

# Sound Strategy, Broken Platform

## An Assessment of the World Bank Group FCV Strategy 2026–2030

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### COMPANION PAPERS

Companion papers (mdbreform.com). The Zero Club — Cross-Sector Synthesis: 43 countries, 14 Global Practices, 419 projects, \$34.5bn, 0% Satisfactory. Ghana: FCI and the Jobs Agenda — 14 projects, \$615M, 27 years, 0% Satisfactory: the jobs machine that did not create, or measure, jobs. Quality at Entry in IDA: recovery rate from poor design 0.0% in the 2020s. Why the System Does Not Learn: the approval culture is a Nash equilibrium that only Governors can change.

### EXECUTIVE SUMMARY

**The central finding.** Between FY2015 and FY2026, \$177 billion in IDA commitments were evaluated across 1,823 projects. \$117 billion — 68.9 percent — went to projects that did not achieve Satisfactory outcomes. In IDA FCS countries: 74 percent below Satisfactory on \$47.1 billion. In the six Global Practices on which every jobs agenda depends: 77.6 percent below the threshold. The 2026–2030 FCV Strategy offers a significantly improved analytical framework. It does not reform the institutional machinery that produced that record, and it places its central bet — jobs — on the part of that machinery with the weakest delivery history.

**The strategy’s organizing principle is jobs; the record in the jobs vehicles is the worst in the portfolio.** The new strategy makes jobs “the issue on which we can contribute most” (p.2) and reorganises the entire document around it. It delivers jobs through MSMEs and the domestic private sector and through corporate initiatives mapped to specific Global Practices — energy (M300), agribusiness (AgriConnect), education and skills, health, and social protection (SP500). Each of those Global Practices has a Zero Club in Sub-Saharan Africa: a set of countries with two or more evaluated projects and zero percent Satisfactory. Finance, Competitiveness & Innovation — the GP whose mandate is private-sector jobs — has 14 such countries and a 22.6 percent S+ rate. IFC’s own investment-outcome rate in FCS reached 11 percent (CY2020–22). The strategy’s own text concedes the Bank “did not meet expectations of impact when engaging with the private sector” (p.19). Part IV documents this in full.

**Ghana is the emblem.** Fourteen FCI projects over twenty-seven years, \$615 million committed, zero rated Satisfactory — projects titled ‘Enterprise Development’ and ‘Competitiveness and Job Creation’ whose monitoring systems rarely tracked employment. The jobs machine did not measure whether it created jobs. IEG’s verdict on the most recent failure: “it is quite possible that the same results could have been achieved without the project.” The successor is a \$500 million operation built on the same instrument. The new strategy institutionalises the same measurement gap: the indicator for its MSME institutional outcome is “to be determined based on the forthcoming MSME Strategy.”

**The recovery rate from poor design is zero.** In the 1980s, a poorly designed IDA project had a 10.7 percent chance of recovery through supervision. In the 2020s: 0.0 percent. Not one poorly designed IDA project approved this decade has been rescued. The Bank cannot fix poorly designed projects during implementation; it can only decline to approve them. The strategy contains no mechanism that does this. Design quality is the largest variable the Bank controls: QAE-Satisfactory

projects achieve 63 percent S+; QAE-poor projects achieve 1.3 percent. The Quality Assurance Group, which provided independent appraisal review, was disbanded in 2014 and never replaced.

**The new document is the 2020 document’s diagnosis preserved, its apparatus inherited, and its confessions unacted-upon.** Between 2020 and 2026 the WBG changed its organizing principle (conflict spectrum → jobs) and its country classification (backward-looking FCS list → forward-looking FCV typology). It did not change the delivery apparatus: RRAs, the FCV Envelope, the IDA21 allocation framework, the CPF/ABPE cycle, and TPI all carry over. The strategy concedes — in its own words and through the cited 2025 IEG evaluation — that the predecessor failed to translate ambition into outcomes, that portfolios showed limited adaptation, that fragility outcomes were rarely tracked, and that staffing gaps persisted, and then proposes the same machinery with accountability tracked through document-content indicators rather than outcome rates. The outcome-level IEG evaluation of the 2020 Strategy does not report until FY2027 — after this strategy is in force. Part III unbundles this.

**The benchmark used throughout is S+ (Satisfactory or above)** — the threshold IFC, MIGA, AIIB, ADB, and the EIB all apply to their own portfolios. IDA’s lending arm is the only development finance institution using Moderately Satisfactory or above as its corporate benchmark. The difference is 35–50 percentage points across key portfolios. The full analysis is in Annex A.

**This is what game theory predicts.** The 2026–2030 Strategy is precisely what an institution in a stable Nash equilibrium produces under external pressure for reform: a sophisticated within-system response that improves analytical framing without changing the three structural parameters — the sovereign guarantee, the co-approval Board architecture, and the MTI career pipeline — that maintain the equilibrium. The Reform Test in Part V applies this systematically; Annex C develops it.

## WHAT THE STRATEGY CHANGES AND WHAT IT DOES NOT

**CHANGES:** FCV classification framework (analytically superior). Trajectory-shifting actions (operationally useful). Jobs as organizing principle (a real reorientation). IFC internal-reform acknowledgment (more candid than predecessors). Staffing incentives and TPI expansion (address real constraints).

**DOES NOT CHANGE:** Quality assurance at appraisal (QAG disbanded 2014, not replaced). Board approval of poorly designed projects (no QAE threshold). Instrument default (DPF continues in FCS at 9.6% S+). The delivery apparatus inherited wholesale from 2020. Jobs measurement (the MSME outcome has no metric at adoption). Consequence framework (accountability tables without payoff change for any actor).

**WHAT IS REQUIRED:** (1) Independent quality review at appraisal. (2) A declared delivery baseline with a measurable jobs-outcome target. (3) Design-to-capacity gates on jobs lending, drawn from where the Bank already succeeds. (4) Outcome-linked staff incentives. Only Governors can implement the structural parameter changes that make these stick.

## THE BENCHMARK: WHY S+ AND NOT MS+

Every quantitative claim in this assessment uses Satisfactory or above as the benchmark. IEG’s own scale is unambiguous: Moderately Satisfactory (score 4) means most objectives achieved **but with significant shortcomings**. It is explicitly below Satisfactory. IFC and MIGA rate against ‘Successful’; AIIB, ADB, and the EIB use Satisfactory equivalents. IDA’s lending arm is the only development finance institution in this comparison using the lower standard.

The difference is not marginal. Health GP (FY2015–2026): MS+ rate = 84.6 percent; S+ rate = 34.6 percent — a 50-point gap. Health Zero Club countries (55 projects, \$3bn): MS+ = 52.7 percent; S+ = 0.0 percent. **The Bank’s corporate benchmark makes the Zero Club invisible in headline reporting. The S+ benchmark does not.** The debt test is decisive: borrowing countries repay IDA credits at identical terms — 0.75 percent service charge, 38-year maturity — whether the project achieved Satisfactory or Moderately Satisfactory outcomes. If the obligation is identical, the performance standard should reflect whether the project justified that obligation. See Annex A.

## PART I — THE DELIVERY RECORD

| Metric   | What it measures  |
|--|---|
| <b>\$177.0bn — IDA commitments evaluated FY2015–2026</b>       | 1,823 projects. The baseline against which the new strategy must be measured.                           |
| <b>68.9% — below Satisfactory, IDA countries</b>               | \$117.0bn committed to projects that did not achieve Satisfactory outcomes. The dominant outcome.       |
| <b>74.0% — below Satisfactory, IDA FCS countries</b>           | \$47.1bn in the environments the FCV strategy specifically addresses.                                   |
| <b>77.6% — below Satisfactory, six jobs-critical GPs (FCS)</b> | The sectors on which the jobs agenda depends record the portfolio’s weakest outcomes.                   |
| <b>0.0% — recovery rate from poor design, 2020s</b>            | 10.7% in the 1980s. The Bank cannot rescue poorly designed projects. The cost is set at Board approval. |

**The instrument record directly challenges the strategy’s instrument mix.** DPF in FCS: 9.6 percent S+. IPF in IDA: 34.1 percent S+. PforR: 61.1 percent S+ across 72 evaluated African operations, with no Unsatisfactory ratings in the FCS portfolio. PforR achieves this because its structure — Disbursement-Linked Indicators verified before disbursement — forces design quality at entry. The strategy proposes to continue deploying DPF and IPF as the default FCS instruments while treating PforR as a secondary option mentioned once. The PforR advantage may partly reflect selection effects — smaller sample, different sector mix — but its 65.4 percent QAE-Satisfactory rate reflects a structural requirement for measurable results before Board approval that IPF and DPF do not impose.

**Design quality is the largest variable the Bank controls.** Projects rated Satisfactory on Quality at Entry achieve 63 percent S+; projects rated Moderately Unsatisfactory achieve 1.3 percent. This gradient persists in every institutional environment: in the weakest countries (CPIA below 3.0), QAE-Satisfactory produces 65.5 percent S+ and QAE-poor produces 0.8 percent. 735 IDA projects with poor design quality committed \$50.6 billion at a 3.8 percent S+ rate. Quality assessments were available within the approval process when each was presented to the Board. The Quality Assurance Group was disbanded in 2014. Nothing replaced it. See Annex E for how IEG assesses Quality at Entry.

