



Invest

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To: Executive Directors of the Inter-American Development Bank and
Executive Directors of the Inter-American Investment Corporation

From: The Secretary

Subject: OVE's Proposed 2021-2022 Work Program and Budget. Revised version

Inquiries to: Ivory Yong Protzel (extension 1241) or Claudia Figueroa (extension 7652)

Remarks: This revised version contains the modifications agreed upon during the joint meeting of the Policy and Evaluation Committee of the IDB and the Committee of the Board of Executive Directors of the IIC held on 16 November 2020. The changes are marked with a line on the right margin.

The Executive Directors are requested to send their comments, if any, via email to Director Germán Rojas "**GERMANRO**" with copy to "**SEC-EXE**", no later than **24 November 2020 at 5:30 p.m.** If no comments are received by then, it will be understood that there is agreement within the Committee regarding the above-referenced document, and a record to that effect will be made in the minutes of a forthcoming meeting. The document will be submitted to the IDB Board of Executive Directors and the IIC Board of Executive Directors for consideration along with the relevant report of the Chairpersons of the Committees.

The Office of Evaluation and Oversight (OVE) translated the document and submitted both language versions to the Office of the Secretary for distribution.

Classification: For purposes of the Access to Information Policy, the attached document is confidential in its entirety.

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Proposed Work Program and Budget of the Office of Evaluation and Oversight (OVE), 2021–22. Final Version

Office of Evaluation and Oversight (OVE)
Inter-American Development Bank
Inter-American Investment Corporation
Washington, DC
November 2020

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ACRONYMS AND ABBREVIATIONS

CLEAR	Centers for Learning on Evaluation and Results
CPE	Country Program Evaluation
ECD	Evaluation Capacity Development
ECG	Evaluation Cooperation Group
GEI	Global Evaluation Initiative
ICPR	Independent Country Program Review
IDB	Inter-American Development Bank
IDB-9	IDB's Ninth General Capital Replenishment
IIC	Inter-American Investment Corporation (now IDB Invest)
LAC	Latin America and the Caribbean
M&E	Monitoring and evaluation
MDB	Multilateral Development Bank
MICI	Independent Consultation and Investigation Mechanism <i>(for its Spanish acronym)</i>
MIF	Multilateral Investment Fund
NSG	Non-sovereign-guaranteed
OVE	Office of Evaluation and Oversight
PBL	Policy-based loan
PCR	Project Completion Report
ReTS	Recommendation Tracking System
SG	Sovereign-guaranteed
UNDP	United Nations Development Programme
XCPE	Extended Country Program Evaluation
XSR	Expanded Supervision Report

I. INTRODUCTION

- 1.1 The Office of Evaluation and Oversight (OVE) is an independent office of the Inter-American Development Bank (IDB), reporting directly to IDB's Board of Executive Directors. Since 2016 OVE has served the same function for the Inter-American Investment Corporation (IIC, now IDB Invest), reporting directly to IDB Invest's Board of Executive Directors. OVE seeks to provide accurate, constructive, and evidence-based information on the performance and development effectiveness of the activities of IDB Group.
- 1.2 Every year OVE presents a work program that summarizes the closing year's work, describes planned evaluations and activities, outlines the proposed budget for the coming year, and provides an indicative list of evaluations for the following year. The work program and budget document covers evaluation activities carried out by OVE for both IDB and IDB Invest. IDB Lab is included, when applicable. Most OVE evaluations jointly address activities of both IDB and IDB Invest; a few evaluations focus on only one of the two organizations.

A. OVE's evaluation work

- 1.3 As outlined in the Evaluation Policy Framework (2019), OVE's mandate includes (i) the undertaking of independent and systematic evaluations and oversight studies of IDB Group performance; (ii) the provision of support to evaluation capacity development (ECD) in Latin American and Caribbean (LAC) countries; (iii) the dissemination of findings and lessons learned from evaluations; and (iv) cooperation with other evaluation offices to identify best practices and share information.

1. OVE's evaluations

- 1.4 Evaluations are grouped into four broad categories: project, corporate, country program, and sector and thematic evaluations. These categories are complementary and provide a unique perspective on IDB Group performance and development effectiveness that contributes to achieving the institutional strategy.
- 1.5 **Project evaluations** assess IDB Group projects for their relevance, effectiveness, efficiency, and sustainability and support most evaluation work, particularly at the country, sector, and thematic level. The Development Effectiveness Framework underpins the project evaluation architecture. Since 2014 it has provided a system for self-reporting project results for sovereign-guaranteed (SG) projects through Project Completion Reports (PCR); since 2015 it has provided a similar system for assessing non-sovereign-guaranteed (NSG, or private sector) projects through Expanded Supervision Reports (XSR). As described in the Evaluation Policy Framework, OVE works with IDB and IDB Invest to implement and improve a solid self-evaluation system across IDB Group. OVE therefore validates all PCRs and XSRs prepared by Management and reports annually on the results of the validation. The latest of such reports is OVE's Review of Project Completion Reports and Expanded Supervision Reports - 2018–19 Validation Cycle (document [RE-544](#)). Validated ratings are used in the Development Effectiveness Overview report produced annually by IDB Group.
- 1.6 OVE also periodically undertakes independent evaluations of IDB projects, often grouping several similar projects together in order to draw lessons from their experiences. These comparative evaluations vary in scope and design, depending

on the aim of the evaluation. OVE also reviews the design and performance of IDB Group projects as part of country program evaluations, as noted below.

