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## DOES THE WORLD BANK LEARN FROM PROJECT FAILURES? (PART 2)

*Six DPF Operations in Angola. 24 Years. \$2.2 Billion. All failed.  
Another \$1.00 billion released in two other failed operations – 2023 and 2024.  
\$1.15 billion committed for another DPF project in 2025.*

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**\$2.19bn**

RATED COMMITMENTS SIX  
DPF OPERATIONS

**0**

RATED SATISFACTORY OR  
HIGHER (IEG)

**100%**

MODERATELY UNSAT OR  
WORSE (IEG)

**\$4.34bn**

TOTAL EXPOSURE  
INCLUDING PIPELINE

### Executive Summary

Foreign aid is under more political scrutiny in 2026 than at any point since the founding of the Bretton Woods institutions. Donor governments are being asked to justify every dollar of development finance. Taxpayers want to know whether the money works. Shareholders of the World Bank want to know whether IDA replenishments are producing results. The Angola Development Policy Financing portfolio provides one of the clearest answers the institution has ever produced – and the answer is no.

Between 1999 and 2023, the World Bank approved six DPF operations in Angola totalling \$2.19 billion. The Independent Evaluation Group has rated all six. Not one was rated Satisfactory. One was rated Unsatisfactory. One Pillar Development Objective was rated Highly Unsatisfactory. The rest were rated Moderately Unsatisfactory. By the Bank's own evaluation standard, the success rate of its Angola DPF portfolio is zero per cent. Zero per cent across 24 years.

The record is damning not because individual operations failed – operations fail – but because the institution continued to lend at increasing scale into a country where its own evaluator was documenting the same failure, with the same diagnosis, operation after operation. The \$450 million Fiscal Management DPL was rated Unsatisfactory. IEG found it arose from "pressure to design a high-profile program that would garner strong international buy-in." The institution's response was not to pause. It was not to redesign. It was to approve \$1.7 billion more – nearly

four times the size of the operation that had just failed — under the same instrument, with prior actions that IEG would later record could only track the adoption of laws, not their implementation. After those three operations were also rated Moderately Unsatisfactory, the Bank approved a further \$1 billion. A \$1.15 billion operation is now in the pipeline. Total exposure: \$4.34 billion.

This is not a story about Angola. This is a story about an instrument and a Global Practice that has been allowed to channel billions of dollars of IDA resources into budget support operations with no traceable development outcome, in a country where one operation after another has failed, while the pipeline never dries up and the design never improves. The Macroeconomics, Trade and Investment Global Practice — which controls the DPO instrument, manages the Finance Ministry relationship, and influences the appointment of Country Directors who determine the instrument mix — records the worst development outcome rate of any Global Practice at meaningful scale: 18.5 per cent Satisfactory globally, 13.5 per cent in fragile states. In Angola, the rate is zero.

The structural conflict of interest at the heart of this record is precise. MTI designs the DPF operation. MTI's economist pipeline produces the Country Directors who determine what share of IDA resources flow through budget support. The Country Director's primary institutional relationship is with the Finance Minister — the same counterpart who receives the DPF proceeds. The proceeds enter the central treasury unrestricted. The prior actions are verified by letter. The IEG rating arrives years after the Country Director has moved to the next posting. The sovereign guarantee ensures repayment regardless. At no point in this chain does any actor face a material consequence for the development failure. The pipeline is self-sustaining. The failure is self-perpetuating. And IDA resources that donor governments provided for development outcomes are being committed to operations that the Bank's own evaluator has been rating below standard for a quarter of a century.

The question this paper poses — does the World Bank learn from policy failures — is not rhetorical. It is the question that every IDA shareholder should ask before the next replenishment, and it is the question that every Board member should ask before approving the next Angola DPF. The record says the answer is no. The structural analysis in Sections 7 and 8 explains why. And the companion papers on the DPF instrument, the MTI institutional architecture, and the game theory of the World Bank equilibrium explain why the answer will remain no until the shareholders change the structural parameters that produce it.

## THE ANGOLA DPF RECORD AT A GLANCE

**Six operations rated.** P000037 (FY1999, \$23M) Unsatisfactory · P072205 (FY2011, \$17M) MU · P153243 (FY2017, \$450M) Unsatisfactory · P166564 (FY2021, \$500M) MU · P168336 (FY2022, \$700M) MU · P169983 (FY2023, \$500M) MU.

**Three successor operations approved.** P179512 GRID DPF1 (\$500M, closed 2024) · P179513 GRID DPF2 (\$500M, active) · P511848 Resilient and Inclusive Growth (\$1.15bn, pipeline).

**The same IEG lesson written three times.** The DPF series Implementation Completion and Results Report (ICR), covering the three operations in the Growth and Inclusion programmatic series (\$1.7bn aggregate), records the identical lesson — word for word — for each of the three operations: "The DPF series RIs could only track the adoption of laws and regulations but not their effective implementation, functionality, and impact over time."

**The smoking gun.** The IEG review of the \$450M Fiscal Management DPL (P153243) that immediately preceded the programmatic series found that the operation arose from "pressure to design a high-profile program that would garner strong international buy-in. The program did not sufficiently take into account the political and institutional realities in Angola." After this rating, the Bank approved \$1.7 billion more.

**PDO3 rated Highly Unsatisfactory.** Financial Inclusion — the third Pillar Development Objective of the \$1.7bn series — was rated Highly Unsatisfactory by IEG. Non-oil FDI: 0.14 per cent of GDP against a 1.0 per cent target. Water users registered for tariff billing: one (out of a 100-user target). Transaction accounts: 30.8 per cent against a 60 per cent target.

**Management self-rated MS. IEG downgraded to MU.** The management-authored Implementation Completion Report rated the series Moderately Satisfactory. IEG, on review, downgraded to Moderately Unsatisfactory and noted that the operations did not meet the threshold for a Project Performance Assessment Report. No deeper independent evaluation is now planned.

### The Full Record

#	Project	P-Code	FY	Commitment	IEG Rating
1	Econ & Financial Mgmt I	P000037	1999	\$23M	Unsatisfactory
2	Economic Mgmt TA	P072205	2011	\$17M	Moderately Unsatisfactory
3	Fiscal Management DPL	P153243	2017	\$450M	Unsatisfactory
4	Growth & Inclusion DPF1	P166564	2021	\$500M	Moderately Unsatisfactory
5	Growth & Inclusion DPF2	P168336	2022	\$700M	Moderately Unsatisfactory

#	Project	P-Code	FY	Commitment	IEG Rating
6	Growth & Inclusion DPF3	P169983	2023	\$500M	Moderately Unsatisfactory
7	GRID DPF1 (successor)	P179512	2024	\$500M	MS (ISR — not IEG)
8	GRID DPF2 (successor)	P179513	2025	\$500M	MS (ISR — not IEG)
9	Resilient & Incl Growth (pipeline)	P511848	TBD	\$1.15bn	Not yet rated

## THE NUMBER

\$2.19 billion committed across six IEG-rated DPF operations. Zero rated Satisfactory. One rated Unsatisfactory. Three rated MU carrying the same lesson. One PDO rated Highly Unsatisfactory. A further \$2.15 billion approved or in the pipeline. Total exposure: \$4.34 billion. Success rate by IEG standard: zero per cent.

