While many multilaterals are improving their results frameworks and data-gathering systems, these are not yet developed enough across organisations to be used as the basis of a systematic effectiveness assessment. As a proxy, the MOPAN Common Approach therefore measures the effectiveness of multilateral organisations by seeking perceptions of respondents on behaviours, systems and processes that should enable these organisations to contribute to the achievement of development results at a country level.²

The MOPAN Common Approach is the successor to the Annual MOPAN Survey, conducted annually since 2003; however, it is broader and deeper than the previous surveys. It brings in the views of national clients/partners of multilateral organisations and those of multilateral donors, that is, MOPAN members at both headquarters and country level.³ The MOPAN Common Approach takes a more systematic look at organisational effectiveness and is organised around the widely recognised balanced scorecard approach that examines four dimensions of organisational effectiveness . strategic management, operational management, relationship management, and knowledge management.⁴ Within each of these dimensions or quadrants, the MOPAN Common Approach has developed key performance indicators (KPIs) of organisational effectiveness, and micro-indicators (MIs) that specify the measurement criteria for the KPIs.

The MOPAN Common Approach is intended to generate relevant and credible information to assist MOPAN members in meeting domestic accountability requirements and to support dialogue between MOPAN members, multilateral organisations and their direct clients/partners, with a

¹ MOPAN is an informal network of 15 donor countries. In 2009, members include Australia, Austria, Canada, Denmark, Finland, France, Germany, Ireland, The Netherlands, Norway, The Republic of Korea, Spain, Sweden, Switzerland and the United Kingdom. For more information on MOPAN, please visit www.mopanonline.org.

² Whether or not a multilateral organisation does in fact contribute to the achievement of development results will also depend on whether or not it is addressing the right development issues, with the right instruments, and at an appropriate scale, given the country context in which it operates.

³ The terms %donors+and %MOPAN members+are used interchangeably in this report and refer only to the respondents in this assessment.

⁴ Organisational effectiveness is defined by MOPAN as %being organised to support clients/partners to produce and deliver expected results.+

specific focus on improving organisational learning and effectiveness over time. The Common Approach complements other ongoing assessment processes such as the bi-annual Organisation for Economic Co-operation and Development Development Assistance Committee (OECD-DAC) Survey on Monitoring the Paris Declaration and the annual reports of the Common Performance Assessment System (COMPAS) by the Multilateral Development Banks (MDBs). The Common Approach was used for the first time in 2009. MOPAN will review and further strengthen the methodology after each year of implementation.

In 2009, the World Bank was assessed at an institutional level and across nine countries: Ethiopia, Guatemala, Mozambique, Pakistan, Peru, Senegal, Serbia, Thailand and Uganda. Four of these countries – Guatemala, Peru, Serbia, and Thailand – are International Bank for Reconstruction and Development (IBRD) countries; the others are International Development Association (IDA) or Blend countries. The nine countries were selected based on established MOPAN criteria and they comprise only a small proportion of the World Bank's total portfolio of clients, thus limiting broader generalisations about the Bank.

The assessment draws on the perceptions of three groups of respondents: MOPAN members in-country and at headquarters, as well as clients and civil society stakeholders of the multilateral organisation. These were collected through a stakeholder survey that was conducted primarily online, although a small proportion of direct partners/clients completed it via face-to-face interviews for practical reasons. A total of 258 respondents participated in the survey on the World Bank.

