Evaluation Findings Regarding IDB-8 Guidance and Implications for Future Capital Increase Agreements

Office of Evaluation and Oversight, OVE

Inter-American Development Bank
Washington, D.C.
July 2009
CONTENTS

PREFACE

I. THE IDB-8 AGREEMENT AND SUBSEQUENT LENDING FRAMEWORK AGREEMENTS ....1

II. THE BANK’S RESPONSE: IMPLEMENTING IDB-8 GUIDANCE........................................3

III. THE BANK’S STRATEGIC APPROACH TO KEY SECTORS .............................................14

IV. IMPLICATIONS FOR FUTURE CAPITAL INCREASE AGREEMENTS .................................20

BIBLIOGRAPHY
PREFACE

As shareholders contemplate a new capital increase for the Bank, members of the Board of Executive Directors have asked OVE to produce a summary of evaluation findings related to implementing the guidance provided by Governors since 1994. OVE has carried out a range of oversight and evaluation studies which may contain material useful to Executive Directors and Governors as they move forward with these discussions. OVE has evaluated country programs in every borrowing member country, has carried out sector and thematic evaluations in a number of high priority sectors, and has initiated a program of impact evaluation that have started to provide detailed results on the final impact of Bank programs. In addition, OVE undertook an evaluation of Bank instruments as an input to the first New Lending Framework Agreement (2002-2004), and provided a complete evaluation of the Second New Lending Framework (2005-2008). References to evaluation reports can be found with their associated “RE-number” in the text, and can be linked to electronically via the bibliographic annex.

The present document seeks to review and summarize the results of these previous evaluations as a way of reflecting on five key questions regarding the role of capital increase instructions in organizing the work of the Bank. The five are:

- How did Governors express their instructions to the Bank?
- How did the Bank respond to these instructions in designing operations related to the instructions?
- What have we learned about Bank efforts over the past 15 years in response to these instructions?
- What can we say about the results produced by those efforts?
- What does this tell us about improving instructions in future capital increase agreements?

The purpose of this paper is to bring evaluation insights to bear on the current concerns of the Board, which are how to improve the functioning of the Bank in light of changing circumstances in the region. Recent changes in the Bank, particularly the Realignment and the recently-approved New Operational Framework, place a strong emphasis on institutional learning as a way of improving the Bank’s value added to the region’s development process. In the presentation of recent evaluation work, therefore, this document will focus on what the Bank has learned both about the development results it has produced and about how it goes about the process of learning. Thus the central focus is on what the capital increase Working Paper (GN2518-3) calls the “agenda for a better Bank.”
I. THE IDB-8 AGREEMENT AND SUBSEQUENT LENDING FRAMEWORK AGREEMENTS

1.1 Capital increase negotiations provide an opportunity for shareholders to participate actively and directly in the guidance of the actions of the Bank. As the 1999 Institutional Strategy noted:

> Periodic capital replenishments have played a key role in the consolidation and development of the IDB. In addition to providing injection of new resources, they provided a negotiating environment among shareholders to agree on priorities, build trust and reach political compromise. Since the goal of a replenishment exercise was to develop a broad consensus and lead to financial commitment, replenishment negotiations provided a democratic environment within which all shareholders had an opportunity for effective voice and in the setting of institutional goals and objectives.

1.2 Historically, the Bank received a capital increase from shareholders at regular intervals (usually 4-6 years). These capital increases allowed for an expansion of the Bank’s outstanding loan portfolio, and when lending exhausted the capital, new capital increase discussions were initiated.

1.3 The IDB-8 Agreement changed this pattern. It was much larger than previous replenishments, and Governors understood that it would take a rather long period of time to exhaust the capital provided. This context meant that the substantive guidance to the Bank needed to remain relevant for a considerable period of time.

1.4 Chapter 2 of the Agreement provided that guidance. It is 36 pages long and contains 103 paragraphs, many of which are further subdivided into sections and subparagraphs. More than one hundred areas of desirable action are described, every one of which is couched in terms of efforts to be applied rather than results to be achieved. Vague instructions for applying effort predominate: “strengthen,” “support,” “reinforce,” “collaborate,” “improve,” “assist,” “modernize”. These instructions are not ranked in order of priority, and there are absolutely no targets set for any specific results to be accomplished.

