



RE-357

***OVE's Proposed 2010-2011 Work
Program and Budget***

Office of Evaluation and Oversight, OVE

Inter-American Development Bank
Washington, D.C.
October 2009

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TABLE OF CONTENTS

ACRONYMS

| | | |
|------|--|----|
| I. | INTRODUCTION | 1 |
| A. | Components of the Work Program..... | 1 |
| B. | Actions Completed and Work Program for 2010-2011 | 3 |
| II. | PROPOSED PROGRAM FOR 2010-2011 | 5 |
| A. | Context: The “Better Bank” Agenda..... | 5 |
| B. | Proposed Oversight Work | 5 |
| C. | Proposed Country Program Evaluations | 8 |
| D. | Proposed Sector, Thematic and Ex-post Evaluations..... | 8 |
| E. | Proposed Policy and Instrument Evaluations | 10 |
| F. | Evaluation Capacity Development | 11 |
| III. | PROPOSED BUDGET | 12 |

ACRONYMS

| | |
|--------|---|
| BES | Bank Evaluation System |
| CPE | Country Program Evaluation |
| ECG | Evaluation Cooperation Group |
| EPSA | Ex-Post Performance and Sustainability Assessment |
| GN | Documents on General Matters |
| IER | Impact Evaluation Report |
| MIF | Multilateral Investment Fund |
| NLF | New Lending Framework |
| OVE | Office of Evaluation and Oversight |
| PCR | Project Completion Reports |
| PPMR | Project Performance Monitoring Reports |
| RE | Documents of the Oversight and Evaluation System |
| PRODEV | Program to Implement the External Pillar of the Medium-Term Action Plan for Development Effectiveness |
| LACEA | Latin American and Caribbean Economic Association |
| MTAP | Medium Term Action Plan |
| SWAP | Sector Wide Approach |
| PDL | Performance-Driven Loan |
| IIC | Inter-American Investment Corporation |
| IEO | Independent Evaluation Office |
| IIRSA | Initiative for the Integration of Regional Infrastructure in South America |
| PBL | Policy-Based Loan |

I. INTRODUCTION

- 1.1 For the past decade, OVE has presented annually for Board approval a detailed work program for the coming year, and an indicative listing of planned evaluation activities for the following year. This work program is accompanied by a brief summary of evaluation work completed during the current year, and a budget proposal for the coming year.
- 1.2 2010 is likely to be a transition year for the Office. A Board evaluation of the last 10 years of work by the Office is pending, and this will provide an opportunity for the Board to take stock of the evaluation function in the institution and to make whatever changes are deemed desirable to the size, functions, activities and specific work program of the Office.
- 1.3 The last review of the evaluation function was carried out by the Board in 1999, and resulted in a guidance document (RE-238) that has shaped the evolution of the office in the years that followed. This work plan and budget document is elaborated on the basis of the principles of RE-238, and presents the proposed 2010 work program along the same lines as previous work plan and budget documents. Because of the transitional nature of the coming year, however, the 2010 work plan is largely based on evaluations approved by the Board in the 2009-10 work plan, while the 2011 program contains only those work items which have received a specific mandate from past Board decisions.

A. Components of the Work Program

- 1.4 RE-238 gave OVE has a specific mandate to contribute to the consolidation of a results-focus in the institution through both the conduct of specific evaluation studies and the oversight of the Bank Evaluation System (BES) as a whole. It established four principles to guide the work of the office:
 - First, evaluation is *a tool*, not an end in itself. Like other tools, the evaluation must constantly be scrutinized to determine if it continues to be relevant to perform well, or whether it needs to be sharpened or modified to more effectively accomplish its basic tasks.
 - Second, evaluation is focused *on institutional learning*, which should be the standard applied to assess the relevance and effectiveness of evaluation activity.
 - Third, evaluation must focus on assessing the *development effectiveness* of Bank activities. This mandates a focus on those activities of the Bank which are directed toward contributing to the economic and social development of borrowing member countries. While all Bank activities

could theoretically be the focus for evaluation work, the Governor's mandate keeps the focus of evaluation on the interface between the Bank and the borrowing member countries.