Main Findings

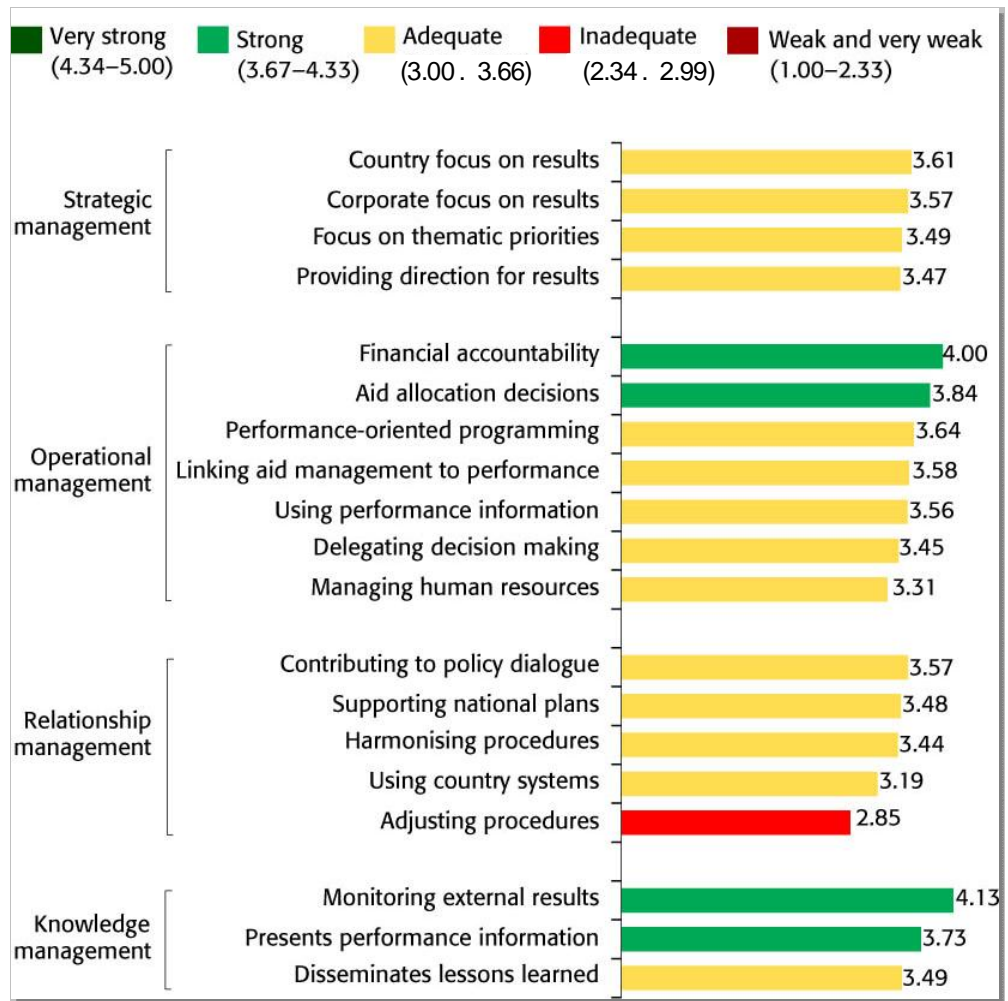
The World Bank continues to be recognised for its knowledge, technical competence, and experience in development. When asked the survey's open-ended question on the overall strength of the World Bank, respondents often point to its technical know-how and research. They also note the Bank's capacity to mobilise financial and non-financial resources and its role as a global organisation. In the MOPAN Common Approach, among the World Bank's areas of strongest performance, according to respondent ratings, are its monitoring of external results and its presenting of performance information through its reports to the Board of Directors. The World Bank is also perceived to have solid systems in place to support its operations, as reflected in respondents' positive ratings with regard to its capacity to ensure financial accountability and adhere to its criteria for allocating IDA resources. The Bank's efforts to deepen the results agenda are acknowledged – as captured in the findings on strategic management – yet the adequate ratings also illustrate that this is still a work in progress.

According to respondents, the Bank needs to continue its efforts to strengthen its relationship management. There still is room to improve the Bank's culture in promoting local ownership through more consistent use of some country systems, when appropriate. In addition, the Bank can still improve in adjusting its procedures.