1.5 This part of the IDB-8 Agreement does, however, contain three explicit targets relating to the distribution of effort. 40% of the lending volume and 50% of the number of operations were to be used for projects leading to improved social equity and poverty reduction; Policy Based lending operations were to be limited to no more than 15 percent of the cumulative lending program; and 35 percent of the lending volume would go to C and D group countries. In implementation of the IDB-8, Management reports frequently on compliance with these targets, but does not report on substantive results achieved.

1.6 The 1999 Institutional Strategy (GN-2077) recommended that substantive guidance be revised by the Governors at periodic intervals, whether or not the Bank required a replenishment of its capital. Subsequently, the Governors approved two “lending frameworks,” one covering the periods 2002-2004, the
other 2005-2008. In 2009, the Governors approved a new “Operational Framework,” which had no specific time period but was to be reviewed by the Governors in 2014.

1.7 Each of these guidance documents shared the essential characteristics of the IDB-8 agreement: they focused on areas of effort with vague and non-prioritized lists of desirable actions to be taken, and steadily moved away from even the limited quantitative effort targets established in the IDB-8. The last guidance document, the “New Operational Framework” contains no targets at all, either for results or for effort.

1.8 RE-342 analyzed the 2005-2008 New Lending Framework, and made several observations that apply to the whole family of guidance documents. First, they are “historical documents, designed to orient the Institution’s activities within a particular context.” However, they tend to lack a complete and thorough diagnostic analysis of the particular historical moment.

1.9 Second, lending frameworks contain “an extremely broad set of normative statements. Lending frameworks tend to resolve issues among shareholders by adding goals to be pursued, as this is perceived as costless.” RE-342 concluded, however that “goal proliferation is not costless. Every normative statement from Governors demands attention from Management, if only to produce a report at the end of the lending framework period.”

1.10 Third, “there is no hierarchy of goals and no priorities. Nothing is clearly more important than any other thing, and the principal difference between normative statements is the degree of specificity they contain. Specificity, however, does not indicate priority”.

1.11 Finally, past lending frameworks have “operated within a “presumptive approach” to development. They presume that certain activities or Institutional arrangements are desirable for all countries, and direct the Bank to work toward these “best practices.” They assume the task is to generalize what we already know, rather than discover things we do not know”.

1.12 Such guidance documents are fundamentally not evaluable. Evaluable guidance requires a specification of what is to be accomplished, together with indicators that track whether performance met expectations. It is possible to measure performance against effort targets such as lending volume, but it is preferable to combine these with targets for actual results to be achieved so that the Bank can demonstrate both where effort was applied and what effect the effort produced.
II. THE BANK’S RESPONSE: IMPLEMENTING IDB-8 GUIDANCE

2.1 IDB-8 guidance was divided into three broad categories: General Considerations, Bank Instruments and Modalities; and Key Areas of Bank Activity. The sections below will cover each of these broad areas, reporting relevant findings from evaluation work.

A. General Considerations

2.2 Under this heading the Agreement draws attention to three areas: analytical work in the countries; strategic programming of Bank interventions; and adopting an appropriate skills mix and organizational structure to accomplish these objectives.

2.3 OVE has looked at analysis and programming together through individual country program evaluations for each borrowing member country, and through overview studies concentrating on evaluability of country strategies and projects (RE-309, RE-342-1, RE-275, RE-333). Uniformly, these evaluations have found that the lack of evaluability observed in governor’s guidance documents is also reproduced in the Bank’s work at both project and country levels.

2.4 To be evaluable, projects and programs need to specify the nature of the problem they are addressing, provide adequate data on the current (problematic) conditions, identify an “intervention logic” that connects problems to causes, and provide a clear description of the results (targets) to be achieved with the intervention.