- Fourth, evaluation must focus on the *results* of Bank-financed activities. The Bank must look not only at its outputs (projects approved, funds lent), but also at the outcomes of its actions in the borrowing member countries. Evaluation work is thus an essential part of the process of moving the Bank toward a results-based operational style.
- 1.5 To implement these principles, OVE has built its annual work program around a balanced program of work grouped under five thematic areas: Oversight, Country Program Evaluation, Sector, Thematic and Ex-Post Evaluation, Policy and Instrument Evaluation, and Evaluation Capacity Development.
 - 1.6 **Oversight Studies** involve the systematic review of those Bank systems and processes that have been designed to provide data on the results of Bank operations. The central evaluation questions concern whether Bank interventions are designed to generate meaningful information on results, whether they are monitored to deliver meaningful information, and whether supervisory and control processes are adequate to remedy problems as they occur and thereby improve the final results of the intervention.
 - 1.7 **Country Program Evaluations** are mandated by Board Policy. OVE is required to conduct country program evaluations (CPEs) in advance of Management's preparation of each new country strategy document. The Guidelines for country strategy preparation require a new country strategy document whenever there is major national election.
 - 1.8 **Sector, Thematic and Ex-Post Evaluations**. One of the Bank's principal comparative advantages is that it works on similar issues across many countries. This gives the Bank a broad perspective on sectoral and thematic issues in the Region. This work naturally leads to the development of a Bank approach to common sectoral and thematic issues, sometimes but not always codified into a written sectoral strategy. Since OVE is mandated by the Board to carry out ex-post evaluations of completed projects, it has proven useful to group the individual projects into thematic clusters, thereby providing both individual project evaluations and a broader evaluation of the Bank's results across a given sector or theme.
 - 1.9 **Policy and Instrument Evaluations**. Policies are explicit guidance for Bank action aimed at defining the space within which Bank actions are possible. Whereas strategies define approaches and priorities, policies define limits to action. Policies are always explicit and subject to approval by the Board. An important sub-set of policies is the one defining distinct instruments available to support development in the region. In 2004, the Board's budget committee

requested that OVE conduct evaluations of budget “initiatives” as a sub-set of its work on policies and instruments¹.

- 1.10 **Evaluation Capacity Development**. The strategic importance of building evaluation capacity was established by the Bank’s Governors in the Eighth General Increase in Resources (1994) which urged the Bank to not only strengthen its own evaluation capacity, but also to “promote and support in-country capacity-building and facilitate cooperation in evaluation activities with other development agencies.”² OVE undertakes capacity development work both within the institution, providing comment on indicators and evaluation methodologies for Bank projects, and in the region, through support for emerging networks of evaluation professionals.

B. Actions Completed and Work Program for 2010-2011

- 1.11 Table 1.1 provides an overview of evaluation work accomplished in 2009, as well as a detailed plan of work for 2010. Column 1 of the table shows the items which OVE has completed by September 2009 (marked C09), and those which are expected to be completed before the end of 2009 (marked TBC09). Studies initiated and substantially completed in 2009 but which will not be finalized until 2010 are marked “TBC10”. Work that is a regular, ongoing activity of OVE is signified by entries that span the full three years of the work program. Column 3 provides a listing of proposed work in 2010, while column 4 indicates previously-mandated items to be included in the 2011 work plan.
- 1.12 As the table suggests, an unusually large portion of the 2009 work program has been devoted to oversight studies and country program evaluations. Two oversight studies that had not been in the original work plan (Summary of Findings related to IDB-8 Mandates; Lessons Learned from Redibol) were added at the request of the Board during the year. Validation of self-evaluations in both the public and private sector was a major new activity, as were the preparation of evaluability assessments of country strategies and new initiatives.
- 1.13 11 country program evaluations will be completed during 2009, more than double the average number that had been produced in each of the preceding four years. The summary table does not list the individual project evaluations done as part of the ex-post evaluation work program. These are discussed below in paragraph 2.20.
- 1.14 Adjustments in the work program to accommodate new work and the expanded schedule of country program evaluations has meant that sector, thematic, policy and instrument evaluations have been delayed from their original forecast timetable. The planned evaluations are, however, expected to be completed in late 2009 or early 2010.