**Country difficulty does not explain the gap.** Increasing complexity, deteriorating FCS environments, and rising ambition are plausible partial explanations, and the analysis is observational rather than causal. But the QAE gradient persists within every CPIA band at near-identical magnitudes, and the recovery-rate collapse is harder still to attribute to country factors: the Bank’s execution of well-designed projects has improved decade by decade, while the rescue of poorly designed ones has fallen to zero. The most parsimonious reading is that design quality — a

Bank-controlled variable — is the primary determinant of outcomes, and the institutional incentive to approve has consistently dominated the incentive to design well.

## PART II — WHAT THE DELIVERY FAILURE COSTS

The World Bank’s mission is to end extreme poverty. The delivery record in the settings where extreme poverty is most concentrated is 74 percent below Satisfactory. The cost of that gap is borne by borrowing countries, not by the institution.

| Cost  | Basis  |
|---|--|
| <b>\$34.9bn — below-S+ IDA FCS commitments FY2015–2026</b>      | Countries service IDA credits for 38 years at 0.75% p.a. regardless of outcome. The Bank collects full repayment either way.   |
| <b>~\$30bn — foreseeable cost: the QAE gap (est.)</b>           | 59pp gap between achievable S+ (63%) and actual S+ (3.8%) on \$50.6bn in poor-QAE projects. Baseline facts observed: 735 projects, \$50.6bn, 3.8% S+, QAE flagged before approval. |
| <b>30–40% fewer projects; same outcomes</b>                     | If no below-S-QAE project were approved, the S+ rate would rise from ~30% to ~63%. The Bank would lend less and deliver more. No actor’s payoff rewards this.                      |
| <b>43 countries, 419 projects, \$34.5bn, 0% — the Zero Club</b> | 14 Global Practices. Every instrument. Every sector. Zero Satisfactory. The same countries at the bottom of every human development index.   |

**What this means for the strategy.** The strategy contains no mechanism that would prevent the pattern from continuing: no QAE threshold, no lending pause for country-GP combinations with consecutive below-Satisfactory outcomes, no outcome-linked pricing that would give the institution a financial stake in whether its FCS operations work. The debt obligation for borrowing countries is unchanged. See Annex B.

## PART III — THE DOCUMENT UNBUNDLED: 2020 VERSUS 2026

**The previous Parts measured the strategy against the delivery record.** This Part measures it against itself and against the document it replaces. Two questions: what, structurally, changed between the 2020–2025 and the 2026–2030 Strategy — and what was merely re-described? And read on its own terms, what does the document concede, and does its operational design respond? The answers do not depend on the QAE dataset; they are visible in the text of the strategy and its predecessor.

### A. What Changed, and What Was Re-described

**The genuine change is the organizing principle, not the diagnosis.** The 2020 Strategy was organised around the conflict spectrum — prevent, remain engaged, transition, mitigate spillovers — implemented through the “Four Ps” and 23 operational measures. The 2026 Strategy reorganises around the jobs agenda, “the issue on which we can contribute most” (p.2). This is a real reorientation of posture, but not a new theory of fragility: the document states it “builds on the conceptual framework... developed for the 2020–2025 WBG FCV Strategy” (p.21). The diagnosis is preserved; the frame around it has shifted from conflict dynamics to employment.

| Dimension                  | 2020–2025 Strategy  | 2026–2030 Strategy  |
|----------------------------|---|---|
| <b>Organizing logic</b>    | Conflict spectrum: prevent, stay engaged, transition, mitigate spillovers | Jobs agenda: jobs as the issue on which the WBG can contribute most (p.2)                 |
| <b>Core structure</b>      | Four pillars + Four Ps; 23 operational measures                           | Four strategic shifts; 24 key actions; 10 institutional outcomes                          |
| <b>Diagnostic frame</b>    | WDR 2011 / Pathways for Peace conflict-driver framework                   | “Builds on the conceptual framework... developed for the 2020–2025 Strategy” (p.21)       |
| <b>Classification</b>      | Backward-looking FCS list (prior-year CPIA + fatalities)                  | Forward-looking FCV typology (crisis / transition / conflict-affected / at-risk / stable) |
| <b>Financing apparatus</b> | IDA FCV Envelope; Window for Host Communities & Refugees; RRAs; TPI       | Same: IDA21 allocation, FCV Envelope, RRAs, TPI — carried over; TPI expanded to NGOs      |
| <b>Accountability</b>      | Annual reporting; MTR (FY24); IEG evaluation                              | Annual reporting; MTR (end-2028); IEG evaluation — identical architecture                 |

**The classification advance is real but its forward-looking element is removed from public view.** Replacing the FCS list — keyed to prior-year CPIA and fatality counts (Box 1, p.22) — is the strategy’s clearest analytical improvement, and this assessment credits it. Two features qualify it. The public “FCV List” is to be “based primarily on whether the share of the population affected by conflict exceeds a certain threshold... subnational violent events / fatalities data” (p.23) — still keyed to violence already materialised, the backward-looking property the document criticises. The genuinely forward-looking element — “countries at risk” — is deliberately confidential: “We will not draw a formal list to mitigate the risk of... a ‘self-fulfilling prophecy’” (p.25). The publicly accountable artifact therefore remains substantially backward-looking; the forward-looking apparatus is held inside the confidential ERC process, beyond external scrutiny.

**The delivery apparatus is inherited, not rebuilt.** The instruments that will execute the four shifts are the instruments of 2020: RRAs, the IDA FCV Envelope, the IDA21 allocation framework, the CPF/ABPE cycle, and TPI. The “shifts” operate on top of the 2020 plumbing rather than replacing it. A strategy that runs on an inherited delivery apparatus cannot produce a different delivery result unless something in that apparatus changes — and the document changes the diagnostics and the classification, not the apparatus that converts approval into outcomes.

## B. The Document on Its Own Terms

**The strategy confesses the predecessor’s failures and then proposes the same machinery.** The “Lessons have been learned” section is unusually candid. That candour is the analytical opening: the document concedes a specific set of failures and then, in its operational design, leaves each substantially unaddressed.

| What the document concedes (its own text / cited IEG)                                       | Located | Operational response?                        |
|---|---------|--|
| <b>Design “lacked key components for translating aspirations into operational outcomes”</b> | p.19    | None specified                               |
| <b>Portfolios “still show limited adaptation to fragility and conflict sensitivity”</b>     | p.19    | Diagnostics revised; approval gate unchanged |

| What the document concedes (its own text / cited IEG)                          | Located | Operational response?                         |
|--|---------|---|
| Strategies and projects “rarely track outcomes related to fragility”           | p.19    | Tracking promised; no outcome target          |
| “We did not meet expectations of impact when engaging with the private sector” | p.19    | Private sector moved to the centre regardless |
| “Significant gaps remain in the management of human resources in FCV”          | p.19    | Facetime Index; non-mandatory incentives      |

**The strategy declares lessons learned before the outcome evidence exists.** The 2025 IEG evaluation on which the “lessons” rest was a first-phase evaluation of whether the 2020 Strategy changed how the Bank operates. IEG’s second-phase evaluation — the effectiveness and country-level outcomes of operations under the 2020 pillars — is not scheduled until FY2027, after this strategy is adopted. The lessons drawn are necessarily lessons about process, not results; and the accountability framework, below, tracks process accordingly.

**The central calibration criterion is partly endogenous, which makes it difficult to falsify.** The differentiated approach rests on each country’s “potential for lasting development impact,” operationalised as government commitment to “trajectory-shifting actions.” The document then states this potential “can be influenced by our programs. It is not exogenous” (p.27). A criterion meant to discipline financing decisions is itself partly a function of the Bank’s programs: when potential is judged low, the logic permits the conclusion that Bank engagement has not yet raised it — an argument for continued engagement — as readily as it permits calibrating down. A criterion that rationalises either decision provides limited discipline.

**The one mechanism with potential bite is pre-emptively constrained, and the machinery is asymmetric.** The assessment is to be used “not to create binding conditionalities... but to inform our strategic and operational decisions” (p.28). Downward calibration is “likely to occur rarely” (p.29), and “Management will discuss any downward calibration with the Board before making decisions” (p.29). The machinery reinforces the asymmetry: upward calibration runs through standing bi-annual VP-level meetings co-chaired by OPCS and DFI; downward calibration is routed to Quarterly Risk Reviews and prior Board discussion (Annex 1, pp.60–61). Scaling up is operational and routine; scaling down is exceptional, rare, and Board-mediated.