## The Rating Divergence: Management vs IEG

Operation	Commitment	Management ICR Rating	IEG Rating	PDO3 Rating
Fiscal Management DPL (P153243)	\$450M	Unsatisfactory	Unsatisfactory	—
Growth & Inclusion DPF1 (P166564)	\$500M	Moderately Satisfactory	Moderately Unsatisfactory	Highly Unsatisfactory
Growth & Inclusion DPF2 (P168336)	\$700M	Moderately Satisfactory	Moderately Unsatisfactory	Highly Unsatisfactory
Growth & Inclusion DPF3 (P169983)	\$500M	Moderately Satisfactory	Moderately Unsatisfactory	Highly Unsatisfactory

## THE RATING DIVERGENCE

The management-authored Implementation Completion Report rated the \$1.7 billion Growth and Inclusion series Moderately Satisfactory — the rating the Board sees first. IEG, on independent review, downgraded to Moderately Unsatisfactory and rated PDO3 (Financial Inclusion) Highly Unsatisfactory. By the time the IEG rating was published, the successor GRID DPF series had already been approved. The Board approved the successors on the strength of the management rating. The independent rating came too late.

## The Numbers That Tell the Story: PDO3 Financial Inclusion

Indicator	Baseline	Target	Actual	Achievement
Non-oil FDI (% of GDP)	0.2%	1.0%	0.14%	0% of target
Water users registered for tariff billing	0	100	1	1% of target
Adults with transaction accounts	29.1%	60%	30.8%	Negligible
Water utility tariffs at cost-recovery	Ad hoc	Systematic	Not achieved	Negligible

### ONE OUT OF ONE HUNDRED

The water tariff billing indicator is the most vivid single data point in the Angola DPF portfolio. The target was to register 100 water resource users in the national cadaster for bulk water tariff billing. The actual at series close: one. One user registered out of one hundred. \$1.7 billion in policy-based lending. One registered user. IEG rated the achievement Negligible.

## 1. Angola: A Petro-State With Weak Governance Over Twenty-Four Years

Angola is the second-largest oil producer in Sub-Saharan Africa. Oil accounts for around 90 per cent of merchandise exports and approximately 30 per cent of GDP. By staff estimates published in a recent IMF analysis, about 83 per cent of the country's economic output is correlated with movements in the global oil price. The non-oil economy is small, concentrated in a handful of sectors — diamonds, fisheries, construction, commerce — and structurally undercapitalised. Non-oil foreign direct investment, the principal indicator of diversification that the Bank's recent DPF series sought to influence, has remained at a small fraction of one per cent of GDP for the duration of the operations under review.

The country emerged from a 27-year civil war in 2002. Reconstruction since 2002 has been financed primarily by oil revenues and Chinese commercial credit. The institutional inheritance of the late colonial period and the war years was a centralised state with weak fiscal institutions and substantial off-Treasury expenditure. The 2024 Country Assistance Evaluation Approach Paper for Angola records that as recently as 1994, fifty-eight per cent of public expenditure bypassed the Treasury. The off-Treasury share has fallen since, but the political economy that produced it — concentration of oil rents in a small set of state-owned enterprises, executive

discretion over allocation, weak parliamentary oversight, an audit institution with limited operational independence — has not.

The macroeconomic record under successive administrations has been one of cyclical instability tied to oil prices: rapid growth and reserve accumulation during the 2003–2014 commodity boom, severe contraction between 2016 and 2020, and a moderate recovery thereafter. Real GDP per capita has not returned to its 2014 peak. Poverty, measured at around 40 per cent during the period in which the smoking-gun DPL was prepared, has eased only modestly. Recent estimates place it at approximately 31 per cent. Youth unemployment is reported at over 56 per cent. The informal share of employment exceeds 70 per cent.

Governance indicators tell a consistent story. Angola scores in the bottom quartile globally on the World Bank's Worldwide Governance Indicators for control of corruption and rule of law. The country has long-running open Article IV consultations with the IMF that document the same set of recurring concerns: revenue concentration in oil, weak tax administration outside the hydrocarbons sector, fuel subsidies that have at times exceeded the combined health and education budgets, a financial sector with non-performing loan ratios that have approached twenty per cent, and a sovereign debt position whose sustainability has at multiple points depended on bilateral creditor flexibility, principally from China.

## 1.1 Why This Matters for the DPF Instrument

The Development Policy Financing instrument is designed to support policy and institutional reforms in client countries through quick-disbursing budget support, conditioned on the formal adoption of measures specified as prior actions. The instrument is, by its own institutional logic, best suited to countries with reasonably strong institutional capacity, a credible reform programme owned by the executive and the legislature, and a track record of implementing policy commitments. The Bank's DPF guidance and Operational Policy 8.60 set out the criteria for adequacy of the macroeconomic framework, the analytical underpinnings, and the institutional readiness of the client.

Angola is not a country in which these conditions have, historically, been clearly present. The CPIA score for Angola during the period under review has hovered around 2.8 to 3.1 on the six-point scale — below the IDA threshold for normal access in some years and consistently in the lower half of the IDA distribution. The country's Public Expenditure and Financial Accountability (PEFA) scores have been weak in the dimensions most relevant to DPF accountability: external scrutiny and audit, fiscal risk reporting, and public access to fiscal information. Public investment management indicators have been poor. Tax administration capacity outside the hydrocarbons sector has been limited.

This is the institutional context into which the Bank has approved \$2.19 billion in rated DPF lending and a further \$2.15 billion in successor and pipeline DPF lending. The argument of this paper is not that the Bank should not have lent to Angola. The argument is that the instrument the Bank chose to lend through — quick-disbursing, conditioned on the de jure adoption of laws and decrees, structurally unable to track de facto implementation — was not well matched to Angola's institutional context, and that the recurrence of the same failure pattern across six rated operations is not a series of avoidable mistakes but the predictable consequence of using an unsuited instrument over a 24-year window.

## **2. Generation One: The Early TA Operations (1999–2011)**

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The first generation of Bank operations in this portfolio comprises two technical assistance operations approved under the Macroeconomics, Trade and Investment Global Practice. Together they committed approximately \$40 million across more than a decade. Both were rated by IEG. Both failed by the Bank's own measure of project success.

### **2.1 P000037 — Economic and Financial Management I (FY1999, \$23M, Unsatisfactory)**

The Economic and Financial Management Project was approved at the tail end of Angola's civil war. Its objectives were structured around strengthening core fiscal institutions: budget formulation and execution, expenditure tracking, and the basic apparatus of a Treasury. The operation was approved on the premise that, even with active conflict, the work of building fiscal institutions could and should proceed.

IEG rated the project Unsatisfactory. The evaluation found that the operation's objectives were not achieved to a meaningful degree. Activities that had been completed produced output but limited outcome. The civil war environment was, predictably, not conducive to building fiscal institutions; but the operation had been designed as though it were. The lessons of the evaluation pointed to weak institutional readiness, an over-ambitious objective set, and the absence of a credible counterpart capacity in the Ministry of Finance to absorb the technical assistance.

### **2.2 P072205 — Economic Management Technical Assistance (FY2011, \$17M, Moderately Unsatisfactory)**

Ten years later, the Bank approved a successor TA operation under the same Global Practice. P072205 was designed to support the implementation of Angola's post-war fiscal management reforms, including the development of an integrated financial management information system,

the strengthening of debt management, and the improvement of public investment management. The operation closed in the early 2010s and was rated by IEG Moderately Unsatisfactory.

The IEG review found that the technical assistance had produced outputs in the form of training, manuals, and partial system installation, but that the operation had not achieved its development outcome. The integrated financial management information system was not fully operational at closure. The debt management functions had been strengthened on paper but had not produced sustained operational change. The investment management improvements had not been institutionalised. The same pattern that would later be documented across the larger DPF operations — outputs produced, outcomes not produced, the form of reform completed, the function not following — appears here, ten years before the smoking-gun DPL, in a small TA operation.

### WHAT THE FIRST GENERATION SHOWED

Two TA operations. Twelve years apart. Same Global Practice. Same broad objective set: build the fiscal apparatus of the Angolan state. Both rated below Satisfactory by IEG. Both producing outputs without producing the institutional outcomes the operations had been designed to deliver.

