

Independent Commission for Aid Impact (ICAI)

The Effectiveness of DFID’s Engagement with the World Bank

Inception report

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1. Introduction

- 1.1. The Independent Commission for Aid Impact (ICAI) is the independent body responsible for scrutinising UK aid. We focus on maximising the effectiveness of the UK aid budget for intended beneficiaries and on delivering value for money for UK taxpayers. We carry out independent reviews of aid programmes and of issues affecting the delivery of UK aid. We publish transparent, impartial and objective reports to provide evidence and clear recommendations to support UK Government decision-making and to strengthen the accountability of the aid programme. Our reports are written to be accessible to a general readership and we use a simple 'traffic light' system to report our judgement on each programme or topic we review.
- 1.2. The UK is a major contributor to the World Bank International Development Association (IDA) and a member of the World Bank. We have decided to conduct an evaluation of the effectiveness of the Department for International Development's (DFID's) engagement with the World Bank. This inception report outlines the purpose and nature of the review and identifies the main themes that it will investigate.

2. Background

- 2.1. The World Bank Group comprises five organisations. The World Bank is the International Development Association (IDA) and the International Bank for Reconstruction and Development (IBRD). The wider Group also includes the International Finance Corporation (IFC), the Multilateral Investment Guarantee Agency and the International Centre for Settlement of Investment Disputes; these agencies concentrate on the private sector.
- 2.2. The World Bank's mission is to eradicate poverty and it plays a key role in efforts to achieve the Millennium Development Goals (MDGs). To help achieve this, the Bank employs some 10,000 staff in 124 country offices.
- 2.3. IDA provides investment credits, grants, guarantees and technical assistance to countries below a poverty threshold (currently US\$ 1,175 Gross National Income per person per year). The regular lending terms are highly concessional, with maturities of up to 40 years, a ten-year grace period, no interest rate and a small service charge. IDA is financed by donor's contributions, repayments from outstanding credits, income from loan charges and transfers from IBRD and IFC. The IDA fund is replenished every three years; the most recent replenishment was IDA16, which was finalised in December 2010.
- 2.4. IBRD provides loans, guarantees and technical assistance to middle-income and credit-worthy poorer countries. The majority of IBRD lending is for long-term investment projects or programmes. IBRD raises most of its funds by issuing bonds on the capital markets, using its AAA rating and asset base and sets interest rates to recover its borrowing costs.
- 2.5. The recent DFID Multilateral Aid Review¹ made the following points about IDA:
 - IDA is one of the largest sources of concessional financing and technical assistance to low-income countries. It committed US\$14 billion in Official Development Assistance (ODA) in the Financial Year 2009 and disbursed US\$9 billion according to its Annual Report;
 - IDA closely aligns with DFID's strategic priorities, is focussed on poverty reduction and the MDGs and engages in all of DFID's priority sectors and main aid modalities;

¹ *Multilateral Aid Review: Assessment of the International Development Association*, DFID, February 2011, www.dfid.gov.uk/Documents/publications1/mar/IDA.pdf.

- it is focussed on low-income countries (56% going to Africa and 30% to South Asia in 2009);
 - its comparative advantage is the breadth and quality of its technical knowledge and expertise and its global reach. This enables it to support developing countries around the world on a wide range of priorities in national development plans through both policy dialogue and financial assistance; and
 - the range and depth of its expertise is substantial, enabling it to play a convening role and ensuring better coherence across aid efforts.
- 2.6. A new funding and policy framework was agreed for IDA, under the 16th replenishment, for the period 2011-14. The total replenishment for the period was set at US\$49.3 billion with finance provided from a number of sources, including donor contributions amounting to US\$26.4 billion from 51 donors. 81 countries are expected to benefit.
- 2.7. The UK contribution to IDA was £879 million in 2010-11. IDA is, therefore, an extremely important item of expenditure for UK aid, equivalent to approximately 20% of the total budget for bilateral aid that year (£4.25 billion). The IDA contribution in 2010-11 was greater than DFID's top three country programmes combined (India, Ethiopia and Pakistan). The UK is the second-largest contributor to the IDA16 replenishment (£2.66 billion²).
- 2.8. Policy issues related to the World Bank are handled in the UK by DFID's International Financial Institutions Department. Although the Secretary of State for International Development is the most senior UK representative to the World Bank, the UK is represented in day-to-day operations at the World Bank by the Executive Directors and their office in Washington (UKDel).
- 2.9. DFID relies on the management and evaluation functions of multilateral institutions in order to assess the effectiveness of the spending that such institutions undertake on behalf of the UK taxpayer as the ultimate donor. DFID does not undertake its own independent evaluations of World Bank projects and programmes (although it does undertake reviews of institutional effectiveness).
- 2.10. The World Bank introduced a results measurement system in 2002.³ This tracks results at two levels – overall progress in the country (country effectiveness) and the contribution of IDA towards this progress (agency effectiveness). The World Bank Independent Evaluation Group's (IEG's) evaluations are a key input into the assessment of agency effectiveness. They provide an aggregate measure of the percentage of projects which are rated as 'satisfactory'.
- 2.11. Following the Multilateral Aid Review, DFID has placed emphasis on the impact and effectiveness of its IDA contribution to the World Bank. In the most recent replenishment of funding for the World Bank (IDA 16), DFID stipulated that further reforms of the Bank's operations are required. DFID's reform objectives included: accountability for results (stronger results framework and more appropriate procedures and instruments); delivering for women and girls (stronger focus on girls and women in country strategies, operations and policy dialogue); working in fragile contexts (improved performance, co-ordination and resourcing of the Bank in fragile and conflict-affected countries) and partnership behaviour (more flexible instruments and reforms to procedures which facilitate stronger partnership working). The World Bank has developed a results framework in which it will measure itself against IDA 16 objectives. In November 2012, the World Bank will review its own progress against that framework.

