Committee on Development Effectiveness (CODE)

2012 Annual Report to the Board of Executive Directors

November 2011 – October 2012
TABLE OF CONTENTS

I. INTRODUCTION .................................................................................................................. 2
II. STRATEGIES, APPROACH PAPERS AND POLICIES .................................................... 2
III. ROLE OF THE WBG IN THE NEW DEVELOPMENT LANDSCAPE .............................. 5
IV. IEG EVALUATIONS .......................................................................................................... 5
V. STRENGTHENING THE WBG’s OVERSIGHT AND ACCOUNTABILITY FRAMEWORK AND ENGAGEMENT WITH IEG, IPN & CAO .................................................. 7
   ANNEX 1 .......................................................................................................................... 10
   ANNEX 2 ........................................................................................................................ 13
   ANNEX 3 ........................................................................................................................ 16
I. INTRODUCTION

1. The Committee on Development Effectiveness (CODE) and its Sub-Committee (SC)1 accomplished a robust work program from November 2011 to October 2012. The Committee assessed the development effectiveness of the World Bank Group (WBG), monitored the quality and results of WBG operations, and provided strategic guidance on high-priority issues to support the WBG’s response to the challenges of the rapidly changing development landscape. CODE discussed corporate, sector and thematic strategies and approach papers; operational policies and instruments; development effectiveness priorities and results; and evaluations of WBG activities. CODE had a number of interactions with the Independent Evaluation Group (IEG), the Inspection Panel (IPN) and the Compliance Advisor Ombudsman (CAO), which are set out in this report.

2. **Membership.** The Committee, reconstituted in November 2010, was composed of Mmes. Brandt (Chair), Hoven, Morin, and Messrs. Alzetta (MIGA/ CODE), Camarasa, Grishin, Huber, Studart, and Taha (Vice-Chair). The Sub-Committee, reconstituted in February 2011, was composed of Mme. Daza Foronda and Messrs. Dalrymple, Dhanpaul, Haarlov (Vice-Chair), Kalyalya (Chair), Miagkov, and Rissmann.

3. **Work Program.** CODE met 44 times, including 13 informal meetings and lunches; three joint meetings (two with the Budget Committee (BC) and one with the Audit Committee (AC)); 7 meetings of the CODE Sub-Committee; and the Annual Retreat, held on April 27, 2012. The Committee considered 25 reports and the Sub-Committee discussed six reports. A list of the meetings held by CODE and its Sub-Committee is attached as Annex 2. Approach Papers endorsed under the streamlined procedure and documents circulated for information are attached as Annex 3.

4. **Acknowledgements.** The Committee wishes to express its appreciation to IEG, the IPN, the CAO, LEG, OPCS, SDN and the WBG Management and staff for their significant collaboration and assistance in carrying out its work program. It would also like to thank the staff of the Corporate Secretariat, particularly in the Policy and Operations Department (SECPO), for their support.

II. STRATEGIES, APPROACH PAPERS AND POLICIES

5. **Sector and Thematic Strategies.** The Committee endorsed sector and thematic strategies on Social Protection and Labor (SPL), Information and Communication Technology (ICT), the Environment and Infrastructure. It also endorsed a concept note on the Agriculture Action Plan FY13-F15. During the discussions, common issues emerged including: (i) strengthening results frameworks by formulating clear targets, and having more defined indicators to track progress against these, including adding intermediate outcome indicators; (ii) enhancing client-driven engagement; (iii) developing client capacity; (iv) ensuring adequate financial resources and skills mix to implement sustainable strategies; and (v) enhancing synergies within the WBG and with development partners.

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1 The Terms of Reference (TORs) for CODE and its Sub-Committee can be found in Annex 1. The revised CODE TORs were approved by the Executive Directors on July 15, 2009, and the resolution is contained in the report “Resolution on Standing Committees – Revision” (R2009-0164/1[IDA/R2009-0208/1]). The revised CODE Sub-Committee TORs were approved by the Executive Directors on February 3, 2011, and the resolution is contained in the report “Reconstitution of the Informal Sub-Committee of the Committee on Development Effectiveness” (R2011-0009/1 [IDA/R2011-0011/1]).
6. In welcoming and endorsing the SPL strategy, the Committee stressed the importance of moving beyond “protection” to “inclusion”. With this strategy, the Bank will help countries move from fragmented approaches to harmonized social protection and labor systems, cooperating closely with development partners. Members expressed concern about limited resources—both financial and human—particularly for implementation in low-income countries (LICs) and fragile and conflict-affected states (FCS). The strategy was sent to the Board for information and was publicly disclosed on November 19, 2012. The summary of the Green Sheet was also publicly disclosed on November 19, 2012.