“Knowledge, capacity, professionalism, effectiveness. The World Bank has a depth of knowledge and capacity that is unrivalled in the development assistance field. The ability to bring this expertise and experience to bear effectively in the development effort is the Bank's greatest strength.” (Donor at headquarter level)

As illustrated in the chart below, out of the 19 key performance indicators assessed by MOPAN in 2009, the Bank received strong ratings on four, inadequate ratings on one, and adequate ratings in all other areas, based on the total mean scores. In general, the World Bank's clients and MOPAN members at headquarters assess its performance more positively than MOPAN members at the country level. Respondents in IBRD countries also tend to be more positive about the World Bank's performance than those in IDA/Blend countries, particularly in the area of Relationship Management.

Performance across all indicators (mean scores, all respondents)



Strategic Management

The World Bank's Strategic Management

- ~ Higher ratings: The Bank's country focus on results, corporate focus on results
- ~ Mixed ratings: Strategic focus on gender equality

The World Bank's focus on results at the country level is considered adequate or strong by country level respondents surveyed. Client respondents and MOPAN members suggest that the Country Assistance Strategy (CAS) results frameworks are consistent with national development strategies and have quality results frameworks with links between project, sector, and country levels and indicators for each of those levels. The Bank is seen to perform adequately on integrating results from cross-cutting thematic priorities (e.g., gender equality, environment, governance) and consulting with beneficiaries in defining results.

The Bank is noted for strengths in its results measurement system as part of its corporate focus on results. MOPAN members at headquarters give the Bank high ratings for including measurable indicators at output and outcome levels in its results frameworks, and also for including frameworks of expected management results and development results in its strategies. The frameworks are viewed to have adequate causal links from outputs through to outcomes and impact. On other aspects of a corporate results focus, such as the link between strategy and mandate and ensuring that results management is applied across the organisation, the Bank is rated adequately.

Respondents indicate that the World Bank is providing adequate direction for results. It is rated strongly by MOPAN representatives at headquarters for making key documents easily accessible to the public. Respondents give the Bank adequate ratings for having an institutional culture that reinforces a focus on results, the leadership shown by senior management on results management, and the client/partner focus of its institutional culture.

The World Bank is viewed to have a strong strategic focus on good governance and a strong or adequate focus on environmental protection. Respondents have mixed opinions on the Bank's focus on gender equality. Client respondents give strong or adequate ratings on the Bank's focus in all three of the cross-cutting thematic priorities analysed in this year's survey: good governance, environmental protection, and gender equality. MOPAN members provide strong or adequate assessments of the Bank's strategic focus on good governance and environmental protection, but respondents at the country level consider the Bank's strategic focus on gender equality inadequate.

The World Bank's Operational Management

- ~ Higher ratings: Practices that ensure financial accountability
- ~ Lower, but adequate ratings: Managing human resources and delegation of decision-making

Operational Management

The World Bank's strength in financial accountability is widely recognised by respondents. Client respondents and MOPAN donor respondents indicate that one of the Bank's strengths is its external audit practices (both corporate and project level) and its internal audit function, which is seen to provide objective information to the Board of Directors. On its institutional policies on corruption and strategies for risk management, the Bank is also rated strongly. It is rated adequately for ensuring timely action on irregularities when these are identified at the country level. In the area of financial accountability, donors at the country level may have less information on the practices of the Bank, indicating **60%** know+on several questions.

The Bank is also rated strongly for allocating its concessional (IDA) resources in a way that is transparent and predictable. All respondents agree that the Bank performs strongly in allocating funding according to specified criteria. However, a large number of respondents, both clients and MOPAN country donors, indicate that they do not know if the Bank publishes criteria for allocating concessional aid funding. Those who indicated they had knowledge in this area--a large percentage of MOPAN donors at headquarters but also some country level MOPAN members and clients--indicated that they perceive that the Bank does publish the criteria.