²International Development Committee - Fourth Report: The World Bank, House of Commons, February 2011, www.publications.parliament.uk/pa/cm201011/cmselect/cmintdev/606/606.pdf.

³Results Measurement System, World Bank, web.worldbank.org/WBSITE/EXTERNAL/EXTABOUTUS/IDA/0,contentMDK:20189503~menuPK:2607492~pagePK:51236175~piPK:437394~theSitePK:73154.00.html.

3. Purpose

- 3.1. To assess the effectiveness of DFID's engagement with the World Bank and its impact on the Bank's activities, in order to maximise value for money for the UK taxpayer. In particular, to assess how DFID is ensuring that the reforms agreed as part of its IDA 16 replenishment are being implemented. In examining DFID's engagement across the Bank's activities, the review will provide an assessment of the risk factors and issues that could be the focus of future ICAI studies.

4. Relationships to other initiatives and evaluations

- 4.1. DFID's Multilateral Aid Review in February 2011 provides useful context for the current review.⁴ The review notes that 'evaluation is a core strength of the Bank with management required to respond and follow up to evaluation recommendations'. This is considered as a positive aspect of strategic and performance management in the World Bank. The report sees the evaluation system providing assurance on the quality of World Bank investments, other than in fragile states: 'On the strength of the Bank's results achievements as evidenced by its independent evaluation group and its robust country results frameworks, IDA's performance in many countries is strong but fragile states performance is not. However, IDA's recent results measurement system is strong.'
- 4.2. In 2011, the International Development Committee (IDC) published a report on the World Bank.⁵ IDC called for DFID to press for improvements in a number of areas:
 - improvements in the Bank's procurement process;
 - an open and meritocratic process for selecting the current President's successor;
 - a more equitable allocation of voting shares for developing countries. The UK should, however, as one of the largest contributors, retain sufficient influence within the Bank;
 - strengthening of the Independent Evaluation Group (IEG), which assesses the Bank's activities;
 - close monitoring of the Bank's achievements on gender to ensure that the promotion of girls' education is an early priority for IDA16; and
 - affordable energy access for the poor, a faster transition to low-carbon energy use and more support to improve the financial viability of renewable energy.
- 4.3. DFID is a member of the Multilateral Organisation Performance Assessment Network (MOPAN) which undertook a review of the World Bank in February 2010.⁶ This study noted the independence of the evaluation function as a strength. It also commended the World Bank for tracking the implementation of evaluation findings and for involving beneficiaries in the evaluation process.
- 4.4. In 2008, an Overseas Development Institute (ODI) study published for the Danish International Development Agency (DANIDA) looked at frameworks for measuring organisational effectiveness.⁷ This highlights the use of the Annual Review of Development Effectiveness by the World Bank. The study is useful in that it places evaluation within the context of tools which can be used to assess multilateral effectiveness.

⁴ *Multilateral Aid Review: Assessment of the International Development Association*, International Development Agency, February 2011, www.dfid.gov.uk/Documents/publications1/mar/IDA.pdf.

⁵ *International Development Committee Fourth report: The World Bank*, The House of Commons, February 2011, www.publications.parliament.uk/pa/cm201011/cmselect/cmintdev/606/606.pdf.