When the Bank moved from \$40 million in technical assistance to \$450 million in Development Policy Financing in 2017, it did so against this record. The institutional learning that should have flowed from two unsatisfactory operations into the design of a much larger one — that fiscal capacity in Angola had not been built by twelve years of TA, that the absorption capacity for a policy-based loan was correspondingly limited — did not visibly inform the next operation's design.

### **3. The \$450 Million Smoking Gun: P153243, Fiscal Management DPL (FY2017)**

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In FY2017 the Bank approved the Fiscal Management Development Policy Loan (P153243) at a commitment of \$450 million. The operation was the first stand-alone Development Policy Financing in the Angola portfolio. It had been preceded by the two TA operations described in Section 2, both rated below Satisfactory. The DPL was designed as the first operation in a planned programmatic series; a second operation, DPO2, was envisaged but never materialised.

The DPL's prior actions were structured around three pillars: fiscal consolidation, monetary and exchange rate adjustment, and financial sector reform. The prior actions covered budget submission, exchange rate liberalisation, fiscal responsibility legislation, and a sequence of regulatory measures in the banking sector. The operation disbursed in a single tranche following Board approval. The proceeds went, as DPF proceeds do, into the central treasury of the Government of Angola, unrestricted by use.

#### **3.1 The IEG Rating and What It Said**

IEG rated the Fiscal Management DPL Unsatisfactory. This is a stronger negative rating than Moderately Unsatisfactory. Of the eight policy-based operations in the Angola portfolio across all generations, only this one and the FY1999 TA carry an Unsatisfactory rating from IEG. It is the lowest-rated DPF in the Angola portfolio.

The IEG review concluded that the operation's development objective was not achieved. The fiscal stabilisation pillar did not produce the intended consolidation: the fiscal deficit, on the operation's own metrics, did not move in the direction or by the magnitude that the prior actions had been designed to achieve. The exchange rate liberalisation pillar produced a formal decree but did not produce a unified rate in practice; parallel market activity persisted. The financial sector pillar produced legislative and regulatory output but did not produce the structural change in the sector that the operation's results framework had specified.

#### **3.2 The Smoking-Gun Lesson**

The IEG review's lesson section contains a sentence that is unusual in the corpus of IEG ICRRs for its directness. It states:

*“This arose from pressure to design a high-profile program that would garner strong international buy-in. The program did not sufficiently take into account the political and institutional realities in Angola.”* — IEG ICRR, P153243 Fiscal Management DPL (\$450M, FY2017, Unsatisfactory)

This is the Bank's own independent evaluator documenting, in the lesson section of the ICRR, that the operation was not designed primarily for the development outcome it was nominally pursuing. The sentence names the design driver: pressure to produce a visible, large, high-profile operation. The sentence names what the operation did not do: take into account the political and institutional realities of the borrowing country. The sentence implies — and the structure of the evaluation supports the implication — that the development objective was, in this operation, secondary to the lending objective.

The Bank's response to this rating is the central evidentiary fact of this paper. The DPO2 envisaged as the second tranche of the programmatic series was cancelled. The series therefore did not continue under the same project code. But within two years of the IEG rating becoming public, the Bank had designed, approved, and begun disbursing a new programmatic series — the Growth and Inclusion DPF series, three operations totalling \$1.7 billion — that carried the same broad architecture and many of the same instruments. The successor series was not designed as if the IEG lesson had been absorbed. It was designed as if the IEG lesson did not exist.

## WHAT THE FY2017 IEG RATING SHOULD HAVE PRODUCED

An Unsatisfactory rating from IEG, accompanied by an explicit lesson that the operation arose from pressure to design a high-profile programme rather than from country reform readiness, should — under any institutional theory of learning — have triggered one of three responses.

**First**, a pause in policy-based lending to Angola until the political and institutional conditions had changed materially.

**Second**, the design of any successor operation in a way that directly addressed the failure modes the IEG had identified — through smaller commitments, more targeted prior actions, deeper results indicators tracking implementation rather than adoption, and stronger institutional readiness analysis.

**Third**, at minimum, an internal management response acknowledging the IEG lesson and committing to specific design adjustments for any successor operation.

None of these is evident in the documentary record. What followed instead, within two years of the IEG rating, was a programmatic series committing \$1.7 billion — nearly four times the size of the

operation IEG had just rated Unsatisfactory – to broadly the same set of policy objectives, with results indicators that, as IEG would later note word for word three times, could track adoption of laws and regulations but not their implementation, functionality, or impact.

## 4. The \$1.7 Billion Programmatic Series: Growth and Inclusion DPF1–DPF3 (FY2021–2023)

The Growth and Inclusion programmatic Development Policy Financing series comprises three operations:

- **P166564 — Growth and Inclusion DPF1** · \$500 million · approved FY2021 · IEG: Moderately Unsatisfactory
- **P168336 — Growth and Inclusion DPF2** · \$700 million · approved FY2022 · IEG: Moderately Unsatisfactory
- **P169983 — Growth and Inclusion DPF3** · \$500 million · approved FY2023 · IEG: Moderately Unsatisfactory

Aggregate commitment: \$1.7 billion. The series was prepared and approved during the period immediately following the IEG rating of the Fiscal Management DPL. The three operations share a results framework with three Pillar Development Objectives (PDOs): macroeconomic resilience and fiscal sustainability; private sector-led diversification; and financial inclusion. The IEG ICRR covers all three operations as a single programmatic evaluation.

### 4.1 Prior Actions: What the Series Required the Government to Do

The prior actions across the three operations form the disbursement architecture of the series. They are clustered under the three Pillar Development Objectives. The structure of the prior actions is typical of DPF practice: each is the formal adoption of a law, decree, regulation, ministerial order, or government-approved strategy.

Pillar / PDO	Representative prior actions (form)	What the prior action required (function)
PDO1: Macroeconomic resilience & fiscal sustainability	Fiscal responsibility legislation; medium-term budget framework adoption; debt management strategy approval; expenditure review decree.	Legal and procedural framework for fiscal consolidation. Adoption verified at signing; no requirement to demonstrate consolidation impact.
PDO2: Private sector-led diversification	Private investment law amendments; competition law adoption; SOE restructuring decrees; PPP framework legislation.	Legal framework for non-oil investment. Adoption verified at signing; no requirement to demonstrate actual non-oil investment flow.

Pillar / PDO	Representative prior actions (form)	What the prior action required (function)
PDO3: Financial inclusion	Financial inclusion strategy approval; mobile money regulation; deposit insurance framework; banking law amendments.	Legal and regulatory framework for inclusion. Adoption verified at signing; no requirement to demonstrate account uptake or service usage.

In each case, the prior action is the de jure step: the law passes, the decree is signed, the regulation is gazetted, the strategy is approved by cabinet. The function — the change in behaviour, the change in market structure, the change in citizens' access to services — sits in the results indicators, not in the prior actions. The disbursement is triggered by the prior action. The results indicators are tracked, but not as a condition for any subsequent disbursement: the series disburses, and the results are recorded later in the ICR for evaluation purposes only.

## 4.2 Results Indicators: What the Series Tracked

The results indicators of the series sit at the level of outcomes that the prior actions were intended to produce. Two issues are evident from the IEG review of the series. First, the results indicators that were achievable were dominated by indicators of formal adoption — the same set of de jure steps captured by the prior actions, recorded again under a different name. Second, the results indicators that did attempt to track implementation and impact were not, in the main, achieved.

The IEG ICRR provides the official record of what was tracked and what was not achieved. The Pillar 3 indicators — financial inclusion — are the starkest case. Three specific results indicators on which the series was assessed for PDO3 are documented in the ICRR.

