



Evaluating the effectiveness of the World Bank Budget Support



EUROPEAN
COURT
OF AUDITORS

International conference
European development aid after 2015
What is at stake ?

Mark Sundberg, Manager, IEGEC

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Guide to presentation

Trends in GBS

Validation/evaluation methods

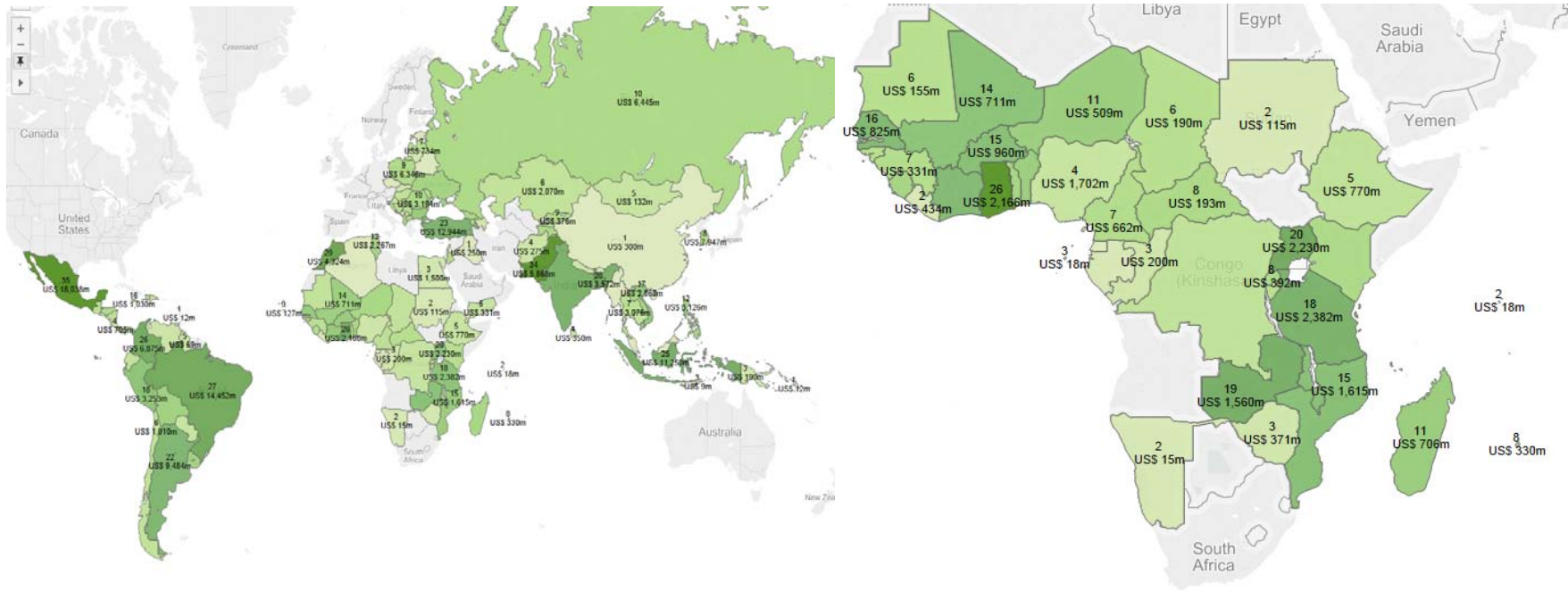
Performance

Some key challenges

- Macro frameworks
- Results frameworks
- Environmental and social risks

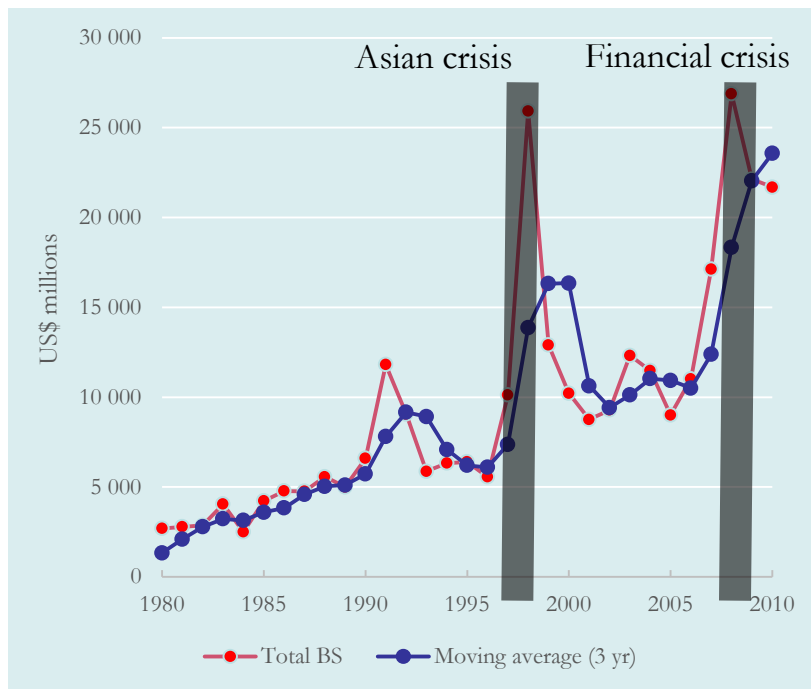
Conclusions

WB BS operations (1980 – 2016)