⁶ *MOPAN Common Approach: World Bank 2009*, MOPAN, February 2010, www.mopanonline.org/upload/documents/WWorld_Bank_Final_February_19_issued.pdf.

⁷ *Assessing Multilateral Organisation Effectiveness*, Ministry of Foreign Affairs of Denmark, March 2008, www.odi.org.uk/resources/docs/2287.pdf.

- 4.5. In 2005, DFID also used a Multilateral Effectiveness Framework.⁸ This framework developed eight categories against which multilateral organisations could be assessed, of which monitoring and evaluation (M&E) and lesson learning is one category. The report is not transparent on the performance of the World Bank in this specific regard but notes a general trend that M&E systems tend to focus on inputs more than results and outputs. There is a need for increased resources and priority for evaluation work; although without the details it is not clear that these criticisms apply at all to the World Bank. The World Bank was in fact the first agency to do an annual review of development effectiveness and led the development of performance frameworks.
- 4.6. The World Bank's own evaluation tools will be an important resource for this study. Recent examples, demonstrating a range of synthesis, policy and country evaluations include:
- results and performance of the World Bank in 2011;⁹
 - evaluation directions for the World Bank's safeguard and sustainability policies;¹⁰ and
 - country programme evaluation of Timor-Leste.¹¹
- 4.7. These are just examples of the range of evaluation work undertaken by the World Bank alongside more traditional project reports. Such examples can be used as part of the desk-based case studies.

5. Methodology

- 5.1. The analytical approach will enable the study to draw conclusions about the effectiveness of DFID's engagement with the World Bank.

In order to achieve this, it will be important to assess different sources:

DFID evidence:

- the study will include a review of the effectiveness of DFID's engagement with World Bank performance and spending at operational, management and Board levels. As part of the review, the information received by DFID from the World Bank will be quality assessed. We will conduct interviews with DFID's International Financial Institutions Department, Evaluation Department, a sample of regional offices and UKDel.

Internal World Bank Evidence:

- we will consider what internal evidence is available from World Bank staff and stakeholders using desk research and telephone interviews, while respecting DFID's shareholder arrangements. This might include evidence from both Board and operational/management levels, as well as from the IEG. It will include information from the World Bank's Results Measurement System; and
- the review will include evidence on reporting on IDA funding and World Bank governance as it relates to IDA. We will work with the UK Delegation at the World Bank and DFID to ensure that senior management in the World Bank is engaged with the review.

⁸ Assessment of Multilateral Organisational Effectiveness: An Overview of Results, DFID, June 2005.

⁹ IEG Annual Report 2011: Results and Performance of the World Bank Group, IEG, 2011, ieg.worldbankgroup.org/content/dam/ieg/rap2011/rap2011_vol1.pdf.

¹⁰ Evaluative Directions for the World Bank Group's Safeguards and Sustainability Policies, IEG, 2011, ieg.worldbankgroup.org/content/dam/ieg/EvalBriefs/eb_safeguards.pdf.

¹¹ Timor Leste Country Programme Evaluation, 2000-2010, IEG, April 2011, ieg.worldbankgroup.org/content/dam/ieg/cpe/TimorLesteCPE.pdf.

Independent Evidence:

- evidence will be used from organisations (such as MOPAN), think tanks, Non-Governmental Organisations (NGOs) and intended beneficiaries which are independent of the World Bank and DFID; and
- independent evidence review will be conducted based on published information, followed by interviews with up to five NGOs / think tanks (UK and Washington-based). We propose to include the following independent organisations in these interviews: ActionAid, the Overseas Development Institute and the Bretton Woods Project.

5.2. The review will provide an overview of the World Bank's activities, for reference. This will include:

- the way it is governed;
- its geographical focus and network of offices;
- the sector focus and expertise it applies;
- the different models of delivery used, for example trust funds;
- how it evaluates the impact and effectiveness of its work; and
- how it reports back on its performance.

5.3 As part of this review, we will follow up the IDC's 2011 report on the World Bank¹² where our work is relevant to the report's focus and recommendations.

Evaluation framework

5.4 The evaluation framework for this review is set out in the table below. This has as its basis the standard ICAI guiding criteria and evaluation framework, which are focussed on four areas: objectives, delivery, impact and learning. It also incorporates other pertinent questions we want to investigate in this review. The questions which are highlighted in bold are those on which we will focus in particular. This framework is the starting point for the review and the sources of evidence will potentially broaden as the work proceeds. Where we quote the standard questions from the ICAI evaluation framework, 'programme' in this context means DFID's contribution to and engagement with the World Bank.

