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***OVE's Proposed 2016-2017
Work Program and Budget***

Office of Evaluation and Oversight, OVE

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OVE's PROPOSED 2016-17 WORK PROGRAM AND BUDGET

TABLE OF CONTENTS

A. OVE's Evaluation Products 1

B. Work Completed by OVE in 2015..... 2

C. Product Mix and Work Program for 2016-17 5

D. Staffing and Budget..... 9

E. Summary11

|

OVE's PROPOSED 2016-17 WORK PROGRAM AND BUDGET

- 1.1 The Office of Evaluation and Oversight (OVE) began operation in 2000 as an independent evaluation office for IDB, reporting directly to IDB's Board of Executive Directors. OVE's mission to date has been to provide accurate, constructive, and evidence-based information on the performance and development effectiveness of IDB's activities. Beginning in January 2016, OVE will also fulfill this function for IIC (NewCo), reporting to the IIC Board. This entails a significant expansion of OVE's mandate to cover almost all of the IDB Group¹, and thereby brings its role and mandate more in line with those of the independent evaluation functions of the other major MDBs,
- 1.2 Each year OVE develops a work program that shows planned evaluations and proposed budget for the coming year and an indicative list of evaluations for the following year. To identify and encourage synergies, this year's work program includes evaluation activities to be carried out by OVE for both IDB and IIC (NewCo). This year's document, like those of previous years, also summarizes results achieved in the current year and shows data on the costs of OVE's product lines. OVE has benefitted from discussions with members of the Board of Executive Directors and IDB Group management and would like to thank them for their constructive suggestions—many of which have been incorporated herein—on how OVE can be most useful to the IDB Group.

A. OVE's Evaluation Products

- 1.3 OVE's evaluations are grouped into four broad categories: project evaluations, country program evaluations, sector and thematic evaluations, and corporate evaluations. These products provide unique and complementary perspectives on IDB's performance and development effectiveness.
- 1.4 Strong **project evaluations** underpin all other evaluation work – whether at the country, sector, thematic, or corporate level. For an accurate picture of IDB's results it is necessary to have a clear understanding of the performance – including the relevance, effectiveness, efficiency, and sustainability – of the projects IDB supports.
- 1.5 IDB has made significant strides in improving its project evaluation architecture under IDB9 through the design and adoption of the Development Effectiveness Framework. A recent important step in this process has been the adoption of a new system for ex-post self-reporting of project results for sovereign-guaranteed (SG) projects through Project Completion Reports (PCRs), which was put in place as of August 2014. The system for self-reporting on non-sovereign-guaranteed (NSG, or private sector) project results has traditionally been different from that for SG projects, in part for historic reasons. In 2014 OVE worked with SPD and all four NSG windows of the Bank Group to develop and

¹ OVE's mandate to date has covered the private sector windows that were part of IDB (SCF and OMJ) but not IIC or MIF. Going forward, the expanded mandate will cover all of IIC (NewCo) but will not extend to the Multilateral Investment Fund (MIF).

- pilot a new more unified approach (the Expanded Supervision Report, or XSR system), which is being piloted in 2015 and should be fully operational when NewCo begins operations in January 2016. OVE validates a sample of PCRs and XSRs prepared by management.
- 1.6 OVE also undertakes several independent evaluations of IDB projects each year, often grouping a number of similar projects together to draw lessons from the various experiences. These comparative evaluations vary in scope and design, depending on the precise questions to be answered. OVE also reviews the design and performance of Bank projects as part of country program evaluations, as noted below.
 - 1.7 **Country program evaluations** (CPEs) provide an analysis of the relevance and effectiveness of IDB's support to an individual borrowing country over four to five years. This usually corresponds to the time covered by the most recent country strategy, and the CPE analyzes that strategy along with the content, efficiency, and effectiveness of the Bank program (including the entire range of SG and NSG lending and technical cooperation). Each CPE involves extensive discussions with management and country counterparts and review by the Board's Programming Committee before Board discussion of the next country strategy. Taken together, OVE's CPEs provide a comprehensive picture of the Bank's work over an extended period of time in all of the countries in the LAC region.
 - 1.8 **Sector, thematic, and corporate evaluations** build on the groundwork laid by project and country program evaluations. Sector and thematic evaluations provide in-depth analysis of IDB's engagement and lessons of experience in a substantive area as well as advice on future strategic directions. Corporate evaluations focus on the IDB's own structure and processes and examine how they affect the development effectiveness of the IDB's work.
 - 1.9 In addition to preparing its own evaluations of IDB programs, OVE has a mandate to support the **development of evaluation capacity** in LAC countries. OVE devotes relatively modest resources to this area of work, as described further below, but seeks to achieve significant results through focused efforts and strong partnerships with other donors and LAC institutions.