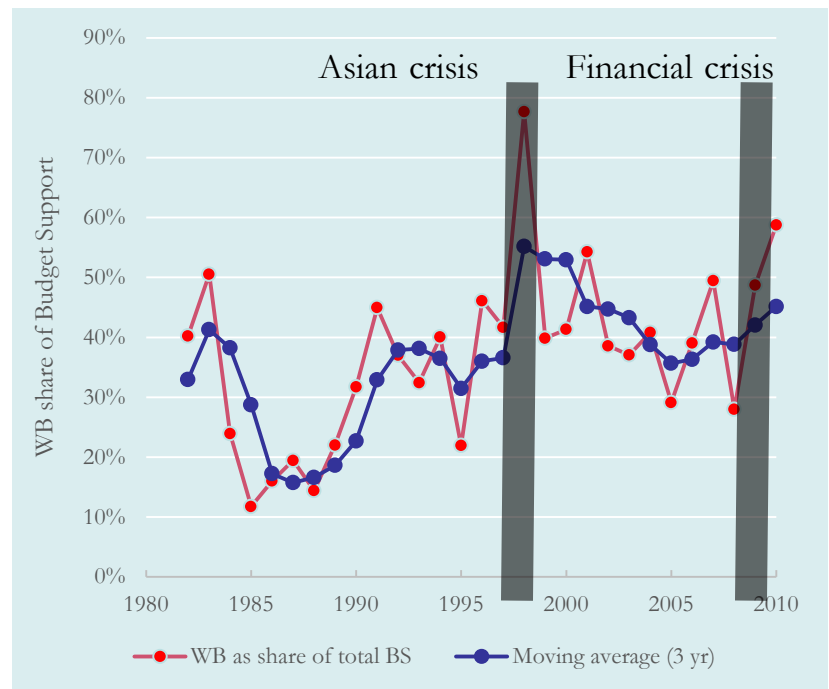


Source: World Bank Business Intelligence

Total Budget Support Trends



Source: World Bank Business Intelligence