- 1.7 **Corporate evaluations** focus on the quality of IDB Group's structure, policies, tools, and internal processes and assess how they affect the development effectiveness of IDB Group's work. Examples include the Lending Instrument Report (document [RE-549](#)) and the Review of Knowledge Generation and Dissemination in the Inter-American Development Bank (document [RE-517-2](#)). Corporate evaluations also include an annual Recommendation Tracking System (ReTS) report that monitors and reports on the implementation of action plans carried out by Management to address Board-endorsed evaluation recommendations.
- 1.8 **Country program evaluations** (CPEs) analyze the relevance and effectiveness of IDB Group support to an individual borrowing country over four to five years. This period usually corresponds to the time covered by the most recent country strategy. The CPE analyzes that strategy along with the content, efficiency, and effectiveness of the Bank Group's program (including the entire range of SG and NSG lending and technical cooperation of both IDB and IDB Invest). Examples include Country Program Evaluation: Argentina 2016–19 (document [RE-540-1](#)) and Country Program Evaluation: Panama 2015–2019 (document [RE-547](#)). Taken together, OVE's CPEs provide a comprehensive picture of IDB Group's work in all member countries in the LAC region. These evaluations are structured using the CPE Protocol, currently under review. New country products are being piloted (see paragraph. 1.17).
- 1.9 **Sector and thematic evaluations** tend to have a broader scope, often building on the groundwork laid by project and country program evaluations. They provide in-depth analysis of IDB Group engagement and lessons of experience in a substantive area, and provide recommendations on strategic directions. One example is the Evaluation of the Bank's Support for Gender and Diversity (document [RE-518-2](#)).

2. Support to evaluation capacity development

- 1.10 OVE encourages and assists LAC countries in building effective monitoring and evaluation (M&E) systems and capacity. It uses a variety of channels to reach government and private sector counterparts, academic institutions, and the public at large. OVE has sought to leverage its efforts toward creating evaluation capacity by providing support to the Centers for Learning on Evaluation and Results, known as the CLEAR initiative.¹ Established in 2010, the CLEAR Initiative aims to help governments conduct M&E and apply its principles to decision-making processes.

3. Cooperation with other evaluation offices

- 1.11 To stay current on evaluation methodologies, standards, and approaches and to contribute to the expansion of the knowledge frontier on development evaluation, OVE actively participates in standard-setting evaluation networks. These networks include the Evaluation Cooperation Group (ECG), which includes evaluation offices from several multilateral development banks (MDBs) and development finance institutions, and the Evaluation Network of the Organisation for Economic Co-operation and Development's Development Assistance Committee (OECD-DAC).

¹ <http://www.theclearinitiative.org/>

4. Dissemination of findings and lessons learned

- 1.12 OVE discloses its evaluations to the public, in accordance with IDB Group policies and the principles of the Evaluation Policy Framework, in order to share lessons learned and best practices with the region and the development community at large and contribute toward supporting IDB Group learning, accountability, and transparency.

B. Implementation of OVE's work program in 2020

- 1.13 OVE has delivered on its work program with few adjustments, despite major changes in 2020. Nine evaluations have been submitted, and another two (validations of PCRs and XSRs and the evaluation of the Independent Consultation and Investigation Mechanism – MICI) will be submitted by the end of the year. Of the 13 reports that were to be delivered in 2020, only 2 will be delivered the following year—one on guarantees (part of the series on instruments) and one on IDB support to transparency and integrity—because of changes in their scope and conflicting priorities.
- 1.14 A key accomplishment of 2020 has been onboarding 18 staff members and consultants, closing the staffing gap. Most new colleagues joined the OVE team during the telework period. Creative methods and additional efforts were used to incorporate them into the institution and OVE. The compulsory telework dynamic brought infrastructure limitations for personnel that did not have an adequate home office setting readily available. OVE responded by providing support through various types of resources to accommodate the needs of department members. The Coronavirus Disease 2019 (COVID-19)-related restrictions on field missions did not significantly affect OVE's work during 2020, as for most ongoing evaluations, missions had already taken place by March (only two missions, for one evaluation, were cancelled). Teamwork dynamics have been affected, as evaluation work is a collaborative effort. Nevertheless, evaluation teams are navigating the new circumstances successfully.

1. OVE's evaluations

- 1.15 All evaluations conducted by OVE in 2020 aimed to support strategic decision-making processes, the transition the institution is experiencing, and the challenges posed by the COVID-19 crisis (Table 1.1). OVE delivered five CPEs aimed at informing the development of the new Country Strategies. Three of them were delivered in the second quarter of the year and incorporated insights related to the pandemic. The two corporate evaluations—the Lending Instruments Stocktaking Report and the Evaluation of the MICI (to be delivered by the end of the year)—assessed key elements of the institution. The Lending Instruments Stocktaking Report provided technical inputs for Board discussions and identified knowledge gaps based on a synthesis of OVE's previous work on instruments. The Evaluation of the MICI assesses whether MICI's policy, organizational structure, processes, and operation allow it to fulfill its mandate to improve the transparency, accountability, and effectiveness of IDB Group.
- 1.16 In addition, every year OVE prepares two accountability-focused reports—validations of Management's implementation of OVE recommendations using the ReTS, and validations of PCRs and XSRs. During 2020 OVE extended their scope by incorporating new analyses to strengthen the learning component of these reports and provide insights to the Board. The latest ReTS report summarized

progress in addressing recommendations at the evaluation level, thereby helping close the evaluation cycle. This analysis was done for five CPEs, as well as 1 corporate and 1 sector evaluation that completed their ReTS tracking cycle during the last year. The ReTS report also assesses three recurrent issues identified by OVE's evaluations (collaboration between public and private sector windows, optimization of the use of instruments, and support to subnational governments), analyzing evaluation findings and the actions of Management. The report on validations of PCRs and XSRs analyzes the results from the 2020 validation exercise and examines the results from the previous three years to expand on project performance drivers based on a longer-term perspective. It also assesses knowledge generated by the lessons learned in PCRs and XSRs.