¹ The Report of the Chairman of the Budget, Financial Policies and Audit Committee on the Bank’s 2004 budget asked that OVE “include in its future work program proposals the evaluation of any initiative whose expenditures are completed in 2004 or later, and whose total cost exceeds US\$2 million.”

² Inter-American Development Bank, ‘Report on the Eight Increase of Resources’; AB-1683, page 48, 2.100 and 2.101; April 1994.

Table 1.1. Status of OVE's Multi-Year Work Plan 2009-2011

| 2009 | Status | 2010 | 2011 |
|---|--------|-------------------------------|--------------------------------|
| Oversight Studies | | | |
| Work Program and Budget | C09 | Work Program and Budget | Work Program and Budget |
| NLF Review | C09 | DEM Oversight review | |
| Economic Analysis in Projects | C09 | Project Evaluability 2009 | |
| Investment Policies | C09 | Review of OVE | |
| Evaluability of Initiatives | | | |
| Evaluability of Country Strategies | | | |
| IDB Governance | | | |
| Validation of PPMRs/PCRs | | | |
| Support to MIF / IIC / SCF | | | |
| Evaluation Findings Related to IDB-8 mandates | C09 | | |
| Lessons Learned from REDIBOL | C09 | | |
| Results of Realignment | TBC09 | | |
| Country Program Evaluations | | | |
| Paraguay | C09 | Uruguay | Brazil |
| Bahamas | C09 | Bolivia ³ | Haiti |
| Argentina | C09 | Honduras | Peru |
| Brazil | C09 | Costa Rica | Guyana |
| Venezuela | C09 | Chile | |
| Guatemala | C09 | Colombia | |
| Trinidad and Tobago | C09 | Suriname | |
| El Salvador | TBC09 | | |
| Revision of CPE Protocol | C09 | | |
| Dominican Republic | TBC09 | | |
| Jamaica | TBC09 | | |
| Panama | TBC09 | | |
| Barbados | TBC09 | | |
| Sector, Thematic And Ex-Post Evaluations | | | |
| Financial Administration | TBC10 | Empirics of Poverty Targeting | |
| Ex-post project evaluations: Housing, educational IT, safeguards in energy projects; competitiveness, social investment funds; justice; early childhood development; multicultural education; water and health; conditional cash transfers | | | |
| Primary Roads | TBC09 | Technical Education | |
| Synthesis of Ex-Post Findings | TBC09 | Rural Water | |
| Citizen Security | TBC09 | | |
| Policy and Instrument Evaluations | | | |
| Enhancing county studies | TBC09 | Regional Public Goods | PRODEV |
| Plan Puebla-Panama | C09 | Subnational lending | Disaster Risk Management |
| Origination of NSG Operations | TBC09 | Sustainability Initiative | Opportunities for the Majority |
| Management of TCs | TBC09 | Involuntary Resettlement | KCP Products |
| Concessional Resources | TBC09 | Indigenous | SECCI |
| | | Institutional Strengthening | |

³ The last CPE was completed in 2008. A full CPE may not be required in 2010.

