

Approach Paper

Bolivia
2016-2020

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ABBREVIATIONS

CEPB	Confederación de Empresarios Privados en Bolivia [Confederation of Private Entrepreneurs in Bolivia]
CPE	Country Program Evaluation
GDP	Gross domestic product
IFRC	International Federation of Red Cross and Red Crescent Societies
ILO	International Labour Organization
IMF	International Monetary Fund
INE	National Statistics Institute
OVE	Office of Evaluation and Oversight
PAHO	Pan American Health Organization
PBL	Policy-based Loans
PDES	Plan de Desarrollo Económico y Social en el Marco del Desarrollo Integral para Vivir Bien [Economic and Social Development Plan in the Framework of the Comprehensive Development for Living Well Agenda]
PEFA	Public Expenditure and Financial Accountability
ReTS	Evaluation Recommendation Tracking System
TFFP	Trade Finance Facilitation Program
UNICEF	United Nations Children's Fund

I. INTRODUCTION

- 1.1 **As established in its work program for 2019-2020, the Inter-American Development Bank (IDB) Office of Evaluation and Oversight (OVE) will perform a Country Program Evaluation (CPE) with the Plurinational State of Bolivia (Bolivia) for the period covered by the most recent IDB Group Country Strategy 2016-2020.**¹ This will be OVE's fifth independent evaluation of the IDB Group program with Bolivia. The previous CPEs covered the periods of 1990-2002 (document RE-297), 2004-2007 (document RE-340), 2008-2010 (document RE-391), and 2011-2015 (document RE-483-1). The recommendations made by OVE in the most recent CPE (Annex I) were incorporated into the IDB Evaluation Recommendation Tracking System (ReTS), and the degree of implementation thereof will be one of the elements evaluated in this CPE.
- 1.2 **This approach paper defines the scope, methodology, and timeline for the CPE for the 2016-2020 period, which will serve as an input for preparing the new country strategy with Bolivia for 2021-2025.** According to the Protocol for Country Program Evaluation (document RE-348-3), the main goal of a CPE is to "provide information on Bank performance [...] that is credible and useful, and that enables the incorporation of lessons and recommendations that can be used to improve the development effectiveness of the Bank's overall strategy and program of country assistance." To this end, the CPE will analyze the IDB Group's relationship with the country from an independent and holistic perspective, with particular reference to the program's relevance, efficiency, effectiveness, and sustainability. The analysis will cover both financial and nonfinancial products offered by the IDB Group during the period concerned. As established under the Protocol, this exercise is performed as an input for the preparation of the new Country Strategy with Bolivia 2021-2025. The CPE 2016-2020 will be the first independent evaluation of the IDB Group's program with Bolivia to encompass the work of both the IDB and IDB Invest (formerly known as the Inter-American Investment Corporation or IIC).
- 1.3 **This approach paper is organized in the following four sections:** Section II provides a brief introduction to the macroeconomic, social, and institutional context surrounding implementation of the Country Strategy 2016-2020, to provide context for the evaluation work. Section III describes the objectives set in the Country Strategy 2016-2020 and the IDB Group's portfolio in the period, including both financial and nonfinancial products. Section IV introduces the evaluation approach to be taken, including the evaluation questions. Lastly, Section V details the team and proposed timeline for the CPE.

II. CONTEXT OF THE COUNTRY PROGRAM 2016-2020

- 2.1 **Bolivia is a lower-middle-income country with nearly 11.5 million inhabitants and a per capita gross domestic product (GDP) of US\$3,589.** The country has grown an average of 4.27% per year since 2000, tripling its per capita GDP.² After reaching a record 6.8% in 2013, growth has slowed somewhat, in line with the

¹ The country strategy officially expires on 31 January 2020, but the planning period used by the IDB was from 1 January 2016 to 31 December 2020, and the CPE will cover that same period.

² (INE Undated).

decline in hydrocarbon prices, returning to around 4% per year,³ which is still well above the regional average of 1.05%.⁴ Although this growth has helped decrease the poverty and extreme poverty rates (from 66% in 2000 to 36% in 2017 and from 45% to 17%, respectively),⁵ Bolivia continues to be the poorest country in the Andean region.⁶ In the same period inequality also decreased, from a Gini coefficient of 62 to 46,⁷ which is below the Latin America average of 47.⁸ However, challenges remain due to differences between rural and urban areas and ethnic groups.⁹ Over 60% of the indigenous and rural population still lives below the poverty line, and 40% below the extreme poverty line. Both of these percentages are far higher than the overall national averages.¹⁰ Moreover, although Bolivia's urbanization rate is still much lower than the Latin America average (92%), it did rise from 62% in 2001 to almost 70% in 2018.¹¹

- 2.2 **Exports are highly dependent on hydrocarbons and extractive industries, while GDP comes from a variety of sectors.** In 2018, around 80% of exports were hydrocarbons (especially natural gas) and extractive industry products.¹² In contrast, the GDP is more diversified. According to the National Statistics Institute (INE), in 2018, six sectors each accounted for between 10.7% and 16.3% of GDP.¹³ That said, the lion's share of GDP is consistently generated in only three¹⁴ of the country's nine departments, which, according to the INE, contributed more than 70% of domestic value added in 2018.
- 2.3 **Due to the decline in hydrocarbon prices and the volatility of Bolivia's neighbors and trade partners, by 2018 the external sector had recorded four consecutive years of imbalances.** Despite the recovery made in the past few years, from 2015-2018 the average current account deficit was 5.4% of GDP, as a result of the negative trade balance,¹⁵ which was primarily due to a slowdown of hydrocarbon exports owing to decreased demand from Brazil and Argentina (the principal trade partners) and lower international prices.
- 2.4 **Increased public spending has helped drive Bolivia's economic growth since 2005, but the decline in hydrocarbon revenue has led to a deterioration of the public accounts.** The overall nonfinancial public sector deficit reached 8.1% of

³ (INE Undated).

⁴ (IMF 2019).

⁵ (INE Undated).

⁶ Considering the Andean countries to be Bolivia, Colombia, Ecuador, Peru, and Venezuela.

⁷ (INE Undated).

⁸ (ECLAC 2019a).

⁹ Furthermore, the poverty and extreme poverty rates are still above regional levels, which according to ECLAC for Latin America were 29.6% and 10.2% respectively.

¹⁰ (UDAPE Undated).

¹¹ (INE Undated) and (ECLAC 2019b).

¹² (BCB Undated).

¹³ These sectors are: manufacturing industries (16.3%); public administration services (16%); financial, insurance, real estate, and business services establishments (12.6%); agriculture, forestry, hunting, and fishing (12.1%); transportation, storage, and communications (11.2%); and mine and quarry extraction (10.7%).

¹⁴ Namely: Santa Cruz (29.1%), La Paz (27.9%), and Cochabamba (14.9%).

¹⁵ In the 2004-2014 period, the average balance was 6.1%.

