World Bank Performance: How Are We Doing?

During its process review of the annual report on FY94 portfolio performance, OED surveyed Bank staff and borrowers to determine their views on the World Bank's role and performance in project implementation. Borrowers and Bank staff did not always agree on the importance of Bank roles. Views also differed on performance: with several important exceptions, borrowers rated Bank performance as satisfactory, while staff were much more critical in nearly all cases. A separate survey, conducted by the Bank's Africa Region (AFR) in 1995, mirrored many of OED's findings. Its focus on other areas of Bank performance provides additional insights.*

Together, the findings highlight the need for improved performance and communication between the Bank and its borrowers. The findings should also benefit ongoing efforts to improve management practices and instill a results-based culture within the Bank. Both the Bank and borrowers stand to benefit from future such surveys.

Bank roles and performance

The OED survey asked borrowers and Bank staff to rate both the importance and performance of the Bank's accountability, advisory, and implementation support roles.

Accountability support roles, through which the Bank helps borrowers remain accountable for project outcome, include help with project procurement and loan disbursement, as well as monitoring compliance with loan covenants and likely achievement of project development goals. Bank advice on policy and technical issues and its application of cross-country (or global) experience are considered advisory support roles. Implementation support roles refer to efforts such as monitoring the quality of work by contractors and consultants, facilitating between country agencies and ministries, and acting as a catalyst for decisionmaking.

The Africa survey, also designed to elicit borrower and staff views on the Bank's performance, encompassed a greater range of issues, many overlapping those covered by OED. (See box on survey design.) Typically, the findings from the two surveys corroborated one another.

Findings and implications

Overall borrower perceptions of the Bank's performance were favorable. Borrowers responding to the OED survey were most satisfied with the Bank's assistance with disbursement, monitoring of adherence to loan covenants, and policy and technical advice. But only two-thirds agreed that the Bank's help with project procurement is also good—a matter of concern since borrowers ranked this as the Bank's second most important role. This confirms a finding of the 1992 Portfolio Management Task Force (PMTF): borrowers are not well equipped in this area and would benefit greatly from intensified Bank training in procurement procedures.

The AFR survey's performance ratings echoed those found by OED. Borrowers believed the Bank was doing a good job on the whole in supporting project implementation, but thought it somewhat remiss in helping them develop the ability to implement projects. More than half felt the Bank was not helping them develop the capacity and ability to sustain projects that have been implemented.

Borrowers ascribed relatively little importance to the Bank's implementation support roles, confirming views expressed during a workshop of the Portfolio Management Task Force—the project belongs to the borrower. On the other hand, borrowers polled by OED judged as most important the Bank's accountability- and advisory-support roles. In particular, they valued help with loan disbursement and project procurement, application of cross-country experience, and monitoring of loan

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Box: The OED and AFR survey designs

OED. The borrower survey consisted of structured interviews (using a standardized questionnaire) administered by OED staff in connection with audit missions in the last quarter of 1994. The country sample covered both large and small portfolios in four regions, and included five of the top ten borrowers in terms of number of projects and amounts committed. The sample covered a significant share of the Bank’s portfolio—25 percent of projects, or 36 percent of commitments. The 47 respondents covered a broad range of sectors and belonged to a cross-section of institutions (implementing agencies, technical ministries, and central ministries).

However, cost-effectiveness considerations limited the scope of the survey: the sample was smaller than those for standard full-fledged surveys and was not fully randomized. Consequently, results cannot be considered statistically significant within the same confidence levels as for large surveys.

The Bank staff survey, conducted in January 1995, consisted of a questionnaire that was sent to 70 experienced task managers (completed by 32), all 20 country department directors (completed by 12), and all 86 sector operations department division chiefs (completed by 37). This sample ensured broad regional and sectoral representation, and reflected substantial degrees of Bank experience.

AFR. In early 1995 the Bank’s Africa Region surveyed 261 borrowers from 11 countries, and 187 Bank staff working on those countries, to ascertain overall perceptions of and satisfaction with the Bank’s services. The country sample included Côte d’Ivoire, Guinea, Madagascar, Malawi, Mali, Mozambique, Uganda, Zambia, and Zimbabwe, and, beyond sub-Saharan Africa, Jamaica and Tunisia. Respondents were asked more than 200 questions by non-Bank interviewers. All responses were anonymous.

covenants and likely achievement of project development goals.

Borrowers polled by AFR were positive about the overall quality of Bank advice. When asked to rate the Bank’s short-term policy advice, however, their approval ratings dropped substantially. This finding merits attention, as the bulk of respondents considered short-term policy advice to be important. Nearly half of the respondents moreover thought the Bank did at best a fair job in listening to and dealing with borrowers’ concerns when helping governments formulate policy.