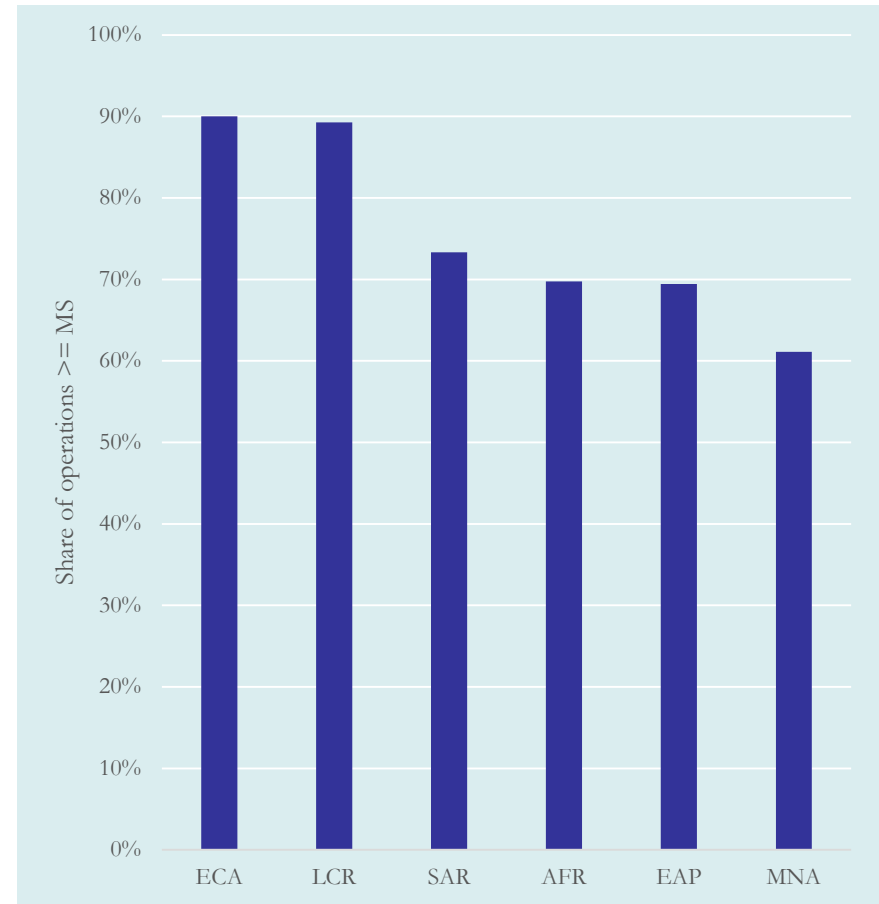
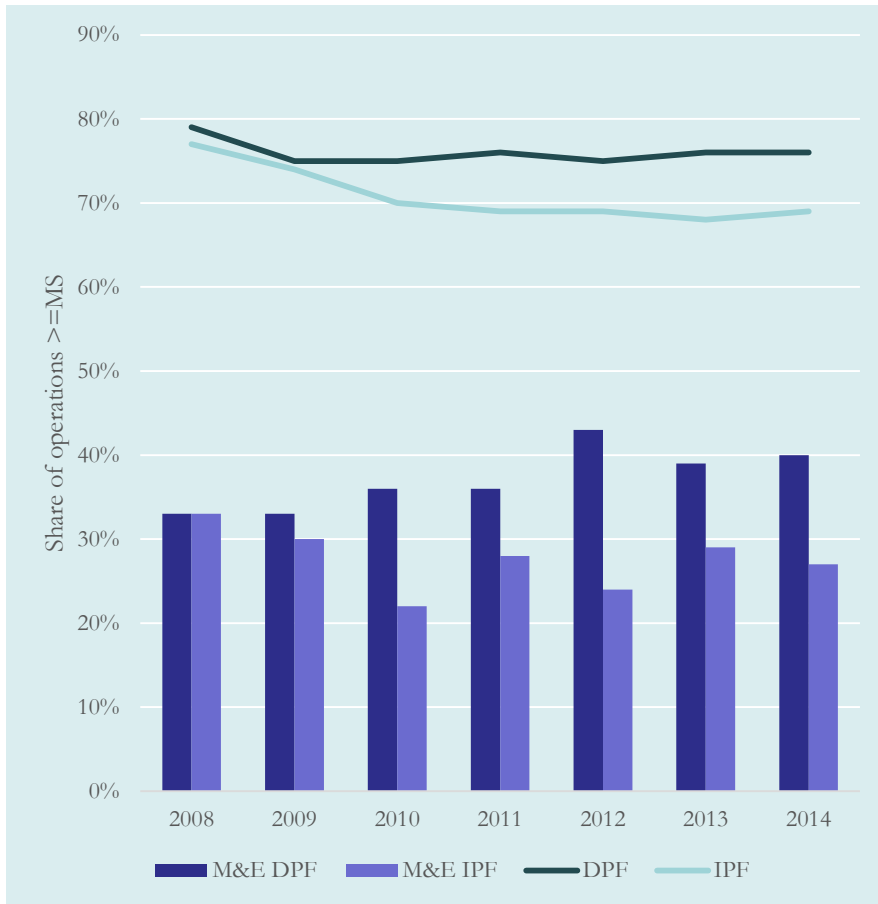
Source: World Bank Business Intelligence; Aiddata.org