GDP in 2018, the fourth consecutive year with a negative balance, and the largest one since 2002.¹⁶ As a result, external public debt, which amounted to 20% of GDP in 2015, had increased to nearly 25% in 2018.¹⁷

- 2.5 **The Central Bank of Bolivia (BCB) maintained a stable foreign exchange policy, anchoring expectations regarding the value of the dollar.** Exchange rate stability,¹⁸ reduced inflationary pressures on imported goods, and the sound performance of agricultural production helped maintain stability in the price system. Accordingly, inflation decreased and at year-end 2018 was 1.5%, below the target range of 3.5% to 5.5% set for that year.¹⁹ One tradeoff of the monetary policy has been that since 2015 the real exchange rate has fallen below its equilibrium level.²⁰
- 2.6 **The country faces challenges in terms of productivity, which has stagnated since the 1960s, potentially jeopardizing the high growth rates.** Economic activity is concentrated in low-productivity sectors like agriculture and natural resources. Furthermore, small, informal companies with limited growth potential predominate; around 95% of Bolivian companies are small or medium-sized enterprises.²¹ Although public investment averaged the equivalent of 7.6% of GDP in the 2015-2017 period, Bolivia continues to have high logistical costs and an underdeveloped infrastructure, which impact its commercial development.²² Around 60% of exports are shipped by road,²³ but only 9% of the country's road network is paved, and its road density is the lowest in the region.²⁴ Spending on research and development accounted for 0.16% of GDP (2009),²⁵ compared to 0.71% in Latin America and the Caribbean overall. The World Economic Forum Global Competitiveness Report ranks Bolivia 122nd (of 190) in innovation capacity. Furthermore, the Doing Business 2019 index ranked Bolivia 156th (of 190) for its business climate, an improvement of just one position since 2014.²⁶ The private sector faces obstacles that include market restrictions and labor policies that discourage investment.²⁷
- 2.7 **Despite the progress made on social indicators, challenges remain.** Central government social spending accounted for 22% of GDP in 2016, and was allocated primarily to education, health, and the social safety net, supporting poverty reduction. In the past 15 years, educational supply and demand have substantially increased in rural areas, leading to progress on school enrollment,

¹⁶ (BCB Undated).

¹⁷ (BCB 2019).

¹⁸ The BCB maintains a fixed rate with respect to the U.S. dollar.

¹⁹ (BCB Undated).

²⁰ (BCB 2018).

²¹ (CEPB 2016).

²² A 2016 study by the Latin American Integration Association found that Bolivia faces transportation costs equivalent to 8.4% of the value of traded goods, which is higher than the regional average of 6.3%.

²³ Plus 22% by waterways and the rest by rail.

²⁴ (IDB Invest 2019).

²⁵ Most recent information available (World Bank 2019).

²⁶ (World Bank 2018).

²⁷ Such as centralized salary increases and bonuses, for which negotiations exclude employers, and obstacles to firing.

even for indigenous children, and on closing gender gaps.²⁸ In the past eight years, the under-five mortality rate was cut by 50%,²⁹ and progress was made on reducing the prevalence of delayed growth.³⁰ However, the maternal mortality rate is 200 per 100,000 births, the third highest rate in Latin America and the Caribbean. Bolivia has made significant progress in health and occupational insurance coverage, which increased nine percentage points between 2006 and 2016, reaching almost 40% of the population.³¹ Nevertheless, the economy remains highly informal, and just 28% of private sector employees have contributory social security coverage.³² This is the lowest rate in Latin America. Furthermore, challenges remain for equity and in the fight against gender violence. The United Nations Development Programme ranks Bolivia 102nd (of 160) on inequality between men and women, with job market participation (in which there is a gap of 25%)³³ representing one of the largest challenges. In addition, in 2016, 75% of women (married or partnered and over 15) reported having suffered some type of violence over the course of their relationship.³⁴

- 2.8 **Access to basic services continues to be limited, particularly in rural areas.** In 2018, over 16% and 30% of the country's population still lacked access to improved water sources and sanitation, respectively; in rural areas, these figures went up to 29% and 59%.³⁵ Difficulties in accessing electricity also disproportionately impact rural areas, where over one fifth of the population lacks access to electricity in their homes, compared to the near-100% coverage in urban areas.³⁶
- 2.9 **Lastly, Bolivia is one of the Latin American countries with the greatest exposure to extreme weather events, including floods, droughts, frost, and landslides.**³⁷ However, the country's capacity for managing these risks is very low; the Notre Dame Global Adaptation Initiative Country Index ranks Bolivia 30th least ready to face these disasters. For example, according to preliminary estimates by the Red Cross, the intense rains in early 2019 left 79 municipalities in a "state of disaster" and 25 in a "state of emergency." A total of 47,125 families lost some of their assets, and 23,683 families lost their homes, and 34 deaths and 26 disappearances were reported.³⁸

²⁸ (IDB 2015).

²⁹ (INE Undated).

³⁰ (INE Undated).

³¹ (INE Undated).

³² (ILO 2018).

³³ (UNDP 2018).

³⁴ (INE 2017).

³⁵ (INE Undated).

³⁶ (INE Undated).

³⁷ (Eckstein, Hutfils and Wings 2019).

³⁸ (IFRC 2019).

III. IDB COUNTRY STRATEGY WITH BOLIVIA

A. IDB Country Strategy with Bolivia 2016-2020

- 3.1 **The IDB Country Strategy with Bolivia was developed in a context in which the government had spelled out its own priorities in an Economic and Social Development Plan in the Framework of the Comprehensive Development for Living Well Agenda (PDES 2016-2020).** The PDES is part of the Patriotic Agenda 2025, which has 13 pillars.³⁹ For each pillar, the PDES proposes targets and outcomes to be achieved by 2020 (a total of 68 and 340, respectively). The government developed the plan in the context of declining hydrocarbon prices, which resulted in a less favorable macroeconomic scenario than in the past. In this context, the PDES established the following main objectives: (i) eradication of extreme poverty; (ii) universal access to basic services, expanding coverage of drinking water, basic sanitation, residential natural gas, electricity, and telecommunications services; (iii) access to housing for a decent life; (iv) implementation of universal health services and construction, expansion, and equipment for quaternary, tertiary, and secondary healthcare institutions; (v) universal access to education and strengthening of the education system; (vi) positioning of Bolivia as an energy and road integration hub; (vii) change of the productive matrix; (viii) technological, scientific, environmental, and food sovereignty; (ix) sovereignty and transparency in public governance; and (x) strengthening of macroeconomic stability and fiscal sustainability, deepening the model of equality and distribution of wealth.
- 3.2 **The Country Strategy for the 2016-2020 period was approved in February 2016 with the objectives of supporting the policies advanced in the PDES 2016-2020 and contributing to Bolivia's medium- and long-term development.** Specifically, it set forth three priority areas with associated strategic objectives: (i) increasing productivity and diversification in the economy; (ii) closing social gaps; and (iii) improving public governance (Table 3.1).⁴⁰ The priority areas and their strategic objectives provided continuity with the prior country strategy's priority sectors, which were aligned with the three strategies of the 2006-2011 National Development Plan: Productive Bolivia, Dignified Bolivia, and Democratic Bolivia.⁴¹ The country strategy also took into account the IIC 2016-2019 Business

³⁹ The pillars are: 1. Eradication of extreme poverty; 2. Socialization and universalization of basic services with sovereignty for living well; 3. Health, education, and sport for comprehensive human development; 4. Technical and scientific sovereignty with their own identities; 5. Community financial sovereignty that is not dominated by financial capitalism; 6. Diversified sovereign production with comprehensive development, free from the dictates of the capitalist market; 7. Sovereignty over our natural resources with nationalization, industrialization, and marketing in harmony and balance with Mother Earth; 8. Food sovereignty through building knowledge on eating well to live well; 9. Environmental sovereignty with comprehensive development that respects the rights of Mother Earth; 10. Complementary integration of peoples with sovereignty; 11. Sovereignty and transparency in public governance under the principles of do not steal, do not lie, do not be lazy, and do not grovel; 12. Enjoyment of and full happiness in our celebrations, music, rivers, forest, mountains, snow-covered peaks, clean air, and dreams; and 13. Sovereign reunion with our joy, happiness, prosperity, and sea.

⁴⁰ Unlike prior country strategies, this one did not include crosscutting or dialogue areas.