The World Bank is seen to have adequate practices to support performance-oriented programming. The Bank is perceived to implement several practices that support better design and implementation of projects. It is rated strongly at country level for establishing milestones to enable monitoring of the progress of project implementation. For MOPAN members at headquarters, its practice of subjecting new operations to impact analysis prior to approval is adequate.

MOPAN respondents based at headquarters suggest that the Bank is adequately linking aid management to performance. MOPAN members at headquarters provide a rating of adequate on the extent to which the World Bank links loans and credit to expected development results.

Respondents in country and at headquarters also consider that the Bank adequately uses performance information as a tool for revising its strategies and operations. At the country level, respondents rate the Bank's performance strongly based on its use of country performance information to plan new operations. At headquarters, donors from MOPAN countries give the Bank adequate ratings on the use of project, sector and country information on performance to revise its corporate strategies. The Bank's proactive management of **40%** unsatisfactory+projects also receives an adequate rating from all three respondent groups. Its practice of tracking the implementation of evaluation recommendations presented to the Board of Directors is rated as strong by respondents at the country level and adequate by donors at headquarters. MOPAN donor and client respondents in country may lack information in this area, given the number of **60%** know+responses on this question.

The World Bank is perceived to adequately delegate decision-making authority to the country level. Client and MOPAN donor respondents in country give ratings of adequate in this key performance area. They perceive that the Bank's tasks are managed at the country level and that the World Bank can propose new loan/credit activities locally, within a budget cap. However, on the latter indicator, MOPAN members are less

knowledgeable, with more than half indicating that they do not know if such action can be taken locally.

In its management of human resources, the Bank is seen to be performing adequately. MOPAN members and client respondents at the country level suggest that the Bank performs adequately in deploying international staff in country offices for a sufficient time to maintain effective partnerships at the country level. Donor respondents at headquarters give the Bank adequate ratings on its practices regarding human resource management: for using results-focused performance agreements for senior staff, for transparently recruiting and promoting staff based on merit, and for using a transparent system of incentives and rewards to manage staff performance. However, there also seems to be a gap in their knowledge of these specific HR practices.

Relationship Management

In the area of policy dialogue, the World Bank is perceived to be adequate or strong. MOPAN country donor respondents and client respondents rate the Bank strongly in terms of the valuable inputs it provides to policy dialogue. All three respondent groups rate the Bank's practice of respecting the views of clients/partners as adequate.

WB provides expertise and deep analyses that other actors are often even unable to do. It combines socio-economic and political issues in a very unique and useful manner and makes recommendations with a lot of significance (Donor at country level)

The World Bank is perceived to be adequate in supporting national plans. Client respondents perceive the World Bank to be strong in its support for funding proposals designed and developed by the national government or clients/partners, and adequate in the extent to which the conditionality applied by the Bank corresponds with the national government's goals and benchmarks. MOPAN country-level donors rate it as adequate on both micro-indicators.

Respondents generally perceive the World Bank to be adequate in harmonising arrangements and procedures with other programming partners, although donors at country level express some concerns. Client respondents rate the World Bank as strong on all three micro-indicators in this key performance indicator. MOPAN members at country level perceive the World Bank's participation in program-based approaches and joint missions to be adequate. They give an inadequate rating, however, to the technical assistance the Bank provides through coordinated programs in support of capacity development.

The World Bank is a leader in setting up programme based approaches (e.g PBS and education). They are willing to harmonise but normally on their own terms. (Donor at country level)

The World Bank is perceived to be adequate overall in its use of country systems, but there are several areas of concern for clients and donors at the country level. Country-level respondents consider the World Bank to be strong with respect to ensuring that expected disbursements are recorded in national budgets. Its use of national budget execution procedures and its encouragement of mutual accountability assessments are both rated adequately. However, there are four areas where the Bank's use of country systems is considered to be inadequate by MOPAN donors

The World Bank's Relationship Management

- ~ Higher ratings: Contribution to policy dialogue
- ~ Lower ratings: Capacity to adjust procedures
- ~ Mixed ratings: Harmonising procedures; donors are more concerned than clients

and client respondents: (i) its use of project implementation units that operate in parallel to the government;⁵ (ii) its use of national financial reporting procedures in making loans and credits; (iii) its use of national auditing procedures for making loans and credits; and (iii) its use of national procurement systems. There also appears to be a lack of awareness among donors and clients about the Bank's performance in this area. Furthermore, it is important to note that in some of the contexts in which the World Bank works the use of country systems may not be feasible or appropriate.