2.5 In depth analysis of problems is the foundation of successful interventions, yet analysis has been found to be weak. At the program level, country strategies improved between 2003 and 2008 on measures related to diagnostic quality, but the most recent cohort averaged only 43 out of a maximum of 100 on this dimension of evaluability (RE-342-1). Low scores on this dimension were related to: (i) overly general and descriptive diagnostics with little analysis, (ii) diagnostics with little or no foundation in evidence, and (iii) poor link between challenges identified and prescriptions given; (iv) the general absence of causal models linking problem statements to their presumptive causes.

2.6 To explore the problem of poor diagnostics further, OVE undertook two other evaluations, one looking at the quality of the Bank’s analytical studies (RE-323); and one looking at the quality of economic analysis in Bank projects (RE-346.). These two areas, thematic studies and project-level diagnostics are the two principal tools through which the Bank can undertake the development of detailed country knowledge to inform country programming.

2.7 RE-323 used a team of outside experts to review a sample of 60 Bank studies for quality. These reviewers found that 61% of Bank studies scored low overall (1 or 2 on a 5 point quality scale), primarily because they made no use of primary or secondary data (20% of studies), failed to contain a specific question (34%), or a framework that identifies causes (49%). 53% did not contain a replicable evidence-based methodology. Only 11% of the studies structured the hypothesis as a function of parameters and only 4% proposed a model that was quantifiable.
Only 2% of the studies had a strategy to identify causation (rather than correlation) and only 3% had policy implications that were explicitly chosen from among policy alternatives.

2.8 While the analysis of quality is always debatable, RE-323 also found a more telling critique of the Bank studies: project team leaders do not use them in preparing Bank interventions. A survey of team leaders found that they relied on studies they commissioned themselves, studies produced outside the IDB, and conversations within their networks for developing projects. The entire sample of team leaders, however, could come up with only one single study produced in the Bank (other than their own) that they considered useful for project preparation.

2.9 RE-346 carried out a detailed review of the documents supporting 190 projects approved between 1997 and 2006 in order to evaluate the quality of economic analysis contained in them. The analysis looked at 8 dimensions of analysis: 1) the adequacy of connection between a projects objectives and the provided analysis; 2) the assessment of alternatives to the project; 3) the analysis of anticipated financial flows; 4) either cost benefit or cost-effectiveness analysis; 5) analysis of fiscal impact; 6) analysis of environmental impact; 7) analysis of risks to the successful conclusion of the project; 8) institutional analysis of the project sponsor and its authorizing and enabling environment. Average results for analytical quality were low, as shown in Table 1 below

<table>
<thead>
<tr>
<th>Dimension of economic analysis (EA)</th>
<th>Criteria</th>
<th>In percentage</th>
<th>Average score (range from 3 to 4, with 4 as highest score)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Good</td>
<td>Acceptable</td>
</tr>
<tr>
<td>Objectives and EA</td>
<td>Relationship between project objectives and economic analysis</td>
<td>24.7</td>
<td>1.8</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alternatives</td>
<td>Counterfactual scenario</td>
<td>2.4</td>
<td>5.4</td>
</tr>
<tr>
<td></td>
<td>Identification and evaluation of alternatives</td>
<td>2.4</td>
<td>4.2</td>
</tr>
<tr>
<td>Financial analysis</td>
<td>Estimation of financial flows</td>
<td>3.4</td>
<td>1.8</td>
</tr>
<tr>
<td></td>
<td>Comparative</td>
<td>0.6</td>
<td>1.8</td>
</tr>
<tr>
<td>CF or CB analysis</td>
<td>Cost-effectiveness analysis (CBA)</td>
<td>1.2</td>
<td>6.0</td>
</tr>
<tr>
<td></td>
<td>Cost-benefit analysis (CBA)</td>
<td>3.0</td>
<td>22.5</td>
</tr>
<tr>
<td>Fiscal impact</td>
<td>Identification of the fiscal impact on project outputs</td>
<td>9.0</td>
<td>11.4</td>
</tr>
<tr>
<td>Environmental impact</td>
<td>Consideration of the project’s environmental impact</td>
<td>9.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Risk analysis</td>
<td>Sensitivity analysis</td>
<td>1.2</td>
<td>11.4</td>
</tr>
<tr>
<td></td>
<td>Switching value analysis by assumption and associated probability</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td></td>
<td>Variables to be monitored and mitigation measures</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Institutional analysis</td>
<td>Stakeholders and their behavior, preferences, and incentives</td>
<td>0.0</td>
<td>5.4</td>
</tr>
<tr>
<td></td>
<td>Weakness of institutions involved and mitigation measures</td>
<td>8.0</td>
<td>4.2</td>
</tr>
</tbody>
</table>