Borrowers were dissatisfied with how the Bank applies its cross-country experience—one of its most important roles. Given that borrowers consider the Bank’s cross-country experience to be important but underutilized, policy advice would be better absorbed if it used lessons learned from the Bank’s global experience.

Staff views differed from those of borrowers on the importance of Bank roles. Staff responding to OED’s survey considered the Bank’s advice on policy issues to be its most important role, in contrast to borrowers who ranked this function sixth.

Opinions also varied among staff. According to managers (department directors and division chiefs), advisory support roles are the most important. Task managers, however, placed more emphasis on accountability support, displaying a view closer to that held by borrowers. The Bank’s cross-country experience, valued highly by borrowers, was considered very important by 90 percent of managers but by just under two-thirds of task managers.

Compared with borrowers, Bank staff took a surprisingly dim view of the Bank’s performance, especially in the area of accountability support. Staff polled by OED were most satisfied with how well the Bank advises on policy and nonpolicy issues, acts as a catalyst for decisionmaking, monitors compliance with loan covenants, and facilitates between agencies. Only one of these roles—monitoring loan covenants—was ranked among borrowers’ top five most important issues. Staff were dissatisfied with the monitoring of contractors, consultants, and project performance. Borrowers and staff concurred that

much remains to be done to achieve sustainable benefits in the field through effective monitoring of development impacts.

Staff responding to the AFR survey also displayed a more rigorous stance than borrowers regarding Bank performance: only 35 percent judged it to be good or excellent. Less than a third said the Bank was doing a good job in developing borrowers’ ability to identify, prepare, and implement projects. Like borrowers, staff thought the Bank could do better in helping borrowers develop the capacity and ability to sustain projects. On the other hand, they had a more positive view of how well knowledge is applied to particular country situations.

Different perceptions of the Bank’s role in project implementation highlight the need for better internal and external communication in order to reach a common understanding of these roles and of the areas needing improvement.

Influences on performance

OED asked survey respondents to rate the importance of, and satisfaction with, factors that influence the performance of Bank staff, man-

June 1996
management, and policy. Staff-related factors include technical expertise, adaptability to changing conditions, and knowledge of and sensitivity to local conditions. Management-related factors pertain to staff accessibility and continuity and speed of response. Policy-related factors refer to flexibility (for example, in interpreting and applying guidelines), consistency over time, and consistency across sectors and regions. The Africa Region survey focused on similar issues.

Borrowers polled by OED considered all performance factors to be important—suggesting that total quality management should be the objective of portfolio management.

Bank staff, like borrowers, found all performance-related factors to be of nearly equal importance. However, staff were again far more demanding. Only staff accessibility and technical expertise were considered satisfactory overall.

Both surveys found that borrowers were well satisfied with staff accessibility and the bank’s technical expertise. This is a good sign considering that borrowers surveyed by AFR viewed the technical implementation of a project as dependent on the bank’s technical advice.

But borrowers thought the continuity of staff assigned to a country was insufficient. Nor were they particularly confident about the bank’s ability to adapt to changing conditions. Only just over half those surveyed by AFR said the bank provides the right advice and resources when unexpected changes occur during project implementation. They were even more skeptical when the question of overall flexibility was raised. Borrowers polled by OED were not as critical, though they too were dissatisfied.

The picture grew somewhat brighter when almost two-thirds of borrowers surveyed by AFR said staff make a genuine effort to understand country needs and conditions. But as to the bank’s actual knowledge of countries, according to both surveys, borrowers were less certain. This view was further confirmed when only just over half of those polled by AFR rated as good or excellent the bank’s understanding of local constraints on institutional capacity.

Borrowers responding to the AFR survey were highly critical of how long it takes the bank to get things done. The time it takes to process policy-based loans and get to project identification to board approval is excessive, the majority said. They were even more critical of the time it takes to identify, prepare, and appraise projects. Views were more favorable with respect to the length of the negotiation process, but they thought that overall implementation takes far too long.

Bank staff agreed that continuity of assignments and knowledge of and sensitivity to local conditions need improvement. Just over half of those responding to AFR’s survey thought that bank staff genuinely try to understand country needs and conditions. Respondents to both surveys were less certain of how well they succeed. Even fewer staff than borrowers in the AFR survey rated as good or excellent the bank’s understanding of constraints on a given country’s institutional capacity.