¹²*International Development Committee Fourth report: The World Bank*, The House of Commons, March 2011, www.publications.parliament.uk/pa/cm201011/cmselect/cmintdev/606/606.pdf.

Relevant ICAI Evaluation Framework Questions	Evaluation Questions	Criteria for Assessment	Sources of evidence
Objectives: what is the project trying to achieve?			
Does the programme have clear, relevant and realistic objectives that focus on the desired impact? (1.1)	<p>How does DFID at an operational level, management level and Board level obtain and assess the accuracy and sufficiency of information it receives about World Bank performance and spending? (ToR 6.2.1)</p> <p>How effective is the co-ordination of this information-gathering? (ToR 6.2.1)</p>	<ul style="list-style-type: none"> • Analysis of content and frequency of information received about World Bank performance and spending at different levels in DFID • Analysis of how different information sources are pulled together and conclusions drawn • Analysis of how such information is communicated to decision-makers within DFID 	<ul style="list-style-type: none"> • Review of information received by DFID from the World Bank at different levels • Review of ways in which this information is used and communicated internally • Interviews with DFID representatives (including regional offices)
	<p>How does DFID use its role on the World Bank Board and its key relationships at a senior level to assess and if necessary challenge how its money is spent in order to achieve maximum value for money for the UK taxpayer? (ToR 6.2.3)</p>	<ul style="list-style-type: none"> • Evidence of reports or statements submitted by the UK government that relate to value for money issues • Examples of cases where the UK presence on the Board has had specific impact on achieving value for money • Comparison of the UK's level of representation at the World Bank with other major donors 	<ul style="list-style-type: none"> • Reports and Government communication • Interview with the UK Executive Director, World Bank • Interview with Head of IEG (Director General or a senior representative)

<p>Is there a clear and convincing plan, with evidence and assumptions, to show how the programme will work? (1.2)</p>	<p>How does DFID ensure that there is a clear plan linking policy priorities with the funding that is allocated?</p>	<ul style="list-style-type: none"> • Analysis of information received from DFID on proposed programme of funding (focussing on IDA 16) • The approach used by DFID to develop its negotiating strategy for IDA16 	<ul style="list-style-type: none"> • Review of information, including a business case for IDA funding, logical framework received from DFID • Interviews with DFID World Bank team and International Financial Institutions Department
<p>Does the programme complement the efforts of government and other aid providers and avoid duplication? (1.3)</p>	<p>How has DFID determined the reform objectives agreed as part of the IDA 16 replenishment contribution? (ToR 6.2.4)</p>	<ul style="list-style-type: none"> • Confirmation of the reform objectives for IDA 16 and their origins • Evidence of how the DFID World Bank team works with other aid programmes funded by the UK government to avoid duplication • Evidence from any meetings of the UK Executive Director, World Bank or the DFID World Bank team with NGOs and other relevant stakeholders in the UK prior to the bi-annual World Bank meetings 	<ul style="list-style-type: none"> • Reports by House of Commons IDC • Interview with DFID's Director, International Finance Division and UK Executive Director, World Bank • Interviews with the World Bank and documentary evidence of progress • Interviews with NGOs and think tanks
<p>Are the programme's objectives appropriate to the political, economic, social and environmental context? (1.4)</p>	<p>How does DFID systematically use other sources and independent assessments of the World Bank to form its own assessment of the World Bank's expenditure? What is the quality of those sources? (ToR 6.2.2)</p>	<ul style="list-style-type: none"> • Evidence of independent evidence sources and assessments used by DFID 	<ul style="list-style-type: none"> • Independent assessment reports • Interviews with DFID World Bank team

Delivery: is the delivery chain designed and managed so as to be fit for purpose?			
Is the choice of funding and delivery options appropriate? (2.1)	How does DFID ensure that the World Bank considers a range of funding mechanisms in order to select the most appropriate one?	<ul style="list-style-type: none"> • Evidence of consideration of different funding mechanisms as part of planning programme delivery by the World Bank and DFID • What delivery vehicles does the World Bank use and how effective are they? 	<ul style="list-style-type: none"> • Interviews with DFID and the World Bank • Analysis of programme planning documentation received from DFID and the World Bank
Does programme design and roll-out take into account the needs of the intended beneficiaries? (2.2)	How does DFID obtain its assurance that the World Bank allows for appropriate voice and participation by other stakeholders, including recipient governments and communities? (ToR 6.3.1)	<ul style="list-style-type: none"> • Evidence of issues related to fair representation of Member Countries • Review of possible approaches to rebalancing influence at Board level • Review of approaches to engaging recipient governments and communities in project design and implementation (e.g. evidence of progress with joint borrower and donor working groups) 	<ul style="list-style-type: none"> • Reports by House of Commons IDC and Government Response • Interviews with the World Bank • Interviews with DFID representatives (including regional offices)