Indicator	Target	Actual at series close	Assessment
Non-oil FDI (per cent of GDP)	1.0 per cent	0.14 per cent	Not achieved
Water users registered for billing	100	1	Not achieved
Adult population with transaction accounts (per cent)	60 per cent	30.8 per cent	Not achieved

The Pillar 3 results performance was such that the IEG rated PDO3 — Financial Inclusion — Highly Unsatisfactory. This is the most severe IEG rating short of an overall project Highly Unsatisfactory. It is rare for a Pillar Development Objective in a DPF series to receive a Highly Unsatisfactory rating. Its application here reflects the size of the gap between the targets the series committed to and the outcomes the series produced.

Pillar 1 (macroeconomic resilience) and Pillar 2 (private sector diversification) were each rated Moderately Unsatisfactory. The macroeconomic outcomes — fiscal balance, debt sustainability indicators, inflation — were mixed; some moved in the direction intended at the time of design, but their movement was tied predominantly to oil price recovery rather than to the policy reforms the series had supported. The diversification outcomes were weak: non-oil FDI flatlined; the legal framework for private investment was substantially in place by the end of the series, but the response from investors had not materialised.

### 4.3 Management Self-Rating and IEG Downgrade

The Implementation Completion and Results Report for the series, authored by Bank management, rated the series Moderately Satisfactory. The IEG review, conducted independently, downgraded the rating to Moderately Unsatisfactory. The downgrade was based principally on the Pillar 3 outcomes, the limited evidence of implementation behind the prior actions, and the fact that — as IEG explicitly noted — the results indicators of the series could track the adoption of laws and regulations but not their effective implementation, functionality, or impact over time.

IEG further recommended that the series not be subject to a Project Performance Assessment Report (PPAR). A PPAR is the deeper, on-the-ground evaluation that IEG conducts for a subset of operations where the lessons would be of significant institutional value. The recommendation that no PPAR be conducted was, in this context, a finding that the series did not meet the threshold for deeper independent learning. The lessons that might have been extracted from a 24-month, on-the-ground field assessment of why \$1.7 billion in policy-based lending produced these outcomes will not now be extracted.

#### WHAT THE \$1.7 BILLION SERIES PRODUCED

**Aggregate commitment:** \$1.7 billion across three operations approved in three consecutive fiscal years (FY2021, FY2022, FY2023).

**Overall IEG rating:** Moderately Unsatisfactory for each of the three operations.

**PDO3 rating:** Highly Unsatisfactory.

**Management rating vs IEG rating:** Management rated MS; IEG downgraded to MU.

**Deeper evaluation recommended:** No PPAR.

**Lesson recorded by IEG, per operation:** Identical, word for word, across all three.

## 5. The Same Lesson Written Three Times

The Implementation Completion and Results Report for the Growth and Inclusion DPF series — covering P166564, P168336, and P169983 — contains a lesson section. In a programmatic series of three operations evaluated as a unit, it is standard practice for the ICR to record lessons for each operation. The series ICR for Angola does so. The lesson that appears against each of the three operations, in the section reporting what the Bank should learn from the series for the design of future operations, is the same sentence reproduced in identical form.

*“The DPF series RIs could only track the adoption of laws and regulations but not their effective implementation, functionality, and impact over time.”* — IEG ICRR for the Growth and Inclusion DPF series — recorded against each of P166564, P168336, and P169983

Word for word. Three operations. \$1.7 billion. The same lesson, presented as the principal institutional learning from each of three operations totalling more than a billion and a half dollars.

Theme	P000037 (FY1999, \$23M, U)	P072205 (FY2011, \$17M, MU)	P153243 (FY2017, \$450M, U)	DPF Series (FY2021–23, \$1.7bn, MU)
Institutional capacity	Weak institutional readiness; over-ambitious objectives	Exceedingly ambitious in relation to Angola’s weak institutional capacity	Overly optimistic targets; limited domestic capacity a significant constraint	39% of PAs had no results indicators to track progress
Form vs function	Regulatory frameworks set up but not implemented	Laws and agencies created but follow-up needed to produce results	Presidential decrees not implemented; PIP still under old rules	RIs could only track adoption of laws, not implementation or impact
Political commitment	Support for programme waned	Government ownership waning; high staff turnover	Support waned as fiscal position deteriorated; Minister of Finance dismissed	Management rated MS; IEG downgraded to MU
What happened next	Bank approved P072205 (\$17M)	Bank approved P153243 (\$450M)	Bank approved DPF series (\$1.7bn)	Bank approved GRID DPF (\$1bn) + pipeline (\$1.15bn)

## THE PATTERN

The DPF series lessons are the Fiscal Management DPL lessons. The Fiscal Management DPL lessons are the Economic Management TA lessons. The Economic Management TA lessons are the FY1999 project lessons. The diagnosis has not changed in 24 years. The commitment amount increased from \$23 million to \$1.7 billion. The IEG rating did not change. The Bank produced lessons. It did not learn from them. The difference is \$2.19 billion.

### 5.1 What This Repetition Communicates

It is possible to read the repetition charitably. The series is evaluated as a single programmatic unit. The results framework is shared across operations. It would be inconsistent for IEG to record different lessons for what is conceptually one programme. The repetition is, on this reading, an artefact of the evaluation methodology rather than evidence of anything deeper.

That reading does not survive scrutiny. The structure of an ICR's lesson section is not an obligation to record one lesson and copy it; the lesson section is an opportunity to record what was learned from each operation, what was learned across operations, and what should change in the design of successor operations. The choice to record the same sentence three times — rather than to record, for example, a different operational lesson per operation and a single overarching series lesson — is a choice. What it communicates, taken at face value, is that the principal institutional learning from each of three operations committing a half-billion to seven hundred million dollars is the same sentence.

That sentence — that the DPF results indicators could only track the adoption of laws and regulations, not their implementation, functionality, or impact — is a description of the DPF instrument itself. It is not specific to Angola. It is true of essentially every DPF operation. The DPF instrument is designed around adoption; it is not designed to track implementation and impact in the period between disbursement and ICR. The lesson, as written, is a lesson about the instrument, not about the country.

### 5.2 The Connection to the Smoking-Gun Lesson

Read alongside the FY2017 lesson from the Fiscal Management DPL — "This arose from pressure to design a high-profile program that would garner strong international buy-in" — the FY2021–2023 series lessons form a coherent record. The earlier lesson identified the design pressure that produces operations whose primary function is institutional signalling rather than development outcome. The later lessons identify the instrument feature that allows such operations to disburse

and close without the development outcome being tracked: the results indicators can only track the form, not the function.

Together, the two lessons describe a closed loop. The DPF instrument supports the design of operations that signal high-profile reform commitment. The results indicators of those operations are limited to the de jure adoption of the laws and regulations that the prior actions required. The operations close, the financing has disbursed, and the evaluation records — accurately — that whether the laws and regulations were implemented in practice is not visible in the data the operation produced. The next operation is then designed under the same instrument. The lesson repeats.

### THE EPISTEMIC CLOSURE OF THE DPF INSTRUMENT

The DPF prior action structure rewards the adoption of laws, regulations, decrees and strategies. The results indicator structure measures the adoption of laws, regulations, decrees and strategies. The disbursement triggers track adoption. The ICR records adoption. The lesson section of the ICR records that the indicators could only track adoption.

This is not a flaw in execution. This is the structure of the instrument. A loan that disburses against a signed law and closes before the law has had time to be implemented in practice will, by construction, produce an evidence base in which the law's adoption is the achievement and the law's implementation is unknown.

The Angola series records this in plain text. The same finding has been recorded in IEG ICRRs across decades of DPF operations in many countries. What the Angola series adds to the record is the unusual visibility of the repetition: the same sentence, three times, against three operations totalling \$1.7 billion, in the immediate aftermath of a \$450 million DPL rated Unsatisfactory with a lesson that the operation arose from pressure to design a high-profile programme.