The Bank is considered inadequate in adjusting its procedures.

Responses from MOPAN members and client respondents are consistent in their assessment that the Bank's performance is inadequate on this indicator. This is the lowest rated key performance indicator out of the 19 indicators in this assessment. Client respondents consider the World Bank to be adequate in its use of procedures that can be easily understood and in flexibly adjusting its implementation of individual projects/programs as learning occurs. However, they rate it as inadequate in adjusting overall portfolios in-country quickly to respond to changing circumstances and in the extent to which the length of time it takes to complete procedures does not negatively affect implementation. MOPAN members in-country rate the World Bank as inadequate on all four of these indicators.

WB has very complicated procedures and conditionalities for funding and implementation of projects, in a way it gets involved in micro management of projects which it is felt adversely affects the implementation of the projects.+(Client)

Knowledge Management

The World Bank does well in the area of monitoring, evaluating, and reporting on its performance.

The independence of the Independent Evaluation Group (IEG) is seen as one of the absolute strengths of the Bank in relation to its monitoring of external results. The independence of the World Bank's evaluation unit receives a very strong rating in this year's assessment. Donor respondents also feel that the Bank does well in terms of evaluation coverage . an appropriate proportion of projects and programs are subject to independent evaluation. Client respondents view its performance to be strong for involving clients and beneficiaries in monitoring and evaluation functions, but country-based donors are more moderate in their assessment (giving a rating of adequate).

MOPAN members at headquarters recognise the quality of the World Bank's reporting on performance. They consider it to be strong with regard to reporting to the Board of Directors on performance, including outcomes, and adequate in reporting on its Paris Declaration commitments.

Donor respondents at headquarters suggest that the Bank is performing adequately in disseminating lessons learned. The Bank is rated adequately on how it identifies and disseminates lessons learned from performance information. It is also seen to adequately provide opportunities at all levels of the organisation to share lessons from practical experience.

⁵ Respondents were asked to rate the extent to which: "The World Bank uses project implementation units that operate in parallel to the government." Respondents were not provided with a definition of Parallel Project Implementation Units. However, MOPAN assumes that respondents have a common reference of the definition used in the Survey on Monitoring the Paris Declaration.

The World Bank's Knowledge Management

High ratings: The independence of the IEG

Key Strengths and Areas for Improvement

Based on the findings of the MOPAN Common Approach, there are several key strengths and areas for improvement that provide a basis for discussion between MOPAN members, the World Bank and its clients. A broader list of issues for discussion can be found in the concluding section of the report.

Key Strengths

The World Bank's key strengths are based on the indicators that are rated as strong by more than one respondent group or that received a rating of strong overall. These include:

- **Financial accountability:** Stakeholders express confidence in the World Bank's fiduciary systems, including external and internal audit, risk management, and policies to address corruption.
- **Monitoring external results:** This is seen to be a strength by MOPAN members at headquarters, largely due to their high ratings of the independence of the IEG and appropriate coverage of World Bank operations through independent evaluation. For client respondents, the Bank's strength in this area relates to its involvement of key clients and beneficiaries in monitoring and evaluation functions.
- **Aid allocation decisions:** The Bank's system for allocating concessional (IDA) resources is considered to be transparent and predictable and is rated strongly by MOPAN donors at headquarters. Client respondents and MOPAN donors in-country also give a rating of strong to the Bank's allocation of concessional resources according to established criteria.
- **Setting targets for monitoring implementation of projects:** This practice in performance-oriented programming is viewed as strong by respondents at the country level.
- **Inputs to policy dialogue:** This is viewed as a strength by respondents at the country level.
- **Recording expected disbursements in governments' national budgets:** is seen as a strength by MOPAN donors at country level and client respondents.
- **Focus on certain thematic priorities:** MOPAN donors at headquarters and client respondents give the Bank strong ratings for its strategic focus on good governance and on environmental protection.
- **Use of performance information:** At the country level, the Bank is seen by client respondents and MOPAN donors to perform strongly in its use of performance information to plan new interventions. These groups also view the Bank's practice of tracking implementation of evaluation recommendations reported to the Board as a strength.