⁴¹ The seven priority sectors were: (i) transportation; (ii) water and sanitation; (iii) energy; (iv) early childhood development; (v) health; (vi) education; and (vii) the strengthening of public governance.

Plan and the Renewed Vision for IDB Group Activities with the Private Sector, but did not specify objectives for the IDB Group private sector window.

Table 3.1. Sector priorities in the Country Strategy 2016-2020

Country strategy priority areas	Country strategy strategic objectives
Increasing productivity and diversification in the economy	<ul style="list-style-type: none"> • Improve the provision of quality public goods and services • Promote innovation • Create an enabling environment for business formalization and growth (primarily for micro, small, and medium-sized enterprises) • Reduce vulnerability to natural disasters and climate change
Closing social gaps	<ul style="list-style-type: none"> • Reduce extreme poverty with an emphasis on rural areas, indigenous groups, and the under-15 age group • Expand water and sanitation coverage, principally in periurban and rural areas • Improve access and quality of social services, with an emphasis on health and social welfare with a gender and crosscultural perspective • Increase workforce integration of women and indigenous and Afro-descendant people
Improving public governance	<ul style="list-style-type: none"> • Improve the effectiveness of public governance

Source: Country Strategy.

3.3 In the Country Strategy 2016-2020, the Bank proposed a lending framework of US\$3.167 billion in sovereign guaranteed approvals, nearly tripling the prior period’s approvals of US\$1.280 billion. In addition to the increased approvals, annual disbursements are expected to rise to US\$557.8 million in 2020. These projections assume an 85%/15% mix of Ordinary Capital and concessional resources. The country strategy also noted that the capacity for reaching the projected approval and disbursement amounts is contingent upon debt sustainability, economic performance, and local counterparts’ execution capacities. The country strategy also presented an alternative scenario with an 80%/20% mix of Ordinary Capital/concessional resources, which resulted in US\$2,533,800,000 in sovereign guaranteed loan approvals in 2016-2020.

B. The Bank’s operational portfolio

3.4 Since 2016,⁴² the Bank has approved 23 sovereign guaranteed loans for US\$1.945 billion and 51 technical-cooperation operations or investment grants for US\$15 million. All told, 64% of the sovereign guaranteed loan and nonreimbursable investment financing approvals were channeled through investment loans (US\$1.242 billion) and the remainder through PBLs (US\$701 million). According to the IDB classification, the largest share of the approved amounts (US\$1.063 billion) was allocated to increasing productivity and diversification in the economy, followed by closing social gaps with US\$866 million

⁴² The closing date for the portfolio presented herein was 31 July 2019. However, to compare this portfolio with the country strategy financial forecasts, and to the extent that prior preparation work has taken place, this document will also consider the operations in pipeline A that will be approved before 31 December 2020 according to Management stipulations in official programming documents.

and improving the effectiveness of public governance with US\$15 million (Table 3.2). For the rest of 2019 and 2020,⁴³ US\$292 million in approvals⁴⁴ are planned.

Table 3.2. Operations by strategic objective

Priority area	Strategic objectives	PBLs			Investment loans			Nonreimbursable operations		
		No.	Amount		No.	Amount		No.	Amount	
			US\$M	%		US\$M	%		US\$M	%
<i>Increasing productivity and diversification in the economy</i>	Improve the provision of quality public goods and services	2	\$172	24%	4	\$302	24%	11	\$2	16%
	Create an enabling environment for business formalization and growth	0	\$0	0%	1	\$26	2%	4	\$1	7%
	Promote innovation	0	\$0	0%	0	\$0	0%	1	\$0	1%
	Reduce vulnerability to natural disasters and climate change	3	\$340	48%	3	\$223	18%	2	\$0	3%
<i>Closing social gaps</i>	Reduce extreme poverty with an emphasis on rural areas, indigenous groups, and the under-15 age group	0	\$0	0%	0	\$0	0%	1	\$1	3%
	Expand drinking water and sanitation coverage, principally in rural areas	2	\$190	27%	5	\$361	29%	10	\$3	23%
	Improve access and quality of social services	0	\$0	0%	2	\$315	25%	12	\$4	25%
	Increase workforce integration of women and indigenous people	0	\$0	0%	0	\$0	0%	2	\$1	3%
<i>Improve the effectiveness of public governance</i>	Improve the effectiveness of public governance	0	\$0	0%	1	\$15	1%	8	\$3	18%
Total		7	\$702	100%	16	\$1,243	100%	51	\$15	100%

Source: OVE with Data Warehouse data.

3.5 The legacy portfolio (operations approved before the evaluation period but active⁴⁵ during it) included 31 sovereign guaranteed loan operations approved for a total of US\$1.859 billion, of which US\$1.042 billion remained to be disbursed early in the period. The largest portion of undisbursed resources was aligned with the strategic area of productivity and diversification of the economy (66% or US\$694 million), followed by social gaps (27% or US\$356 million) and public governance (8% or US\$81 million). Early in the period, six nonreimbursable financing operations were also active, for US\$158 million

⁴³ In 2019, Bolivia graduated from concessional funds, and new loans will be 100% from the Ordinary Capital.

⁴⁴ IDB. Enterprise Data Warehouse.

⁴⁵ The operations considered active for this evaluation will include operations with some funds disbursed in the 2016-2019 period, as well as guarantee facilities and equity investments that remained open and were maintained during the period. As for foreign trade financing facilities, only the ones with activity during the strategy period will be considered.

(US\$83 million undisbursed at the beginning of 2016), and 48 nonreimbursable technical-cooperation operations for US\$21.6 million (US\$6.3 million in balances pending disbursement at the start of the period).

- 3.6 **During the evaluation period, the IDB Group⁴⁶ approved two non-sovereign guaranteed operations, one in telecommunications and another in industry, for US\$50 million.** It also approved six foreign trade financing facilities (through the trade finance facilitation program, or TFFP), of which three were loans for US\$15 million and three were guarantees for US\$14.9 million. The non-sovereign guaranteed portfolio also included legacy operations that had been approved before the evaluation period with disbursements during it, or for which an expanded supervision report (XSR) was or should have been prepared during the evaluation period: eight operations⁴⁷ during the period for US\$16.6 million, primarily in corporate operations.

IV. EVALUATION QUESTIONS

- 4.1 **This CPE will use the evaluation criteria of relevance, efficiency, effectiveness, and sustainability.** These criteria provide a complete picture of the program, its outcomes, and the means used to achieve them. The portfolio to be evaluated will include all operations approved by the IDB Group since 2016, plus the legacy operations. The CPE will also review the degree of implementation of the recommendations made in the previous CPE. The evaluation questions for this CPE are presented below:

A. Relevance

- 4.2 Relevance refers to the degree to which (i) the development and objectives of the IDB Group strategy and assistance program align with (ii) the country's needs, development plans, and government priorities. Under this dimension, the CPE will seek to respond to questions like:
- To what extent were the objectives set forth in the IDB Group country strategy and program of operations aligned with country's development needs, the government's development strategies, and the relevant institutional mandates of the IDB Group?

⁴⁶ In 2016, the IDB Group consolidated all its private sector windows under the Inter-American Investment Corporation (IIC, now IDB Invest), which inherited the Structured and Corporate Finance Department and Opportunities for the Majority operations.