<p>Is there good governance at all levels, with sound financial management and adequate steps being taken to avoid corruption? (2.3)</p>	<p>How does DFID ensure that its engagement with the World Bank demonstrates appropriate stewardship and governance over UK taxpayers' funds?</p> <p>How does DFID help ensure the World Bank demonstrates good governance?</p>	<ul style="list-style-type: none"> • Evidence that DFID seeks to obtain assurance that the World Bank demonstrates good governance and sound financial management at all levels • Evidence of advice and stewardship provided to the World Bank by DFID • Evidence of improvements or commitments made by the World Bank to improve governance at all levels • Evidence of DFID country offices working jointly with the Bank at the country level to address governance issues 	<ul style="list-style-type: none"> • Reports by House of Commons IDC • Interview with DFID's Director, International Finance Division and UK Executive Director, World Bank • Interviews with the World Bank and documentary evidence of progress • Interviews with NGOs, think tanks • World Bank internal and external auditors' reports • Interview with DFID country offices • Review a sample of Country Assistance Strategies and DFID Country operational plans
<p>Are resources being leveraged so as to work best with others and maximise impact? (2.4)</p>	<p>How does DFID use the World Bank's Results Management System (RMS) to track overall value for money and effectiveness? (ToR 6.3.2)</p> <p>How does the World Bank use the results? (ToR 6.3.2)</p>	<ul style="list-style-type: none"> • Analysis of content and frequency of information received by DFID from the RMS (and the World Bank corporate scorecard), including any issues with reliability of data inputs • Evidence of how analysis of information based on the RMS is communicated to decision-makers within DFID and is used to improve performance and value for money 	<ul style="list-style-type: none"> • Samples of RMS and corporate scorecard outputs and analysis of these by DFID • Reports or statements by DFID and the World Bank • Interviews with DFID and the World Bank
<p>Do managers ensure the efficiency and effectiveness of the delivery chain? (2.5)</p>	<p>Does information provided by the World Bank demonstrate effectiveness and efficiency of delivery?</p>	<ul style="list-style-type: none"> • Analysis of how the World Bank demonstrates effectiveness and efficiency of delivery 	<ul style="list-style-type: none"> • Analysis of information provided by the World Bank

Is there a clear view of costs throughout the delivery chain? (2.6)	Is there a clear view of costs throughout the delivery chain?	<ul style="list-style-type: none"> • Analysis of how the World Bank reports on costs throughout the delivery chain 	<ul style="list-style-type: none"> • Analysis of reports provided by the World Bank to DFID
Are risks to the achievement of the objectives identified and managed effectively? (2.7)	<p>How does DFID ensure that risks are identified and managed effectively?</p> <p>How effectively, in practice, does DFID make use of independent sources in its examination of World Bank expenditure? (ToR 6.3.3)</p>	<ul style="list-style-type: none"> • Confirmation of approach to risk management and evidence that it provides a sufficiently robust framework for risks to be monitored and mitigated • Analysis of internal and published reports by DFID on World Bank expenditure • Analysis of any independent reports or sources quoted 	<ul style="list-style-type: none"> • Interviews with DFID (including the Executive Director and regional offices) • Interviews with the World Bank and documentary evidence of risk management • Reports by DFID (including the Multilateral Aid Review) • Interviews with NGOs and think tanks
Is the programme delivering against its agreed objectives? (2.8)	How does DFID monitor the World Bank's progress against the agreed IDA 16 replenishment reform objectives, for example improving performance in fragile states? (ToR 6.3.4)	<ul style="list-style-type: none"> • Confirmation of the approach to monitoring progress • Analysis of evidence of progress being made in achieving the objectives • Analysis of evidence of the World Bank developing and implementing a results offer for IDA 16 	<ul style="list-style-type: none"> • Interviews with DFID • Interviews with the World Bank and documentary evidence of progress
Are appropriate amendments to objectives made to take account of changing circumstances? (2.9)	How does DFID ensure that appropriate amendments to objectives and delivery are made to take into account changing circumstances?	<ul style="list-style-type: none"> • Confirmation of approach to implementation of corrective actions • Analysis of evidence of progress being made in achieving the objectives • Evidence of amendments made from IDA 15 	<ul style="list-style-type: none"> • Interviews with DFID • Interviews with the World Bank and documentary evidence of appropriate amendments