**The accountability framework measures whether documents mention things, not whether projects work.** The ten institutional outcomes (Table 7) are tracked by indicators such as the “% of public FCV List countries in which ABPEs reflect FCV risks” and the “% of countries... for which new CPFs and APBE demonstrate consideration of FCV drivers.” These are document-content indicators: they measure whether a country strategy references the right concepts, not whether the projects it authorises achieve their objectives. Institutional Outcome 10 — “the WBG adapts where interventions do not deliver lasting development impact” — is the feedback loop, but no outcome metric is attached. A feedback loop with no measured input cannot be triggered by results, because results are not among the quantities it measures.

**The strategy concentrates on the leg of the stool where its own performance is weakest, and outsources the determinants it concedes are decisive.** The theory of change is “strictly focused on our mandate and comparative advantage” (p.53): security and the political settlement are others’; jobs — specifically private-sector and MSME-led job creation — are the WBG’s contribution. Yet the document concedes private-sector engagement “has remained constrained” (p.34) and that the

Bank “did not meet expectations of impact when engaging with the private sector” (p.19). The strategy thus makes its central commitment where it concedes its delivery has been weakest, while defining the conditions it concedes are decisive — “no country has achieved sustainable development outcomes without peace and stability” (p.16) — as outside its mandate.

### THE 2020 → 2026 FINDING

Between 2020 and 2026 the WBG changed its organizing principle and its country classification. It did not change the delivery apparatus — RRAs, the FCV Envelope, the IDA21 allocation framework, the CPF/ABPE cycle, and TPI all carry over. The document concedes the predecessor failed to translate ambition into outcomes, that portfolios showed limited adaptation, that fragility outcomes were rarely tracked, that private-sector impact fell short, and that staffing gaps persisted — then proposes the same machinery, with accountability tracked through document-content indicators rather than outcome rates. The outcome-level IEG evaluation of the 2020 Strategy does not report until FY2027, after this strategy is in force. A third strategy cycle is being built on a process-level reading of a predecessor whose results have not yet been evaluated.

## PART IV — WHO WILL DELIVER THE JOBS AGENDA?

**The strategy’s central bet is jobs.** “Jobs are where we have the clearest mandate and the strongest comparative advantage,” the WBG states in launching the strategy. The document anchors job creation in five sectors — infrastructure and energy, agribusiness, primary healthcare, tourism, and value-added manufacturing (p.16) — delivered through a three-pillar approach (foundations; business-enabling reforms; financing and capabilities) and through MSMEs and the domestic private sector, “the backbone of employment in many FCV economies.” The question the strategy does not answer is the operational one: who will deliver this, through which vehicles, and what is the record in those vehicles in the countries the strategy targets?

### A. The Strategy Assigns Jobs Delivery to Vehicles With the Weakest Record

**The vehicles are nameable, and so is their record.** The strategy delivers the jobs agenda through MSMEs and the private sector (IFC/MIGA, pending the forthcoming MSME Strategy and IFC 2030) and through corporate flagship initiatives, each of which maps to a Global Practice. The table below sets each vehicle against the Zero Club record of its Global Practice in Sub-Saharan Africa — countries with two or more evaluated projects and zero percent Satisfactory.

| Jobs vehicle in the strategy           | Global Practice                       | Zero Club reach (SSA)  |
|--|---------------------------------------|--|
| <b>MSMEs / domestic private sector</b> | Finance, Competitiveness & Innovation | 14 countries, 55 projects, \$1.7bn at 0% S+; GP-wide 22.6% S+  |
| <b>DPF-led reform for jobs</b>         | Macroeconomics, Trade & Investment    | 13 countries, 97 projects, \$10.4bn at 0% S+; MTI/DPO 19.5% S+ |
| <b>M300 — energy access</b>            | Energy & Extractives                  | 10 countries, 36 projects, \$11.4bn at 0% S+                   |
| <b>Education &amp; Skills Strategy</b> | Education                             | 10 countries, 33 projects, \$2.5bn at 0% S+                    |
| <b>1.5bn health target</b>             | Health, Nutrition & Population        | 14 countries, 55 projects, \$3.0bn at 0% S+                    |
| <b>AgriConnect — farmer transition</b> | Agriculture & Food                    | 4 countries, 14 projects, \$0.9bn at 0% S+                     |

| Jobs vehicle in the strategy     | Global Practice          | Zero Club reach (SSA)                     |
|----------------------------------|--------------------------|---|
| SP500 — social protection / jobs | Social Protection & Jobs | 3 countries, 8 projects, \$0.2bn at 0% S+ |

Source: mdbreform.com, *The Zero Club — Cross-Sector Synthesis (3,020 evaluated SSA projects, IEG ICRR/PPAR master database, March 2026)*. Descriptive, not causal.

**The private-sector engine the strategy relies on most is the one running coldest.** IFC’s investment-outcome rate in FCS reached 11 percent (CY2020–22). Additionality was realised in roughly a third of FCS projects. The IDA18 Private Sector Window deployed \$2.5 billion without producing a net increase in IFC’s FCS commitments. The strategy proposes to scale precisely this engine, while conceding in its own text that engagement “has remained constrained” and that the Bank “did not meet expectations of impact when engaging with the private sector.” Scaling a vehicle does not change its conversion rate.

## B. Ghana: The Jobs Machine That Did Not Create — or Measure — Jobs

**Ghana FCI is the case the jobs agenda has to answer.** Fourteen Finance, Competitiveness & Innovation projects over twenty-seven years (FY1997–FY2024), \$615 million committed, zero rated Satisfactory — five Moderately Satisfactory, five Moderately Unsatisfactory, four Unsatisfactory. The entire upper half of the rating scale is empty. The projects carried titles explicitly oriented toward employment — ‘Enterprise Development,’ ‘Private Sector Development,’ ‘Competitiveness and Job Creation.’ Across a sector whose mandate is jobs, IEG’s evaluations rarely record employment outcomes, because monitoring systems rarely tracked them. The jobs machine did not measure whether it created jobs.

**The Bank’s own evaluator drew the conclusion.** On the most recent Unsatisfactory — a \$30 million PPP operation whose centrepiece law was submitted to Cabinet four times and never enacted — IEG rated efficiency and M&E “Negligible,” downgraded the Bank’s self-assessment, and concluded: “it is quite possible that the same results could have been achieved without the project.” Ghana’s non-traditional exports doubled during one of the failed projects, raising the counterfactual question of whether the Bank was needed for the outcomes it claimed.

**The successor is the same instrument at larger scale.** The FY22–26 CPF reflects genuinely more sophisticated diagnostic thinking. The operational response is a \$500 million Market Access and Connectivity Project led by the Ministry of Roads and Highways — the same large sovereign-led, government-implemented, sovereign-guaranteed instrument that produced the 27-year record. The SSA transport portfolio it joins returns 10.8 percent Satisfactory across 65 projects and \$11.2 billion, with 96 percent of resources below the S+ threshold. Ghana’s disbursement ratio collapsed to 2.81 percent in FY2026. Diagnostic learning has not been matched by operational learning.

**The new strategy institutionalises the same measurement gap.** Ghana’s jobs machine failed to measure jobs. The 2026 Strategy’s institutional outcome for jobs — Outcome 4, “the WBG has adjusted its operating model to support domestic MSMEs” — carries the indicator “to be determined based on the forthcoming MSME Strategy’s results framework” (Table 7). The strategy is organised around jobs and adopted without a metric for whether jobs are created. The measurement gap the Ghana record exposes is not corrected; it is carried forward as a placeholder.

## C. What Would Change: The Bank Already Knows, Where It Succeeds

**The portfolio is not uniformly zero, and the exceptions are legible.** The same dataset that produces the Zero Club also shows where the Bank escapes it. The escape conditions are consistent across very different countries, and they describe what a jobs agenda capable of delivery would require.

| Where the Bank escapes   | What explains it  |
|--|---|
| <b>Rwanda — 94% transport, 96% energy, 75% education S+</b>              | State discipline; Imihigo performance contracts; governance established before financing scaled |
| <b>Somalia — 89% MTI S+ in an acute-crisis setting</b>                   | External / third-party implementation; bounded, deliverable objectives                          |
| <b>Niger — 100% Water, against 0% MTI (\$1.65bn) in the same country</b> | Focused infrastructure with single-institution delivery vs. broad DPF conditionality            |
| <b>Cameroon — 80% transport, against 0% health and education</b>         | Roads Fund provides single-institution discipline; cross-ministry sectors do not                |

**The common conditions are the opposite of the strategy's default.** Across every escape case the conditions are the same: focused objectives, accountability at the delivery level, and design matched to demonstrated capacity rather than to ambition. The Ghana study reaches the same conclusion from the failure side — build enabling systems rather than transformation projects; radical simplification (if an operation cannot be explained in one page it is too complex); geographic concentration; implementation-readiness thresholds before large operations; mandatory lessons-learned gates in the approval process; measure employment, firm creation, and productivity; and finance continuity rather than episodes. None of these is operationalised as a gate in the 2026 Strategy. The differentiated approach gestures toward selectivity and TPI expansion gestures toward delivery-level implementation, but neither is made a condition on jobs lending, and the binding-conditionality language (p.28) explicitly forecloses it.