II. PROPOSED PROGRAM FOR 2010-2011

A. Context: The “Better Bank” Agenda

- 2.1 As part of the process of preparing the justification for a possible increase in the Bank’s capital, Management laid out a broad agenda for institutional change based on the theme of becoming a “better bank” (GN-2518-10). Paragraph 2.4 of that document states that *“The challenge of ensuring that Bank interventions provide evidence of results is at the center of the Bank’s agenda.”* Ensuring that this promise is realized will require substantial efforts over the coming two years by both Management and OVE, since both have a common interest in strengthening the Bank’s evaluation system as the key channel through which the Bank organizes itself to manage for developmental results.
- 2.2 The key to an improved focus on results is the design of development interventions at both the country and project level that clearly specify the results being sought. Clarity of intent is an essential prerequisite for a sustained focus on development results. Intent must, however, be connected to measurable indicators that can be monitored during and after execution to determine whether intended outcomes were achieved. As Management noted in GN-2518-10: *“This ability to influence behavior depends on establishing metrics that can be monitored and managed for decision-making and accountability purposes”.*
- 2.3 Finally, as the quote above suggests, the move toward a results-based culture requires the development of effective internal incentives to manage for results. These include both internal resource allocations based on results achieved, and a results-focused incentive system for staff performance evaluations. Both the budget and the human resources systems of the Bank need to incorporate a concern for development results.
- 2.4 OVE’s 2010 work program is designed to support Management’s commitment to build a Bank focused on results. Oversight studies will evaluate the tools and procedures used internally to promote results-based management. Evaluability assessments ex-ante of country programs, individual projects and Bankwide initiatives will provide feedback on the Bank’s effectiveness in specifying intended results. Country program evaluations will provide information on the achievement of results at the country level, while ex-post project evaluations will provide the same information at the project level. Sector, thematic, policy and instrument evaluations will focus attention on specific elements of the Bank’s operational environment that will need to be adjusted in light of the new commitment to results.

B. Proposed Oversight Work

- 2.5 OVE’s proposed work on Oversight will focus on reviewing the effectiveness of the Bank’s evolving structures, policies, and procedures. This will necessarily be a multi-year activity, as many changes are still in process, while others have been implemented but have not yet produced the data necessary for them to be reviewed. Many of the proposed oversight activities were described in OVE’s 2009 work program, and are only briefly described in this document.

- 2.6 **Validation.** Management produces assessments of program implementation and effectiveness at various points of time in the project lifecycle, by using different review instruments. OVE has initiated a program of validation of the key M&E instruments, including, PPMRs, PCR, and XPSRs. Validation consists of a desk review of a sample of these instruments to determine if there is adequate evidence to support the judgments regarding development outcomes contained in these reports. If there is adequate information, the validation exercise also reports on whether OVE is in agreement with the qualitative judgment made by Management.
- 2.7 OVE will also review the **results of the Bank's realignment.** The current realignment effort is touching all aspects of the Bank's work. At the request of the Board, OVE produced a suggested "Results Framework for the Realignment" (RE-329) which discussed goals, indicators and metrics that could enable to the Board to monitor the impact of the changes on the performance of the Bank. Management's proposed Corporate Performance Framework incorporates some of these indicators, but places more emphasis on internal change than the impact of those changes on the value added by the Bank to borrowing member countries. OVE will therefore continue to review the Bank's performance against selected indicators shown in RE-329, reporting periodically to the Board on the results observed.
- 2.8 Management has adopted new norms regarding how it will program and prepare operations. These include both new guidelines for project preparation and new guidelines for country strategy preparation. Starting in 2009, OVE has undertaken **evaluability reviews of each new country strategy** sent to the Board for consideration, and will continue this exercise in 2010. A report summarizing the 2009 findings will be sent to the Board early in 2010.
- 2.9 OVE developed a **project evaluability** instrument in 2000 and applied it to all projects approved in both 2001 and 2005. The instrument assesses the degree to which operations are able to articulate their expected results in measurable terms, and is key in assessing the ex ante quality of operations. The results of the 2005 review were sent to the Board in 2007. The 2007 document identified a series of problems in the Bank's oversight and quality review processes in project design, review and approval. OVE had intended to carry out a third project evaluability review on projects approved in 2008, but Management requested that this review be moved forward to 2009 in order to allow more time to implement the new development effectiveness framework. OVE has been carrying out this review of 2009 projects, and will have a summary report for consideration by Board and management in the first quarter of 2010.
- 2.10 Management has implemented its own approach to improving project evaluability through a new instrument, the "development effectiveness matrix" (DEM) which is developed for each project as it is approved. DEM reports should be available for every project approved in 2009, and can thus be compared with the OVE evaluability assessments to see what kinds of information are captured by each tool. To explore this issue, OVE will produce an **oversight study on DEM implementation** for the 2009 group of projects early in 2010.