Methodology

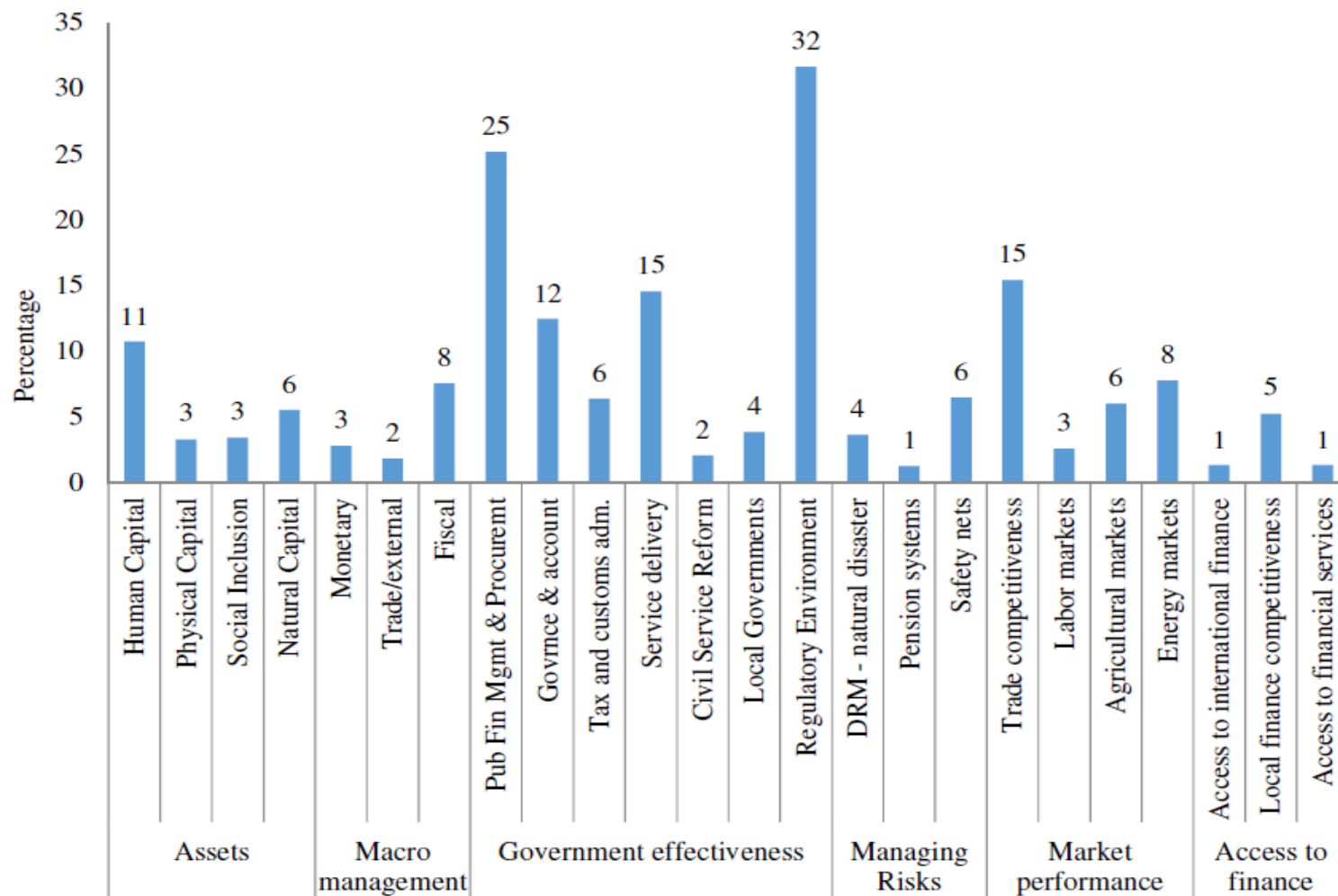
Objectives based methodology common to most MDBs