⁴⁷ Unlike sovereign guaranteed operations, non-sovereign guaranteed operations are often entirely disbursed at the outset (with implementation to follow). Therefore, some of these operations, entirely disbursed before January 2016, could have been substantially implemented during the period. OVE considers the XSR to be an adequate milestone for defining substantial implementation beyond the disbursements, since it is prepared in an early operational maturity stage. However, not all non-sovereign guaranteed operations that should have had an XSR actually did, since early in the evaluation period there was a lapse in the preparation of XSRs. Therefore, OVE also considers the non-TFFP non-sovereign guaranteed operations with disbursements in the two years prior to the evaluation period to be part of the preexisting portfolio, even when an XSR was not prepared. The aim of this is to ensure that all of the relevant operations that were substantially implemented during the evaluation period are included.

- To what extent was the designed program of operations (portfolio and nonfinancial contributions) aligned with the objectives set forth in the IDB Group country strategy and the annual country program documents?
- What role and business model has the IDB Group adopted in the country, and to what extent did they evolve to support the country's needs?
- To what degree was the program designed in accordance with the country's institutional capacity for implementation?
- Was the combination of financial and technical-assistance instruments appropriate, given the country's level of institutional capacity, fiscal priorities, and market conditions?
- How did the IDB Group coordinate its support in key priority areas with support from other development partners?
- To what extent did the IDB Group raise funds from other development partners?

B. Implementation and efficiency

4.3 The implementation analysis reviews program implementation costs and times in comparison with subregional averages and the prior period, addressing crosscutting elements like executing agency efficiency, the use of country systems, and the quality of the technical and administrative support provided by the IDB Country Office and headquarters. Under this dimension, the CPE will seek to respond to the following questions:

- What were the principal factors that affected program implementation costs and times?
- How accurately did the Bank predict the program's implementation risks and how did it respond to any difficulties that arose in implementation?
- How did program implementation costs and times compare to Bank and subregional averages?

C. Effectiveness

4.4 The analysis of effectiveness refers to the extent to which the program objectives agreed by the Bank and the country were achieved. Under this dimension, the CPE will seek to respond to the following questions:

- To what extent did the IDB Group interventions achieve the strategic objectives of each strategic area, as identified in the country strategy and in the operations' results frameworks? What were the principal factors behind these results?
- To what extent did the program achieve crosscutting objectives like the strengthening of country systems?

D. Sustainability

4.5 Sustainability refers to the likelihood that the program outcomes will be maintained over the long term. Under this dimension, the CPE will seek to respond to the following questions:

- What is the likelihood that the outcomes of the IDB Group interventions will be sustainable and why?
- What are the main risks that could affect sustainability (including environmental and social sustainability) and what measures have been taken to mitigate them?

E. Evaluation methodology

4.6 **The evaluation will follow the methodological guidelines stipulated in the Protocol for Country Program Evaluation (document RE-348-3).** It will analyze the IDB Group programming and supervision documents (project monitoring report, project supervision report) and evaluation documents (project completion report and expanded supervision report). Furthermore, it will draw on various information sources. These include interviews with key stakeholders for their experiences and perspectives: current and former government officials, project executing agencies, IDB Group sector specialists, international cooperation agencies, and members of academia and civil society familiar with the countries development challenges and the challenges facing the various sectors in which the IDB Group operates. OVE will supplement its document review with analyses of internal and external databases. The evaluation methodology will include a comparative analysis of operations and priority areas for the various intervention modalities. Annex III contains the evaluation matrix with the evaluation questions, which may be adjusted as necessary during the evaluation process. The methodology also considers the recommendations made in the prior CPE and included in the ReTS (Annex I). The CPE will analyze the extent to which these continue to be relevant and to which they have been implemented.

V. TEAM AND TIMELINE

5.1 **The Country Program Evaluation with Bolivia will be conducted by a multidisciplinary team supervised by the director of the Office of Evaluation and Oversight, Ivory Yong-Prötzel.** The team is made up of Jonathan Rose, Project Team Leader; Horst Wattenbach; Roni Szwedzki; Odette Maciel; Galia Rabchinsky; Lina Pedraza; Federico Fraga; Viola Belohrad; and Melanie Putic.

5.2 **To ensure the evaluation's relevance and usefulness, the team will establish a dialogue with Bank Management, specifically the Country Office, and will conduct a mission to Bolivia.** Before this mission, the team will perform an extensive desk review and will interview IDB Group specialists. This preliminary work will include the preparation of internal notes on the priority areas. The mission will serve to: (i) identify and verify the main aspects of the IDB Group's relationship with the country; (ii) gather data and validate the project analyses; (iii) visit specific projects to collect information from executing agencies and beneficiaries; and (iv) interview key officials and counterparts familiar with the country's development challenges and those facing the various sectors in which the IDB Group operates.

The specific projects to be visited will be selected on the basis of the desk review and interviews, taking into account the physical progress made on the projects, the existence of significant information gaps, the projects' importance or innovative characteristics, and the degree to which local stakeholders need to be consulted in order to complete the evaluation.

- 5.3 **The evaluation timeline is designed to coincide with the decision-making processes for the new country strategy 2021-2024.** According to the Protocol for Country Program Evaluation, the results of the evaluation should be provided at a time when the government is willing to make strategic decisions about the use of external assistance. The indicative timeline is shown in Table 5.1.

Table 5.1. Indicative timeline of activities

ACTIVITY	DATE
Approach paper	October 2019
Mission	November 2019
Draft shared with Management and the Government of Bolivia	February 2020
Final document delivered to the Office of the Secretary	March 2020
Presentation to the Programming Committee of the Board of Executive Directors	April 2020

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RECOMMENDATIONS FROM THE PREVIOUS CPE 2011-2015

1. Continue to support the implementation and consolidation of ongoing reform processes supported by the Bank during the evaluation period, while maintaining a technical and policy dialogue based on a long-term vision that allows those processes to move forward within government plans.
2. Seek ways of supporting the Bolivian government's proposals in building the capacities of subnational entities (necessary for progressive decentralization) and in the strengthening of country systems and capacities to coordinate across different levels of government.
3. Place greater emphasis on sustainability issues in investments financed through IDB loans, so all projects systematically incorporate mechanisms to ensure operation and maintenance of services.
4. Seek spaces for supporting the private sector in areas that help to boost productivity, and in which the Bank has a comparative advantage through involvement of its private sector windows.

LOAN PORTFOLIO

Table II.1. Bolivia CPE-2016-2020 sovereign guaranteed loan portfolio

Strategic area	Division	Operations		Approval year	Original approved amount Thousands of US\$	
Increasing productivity and diversification in the economy	ENE	BO-L1117	Rural Electrification Program II	2016	100,000	
		BO-L1189	Program to Strengthen the Electricity Sector	2018	51,600	
		BO-L1190	Electricity Infrastructure Expansion Program	2018	78,000	
	RND	BO-L1106	National Irrigation Program with a Watershed Approach III (PRONAREC III)		2016	158,400
		BO-L1107	Disaster Risk Management Program II		2016	100,000
		BO-L1113	Rural Land Regularization and Titling Program		2016	60,000
		BO-L1179	Agricultural Health and Food Safety Program II		2016	25,000
		BO-L1182	Cultural Heritage Tourism Management Program		2018	26,000
		BO-L1188	Bolivia Resilient to Climate Risks		2017	40,000
		BO-L1183	Program for the Strengthening of Environmental and Natural Resource Management		2017	140,000
	TSP	BO-L1199	Program for the Strengthening of Environmental and Natural Resource Management II		2019	100,000
BO-L1112		Transportation Sector Policy Reform Program II		2017	120,000	
		BO-L1186	Mairana-Bermejo Segment Reconstruction Project	2017	64,000	
Closing social gaps	LMK	BO-L1121	Program to Support Employment II	2016	40,000	
	SPH	BO-L1198	Program to Improve Accessibility to Maternal and Neonatal Health Services in Bolivia	2018	275,000	
	WSA	BO-L1100	Reform program for the water, sanitation, and water resources sectors in Bolivia Second Operation		2016	90,000
		BO-L1114	Storm Drainage for the Cities of La Paz and El Alto III		2016	30,000
		BO-L1118	Lake Titicaca Cleanup Program		2016	77,330
		BO-L1184	Water and Sanitation Program for Small and Medium-Sized Cities		2018	79,000
		BO-L1191	Program to Expand and Improve Water Supply Sustainability and Resilience in Cities		2017	75,000
		BO-L1192	Comprehensive Water Management Program in Urban Areas		2018	100,000
BO-L1200	Policy reform program for the water, sanitation, solid waste, and water resources sectors in Bolivia		2019	100,000		
Improve the effectiveness of public governance	FMM	BO-L1111	Program to Support Pre-Investment for Development II	2018	15,000	

Source: OVE with Data Warehouse data.