B. Work Completed by OVE in 2015

- 1.10 The first column of [Table 1](#) shows the evaluations that OVE has delivered or expects to deliver in 2015. At the project level, OVE has supported the development of a new downstream PCR system for SG lending and is beginning to validate the first set of PCRs prepared under this new system. OVE will continue validations of NSG lending under the new unified XSR framework once the new IIC is fully operational. Rather than continue to independently validate

Development Effectiveness Matrix (DEM) scores,² OVE plans to review DEM scores and implementation as part of its validation of PCRs and XSRs.

Table 1. OVE's Proposed Work Plan and Deliverables, 2015-2017

2015	2016	2017
Project Evaluations and Validations		
Project validations (XSRs, PCRs)	Project validations (PCRs, XSRs)	Project validations (PCRs, XSRs)
Comparative reviews: <ul style="list-style-type: none"> • Bus rapid transit • Rural water* • Procidades • CCTs in low-middle income countries • Green lending* 	Comparative reviews: <ul style="list-style-type: none"> • Support to productive sectors • Housing (selective approaches) • Urban transport & poverty 	Comparative reviews: <ul style="list-style-type: none"> • Energy • Traffic safety • Labor & employment • Science, technology & innovation
Sector and Thematic Evaluations		
Agriculture and Food Security	Infrastructure PPPs	Gender & Diversity
IDB Lending through Financial Intermediaries*	Sustainable Cities (IDB Special Program)	Public Financial Management
		Housing (broad review)
Country Program Evaluations		
Colombia	Argentina	Guyana
Panama	Haiti	Dominican Republic
Brazil	Suriname	CPE stocktaking
Uruguay	Trinidad & Tobago	
Bolivia	Peru	
	Guatemala	
Corporate Evaluations		
OVE Annual Report: PBLs*	OVE Annual Report: NewCo implementation**	OVE Annual Report: IDB-IIC collaboration
Measuring Project Performance (SG and NSG lending)	Equity Investing **	IDB Impact Evaluations
IIC XASR Validations	Contingent Lending Instruments	IAMCs
Review of the ReTS (w/SPD)	IDB Operational Efficiency	IDB as a Knowledge Bank
Evaluation Follow-up, Capacity-Building, and Outreach		
CLEAR Initiative	CLEAR Initiative	CLEAR Initiative
Website and Publications	Implementation of ReTS redesign	Website and Publications
Outreach Events	Website and Publications	Outreach Events
	Outreach Events	

* Board delivery timed for early 2016

** Conditional on finalization of a Service-Level Agreement with IIC (NewCo)

² OVE has validated DEM scores for the past three years, 2012-14. In the 2012 exercise OVE suggested improvements to the DEM instrument that management subsequently adopted. OVE's scores were only slightly different from management's scores in the 2014 exercise. The review of PCRs and XSRs of projects with prior DEMs will provide an opportunity to review not only DEM scores at entry but also DEM implementation.