## 6. The Successor Pipeline: \$2.15 Billion of New DPF Exposure

The IEG ratings discussed in Sections 3, 4 and 5 cover six operations totalling \$2.19 billion. They constitute the rated portion of the Angola DPF portfolio. The unrated portion — operations that have been approved or are in the pipeline but have not yet been evaluated by IEG — consists of three further DPF operations committing an aggregate of \$2.15 billion.

Project ID	Operation	Commitment	Status	Most recent rating
P179512	GRID DPF1	\$500M	Closed 2024	MS (ISR)
P179513	GRID DPF2	\$500M	Active	MS (ISR)
P511848	Resilient and Inclusive Growth DPF	\$1.15bn	Pipeline	Not yet rated

Total successor exposure: \$2.15 billion. Combined with the \$2.19 billion of rated commitments, the Angola DPF portfolio represents \$4.34 billion of policy-based lending exposure across operations that share a substantial inheritance of design from the rated portfolio.

### 6.1 GRID DPF (P179512 / P179513) — \$1 Billion in Two Operations

The GRID DPF series — Growth, Resilience, and Inclusion in Diversification — succeeded the Growth and Inclusion series. The first operation was approved and has now closed. The second is active. Both have received Implementation Status and Results Reports (ISRs) carrying Moderately Satisfactory ratings from the management team. ISR ratings are management self-assessments; they are not independent. They are not comparable to IEG ratings. The track record of the Angola portfolio suggests that the IEG rating, when it comes, may well be a step or more below the management ISR rating, as occurred with the FY2021–2023 series.

The December 2025 ISR for GRID DPF2 (P179513) contains a number of risk and implementation findings that are relevant to the assessment of where the series is likely to end up at IEG review. The ISR records that political risk is High; fiduciary risk is High; and that recent fuel price adjustments — a recurrent feature of Angolan macroeconomic adjustment policy and a frequent component of DPF macroeconomic conditionality — have, in the period covered by the ISR, triggered social unrest. The ISR also records that beneficial ownership data, required under the operation's transparency and governance pillar, is not yet being compiled at the agreed standard.

Risk Category	Rating	Key ISR Finding (Dec 2025)
Political and Governance	High	Unchanged from approval
Macroeconomic	High	Unchanged from approval
Fiduciary	High	Unchanged from approval
Overall	Substantial	Unchanged from approval

GRID DPF2 Results Indicator	Baseline	Actual (Oct 2025)	Target (Dec 2026)
Beneficial ownership — newly registered entities (%)	0%	0%	>80%
Sectors moving from price control to market regulation	0	0	9
Civilian procurement contracts published (>Kz 182M)	0%	0%	>90%
Electric vehicles used by government (%)	0%	0%	2%
Fuel prices relative to international benchmark	35%	41%	50%

## FIVE INDICATORS AT ZERO

Of the GRID DPF2 results indicators reported in the December 2025 ISR, five show zero progress from baseline: beneficial ownership registration, price deregulation, procurement transparency, electric vehicle adoption, and female cash recipient data. The fuel price adjustment — the only indicator showing movement — has triggered social unrest. The operation closes in December 2026.

These are not extraordinary findings for a DPF operation in a country with Angola's institutional context. They are predictable. They are the same kind of finding that appeared in earlier ISRs across the Growth and Inclusion series and that ultimately featured in the IEG ICRR for that series. The structural risk that the GRID series will, at IEG review, receive a rating similar to its predecessor is supported by the documentary record so far.

## 6.2 P511848 — Resilient and Inclusive Growth DPF (\$1.15 billion, Pipeline)

The Resilient and Inclusive Growth DPF, identified as P511848 in the Bank's project pipeline, is the largest single Angola DPF operation either approved or in preparation. At a planned commitment of \$1.15 billion, the operation exceeds in size each of the three operations in the

Growth and Inclusion series and approaches the aggregate of those three. The operation has, on the schedule reported in publicly available pipeline documentation, been moving toward Board presentation.

The operation, if approved as planned, will bring Angola's DPF lending to over \$4.3 billion across a 24-year window, in a country whose IEG-rated DPF performance has been: one Unsatisfactory, one MU, three MU on the most recent programmatic series, and one PDO Highly Unsatisfactory. There is no rated operation in the Angola DPF portfolio that IEG has judged Satisfactory or Highly Satisfactory.

### THE PIPELINE LOGIC IN PLAIN TERMS

An institution with a record of six rated DPF operations in a country, none rated Satisfactory by its own independent evaluator, three rated with an identical lesson about the limits of the instrument, and one rated Unsatisfactory with a lesson that the operation arose from pressure to design a high-profile programme, is now preparing a \$1.15 billion successor operation under the same instrument in the same country.

The pipeline does not pause for the evaluation. The pipeline does not adjust the instrument in response to the evaluation. The pipeline produces the next operation in time to absorb the lending allocation in the next financial year. The IEG rating, when it eventually comes for the operation now being prepared, will be a record of what happened. It will not be a constraint on what was approved.

## 7. The Structural Question: Why the Architecture Produces This Result

The Angola DPF record is not a record of execution failure by a sequence of teams who got things wrong one operation at a time. The record is consistent enough — six operations, 24 years, two Global Practices, multiple Country Directors, multiple Regional Vice Presidents, multiple Operations Policy Directors — that the explanation must be structural. This section addresses the structural question directly.

### 7.1 The Management View of the Instrument

The Bank's senior management has, in recent communications about Development Policy Financing, expressed a settled positive view of the instrument. Stéphane Guimbert, Director of Operations Policy at the World Bank, summarised the institutional position in a 2024 podcast on DPF practice. The summary is worth quoting in full, because it captures with precision the gap between the management view and the IEG record.

*“Overall, it confirms it's a very effective instrument.”* — Stéphane Guimbert, Director of Operations Policy, World Bank — on the conclusions of the DPF Retrospective

*“We like to think of these as a series of operations... likely to increase sustainability.”* — Stéphane Guimbert, on programmatic DPF series

These statements were made in a context in which the speaker had available to him the full IEG database of DPF outcomes. Across the global DPF portfolio, the share of operations rated Moderately Satisfactory or higher by IEG sits in a range that has not, over recent fiscal years, been comfortably above 40 per cent. The Africa region's DPF performance has been notably worse than the global average. The Angola portfolio, sitting at zero per cent S+ across six rated operations, is an extreme case but not an outlier in direction.

The gap between "a very effective instrument" and the IEG-rated portfolio performance is not a difference of fact. It is a difference of evaluative frame. From the management vantage, the instrument is effective because it disburses, it supports the country's macroeconomic framework, it provides a vehicle for policy dialogue, and it is the instrument through which a large share of the Bank's IDA allocation can be moved into client countries in volume. From the IEG vantage, the instrument is effective when it produces, at the level of the operation's stated development objectives, the outcomes the operation was designed to produce. These are two different criteria

of effectiveness. The instrument is structured to meet the first. It is not structured to meet the second.

## 7.2 MTI: The Global Practice That Cannot Fail

The companion paper Institutional Power Architecture and Portfolio Distortion at the World Bank (mdbreform.com, April 2026) documents the structural position of the Macroeconomics, Trade and Investment Global Practice within the Bank. The findings are directly relevant to the Angola case. MTI manages the DPO instrument. It controls the pipeline. It records the worst development outcome rate of any Global Practice at meaningful scale.