- 1.17 OVE is updating the CPE Protocol, which aims to uphold the relevance of its country products and strike the right balance between their cost and value to the institution. Three reasons underpin the decision to revise the protocol. First, given improvements in the way Management develops Country Strategies, CPEs had lost some of their value as an input for this process. Second, the short evaluation period (4 to 5 years) makes it difficult to measure results, as most projects need more time to be completed and yield any results. Third, conducting a CPE for each new Country Strategy has meant that some OVE resources are engaged even before the work plan starts. Two new products are being piloted: the Independent Country Program Review (ICPR) and the Extended CPE (XCPE). The first covers one strategy period and focuses on the relevance of the Country Strategy and provides aggregated information on program implementation. The XCPE covers two strategy periods, using an evaluation approach similar to that used in current CPEs. Thanks to the longer timeframe, the XCPE allows for a better understanding of results and sustainability, providing a longer-term view of IDB Group engagement in a country. ICPRs and XCPEs will be conducted in alternating sequence in every country, in order to allow both accountability in the short term and a deeper dive on results and lessons in the medium term. OVE has developed methodological and procedural guidelines for the pilots. Three ICPRs (on Suriname, Guatemala, and Trinidad and Tobago) and one XCPE (on the Dominican Republic) will be delivered in mid-2021 (see paragraph. 2.13).

Table 1.1. OVE's work program for 2020

Evaluation	Actual or expected delivery date
Corporate Evaluations	
Series on Instruments – Lending Instruments Stocktaking Report (document RE-549)	Delivered in Q2 2020
Tracking implementation of OVE Recommendations (ReTS) (document RE-550)	Delivered in Q3 2020
Evaluation of the Independent Consultation and Investigation Mechanism (MICI)	To be delivered in Q4 2020
IDB Governance	To be defined in AP
IDB Lab (Phase I)	To be delivered in Q2 2021
IDB Lab (Phase II)	To be delivered in Q4 2021
Grant Facility Haiti	To be defined in AP
Series on Instruments – Guarantees Report	To be defined in AP
Series on Instruments – Policy-based Loans Report	To be defined in AP
IDB Invest	To be defined in AP
Country Program Evaluations	
CPE El Salvador 2015–2019 (document RE-539-1)	Delivered in Q1 2020
CPE Panamá 2015–2019 (document RE-547)	Delivered in Q1 2020
CPE Argentina 2016–2019 (document RE-540-1)	Delivered in Q2 2020
CPE Bolivia 2016–2020 (document RE-545-1)	Delivered in Q2 2020
CPE Uruguay 2016–2020 (document RE-546-1)	Delivered in Q3 2020
CPE Protocol Update Proposal and Pilots (presentation PP-1091)	Delivered in Q4 2020
ICPR Suriname	To be delivered in Q2 2021
ICPR Guatemala	To be delivered in Q2 2021
ICPR Trinidad and Tobago	To be delivered in Q2 2021
XCPE Dominican Republic	To be delivered in Q3 2021
Sector and Thematic Evaluations	
IDB Support to Transparency and Integrity	To be delivered in Q2 2021
IDB Support to Citizen Security	To be delivered in Q3 2021
Project Evaluations and Validations	
Validations of PCRs and XSRs	To be delivered in Q4 2020
Other	
OVE Annual Report 2019: 20 Years of Evaluation (document RE-548)	Delivered in Q1 2020
OVE half-yearly summary of activities	To be delivered in Q4 2020 and Q1 2021

2. Support to evaluation capacity development

- 1.18 OVE developed an enhanced ECD strategy in 2020, by supporting the creation of two evaluation networks to promote learning and strengthen evaluation capacities among participating institutions. One network will seek to bring together national and state development banks and agencies and the offices tasked with evaluation responsibilities within such institutions. Based on demand identified through its evaluation work, OVE envisages initiating a pilot phase of this network in Brazil, with a view to expanding to other countries in the LAC region based on interest and demand. A second network will seek to convene evaluation agencies in the

LAC region, based on opportunities for knowledge sharing that arise from the diversity of M&E systems in the region.

- 1.19 OVE continued supporting the CLEAR Initiative through the *Centro de Investigación y Docencia Económicas* (CIDE) in Mexico, and the *Getulio Vargas Foundation* in Brazil. The CLEAR centers in Mexico and Brazil focus on strengthening local capacities in M&E through training, technical assistance, and research, building evaluation expertise and disseminating evaluation knowledge for LAC. CLEAR will become the Global Evaluation Initiative (GEI) in 2021. OVE will continue supporting the Mexico and Brazil center through the new GEI.

3. Cooperation with other evaluation offices

- 1.20 OVE maintained continuous engagement with the ECG and other members of the development evaluation community in 2020. Among the topics discussed were the responses and evaluation approaches of MDBs to the COVID-19 crisis, the changes in evaluation methods necessitated by the crisis, the assessment of impact and additionality, approaches to ECD, and stocktaking of country program evaluations across MDBs. OVE was set to chair and host the third meeting of the Chairs of Evaluation Committees of the Boards of Directors and the Heads of Evaluation Departments of the MDB members of the ECG in 2020; the meeting was cancelled because of the COVID-19 pandemic. OVE members have continued to collaborate as peer reviewers in evaluations and evaluation policies by other MDBs.

4. Dissemination of findings and lessons learned

- 1.21 OVE is revamping its communications strategy. It recently hired a Communications Specialist, who is supported by a Graphic Designer. The updated strategy will aim to make OVE's evaluations more relevant sources of information for key audiences (both internal and external) and make reader-friendly products accessible on OVE's website and a variety of outreach vehicles, including social media (Twitter and LinkedIn), blogs, newsletters to targeted audiences, videos, webinars, workshops, and conferences. OVE is in the process of revamping its website, to improve the display of and access to evaluations, enhance story-telling tools (short videos/animated infographics, blogs), and provide a reader-friendly format that will better convey key evaluation messages. Notwithstanding the COVID-19 pandemic, OVE has remained an influential player, contributing to the analysis and discussion of the role of evaluation in development effectiveness. It hosted and organized the virtual panel [Responding to COVID-19: Lessons from Evaluations](#), which included speakers from the World Bank Group, UNDP and the Asian Development Bank. It also developed a blog and [video](#)—to be published in the coming weeks by IDB's Gender and Diversity (GDI) Division—on the most recent CPE on Panama (2015-2019) (document [RE-547](#)), which presents stories and learning for development from indigenous territories. OVE also participated in several high-level events.