7. Members welcomed and endorsed the ambitious ICT Strategy geared at accelerating development impact across sectors. During the discussion, members noted the challenges of implementing a three-pillar approach (Transform, Innovate and Connect) and underscored the importance of collaboration across the institution. They also underlined the importance of country-driven approaches and the need to develop client capacity, noting that specific indicators would be needed on ICT-enabled transformation and gender. The strategy was sent to the Board for information and was publicly disclosed on November 19, 2012. The summary of the Green Sheet was also publicly disclosed on November 19, 2012.

8. The Committee strongly supported and endorsed the Environment Strategy, discussed ahead of the Rio +20 Summit. CODE welcomed the WBG’s efforts to advance in greenhouse gas (GHG) accounting for investment projects, contribute to client, partner and private efforts to tackle major threats to the global environment and make necessary adjustments to move to a more green, clean and resilient world. The Committee sent the strategy to the Board for information and the strategy was publicly disclosed on June 29, 2012. The summary of the Green Sheet was also publicly disclosed on June 29, 2012.

9. Recognizing that infrastructure remains a key constraint to growth, poverty reduction, job creation and broader development in all developing countries, members welcomed and endorsed the Infrastructure Strategy Update and emphasized its importance to mitigate the impact of economic crisis. The Strategy Update rests on three pillars — core engagement, transformational engagement and mobilization of private capital — to face the rapidly changing internal and external environment and to respond to increasingly interconnected development issues. The Committee asked Management to revise the Update taking into account comments at the meeting. The revised Update was distributed to the Board for information and was publicly disclosed on January 4, 2012. The summary of the Green Sheet was also publicly disclosed on January 4.

10. Members welcomed the approach paper for the Agriculture Action Plan, following the strategic framework of the WDR 2008 and building on the WBG re-engagement and scaled-up support to agriculture over the previous three years. The program stressed agricultural productivity growth, differentiated by region, and was guided by the differing agendas of the “three worlds of agriculture” across agriculture-based, transforming, and urbanized economies. Members requested that Management incorporate comments and recommendations discussed at the meeting and to return to CODE to discuss the draft AAP and brief the committee on CGIAR.

11. Organizational Strategies and Reforms. In a joint meeting with the Budget Committee, members strongly supported IFC’s Road Map for FY13-15 and long-term strategic focus, including the framework for setting priorities areas across Investment Services (IS), Advisory Services (AS), and the IFC’s Asset Management Company (AMC). They noted the need to have a clear focus on poverty reduction efforts, crisis response mechanisms and private sector contributions and called for maintaining IDA targets and a continued emphasis on fragile states and the AFR Region. After the CODE meeting, and ahead of the Committee of the Whole discussion on April 12, 2012, Management provided a supplemental note to the Road Map clarifying language on poverty focus and crisis response. IFC’s FY13 Business Plan and Budget was to be considered for discussion at the Budget Committee on June 6, 2012.
The Committee welcomed the overall direction of the Investment Lending (IL) policy reform, a critical element of the Bank’s modernization agenda, which intends to address the overregulation of IL by streamlining and consolidating lending policies and procedures. They supported the six major policy changes proposed by Management, particularly the expansion of the Rapid Response to Crises and Emergencies policy to apply to situations of fragility and conflict, in line with the 2011 WDR\(^2\) on conflict, security and development. Members supported Management’s plan to proceed with external and further internal consultations. The Committee recommended that the revised paper, following consultations, be discussed at the Board. Directors welcomed the consolidation of IL policies and procedures aimed at improving the effectiveness of the instrument, without diluting the Bank’s policy framework. The Board approved on October 25, 2012 Management's recommendations as set out in the President's Memorandum and Policy Paper.

Approach Papers. The Committee welcomed discussion of The World Bank’s Safeguard Policies: Proposed Review and Update, recognizing its high profile for shareholders. CODE noted that environmental and social safeguard policies have served the Bank and the international community well and highlighted that they should continue to embody important core values of the Bank. Members agreed with the scope, timeframe and phased approach and asked that throughout the review process, Management maintain an ongoing dialogue with the Board. The Committee asked Management to revise the approach paper to clarify language, check for inconsistencies and provide more prominence to IEG’s safeguards evaluation and the subsequent actions. The revised version was circulated to the Committee on an absence-of-objection basis with a closing date of October 10, 2012, and was publicly disclosed prior to the Annual Meetings. The summary of the Green Sheet was publicly disclosed on November 28, 2012.

CODE and the Audit Committee held a joint meeting to discuss Management’s Proposed Review of the WBG’s Procurement Policies and Procedures. Although procurement policies and procedures have been periodically updated, there has not been a fundamental review of the Bank’s procurement policies since the Bank’s founding, despite significant changes in both the Bank’s business and the global economy. Members supported Management’s approach and timeline but requested that, in an effort to avoid duplication, Management coordinate with the work that IEG was planning to undertake for its procurement policy review. The summary of the Green Sheet was publicly disclosed on May 3, 2012.