- 1.11 OVE is completing five in-depth comparative project reviews in 2015. The first is an evaluation of Brazil's experience with PROCIDADES – an umbrella facility supporting a large number of Brazilian municipalities ([RE-481-4](#)). The second is a comparative evaluation of Bank support for conditional cash transfer programs (CCTs) in El Salvador, Guatemala, and Honduras ([RE-473-1](#)). This evaluation focuses in particular on the institutional underpinnings needed for a successful CCT program and the issues of institutional development faced in lower-income countries in LAC. Two other evaluations begun in 2014 – on bus rapid transport projects in Peru, Colombia, and Uruguay ([RE-454-1](#)) and on rural water projects in Paraguay ([RE-464](#)) – are also being completed in 2015, and an evaluation of several green lending projects ([RE-487](#)) will complement the larger evaluation of Bank support through financial intermediaries (see below).
- 1.12 **Sector and Thematic Evaluations.** OVE delivered a sector evaluation on agriculture and food security ([RE-467-1](#)) in July 2015. This evaluation analyzed 10 years of Bank lending in the agriculture sector and undertook in-depth comparative work in three areas of particular focus in the Bank's portfolio: direct support to farmers, animal and plant health, and land titling. In 2015 OVE has also undertaken a broad evaluation of the Bank's support provided through financial intermediaries ([RE-486](#)), using both SG and NSG instruments. This evaluation is the first to fully incorporate the IIC and the MIF in an IDB Group-wide evaluation of an issue.
- 1.13 **Country Program Evaluations.** OVE has finalized and delivered five CPEs in 2015: for Colombia ([RE-477-1](#)), Panama ([RE-475-1](#)), Brazil ([RE-482-1](#)), Bolivia ([RE-483-1](#)), and Uruguay ([RE-484-1](#)). Four others – for Argentina, Haiti, Suriname, and Trinidad & Tobago – are under way and are expected to be delivered in the first half of 2016. These CPEs have all followed a new framework piloted in 2013 to ensure that they cover all aspects of Bank work – lending and non-lending, public and private sector – and to make the analysis and recommendations more specific and forward-looking.
- 1.14 **Corporate Evaluations.** As part of its Annual Report, in 2015 OVE is completing a review of the Bank's experience with policy-based lending (PBLs) ([RE-485-3](#)). The review will look at the rationale for and design of PBLs, trends in such lending over time and across countries, and various aspects of the policy reforms supported by such lending. Preliminary findings will be shared with the Board in December and the final report delivered in February 2016.
- 1.15 In addition, OVE completed a review of the systems for measuring project performance for SG and NSG lending ([RE-488](#)), which was discussed at the Board's Policy and Evaluation Committee (PEC) in June 2015. The review examined recent efforts to unify project performance measurement for both SG and NSG lending and across the various private sector windows in the IDB Group. It also reported project results for the most recent set of project self-evaluations validated by OVE. A second report on project results in IIC ([CII/RE-16](#)) was discussed at the IIC Board in October 2015.
- 1.16 Finally, in 2015 OVE and SPD hired an independent consultant to review the pilot phase of the Recommendation Tracking System (ReTS), identify progress, and suggest potential improvements. The report ([GN-2707-4](#)), presented to the PEC

in September 2015, will serve as the basis for updating the ReTS Protocol to improve efficiency and effectiveness going forward.

- 1.17 **Outreach and Evaluation Capacity Development.** OVE dedicates substantial effort to outreach and evaluation capacity development, both within IDB and with partners and country counterparts in the LAC region. OVE seeks to make its evaluations easily accessible through its publications and website, focused dissemination events, and participation in workshops and conferences. In 2015 OVE has continued to participate actively in the CLEAR Initiative. For example, in 2015 OVE organized major dissemination events on climate change and on animal and plant health in Mexico and Nicaragua, respectively. In 2015 OVE has continued to participate actively in the CLEAR Initiative. CLEAR (“Centers for Learning on Evaluation and Results”) is a joint program of 10 multilateral and bilateral donors and foundations to support capacity-building centers for monitoring and evaluation in four world regions (<http://www.theclearinitiative.org/>). The *Centro de Investigación y Docencia Económicas* (CIDE) in Mexico was selected in 2012 as the Spanish-speaking LAC center, and in September 2015 a Portuguese-speaking center was launched at the Getulio Vargas Foundation in São Paulo.

C. Product Mix and Work Program for 2016-17

- 1.18 OVE’s proposed work program for 2015 and 2016 seeks to produce a balanced mix of the various evaluation products discussed above. It also seeks balance in its coverage of various sectors, themes, and geographic areas, considering also the evaluation work that it has undertaken over the past five years ([Table 2](#)). Evaluations will cover the IDB Group wherever relevant, though selected evaluations may focus only on either IDB or IIC, depending on the subject matter. [Figure 1](#) shows the approximate time frame for the preparation of each evaluation.
- 1.19 **Project Evaluations.** OVE will continue to support the development of the overall IDB project evaluation system as part of a strong architecture for results measurement and learning. OVE will validate a sample of PCRs and XSRs prepared by management and report the results in its Annual Report. Though OVE expects most validations to be desk-based, some may also involve field visits to review project outcomes more thoroughly. More generally, OVE will work with IIC (NewCo) to continue to strengthen the evaluation architecture for NSG lending under the new unified framework, including the development and implementation of the DELTA (Development Effectiveness, Learning, Tracking and Assessment) tool.