- 2.11 Finally, OVE has been requested by the Board to evaluate Bank “initiatives” that are presented as separate items in the Bank’s administrative budget. Because initiatives have explicit resource allocations, it is important that they also have well-developed evaluability frameworks that define clearly the results they intend to achieve. Many past initiatives have lacked such frameworks. To address this issue, on an ongoing basis, OVE will produce evaluability assessments of each new initiative approved by the Board. During 2009, such assessments were prepared for the water initiative and the opportunities for the majority initiative. These assessments form the basis of an initial dialogue between OVE and the sponsors of each initiative regarding their eventual evaluation. If new initiatives are proposed in the 2010 budget, OVE will carry out evaluability assessments for each new initiative.
- 2.12 **MIF, IIC and SCF**. For 2010-2011, OVE will continue providing evaluation support to the MIF and IIC. As separate entities, these two organizations contract with OVE for evaluation work. OVE’s work consists of validating findings of their expanded/extended supervision reports and monitoring compliance with good practice standards for the evaluation of private sector projects, as defined by the ECG.
- 2.13 **IDB Governance**. In 2009, OVE carried out a review of the literature on corporate governance with specific reference to multilateral organizations. The results of that review were presented to the retreat of the Board held in July of 2009, along with the results of a survey on governance completed by members of the IDB Board. The Board requested several follow-up actions in this area, to be completed as part of the 2010 work program. They include:
- a. Developing terms of reference for a periodic Board self evaluation exercise
 - b. Supporting the Board in training on risk assessment, management and mitigation.
 - c. Conducting future surveys of both Board and senior management to contribute to better mutual knowledge and communication.
 - d. Assist the board in developing an accountability framework
- 2.14 **Review of OVE**. Independent evaluation offices such as OVE are accountable to Boards of Executive Directors in the Multilateral Development Banks. To exercise their oversight responsibilities, from time to time Boards of Directors have commissioned external reviews of the performance of their independent evaluation units. The evaluation unit at the World Bank received such a review in 2004, and the IMF’s evaluation office was reviewed in 2006. While these efforts were ad hoc and commissioned based on circumstances in the individual institutions, there is a general agreement in the evaluation community that periodic review of independent evaluation units should be part of good practice. Accordingly, the Evaluation Cooperation Group of the Multilateral Development Banks (ECG) has developed a proposal for institutionalizing external reviews of such units. The proposal suggests a mechanism and a set of evaluative questions that could form the basis for such an exercise. This draft has been circulated to Board members as background for discussion of this item in the work program.

- 2.15 As the draft document notes, external reviews should be commissioned by Boards directly, as they are the final authorities regarding the work of independent evaluation units. The cost of the review is dependent upon the scope of work desired, and resources should be allocated from the evaluation budget for such a review. Because this activity requires a specific decision from the Board, funds to carry out such an independent review have not been included in OVE's 2010 budget submission. The scope and funding for any such evaluation exercise would need to be decided by the Board in the course of reviewing OVE's 2010 work program and budget.
- 2.16 In the 2009 work program, OVE had proposed to carry out an oversight study on the **integration of information systems** between the Bank and various borrowing member countries. The goal of this evaluation was to determine whether information on project outcomes was available in national data systems but not in the Bank's data systems, and to explore mechanisms for producing closer data exchange between the two systems. This evaluation could not be completed in 2009 owing to the loss of critical staff expertise, but the preliminary work indicated that this would be a much more time and resource-intensive work than was originally anticipated. For these reasons, OVE would propose to remove this item from the 2010 work program.

C. Proposed Country Program Evaluations

- 2.17 In 2009, the Board approved a new Protocol for the Conduct of Country Program evaluations based on the good practice standards established by the Evaluation Cooperation Group. The new protocol continues to link country program evaluations to the preparation of new country strategies, and both remain connected to the electoral calendar in borrowing member countries. The goal is to undertake field work for the CPE during the final year of a political administration, and present the findings for review by the Bank and the country authorities within two months of a new government taking power.
- 2.18 The CPE requirement defines in advance a significant portion of OVE's work program, as shown in Table 1.1. In 2009, 12 country program evaluations were required, while the electoral calendar suggests that 7 additional CPEs will be required in 2010. The prospective CPE workload for 2011 is considerably lighter, with only 4 CPES on the schedule.