Operational Instruments. In discussions of operational instruments, CODE highlighted the value of Development Policy Lending Operations (DPLs), noting that they have served clients well in delivering timely and effective Bank assistance, providing budget support, supporting critical capacity building, policy reform and institutional development. While it was noted that Development Policy Operations (DPOs) have been generally successful in achieving the intended development results, members, IEG and Management agreed that shortcomings in the monitoring and evaluation framework for DPOs needed to be addressed. The Committee supported future directions set out by Management. The Committee asked Management to revise the report underlining the need for improved attention to monitoring and evaluation, an assessment of the complementarity of technical assistance in DPOs, and analysis on the variation in performance of DPOs across regions and sectors. The revised document was sent to the Committee for virtual review, then to the Board for information on November 5, 2012. The report was also sent to IDA Deputies ahead of the IDA Mid-Term Review. The summary of the Green Sheet was publicly disclosed on November 28, 2012.

\(^2\) World Development Report 2011: Conflict, Security, and Development was discussed by Executive Directors at a meeting on February 17, 2011.
III. ROLE OF THE WBG IN THE NEW DEVELOPMENT LANDSCAPE

16. **Aid Effectiveness.** The Committee held its annual retreat on April 27, 2012, to discuss (i) the post-Busan development architecture; and (ii) the role of Sector Strategy Papers (SSPs) in connecting country demand to global thematic priorities. Regarding the new development landscape and the Bank’s role, members noted the role, risks, and opportunities of many new actors. They underscored the importance of developing a framework for positioning the Bank vis-à-vis other institutions, including on the MIC agenda. Members emphasized the Bank’s continued relevance as a convener and facilitator in the development community (particularly on key issues like climate change). Adapting to the changing development landscape with appropriate lending and knowledge tools—while considering instruments, pricing, graduation, capital base and overall effectiveness—is challenging, but a must for the future of the Bank. Members urged the Bank to capitalize on its comparative advantages and provide leadership on key issues in the post-Busan development aid architecture.

17. Members agreed that SSPs should set the overall direction to either reposition the Bank or set a course correction. They discussed the timeframe, cost, impact, selectivity, audiences, results, monitoring, external and internal consultations, as well as the level of Board engagement on SSPs. Members debated whether SSPs should be information instruments or planning tools and raised concerns regarding incentives and the need to improve dissemination. They emphasized key performance indicators to monitor knowledge. There was general agreement with Management’s proposal to differentiate types of strategies, timeframe, scope, consultations, and audience (the tiered approach) based on need (i.e. changing global and internal contexts), and within the broader Bank modernization agenda.

IV. IEG EVALUATIONS

18. The Committee considered IEG’s evaluation reports on Adaptation to Climate Change; the Matrix System: An Evaluation of the WB’s Organizational Effectiveness; the WBG’s Response to the Global Economic Crisis: Phase II; WB and IFC’s Support for Youth Employment Programs; WBG Impact Evaluations; The Global Fund to Fight AIDS, Tuberculosis and Malaria and the World Bank’s Engagement with the Global Fund.

19. The Committee discussed IEG’s evaluation of **Youth Employment Programs.** Members agreed with the recommendations adding that the WBG had to improve its analytical capacity on youth employment, develop diagnostic tools and strengthen evidence-based approaches. Recognizing the magnitude of the problem, Members suggested that the WB play a catalytic role, spur collective action and coordinate partnerships on a global level. Members also agreed that the Bank and IFC should be more strategic in comprehensively addressing youth employment issues. They suggested that the Bank modify its approach to client engagement to ensure that youth employment receives more attention. On November 26, 2012, the evaluation was sent to the Board for information and was made publicly available, together with the Management response and the summary of the Green Sheet.

20. The Committee welcomed the opportunity to discuss IEG’s evaluation on the **WBG’s Response to the Global Economic Crisis (Phase II).** Members noted the severity and uncertainty of the global economic crisis and were pleased to see that the WBG responded well, with the appropriate size, speed and composition of lending needed. However, members acknowledged that there is room to enhance the WBG future crisis preparedness. They supported the establishment of a roadmap for crisis response and increased the use of innovative financial instruments, including in IDA countries. Members also acknowledged the need to build better social protection systems and bolster country capacity and knowledge. IEG agreed to fine tune the report’s messages, clarify the text and correct possible errors prior to its disclosure. Management also agreed to revise its draft comments on the basis of the clarified draft and CODE discussion. The final text was circulated on February 16, 2012. The summary of the Green Sheet was publicly disclosed on February 3, 2012.
21. The Committee considered IEG’s review of the Global Fund to Fight AIDS, Tuberculosis and Malaria. Members urged Management to take stock of the findings to determine what could be improved on the ground, particularly with respect to strengthening health systems capacity, country-level support, monitoring and evaluating, and collaboration between the WBG and the Global Fund. There was agreement that Management will present the Partnership Program Management Framework and Financial Intermediary Funds Framework in 2012. During the meeting, Members agreed that the review be publicly disclosed along with the Global Fund’s statement, Management’s revised comments and the summary of the Green Sheet. The documents were publicly disclosed on February 2, 2012.