Table 2. OVE Evaluations by Topic Area, 2011-2016

Sector	2011-14	2015	2016	2017
INFRASTRUCTURE & ENVIRONMENT	<ul style="list-style-type: none"> Climate change Watershed management IDB9 (environment strategy) 	<ul style="list-style-type: none"> Bus rapid transport Rural water 	<ul style="list-style-type: none"> Infrastructure PPPs Urban transport and poverty 	<ul style="list-style-type: none"> Energy (selected issues) Traffic safety (selected issues)
RURAL DEVELOPMENT	<ul style="list-style-type: none"> Land titling and admin 	<ul style="list-style-type: none"> Agriculture & food security 		
URBAN DEVELOPMENT & HOUSING		<ul style="list-style-type: none"> Procidades (Brazil) 	<ul style="list-style-type: none"> Sustainable cities Housing (selected approaches) 	<ul style="list-style-type: none"> Housing (broader review)
HUMAN DEVELOPMENT	<ul style="list-style-type: none"> Secondary education Indigenous peoples policy IDB9 (HD strategy) 	<ul style="list-style-type: none"> Conditional Cash Transfer Programs 		<ul style="list-style-type: none"> Gender & diversity Labor & employment (selected issues)
ECONOMIC POLICY & PUBLIC SECTOR MGMT	<ul style="list-style-type: none"> Citizen security (2 evaluations) IDB9 (anticorrupt, inst devt strategy) 	<ul style="list-style-type: none"> 2015 Annual Report (PBLs) 		<ul style="list-style-type: none"> Public financial mgmt
PRIVATE SECTOR, TRADE, COMPETITIVENESS, & FINANCIAL MARKETS	<ul style="list-style-type: none"> Transnational programs IDB9 (private sector) Subnational NSG lending SME support programs in Brazil 	<ul style="list-style-type: none"> IDB Group work through financial intermediaries Green lending 	<ul style="list-style-type: none"> Productive development programs in Brazil 	<ul style="list-style-type: none"> Science, technology & innovation (selected issues)
CORPORATE	<ul style="list-style-type: none"> IDB9 Mid-term Evaluation (overview and 22 background papers) MIF2 Opportunities for the Majority (OMJ) IDB Realignment IDB Special programs ICIM (MICI) Japanese Trust Fund 2014 Annual Rep (growth & pov) PCR/XSR design & validations 	<ul style="list-style-type: none"> Measuring project performance IIC XASR validations Review of the Recommendation Tracking System (ReTS) 	<ul style="list-style-type: none"> Equity investing Contingent lending instruments IDB operational efficiency 2016 Annual Rep (NewCo implementation) PCR/XSR validations 	<ul style="list-style-type: none"> Impact evaluations IAMCs (Independent Assessments of Macroeconomic Conditions) IDB as a Knowledge Bank 2017 Annual Rep (IDB-IIC collaboration) PCR/XSR validations
COUNTRY PROGRAM EVALUATIONS	<ul style="list-style-type: none"> 22 countries 	<ul style="list-style-type: none"> Colombia Panama Bolivia Brazil Uruguay 	<ul style="list-style-type: none"> Argentina Haiti Suriname Trinidad & Tobago Peru Guatemala 	<ul style="list-style-type: none"> CPE stocktaking Guyana Dominican Republic