Table II.2. Bolivia CPE portfolio of technical-cooperation operations

Strategic area	Division	Operations		Approval year	Original approved amount Thousands of US\$
Increasing productivity and diversification in the economy	CAN	BO-T1326	Emergency Support Generated by Intense Rains	2018	200
	CBO	BO-T1322	Diagnosis of Public Policies in Bolivia	2018	80
	ENE	BO-T1285	Support for the Initial Preparation and Execution of the Expansion Program of the Energy Infrastructure of Bolivia	2017	300
		BO-T1291	Support for the Preparation and Initial Execution for the Energy Sector Reforms PBL	2017	200
		BO-T1323	Support for the Development of the Electricity Sector in Bolivia	2018	400
		BO-T1324	Exchange of Experience between Bolivia and Costa Rica on the Mitigation Hierarchy in the Energy Sector	2017	20
	HUD	BO-T1328	Support for the Creation of the Park of Cultures and Mother Earth for Local Economic Development and Mitigation of Environmental Impact in the Surrounding Neighborhoods	2018	300
	RND	BO-T1257	Support for the preparation of the Agricultural Health and Food Safety Program II	2016	250
		BO-T1263	Support for Preparation and Initial Implementation of National Tourism Management Program	2016	270
		BO-T1298	Support for the preparation of the Program "Bolivia Resilient to Climate Risks" (BO-L1188)	2017	200
		BO-T1317	Operational Support for the Comprehensive Development of the Bolivian Agricultural Sector	2018	150
		BO-T1278	Support for the Program to Strengthen Environmental and Natural Resource Management	2016	257
	TSP	BO-T1262	Support for the Preparation of Urban Transport Studies	2016	185
		BO-T1264	Support for the preparation and implementation of the Transportation Sector Policy Reform Program II	2016	200
		BO-T1267	Support to the Preparation and Execution of Road Projects III	2016	150
		BO-T1268	Comprehensive Support for the Development of National and Subnational Transport Plans and Development of Strategies for the Improvement of Road Safety	2017	275
		BO-T1284	Sectorial Support Transportation Studies in Bolivia	2017	200
		BO-T1321	Support for the Development of the Transportation Sector in Bolivia	2018	351
		BO-T1341	Support for the Transportation Sector in Bolivia	2019	300
	Closing social gaps	GDI	BO-T1280	Support for the Management and Implementation of the Institutional Framework for the Indigenous Native Campesino Governments (GAIOC)	2017
BO-T1303			Support for the Development of the Ciudad Mujer Initiative (CM)	2017	350
BO-T1314			Support for the Mainstreaming of Gender and Diversity Issues in the IDB Portfolio in Bolivia	2018	300
ICS		BO-T1307	Strengthening Local Policies to Reduce Violence Against Women (VAW)	2017	450
LMK		BO-T1256	Design of job training policy and employment promotion	2016	150
		BO-T1310	Skills for the Future: Policies for Productivity in a Context of Informality and Technological Change	2018	350
SPH		BO-T1259	Effectiveness of community interventions to reduce infant malnutrition	2016	200
		BO-T1260	Support for the Ministry of Health to Build a Single Health Information System (SUIS)	2016	350
		BO-T1266	Support for the Upgrading of Tertiary Hospitals to the New National Standard of Characterization	2016	350
		BO-T1281	Support for the implementation of a new hospital management model	2017	250
	BO-T1282	Support for the Ministry of Health in strengthening the healthcare model at the primary level of the health system	2017	250	

Strategic area	Division	Operations		Approval year	Original approved amount Thousands of US\$
		BO-T1283	Support for the Ministry of Health of Bolivia in the Development of the Plan for Accelerated Reduction of Maternal and Neonatal Mortality	2017	250
		BO-T1311	Support for a New Operation to Improve Accessibility to Health Services to Reduce Maternal Mortality in Bolivia	2018	402
		BO-T1312	Support for the organizational development of the Agency for Health Infrastructure and Medical Equipment (AISEM) and the design of an investment model for projects in network health services infrastructures	2018	300
	WSA	BO-T1235	Support for the Preparation and Execution of Drainage Program (BO-L1114)	2016	300
		BO-T1258	Support for the Preparation and Initial Execution of the W&S for Small Towns and Rural Communities Program II	2016	200
		BO-T1275	Support for the Preparation and Initial Execution of the W&S for Small Towns and Rural Communities Program, Phase II	2016	350
		BO-T1277	Drainage Master Plans in the Cities of Riberalta and Trinidad in Bolivia	2016	750
		BO-T1290	Support for the Preparation and Initial Implementation of the Basic Sanitation Program in Bolivia	2017	176
		BO-T1294	Improvement Plan for the Quality of Water and Sanitation Service Operators	2017	300
		BO-T1301	Support for the preparation and implementation of the Program to Expand and Improve Sustainable and Resilient Water Supply to Cities I	2017	725
		BO-T1306	Support for the Preparation of the National Strategy for Wastewater Treatment and the Rural Water and Sanitation Strategy in Bolivia	2017	300
		BO-T1319	Support for the Preparation and Implementation of the Integrated Water Management Program in Urban Areas	2018	200
		BO-T1332	Support for the Preparation of the Policy Reform Program of the Water, Sanitation, Solid Waste, and Water Resources Sectors	2019	350
BO-T1348	Exchange of Experiences Between Bolivia and Ecuador in the Water and Sanitation Sector	2019	5		
Improve the effectiveness of public governance	CBO	BO-T1270	Action Plan for Group C and D Countries	2016	565
		BO-T1299	Action Plan for Group C and D Countries	2017	536
		BO-T1325	Action Plan for Group C and D Countries	2018	560
		BO-T1345	Action Plan for Group C and D Countries	2019	553
	FMM	BO-T1302	Exchange of Experiences for the Strengthening of the National System of Public Investment	2017	14
		BO-T1315	Support for the Sustainability of Public Investment for Development	2018	200
	HUD	BO-T1347	Knowledge Exchange between Bolivia and Uruguay on Urban Centralities in the Sector of Urban Development and Housing	2019	14

Source: OVE with Data Warehouse data.

Table II.3. Bolivia CPE non-sovereign guaranteed loan portfolio

Strategic area	Operations		Approval year	Original approved amount Thousands of US\$
Increasing productivity and diversification in the economy	12379-02	Companex	2018	5,000
	12523-01	PTI Bolivia	2018	45,000

Source: OVE with Data Warehouse data.