Source: RE-346

2.10 Diagnostic quality was also found to be problematic in the two evaluations of projects approved in 2001 (RE-275) and 2005 (RE-333). These evaluability reviews found that weak diagnosis contributed to poor specification of results frameworks, inadequate treatment of risks, and a lack of both baselines and targets for improvement. A comparison of the scores of the 2001 cohort with the 2005 cohort (See Figure 1, below) show very little improvement, despite Board demands (and Management concurrence) that evaluability was to be improved following the 2001 exercise.
2.11 The IDB-8 section on “programming as an instrument” gave only brief general instructions on what was expected of this instrument, indicating that each year Management would prepare a new or updated country paper. An explicit focus on results was absent, leading the Bank’s 1999 Institutional Strategy (GN-2077) to recommend that

Country programming exercises would benefit from the establishment of specific developmental targets toward which both the Bank and the country would work, provided that they relate to those areas in which the Bank can provide deeper and sustained support over time. Specific targets would both permit more flexible approaches to project design, and provide clear feedback to both the Bank and the country regarding progress toward meeting objectives.

2.12 Pursuant to this guidance, the Bank’s country strategy guidelines were revised in 2002 to incorporate fairly demanding standards regarding the specification of intended results. RE-309 evaluated 11 Bank country programming documents prepared after these new guidelines were adopted. It confirmed the weakness in diagnosis described above, but also found that programming documents were not specific in defining their intended outcomes, and thus failed to comply with the Guidelines. Intent was couched at a high level of generality and the specific contribution expected from the Bank to the achievement of development objectives was not specified.

2.13 When new Guidelines were prepared in 2008, OVE observed that they had sharply reduced the specificity required in Bank country strategy documents. In preparing a new protocol for the evaluation of country strategies, (RE-348-3),
OVE indicated that the new guidelines did not meet the expectation, set by the Evaluation Cooperation Group of the multilateral development banks that country evaluations were “*premised on the assumption that a series of Bank country strategies and programs can be disaggregated into a contextual diagnosis, strategic and programmatic objectives, and an intervention logic that is amenable to formal evaluation.*”

2.14 With respect to “skills mix and organizational structure,” OVE has undertaken little work in this area because its mandate was to focus on the developmental effectiveness of the Bank in the region. Management has, however, frequently undertaken self-evaluation in this area, and these reveal a remarkable persistence of a similar set of problems.

2.15 In 1992, a panel of outside experts issue a “Task Force Report on Portfolio Management” (TAPOMA), which indicated problems of poor country focus, weak country offices, blurred lines of accountability and ineffective Board/Management relationships. These concerns were the basis for a re-organization of the Bank in 1994. In 1999, a joint Board/Management working group produced an Institutional Strategy for the Bank (GN-2077) which repeated virtually all of the previous critiques, and added some new ones. Their analysis found:

- Excessive bureaucracy, compounded by “*Unclear division of responsibilities between country offices and headquarters*”
- Excessive delay in moving a project from concept to conclusion.
- Ineffective Problem Solving.
- Inability to Set Clear Expectations.
- Dispersion of effort.
- Compartmentalization into organizational “silos”
- Weaknesses in staff motivation and morale

2.16 In 2006, management proposed a realignment of the Bank, based on a diagnosis that echoed the previous ones. The Realignment document noted:

> *At the same time, when consulted, the countries said that the Bank was slow and bureaucratic, its processes were complicated and undifferentiated, its products were not very innovative or flexible, and its technical capacity and specialized know-how lagged behind the advances made by the countries themselves. All of these factors limit its responsiveness and ability to have a true country focus.* (paragraph 2.3)

2.17 The persistence of the same organizational problems despite frequent adjustments to the Bank’s organizational structure suggests that powerful internal incentives are likely to exist. Chief among these is likely to be the “inward focus” of the Bank on its own organization and procedures, which competes (successfully) against the “country focus” advocated by proponents of change and reorganization.