Impact: what is the impact on intended beneficiaries?			
Is the programme delivering clear, significant and timely benefits for the intended beneficiaries? (3.1)	What evidence exists of active engagement and assessment by the UK at the World Bank Board level of the importance of value and impact of World Bank expenditure, including through the evaluation function? (ToR 6.4.1)	<ul style="list-style-type: none"> • Analysis of inputs by DFID to World Bank Board level discussions • Analysis of content of recent World Bank Board agendas to identify discussions of value and impact • Review of IEG approach to evaluation • Consideration of the IEG's level of independence (e.g. governance approach and access to the Board) • Evidence of DFID responses to IEG reports 	<ul style="list-style-type: none"> • Interview with UK Executive Director, World Bank • Interview with Head of IEG (Director General or a senior representative) • Review of IEG evaluation approach and governance procedures • Review a sample of IEG country and thematic evaluations
	How does DFID measure the level of influence it exerts and what is its impact? (ToR 6.4.3)	<ul style="list-style-type: none"> • Evidence of changes to World Bank approaches brought about as a result of DFID influence • Examples of problems with World Bank procurement processes and attempts to improve these • Examples of DFID and the World Bank working together at country level 	<ul style="list-style-type: none"> • Interviews with DFID including UK Executive Director, World Bank • Interviews with the World Bank • Interviews with NGOs and think tanks • Interviews with country offices

<p>Is the programme working holistically alongside other programmes? (3.2)</p>	<p>To what extent is DFID able to know how the funding it gives to the World Bank is spent? (ToR 6.4.2)</p>	<ul style="list-style-type: none"> • Analysis of what DFID should know as set out in official documentation • Analysis of information received about project performance • Evidence of project reporting and attempts to improve project performance • Analysis of information received about the performance of pooled World Bank funds • Analysis of how different information sources are pulled together and conclusions drawn • Analysis of how such information is communicated to decision-makers within DFID • Evidence of project performance monitoring and examples of performance improvement measures taken • Evidence of progress being made by IEG in providing more timely impact assessments and evaluations of countries' whole development strategies • Evidence as to how DFID organises itself to interact with World Bank programmes at the overall and local levels 	<ul style="list-style-type: none"> • Interviews with DFID • Interviews with IEG • Evidence of IEG's evaluation strategy and plan for the next three years • Examples of project reporting • Reviews of recent IEG reports and methodology
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Is there a long-term and sustainable impact from the programme? (3.3)	To what extent does DFID measure the impact of the agreed IDA 16 replenishment reforms? (ToR 6.4.4)	<ul style="list-style-type: none"> • Analysis of frequency and content of performance management information received by DFID about IDA 16 reforms • Confirmation of the approach agreed by DFID to monitor the impact of the IDA 16 reforms • Evidence of any independent monitoring by DFID of the IDA 16 reforms 	<ul style="list-style-type: none"> • Interviews with DFID • Interviews with the World Bank • Examples of performance management information provided by the World Bank • Review a sample of IEG country and thematic evaluations
Is there transparency and accountability to intended beneficiaries, donors and UK taxpayers? (3.5)	To what extent does DFID ensure that information about the impact of World Bank projects funded by the UK government is provided to the UK taxpayer?	<ul style="list-style-type: none"> • Analysis of communication by the World Bank and DFID about impact of programme delivery 	<ul style="list-style-type: none"> • Meetings with DFID and the World Bank • Evidence of communication to the UK taxpayer by DFID or the World Bank
Learning: what works and what needs improvement?			
Are there appropriate arrangements for monitoring inputs, processes, outputs, results and impact? (4.1)	To what extent are DFID's monitoring requirements met through information received from the World Bank on inputs, processes, outputs, results and impact?	<ul style="list-style-type: none"> • Analysis of World Bank processes for monitoring processes, inputs, outputs • Evidence of this information being shared with and used by DFID • Identification of any gaps in DFID's reporting requirements of the World Bank 	<ul style="list-style-type: none"> • Review of evidence • Interviews with other government departments to provide examples of good practice oversight of multi-lateral agencies
Is there evidence of innovation and use of global best practice?(4.2)	Is there any evidence that DFID has brought experience of global best practice into its engagement with the World Bank?	<ul style="list-style-type: none"> • Evidence that DFID has brought experience of global best practice to the World Bank 	<ul style="list-style-type: none"> • Interviews with DFID and the World Bank • Interviews with other major donors to IDA 16 (e.g. US, Japan, Germany)