- Validation vs. Evaluation: 350 operations o/w 50 GBS
- Evaluate against stated objectives
 - Outcome
 - Relevance of objectives
 - Relevance of design
 - Efficacy
 - World Bank and Government performance
 - Quality of Monitoring and Evaluation
- Ratings weighted by agreed criteria into six performance levels

GBS Performance over time and by region



Distribution of Prior Actions by Policy Area (Transmission channel)



Challenges: 1. Quality of macro-fiscal frameworks

Strengths:

- Most have satisfactory quality (75%)
- programmatic, multi-sector perform better
- Strong analytics underpin strong performance

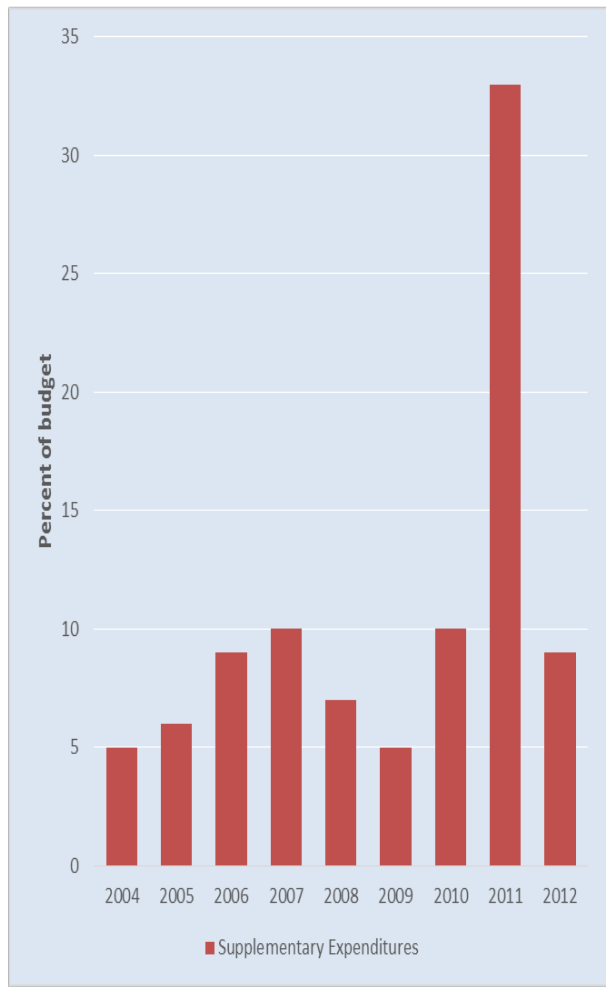
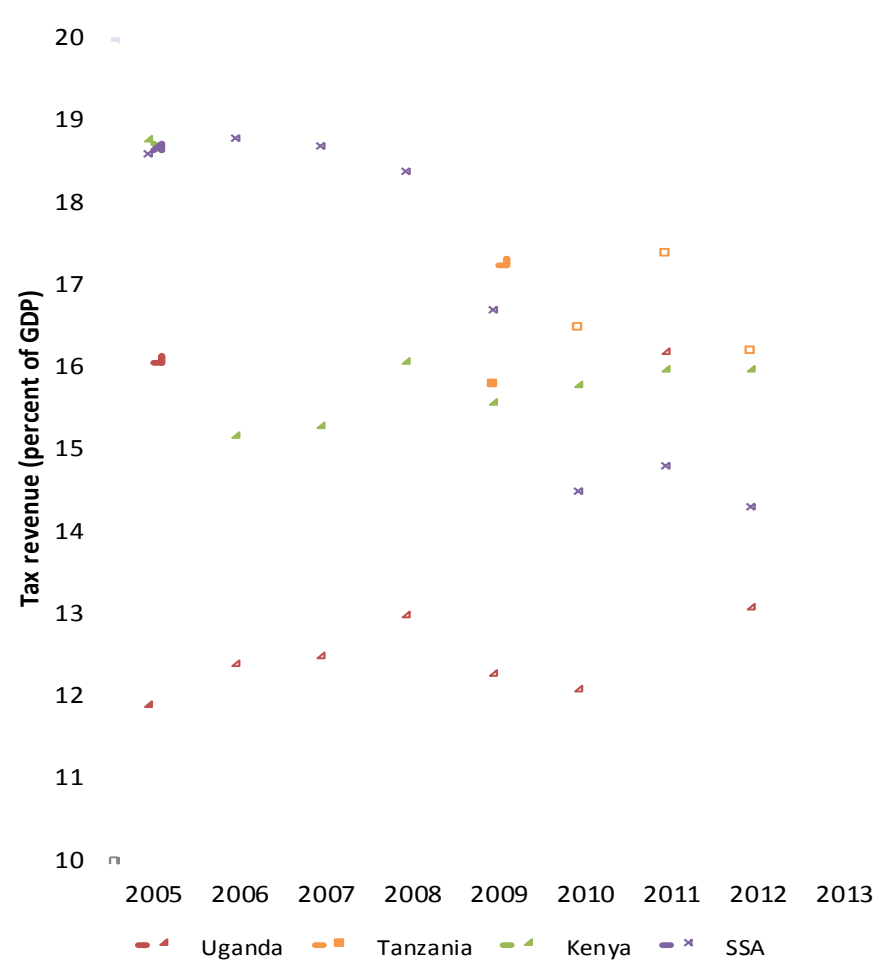
In weak cases find:

- overambition, lack of realism in context
- weak links between objectives and prior actions

Generally weak resource mobilization focus (tax policy)

What matters: Ownership. Diagnostics. Dialogue. Institutions.

Uganda: Solid macro-management but weak revenues and frequent supplemental budgets



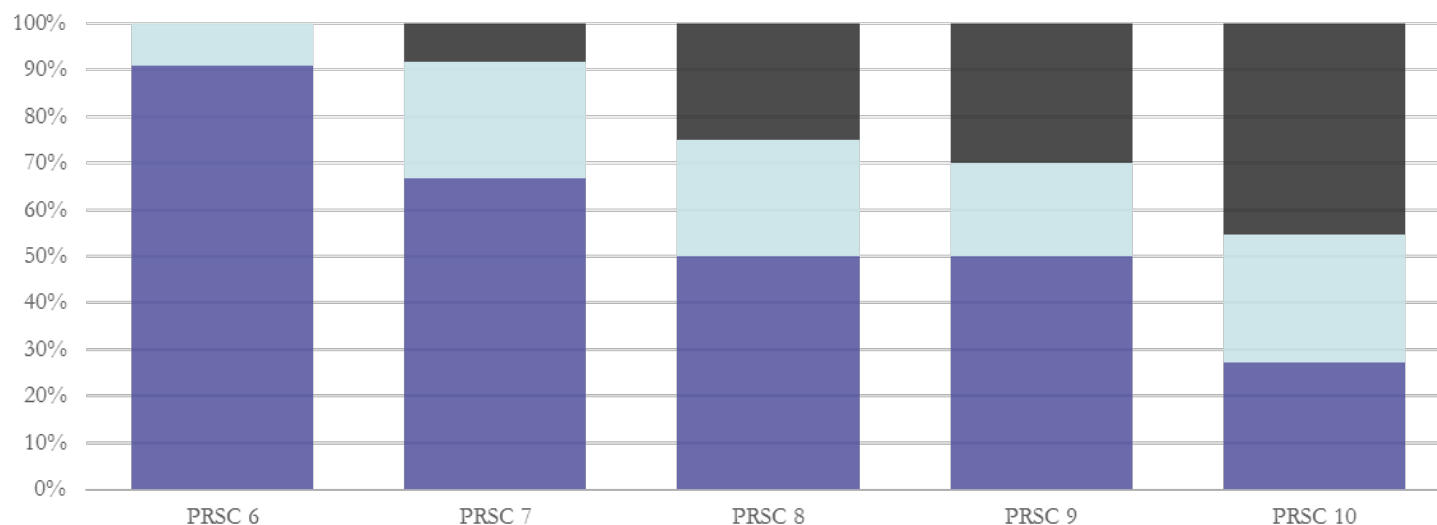
Challenges: Results Frameworks

RF is key design element - lays out results chain and indicators

- RFs have improved in recent years
- Borrowers' policy and institutional **actions** are stepping stone to RF strength and credibility
- Need for better articulation of criteria to include
 - Focus on relevance to stated objectives,
 - Institutional depth and criticality of actions,
 - Value added of Bank's support to these actions, and
 - Measurability.