- 1.20 OVE will continue to undertake focused thematic studies and comparative project reviews to identify lessons related to project design and implementation that can be useful to operational staff and the Board. The proposed program includes three or four products per year in 2016 and 2017. The three products planned for 2016 are an evaluation of housing projects in four Caribbean countries, a study on the poverty impact of bus rapid transit systems in Lima and Cali, and an impact evaluation of various programs supporting firms in Brazil (following on a similar evaluation of SME support programs delivered in 2014, [RE-450](#)). OVE expects to undertake comparative reviews in the areas of energy, traffic safety, labor and employment, and science, technology, and innovation for delivery in 2016.
- 1.21 **Sector and Thematic Evaluations.** OVE proposes to undertake five major sector/thematic evaluations in 2016 and 2017. In 2016 OVE plans to deliver an evaluation on public-private partnerships (PPPs) in infrastructure, which will review experiences of other multilateral development banks (MDBs) as well as those of the IDB. In addition, OVE plans to undertake an evaluation of IDB's Special Program on Sustainable Cities, which would be OVE's first in-depth evaluation of a program of technical cooperation and could help define an approach for future exercises of this type. It would build on the broader 2015 OVE evaluation of Special Programs ([RE-476-5](#)) and is timely given the current changes in the structure of Special Programs and the folding of Sustainable Cities into this new structure as of 2016.
- 1.22 In 2017 OVE proposes to undertake three sector and thematic evaluations. The first is a review of the Bank's portfolio related to public financial management, which has long been a core area of Bank support. This evaluation will draw on the in-depth analysis of PBLs undertaken in 2015 and will supplement it with reviews of investment lending and technical cooperation. Second, OVE proposes to evaluate the implementation of the Bank's work on gender and diversity, drawing also on the experiences and the findings of evaluations in other MDBs. This evaluation will feed directly into the update of the Bank's Gender and Diversity Sector Framework Document, due to be updated in early 2018. Third, OVE proposes to undertake a broad review of the Bank's engagement (both SG and NSG) in the housing sector, drawing on inputs from the more focused comparative study on housing completed in 2016, the financial intermediary review of mortgage lending, several CPEs, and new evaluative work.
- 1.23 **Country Program Evaluations.** The proposed program includes the delivery of six CPEs in 2016: for Argentina, Haiti, Suriname, Trinidad and Tobago, Peru, and Guatemala. Two additional CPEs, for Guyana and the Dominican Republic, are expected to be delivered in the first half of 2017. This program is in line with the current timeline for country strategies. Beginning with Peru, all future CPEs will cover IIC (NewCo) as well as IDB, and IDB-IIC collaboration will be included as an issue to be evaluated. OVE proposes to take stock of common themes emerging from recent CPEs – including program design, financial flows, instrument choice, and donor collaboration -- in a separate exercise in 2017.
- 1.24 **Corporate Evaluations.** In 2016 OVE's proposed work program includes four corporate evaluation and oversight products. A review of equity investing is

expected to survey the experience of both IDB and partner MDBs to help inform NewCo's approach going forward. An evaluation of contingent lending instruments will review the use of various forms of contingent lending to date in IDB and partner institutions and provide suggestions for the role and design of such instruments going forward.

- 1.25 Directors have requested OVE assistance in reviewing the efficiency of the Bank, given ongoing constraints on Bank capital and budgets. In response to this request, OVE proposes to assist the Board in reviewing operational efficiency, including structural issues and design and implementation processes for Bank projects. The aim will be to help both the Board and Bank management identify possible ways to enhance the efficiency of the Bank while maintaining the effectiveness of the Bank's support in LAC countries. The review will be timed to provide ongoing input to Board discussions during 2016 and beyond.
- 1.26 Finally, in 2016 OVE also proposes to prepare, as a focus topic of its Annual Report, a progress report on implementation of the private sector merge-out to date.³ The Annual Report will also report on OVE's evaluation findings, on validation results, and on management implementation of Board-endorsed OVE recommendations.
- 1.27 OVE also proposes to deliver four corporate evaluation and oversight products in 2017. First, OVE will undertake a review of the first two years of experience with Independent Assessments of Macroeconomic Conditions (IAMCs). The IAMCs were adopted in 2015 to replace the Macro-Sustainability Assessments mandated under IDB-9, and the Board-approved document calls for an OVE evaluation two years after adoption. The evaluation is expected to be started in the second half of 2016 and delivered to the Board in the first half of 2017.
- 1.28 Second, OVE proposes to evaluate IDB's program of impact evaluations. This has been a major area of emphasis over the past few years, with a large amount of resources (from both IDB and borrower resources) committed for the more than 100 impact evaluations that are currently programmed. The evaluation will aim to document the experience and results of these impact evaluations and provide recommendations for future work.
- 1.29 Third, OVE proposes to evaluate IDB's role as a knowledge institution, reviewing what kinds of knowledge are produced and how such knowledge is funded, quality-controlled, and shared and disseminated internally, with client countries and in the broader community. The focused evaluation of impact evaluations will be one important input to this broader knowledge review.
- 1.30 Finally, OVE's Annual Report for 2017 is expected to review the first two years of experience with IDB-IIC (NewCo) collaboration, as well as covering the standard topics as in previous years (evaluation findings, validation results, and implementation of Board-endorsed OVE recommendations).