Table II.4. Bolivia CPE-2016-2020 legacy sovereign guaranteed loan portfolio

Strategic area	Division	Operations		Approval year	Original approved amount Thousands of US\$
Increasing productivity and diversification in the economy	ENE	BO-L1043	Misicuni Renewable Energy Hydroelectric Project	2009	101,000
		BO-L1050	Rural Electrification Program	2010	60,000
		BO-L1072	Cochabamba-La Paz Transmission Line	2011	78,000
	RND	BO-L1039	National Community Tourism Program	2010	20,000
		BO-L1084	Irrigation Program with a Watersheds Approach II	2013	57,000
		BO-L1096	Direct Support for the Creation of Rural Agrifood Initiatives II	2015	62,000
		BO-L1104	Disaster Risk Management Program I	2015	142,530
	TSP	BO-L1056	Preinvestment Program for Strategic Transportation Projects	2010	15,800
		BO-L1075	Montero-Yapacaní Two-Lane Segment of the Santa Cruz-Cochabamba Highway	2012	122,000
		BO-L1076	Airport Infrastructure Program. Phase I	2013	73,500
		BO-L1093	La Paz - El Alto Highway Rehabilitation	2013	35,000
		BO-L1095	Road Infrastructure Development and Management Program for the Basic Road Network	2014	185,500
BO-L1102	Road Infrastructure Development and Management Program for the Basic Road Network II	2015	178,570		
Closing social gaps	EDU	BO-L1071	Support for Productive Community Secondary Education	2012	40,000
	LMK	BO-L1051	Program to Support Employment	2010	20,000
	SPH	BO-L1064	"Grow Well to Live Well" Early Childhood Development Program	2012	20,000
		BO-L1067	Strengthening of Integrated Health Networks in the Department of Potosi	2011	35,000
		BO-L1078	Improved Access to Health Services in Bolivia	2012	35,000
		BO-L1082	Improved Access to Health Services in El Alto, Bolivia	2014	43,000
		BO-L1070	Master Registry of Beneficiaries Program	2011	5,000
	WSA	BO-L1028	Drainage in the Municipios of La Paz and El Alto	2010	30,000
		BO-L1065	Water and Sanitation Program for Small Localities and Rural Communities	2011	20,000
		BO-L1073	Program for Comprehensive Solid Waste Management Implementation in Bolivia	2012	20,000
		BO-L1074	Program to Reform the Water and Sanitation and Water Resources Sectors in Bolivia	2012	78,000
		BO-L1080	Multipurpose Water Supply and Irrigation Program for the Municipios of Batallas, Pucarani and El Alto	2015	62,000
BO-L1087	Water and Sewerage Program in Periurban Areas Phase II	2013	60,000		
Improve the effectiveness of public governance	FMM	BO-L1063	Municipal Management Improvement Program	2011	52,000
		BO-L1101	Program to Support Preinvestment for Development	2015	30,000
	TSP	BO-L1079	Multiphase Program for the Urban Restructuring of La Ceja	2013	47,000

Source: OVE with Data Warehouse data.

Table II.5. Bolivia CPE legacy nonreimbursable sovereign guaranteed operations

Strategic area	Division	Operations	Approval year	Original approved amount Thousands of US\$	
Increasing productivity and diversification in the economy	CMF	BO-T1221	Supporting the financial management of climate risks and vulnerability reduction	2014	600,000
		BO-T1246	Development of Bolivian Broadband ICT Infrastructure Services - Broadband Data Center	2015	550,000
	CTI	BO-T1236	Strengthening the institutional framework and policies to support innovation	2015	72,092
	ENE	BO-T1227	Support for the Development of the Electricity Sector in Bolivia	2015	300,000
		BO-T1232	Support for Rositas Hydroelectric Project Studies	2015	500,000
		BO-T1233	Support for the Laguna Colorada Transmission Line Project	2015	200,000
		BO-X1013	Program for Rural Electrification with Renewable Energy	2013	5,365,200
	ESG	BO-T1144	Tunari National Park Management Plan	2011	150,000
		BO-T1207	Support for the Preparation and Initial Execution of CRIAR II Project	2013	300,000
	RND	BO-T1230	National Biodiversity Strategy and Action Plan	2015	440,000
		BO-T1234	Support for the Preparation and Start of the Irrigation Program III	2015	150,000
		BO-T1239	Support for reforms of public policy in disaster risk management	2015	370,000
		BO-T1241	Support for the Preparation of the Land Administration Program	2015	150,000
		BO-T1242	Support for the Preparation of the Land Administration Program	2015	150,000
		BO-T1248	Support for the Preparation and Start of the Irrigation Program III	2015	150,000
		BO-T1249	ACC Integrating Approach in Public Policy Reforms in DRM	2015	380,000
		BO-X1001	Sustainable Management Highland Ecosystems, North Potosi	2010	6,000,000
	TSP	BO-T1182	Support for the preparation of the IMTS for La Paz/El Alto Metro Area Phase I	2012	750,000
		BO-T1204	Support for the preparation of the Airport Infrastructure Program I	2013	583,000
		BO-T1206	Support for the preparation and implementation of the Operation BO-L1095 Yucumo	2014	220,000
BO-T1228		Support for the Preparation and Execution of Road Projects	2014	300,000	
BO-T1231		Support for the Development of Airport Infrastructure	2014	268,073	
BO-T1244		Support for Rural Roads Development Program	2015	150,000	
BO-T1245		Support for Rural Roads Development Program	2015	350,000	
WSA	BO-T1255	National Inventory of Wastewater Treatment, Characterization, and Database	2015	300,000	
Closing social gaps	CCS	BO-G1004	Multipurpose Water Supply and Irrigation Program for the Municipios of Batallas, Pucarani, and El Alto	2015	42,500,000
		BO-X1012	Pilot Action Plan for Adaptation to Climate Change in Highland Areas	2015	4,298,240
	EDU	BO-T1178	Support for the Colonia Pirai Agricultural School	2012	1,342,212
		BO-T1211	Support for the Implementation of the Secondary Education Program (BO-L1071)	2014	200,000
	GDI	BO-T1193	Support for a System of Prevention of Violence Against Women	2013	937,000
		BO-T1199	Support for the Native Indigenous Campesino Farmer Autonomous Regions in Bolivia	2013	750,000
	LMK	BO-T1135	TC - Program to Support Employment	2010	750,000
		BO-T1159	Preschool and the Consolidation of Quality Services for Young Children	2012	400,000
	SPH	BO-T1181	Improving Child Nutrition Services in Bolivia	2012	500,000
		BO-T1208	Preinvestment on Child Health and Development - Emerging Sustainable Cities	2014	480,000
BO-T1214		Preparation and initial execution of the Program to Support the PEEP - Phase II	2014	300,000	
		BO-T1223	Technical Assistance for Hospital Management and Human Resources Policies	2014	500,000

Strategic area	Division	Operations		Approval year	Original approved amount Thousands of US\$
	WSA	BO-G1002	Water and Sanitation for Small Localities and Rural Communities	2011	20,000,000
		BO-T1158	Support for the design of the multipurpose water resources project for the metropolitan area of La Paz and El Alto	2012	2,000,000
		BO-T1196	Institutional Strengthening for W&S Service Providers	2013	500,000
		BO-T1197	Support for the W&S sector in the development of planning instruments, organizational development, and sector evaluation	2013	700,000
		BO-T1218	Support for the Preparation of the Policy Reform Program of the Water, Sanitation, Solid Waste, and Water Resources Sectors	2014	200,000
		BO-T1250	Support for the preparation of the Sanitation Program for the Titicaca Lake	2015	350,000
		BO-T1252	Support for the Implementation of the Master Plan for Katari Basin-Lake Titicaca	2015	500,000
		BO-T1254	Support for the Sanitation Program for Lake Titicaca (Katari River Basin and Cohana Bay)	2015	650,000
		BO-X1004	Spanish Fund - Water & Sanitation Periurban Areas	2009	80,000,000
Improve the effectiveness of public governance	CBO	BO-T1240	Action Plan for C and D Countries	2015	345,118
	CTI	BO-T1209	Support for the organizational restructuring and modernization of processes and tools	2013	870,000
	ENE	BO-T1212	Support for the preparation of the preinvestment program for Bolivia's development	2014	250,000
	FMM	BO-T1251	Support for the National Public Investment System	2015	200,000
	ICS	BO-T1202	Support for the Strengthening of the Citizen Security Observatory of Bolivia	2013	550,000
		BO-T1217	Support for Implementation of Digital Signature in Bolivia	2014	150,000
		BO-T1219	Support for the strengthening of the General Attorney of the State	2014	350,000
		BO-T1243	Open Government for Citizen Service	2015	500,000

Source: OVE with Data Warehouse data.