II. OVE’S PROPOSED WORK PROGRAM FOR 2021 AND 2022

A. Context

- 2.1 A systematic consultation process was carried out to elaborate the 2021–22 OVE work program proposal, continuing the practice from last year and as recommended by the Independent Review Panel in 2018. During the months of August through October, OVE held interviews with Senior Management and several representatives of the Board of Directors. Their suggestions complemented OVE’s own assessment, carried out in June. The proposal also takes into account the comments received during the Joint Informal Meeting of the Policy and Evaluation Committee and the IIC Committee of the Board of Executive Directors held on September 24, 2020.
- 2.2 **Three pillars**—continuity, COVID-19, and flexibility—underpin OVE’s proposal. All stakeholders interviewed supported these three pillars. OVE **continues** supporting the transition of the IDB Group, which was one of the main motivations of the 2020–21 work program, with a focus on corporate evaluations. OVE will continue its work on key corporate evaluations, such as its evaluations of IDB Governance, the Grant Facility for Haiti, IDB Lab, and the series on Instruments (guarantees and policy-based loans - PBLs). It will also conduct additional corporate evaluations. The work program must be aligned with the **COVID-19** reality, which creates new priorities for IDB Group and the region. The pandemic also implies changes in sources of information and data collection methods (in-person missions are not currently feasible, for example). Evaluation teams must adjust to work from home and produce the best possible product given the restrictions. Some **flexibility** is important, to give OVE the space to adapt to the priorities of the new context and of the Board, while maintaining a high quality of work.
- 2.3 OVE’s proposal has **three objectives**: (i) provide high-quality and timely evaluations to inform Board decisions, supporting the institutional and strategic changes that will take place under the new leadership of the Bank, in particular in the context of a possible capital increase discussion; (ii) help the institution navigate future phases of the response to the COVID-19 crisis and prepare for future crises; and (iii) continue strengthening evaluation capacities in the region, to promote a culture of evidence-based decisions. Considering these objectives and OVE’s available resources, the subsequent paragraphs and Table 2.1 present the proposal for OVE’s 2021-22 Work Program.

B. Corporate evaluations

1. Evaluations initiated in 2020 that will continue through 2021

- 2.4 **IDB Governance**: This evaluation will assess the extent to which existing institutional arrangements at IDB lead to effective and efficient formulation and implementation of strategies to achieve its objectives, and whether the arrangements provide sufficient accountability and channels for stakeholder participation. This evaluation will be the first comprehensive evaluation of IDB’s corporate governance. The change in the Bank’s leadership makes this an opportune time to reflect on the Bank’s governance arrangements and how they affect its ability to achieve its objectives. The approach paper, which outlines the evaluation’s scope, methodology and evaluation questions, is in its final stages and will be shared with the Board in Q4 2020.

- 2.5 **IDB Lab:** This evaluation will assess the extent to which IDB Lab is on track to meet its mandates, in particular the purpose and functions of the Multilateral Investment Fund (MIF), as stated by the MIF III Agreement. The evaluation will be conducted in two overlapping phases. The first phase will assess the strategic relevance and corporate aspects of IDB Lab, providing timely insights to inform Donor discussions about the future and funding model of IDB Lab in 2021. The second phase will provide an in-depth evaluation of IDB Lab operations. The evaluation report corresponding to phase one will be delivered to Donors in Q2 2021; the report corresponding to phase two will be delivered in Q4 2021.
- 2.6 **Series on instruments (guarantees and PBLs)**
- a. **Guarantees:** Guarantees can play a significant role in mobilizing private finance, but they have been seldomly used by the IDB Group in the past. The more limited fiscal space in borrowing countries and the liquidity crisis for even creditworthy firms brought by the COVID-19 crisis, has raised the interest for this instrument. Indeed, IDB Group has already increased the use of guarantees in 2020. This first OVE evaluation on guarantees will assess the IDB Group experience with this instrument. The approach paper will detail the scope of the evaluation and define the delivery date of the evaluation report.
- b. **PBLs:** This study will build on the work OVE carried out in 2015–16: Summary of Activities and Analysis of Policy-Based Lending (document [RE-485-8](#)) and will have a greater focus on results. Because of the difficulties of measuring outcomes and impacts for this type of operation, OVE is starting with a methodological study to measure the effectiveness of PBLs. The approach paper will detail the scope of the evaluation define the delivery date of the evaluation report.
- 2.7 **Evaluation of the Grant Facility for Haiti:** IDB created a Grant Facility in 2007 to provide grant resources for dealing with special circumstances arising in specific countries, including Haiti. With the Ninth General Capital Increase (IDB-9) and after the earthquake that shook Haiti in 2010, the Board of Governors earmarked US\$200 million annually in transfers of Ordinary Capital income to the IDB Grant Facility for Haiti for a period of 10 years, starting in 2011. OVE’s evaluation will seek to shed light on the extent to which the Grant Facility has been an effective and efficient mechanism to support Haiti in the past 10 years. With the IDB-9 commitment period coming to an end and a possible capital increase discussion arising, an objective of the evaluation will be to gather timely lessons and identify useful approaches to enhance the success of future work in Haiti.
- 2.8 **Recommendation Tracking System (ReTS):** OVE will continue tracking implementation of past recommendations, assessing the evaluability, relevance, and extent of implementation of Management’s action plans to address evaluation recommendations endorsed by the Board.
- 2. Evaluations that will begin in 2021**
- 2.9 **IDB Invest – four years after Busan:** The Busan Resolution set a “renewed vision for fostering development through the private sector” and created IDB Invest. The resolution includes a requirement of an evaluation of the new organization to be carried out after the completion of the first business plan (2016–19). In addition, both the change in the Bank’s leadership and the challenges brought by the COVID-19 crisis makes this is an opportune time to gather lessons learned to

inform future corporate discussions. The evaluation will focus on the extent to which the renewed vision has been delivered. OVE carried out an early review of the implementation of the private sector merge-out in 2017; it will build on that study and will be able to assess aspects that were not mature enough at the time. Possible topics of interest include coordination between IDB Invest and IDB, operational processes, the approach to development effectiveness, and financial and risk sustainability considerations. One important difference, in comparison with the 2017 evaluation, is that operations approved after the merge-out can now be better assessed.