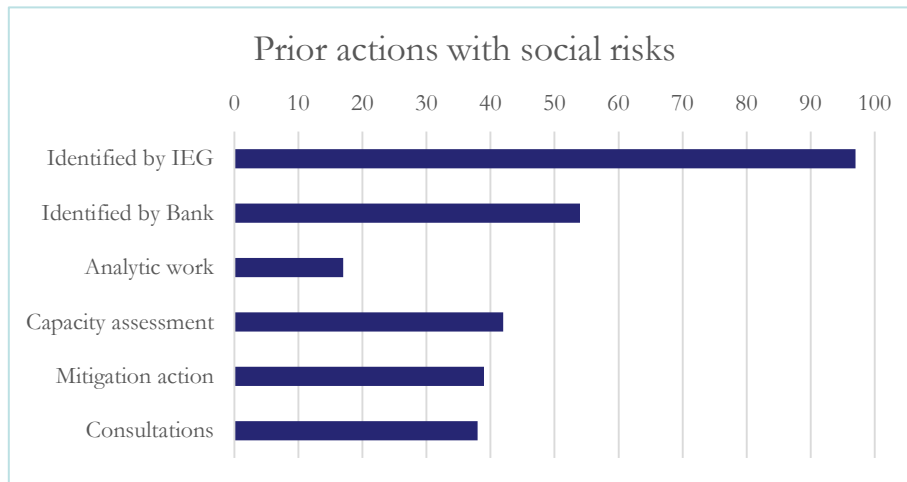
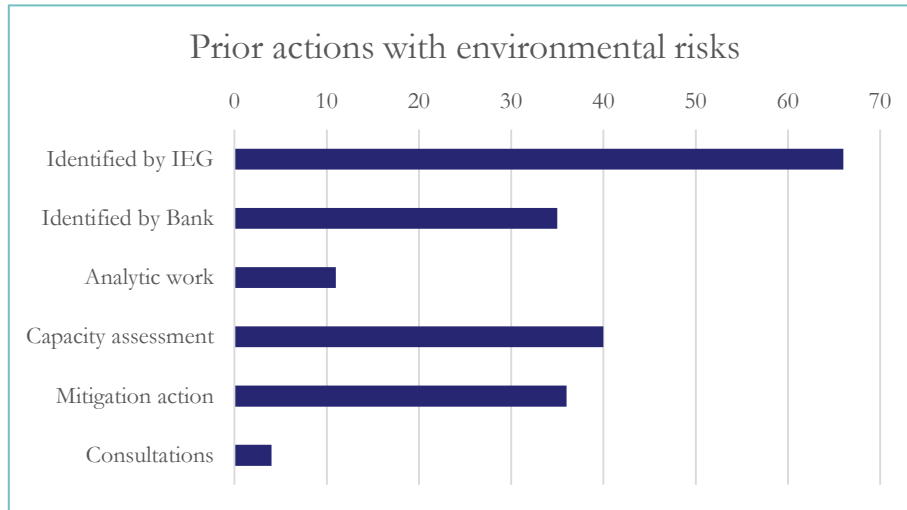
Results frameworks – Vietnam

Composition of Prior Actions in Vietnam PRSC 6 -10 (2007-12) %
Based on classification of prior actions by their institutional depth and criticality



- Draft Government Documents, Ministerial letters and One-off Actions
- Ministerial Decisions, Draft Law submitted to Government, PM Letters
- Approved Laws, Government Decrees, PM decisions, Draft Laws submitted to Parliament, National Strategies

Challenge: Environment and social risks



- ▶ Policy reforms pose E&S risks and opportunities
- ▶ Variable record in applying Bank policy toward managing risks.
- ▶ Some good practice examples, but generally inadequate recognition of risks
- ▶ Need to view E&S as a system – to address gaps and ensure better coordination and incentives

Conclusions

- ▶ Budget support has been and remains an important aid instrument
- ▶ Evaluation suggests reasonably strong performance trends
- ▶ Evaluating GBS is highly context specific, with areas to strengthen
- ▶ Aim to bolster ability to ‘nudge’ performance towards SDGs and twin goals



Thank you

<https://ieg.worldbankgroup.org/>