## THE JOBS FINDING

The strategy makes jobs its organizing principle and assigns delivery to MSMEs, the private sector, and corporate initiatives mapped to specific Global Practices. Every one of those Global Practices — FCI, MTI, Energy, Education, Health, Agriculture, SPJ — has a Zero Club in Sub-Saharan Africa; the six jobs-critical GPs run 77.6 percent below Satisfactory in FCS; IFC's FCS investment-outcome rate is 11 percent; and FCI, the GP whose mandate is private-sector jobs, runs 22.6 percent S+ with Ghana as the worst single-country record — \$615 million, 27 years, zero Satisfactory, jobs never measured. The strategy adopts a jobs agenda without a jobs metric (Outcome 4's indicator is "to be determined"). The Bank already knows what delivery requires — focused objectives, delivery-level accountability, design matched to capacity — because that is what distinguishes Rwanda, Somalia, Niger's water portfolio, and Cameroon's roads from the Zero Club. The strategy does not make any of it a condition on jobs lending.

## PART V — THE REFORM TEST: WHAT THE NEW STRATEGY OFFERS

The 2026–2030 Strategy is competently constructed, and several elements are genuine advances over 2020: the forward-looking classification, the trajectory-shifting-actions concept, the candid IFC-reform acknowledgment, and the staffing and TPI commitments. These improvements are credited. The assessment question is not whether the analytical framework improved — it did. The question is whether any element changes an actor's payoff. Reforms that operate within the existing payoff structure are absorbed by the equilibrium (Annex C). The table applies this test.

| FCV Strategy element                                  | Changes payoff? | Equilibrium impact   | Status        |
|---|-----------------|--|---------------|
| <b>New FCV classification framework</b>               | NO              | Adds analytical precision. Country Director portfolio-volume incentive unchanged.                          | Absorbed      |
| <b>Trajectory-shifting actions</b>                    | NO              | Adds decision structure. MTI/DPF pipeline incentive unchanged.   | Absorbed      |
| <b>Jobs as organizing principle</b>                   | NO              | Reorients framing onto the weakest-performing GPs. No new jobs metric or delivery gate.                    | Absorbed      |
| <b>IFC KPI revision</b>                               | PARTIAL         | Partial only if linked to compensation with a consequence framework. Strategy does not specify.            | Conditional   |
| <b>FCV experience in career</b>                       | PARTIAL         | Partial if binding. Strategy explicitly non-mandatory. MTI pipeline grip preserved.                        | Conditional   |
| <b>Adaptive-management commitments</b>                | NO              | Supervision budget not revised. TTL dominant strategy unchanged.   | Absorbed      |
| <b>Accountability tables / institutional outcomes</b> | NO              | Process indicators, no consequence framework. 2020–25 had the same architecture.                           | Absorbed      |
| <b>Instrument mix (DPF/IPF retained)</b>              | NO              | DPF in FCS 9.6% S+. PforR not default. MTI pipeline payoff preserved.                                      | Absorbed      |
| <b>QAG replacement</b>                                | N/A             | No independent appraisal review proposed. The mechanism that catches poor QAE before Board does not exist. | Not addressed |
| <b>Non-resident Board</b>                             | N/A             | Zedillo 2009 recommendation unimplemented. Co-approval architecture unchanged.                             | Not addressed |
| <b>Outcome-linked pricing</b>                         | N/A             | Sovereign guarantee unchanged. Institution's payoff decoupled from outcomes.                               | Not addressed |

**Central omission: the instrument mix and the jobs gate.** The strategy commits to results orientation, adaptive management, and evidence-based operations. PforR is the one instrument that structurally enforces all three (61.1 percent S+ in Africa against DPF FCS at 9.6 percent), and the escape evidence in Part IV identifies the design conditions — focused objectives, delivery-level accountability, capacity-matched design — under which jobs lending actually delivers. The strategy operationalises neither as a requirement. It retains DPF and IPF as the FCS default and adopts the jobs agenda without a delivery gate.

## PART VI — QUESTIONS THE STRATEGY MUST ANSWER

These questions follow from the gap between what the delivery record documents and what the strategy provides. They are institutional, not strategic, and should be answered in Board discussions, the annual reporting cycle, and the Mid-Term Review.

**1. What is the baseline?** The strategy commits to annual Board reporting on institutional outcomes but specifies no baseline S+ rate. The submission provides it: 74.0 percent below Satisfactory in

FCS across FY2015–2026. Declare this figure, or produce a competing one, and set a measurable 2030 target.

**2. What is the jobs metric?** The strategy is organised around jobs, but Institutional Outcome 4’s indicator is “to be determined.” The Ghana record shows the cost of running a jobs portfolio that does not measure jobs. What is the employment, firm-creation, or productivity metric against which the jobs agenda will be judged, and when is it declared?

**3. Why is PforR not the default FCS instrument?** 61.1 percent S+; 65.4 percent QAE-Satisfactory; zero Unsatisfactory in the FCS portfolio. The instrument structurally enforces the results orientation the strategy commits to. The strategy should explain why DPF at 9.6 percent S+ remains the default.

**4. What happens to a Zero Club country-GP combination?** 43 countries, 14 GPs, 419 projects, \$34.5bn, zero Satisfactory. The strategy contains no mechanism for country-sector combinations where the Bank has never achieved Satisfactory despite multiple cycles. What triggers a different approach — and why are the escape conditions the Bank already demonstrates (Rwanda, Somalia, Niger water, Cameroon roads) not made a design requirement?

**5. What replaces QAG?** The Quality Assurance Group was disbanded in 2014. IEG’s evaluators document that poor-QAE projects routinely had institutional-capacity mismatch, inadequate preparation, and risk-assessment failure — all catchable by independent pre-Board review. The strategy funds preparation but does not prevent approval of poorly designed projects. What institution performs independent quality review at appraisal?

**6. Who is accountable for the 80 percent — and why is the answer ‘no one’?** Country factors explain about 20 percent of outcome variation; Bank-level decisions explain about 80 percent (Denizer–Kaufmann–Kraay). IDA21 holds borrowers accountable for their 20 percent through the Sustainable Development Finance Policy. The strategy holds the Bank accountable for none of the 80 percent it controls. The reason is structural, and it is the subject of the next section.

## 6a. The Board: Co-Author, Not Overseer

**The approval architecture and the accountability void are the same problem.** The Board of Executive Directors approves every World Bank loan, meets twice a week, reviews every Project Appraisal Document, and formally authorises every operation. Since 1973, IEG has rated 13,273 operations; 53 percent did not achieve Satisfactory outcomes — \$577 billion in below-Satisfactory lending. In 82 years the Board has never formally held management accountable for whether those operations achieved their objectives. This is not an oversight; it is the architecture.

**The Zedillo Commission named it in 2009.** The Commission identified an impossible trinity: the Board simultaneously represents member countries politically, co-approves every operation, and is meant to oversee management and hold it accountable for results. These functions cannot be held by the same body. In its own words: “The Board’s involvement in operational work is so extensive that it compromises the Board’s ability to provide effective oversight.” Seventeen years on, the recommendation is unimplemented.

**Co-approval forecloses accountability.** When the Board approves a project it becomes co-author of that project. When the project later fails — as quality assessments available within the approval process often predicted — the Board cannot scrutinise the failure without implicating its own approval. A Board that has formally approved every operation across an 82-year record in which 53 percent fell below Satisfactory cannot hold management accountable for that record without holding

itself accountable for the same record. The strategy's accountability tables assign 24 actions to VPUs; none changes this structure. The micro-management of individual projects is the price paid for the void: a Board approving roughly 300 PADs a year, at an annual operating cost of \$84.4 million — the highest of any MDB — has no bandwidth to evaluate whether the previous 300 achieved their objectives. The AIIB's non-resident Board, meeting six times a year, spends approximately \$5 million. See Annex D.