- 2.10 **IDB Group response to the COVID-19 crisis:** This first evaluation of IDB Group's response to the COVID-19 pandemic and its social and economic effects will document and evaluate the response, focusing on institutional preparedness, strategic relevance, implementation progress, and related emerging lessons. It will seek to determine how well IDB Group was prepared to respond, what factors affected its preparedness, the strategic relevance of the response and how well it met borrowing countries' needs, how implementation is progressing, and what results and lessons are emerging. Given that many of the operations approved as part of the response will be implemented over several years, this early evaluation will not draw definitive conclusions on results. A second evaluation, to be conducted in about 2024/25, will examine the effectiveness and results of IDB Group's response to the COVID-19 crisis.
- 2.11 **Development Effectiveness Framework:** Development effectiveness is at the core of IDB Group's mandates. Both IDB and IDB Invest have systems in place to measure the development effectiveness of their operations; they use a variety of instruments and processes to assess projects at entry, during implementation, and at completion (early operating maturity for NSG operations).² OVE's evaluation of the IDB-9 found several challenges related to the Bank's Development Effectiveness Framework (DEF) that call for a full-fledge evaluation³ and, while some aspects of the DEF have improved, the change in the Bank's leadership and a possible capital increase discussion makes this an appropriate time to identify lessons learned that could be incorporated in future improvements. This evaluation will assess the extent to which the instruments and processes in place allow IDB Group to achieve its development mandates with client countries through the design and implementation of successful projects. The evaluation will build on

² For IDB, these instruments are (i) the Development Effectiveness Matrix (DEM), used at entry to assess the project's evaluability; (ii) the Project Monitoring Report (PMR), used throughout project execution to monitor activities, outputs, and expenditures; and (iii) the Project Completion Report (PCR), a self-evaluation conducted at completion. IDB Invest uses three instruments: (i) the Development Effectiveness Learning, Tracking, and Assessment tool (DELTA), used to score development results and additionality ex-ante; (ii) monitoring reports on project implementation, and (iii) the Expanded Supervision Report (XSR), a self-evaluation report conducted once operations reach early operating maturity.

³ *IDB's Ninth General Capital Increase: Implementation and Results* (document [RE-515-6](#)) assessed IDB's Development Effectiveness Framework (DEF) with a focus on IDB-9 commitments, but it was not a comprehensive evaluation of the DEF. The evaluation found that although several improvements have been made, challenges remained. It identified that the DEM may not be an accurate measure of project evaluability and that DEM scores may lose relevance through the project cycle. The evaluation also identified that the most important challenge for PMRs was that they did not monitor outcomes, as attention is focused on outputs and expenditures rather than on requiring a judgment on whether a project is on track to achieve its development objectives. Furthermore, the evaluation found that the PCR remained a work in progress with several challenges requiring attention.

previous OVE assessments conducted for the corporate evaluation of IDB-9, as well as the findings of several reports on PCR and XSR validations.

- 2.12 **IDB Group support to the mobilization of private sector resources:** Resources needed to achieve the Sustainable Development Goals surpass official development assistance and public sector resources; private sector finance and investment are therefore also key. In 2017, The Group of Twenty, or G20, issued the Principles on Crowding-in Private Sector Finance (the Hamburg Principles), which provide a common framework for MDBs to increase private investment levels to support their development objectives. Mobilization of resources can be reached using a number of different finance instruments such as A/B loans, guarantees, investment funds, green bonds, PBLs, PPPs, etc. The IDB Group has used those instruments at varying degrees and has not systematically attempted to measure mobilization. This evaluation would provide an overview of the instruments and mobilization approaches used by the IDB Group while assessing how effectively they are in leveraging finance for development. Equally important, the evaluation will assess coordination between the public and private sector arms of the IDB Group and will aim at understanding how other MDBs are approaching and measuring mobilization of resources. The evaluations carried out on instruments such as guarantees and PBLs as well as the evaluations of IDB Lab and IDB Invest will complement this evaluation.

C. Country program evaluations

1. Evaluations initiated in 2020 that will continue through 2021

- 2.13 **Country product pilots and CPE Protocol:** OVE is testing two new country products (see paragraph 1.17). It will deliver four reports during 2021: XCPE on the Dominican Republic 2013–2020, covering the last two country strategies, and three ICPRs covering the last country strategy (Guatemala 2017–2020, Suriname 2016–2020, and Trinidad and Tobago 2016–2020). These products will help inform the development of new country strategies and provide strategic insights to the Board, based on a longer timeframe (for the Dominican Republic) and on program implementation (for the other three countries). The update of the CPE Protocol is in progress and will be finalized once pilots are completed and lessons distilled.

2. Evaluations that will begin in 2021

- 2.14 **ICPRs and XCPEs:** The IDB Group strategies with six countries—Belize, Ecuador, Guyana, Haiti, Jamaica, and Peru—will expire during 2021. OVE is already conducting an evaluation of the Grant Facility for Haiti. For the remaining five countries, OVE will conduct either ICPRs or XCPEs depending on the portfolio profile and ensuring that one XCPE is done in each of the four regional Departments.