³ This progress report and the evaluation of equity investing will be contingent on finalization of a Service-Level Agreement with IIC.

- 1.31 **Evaluation Outreach, Dissemination, and Follow-up.** OVE plans to focus heavily on outreach and learning in 2016 and 2017. To enhance learning opportunities during the evaluation process, OVE will expand its efforts to share key evaluation findings – not only from CPEs but also from other relevant evaluations – with country counterparts during the review of the evaluation. It will also build on its growing relationships with the two LAC CLEAR Centers and other partner organizations to host external events around important evaluations. As always, it will share evaluation findings via its website and social media, collaborating in some cases with the evaluation offices of other MDBs. OVE and IDB management will continue to develop the online ReTS system endorsed by the Board to track the implementation of OVE recommendations ([GN-2707-2](#)), learning from and building on the experience with the 2015 review of the ReTS pilot.
- 1.32 **Evaluation Capacity Development.** OVE will continue its financial and in-kind support to the LAC Spanish and Lusophone CLEAR Centers in 2015 and 2016. OVE will also continue to work with country clients and LAC partners to provide direct capacity-building services on demand, and will from time to time assist IDB staff with issues of data collection, survey design, and evaluation methodology.

D. Staffing and Budget

- 1.33 **Staffing.** OVE currently has 29 staff, including the Director, 2 Advisors, 20 full-time evaluators, 5 administrative support staff, and 1 IT expert. It has maintained a relatively flat structure compared to evaluation offices in other MDBs (whose staff tend to be grouped in divisions) in an effort to save on overhead costs and to promote collaboration, diversity in work assignments, and professional satisfaction and growth.
- 1.34 OVE's mandate will expand significantly as OVE assumes full evaluation responsibilities for IIC (NewCo) beginning in January 2016. Sector/thematic evaluations and CPEs will expand to cover the full range of IDB and IIC activities, and the project and corporate evaluation agenda will also expand to include issues of particular relevance to IIC. To meet these expanding demands OVE will reassign some existing staff resources and is requesting one additional staff position, to be funded by the budget contribution from IIC.
- 1.35 In addition to staff and short-term consultants, OVE typically hires 5-7 Research Fellows per year through a competitive process, and 12-15 Research Fellows are typically on board at any given time. The Research Fellows are recent graduates (Masters or PhDs) from economics or related programs who join OVE for up to three years. In addition to providing useful analytic skills for evaluation work, the Research Fellow Program has been an excellent way to introduce promising young professionals to IDB and to evaluation, and many have gone on to fill staff positions in OVE and other parts of the Bank. OVE also currently has an evaluator appointed under a 2-year term position supported by the bilateral staff exchange program with the Austrian government.
- 1.36 **Budget.** OVE is requesting a 2016 budget from IDB of \$8,830,000, broken down by evaluation product (or results area) in [Table 3](#). The proposed budget for IDB represents a reduction of 1.9 percent from the 2015 budget in nominal terms and

a decline of 4.5 percent in real terms. This reduction matches the decline in Management's 2016 discretionary budget from that approved in 2015, and it maintains OVE's share of the total Bank budget (not including pension contributions) at just under 1.5 percent ([Table 4](#)). For comparison, the analogous ratios in the Asian and African Development Banks (the two multilateral development banks most similar in size and mandate to IDB) are 2.0 and 2.4 percent, respectively.