## RECOMMENDATIONS

The recommendations are institutional, not strategic. They target the payoff structure — the only level at which the equilibrium can be disrupted — and are listed in priority order. The first several require Board directives or Governor action; management cannot implement them against its own dominant strategy.

| # | Recommendation   | Detail  |
|---|--|---|
| 1 | Restore independent quality assurance at appraisal.                      | Establish an independent quality-review function — external to the preparing unit — with authority to flag inadequately designed projects and prevent Board presentation. QAG was disbanded in 2014 and never replaced. A QAE threshold below which projects cannot proceed to Board is the minimum version.  |
| 2 | Declare the delivery baseline and a measurable jobs target.              | Declare the IDA FCS S+ rate — 74 percent below Satisfactory across FY2015–2026 — as the baseline, and adopt, at launch, a measurable employment / firm-creation / productivity metric for the jobs agenda. A jobs strategy without a jobs metric repeats the Ghana failure at institutional scale.  |
| 3 | Make jobs lending pass a design-to-capacity gate.                        | Require every jobs operation in an FCS setting to meet the conditions the Bank already demonstrates where it succeeds: focused objectives, delivery-level accountability (including TPI where government capacity is absent), and design matched to demonstrated capacity — the Rwanda / Somalia / Niger-water / Cameroon-roads pattern. Operations that cannot meet the gate are redesigned, not approved. |
| 4 | Make PforR the presumptive FCS instrument.                               | PforR achieves 61.1 percent S+ in Africa and 65.4 percent QAE-Satisfactory because its structure forces measurable objectives and verified results before disbursement. DPF and IPF should require specific justification for use in FCS, not the reverse.  |
| 5 | Link career outcomes to IEG outcome ratings.                             | Country Director appointment and promotion criteria should incorporate IEG outcome ratings from previous tenures. This targets the MTI career pipeline — the enforcement mechanism of the approval culture — without requiring a governance restructuring.  |
| 6 | Implement the Zedillo Commission's 2009 Board-governance recommendation. | A non-resident Board that approves strategy and delegates project approval to management can scrutinise outcomes without implicating prior approvals. The co-approval architecture is the institutional reason the Board cannot hold management accountable for the aggregate record. Governor action.  |
| 7 | Introduce outcome-linked pricing on FCS operations.                      | Partial outcome-linked pricing — service-charge adjustments where IEG documents below-Satisfactory outcomes attributable primarily to Bank design decisions — would give the institution a financial stake in whether its FCS operations work for the first   |

| # | Recommendation | Detail  |
|---|----------------|---|
|   |                | time in 82 years. This targets the sovereign guarantee that decouples institutional payoff from outcomes. Governors only. |

## CONCLUSION

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The 2026–2030 FCV Strategy is well-constructed as a strategy. Its classification framework is analytically superior to the FCS list it replaces; the trajectory-shifting-actions concept, the IFC-reform acknowledgment, the staffing commitments, and the TPI expansion are genuine advances. These improvements are acknowledged and should be credited.

Unbundled against its predecessor, however, the document changes its organizing principle and its classification while inheriting the 2020 delivery apparatus intact — and it confesses, in its own words and through the cited 2025 IEG evaluation, a set of failures it then leaves substantially unaddressed. Its central bet, jobs, is placed on the Global Practices with the weakest record in exactly the countries it targets, and it is adopted without a metric for whether jobs are created. The Ghana FCI record — \$615 million, 27 years, zero Satisfactory, employment never measured — is what that bet looks like when the evidence is in.

The companion QAE paper supplies the finding the strategy does not engage: the recovery rate from poor design, 10.7 percent in the 1980s, is now 0.0 percent. The Bank has gotten better at executing well-designed projects and no better at preventing the approval of poorly designed ones. The companion game-theory paper explains why none of this is surprising: the strategy is what a stable Nash equilibrium produces under reform pressure — better framing, more operational specificity, genuine analytical advances, and no change to the three structural parameters that maintain the equilibrium: the sovereign guarantee, the co-approval Board architecture, and the MTI career pipeline.

The Bank already knows what delivery requires, because it is what distinguishes the cases where it succeeds. The reforms that would change the equilibrium are in the recommendations above and developed in Annex D. They cannot be implemented by management, whose dominant strategy is to preserve the equilibrium, nor by a Board that has co-approved every project in the record. **They require Governors: the only actors whose payoffs are not defined by the approval culture they are being asked to disrupt.**

A third generation of sound analysis applied to the same unreformed delivery machinery will produce a third generation of the same results.

## ANNEX A — THE BENCHMARK: WHY S+ AND NOT MS+

This annex provides the full analysis supporting the benchmark choice in the main report, including IEG scale definitions, institutional comparators, the gap data, and three case studies documenting the MS equilibrium in practice.

### A.1 The IEG Scale

IEG rates development outcomes on a six-tier scale. Score 4 — Moderately Satisfactory — is defined as: **"achieves most of its major relevant objectives but with significant shortcomings."** The word *significant* is IEG's own. MS is not Satisfactory with minor caveats. It is a distinct category for partial achievement with material shortcomings. The Bank's corporate benchmark counts it as success. IEG's scale does not.

| Score | Rating                    | Definition   | S+?           |
|-------|---------------------------|--|---------------|
| 6     | Highly Satisfactory       | Exceeds all major objectives. No shortcomings.   | YES           |
| 5     | Satisfactory              | Achieves most major objectives with only minor shortcomings.                             | YES           |
| 4     | Moderately Satisfactory   | Achieves most objectives but WITH SIGNIFICANT SHORTCOMINGS. Not satisfactorily achieved. | NO — MS+ only |
| 3     | Moderately Unsatisfactory | Does not achieve most major objectives due to significant shortcomings.                  | NO            |
| 2     | Unsatisfactory            | Has failed to achieve most major objectives.   | NO            |
| 1     | Highly Unsatisfactory     | Failed to achieve objectives and caused significant harmful effects.                     | NO            |

### A.2 Institutional Comparators

IDA's lending arm is the only development finance institution in this comparison using MS+ as its operative corporate benchmark:

| Institution      | Benchmark                  | Equivalent              | vs IDA         |
|------------------|----------------------------|-------------------------|----------------|
| IFC              | Successful or better       | S+ equivalent (IEG 5–6) | More demanding |
| MIGA             | Successful or better       | S+ equivalent           | More demanding |
| AIIB             | Satisfactory or better     | S+ equivalent           | More demanding |
| ADB              | Successful or better       | S+ equivalent           | More demanding |
| EIB              | Satisfactory or better     | S+ equivalent           | More demanding |
| IDA/IBRD lending | Mod. Satisfactory or above | MS+ (IEG 4–6)           | THE OUTLIER    |

### A.3 The Gap Between the Two Benchmarks

| Portfolio                              | S+ Rate | MS+ Rate                   | Gap                              |
|--|---------|----------------------------|----------------------------------|
| All IDA FY2015–2026                    | 31.1%   | ~68%                       | ~37pp                            |
| IDA FCS countries                      | 26.0%   | ~74%                       | ~48pp                            |
| Health GP FY2015–2026 — EXACT          | 34.6%   | 84.6%                      | 50.0pp                           |
| Health Zero Club (55 projects) — EXACT | 0.0%    | 52.7%                      | 52.7pp                           |
| IFC FCS (own S metric)                 | 11.0%   | Not reported — IFC uses S+ | N/A — IFC uses correct benchmark |

### A.4 The MS Equilibrium in Practice: Three Case Studies

The three cases below show what the MS equilibrium looks like at scale: what it absorbs, what it conceals, and what it costs. Each is documented in full at [mdbreform.com](http://mdbreform.com).

|  | SOML PforR (P146583)  | Nigeria Power Sector   | South Africa Eskom (P116410)   |
|--|---|--|--|
| <b>Commitment</b>                            | \$500M IDA PforR. \$387.6M disbursed.   | \$300M IDA + \$600M PRGs (NEGIP). \$237M IBRD PRG (PSGP).                                  | \$9.9bn (IBRD + co-financing). \$18.1bn total project cost.  |
| <b>Corruption/failure known at approval?</b> | Yes — GAVI 2014 audit in IFSA documented procurement fraud one month before Board vote. | Yes — NEGIP gas deal collapses in ISRs were visible before PSGP Board date.                | Yes — Chancellor House/Hitachi structure predated Bank entry by 3 years. Inspection Panel found non-compliance 2 days before Board vote. |
| <b>Outcome against objectives</b>            | Health coverage declined. Zero DLI 5 disbursements. \$0 of \$20M Innovation Fund.       | NEGIP: 1 of 7-10 deals closed; \$488M PRGs cancelled. PSGP: \$1bn sector deficit at close. | \$4.3bn cost overrun (+31%). ERR halved. Boiler defect cannot be rectified. 9 consecutive Unsatisfactory ISRs.                           |
| <b>Bank procurement role</b>                 | Approved fiduciary system with documented pre-existing fraud and absent audit.          | Approved Azura at 2x OECD benchmark cost; no competitive procurement documented.           | Prior Review on all contracts above \$15M. Procurement plan revised and approved 6 times during Gupta state capture period.              |
| <b>IEG final rating / ICR self-rating</b>    | IEG: MU. ICR self-rating: MS. Gap: 2 categories.  | NEGIP: MU. PSGP: MS.   | IEG: MU. ICR: MU. Word 'Gupta' does not appear in 106-page report.   |
| <b>Consequence for staff</b>                 | None documented.  | Makhtar Diop (RVP, PSGP signatory): became Managing Director of IFC.                       | Makhtar Diop (RVP, 9 consecutive U-rated ISRs): became Managing Director of IFC.   |
| <b>Country repays?</b>                       | \$387.6M over 38 years. Yes.  | Full IDA credit + sovereign indemnity. Yes.  | IBRD loan at market terms. Yes. Bank also  |

|  | SOML PforR (P146583) | Nigeria Power Sector | South Africa Eskom (P116410)                        |
|--|----------------------|----------------------|---|
|  |                      |                      | now finances coal transition in new sovereign debt. |

Full case studies: [mdbreform.com/soml-pfor-accountability/](https://mdbreform.com/soml-pfor-accountability/) · [mdbreform.com/nigeria-power-sector/](https://mdbreform.com/nigeria-power-sector/) · [mdbreform.com/south-africa-eskom/](https://mdbreform.com/south-africa-eskom/)

## ANNEX B — WHAT THE DELIVERY FAILURE COSTS

This annex provides the full financial and human cost analysis. The main report summarises the key figures; this annex documents the methodology, derivation, and Zero Club geography.