D. Sector and thematic evaluations

1. Evaluations initiated in 2020 that will continue through 2021

- 2.15 **IDB support to transparency and integrity:** This evaluation assesses IDB's experience over the past decade in pursuit of fulfilling its institutional mandates to support public sector transparency and integrity in the LAC region. The region has low performance on several corruption dimensions. It has the second-highest prevalence of bribery in the world and ranks low on several corruption-related components of the Global Competitiveness Index (LAC is ranked last in the

diversion of public funds and favoritism in decisions of government officials, second to last in irregular payments and bribes, and third to last in the transparency of government policymaking). The agreement for IDB-9 included the strengthening of public sector transparency and integrity in the region as one of three pillars to combat fraud and corruption. The evaluation aims to contribute to the implementation of the Update to the IDB Group Institutional Strategy (UIS) 2020–23, which includes supporting the region's efforts to increase transparency and integrity as one of the four new areas of emphasis for the operational and corporate work of IDB Group. The evaluation also aims to contribute to the implementation of the first IDB Sector Framework Document (SFD) on Transparency and Integrity. This evaluation report will be delivered to the Board by Q2 2021.

- 2.16 **IDB support to citizen security:** This evaluation will update work delivered in 2014,⁴ focusing on the effectiveness of IDB operations. Despite progress, citizen insecurity is still a pressing development issue and a priority for IDB member countries. Accordingly, the Bank has built a sizable portfolio of loans and technical assistance in the sector. The approach paper is in its final stages and will be delivered to the Board in early 2021. The approach paper will detail the scope of the evaluation and define the delivery date of the evaluation report.

2. Evaluations that will begin in 2021

- 2.17 **Adapting to climate change:** Building on OVE's 2014 evaluation *Climate Change and the IDB: Building Resilience and Reducing Emissions*,⁵ this evaluation will focus on IDB efforts to mainstream adaptation to climate change in all projects and activities approved after 2012. Adapting to climate change is one of the most pressing development issues in the region, which houses some of the countries most vulnerable to the adverse effects of climate change. In addition, according to the Paris Agreement, a global stocktaking is to be undertaken in 2023 to assess the collective progress toward achieving the purpose of this agreement and its long-term goals. This evaluation will provide timely insights on IDB's adaptation efforts, to inform future discussions on the contribution of the Group to climate action.
- 2.18 **IDB Group support to the digital agenda:** The COVID-19 pandemic has highlighted the gaps in connectivity, quality, and accessibility to broadband and digital services in LAC. Digital connectivity has proved to be key to taking full advantage of disruptive technological innovations, which are transforming markets and providing more access to services, knowledge, platforms, and networks across social and productive sectors. According to a 2020 IDB report, "the infrastructure of digital connectivity will play the role that the electrical grid played a century ago, acting as a material constraint on the adoption of new devices and technologies that will transform productivity and the quality of life."⁶ Unlocking the full advantages of digital services and information and communication technology for the LAC region will require a combined effort involving new laws, regulations and standards, renewed government functions and institutions, and the private sector. IDB Group has supported the promotion of digital agendas in member countries and is likely to expand its support to the agenda in the coming years. An

⁴ IDB's Response to Key Challenges in Citizen Security, 1998–2012 (document [RE-456](#)).

⁵ *Climate Change and the IDB: Building Resilience and Reducing Emissions* (document [RE-459-1](#)).

⁶ IDB's Development in the Americas, 2020 (<https://flagships.iadb.org/en/DIA2020/from-structures-to-services>).

independent evaluation has not been conducted to date and would provide valuable lessons learned to be incorporated into future work.

E. Project evaluations and validations

- 2.19 **PCR and XSR validations:** OVE will continue to validate the self-evaluation reports for SG and NSG operations (PCRs and XSRs, respectively) during 2021 and report to the Board on the results. The validation process and the development of the synthesis report is a year-round effort that involves the entire office, due to its contribution to the development of evaluation capacity for the team. The number of validations is growing substantially, with a 44% expected increase in PCRs in 2021.

F. Support to evaluation capacity development

- 2.20 OVE will continue working on its ECD strategy in 2021-22, supporting two evaluation networks. These networks will provide forums in which offices with evaluation responsibilities can discuss issues related to conducting evaluations and/or institutionalizing the evaluation function and to exchange ideas, knowledge, and good practices. The activities of the networks are expected to increase interest in and demand for evaluation and to strengthen the evaluation capacity of participating partners. The networks will organize regular meetings, offer training, and provide technical assistance, among other activities.

G. Cooperation with other evaluation offices

- 2.21 OVE will chair the ECG in 2021, hosting the group's annual meetings and setting the agenda for its discussions during the year. Keeping its three strategic objectives in mind (see paragraph 2.3), OVE will aim to share knowledge and experience from its new products (including its country product pilots) and identify methodologies and approaches used by other institutions that could be applied to IDB Group and incorporated into its evaluation toolbox.

H. Dissemination of findings and lessons learned

- 2.22 The pandemic has demonstrated the potential for virtual exchanges; hence the 2021–22 Work Program foresees the robust dissemination of OVE's evaluations through a variety of digital platforms and interactions. Through its revamped website, OVE will increase its dissemination through its consolidated social media channels, such as its Twitter account. It will launch a new LinkedIn account that will promote OVE evaluations as key references in measuring and improving IDB Group's development effectiveness and serve as a networking tool for the yearly Research Fellowship call for proposals. In addition to hosting the ECG's annual meetings (see paragraph 2.21), OVE will produce and host a variety of other events to disseminate its evaluation results to both internal and external audiences. It will organize digital webinars and in-person, local, or regional forums in mid-to-late 2021 or 2022 (if the post-pandemic period permits). The new ECD strategy will feature a virtual launch of its evaluation networks (see paragraphs 1.18 and 2.20).

I. Other

- 2.23 As in previous years, OVE will produce an annual report, summarizing its evaluation work completed in 2020, as well as two semi-annual reports describing progress on the implementation of the work program and budget execution.