Table II.6. Bolivia CPE-2016-2020 legacy non-sovereign guaranteed loan portfolio

Strategic area	Operations		Approval year	Original approved amount Thousands of US\$
Increasing productivity and diversification in the economy	BO3616A-02	Bolibanana II	2015	140
	BO3649A-01	VICAR	2015	500
	BO3627A-01	Banco Ganadero	2015	3,000
	BO3632A-01	Montecristo	2014	250
	BO3638A-01	Agro Brava	2014	400
	BO3640A-01	CAMSA	2014	200
	BO-L1097	Banco Ganadero SME Financing Partnership	2014	10,000
	BO-L1066	Creating Opportunities for Small Sesame Producers in Bolivia	2011	2,100

Source: OVE with Data Warehouse data.

EVALUATION DESIGN MATRIX

Evaluation dimension: relevance			
Questions	Sources of information	Scope and methodology	Limitations
<p>Objectives: To what extent are the objectives set forth in the IDB Group country strategy and program of operations aligned with the country's development needs, the government's development strategies, and the relevant institutional mandates of the IDB Group?</p>	<ul style="list-style-type: none"> Government strategy documents, Five-year Development Plan (2015-2019), IDB Group country strategy documents (including the annual country program documents), sector framework documents and policies, IDB Group and other institutions' economic analyses, government economic and social data, and data from other agencies Context sections from IDB Group operation documents (loans, investment grants, technical-cooperation operations) and IDB Group project databases Responses from interviews with government officials, IDB Group employees, and other experts 	<ul style="list-style-type: none"> Internal-use notes from the strategic areas to compile an exhaustive list of the government's development priorities, evidence on the country's development needs, and the priorities established in the IDB Group country strategy and the programming exercises Review of priorities in projects in the portfolio Quantitative data (like budgets) and qualitative data (like expert opinions) to analyze how the Bank country strategy priorities align with government priorities, as regards development and the country's needs Analysis of the interviews 	<ul style="list-style-type: none"> The analysis will be partially based on information provided by the government and IDB Group documents, which could lead to a biased view of the priorities that tends to justify the actions performed. The economic and social data may be incomplete or outdated. Measurements based on the most readily available indicators, such as the number and amount of IDB Group approvals by issue/priority sector, may not reflect their importance or the relevance of their contributions.
<p>Design: To what extent was the designed program of operations (portfolio and nonfinancial contributions) aligned with the objectives set forth in the IDB Group country strategy and the annual country program documents?</p>	<ul style="list-style-type: none"> IDB Group project databases Loan and technical cooperation documents Country strategy and notes on the strategic areas Responses from interviews with government officials, IDB Group employees, and other experts 	<ul style="list-style-type: none"> Review of the portfolio Review of project and technical-cooperation operation documents Use of all relevant data to analyze how the IDB Group program of operations aligns with the country strategy Analysis of the interviews 	<ul style="list-style-type: none"> The program of operations' alignment with the IDB Group country strategy may cease to be relevant with regard to the country's development needs and government priorities if conditions in the country change during the strategy period.
<p>Role: What role and business model has the IDB Group adopted in the country, and to what extent did they evolve to support the country's needs?</p>	<ul style="list-style-type: none"> Bank repository of institutional data National statistics Data on approvals by other multilateral institutions Data on IDB Invest approvals and disbursements Data on approvals by other multilateral institutions' private sector windows Standards of good practice Responses from interviews with government officials, IDB Group employees, and other experts, including staff at other development agencies 	<ul style="list-style-type: none"> Analysis of trends in the IDB Group public and private sector windows' approvals and disbursements, for 2005-2015 and 2015-2019 Comparison with other multilateral institutions for the same periods Analysis of the results of the good practice standards Analysis of the interviews and discussion groups with qualified stakeholders 	<ul style="list-style-type: none"> It may be difficult to explain the approval and disbursement patterns and trends with certainty since OVE will rely on the opinions expressed by interested parties in surveys, interviews, and discussion groups. The volume of IDB Group financing and disbursements is not necessarily positively correlated with the relevance thereof.

Questions	Sources of information	Scope and methodology	Limitations
<p>Adequacy: To what degree was the program designed in accordance with the country's institutional capacity for implementation?</p>	<ul style="list-style-type: none"> Country program document, project completion reports, progress monitoring reports, and expanded supervision reports Review of findings from the Public Expenditure and Financial Accountability (PEFA) program and other country institutional capacity assessment methods Responses from interviews with executing agencies and key IDB Group personnel, like the Representative, chief of operations, country economist and coordinator, procurement and financial management specialists, and key project team leaders 	<ul style="list-style-type: none"> Review of documents and indicators to determine the institutional capacity for financial management, procurement, and project management Supplemental interviews and discussion groups with qualified stakeholders Desk review with a standardized methodology for loans, investment grants, and technical cooperation operations Analysis of the interviews 	<ul style="list-style-type: none"> The institutional capacity indicators may not be very reliable, and therefore must be crosschecked against other evidence (interviews or project completion reports). Some of the Bank's institutional capacity support may be difficult to substantiate (for example, it may use funds for Group C and D countries lacking a monitoring and evaluation framework that provides reliable data).
<p>Combination: Was the combination of financial and technical-assistance instruments appropriate, given the country's level of institutional capacity, fiscal priorities, and market conditions?</p>	<ul style="list-style-type: none"> Program and operational documents (including the country program documents, project completion reports, progress monitoring reports, and expanded supervision reports) PEFA and evaluation of the investment climate Results of interviews with executing agencies and the IDB Group representative in the country, director general of operations, country economist, country coordinator, procurement specialist, financial management specialist, and project team leaders IDB Group portfolio data Conditions of the IDB Group instruments Government data on the debt profile and conditions Operational documents and data from the Human Resources Department demonstrating IDB Group coordination 	<ul style="list-style-type: none"> Desk review, supplemented with interview analyses, to determine if the combination of instruments was appropriate given the level of institutional capacity Review of the Bank's use of financial instruments (loans and nonreimbursable financing) in the context of the government's fiscal needs and priorities Analysis and comparison of the financing conditions of the IDB Group instruments, government debt conditions, and market conditions Review of documents and data on IDB Group coordination 	<ul style="list-style-type: none"> The institutional capacity indicators may not be very reliable. Therefore, trends must be observed over time and crosschecked against other information (interviews and progress monitoring reports or project completion reports). Some of the Bank's institutional capacity support may be difficult to substantiate (for example, it may use funds for Group C and D countries lacking a monitoring and evaluation framework that provides reliable data; in fact, most of the technical-cooperation projects either lack monitoring and evaluation frameworks or rely on deficient ones).
<p>Coordination: How did the IDB Group coordinate its support in key priority areas with support from other development partners?</p>	<ul style="list-style-type: none"> Program and operational documents, including the country strategy, country program documents, loan and technical-cooperation operation proposals, progress monitoring reports, project completion reports, and expanded supervision reports Other development partners' program and operational documents Results of interviews with executing agencies, other donors, the IDB Representative in the country, director general of operations, country coordinator, and project team leaders 	<ul style="list-style-type: none"> Use of available data to determine the level of complementarity and duplication of IDB Group support Analysis of the interviews 	<ul style="list-style-type: none"> The government, IDB Group, and other development partners may not be forthcoming with information about coordination, given their own differing incentives.