D. Proposed Sector, Thematic and Ex-post Evaluations

- 2.19 OVE's work in the is area is defined in large part by the Bank's ex-post evaluation policy (OP-305), which requires that OVE review 20% of closed projects. To integrate these project reviews with broader themes, OVE seeks to place individual ex-post evaluations in the context of either country program evaluations (as recommended in the EGC Good Practice paper) or sectoral and thematic overviews.

2.20 The agenda for these evaluations was established in the 2009 work program and will be completed during 2010. Table 2.1 below shows the individual operations being evaluated as part of this exercise, grouped under several broad thematic headings. Because these individual project reports are not sent to the Board, OVE will submit in 2009 a **synthesis report on ex-post evaluation** activities for Board consideration early in 2010.

Table 2.1. Ex-Post Project Evaluations

| Theme | Project |
|--|---|
| Competitiveness, Agriculture | DR0138 Supporting Food and Agricultural Sector Competitiveness PN0032 Agricultural Services Modernization Program |
| Environmental Safeguards | CO0211 Hydroelectric Power Plant Porce II ME0229 Monterrey III Power Project (PRI) ME0189 Samalayuca II Power Project (PRI) |
| Neighborhood improvement programs. | BR0250 Urban Improvement Rio de Janeiro II ⁴ |
| Citizen Security | CO0213 Peaceful Coexistence and Citizens Security JA0105 Citizen Security and Justice AR0198 Care for Children & Adolescents at Risk CH0178 Innovation Program for a safer Chile UR0118 Citizen Safety Prevention of Violence & Delinquency |
| Housing | CH0032 Sites-Services and Neighborhoods Improvement Program NI0064 Low-Income Housing Program CO0145 Social Solidarity Network CO0241 Social Housing Program PN0082 Housing Program EC0207 Housing Sector Support Phase II |
| Social Investment | BO0180 Local Development and Fiscal Adjustment ⁵ |
| Evaluation of Justice Interventions. | PR0126 Modernization Judicial Administration Program CR0073 Judicial Administration Improvement Program |
| Early Childhood Development | BR0177: Program Of Support For Social Reforms For Child And Adolescent Development In The State Of Ceará PE0167: National Program To Assist Children Under Three - Wawa Wasi EC0157: Program Of Comprehensive Services For Children Under Six NI0153: Comprehensive Child Care Program - Stage 2 |
| Multicultural Education | BO0133 Education Reform Program I BO0178 Education Reform II |
| ICT for Education | PE0170 Secondary Education Improvement Program BA0009 Education Sector Enhancement Program |
| Competitiveness, SME Policy ⁶ | AR0144 Support for Enterprise Restructuring CH0160 Technology Innovation Program. CO-L1007. Competitiveness in Colombia I |
| Water and Health | GU0150 Rural Water Investment Program BO-L1013 Small Community Water Program |
| CCT | PN-L1007 Programa de Protección Social Fase I |

⁴ The office previously evaluated the first phase. The second phase is being evaluated jointly with Management.

⁵ The office completed a prior review of FIS in completed in 2007. The evaluation of this project is being done jointly with Management.

⁶ The office also prepared a review of SME Policy in Argentina, Chile, Colombia, Costa Rica, Mexico, and Peru.

2.21 In addition to the ex-post project evaluations noted above, OVE intends to complete in 2010 three thematic evaluations reviewing both individual projects and the Bank's overall approach to such problems. These thematic evaluations will be presented to the Board. Thematic evaluations will be produced for the Bank's approach to **poverty targeting**, **technical education**, and **rural water and sanitation**.

E. Proposed Policy and Instrument Evaluations

2.22 Policies are explicit guidance for Bank action aimed at defining the space within which Bank actions are possible. Whereas strategies define approaches and priorities, policies define limits to action. Policies are always explicit and subject to approval by the Board. In recent years, the Bank has relied more on indicative strategies rather than explicit policies for organizing its work with borrowing member countries. However, a number of new policies have been approved recently, and OVE proposes to review these new policies within a few years of adoption to see if they are accomplishing their intended objectives.