2.18 OVE has contributed to this discussion in two ways. First, it proposed a “Results Framework for the Realignment” (RE-339) which proposed performance
indicators for the Bank that included measures of actual value added by the institution to the region. Management’s subsequent “Corporate Performance Framework” (GN-2480) did not adopt these indicators. Second, it proposed a series of steps to encourage the Bank to “budget for results” in the allocation of internal resources. (RE-334), thus getting a key internal decision (budget allocation) to be based, in part, on what the Bank was it actually achieving externally. Management expressed agreement with these suggestions, but did not pursue them in the 2008 or 2009 budget exercises.

B. Bank Instruments and Modalities

1. Lending Instruments

2.19 Capital increase agreements have often defined parameters and limits for specific types of instruments. The IDB-7 agreement, for example, created a new lending instrument called “policy based lending,” (PBL) while the IDB-8 agreement created a new instrument for direct lending to the private sector without government guarantee. A special “emergency” variant of PBL was created in 1998 by the Governors outside of a capital increase agreement.

2.20 OVE did an extensive evaluation of all Bank instruments in 2005, as part of the process of creating the second “New Lending Framework”. RE-300 argued that instruments should be judged by the “prudential debt” standard, meaning that any loan (which creates debt for the borrower) should provide adequate assurance that the returns generated would exceed the costs of the loan (both principal and interest). Loans that do not meet this standard make the country worse off for taking them.

2.21 RE-300 concluded that neither of the two basic loan types, “investment” loans and “policy based” loans had done a particularly good job of meeting the information requirements of the prudential debt rule. Cost-benefit analysis had been disappearing from “investment” lending operations (with the exception of private sector loans), and the quality of such analyses when they did appear was weak. This finding was also confirmed in OVE’s 2009 review of the quality of analysis in projects (RE-346).

2.22 For their part, PBL operations were required by the IDB-7 agreement to demonstrate “…reasonable assurance that the national economic gains of the program outweigh its economic and social costs”. OVE could find no evidence, however, that any such calculation had been performed in any PBL operation, and the requirement itself was dropped from the Bank’s Operations Manual in 1997.

2.23 Both investment and PBL operations could theoretically provide estimates of future return, either through the creation of new productive assets or increasing the efficiency of existing public or private assets. Instead of addressing this question, however, RE-300 found the Bank engaged in process of “instrument reform” designed to create new instruments which dealt with administrative and disbursement problems, rather than the uses to which debt was being put. It concluded that this “instrument focus” did little to foster development in the countries, and actually detracted from the development of an adequate country
focus. It therefore recommended ending the distinctions among lending instruments and focusing instead on the returns generated by the activities.

2.24 The “Emergency” variant of PBL was created by Governors in 1998 in response to an economic crisis. The instrument was intended to provide liquidity on a temporary basis to countries in financial difficulty, and carried short maturities (5 years) and high interest rates (400 basis points over LIBOR). As a short term instrument, the only prudential debt safeguard provided by the Governors was the requirement that “…borrowers must be OC-eligible and shown to have the capacity to absorb the proposed loans on the special terms proposed.”

2.25 OVE’s evaluation of this instrument (RE-251) could find no evidence that this sort of analysis had been performed for any of the emergency operations. A later evaluation (RE-300) found that countries taking the initial emergency loans were, on average, in a worse financial position when they were required to repay the loans than when they were when they originally contracted for them. The short tenors on emergency lending thus appear not to have allowed countries sufficient time to recover before repayments were due, leading two countries to request a second round of emergency PBLs when the amortizations on the first round came due.