22. The Committee welcomed IEG’s review of Impact Evaluations (IE) and its findings. The Committee encouraged greater strategic selectivity to enhance IE credibility, avoid fragmentation and make IEs more operationally relevant. Moreover, they encouraged a better feedback loop between evaluations and operations. The Committee strongly recommended the integration of IE findings into WBG operational work and underlined the value of optimal timing of IEs to better inform relevant projects or strategies. Members noted a concern about sustaining quality assurance and recommended the development of guidelines on quality practices and standards and their consistent application. Management agreed to come back to CODE in a year with a review of progress on the evidence of the linkages between IE results and policy and operational actions taken. IEG’s review and the Green Sheet Summary were made publicly available on June 29, 2012.

23. CODE welcomed IEG’s timely evaluation on the WB’s Matrix System. Members agreed that the matrix system has been effective in improving client responsiveness but needs to be further strengthened through better integration of corporate, regional and sector priorities with country programs to serve client needs better. Members acknowledged that the findings are consistent with the conclusions of the matrix review undertaken previously by Management as part of the Bank’s Modernization Program and Knowledge Agenda. Management’s ongoing modernization work is addressing key matrix issues, including improving talent management, global knowledge management, and staff connectivity, and addressing the span of control. The evaluation was discussed by the Board and then disclosed to the public on April 12, 2012.

24. Member’s welcomed IEG’s evaluation on Adapting to Climate Change, which concentrated on WB and IFC engagement in climate change adaptation with a strong focus on learning, and concurred with the findings and recommendations. Members supported the Bank scaling up efforts in climate resilient development, and underscored the need to continue to take stock as the WBG moves forward in this direction. The Committee recognized that while Management is looking at creative ways to help partner countries navigate the complex climate financing landscape—especially in low-income countries (LICs)—the Bank has limited resources and capacity and will have to work with other partners to leverage resources. Members also called for a further integration of the Bank’s work on adaptation to climate change and disaster risk management, and for their continued mainstreaming in WBG operations. Members agreed that IFC’s targeted approach and the creation of the Climate Risk Working Group were positive, forward-looking solutions. Members noted the important role that IFC has in promoting and fostering adaptation measures and systems. The Committee acknowledged that adapting to climate change warrants continued discussion and agreed that an informal engagement between the Board and Management should be scheduled to discuss further how the WBG can best help clients adapt to climate change. IEG’s evaluation was sent to the Board for information and was publicly disclosed on November 26, 2012.

25. Sub-Committee Discussions. The CODE Sub-Committee discussed the Liberia and Afghanistan Country Program Evaluations (CPE); the MAR Pilots; and the approach papers on IFC’s Short-Term Trade Finance Program, The Partnership between the Global Environment Facility and the WBG, and IEG’s Approach paper on the WBG’s Public Procurement Policies and Procedures. The discussions were an important addition to the Committee’s discourse on development effectiveness.

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3 This item will be postponed considering the activities undertaken under the Change Management initiative.
26. The Sub-Committee welcomed discussion of the Afghanistan CPE. Members agreed that the findings presented valuable lessons for working in Fragile and Conflict Situations (FCS). Members recognized the substantial progress made by the WBG toward achieving most of its objectives under extremely difficult situations and were pleased that most recommendations were included in the FY12-14 Interim Strategy Note. Members also raised questions regarding the approach IEG should take when evaluating FCS. IEG committed to reviewing its evaluation methodology for FCS. The summary of the Green Sheet was publicly disclosed on November 19, 2012.

27. The Sub-Committee supported the findings and recommendations of IEG’s timely Liberia CPE. Members commended the progress that the Bank had achieved in the country and asked that issues flagged from the report—such as regional integration, staffing, reconciliation filter and gender—be added to the IEG approach paper on FCS. Members noted that Management would take into account the CPE’s findings and recommendations to sharpen the upcoming Country Partnership Strategy (CPS) 2013-1015, which would include a clear analysis of the gender dimension. The summary of the Green Sheet was publicly disclosed on November 19, 2012.

28. During an informal meeting, IEG and Management presented the Sub-Committee with an update on the progress of the Management Action Record (MAR). Members supported Management and IEG proposals to strengthen the MAR to improve accountability and clarify recommendations.