- **Focus on results at country level:** Client respondents rate the Bank strongly on most of the dimensions that assess the results focus in its CAS. Donor respondents at the country level also perceive strong performance with regard to the alignment of the results frameworks with national development strategies and the inclusion of indicators at all levels (country, sector, and project).
- **Presenting performance information:** The quality of the Bank's reporting on performance, in particular with regard to outcomes, is seen as a strength by MOPAN members at headquarters.

Key Areas for Improvement

The key areas for improvement for the World Bank are based on indicators that are rated as **inadequate** by more than one respondent group or that received an overall rating of **inadequate**.

According to respondent ratings, the Bank has room to improve in:

- **Adjusting procedures:** Client and donor respondents at country level see the need for greater efficiency and flexibility of the Bank's administrative procedures. All of the criteria in this area are rated inadequately.
- **Use of country systems:** Client and donor respondents at country level provide inadequate ratings for the Bank's use of national financial reporting procedures, auditing procedures, and procurement systems. In addition, they see room for further reduction in the use of parallel PIUs. However, the World Bank's ability to improve its use of country systems may depend on the particular country contexts in which it operates.

Conclusion

The World Bank continues to be recognised for its knowledge, technical competence, and experience in development. When asked the survey's open-ended question on the overall strength of the World Bank, respondents often point to its technical know-how and research. They also note the Bank's capacity to mobilise financial and non-financial resources and its role as a global organisation. In the MOPAN Common Approach, among the World Bank's areas of strongest performance, according to respondent ratings, are its monitoring of external results and its presenting of performance information through its reports to the Board of Directors. The World Bank is also perceived to have solid systems in place to support its operations, as reflected in respondents' positive ratings with regard to its capacity to ensure financial accountability and adhere to its criteria for allocating IDA resources. The Bank's efforts to deepen the results agenda are acknowledged – as captured in the findings on strategic management – yet the adequate ratings also illustrate that this is still a work in progress.

According to respondents, the Bank needs to continue its efforts to strengthen its relationship management. There still is room to improve the Bank's culture in promoting local ownership through more consistent use of some country systems, when appropriate. In addition, the Bank can still improve in adjusting its procedures.

The following key strengths and areas for improvement provide a basis for discussion between MOPAN members, the World Bank and its clients.

Strengths:

The World Bank's key strengths are based on the indicators that are rated as 'strong' by more than one respondent group or that received a rating of 'strong' overall. These include:

- **Financial accountability:** Stakeholders express confidence in the World Bank's fiduciary systems, including external and internal audit, risk management, and policies to address corruption.
- **Monitoring external results:** This is seen to be a strength by MOPAN members at headquarters, largely due to their high ratings of the independence of the IEG and appropriate coverage of World Bank operations through independent evaluation. For clients, the Bank's strength in this area relates to its involvement of key clients and beneficiaries in monitoring and evaluation functions.
- **Aid allocation decisions:** The Bank's system for allocating concessional (IDA) resources is considered to be transparent and predictable and is rated strongly by donors at headquarters. Client respondents and MOPAN donors in-country also give a rating of strong to the Bank's allocation of concessional resources according to established criteria.
- **Setting targets for monitoring implementation of projects:** This practice in performance-oriented programming is viewed as strong by respondents at the country level.
- **Inputs to policy dialogue:** This is viewed as a strength by respondents at the country level.
- **Recording expected disbursements in governments' national budgets:** is seen as a strength by donors at country level and clients.
- **Focus on certain thematic priorities:** Donors at headquarters and clients give the Bank strong ratings for its strategic focus on good governance and on environmental protection.