<p>Is there anything currently not being done in respect of the programme that should be undertaken? (4.3)</p>	<p>What does DFID see as the major concerns to how its money is being spent by the World Bank and the obstacles to further improvement? (ToR 6.5.1)</p>	<ul style="list-style-type: none"> • Confirmation of DFID concerns about ensuring value for money in the World Bank • Evidence of pressure being applied to the World Bank to improve accountability 	<ul style="list-style-type: none"> • Interviews with DFID representatives including the UK Executive Director, World Bank • Multi-lateral Aid Review • House of Commons IDC reports and DFID response
<p>Have lessons about the objectives, design and delivery of the programme been learned and shared effectively? (4.4)</p>	<p>Have DFID's reform objectives and actions as part of the IDA 16 replenishment influenced change and further reform discussions amongst the World Bank's donors? (ToR 6.5.2)</p>	<ul style="list-style-type: none"> • Evidence from other major donors to IDA 16 of their attempts to secure change in World Bank approaches 	<ul style="list-style-type: none"> • Interviews with DFID • Interviews with other major donors to IDA 16 (e.g. US, Japan, Germany)

5.5. We have left out the following evaluation question from the ICAI framework as not being relevant to this review:

- Question 3.4. Is there an appropriate exit strategy involving effective transfer of ownership of the programme?

6. Roles and responsibilities

- 6.1. KPMG will provide oversight of this review under the overall leadership of the ICAI Project Director.
- 6.2. It is proposed that this evaluation is undertaken by a core team of four, with supplementary peer review. While lead responsibility for answering sections of the framework is shown, all members will contribute to the analysis supporting the findings for each section.

Team member	Role
Team leader	Team Leader (core team)
Team member 1	Principal Consultant (core team)
Team member 2	Public Sector Performance Management Specialist (core team)
Team member 3	Team member – Washington (core team)
Team member 4	Consultant
Team member 5	Senior Advisor

Team leader (KPMG Associate)

He is a senior management consultant with 25 years of experience in the public, private and civil society sectors. He has particular experience of helping organisations to design and implement business change and performance improvement programmes, including a number of projects to develop new approaches to public services delivery. He is an experienced team leader, having held such roles on large and complex consultancy projects. His international experience has been gained on consultancy projects in Africa (The Gambia, Zambia), the Middle East (Bahrain, Dubai, Kuwait) and Europe (Bulgaria, Czech Republic and France). These projects involved reviewing organisation structures, management processes and personnel practices of public and private sector organisations. The work was carried out for various agencies including the ODA, the European Commission and the World Bank.

He will lead the team and be the main contact with ICAI and DFID.

Team member 1 (KPMG)

She is part of KPMG's Financial Services team and has a mixture of international development, public and private sector experience. She worked for a number of NGOs and multilateral organisations (including UNHCR and World Bank) and worked on initiatives to improve value for money from donor aid when she worked as part of the team managing a DFID Donor Coordination Trust Fund in Russia. She has also worked on projects with the UK public sector (including HMRC, LSIS and the police) and the financial services sector.

She will be the main point of contact for the delivery of the review.

Team member 2 (KPMG)

He is a performance management specialist with ten years' experience in organisation development and corporate performance, specialising in the public sector. He has considerable experience evaluating approaches to performance management in a variety of organisations.

He will provide input to the core team on performance management practice from a public sector perspective.

Team member 3 (KPMG)

She is a Senior Manager in KPMG's International Development Assistance Services (IDAS) practice and is located in the firm's New York office. She manages KPMG's United Nations Desk and, in this capacity, develops strategic relationships and opportunities within the UN system and provides project management oversight of key engagements. She has ten years of international professional experience working at the intersection of international development, foreign assistance policy and global philanthropy.

She will work with the team leader on conducting interviews at the World Bank in Washington.

Team member 4 (KPMG)

She works in KPMG's Public Sector Management Consulting group and has over five years' professional experience in research, analysis, project management and professional teaching in a wide range of organisations in the banking, education and the not-for-profit sectors. She has undertaken both qualitative and quantitative research and analysis and has experience working in the UK, Spain, China and Argentina.

Team member 5 (Agulhas)

Originally a health services manager from the UK, he has both operational and policy level experience of government and international development, particularly governance. He is a director of Agulhas and a strategic partner of KPMG on the ICAI reviews programme. He has worked in more than 25 countries in Asia, Africa and Europe, with over 300 projects, including project design, evaluation, monitoring, review and management. His principal work over recent years has been to lead and participate in a range of projects centred on lesson learning from experience and how to turn policy into practice.