Table 2.1. OVE's proposed evaluations for 2021–22

Evaluation or work stream	Status/schedule
Corporate Evaluations	
IDB Governance	Ongoing – to be delivered according to AP
Grant Facility Haiti	Ongoing – to be delivered Q2 2021
IDB Lab (Phase I)	Ongoing – to be delivered Q2 2021
IDB Lab (Phase II)	and Q4 2021
Series on IDB Group's Instruments – Guarantees	Ongoing – to be delivered according to AP
Series on IDB Group's Instruments – Policy-based Loans	Ongoing – to be delivered according to AP
IDB Invest	To start Q1 2021 – to be delivered Q1 2022
Development Effectiveness Framework	To start mid 2021 – to be delivered according to AP
Mobilization of Resources	To start mid 2021 – to be delivered according to AP
Response to COVID-19	To start mid 2021 – to be delivered according to AP
Follow up implementation of OVE Recommendations (ReTS)	Continuous – to be delivered Q3 2021
Country Program Evaluations	
ICPR Suriname	Ongoing – to be delivered Q2 2021
ICPR Guatemala	Ongoing – to be delivered Q2 2021
ICPR Trinidad and Tobago	Ongoing – to be delivered Q2 2021
XCPE Dominican Republic	Ongoing – to be delivered Q3 2021
New CPE Protocol	Ongoing – to be delivered Q4 2021
ICPR Belize	To start mid 2021 – to be delivered according to AP
ICPR/XCPE Ecuador	To start mid 2021 – to be delivered according to AP
ICPR/XCPE Guyana	To start mid 2021 – to be delivered according to AP
ICPR/XCPE Jamaica	To start mid 2021 – to be delivered according to AP
ICPR/XCPE Peru	To start mid 2021 – to be delivered according to AP
Sector and Thematic Evaluations	
Transparency and Integrity	Ongoing – to be delivered Q2 2021
Citizen Security	Ongoing – to be delivered according to AP
Adaptation to Climate Change	To start 2021 – to be delivered according to AP
Digital Agenda	To start 2021 – to be delivered according to AP
Project Evaluations and Validations	
Validations of PCRs and XSRs	Continuous - to be delivered Q3 2021
Other	
OVE Annual Report 2020	To start Q4 2020 – to be delivered Q1 2021
OVE half-yearly Summary of activities	Continuous

III. STAFFING AND BUDGET

- 3.1 OVE has 30 staff positions, of which 27 are currently filled, including the Director, 2 Advisors, 18 full-time evaluators, 4 administrative support staff, 1 communications specialist, and 1 information technology (IT) specialist. OVE has launched the recruitment process to fill the three remaining vacancies by year end to allow it to deliver a full work program in 2021. In addition to staff and short-term consultants, OVE hires 5–7 research fellows per year through a competitive process; 12–15 research fellows are typically on board at any given time. OVE currently has three staff on work assignments who are scheduled to return to OVE throughout 2021.
- 3.2 OVE is requesting a 2021 budget of **US\$9,845,678** (Table 3.1). For IDB, this represents a **-0.22% nominal increase** over OVE’s 2020 budget, in line with Bank-wide guidance. For IDB Invest, OVE is **not** requesting an increase over the budget amount of the 2020 service level agreement (SLA), as agreed between OVE and IDB Invest.⁷ OVE will also present a separate budget proposal to the MIF Donors Committee, of US\$1,100,600 for the evaluation of IDB Lab.
- 3.3 OVE is including in its proposed budget for 2021, and for the consideration of the Board, a request for two new full-time evaluator staff positions. This request does **NOT** require additional financing, as it optimizes the organizational structure that OVE has been implementing over the past two years, reducing the number of senior positions,⁸ and reallocating Complementary Labor Costs (CLC) to fund the requested positions. The increase in headcount would allow OVE to complete its work program while creating capacity for flexibility.
- 3.4 OVE’s total budget is allocated each year between IDB and IDB Invest, given that OVE serves both institutions and most evaluations jointly cover the relevant activities of both IDB and IDB Invest. For 2021, OVE requests that IDB’s Board of Executive Directors approve a budget of **US\$8,398,803** and that IDB Invest’s Board of Executive Directors approve a budget of **US\$1,446,875**,⁹ for a total of **US\$9,845,678** (this figure excludes the IDB Lab evaluation, which has a separate one-time budget). This is intended to fund the work program laid out in Table 2.1 for 2021 (including work in 2021 on evaluations to be delivered in 2022).

⁷ In previous years, OVE has applied to IDB Invest the same percentage increase requested from IDB.

⁸ OVE has reduced its distribution of positions grades 4 and above from 68% of total headcount in 2018 to 43% in 2020.

⁹ Because all OVE staff are technically employed by IDB, the requested budget for IDB Invest can be formally allocated only to complementary labor costs and non-labor costs.

Table 3.1. OVE budget comparison by line item¹⁰

Account	FY20 Adjusted Approved Budget (US\$)	FY21 Requested Budget (US\$)	% Change
International Staff	4,304,588	4,529,861	
Other PC	19,392	15,000	
Benefits - International Staff	1,807,927	1,902,541	
SLC - Staff Labor Costs	6,131,907	6,447,402	
CLC - Complementary Labor Costs	1,300,597	1,009,400	
Total Labor Costs	7,432,504	7,456,803	0.33%
Learning Logistics and Fees	75,000	85,000	
Training Travel	13,227	0	
International Business Travel	285,000	237,000	
Travel	298,227	237,000	
Equipment and Supplies	83,000	89,500	
Communications and Publications	85,000	97,000	
Events, Conferences and Outreach	432,000	422,000	
Other Expenses	11,500	11,500	
General Administrative Costs - Non-Labor	611,500	620,000	
Total Non-labor Costs	984,727	942,000	-4.34%
Total OVE-IDB	8,417,232	8,398,803	-0.22%
Total OVE-IDB invest	1,446,875	1,446,875	0.00%
OVE TOTAL OPERATING EXPENSES	9,864,107	9,845,678	-0.19%

¹⁰ As the Market Based Salary Increase (MBSI) is pending Board approval, any changes to it will be applied to OVE accordingly.