29. The Sub-Committee broadly supported IEG’s approach paper on IFC’s Short-Term Trade Finance Programs. Members recognized the timeliness of the evaluation, given that trade finance has become a fundamental pillar of IFC’s business. Members suggested that IEG focus on additionality and the pricing of trade finance. The summary of the Green Sheet was publicly disclosed on November 19, 2012.

30. Members discussed the approach paper on the Global Program Review of the Partnership between the Global Environment Facility (GEF) and the World Bank as an Implementing Agency. Members welcomed the first component and its focus on the role of the WBG as an implementing agency (IA) for the GEF. Members voiced concerns that the second and third components went beyond providing a second opinion on existing evaluations. The Sub-Committee suggested that IEG take relevant elements from components two and three that were focused on the WBG-GEF partnership and incorporate them into component one. Members agreed that IEG should revise the Approach Paper then submit it to CODE for consideration on an absence of objection basis. The revised document was sent to the Committee for virtual review, then to the Board for information on September 24, 2012. The summary of the Green Sheet was publicly disclosed on November 19, 2012.

V. STRENGTHENING THE WBG’S OVERSIGHT AND ACCOUNTABILITY FRAMEWORK AND ENGAGEMENT WITH IEG, IPN & CAO

31. To ensure that the WBG’s oversight institutions keep pace with the evolution of the WBG’s mandate, instruments, client base and operation complexity, the Executive Directors requested an External Review of the WBG’s Oversight and Accountability Units. The review focused on gaps, overlaps and protocols for coordination among the five units (IAD, IEG, INT, IPN, and CAO), and assessed the respective mandates, reporting lines, interaction with stakeholders, and overarching governance and accountability for each individual unit. In a COGAM meeting, members agreed that further discussions on the individual units were to take place within a year at CODE (CAO, IEG, IPN), the Audit Committee (IAD, INT), and COGAM (overall process coordination, consolidation of outcomes).

32. CODE focused on the recommendations where consensus could be reached and implementation could start during the Committee’s term. CODE held six discussions throughout the year to discuss the
Review recommendations to strengthen the overall oversight and accountability framework and improve effectiveness relating to IEG, the IPN and the CAO.

33. **IEG.** In regard to the recommendations *External Review of the WBG’s Oversight and Accountability Units* pertaining to IEG, Members emphasized the importance of safeguarding IEG’s independence and preserving its relevance and leadership role in the evaluation field, while strengthening engagement with Management. The Committee highlighted the relevance of IEG’s selectivity framework, balancing retrospective *vis-à-vis* real-time evaluations, and methodological innovations. These issues were considered in conjunction with the IEG Work Program and Budget FY13 and Indicative Plan FY14-15. Further, members agreed to revise the DGE Mandate and the terms of reference of the IEG Directors, and set up a process with CODE and SEC for interacting on Quarterly Reports: both of these actions have subsequently been implemented. Members also concurred that IEG should produce an Annual Report, which they did in October. CODE and IEG reiterated their intention to perform an external review of IEG during the next Board term.

34. CODE held an informal meeting to elicit Directors’ views on an IEG proposal for an *Independent Evaluation Policy*. IEG noted that a formal Independent Evaluation Policy is practiced with some other IFIs and that such a policy would codify and institutionalize principles that are now explicit or implicit in the DGE’s Mandate and IEG’s TORs. Although some Directors welcomed the proposal, noting that an Independent Evaluation Policy would set out a clear and concise relationship between IEG and Management, others were not convinced of the necessity to establish a policy. Subsequently, IEG decided not to pursue the matter.

35. At a joint meeting, the Budget Committee and CODE endorsed IEG’s *Work Program and Budget* for FY13 and Indicative Plan for FY14-15, noting in particular its strategic focus encompassed in the four strategic clusters. Members noted that the work program takes into account the 2015 MDG deadline and supported its emphases on fighting poverty and the challenge of inclusion. Members asked that IEG consider including WBG crisis preparedness and resilience in the work program; members also commented that the timing of outputs should be aligned with important upcoming initiatives (e.g. corporate reforms, MICs, green growth). Members recommended granting IEG a one-time authority to spend an additional amount of $0.7 million for FY13. The Committee viewed the reasons behind the FY12 under-run and the FY13 backlog as justified, and noted the intent to start FY14 on a better financial footing. The Budget Committee and CODE recommended that the Board approve the proposed budget for FY13 and indicative work program for FY14, which it did on an absence of objection basis on June 6, 2012.