Measure	MTI	All Global Practices
Satisfactory rate (IEG, FY2015–2026)	18.5%	35–54% (varies by GP)
FCS Satisfactory rate	13.5%	15–47% (varies by GP)
Committed globally (FY2015–2026)	\$88.0bn	\$426.8bn
Committed to below-S projects	\$61.5bn (70%)	Varies
DPF S+ rate (1,551 operations)	27.5%	35.5% (all DPF)
SSA CPIA movement (2006–2024)	3.1 → 3.1	Zero net movement

The MTI Power Architecture paper documents a further finding: across 60 Country Director tenures in eight major Sub-Saharan African country management units from 2000 to 2023, Country Directors with primary training in macroeconomics consistently allocated 1.5 to 2 times more of the IDA lending envelope to DPOs than Country Directors from engineering, health, agriculture, or governance backgrounds. The differential averaged 18–20 percentage points — hundreds of millions of dollars per country tenure redirected away from investment operations toward budget support instruments whose outcome record is the weakest in the institution.

Angola's DPF portfolio sits within this institutional architecture. The decision to commit \$2.19 billion in policy-based lending — and to continue with a further \$2.15 billion in the pipeline — is not made by a single individual. It is produced by an institutional structure in which the Global Practice with the worst outcome record controls the fastest-disbursing instrument, manages the Finance Ministry relationship, and faces no consequence when its operations are rated Moderately Unsatisfactory or worse by IEG.

### 7.3 The Evaluator's Admission

Jeff Chelsky, a senior IEG evaluator and the author of an authoritative IEG blog post on DPF accountability, has made the structural point about DPF disbursement with unusual directness. The financing, he notes, goes to the central treasury of the borrowing government, unrestricted by use. Even if one wanted to trace what the money paid for, the structure of the instrument makes that tracing impossible.

*“The financing goes into the central treasury of the government, free of conditions. Even if one wanted to track this spending, by design it would not be possible.”* — Jeff Chelsky, IEG — on the architecture of DPF disbursement

This is the structural point about DPF accountability stated by an evaluator inside the Bank. The DPF instrument is not designed to be traceable in the sense that an investment project loan is traceable. The proceeds substitute for the borrower's general budgetary resources. The accountability is for the adoption of the prior actions, not for the use of the proceeds. The development outcome, if it materialises, materialises through the borrower's policy decisions over the years following disbursement; the relationship between the operation's \$500 million or \$700 million and any given development outcome is, by the design of the instrument, inferential rather than direct.

This is not, in itself, a criticism. Budget support has a legitimate role in development finance. The criticism is that an instrument with this structure should be evaluated against criteria that match its structure. The Angola record demonstrates what happens when an instrument with this structure is evaluated against — and is designed for — development outcomes that depend on the borrower's implementation capacity. The instrument disburses. The implementation capacity does not change at the speed the instrument's results framework assumes. The IEG ICR records the gap. The next operation is designed.

### 7.4 Scale: 54 per cent of IDA Through DPF

The Angola case sits within a much larger pattern. The DPF Retrospective 2021 — the Bank's own most recent comprehensive review of the instrument — records that policy-based operations have, in recent years, accounted for around 30 per cent of IBRD lending and a substantially higher share of IDA lending, with peaks exceeding 50 per cent of IDA in some fiscal years. The DPF instrument is not a marginal feature of the Bank's lending architecture. In the IDA window, it is the principal vehicle through which substantial volumes of policy-based finance reach client countries quickly.

The implication is that the structural features of the DPF instrument identified in the Angola record — disbursement against adoption rather than implementation, results indicators that track

adoption, unconditional flow of proceeds into the central treasury — are the structural features of more than half of the Bank's IDA lending in some years. The Angola record is not an idiosyncratic story about one petro-state. The Angola record is one of the clearest visible cases of a pattern that operates at scale across the institution.

## **7.5 The Connection to the Game Theory Argument**

This paper sits in a series at mdbreform.com. The companion paper Game Theory of the World Bank Equilibrium sets out the structural argument formally. The Bank operates inside a payoff structure in which the lending volume is the visible institutional output, the disbursement is the moment of credit accumulation, the IEG rating arrives after the credit has been booked and the personnel have moved on, and the loan repayment is sovereign-guaranteed regardless of development outcome. Every actor in the chain — Task Team Leader, Practice Manager, Country Director, Regional Vice President, Operations Policy Director, Board — is rewarded for moving the lending volume forward. No actor is materially penalised for the IEG rating that arrives later.

In this equilibrium, the institutional response to a poor IEG rating is to record the lesson, design the next operation, and continue. There is no actor in the structure for whom the IEG lesson is a binding constraint on their next year's work. The pipeline incentive — the need to commit the next round of lending against the country's IDA allocation — operates on a different timescale than the evaluation. The two run in parallel. They do not, structurally, intersect.

The Angola record is what this equilibrium produces over a 24-year window in a single country. Six operations, none rated S+ by the institution's own evaluator, with the same lesson recorded three times in succession, and a \$2.15 billion pipeline already moving forward. The structural argument is not exotic. It is the only argument that fits the data.

## **7.6 The Angola Payoff Matrix**

The Game Theory paper maps the payoff structure for each actor. Applied to the Angola DPF portfolio, the matrix makes visible why no single actor inside the institution has an incentive to stop the cycle.

Actor	Formal mandate	Actual maximand	Angola behaviour
TTL / Task Team	Development outcomes in the DPF	Approvals, disbursements, positive ISR ratings	Designed prior actions as law-adoption triggers; no implementation tracking
Country Director	Country programme outcomes	Finance Ministry relationship; portfolio volume; next posting	Approved \$1.7bn series after \$450M rated Unsatisfactory
MTI Practice Manager	Quality economic policy dialogue	DPO pipeline volume; GP budget; influence over CD appointments	18.5% S+ globally; pipeline continues regardless
Board	Independent oversight	Ratifying management proposals; avoiding implication of prior approvals	Approved every Angola DPF; no operation rejected
Government of Angola	National development outcomes	Fast budget financing; minimal conditionality enforcement	Signed letters; adopted laws; did not implement; received \$2.19bn
The institution	Development outcomes	AAA rating; preferred creditor status; disbursement volume	Sovereign guarantee: full repayment regardless of outcome

## THE PRISONER'S DILEMMA IN ANGOLA

The Government of Angola signs a Letter of Development Policy describing reforms it has adopted in law. The Bank certifies compliance against the prior actions. \$500 million disburses into the central treasury in a single tranche. The ISR rates the operation Moderately Satisfactory. The Country Director's portfolio looks strong. The Finance Minister has budget support. Five years later, IEG publishes an ICRR noting that the results indicators could only track adoption, not implementation. By then, both the Country Director and the Finance Minister have moved on. The next \$500 million operation is already in the pipeline.

This is not a failure of individuals. It is the dominant strategy for every actor simultaneously. The Bank defects because fast DPO approval rewards careers. The government defects because letter-verified compliance imposes no real implementation cost. Neither player needs to coordinate their defection — the payoff structure makes it individually rational for each. This is why the pattern appears across six operations, 24 years, and \$2.19 billion — and why a \$2.15 billion pipeline is moving forward against a record of zero Satisfactory.

## 8. Why the World Bank Does Not Learn From Policy Failures

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The question that the title of this paper poses — does the World Bank learn from policy failures — has a structural answer. The institution does not, in the sense that matters for client outcomes, learn from the failures its own evaluator documents. It records the failures. It writes the lessons. It publishes the ICRRs. It produces the Retrospectives. And it approves the next operation under the same instrument with substantially the same design logic.

### 8.1 The Sovereign Guarantee

The first reason the institution does not learn is the sovereign guarantee on the loan. Every operation in the Angola DPF portfolio carries the government of Angola's sovereign guarantee. The Bank earns the spread between its borrowing cost and the lending rate regardless of the development outcome of the operation. There has, in the institution's history, been no sovereign default of a magnitude that has materially affected the Bank's balance sheet. The Bank's AAA rating is built on this fact. The principal risk that disciplines a commercial lender — the risk that the loan will not be repaid — does not operate on the Bank's policy-based lending.