ANNEX: OVE EVALUATIONS CONDUCTED IN 2011–20, BY TYPE

Year	Report
CORPORATE EVALUATIONS	
2020	<ul style="list-style-type: none"> • Serious on instruments: Lending Instruments Stocktaking (RE-549) • ReTS (RE-550) • Evaluation of MICI (<i>in progress</i>; Approach Paper RE-542)
2019	<ul style="list-style-type: none"> • Review of Knowledge Generation & Dissemination (RE-517-2) • Environmental & Social Safeguards (RE-521-1) • ReTS (RE-541) • Lessons from NSG Problem Projects (CII/RE-32-1)
2018	<ul style="list-style-type: none"> • IDB-9 update (RE-515-6) • Impact Evaluations (RE-512-1) • ReTS (Background Note: RE-524-2)
2017	<ul style="list-style-type: none"> • IAMCs (RE-508-1) • Merge-out Review (RE-513-3) • Direct Support to SMEs by the IIC (CII/RE-23-3) • ReTS (Background Note: RE-511-1)
2016	<ul style="list-style-type: none"> • Policy-based Lending (Technical Note RE-485-6) • Contingent lending (RE-496-1) • Evolution of Administrative Spending in IDB (RE-499-1)
2011–15	<ul style="list-style-type: none"> • Oversight Note: Credit Risk Management (RE-386) • Knowledge & Learning Pillar (RE-401) • IDB-8 (RE-409-1) • Opportunities for the Majority (RE-414) • MICI (RE-416-1, RE-463-1) • IDB9 Mid-term Evaluation (RE-425, RE-437-2) • Higher-Middle-Income Countries (RE-447) • IDB Realignment (RE-451-2) • Japanese Trust Fund (RE-471) • IDB Special Programs (RE-476-5) • MIF2 (MIF/RE-2-4) • ReTS 2013-2014 (RE-470-4) • Review of the Pilot Phase of the new ReTS (GN-2707-4)
COUNTRY PROGRAM EVALUATIONS	
2020	<ul style="list-style-type: none"> • Panama (RE-547) • El Salvador (RE-539-1) • Update of the Country Evaluation product (Presentation PP-1091)
2019	<ul style="list-style-type: none"> • Colombia (RE-529-3) • Brazil (RE-534-1)
2018	<ul style="list-style-type: none"> • Nicaragua (RE-522-1) • Barbados (RE-525-1)
2017	<ul style="list-style-type: none"> • Guyana (RE-502-3) • Ecuador (RE-514-1)
2016	<ul style="list-style-type: none"> • Argentina (RE-491-1) • Suriname (RE-493-1)
2011–15	27 countries

Year	Report
SECTOR AND THEMATIC EVALUATIONS	
2020	<ul style="list-style-type: none"> • Transparency and Integrity (<i>in progress</i>)
2019	N/A
2018	<ul style="list-style-type: none"> • Gender & Diversity (RE-518-2)
2017	<ul style="list-style-type: none"> • Productive Development Programs in Brazil (RE-489-1) • Housing: Caribbean (RE-500-1) • Infrastructure PPPs (RE-504-4) • Tax policy and Administration (RE-509-1) • Equity Investing in Development FIs (CII/RE-20-2)
2016	<ul style="list-style-type: none"> • Rural Water (RE-464-1) • IDB Group work through FIs (RE-486-2) • Green Lending (RE-487-2) • Urban Transport and Poverty (RE-497-1) • Sustainable Cities (RE-501-1)
2011–15	<ul style="list-style-type: none"> • Energy Sector (RE-382) • Ex-post Evaluations: Environmental Mitigation Measures (RE-383, RE-385) • Resettlement Processes and Socioeconomic Impact: Colombia (RE-387) • Watershed Management (RE-399) • Regional Programs (Approach Paper RE-400) • Subnational NSG lending (RE-402) • Violence and Crime Prevention in LAC (Approach Paper RE-408) • Land Regularization and Administration (RE-410-1) • Transnational Programs (RE-415) • Indigenous Peoples Policy (RE-419) • SME support programs Brazil (RE-450-1) • Urban Transport (RE-454-1) • Citizen Security (RE-455-1, RE-456) • Climate (RE-459, RE-459-1, RE-480) • Secondary Education (RE-461) • Agriculture & food security (RE-467-1) • CCT programs: Central America (RE-473-1) • PROCIDADES: Brasil (RE-481-4) • Discussion Papers (IDB-DP-305, IDB-DP-306, IDB-DP-307, IDB-DP-308) • Working Papers (OVE/WP-01/12, OVE/WP-02/12, OVE/WP-02/14, IDB-WP-475)
PROJECT EVALUATIONS AND VALIDATIONS	
2020	<ul style="list-style-type: none"> • PCR/XSR Validations (<i>in progress</i>)
2019	<ul style="list-style-type: none"> • PCR/XSR Validations (RE-544)
2018	<ul style="list-style-type: none"> • PCR/XSR Validations (RE-530-2)
2017	<ul style="list-style-type: none"> • PCR/XSR Validations (RE-520)
2016	N/A
2011–15	<ul style="list-style-type: none"> • Independent Evaluations of SCF's XPSRs Exercise (RE-332-4, RE-332-6, RE-332-8) • Evaluability Review of Bank Projects (RE-397-1, RE-448-1, RE-384) • Review of the PCR System for SG Operations (RE-417) • Measuring IDB project performance: PCR and XPSR Systems (RE-488) • IIC Annual Independent Validation Reports (CII/RE-13, CII/RE-14, CII/RE-15, CII/RE-16) • Independent Validations of MIF Investment Projects (MIF/RE-4)

Year	Report
OTHER	
2020	<ul style="list-style-type: none">• 2019 Annual Report (RE-548)
2019	<ul style="list-style-type: none">• Evaluation Policy Framework (RE-538-5)• 2018 Annual Report (RE-537)• Follow-up to Independent Review Panel of the Evaluation Function (RE-531-4)
2018	<ul style="list-style-type: none">• 2017 Annual Report (RE-524-2)
2017	<ul style="list-style-type: none">• 2016 Annual Report (RE-511)
2016	<ul style="list-style-type: none">• 2015 Annual Report (RE-485-8)
2011–15	<ul style="list-style-type: none">• 2013-2014 Annual Report (RE-470-4)