36. **Inspection Panel (IPN).** In discussions on the *External Review of the WBG’s Oversight and Accountability Units* as it pertained to IPN, CODE underlined the important role of IPN for the accountability and legitimacy of the Bank, including as a mechanism for affected people to have their voices heard and complaints validated. The Committee agreed to the recommendations related to improving coordination and flexibility. The Committee endorsed the recommendation to pilot a model where the most senior non-Chair Panel Member would serve on a full-time basis for approximately one year. CODE also agreed with the proposal to formalize selection procedures for the position of the Panel’s Executive Secretary (ES), with a Selection Committee comprised of the three Panel members, the CODE Chair and the CODE Vice Chair, with a civil society member and Management representative serving as observers.\(^4\) CODE disagreed with the proposal that a civil society member serve as an observer on the Selection Committee for Panel Members.

37. IPN initiated a process of revising its operating procedures and briefed CODE informally after its first round of consultations on the subject. The process however was not concluded during the year.

\(^4\) The item was sent to the Board for approval on absence of objection basis. An Executive Director requested a Board discussion.
38. **IFC/MIGA COMPLIANCE ADVISOR OMBUDSMAN (CAO).** In considering the External Review of the WBG’s Oversight and Accountability Units as it pertained to CAO, members emphasized the critical role of the CAO for the WBG’s private sector operations and the importance of transparency, accountability and effectiveness in its activities. The Committee praised the results achieved so far, but agreed that there was room for improvement in line with the review: (i) formalizing the CAO’s corporation with other oversight/accountability units, in particular with the Inspection Panel; (ii) increasing the flexibility in CAO’s methodological approach for advisory and FI Operations; (iii) putting more emphasis on outreach; and, (iv) institutionalizing the selection process and fixing the term of the VP. The Committee also discussed the CAO’s annual report, where it acknowledged the CAO’s higher visibility and growing activities. The report included suggestions to follow-up on the External Review’s recommendations, including the selection process of the CAO Vice President; flexibility in the methodology for Advisory Services and Financial Intermediary operations; enhancing stakeholder outreach; and cooperation with other oversight units. Members welcomed the update on the process for the revision of Operational Guidelines and acknowledged the CAO’s decision to delay consideration of the selection process of the CAO VP until the arrival of the upcoming WBG President. The recommendation to change the reporting line of the CAO to the Executive Board was deferred to a future discussion.
1. **PURPOSE**

1.1 The Committee on Development Effectiveness (the Committee) supports the Boards in assessing the development effectiveness of the World Bank Group, providing guidance on strategic directions of each member institution of the World Bank Group, monitoring the quality and results of the World Bank Group operations, and overseeing or liaising on the work of the entities that are part of the World Bank Group’s accountability framework (i.e., the relevant units of the Independent Evaluation Group (IEG) including IEG-WB with respect to operation of IBRD and IDA, IEG-IFC with respect to IFC operations, and IEG-MIGA with respect to MIGA operations); the Inspection Panel with respect to IBRD and IDA operations; the Compliance Advisor Ombudsman with respect to IFC and MIGA; and any others whose oversight or liaison is delegated to the Committee.

2. **RESPONSIBILITIES AND DUTIES**

In fulfillment of its responsibilities, the Committee shall:

2.1 **Development Effectiveness**

2.1.1. Identify, consider, and make recommendations to the Boards on high priority issues related to the development effectiveness of the member institutions of the World Bank Group, and the results achieved through their operations (both lending and non-lending activities for IBRD and IDA, investment and advisory services for IFC, and guarantee and advisory services for MIGA) at the global, regional and country levels. In this regard, the Committee shall draw on the self-evaluations of the member institutions of the World Bank Group, independent evaluations, and other relevant reports from within and outside the World Bank Group.

2.1.2. Provide inputs, from the perspective of development effectiveness of the World Bank Group, to the Boards’ deliberations on broad strategic directions of the member institutions.

2.1.3. Oversee the adequacy, efficiency, and robustness of the World Bank Group monitoring and evaluation systems (including each member institution’s self-monitoring and evaluation, and relevant IEG unit’s evaluation structures and methodologies).

2.2 **Thematic/Sector Strategies, and Operational Policies**

2.2.1. Monitor the quality and results of, and recommendations to the Boards on high priority issues related to the implementation of each World Bank Group member institution’s sector and thematic strategies, and operational policies, through relevant self-evaluations, specific IEG evaluation reports and associated management responses, and external studies. Identify key issues for Board consideration.

2.2.2. Provide guidance to Management on, and make recommendations to the Board on the thematic/sector strategies and operational policies under preparation or revision for each member institution of the World Bank Group.
2.3 Development Research and Knowledge Management

2.3.1. Monitor the periodic assessments of the relevance, quality, integrity, and efficiency of research activities of IBRD and IDA, and technical and advisory services of the member institutions of the World Bank Group (e.g., World Bank Institute work, Development Economics research, technical assistance, policy analysis, analytical and advisory services, capacity building).

2.3.2. Consider the adequacy and effectiveness of the management, dissemination, and utilization of knowledge produced by the members of the World Bank Group and by the IEG.