His clients include the African and Asian Development Banks, DFID, Irish Aid, SIDA, Japan, the UNDP, UNICEF and the World Bank. He is an experienced leader of teams delivering projects to tight deadlines.

He will be the lead peer reviewer for this work.

7. Management and reporting

- 7.1. We will present initial findings for review by the ICAI Secretariat and Commissioners at a meeting on 10 January 2012. Allowing for subsequent preparation of the report, revision and review, we will complete and prepare a final report for Commissioners' consideration in the week commencing 27 February 2012.

8. Expected outputs and timeframe

8.1. The following timetable is based on the assumption that the report will need to be finalised in Q1 2012, to meet ICAI's requirements.

Phase	Timetable
Planning Finalising methodology Drafting and revising Inception Report	By 25 November 2011
Preliminary Assessment and Fieldwork Interviews with DFID in London and review of evidence Interviews with World Bank and review of evidence Comparison with DFID's and other government departments own procedures Comparison of evaluation of DFID and WB performance by governmental bodies Review of independent evidence Review and analysis of further evidence	By 6 December 2011 By 21 December 2011 By 21 December 2011 By 21 December 2011 By 21 December 2011 By 4 January 2012
Analysis and write-up Initial findings presentation First draft report Second draft report Final draft & Commissioner sign-off Fact checking Preparation for ICAI approval	On 10 January 2012 By w/c 16 January 2012 By w/c 23 January 2012 By w/c 6 February 2012 By w/c 20 February 2012 By w/c 27 February 2012

9. Risks and mitigation

9.1. The following sets out the key risks and mitigating actions for this evaluation:

Risk	Level of risk	Specific Issues	Mitigation
Inability to access key information regarding effectiveness of the World Bank	Low / Medium	Published reports by the IEG of the World Bank are public information Further details regarding reports from the IEG will depend on close collaboration with the World Bank	Ensure clear authorisation given at start-up Ensure stakeholder buy-in of the project Ensure senior sponsorship at the World Bank

Risk	Level of risk	Specific Issues	Mitigation
Inability to access key information regarding decision-making within the World Bank	Medium	It may be difficult to get access to Board level discussions and documents at the World Bank that are not in the public domain Would have to rely on interviews with key stakeholders and board members – including non-UK board members	Ensure authorisation and stakeholder buy-in of the work. Ensure senior sponsorship at the World Bank
No clear impact data available in assessing DFID / UK role at the World Bank	Low	Identifying the specific impact of UK engagement and separating this from the impact of other factors on World Bank outcomes may be difficult	Use of evidence from multiple sources
Safety and Security	Very Low	Risk of terrorism Risk to the person (very low as no major fieldwork involved)	

10. How will this ICAI review make a difference?

- 10.1. With over six decades of operations in the field of development assistance, the World Bank has become one of the most prominent development institutions in the world, with a strong presence around the world in a number of sectors from agriculture to education to health. It therefore continues to see strong support, in terms of both institutional support and finance, from major donor countries.
- 10.2. The precise impact of the World Bank is a matter of great public debate. In recent years, the way in which the World Bank operates has been questioned and the World Bank has instigated a number of policies to measure, analyse and improve its own effectiveness.
- 10.3. The significant administrative costs and bureaucratic burden of implementing development assistance through a multitude of different donors has been identified as one of the most significant challenges that developing countries face. Co-ordinating aid between donors, so as to maintain consistency of approach and avoid duplication of efforts, is now a fundamental principle on which donor countries have agreed in the Paris Declaration on aid effectiveness (2005). Acting through a multilateral agency such as the World Bank should be a useful tool to deliver more consistency and harmonisation.
- 10.4. The disadvantage of acting through multilateral channels is that that the precise impact and accountability for taxpayers' funding of any individual country is difficult to measure. In order to do so, we need to look at the governance mechanisms in any such channel to see how key stakeholder views and opinions are taken into account.
- 10.5. This review will be important in identifying key governance issues, both within the UK representation to the World Bank, as well as within the World Bank itself, looking specifically at the impact that the UK has had on reviewing and improving the work of the World Bank.
- 10.6. The traditional debate on governance at multilateral institutions has stressed the need to ensure that a greater voice of the developing countries is heard at these institutions. The extent to which the concerns of the taxpayer in developed countries are also addressed in the governance of multilateral institutions is an area that has not been explored in great detail. This is a key component of this review.
- 10.7. In doing so, this review will shed an important light on the relative benefits of conducting development assistance through multilateral channels and those of conducting bilateral assistance directly through DFID. It will also shed light on the important issue of governance reform of the World Bank.