### B.1 The Debt Without Outcomes

IDA credits carry a 0.75 percent annual service charge, a five-year grace period, and a 38-year repayment maturity. The borrowing country repays in full, on schedule, regardless of whether the project achieved Satisfactory outcomes. The World Bank collects full repayment regardless. This asymmetry is the structural foundation of the Nash equilibrium: the institution that designs and approves the operation has no financial stake in which outcome is realised.

\*Note on estimates. The service charge and debt service figures below are model-based estimates, not observed data. They assume a 65 percent IDA credit share of the below-S+ portfolio (the remainder being grants) and apply standard IDA credit terms (0.75% p.a. service charge, 38-year maturity, 5-year grace). The underlying portfolio figure — \$117.0bn below Satisfactory — is observed data from the IEG Master Database. The estimated figures should be read as illustrative of the scale of the cost, not as audited calculations.\*

|  |  |
|--|--|
| <b>\$117.0bn</b> Below-S+ IDA commitments FY2015–2026            | <b>Countries service this debt for 38 years regardless of outcome. The Bank collects repayment either way.</b> |
| <b>\$34.9bn</b> Below-S+ in IDA FCS countries                    | 74% of \$47.1bn FCS commitment. Highest poverty concentration, weakest fiscal capacity.                        |
| <b>~\$570M/yr</b> Est. annual service charge on below-S+ credits | 0.75% on ~\$76bn estimated IDA credits committed to below-Satisfactory projects. Paid annually. Every year.    |
| <b>~\$22bn</b> Est. service charges over credit life             | Service charges alone over 38-year maturity. Before principal repayment.                                       |

### B.2 The Foreseeable Cost

The QAE companion paper identifies a more uncomfortable calculation. 735 IDA projects were rated Moderately Unsatisfactory or worse on design quality before Board approval. \$50.6 billion was committed at a 3.8 percent S+ rate. Projects designed to a Satisfactory standard achieve 63 percent S+. The gap between 63 percent and 3.8 percent on \$50.6 billion is approximately \$30 billion in foregone development outcomes (est.). These failures were foreseeable. IDA's own quality system flagged every design. The outcome was locked in at approval.

|   |   |
|---|---|
| <b>63.0%</b> QAE = Satisfactory → S+ outcome rate | <b>748 projects. \$59.3bn. When IDA designs to standard, two in three projects succeed.</b>   |
| <b>3.8%</b> QAE = MU or worse → S+ outcome rate   | 735 projects. \$50.6bn. Flagged by IDA's own quality system before Board approval.  |
| <b>~\$30bn</b> Foreseeable outcomes gap (est.)    | 59pp gap between achievable (63%) and actual (3.8%) on \$50.6bn. Derived from IEG data; subject to counterfactual assumptions. The observed facts are: 735 projects, \$50.6bn, 3.8% S+. |
| <b>0.0%</b> Recovery rate, 2020s                  | The Bank cannot rescue poorly designed projects. The cost is set at the design stage.   |

### B.3 The Quality-Volume Trade-off the Bank Does Not Choose

If no project with below-Satisfactory QAE were approved, the IDA Africa S+ rate would rise from approximately 30 percent to approximately 63 percent. The Bank would lend 30–40 percent fewer projects and deliver the same or more successful development outcomes. Every actor's payoff rewards volume. The cost of that choice is borne by borrowing country populations, not by the actors who make it. Every additional project approved below the QAE threshold is an additional IDA credit that a poor country will service for 38 years. The volume incentive transfers the costs of the approval culture to the populations the institution exists to serve.

### B.4 The Geography of Permanent Failure

The Zero Club synthesis documented 43 countries in Sub-Saharan Africa — approximately 85 percent of the region — with at least one country-GP combination where the Bank has evaluated two or more projects and achieved zero percent Satisfactory outcomes: 419 projects, \$34.5 billion, 14 Global Practices. DRC appears in nine Zero Club lists: MTI, Health, Transport, Education, Energy, Agriculture, Social, Social Protection, and Poverty. 30 projects. \$5.0 billion. Zero Satisfactory in any sector across the current evaluation period. The Bank continues to lend in DRC. The FCV Strategy classifies DRC and designs engagement for it. It contains no mechanism that treats zero-Satisfactory country-GP combinations as requiring a different entry standard.

The human cost is visible in the FCV Strategy landing page on this platform: **“The young men who held a World Bank communications consultant captive for fifteen days in a forest near Benin City said the same thing the data says: no job, no money, no hope.”** Nigeria, non-FCS, the Bank's largest Africa programme: \$6.9 billion across 48 evaluated projects, 16.7 percent S+. The approval culture produces these numbers. The new strategy does not address the approval culture.

## ANNEX C — THE INSTITUTIONAL EQUILIBRIUM

This annex provides the full game theory analysis and supporting data tables referenced in the main report. The companion paper *Why the System Does Not Learn* (mdbreform.com) provides the complete formal treatment.

### C.1 What Each Actor Is Maximising

The approval culture persists not because actors are incompetent but because every actor's payoff is structurally misaligned with development outcomes. The table below maps the gap between formal mandates and dominant incentives:

| Actor                           | Formal Mandate                                       | Dominant Incentive (Observed)   | Alignment  |
|---------------------------------|--|---|--|
| <b>Task Team Leader</b>         | Development outcomes                                 | Approvals, disbursements, positive ISR ratings  | LOW — career progression rewards approvals. Poor QAE discovered at evaluation has no career consequence; the TTL has typically moved on. |
| <b>Country Director</b>         | Country programme outcomes                           | Finance Ministry relationships; portfolio volume; MTI goodwill for next posting           | LOW — next posting is shaped by MTI network and client relations. IEG outcome ratings from previous tenures are not a formal criterion.  |
| <b>MTI Practice Manager</b>     | Quality economic policy dialogue                     | DPO pipeline volume; staff headcount; GP budget; influence over CD appointments           | LOW — GP institutional weight scales with portfolio size. Outcome ratings arrive after the responsible team has moved on.                |
| <b>Board of Directors</b>       | Independent oversight on behalf of shareholders      | Ratifying management proposals; maintaining working relationships with management         | LOW — co-approval architecture means challenging an outcome implicates prior approvals. Independent scrutiny is structurally difficult.  |
| <b>Borrowing Government</b>     | National development outcomes; fiscal sustainability | Fast budget financing; avoiding conditionality enforcement; maintaining Bank relationship | PARTIAL — captures budget support without full reform delivery.  |
| <b>World Bank (institution)</b> | Development outcomes in borrowing countries          | AAA rating; preferred creditor status; disbursement volume; fee income                    | LOW — sovereign guarantee: the institution collects repayment regardless of whether the project achieves Satisfactory outcomes.          |

### C.2 The Recovery Rate Collapse

The most powerful single finding in the QAE companion paper is the historical trend in the recovery rate — the probability that a project with below-Satisfactory design quality achieves Satisfactory outcomes through supervision or adaptive management:

| Decade | QAE Satisfactory → S+ outcome | Poor QAE → S+ outcome (recovery rate) | Direction                        |
|--------|-------------------------------|---------------------------------------|----------------------------------|
| 1980s  | 57.8%                         | 10.7%                                 | Some recovery possible           |
| 1990s  | 60.4%                         | 8.9%                                  | Declining                        |
| 2000s  | 63.6%                         | 1.6%                                  | Near-zero                        |
| 2010s  | 67.3%                         | 0.5%                                  | Effectively zero                 |
| 2020s  | <b>71.0%</b>                  | <b>0.0%</b>                           | <b>Zero — No rescue possible</b> |

**Interpretation.** The Bank has gotten better at executing well-designed projects: the S+ rate for good-QAE projects has risen from 57.8 to 71.0 percent. It has not gotten better at rescuing poorly designed ones. In the 2020s, the recovery rate has collapsed to zero. This is not random variation. Three structural changes explain it: projects have become more complex and less correctable; restructuring timelines have shortened; and project ambition has escalated in precisely the settings where capacity is weakest. The policy implication is unambiguous: the only way to improve IDA outcomes is to prevent approval of poorly designed projects. Supervision cannot compensate for what design gets wrong.