2.26 RE-300 concluded that “emergency PBL imposes the highest financial costs on the countries in the most vulnerable financial situation, and that the fixed repayment schedule bears no necessary relationship to the borrower’s future capacity to repay.

2. The Private Sector Development Program

2.27 The IDB-8 created a new instrument for direct lending to the private sector without government guarantee. This instrument was to focus on: seeking support for initiatives such as the privatization of companies producing goods and delivering services, and activities hitherto reserved to the public sector, for which capital market financing is not available.

2.28 Two points stand out clearly in this description. First, the objectives of the new instrument were to support privatization of government-owned enterprise and intervene where private markets had failed to provide finance to otherwise viable undertakings. This reflected the historical context of the times, but did not prove to be a durable basis for the Bank’s work with the private sector. OVE’s 2005 review of private sector lending operations (RE-303) found that privatization had largely run its course, and that the new challenges were the mobilization of both public and private finance together to deal with problems such as infrastructure.

2.29 Second, the presumed market failures which were thought to justify such an instrument have not been demonstrated in most projects. Non-viable businesses cannot obtain finance, but this means the market is working, not failing. Viable, creditworthy borrowers do not generally have difficulty accessing finance, although perhaps at shorter tenors and higher rates than those available from the Bank.

2.30 RE-303 found that the kinds of viable projects that sought participation from the Bank were those where “regulatory risk” was a significant factor. Sponsors
believed that the Bank could help projects deal with regulatory agencies, many of
which had worked closely with the Bank for years. In practice, most sponsors
and co-lenders gave the Bank’s regulatory policy risk mitigation an unsatisfactory
rating. Half the signed projects had been affected by regulatory policy events
and, once those situations materialized, the Bank took action in only one in three
cases.

2.31 The evaluation also found that transaction costs for the Bank’s private sector
lending window were far higher than those of other lenders. Delays in approval
were a significant item, as were the actual costs of due diligence work and the
preparation of legal documentation. This may have contributed to adverse
selection of projects.

2.32 The IDB-8 agreement imagined that this new instrument was to be used as part of
a “private sector development program” which would also involve other Bank
instruments such as lending to governments in support of the private sector, and
the provision of technical assistance to both firms and governments. Two
evaluations, RE-303 on private sector lending as a whole, and RE-319 on the
Bank’s Action Plan for private sector development in C and D countries found
serious coordination problems among the Bank’s different departments.

2.33 Despite these concerns, the Bank’s private sector projects have scored higher on
measures of evaluability than other Bank interventions, primarily because they
performed financial rate of return calculations. Private sector projects generally
deliver on commitments in a timely manner, and have brought significant
environmental additionality to the investments they support.

2.34 The Bank’s private sector lending program was revised substantially by the
Governors in 2006 (CA-466-1), and these revisions dealt with a number of the
issues raised by previous evaluations. The sectors in which this instrument could
be used were expanded, and the new public/private realities of infrastructure
finance were addressed by expanding the use of the instrument to non-sovereign
guaranteed operations from a variety of actors, including public agencies and
municipal governments. OVE is currently undertaking an evaluation review of
non-sovereign guaranteed operations, but has no findings to report at this point.

3. Technical Cooperation

2.35 Providing technical assistance for the “preparation, financing and implementation
of development plans and projects,” was established as a fundamental objective of
the Bank’s work in the Charter. OVE has undertaken two large evaluations of
Bank technical assistance activities carried out at the request of specific funders of
TC: the Multilateral Investment Fund (MIF) and Japanese Trust Funds (JTF).
The MIF evaluation reviewed more than 500 projects totaling $800 million, while
the JTF evaluation examined 129 TCs totaling $71 million. Links to both can be
found in the bibliography.

2.36 These evaluations found an extensive breadth of experience with TC operations,
some of which have been instrumental in bringing projects to successful
conclusion and delivering real benefits to organizations and communities. The
evaluations also established a few problematic characteristics of TCs at the Bank, the first of which is the sheer volume of operations. A very large number of relatively small operations makes tracking and reporting an enormous task, which has not always been well handled by the Bank’s systems.