Questions	Sources of information	Scope and methodology	Limitations
Mobilization: To what extent did the IDB Group raise funds from other development partners?	<ul style="list-style-type: none"> Repository of institutional data Financial and IDB Invest project data Program and operational documents 	<ul style="list-style-type: none"> Financial data from the program and operational documents to determine the share of funds provided by other donors 	<ul style="list-style-type: none"> The government, IDB Group, and other development partners may not be forthcoming with information about coordination, given their own differing incentives.
Evaluation dimension: effectiveness and efficiency			
Questions	Sources of information	Scope and methodology	Limitations
Implementation: What were the principal factors that affected program implementation costs and times?	<ul style="list-style-type: none"> Country strategy, country program documents, project and technical-cooperation operation proposals, progress monitoring reports, project completion reports, and expanded supervision reports Data gathered from executing agencies and IDB team leaders Information collected during site visits Results of interviews with the IDB Representative in the country, operations manager, procurement specialist, financial management specialist, and executing agency staff 	<ul style="list-style-type: none"> Desk review with a standardized methodology for loans, investment grants, and technical-cooperation operations Analysis of the relationship among the different factors affecting project implementation Analysis of the interviews 	<ul style="list-style-type: none"> The interviews will make it possible to analyze different perspectives of implementation challenges. Therefore, the desk review will include as much documentary evidence collection as possible regarding implementation challenges (especially from the Bank's procurement databases). However, this data may be difficult to gather and may not be complete.
Risks: How accurately did the Bank predict program implementation risks and how did it respond to any difficulties in implementation that arose?	<ul style="list-style-type: none"> Country strategy and country program documents, project and technical-cooperation operation proposals, progress monitoring reports, project completion reports, and expanded supervision reports Data gathered from executing agencies and IDB team leaders Information collected during site visits Results of interviews with key personnel (the IDB Representative in the country, operations manager, procurement specialist, financial management specialist, and executing agency staff) 	<ul style="list-style-type: none"> Desk review: detailed methodology for loans, investment grants, and technical-cooperation operations Analysis of the interviews 	<ul style="list-style-type: none"> Linking the Bank's actions to anticipate and respond to challenges may be difficult. We must rely on information from interviews to then confirm, in the project documentation, the measures taken to anticipate, mitigate, and address implementation risks.
Comparators: How did program implementation costs and times compare to Bank and subregional averages?	<ul style="list-style-type: none"> Repository of institutional data Progress monitoring reports, project completion reports, and expanded supervision reports Data gathered from executing agencies and IDB team leaders 	<ul style="list-style-type: none"> Analysis of the evolution of investment loan preparation and implementation costs and execution times for the country and the comparators Comparison of costs and times with subregional and Bank averages Investment grants and technical-cooperation financing 	<ul style="list-style-type: none"> The comparisons will rely on comparable implementation data from the entire Bank. Therefore, to facilitate the comparison, we will focus on the elements that affected the length of the project cycle, as a representative variable.

Questions	Sources of information	Scope and methodology	Limitations
<p>Operations and country strategy strategic area achievements: To what extent did the IDB Group interventions achieve the strategic objectives in each strategic area, as identified in the country strategy and in the operations' results matrices? What were the principal factors behind these outcomes?</p>	<ul style="list-style-type: none"> Country strategy and country program documents, project and technical-cooperation operation proposals, progress monitoring reports, project completion reports, and expanded supervision reports Impact assessments available during the evaluation period (even when they are for legacy projects from earlier periods) Data gathered from executing agencies and IDB team leaders Information on outcomes gathered during the site visits and with the collaboration of local professionals Progress monitoring reports, project completion reports, and expanded supervision reports 	<ul style="list-style-type: none"> Gathering, verification, and evaluation of the country strategy results matrix indicators to determine the level of achievement of the proposed targets Desk review with a standardized methodology for loans, investment grants, and technical-cooperation operations¹ Site visits to verify and gather further data on project implementation and the results achieved to date 	<ul style="list-style-type: none"> Many projects will not be fully disbursed or closed, making it impossible to report on final outputs and outcomes. Data availability and reliability may restrict the capacity to rigorously determine if the objectives have been reached. Since the achievement of outcomes is reported by parties involved in project design and execution, there may be a positive bias.
<p>Country strategy crosscutting achievements: To what extent did the program achieve crosscutting objectives like the strengthening of country systems?</p>	<ul style="list-style-type: none"> PEFA and other institutional capacity indicators Country strategy and country program documents Loan, investment grant, and technical-cooperation operation documents Results of interviews with the IDB Representative in the country, operations manager, procurement specialist, financial management specialist, and executing agency and other donor staff 	<ul style="list-style-type: none"> Evaluate the information from the PEFA and other studies of institutional capacity and the country program documents. Analyze if there are trends over time. Desk review with a standardized methodology for loans, investment grants, and technical-cooperation operations Supplement the foregoing analysis with examples of institutional-capacity-related challenges and achievements at the central government and decentralized and subnational agency levels. Analysis of the interviews 	<ul style="list-style-type: none"> Quality and reliability of the institutional capacity indicators The interviews will provide subjective points of view that may not be based on other data. The interview information should be used to detect possible examples of institutional capacity improvements or weaknesses that must then be verified with data or documentation.
Evaluation dimension: sustainability			
Questions	Sources of information	Scope and methodology	Limitations
<p>Overall sustainability: What is the likelihood that the outcomes of the IDB Group interventions will be sustainable and why?</p>	<ul style="list-style-type: none"> Program and operational documents (including the progress monitoring reports, project completion reports, and expanded supervision reports) Results of interviews and discussion groups on sustainability with key stakeholders Contextual note on the country 	<ul style="list-style-type: none"> Desk review Analysis of the interviews and discussion groups Analysis of the availability of services generated with IDB Group financing 	<ul style="list-style-type: none"> Sustainability will partially depend on factors that are beyond IDB Group control, and OVE might not have full access to information thereon. The determination of future sustainability will depend on assumptions about the behavior of the elements required for sustainability.

¹ For policy-based loans, we will perform a structural depth analysis, based on a methodology consistent with the one introduced in the OVE 2015 Annual Report.

Questions	Sources of information	Scope and methodology	Limitations
<p>Sustainability risks: What are the principal risks that could affect sustainability (including environmental and social sustainability) and what measures have been taken to mitigate them?</p>	<ul style="list-style-type: none"> • Program and operational documents (including the progress monitoring reports, project completion reports, and expanded supervision reports) • Results of interviews and site visits • Analysis of the budget, institutional capacity, and policy environment 	<ul style="list-style-type: none"> • Review of the information gathered to prepare a list of the main risks to the program's sustainability and the measures adopted to mitigate them • Analysis of the risks detected and mitigation measures to determine which risks have not yet been mitigated • Analysis of the interviews and the information collected during site visits 	<ul style="list-style-type: none"> • The risk assessment will depend on quantitative and qualitative factors. • The weights will have a margin of error and will be subject to the probability of different scenarios, mostly beyond the IDB Group's control.

Source: OVE.