### C.3 Why Previous Reforms Failed: The Game Theory Diagnosis

Every major reform attempt since Wappenhans has shared a common feature: it operated within the existing payoff structure without changing it. Game theory predicts that such reforms will be absorbed, and the historical record confirms this:

| Reform                            | Year  | Payoff Change?  | Result  |
|-----------------------------------|-------|---|---|
| <b>Wappenhans Report</b>          | 1992  | No — named approval culture but did not change career incentives      | Pattern continued. IEG has documented it every year since.  |
| <b>Results Measurement System</b> | 2002+ | No — changed paperwork, not payoffs                                   | Staff learned to write results frameworks that satisfied the requirement while preserving operational flexibility.      |
| <b>Zedillo Commission</b>         | 2009  | YES (Board governance) — but Board voted to preserve its own position | Not implemented. Board's dominant strategy is to preserve its own institutional position. Only Governors can implement. |
| <b>IDA Private Sector Window</b>  | 2017+ | No — new instrument, same volume-maximisation incentive               | Non-competitive allocation. Additionality unresolved. IFC substituted own capital with PSW resources.                   |

| Reform                        | Year | Payoff Change?                                  | Result  |
|-------------------------------|------|---|---|
| <b>2020–2025 FCV Strategy</b> | 2020 | No — improved framing within existing structure | IEG 2025 evaluation: persistent gaps in diagnostics, staffing, private sector impact. New strategy followed.  |
| <b>2026–2030 FCV Strategy</b> | 2026 | No — see Reform Test in Part III of main report | Prediction: equilibrium will absorb. Annual reporting will document progress. IEG will find persistent gaps. Management will respond with a new strategy. |

**The conclusion for Governors.** The reforms that would change the equilibrium — independent quality assurance at appraisal, non-resident Board governance, outcome-linked pricing — cannot be implemented by management or the Board, because both have dominant strategies to preserve the equilibrium. The Governors are the only actors whose payoffs are defined differently: they are not embedded in the MTI career pipeline, not subject to the co-approval architecture, not dependent on Finance Ministry relationships for their next posting. The five demands in the open letter to the Governors — non-resident Board, IMF project-level ratings, internal incentive reform, PRG/PSW governance review, and clawback on loan principal — map directly onto the three structural parameters. They are the minimum set of changes required to disrupt an equilibrium that has been stable for thirty years.

## ANNEX D — BOARD GOVERNANCE: THE ACCOUNTABILITY ARCHITECTURE (SUMMARY)

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This annex summarises the Board-governance argument. The operative version is in the main report (Part VI, 6a); the full analysis is the companion paper Board Governance and Co-optation: The Accountability Architecture Flaw (mdbreform.com). Only the essentials are repeated here.

**The record.** Since 1973, IEG has rated 13,273 World Bank operations; 53 percent did not achieve Satisfactory outcomes — \$577 billion in below-Satisfactory lending. In 82 years the Board has not once formally held management accountable for whether operations achieved their development objectives.

**The structural cause.** The Zedillo Commission (2009) identified an impossible trinity: the Board cannot simultaneously represent members politically, co-approve every operation, and oversee management for results. Co-approval is decisive — a Board that has approved every project in the record cannot hold management accountable for that record without implicating itself. The accountability gap is therefore produced by the architecture, not a lapse to be corrected within it. The Wappenhans Report (1992) named the approval culture; the Zedillo Commission (2009) named the governance flaw; neither was implemented.

**The price.** A resident Board approving roughly 300 PADs a year, at \$84.4 million annually — the highest operating cost of any MDB — has no bandwidth left for outcome oversight. The AIIB's non-resident Board, meeting six times a year, spends approximately \$5 million. Micro-management of approvals crowds out oversight by design.

**The asymmetry.** IDA21 holds borrowers accountable for the ~20 percent of outcome variation attributable to country factors (Sustainable Development Finance Policy) while holding the Bank accountable for none of the ~80 percent attributable to Bank-level decisions (Denizer–Kaufmann–Kraay).

**The three reforms.** (1) Delegate project approval to management so the Board can scrutinise outcomes without implicating prior approvals. (2) Establish a formal annual performance review of the President against portfolio outcomes. (3) Have IEG brief the Board before management frames the response. All three require Governor action; a Board whose dominant strategy is to preserve its own position will not impose them on itself.

Full analysis: Board Governance and Co-optation: The Accountability Architecture Flaw — mdbreform.com.

## ANNEX E — WHAT IEG CHECKS: A GUIDE FOR READERS NEW TO WORLD BANK EVALUATION

This annex explains what Quality at Entry is, how IEG assesses it, and why the distinction between IPF and DPF evaluation criteria matters for interpreting the data in this report. It is intended for readers who are not familiar with the World Bank’s evaluation architecture.

### E.1 The Independent Evaluation Group and the ICRR Process

The Independent Evaluation Group (IEG) is the World Bank’s independent evaluation arm. It reports directly to the Board of Executive Directors — not to management — and reviews every World Bank project after it closes. This independence is structural: IEG’s budget, staffing, and outputs are insulated from the operational management chain that designs and supervises the projects it evaluates.

When a World Bank project closes, the project team prepares an Implementation Completion and Results Report (ICR) — a self-assessment of what the project achieved. IEG then produces an Implementation Completion and Results Report Review (ICRR): an independent, desk-based critical validation of that self-assessment. The ICRR is not a summary of the ICR. It is an independent judgment on whether the ICR’s ratings are supported by the evidence.

The ICRR process involves four stages. First, the IEG evaluator reads the ICR alongside the original Project Appraisal Document, the Financing Agreement, and the Country Partnership Framework in effect at approval and at closing. Second, the evaluator interviews the last Task Team Leader — the person who managed the project at closing — to obtain any information not captured in the ICR. Third, a senior panel reviewer independently reviews the draft ICRR and comments on the ratings. Fourth, the relevant Global Practice team receives the finalised draft and may submit written comments; IEG adjusts its ratings if new factual information is material. This is a structured, multi-step challenge process, not a cursory sign-off.

### E.2 What IEG Rates: The Four Main ICRR Ratings

| Rating                  | What It Measures  | Who Rates It   |
|-------------------------|---|--|
| <b>Outcome</b>          | The extent to which the project’s major relevant objectives were achieved, or are expected to be achieved, efficiently. Combines relevance of objectives, achievement of objectives (efficacy), and efficiency.                         | Both the Bank (in the ICR) and IEG (in the ICRR) independently.  |
| <b>Bank Performance</b> | The extent to which the Bank ensured quality at entry and supported effective implementation through supervision. IEG rates this overall and also separately rates its two sub-dimensions: Quality at Entry and Quality of Supervision. | Both the Bank and IEG. IEG also separately rates QAE and Supervision, which the Bank’s ICR does not always do. |
| <b>M&amp;E Quality</b>  | The quality of the design, implementation, and use of monitoring and evaluation arrangements. Includes whether indicators were measurable,  | Both the Bank and IEG.   |

| Rating             | What It Measures   | Who Rates It   |
|--------------------|--|--|
|                    | whether baselines existed, and whether M&E findings were used to adapt the project.  |  |
| <b>ICR Quality</b> | The quality of the evidence and analysis in the ICR itself: whether lessons are evidence-based, whether the report is internally consistent and complete, whether it is results-oriented. A low ICR quality rating signals that the self-assessment is unreliable. | IEG only. The Bank does not rate the quality of its own completion report. |

### E.3 Quality at Entry (QAE): The Ten Criteria for Investment Project Financing

Quality at Entry is the sub-dimension of Bank Performance that most directly reflects the Bank's pre-disbursement design decisions. It is a retrospective judgment, made after the project closes, on how well the Bank identified, prepared, and appraised the project before it was presented to the Board for approval. A low QAE rating documents a failure of the Bank's own preparation and design — decisions made before implementation began and before any country-level factors could intervene.

According to IEG's Guidance Manual for Validators: ICR Reviews for Investment Project Financing (IPF, last revised May 2024), the QAE rating for standard investment loans covers ten criteria:

| QAE Criterion   | What IEG Assesses  | Why It Matters   |
|---|--|--|
| <b>1. Strategic relevance</b>                         | Whether the project's objectives were aligned with the country's development priorities and the Bank's own Country Partnership Framework. Were the right problems being addressed? | A project that addresses the wrong problem, however well-designed, cannot achieve development impact.  |
| <b>2. Technical, financial, and economic analysis</b> | Whether the design was technically feasible, the economic analysis credible, and the cost estimate realistic. Were engineering or feasibility studies adequate?                    | Cost underestimation and technical feasibility failures are among the most common causes of project collapse documented in IEG evaluator text. |
| <b>3. Poverty, gender, and social aspects</b>         | Whether social inclusion, gender differentiation, and targeting of the poor were adequately addressed in the design.   | Projects that ignore social stratification in service delivery systematically miss their stated beneficiaries.                                 |
| <b>4. Environmental aspects and safeguards</b>        | Whether environmental and social safeguard policies were properly applied and provisions were in place for compliance.   | Non-compliance with safeguards generates Inspection Panel complaints and project restructuring that interrupts delivery.                       |
| <b>5. Fiduciary aspects</b>                           | Whether financial management and procurement systems were adequate to handle the project's resources. Were control mechanisms in place?  | Absent fiduciary systems are the entry point for the fraud and leakage documented in SOML, the Nigeria power sector, and Eskom (Annex A).      |
| <b>6. Policy and institutional aspects</b>            | Whether the policy environment was correctly assessed, government capacity was realistic, and the  | A credible theory of change is the single most important design  |