The absence of repayment risk does not mean the Bank should not lend. It means that the only discipline on whether the loan is well-designed is the institution's own internal accountability architecture. That architecture is the IEG evaluation system. The IEG system records, with a high degree of professional integrity, what happened. It does not, by its design or its institutional location, constrain what happens next. Its product is the rating; the rating is not a sanction.

### 8.2 The Pipeline Incentive

The second reason is the pipeline incentive. Every Bank country office is responsible for delivering the country's IDA or IBRD allocation. The allocation is set by the country's CPIA score, its population, and various adjustment factors. The allocation is, in the country office's institutional life, a target to be delivered. Failure to deliver the allocation in a given fiscal year is institutionally costly: it produces budget reallocation, staff redeployment, and uncomfortable conversations at the Regional Vice Presidency.

The Development Policy Financing instrument is, for a country office with an IDA allocation to commit, the most efficient available instrument. A \$500 million DPF disburses in a single tranche following Board approval. A \$500 million investment project loan disburses over five to seven years against procurement and implementation milestones. To commit an IDA allocation into the

country in a fiscal year, the DPF is, mechanically, the only instrument that can absorb the volume in time. The pipeline incentive therefore systematically biases the country office toward DPF design — regardless of whether the country's institutional context is well-suited to DPF use.

Angola is a case in point. The country's CPIA score, IDA allocation history, and absorption capacity for project lending have, over the period under review, made the DPF the natural instrument for committing the Bank's allocation in time. The structural alternative — to lend less, to lend slowly, to lend through smaller and more granular instruments — runs against the pipeline incentive. It is not chosen.

### **8.3 The immunity of the Instrument**

The third reason is that the DPF instrument is designed in a way that makes it structurally immune from accountability for the development outcomes it claims to pursue. The IEG ICR for the Growth and Inclusion series states this plainly in the lesson recorded for the entire programme: the results indicators could track adoption of laws and regulations but not their effective implementation, functionality, and impact. The financing has disbursed. The proceeds are in the treasury. The laws have been adopted. Whether the laws produced the change they were designed to produce is, by the time the ICR is written, unknowable from the data the operation generated. The instrument does not produce the evidence needed to hold itself accountable.

This built-in accountability gap means that the institution can record a poor outcome without being required to attribute the outcome to the operation. The IEG ICRR for Angola does not, and could not honestly, say that the Bank's \$1.7 billion of policy-based financing failed because of features of the financing. It says that the results indicators could not track what the operation was designed to influence. This is a true statement. It is also a statement that absolves the operation — and the Global Practice that designed it — of being the cause of the outcome it failed to produce. The instrument is its own alibi.

In an institutional architecture where the lending instrument cannot be held accountable against its own stated objectives, no IEG rating can become a constraint on the next operation. The next operation can always be defended on the grounds that the previous operation's failure reflected factors outside the operation's control. The lesson is recorded. The design continues. The pipeline never dries up. And IDA resources that could have been committed to investment operations with traceable, verifiable, evaluable development outcomes are instead channelled into budget support that enters the central treasury and disappears from view.

## 8.4 Isomorphic Mimicry at Scale

The pattern that the Angola record displays — adoption without implementation, form without function, the same lesson recorded across decades — is a textbook example of what Lant Pritchett, Michael Woolcock and Matt Andrews have described as isomorphic mimicry: the adoption of the institutional forms of higher-performing systems without the underlying capability that produces the function. The Bank's DPF prior action structure is, in Angola, isomorphic mimicry at scale: laws and regulations adopted on the surface, institutions weak in their capacity to implement them in practice.

The relevant criticism, from a Bank reform perspective, is not that isomorphic mimicry occurs in client countries. It is that the Bank's own instrument is structured to produce isomorphic mimicry. The DPF prior action is the form. The disbursement is the reward for the form. The ICR records the absence of the function. The next operation is designed. The instrument operates as if the form is the function — because that is what the disbursement architecture treats as success.

## 8.5 Paper Triggers: The Angola Prior Actions in the Global Pattern

The companion paper Policy Without Performance (mdbreform.com, March 2026) and its annex Paper Triggers by Global Practice document the pattern across 1,551 evaluated DPF operations and 11,628 prior actions. The pattern is precise: governments adopt a law, decree, regulation, or strategy to trigger the prior action. The Bank certifies compliance. The money disburses. Five years later, IEG documents that the law was not enforced, the strategy was shelved, or the regulatory body remains under ministerial control.

Angola's Growth and Inclusion series prior actions are textbook examples. A fiscal responsibility law is adopted. A debt management strategy is published. A competition regulatory authority is established. A privatisation programme is announced. A water tariff regulation is approved. Each prior action is verified at adoption. The results framework then records what happened to the function: non-oil FDI at 0.14 per cent against a 1.0 per cent target; one water user registered out of one hundred; transaction accounts at 30.8 per cent against a 60 per cent target. The form was produced. The function was not. The disbursement had already occurred.

The annex to the DPO paper catalogues this pattern across five Global Practices and forty-plus prior action templates — including the Angola P153243 case, cited explicitly as: "pressure to design a high-profile program that would garner strong international buy-in led to targets that were structurally unachievable from inception." Angola is not an outlier in the global dataset. It is one of the clearest documented cases of a pattern that appears in middle-income countries (Tunisia, Bangladesh, Dominican Republic), in non-FCS settings (Tanzania, Cabo Verde), and in

operations rated Moderately Satisfactory as well as those rated Unsatisfactory. What varies is the visibility. What does not vary is the structural dynamic.

## THE THREE COMPANION PAPERS

**Policy Without Performance** ([mdbreform.com/dpos-policy-without-performance/](https://mdbreform.com/dpos-policy-without-performance/)) — 1,551 DPF operations, 11,628 prior actions. MTI S+ rate: 27.5%, declining. SSA CPIA flat at 3.1 for 18 years. The form-function gap documented across two decades. Five reform proposals.

**Institutional Power Architecture** ([mdbreform.com](https://mdbreform.com), April 2026) — MTI has the worst outcome rate of any GP at scale: 18.5% S+ globally, 13.5% in FCS. Economist CDs allocate 1.5–2x more to DPOs. \$61.5 billion of \$88.0 billion committed went to below-Satisfactory projects. The pipeline continues regardless of outcomes.

**Game Theory of the World Bank Equilibrium** ([mdbreform.com](https://mdbreform.com), April 2026) — The approval culture is a Nash equilibrium sustained by three structural parameters: the sovereign guarantee, the co-approval Board, and the MTI career pipeline. No single actor can exit. Thirty years of within-system reforms have not changed any of these parameters. Only the Governors can.

## WHAT WOULD INSTITUTIONAL LEARNING LOOK LIKE

If the Bank were to learn from the Angola record in a way that altered its design behaviour, several specific changes would follow.

**First**, the DPF instrument's results indicators would be required to include implementation and impact measures, not only adoption measures, with disbursement contingent on the demonstration of implementation in the period between operations in a programmatic series. This is essentially the PforR architecture; whether it can be grafted onto DPF is an open design question.

**Second**, the IEG rating of a previous operation in a country would become a formal input into the design parameters of the next operation. An MU or U rating would trigger a smaller successor operation, a narrower prior action set, a longer preparation timeline, and an explicit management response to the IEG lesson, recorded in the Project Appraisal Document.

**Third**, the personnel responsible for the design of a DPF operation would be evaluated, in their performance reviews and career trajectories, against the IEG rating the operation eventually received — with a lag, and with appropriate allowance for factors outside their control, but with the rating as an input rather than as a record produced after their next promotion.

**Fourth**, the pipeline allocation for a country would be capped — by formal rule rather than informal practice — on the basis of the country's IEG-rated portfolio performance, so that the pipeline incentive could not override the evaluation evidence.

None of these reforms is technically difficult. Each runs against the institutional incentive to deliver lending volume. The question of whether the institution can implement reforms that bind its own lending behaviour to its own evaluation evidence is the question this paper is, in the end, posing.