Table 3. Proposed 2016 Budget by Results Area (US\$)

Product / Result Area	Total Cost (US\$)
Project Evaluations	1,960,000
Sector and Thematic Evaluations	1,310,000
Country Program Evaluations	1,900,000
Corporate Evaluations	1,810,000
Outreach and Dissemination	200,000
Collaboration with Client Countries and Evaluation Capacity Development	350,000
Staff Training (1 week / staff = 1/44 remun.)	183,533
Management & Administrative Support *	1,516,467
Total Proposed 2016 Budget GROSS	9,230,000
NewCo reimbursements	-400,000
Total 2016 program NET	8,830,000

Table 4. OVE's and IDB's Administrative Budgets, 2010-2016 (US\$ '000)

	2010	2011	2012	2013	2014	2015	2016 (proposed)
OVE budget*	7,332	7,446	7,995	8,499	8,744	8,998	8,830***
IDB budget**	467,446	500,390	534,817	566,905	593,989	612,533	603,000***
OVE as % of IDB	1.57	1.49	1.49	1.50	1.47	1.47	1.46

*Excluding income received from IIC for project validations (typically \$150,000 per year through 2015).

** Excluding pension contributions

***Estimate based on a Bank Management discretionary budget of \$526.1m.

1.37 The average unit costs of OVE products produced from 2011 to mid-2015 are shown in [Table 5](#). Corporate, sector and thematic evaluations are the most

expensive OVE products, though the costs of individual evaluations vary widely.⁴ The unit costs of CPEs and comparative project evaluations are lower, and the variation in cost among individual CPEs is relatively small.

Table 5. Average Unit Cost of OVE's Products (January 2011-March 2015)*

OVE product	Average cost per product (US\$)
Comparative project evaluations	280,000
Sector and thematic evaluations	795,000
Country program evaluations	345,000
Corporate evaluations**	595,000

* including personnel and non-personnel costs

** excluding IDB9 and MIF2 evaluation

- 1.38 **Trust Fund.** A Pilot Partnership Grant for Evaluation financed by the Swiss Development Corporation was approved by the Board in 2013, with the expectation that the funding would be used to deepen Board-approved evaluation products. OVE reports to the Board semiannually on the use of its budget and this trust fund. In 2013 \$44,000 of the grant was used to deepen certain aspects of the citizen security evaluation and initiate background work for the evaluation on agriculture and food security. In 2014 \$275,800 was used to supplement the analysis in three evaluations in OVE's Board-approved work program: Climate Change (modeling of climate change effects at the country level), OVE's Annual Report (poverty and growth analysis), and Agriculture (country case studies). In addition, \$200,000 was used to support evaluation capacity development through the CLEAR Initiative. In 2015 \$100,700 was used to deepen poverty-related analysis in the Bolivia CPE, provide further inputs to the agriculture evaluation, and disseminate the climate change evaluation; \$200,000 were used to support the CLEAR Initiative for evaluation capacity development. The trust fund will close at the end of March 2016, as provided in the partnership agreement.

E. Summary

- 1.39 The document has laid out an integrated program of independent evaluation that addresses current development issues for both IDB and IIC. It is designed to respond to the needs of each organization while also highlighting synergies among the various activities of the IDB Group. The program includes evaluation activities at the project, sector, and country level, as well as focused evaluations

⁴ Among sector and thematic evaluations, the climate change evaluation was particularly large and complex because it covered several sectors and \$20 billion in Bank lending, and OVE had to invest considerable resources to define the relevant portfolio from scratch. The end product included the overall evaluation and five in-depth studies on climate change issues in particular sectors and in small island states. The IDB9 and the MIF2 evaluations have been excluded from the calculation for corporate evaluations. The IDB9 evaluation, conducted pursuant to an explicit mandate in the IDB9 agreement, included an overview and 22 background papers on different topics (essentially individual evaluations themselves). The MIF2 evaluation covered all MIF operations for five years and was financed separately by MIF. The cost of each of these two evaluation exercises was approximately \$2million.

addressing key corporate issues identified by IDB and IIC Board members. It emphasizes the importance of communication, outreach, and dissemination to strengthen the accuracy, usefulness, and impact of evaluation work, and it includes a modest contribution to leverage the resources and benefits of a larger multi-donor program in evaluation capacity development. OVE requests that IDB's Board of Executive Directors approve a 2016 budget of \$8,830,000.

Figure 1. OVE Evaluations Timeline 2016-2017