| QAE Criterion                         | What IEG Assesses  | Why It Matters  |
|---------------------------------------|--|---|
|                                       | theory of change was credible: could the Bank's inputs plausibly produce the stated development change?  | element that determines whether a project can achieve its PDO.  |
| <b>7. Implementation arrangements</b> | Whether the implementing agency was capable of delivering the project. Was the Project Management Unit functional at approval? Were coordination arrangements across ministries realistic? | 74% of poorly-designed IDA projects in Africa had institutional capacity mismatch at entry — documented by IEG evaluators in the data underlying this paper.  |
| <b>8. M&amp;E design</b>              | Whether measurable outcome indicators, baselines, and annual targets were in place before disbursement. Could the project demonstrate what it was achieving?                               | 56% of poorly-designed IDA projects had M&E weaknesses at entry. A project without baselines cannot be supervised adaptively, cannot demonstrate impact, and cannot be held accountable for results.                          |
| <b>9. Risk assessment</b>             | Whether principal risks were identified, quantified where possible, and matched with realistic mitigation plans. Was the overall risk rating calibrated to the operating environment?      | 70% of poorly-designed IDA projects had risk assessment failure at entry. Risks that were visible were systematically underestimated, particularly in FCS settings.   |
| <b>10. Bank inputs and processes</b>  | Whether adequate preparation resources were deployed, lessons from prior comparable projects were applied, and the preparation timeline was sufficient to produce a sound design.          | 53% of poorly-designed IDA projects had lessons from prior operations available that were not applied. The preparation timeline matters: accelerating from 19 to 12 months reduces time for the analysis that QAE depends on. |

**The rating scale is the same six-tier scale used for project outcomes:** Highly Satisfactory (HS), Satisfactory (S), Moderately Satisfactory (MS), Moderately Unsatisfactory (MU), Unsatisfactory (U), Highly Unsatisfactory (HU). When this paper describes a project as having “poor QAE,” it means IEG rated the project MU, U, or HU on Quality at Entry — below the Satisfactory threshold at which two-thirds of IDA projects achieve Satisfactory outcomes.

#### E.4 DPF Bank Performance: A Different Framework

Development Policy Financing (DPF) operations — the policy-conditionality budget support loans used heavily by the MTI Global Practice — are evaluated under a different framework. IEG's Guidance Manual for Validators: ICR Reviews for Development Policy Financing (DPF, last revised April 2024) does not assign a standalone Quality at Entry rating to DPF operations. Instead, Bank Performance for DPF is assessed primarily through the relevance and quality of the Prior Actions — the conditions the government must satisfy before each disbursement tranche is released.

The DPF Bank Performance assessment asks: was each Prior Action substantive? Did it address a real constraint to the stated development objective? Was there a credible results chain from the Prior Action to the programme's development goal? Was the Prior Action pitched at an appropriate level

of ambition? These criteria are structurally different from IPF QAE criteria, and they produce different rating distributions.

**This distinction has a specific implication for interpreting the data in this paper.** When the MTI DPF portfolio records high Bank Performance ratings alongside poor development outcomes, the evaluation framework is partly responsible: it assesses whether the government completed the required legal or regulatory step, not whether that step was sufficient to produce the macroeconomic or governance change the operation claimed. A DPF Prior Action that requires the government to pass a law can be credibly completed — and rated Satisfactory on Bank Performance — even if the law is never enforced and the reform objective is not achieved. This is the “letter of the law” problem that the DPF instrument, and IEG’s DPF evaluation framework, cannot fully resolve.

## E.5 What the QAE Rating Means for This Paper’s Argument

Every QAE rating used in this paper is IEG’s independent retrospective judgment on a decision the Bank made before disbursement. It is not a judgment about what the country did during implementation. It is not influenced by outcome ratings, which are assessed independently. When IEG rates a project Moderately Unsatisfactory on Quality at Entry, it is documenting that the Bank’s own preparation, appraisal, and design fell below an adequate standard before a single dollar was disbursed.

The QAE rating is available in the approval record. The Project Appraisal Document that goes to the Board contains the quality assessments — the risk ratings, the institutional capacity assessment, the M&E framework, the theory of change — that IEG subsequently rates. The Board received the document. The Board voted. For projects later rated MU, U, or HU on QAE, the information that would have warranted a different decision was present in the approval file.

### THE QAE ARGUMENT IN ONE SENTENCE

Quality at Entry is the Bank’s independent retrospective audit of its own pre-disbursement design decisions. A Moderately Unsatisfactory QAE rating documents that the Bank knew enough — or should have known enough — to design the project adequately, and did not. The 735 IDA projects with poor QAE in this paper represent not a failure of operating environments but a failure of institutional choices made inside the Bank, documented by the Bank’s own independent evaluation arm, approved by the Board. Sources: IEG Guidance Manual for Validators: ICR Reviews for Investment Project Financing (May 2024). IEG Guidance Manual for Validators: ICR Reviews for Development Policy Financing (April 2024). IEG Data File, September 2022. IEG ICRR/PPAR Master Database, March 2026.

## ANNEX F — THE JOBS GLOBAL PRACTICES AND THE ZERO CLUB

This annex supports Part IV. It sets out the Zero Club by Global Practice across Sub-Saharan Africa and the escape evidence, drawn from the mdbreform.com Cross-Sector Synthesis (3,020 evaluated projects, IEG ICRR/PPAR master database, March 2026). The Zero Club methodology counts countries with two or more evaluated projects and zero percent Satisfactory in a Global Practice. The analysis is descriptive rather than causal.

### F.1 The Zero Club by Global Practice

| Global Practice                       | ZC countries | ZC projects | Committed |
|---------------------------------------|--------------|-------------|-----------|
| Health, Nutrition & Population        | 14           | 55          | \$3.0bn   |
| Finance, Competitiveness & Innovation | 14           | 55          | \$1.7bn   |
| Macroeconomics, Trade & Investment    | 13           | 97          | \$10.4bn  |
| Education                             | 10           | 33          | \$2.5bn   |
| Energy & Extractives                  | 10           | 36          | \$11.4bn  |
| Governance                            | 9            | 27          | \$0.5bn   |
| Urban, Resilience & Land              | 8            | 27          | \$1.1bn   |
| Environment & Blue Economy            | 8            | 30          | \$0.6bn   |
| Transport                             | 7            | 19          | \$1.65bn  |
| Agriculture & Food                    | 4            | 14          | \$0.9bn   |
| Water                                 | 3            | 6           | \$0.2bn   |
| Social Protection & Jobs              | 3            | 8           | \$0.2bn   |
| Social Sustainability                 | 2            | 4           | \$0.2bn   |
| Poverty & Equity                      | 2            | 4           | \$0.1bn   |

Total: 43 countries, 419 projects, \$34.5 billion — one-fifth of all Africa commitment — in country-sector combinations where the Bank has never achieved Satisfactory. 94 percent of Zero Club projects are IDA-financed; \$27.9bn of the \$34.5bn (81 percent) is IDA. DRC appears in nine Zero Club lists simultaneously.

### F.2 The Instruments

IPF accounts for 313 of the 419 Zero Club projects (\$23.7bn); DPF for 104 (\$10.8bn). Two instruments with opposite design philosophies — IPF builds things, DPF changes policies — produce the same modal outcome (Moderately Satisfactory) in the same countries. No PforR project appears in the Zero Club, though the Africa PforR portfolio remains small enough that this may reflect sample size. The reading most consistent with the data: switching instruments does not solve the problem; the binding constraint is the match between instrument ambition and institutional capacity.

### F.3 The Escape Evidence

| Country         | Escapes                                  | Does not                | What explains the difference   |
|-----------------|--|-------------------------|--|
| <b>Rwanda</b>   | 94% transport, 96% energy, 75% education | —                       | State discipline; Imihigo performance contracts; governance before financing |
| <b>Niger</b>    | 100% water                               | 0% MTI (\$1.65bn)       | Focused infrastructure vs. broad DPF conditionality — same country           |
| <b>Cameroon</b> | 80% transport                            | 0% health, 0% education | Roads Fund single-institution discipline vs. cross-ministry coordination     |
| <b>Somalia</b>  | 89% MTI                                  | —                       | External implementation; UN/NGO delivery; bounded objectives                 |

The escape conditions are consistent: focused objectives, accountability at the delivery level, and design matched to demonstrated capacity. These are the conditions a jobs agenda capable of delivery would impose as a gate — and the conditions the 2026 Strategy declines to make binding (p.28).

*Sources for Annex F: mdbreform.com — The Zero Club: Cross-Sector Synthesis; Ghana: FCI and the Jobs Agenda; The Transport Record; The FCI Sector Record. IEG ICRR/PPAR master database, March 2026.*

mdbreform.com · Parminder Brar · June 2026 · IEG Master Database March 2026 · Full dataset at Zenodo · Companion papers at [mdbreform.com/fcv-strategy/](https://mdbContext.com/fcv-strategy/)

mdbreform.com · FCV Strategy Assessment · June 2026