2.4 Institutional Effectiveness

2.4.1. Provide inputs, from the perspective of development effectiveness of the World Bank Group, to the Boards' consideration of the business processes and related organizational arrangements of the member institutions.

2.5 Oversight and Administration

2.5.1. Oversee on behalf of the Boards the work of IEG, including review of the formulation and execution of the IEG’s work program and, in consultation with the Budget Committee, its budget. Make recommendations for the Boards’ consideration.

2.5.2. Periodically review the Mandate of the Director-General, Evaluation (DGE) and the IEG Terms of Reference (for IEG-WB, IEG-IFC and IEG-MIGA) to ensure that they remain appropriate.

2.5.3. (a) Assist the Boards by overseeing the processes for the selection and removal of the DGE, reporting to the Boards and recommending Board action as appropriate.
(b) Oversee the remuneration of the DGE with the advice of the Bank’s Vice President, Human Resources; oversee the DGE’s management of the IEG personnel, budgets, and work programs; and make relevant recommendations to the Boards.

2.5.4. With respect to IBRD and IDA, serve as interlocutor with the Inspection Panel on behalf of the Board.

2.5.5. With respect to IFC and MIGA, consider the work of the Compliance Advisor Ombudsman, and identify issues and make recommendations for the Boards’ consideration.
Terms of Reference of the CODE Sub-Committee

Mandate

1. The role of the Sub-Committee of the Committee on Development Effectiveness (CODE) is to assess the adequacy of the World Bank Group’s independent and self-evaluation methods and processes, by focusing in-depth on a sample of evaluation and other products and their utilization. The Sub-Committee’s specific program will be identified in consultation with CODE, and the Sub-Committee will report regularly to CODE on its findings.

Terms of Reference

2. Sector Strategy Papers (SSPs). Examine and comment on a selected number of SSPs, in light of evaluation processes/issues, to complement the work of CODE. This could include consideration at the approach-paper stage and, as necessary, at later stages in the process; it also would entail consideration of relevant PPARs, ICRs, Investment Assessment Reports (IARs), and other evaluation products.

3. Country Assistance Evaluations (CAEs). Examine and comment on a selected number of CAEs as they relate to Country Assistance Strategies (CASs), in light of evaluation processes/issues; this would include consideration of relevant Project Performance Assessment Reports (PPARs), Implementation Completion Reviews (ICRs), other evaluation products, and new operations.

4. Evaluation Policies, Processes and Practices. Identify, through studies and discussions, relevant problems and policy issues and make recommendations thereon, as appropriate, for consideration by CODE. In particular, examine and comment on:
   a) The adequacy of evaluation products (PPARs, ICRs, XPSRs, CAEs, etc.) and the extent to which their findings are disseminated and utilized within the Bank Group;
   b) Whether management has taken adequate follow-up action on recommendations previously made by OED, OEG or OEU* as relevant;
   c) Whether OED, OEG, OEU* and/or management have taken adequate follow-up action on recommendations made by the Sub-Committee and endorsed by CODE;
   d) The coherence of evaluation processes and methods used by QAG, Regions, Networks, SRM, EDI, etc. This could cover consideration of existing and emerging evaluation processes, including the Corporate Scorecard, client feedback, and indicators for the Comprehensive Development Framework (CDF).

5. Other Business Assigned by CODE. Examine and make recommendations to CODE on any reports or studies that CODE might assign.

*These units were integrated in 2005 into one independent evaluation unit, the IEG.

ANNEX 2

COMMITTEE ON DEVELOPMENT EFFECTIVENESS (CODE)

Schedule of Meetings from November 2010 to October 2011

November 2011

- Friday, Nov. 11: Recommendations of the External Review of Oversight and Accountability Units of the WBG: Compliance Advisor Ombudsman (CAO)
- Monday, Nov. 14: Approach paper on IEG’s Evaluation on Youth Employment FY01-FY11(CODE2011-0058)- CODE Sub-Committee
- Monday, Nov. 21: The External Evaluation of IEG- Informal Meeting
- Wednesday, Nov. 30: Transformation through Infrastructure- The World Bank Group Infrastructure Strategy FY12-15 (CODE2011-0060) and supplemental Note (CODE2011-0062)

December 2011

- Friday, Dec. 9: Inspection Panel (IPN) Briefing on the Review of the IPN Operational Procedures- Informal Meeting
- Monday, Dec. 12: MAR Pilots- CODE Sub-Committee
- Wednesday, Dec. 14: IEG’s Report on Global Fund to Fight AIDS, Tuberculosis and Malaria (CODE2011-0063) and Draft Management Comments
- Friday, Dec. 16: IEG’s assessment of The WBG’s Response to the Global Crisis II (CODE2011-0061) and Draft Management Comments (CODE2011-0064)