## Conclusion: The Angola Record and What It Means for IDA

Six operations. Twenty-four years. \$2.19 billion of rated commitments. Zero operations rated Satisfactory by the institution's own independent evaluator. One Unsatisfactory rating accompanied by a lesson that the operation arose from pressure to design a high-profile programme. Three Moderately Unsatisfactory ratings carrying the same lesson word for word. One Pillar Development Objective rated Highly Unsatisfactory. No deeper independent evaluation planned. A management self-rating one step above the IEG rating. A successor series already approved at \$1 billion. A further \$1.15 billion in the pipeline. Total exposure: \$4.34 billion. This is the Angola record.

The record matters beyond Angola because foreign aid is under the most intense political scrutiny in a generation. Donor governments are being asked by their legislatures, their taxpayers, and their media to justify every dollar of development finance. IDA shareholders are being asked to commit to a twenty-second replenishment at a time when the institution's own data shows that 31 per cent of IDA projects are rated Satisfactory and the rest are not. In this environment, a portfolio record of zero per cent Satisfactory across \$2.19 billion and 24 years in a single country is not an internal management problem. It is a governance failure that IDA's shareholders are entitled to examine, and that the Board has an obligation to explain.

The structural question this paper raises is whether the Macroeconomics, Trade and Investment Global Practice should continue to control the DPF instrument. MTI's global Satisfactory rate is 18.5 per cent — the worst of any Global Practice at meaningful scale. In fragile states it is 13.5 per cent. In Angola it is zero. MTI controls the DPO pipeline. MTI's economist career track produces the Country Directors who determine how much of a country's IDA allocation flows through budget support. The Country Director's primary relationship is with the Finance Minister — the same counterpart who receives the DPF proceeds into the central treasury, unrestricted by use. The prior actions are verified by government letter. The results indicators track the adoption of laws, not their implementation. The IEG rating arrives years after the Country Director has moved to the next posting. The sovereign guarantee ensures repayment regardless of outcome.

This is a conflict of interest. The Global Practice that designs the operation, manages the relationship with the counterpart who receives the money, influences the appointment of the Country Director who determines the instrument mix, and faces no consequence when the

operation fails, is the same Global Practice that decides whether the next operation should be approved. In Angola, MTI has decided — six times, across 24 years, against an accumulating IEG record of serial failure — that the next operation should be approved. The pipeline has never dried up. The design has never materially changed. The commitment amount has increased from \$23 million to \$1.15 billion. And \$4.34 billion of IDA and IBRD resources have been committed to a country where the Bank's own evaluator says the instrument can only track whether a law was adopted, not whether it was implemented.

The people who bear the cost of this record are not in Washington. They are in Luanda, and in the provinces outside Luanda where 31 per cent of the population lives below the poverty line, where youth unemployment exceeds 56 per cent, where one water user was registered out of a hundred, where non-oil FDI sits at 0.14 per cent of GDP against a target of one per cent, and where the fuel price adjustments that the latest DPF supported have triggered social unrest. Angola will repay every dollar of the \$4.34 billion. The sovereign guarantee ensures it. The Bank will earn its spread. The AAA rating will be maintained. And the Angolan citizens for whom the money was nominally intended will bear the debt service cost of operations that the Bank's own evaluator has rated below standard for a quarter of a century.

The Angola case is exceptional only in the visibility of the repetition — the same lesson written word for word, the smoking-gun IEG finding, the PDO rated Highly Unsatisfactory, the \$1.15 billion pipeline moving forward against a record of zero Satisfactory. But the structural dynamic is not exceptional. It is the dynamic that operates wherever MTI controls the DPF pipeline, wherever the Country Director is an economist whose career was built in the macro-fiscal network, wherever the IDA allocation must be committed in the fiscal year, and wherever the IEG rating arrives after the personnel have moved on. Angola is one of the clearest documented cases. It is not the only one.

The question for the Board is whether to approve the next Angola DPF against this record. The question for the Governors is whether an institution that has committed \$4.34 billion to policy-based lending in a country with zero Satisfactory outcomes across 24 years should continue to operate the same instrument, under the same Global Practice, with the same accountability architecture. The question for the IDA Deputies, as they consider the twenty-second replenishment, is whether the resources they are asking their taxpayers to provide should continue to flow through a pipeline that the Bank's own evaluator has been documenting as broken for longer than most of those taxpayers have been paying taxes.

The Angola record is the evidence base for those questions. The companion papers on the DPF instrument, the MTI institutional architecture, and the game theory of the World Bank equilibrium provide the structural analysis. The reforms proposed in Section 8 provide the

minimum set of changes required. The institution has the evidence. The institution has the analysis. The institution has the proposals. What the institution does not have, and has not had for thirty years, is the willingness to bind its lending behaviour to its evaluation evidence. That willingness cannot come from inside the equilibrium. It must come from the shareholders.

## References and Primary Sources

All World Bank documents referenced in this paper are publicly available on the World Bank Documents and Reports portal ([documents.worldbank.org](https://documents.worldbank.org)) or via the project pages at [projects.worldbank.org](https://projects.worldbank.org) under the project IDs cited.

### ***IEG Implementation Completion and Results Reports / ICR Reviews***

- *Implementation Completion and Results Report Review — Angola Economic and Financial Management Project (P000037)*. IEG. Project closed; rated Unsatisfactory.
- *Implementation Completion and Results Report Review — Angola Economic Management Technical Assistance Project (P072205)*. IEG. Rated Moderately Unsatisfactory.
- *Implementation Completion and Results Report Review — Angola Fiscal Management Development Policy Loan (P153243)*. IEG. \$450 million. Rated Unsatisfactory. Lesson: "pressure to design a high-profile program that would garner strong international buy-in."
- *Implementation Completion and Results Report — Angola Growth and Inclusion DPF Series (P166564, P168336, P169983)*. Bank management rating Moderately Satisfactory; IEG review Moderately Unsatisfactory for each. Aggregate commitment \$1.7 billion. PDO3 Highly Unsatisfactory. No PPAR recommended.

### ***Implementation Status and Results Reports (ISRs)***

- *GRID DPF2 (P179513) — Implementation Status and Results Report, Sequence 1*. Archived December 2025. Political risk: High; Fiduciary risk: High. Fuel price adjustments triggered social unrest. Beneficial ownership data not yet being compiled.

### ***Other World Bank Documents***

- *Angola: Country Assistance Evaluation — Approach Paper*. IEG. Records that 58 per cent of expenditures bypassed the Treasury in 1994.
- *Development Policy Financing Retrospective: Results and Sustainability*. World Bank, 2021. Confirms DPF accounts for approximately 30 per cent of IBRD and a higher share of IDA lending.
- *Angola — Systematic Country Diagnostic (2018)*. Highlights oil dependence, macroeconomic volatility, limited diversification, and weak inclusive growth.

### ***Quoted Sources***

- **Stéphane Guimbert**, Director of Operations Policy, World Bank. Podcast on DPF Retrospective findings, 2024. Quoted: "Overall, it confirms it's a very effective instrument" and "We like to think of these as a series of operations... likely to increase sustainability."

- **Jeff Chelsky**, IEG. Blog post on DPF accountability architecture. Quoted: "The financing goes into the central treasury of the government, free of conditions. Even if one wanted to track this spending, by design it would not be possible."

### ***Academic and Policy Literature***

- Andrews, M., Pritchett, L. and Woolcock, M. (2017). *Building State Capability: Evidence, Analysis, Action*. Oxford University Press. Describes isomorphic mimicry in institutional reform.
- Brar, P. (2026). "The Game Theory of the World Bank Equilibrium." mdbreform.com. Structural analysis of the incentive architecture governing World Bank lending, evaluation, and non-learning.

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