- **Use of performance information:** At the country level, the Bank is seen by client and donor respondents to perform strongly in its use of performance information to plan new interventions. These groups also view the Bank's practice of tracking implementation of evaluation recommendations reported to the Board as a strength.
- **Focus on results at country level:** Client respondents rate the Bank strongly on most of the dimensions that assess the results focus in its CAS. MOPAN donors at the country level also perceive strong performance with regard to the alignment of the results frameworks with national development strategies and the inclusion of indicators at all levels (country, sector, and project).
- **Presenting performance information:** The quality of the Bank's reporting on performance, in particular with regard to outcomes, is seen as a strength by MOPAN members at headquarters.

The table below reflects those key performance indicators, or micro-indicators, that receive the highest ratings (strong or better) from each of the respondent groups.⁶

Figure 0.1 World Bank's Greatest Strengths, by Respondent Group *

MOPAN members at country level	MOPAN members at headquarters	WB clients
<ul style="list-style-type: none"> • Performance-oriented programming • Financial accountability • Provides valuable inputs to policy dialogue. (Contributing to policy dialogue) • Expected disbursements are recorded in governments' national budgets. (Using country systems) • Uses information on country performance to plan new interventions at country level. (Using performance information) 	<ul style="list-style-type: none"> • Monitoring external results • Financial accountability • Aid allocation decisions • Presents performance information on effectiveness • Has a significant strategic focus on good governance. (Focus on thematic priorities) 	<ul style="list-style-type: none"> • Financial accountability • Sets targets to enable monitoring of progress in project implementation (Performance-oriented programming) • Harmonising procedures • Monitoring external results • Country focus on results

*Only KPIs or Micro-Indicators which are rated as strong+are listed. Only five highest rated items are listed.

Areas for improvement

The key areas for improvement for the World Bank are based on indicators that are rated as inadequate+by more than one respondent group or that received an overall rating of inadequate+. According to respondent ratings, the Bank has room to improve in:

- **Adjusting procedures:** Client respondents and MOPAN donors at country level see the need for greater efficiency and flexibility of the Bank's administrative procedures. All of the criteria in this area are rated inadequately.

⁶ Please see Appendix III in order to see all of the items that might have been rated as strong by any of the respondent groups.

- **Use of country systems:** Client and donor respondents at country level provide inadequate ratings for the Bank's use of national financial reporting procedures, auditing procedures, and procurement systems. In addition, they see room for further reduction in the use of parallel PIUs. However, the World Bank's ability to improve its use of country systems may depend on the particular country contexts in which it operates.

Figure 0.2 World Bank's Areas for Improvement, by Respondent Group *

MOPAN members at country level	MOPAN members at headquarters	WB clients
<ul style="list-style-type: none"> • Adjusting procedures • Uses national procurement systems in making loans/credits. (Using country systems) • Uses national auditing procedures in making loans/credits. (Using country systems) • Uses project implementation units that operate in parallel to the government. (Using country systems) • Uses national financial reporting procedures in making loans/credits. (Using country systems) 	<p>None</p>	<ul style="list-style-type: none"> • Adjusting procedures • Uses project implementation units that operate in parallel to the government. (Using country systems) • Uses national procurement systems in making loans/credits. (Using country systems) • Uses national auditing procedures in making loans/credits. (Using country systems) • Uses national financial reporting procedures in making loans/credits. (Using country systems)

*Only KPIs or Micro-Indicators which are rated as 'inadequate' are listed. Only five lowest rated items are listed.