2.23 For 2010, OVE proposes evaluations of two specific policies: **involuntary resettlement** and **operational policy on Indigenous Peoples**. Other policy evaluations were proposed in OVE's 2009 work program (Agricultural Sector, and Public Utilities), but in consultation with the Chair of the Policy and Evaluation Committee, OVE has elected to await further discussion between Management and the Board regarding policies before determining whether additional policy evaluations will be required in 2010.

2.24 **Budget Initiatives**. Evaluations of expiring Bank initiatives were mandated by the Budget Committee of the Board in 2004. Although fewer budget initiatives have been proposed in recent years, evaluations are still in process for 2010 on the initiative for **regional public goods**, and the **sustainability** initiative. For 2010, initiative evaluations are programmed for **PRODEV**, **Opportunities for the Majority**, and **SECCI**.

2.25 Two instrument evaluations are also programmed for 2010. **Lending to subnational governments** without sovereign guarantee is a growing area of involvement for the Bank, and raises a number of specific issues that do not arise in the context of other non-sovereign lending. These issues were explored at some length in a background paper for the Brazil country program evaluation, and OVE proposes to expand this analysis to include a number of other countries in 2010. Management has requested that OVE also look at lending and technical cooperation activities directed toward **institutional strengthening** as such lending has been a growing part of Bank activities in most borrowing member countries.

2.26 In the 2009 work program, OVE initiated a series of evaluations on Bank risk management practices. In cooperation with AUG, OVE reviewed the lessons

- learned from the AXIS REDIBOL project, in which the Bank experienced significant losses when anticipated risks were not adequately mitigated. This study is complemented by a review of the origination process for non-sovereign guaranteed operations, a review which will be completed and sent to the Board prior to the end of 2009.
- 2.27 For 2010, OVE will proceed with the study on the **oversight of credit risk management**, which was proposed in the 2009 program. The project will review the adequacy of the risk management environment; the soundness of the credit granting process, credit administration, risk measurement, and monitoring processes; the quality of the control system over credit risk; and the quality of the risk classification of the individual components of the portfolio.
- 2.28 **Disaster Risk Management**. The *Bank Action Plan for Improving Disaster Risk Management: 2005 – 2008* (GN-2339-1) was endorsed by the Board of Executive Directors in March 2005, and gave rise to a budgetary initiative that is set to expire in 2008. In 2008, OVE provided a Decision Support Note to the Board on this topic. In 2010, OVE will conduct an evaluation of the Bank's work in the area of disaster risk management with the objective of determining results in the three areas defined by the Action Plan: Improving country programming and portfolio management; incorporating proactive disaster management into Bank operational policy; and strengthening the staff capacity of the Bank to support borrowing member countries in this area.
- 2.29 **Review of Knowledge and Capacity-Building Products**: OVE will review a sample of KCP in 2010. Building off of the methods and findings of OVE's 2006 'Evaluation of IDB Studies,' OVE will evaluate Knowledge and Capacity Building Products according to their objectives, contribution to the Banks' strategic goals and evidence of development outcomes and effectiveness. OVE will also assess the quality of the KCP, as well as other dimensions such as relevance, ownership, collaboration, dissemination, utilization and the systems associated with KCP.

F. Evaluation Capacity Development

- 2.30 The Bank's principal vehicle for developing evaluation capacity in borrowing member countries is the PRODEV initiative, where evaluation systems are connected to the improvement of country capacity to manage for results. OVE will be evaluating PRODEV as part of the proposed 2011 work program. Because of the existence of PRODEV the Office has concentrated its evaluation capacity development work on the encouragement of local capacity to supply evaluation services to the public sector, and on providing technical assistance to Bank project teams regarding the evaluation components of projects.

III. PROPOSED BUDGET

3.1 Table 3.1 shows the proposed administrative budget for 2010 to support the evaluation work outlined in earlier sections of the work plan. The budget is not projected to grow in real terms from the 2009 base.

