

**Report to the Board of Executive Directors from the
Committee on Development Effectiveness *
Sub-Committee Report**

Meeting of August 29, 2012

The Sub-Committee (SC) of the Committee on Development Effectiveness (CODE) considered an Independent Evaluation Group (IEG) report entitled *Afghanistan Country Program Evaluation 2002-2011: Evaluation of the World Bank Group Program* (CODE2012-0034).

The Sub-Committee welcomed IEG's findings and recommendations and commended the WBG for the extraordinary work and impressive results achieved in Afghanistan. Members appreciated IEG's recognition of the WBG's important role in informing discussions with government and donors through its highly relevant strategy in Afghanistan, achieving substantial progress toward its objectives under extremely difficult circumstances. They were also satisfied that most of IEG's recommendations were included in the FY12-14 Interim Strategy Note (ISN). Members stressed the valuable lessons from the evaluation for other Fragile and Conflict States (FCS). While recognizing the convergence between IEG and Management in most of the recommendations, members asked IEG if it could adapt its methodology for evaluating country programs to reflect the difficulties and complexities of working in FCS and to avoid misinterpretation of results. Members learned that IEG has been applying the methodology agreed with OPCS so far, but it will consider this issue as part of the forthcoming FCS evaluation. Management acknowledged that progress in Afghanistan will largely depend on the government's capacity to sustain both change and momentum. Members asked about government ownership and capacity building, further seeking IEG and Management's views on the government's comments on the evaluation.¹ They also highlighted the Bank's increasing importance as the 2014 transition approaches, when sustainability of its interventions will be critical.

Members agreed with IEG's assessment that the Afghanistan Reconstruction Trust Fund (ARTF) has been crucial in mobilizing much-needed resources from donors and has contributed to building confidence with the government and in public expenditure management. They acknowledged the success of donor coordination through the ARTF and encouraged IEG to share results of the program evaluation and lessons learned among donors that have conducted evaluations of the ARTF and other donor actors in Afghanistan. In this regard, some members inquired about the concurrence with IEG's findings. While members supported providing Bank expertise in certain areas without in-country presence due to security and other considerations, they cautioned that it should not substitute the work that needs to be done on the ground.

Members stressed the importance of sustainable institutional reform on governance issues and agreed with Management that caution is needed to obtain government support in areas where the Bank would be able to have influence. Members also emphasized the importance of supporting local institutional development to ensure sustainable public services and resource flows. Members inquired about Management's approach to achieve sustainability of gains; the risks of civil service reform; youth employment prospects; and development in the agricultural sector. Members praised the WBG's achievements in mainstreaming gender issues but noted that more could be done to improve gender equality in future interventions.

The Sub-Committee noted with appreciation IEG's recognition of the satisfactory outcomes achieved by the International Finance Corporation (IFC) and agreed with Management that moving forward, IFC should provide support to strengthen Afghanistan's investment climate. They agreed with IFC's proposed focus on infrastructure, agribusiness, health, education, financial markets and manufacturing.

* This report is not an approved record.

¹ *Afghanistan Country Program Evaluation 2002-2011* (CODE2012-0034), p. 211.