January 2012


February 2012

- Friday, Feb. 10: IEG WP and Budget FY13 & Indicative Plan FY14-15- First engagement point- Informal Meeting
- Wednesday Feb. 29: CODE Members' Lunch with Inspection Panel Chair
March 2012
- Friday, March 2: IEG WP and Budget FY13 & Indicative Plan FY14-15- Second engagement point; DGE Selection Process – Best Practices in other IFIs -Informal Meeting
- Wednesday, March 7: Recommendations of External Review of Oversight and Accountability Units of the World Bank Group (COGAM2011-0014) pertaining to the Inspection Panel (IPN)

April 2012
- April 27: The Post-Busan Development Architecture; What Does it Mean for the WBG?; Connecting Country Demand with Global/Thematic Priorities: the Role of Sector Strategy Papers- CODE Retreat and Lunch

May 2012
- Wednesday, May 23: IEG’s Work Program and Budget FY13 & Indicative Plan FY14-15 (R2012-0148; MIGA/2012-026)- Joint BC/CODE Meeting

June 2012

July 2012
- Wednesday, July 11: IEG’s Evaluation on World Bank and IFC Support for Youth Employment Programs (CODE2012-0030)
- Wednesday, July 18: Conclusion: External Review of the Oversight and Accountability Units of the WBG – IPN/ Conclusion: External Review of the Oversight and Accountability Units of the WBG – IEG (COGAM2011-0014)
August 2012


September 2012

- Tuesday, Sept. 4: CODE Work Program Q2- CODE Members Lunch
- Wednesday, Sept. 5: 2012 Development Policy Lending Retrospective: Results, Risks and Reforms (CODE2012-0039)
- Tuesday, Sept. 11: CODE Coffee with the new Inspection Panel Member
- Tuesday, Sept. 18: CODE Lunch on IEG Change Processes
- Tuesday, Sept. 25: Procedures for the Selection of a Director General, Evaluation – Informal Meeting

October 2012

- Tuesday, Oct. 1: IEG’s approach paper entitled The World Bank and Public Procurement-An Independent Evaluation (CODE2012-0042)- Code Sub-Committee
- Monday, Oct. 29: Management Action Record (MAR) Reform (IEG)
- Monday, Oct 29: Code Members Lunch
ANNEX 3

APPROACH PAPERS (STREAMLINED PROCEDURE)
AND DOCUMENTS CIRCULATED FOR INFORMATION

APPROACH PAPERS (Endorsed on an Absence of Objection Basis)

- Sustainable Provision of Infrastructure Services and the World Bank Group, Phase I - Transport Sector (CODE2011-0059)
- Afghanistan - Country Program Evaluation (CPE)- (CODE2011-0068)
- An IEG Assessment of the World Bank Group's Response to the Global Food Crisis (CODE2012-0006)
- Global Program Review: The Partnership Between the Global Environment Facility and the World Bank Group as an Implementing Agency – Final (CODE2012-0012/5)
- Evaluation of Knowledge-Based World Bank Country Programs (CODE2012-0013)
- Evaluation of World Bank Group Programs Supporting Innovation and Entrepreneurship (CODE2012-0016)
- Impact Evaluation of IFC's Business License Simplification Program to Promote Entrepreneurship in Peru: An Independent Assessment (CODE2012-0023)
- Systematic Review of Impact Evaluations in Maternal and Child Health (CODE2012-0040)
- Global Program Review (GPR) of The World Bank's Partnership with the GAVI Alliance (CODE2012-0045)

FOR INFORMATION

- World Bank Group's Response to the Global Economic Crisis: Phase II - Final Text (CODE2011-0061/2)
- Independent Evaluation Group Quarterly Report to CODE - Fiscal Year 2012 Quarter 2 (CODE2012-0002)
- Report to CODE from the Chairman of the CODE Sub-Committee - for Period September 2011 to February 2012 (CODE2012-0010)
- Independent Evaluation Group Quarterly Report to CODE - Fiscal Year 2012 Quarter 3 (CODE2012-0015)
- IFC Development Goals (CODE2012-0017)
- Good Practice Standards for Evaluation of Public Sector Operations and of Private Sector Investment Operations (CODE2012-0020)
- Report on the CODE Retreat - April 27, 2012 (CODE2012-0022)
- Impact Evaluation of Business License Simplification in Peru: An Independent Assessment of the Results of IFC-supported Reforms (CODE2012-0055)
- Independent Evaluation Group Quarterly Report to CODE - Fiscal Year 2012 Quarter 4 (CODE2012-0037)
• Global Program Review of the Global Facility for Disaster Reduction and Recovery (GFDRR)- (CODE2012-0044)
• Global Program Review of the Forest Carbon Partnership Facility (FCPF)- (CODE2012-0046)