Table 3.1 OVE Budget Comparison by Expense Account

| | 2009 Adj. Approved | 2010 Expected Budget | Increase / (Decrease) | % Change |
|--|-----------------------|----------------------------|--------------------------|--------------|
| Salaries - Int'L Professional Staff | 3,117,876 | 3,345,095 | 227,219 | 7.29% |
| Salaries - Int'L Administrative Staff | 182,288 | 77,176 | -105,113 | -57.66% |
| Overtime & Sec. Admin. Bonus | 7,608 | 7,890 | 281 | 3.70% |
| Special Employees | 6,813 | 7,065 | 252 | 3.70% |
| Remuneration | 3,314,586 | 3,437,225 | 122,639 | 3.70% |
| Benefits - Int'l Staff | 1,353,068 | 1,403,131 | 50,063 | 3.70% |
| Benefits - Int'l Staff | 1,353,068 | 1,403,131 | 50,063 | 3.70% |
| Personnel Cost | 4,667,654 | 4,840,356 | 172,702 | 3.70% |
| Learning & Tuition Fees | 30,252 | 31,280 | 1,029 | 3.40% |
| Training Travel | 6,050 | 6,256 | 206 | 3.40% |
| Staff Development | 36,302 | 37,536 | 1,234 | 3.40% |
| Consultants | 1,810,197 | 1,871,744 | 61,547 | 3.40% |
| Temporary Help & Employment Agencies | 59,543 | 61,567 | 2,024 | 3.40% |
| Firms | 23,816 | 24,626 | 810 | 3.40% |
| Research Fellowship Program (RFP) | 59,543 | 61,568 | 2,024 | 3.40% |
| Consultants & Outside Services | 1,953,100 | 2,019,505 | 66,405 | 3.40% |
| Int'L Business Travel | 542,782 | 561,237 | 18,455 | 3.40% |
| Business Travel | 542,782 | 561,237 | 18,455 | 3.40% |
| Office Furniture & Furnishings Purchases (including Art Purchases) | 1,774 | 1,835 | 60 | 3.40% |
| IT Equipment & Maintenance | 22,990 | 23,772 | 782 | 3.40% |
| Copying and Printing Equipment and Maintenance | | | | N/A |
| Software and Maintenance | 7,260 | 7,507 | 247 | 3.40% |
| Supplies | 18,634 | 19,268 | 634 | 3.40% |
| INACTIVE-2010 (Copying Equipment) | 6,050 | | -6,050 | -100.00% |
| Equipment and Supplies | 56,709 | 52,382 | -4,328 | -7.63% |
| Telecommunications | 25,936 | 26,818 | 882 | 3.40% |
| Mail & Related Shipping Services | 4,868 | 5,033 | 166 | 3.40% |
| e-Resources, Periodicals & Newspapers | 2,366 | 2,447 | 80 | 3.40% |
| Printing & Publishing Expenses | 2,448 | 8,786 | 6,339 | 258.98% |
| Communications and Publications | 35,618 | 43,084 | 7,467 | 20.96% |
| Conferences, Workshops & Seminars | 1,210 | 1,251 | 41 | 3.40% |
| Special Events & Representation Expenses | 605 | 626 | 21 | 3.40% |
| Events, Conferences & Outreach | 1,815 | 1,877 | 62 | 3.40% |
| Miscellaneous Expenses | 1,210 | 1,251 | 41 | 3.40% |
| General Administrative Cost | 95,351 | 98,593 | 3,242 | 3.40% |
| Total Administrative Gross | 7,295,189 | 7,557,227 | 262,038 | 3.59% |
| Administrative Income & Reimbursements | -225,000 | -225,000 | 0 | |
| Total Administrative Net | 7,070,189 | 7,332,227 | 262,038 | 3.71% |

- 3.2 As in prior years, OVE will receive some funding for evaluation work from external sources. Service contracts with the MIF and IIC are expected to continue at prior year levels, with a combined total of \$225,000 for both contracts.

- 3.3 As noted earlier, funds for any Board-commissioned external review of OVE are not included in this budget submission. If the Board decides to proceed with such a review, decisions will be required about the scope of the review and the funding involved.