Speed of response, staff respondents agreed, needs attention. A mere 14 percent of staff polled by AFR and just 7 percent of those responding to OED’s survey said that, generally, the bank gets things done quickly. Staff polled by AFR were even more critical than borrowers of the time it takes to identify, prepare, and appraise projects, though they found the length of the negotiation process to be acceptable. A scant 24 percent held that the time it takes to implement projects is satisfactory.

This feedback suggests that the focus of the “change management” process, on speeding up loan processing and advice, is appropriate. A fast-track approach, conducted on a pilot basis, can help to overcome impediments to the timely preparation, appraisal, and implementation of projects.

Borrowers attach more importance to policy consistency than bank staff do. However, staff are even more convinced than borrowers that performance in this area needs improvement. Department directors polled by OED found policy consistency to be more important than division chiefs and task managers did, and were the least satisfied with the bank’s policy performance. Very few staff

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polled by AFR considered the Bank’s policies and practices to be easy to understand and implement.

**Portfolio management tools and processes**

The OED survey also solicited borrower views on the effectiveness of the Bank’s portfolio management tools and processes. Borrowers registered satisfaction with the quality of communications with Bank headquarters, the usefulness of staff appraisal reports, and the Bank’s aid coordination and cofinancing role. They were relatively pleased with the effectiveness of field missions in supporting portfolio management. Borrowers were less content, however, with internal coordination and the inflexibility and impact of procurement guidelines.

Bank staff were asked to assess a somewhat different set of functions. These included progress in main reform areas, such as improved risk assessment and key aspects of portfolio management. Staff also assessed support in critical areas, such as environmental assessment.

Most agreed that substantial progress has been made in proactive portfolio management (through restructuring, midterm reviews, and so on). Less progress has been made, they found, in country portfolio reviews, in risk assessment, and in promoting and increasing beneficiary participation. Staff satisfaction was generally low with respect to regional support functions associated with the Bank’s accountability roles. Bank divisional managers and staff rated the effectiveness of country teams in portfolio management lower than department directors did.

The survey confirms that economic analysis, institutional, legal, and participatory skills are perceived to be in short supply. The Bank’s financial analysis skills, however, were considered satisfactory.

Staff also noted that Bank management is focusing more on effective project implementation, or making sure that what is already in the works does work, instead of lending for new projects. They also remarked on what they perceive as stronger ties between lending and portfolio performance: the decision to give loans for new projects is increasingly based on the performance of ongoing projects. Staff were generally satisfied with the effectiveness of resident missions, and with the authority of Bank missions to make decisions in the field. But they were somewhat critical of the budget allocations for implementation, despite recent increases in these allocations.

Borrowers and staff agree that the Bank’s internal coordination and the flexibility of procurement guidelines could be improved.

**Other issues**

The Africa survey findings on other issues, highlighted below, add an important dimension to the story of how well the Bank is doing.

Only half of borrowers and a third of staff judged the Bank to be very or extremely effective overall in facilitating economic development. Respondents were less critical of the Bank’s ability to promote economic reforms.

Few borrowers and staff declared the Bank efficient and cost-effective, though they agreed that the Bank is committed to quality. Borrower and staff opinions differed considerably on whether the Bank is more interested in the number of loans it makes than in the successful implementation of projects. Despite staff’s perception of increasing links between performance and lending noted by the OED survey, fewer than one-third of staff polled by AFR, compared with 57 percent of borrowers, said the Bank is more interested in successful implementation.

Surprisingly, 11 percent of borrowers did not know that poverty alleviation was a Bank objective. Nearly two-thirds said they consider poverty assessment important to their country’s development, yet their ratings of how well the Bank assesses poverty were less than positive. Staff views were only slightly better. Moreover, more than half of borrowers said the Bank does not sufficiently consider the impact of lending on social equity and poverty. It comes as no surprise, therefore, that only 16 percent rated the Bank as very or extremely effective in reducing poverty. Even fewer staff (7 percent) gave the Bank high marks.

Borrowers and staff questioned the impact of Bank efforts to protect the environment. Nearly two-thirds of borrowers and staff regarded environmental assessment as important to the countries’ development. But with respect to the Bank’s performance in this area, only about a third thought the Bank conducted good or excellent environmental assessments.

The survey also found that less than half of borrowers, and a mere 27 percent of staff, felt the word “partnership” describes the countries’ relationships with the Bank. This and the surveys’ other findings confirm that an ongoing initiative—to develop better partnerships with borrowers and, within the Bank, to improve trust, communication, responsiveness to borrowers’ needs, and concern for results—is on the right track.