2.37 Volume is also combined with dispersion of effort. The evaluations established that TC is most successful when it is part of capacity building in a long-term relationship. Many TCs, however, are short-term, one-off interventions that may solve a temporary problem but do not build cumulative results.

2.38 One-off interventions contribute to two other problems: a general lack of evaluability in TC design; and a tendency not to learn from prior experience. With respect to evaluability, 80% of JTF projects lacked a logical framework stating indicators and targets for measuring achievement of goals. A majority of TC operations do not exhibit learning across countries or sectors, leading to duplicative expenses re-inventing solutions that had already been implemented elsewhere.

2.39 In 2008, the Board of Executive Directors approved a change in the Bank’s policy on technical cooperation. To a considerable extent, the changes reflected the lessons from evaluation. The new policy located TC as part of the Bank’s programming process in a country, and thus potentially more “upstream” in a country’s development process. It requires that TC projects have clearly specified results frameworks, and meet standards for evaluability. There is thus reason for optimism that future operations will show improvements in critical areas.

4. Key Areas of Bank Activity

2.40 The longest section of the IDB-8 guidance chapter involved statements regarding “key areas of activity”, which were broadly divided into three sub-groups: 1) poverty reduction and social equity; 2) modernization and integration; 3) the environment. Each section contained numerous suggestions for desirable activities, but only the poverty reduction and social equity section had a specific target for the amount of effort to be applied. (50% of the number of operations and 40% of lending volume). None contained any explicit targets for results to be achieved.

2.41 Much of OVE’s work involves looking for the results obtained by Bank operations. There is a “results achieved” section in each country program evaluation, sector and thematic evaluations look for evidence of results, and detailed impact evaluations look for hard evidence at the micro level that Bank interventions made a difference.

2.42 Unfortunately, a recurring theme in all this work is that the Bank simply does not collect information on the results of its operations, neither at the country program level nor at the level of individual loans. Lacking such information, a systematic explication of results achieved is impossible.

2.43 Collecting information on results is not simply an exercise in accountability. Without observing results, the Bank can neither learn from the past nor improve in the future. Learning about what produces results and what does not is the
essential way in which the Bank can bring non-financial additionality to the region’s development processes.

2.44 For a number of years, the Bank approached results tracking by asking staff to report on “the probability of achieving development results” in their projects. The results themselves were not tracked or reported, but the high scores on this subjective “probability” assessment (above 90% of all projects) gave comfort that the Bank was achieving good things on the ground.

2.45 In 2001, RE-247 examined the written record on all completed projects which met two tests: they were rated “highly probable” of achieving their development objectives and they had an available project completion report (PCR). 47 projects met these two tests, as of November 2001. The review found that 74 percent of the PCRs contained information on outputs only, with no discussion of results. In contrast, only 4 percent of the PCRs contained a “systematic” attempt to document outcomes or impacts related to all or most of a project’s initial objectives.

2.46 In 2004, Management adopted new guidelines for PCRs that were designed to remedy some of these problems. However, in 2006, RE-315 found that 18 of the 19 PCRs prepared under the “new” guidelines reviewed did not contain an acceptable Results Framework, one containing objectives, outcome indicators, baselines, targets, and end data.

2.47 Two reviews of the evaluability of Bank projects (RE-275 covering the 2001 cohort of projects, and RE-333 covering the 2005 cohort) found continuing problems with results tracking and monitoring. The 2001 exercise found that 84 percent of projects had unsatisfactory scores in measuring and tracking outcomes, while 93 percent were rated unsatisfactory in terms of describing clear baselines for the conditions that were to be improved through the project. The 2005 report showed that 78.3 percent of projects had low scores on measuring and tracking outcomes, while only 1.4% of projects fully specified the baseline values for the outcomes they were hoping to change. Clearly these subjective assessments do not provide a sound basis for concluding that the Bank is delivering results.

2.48 It is important to recognize that this conclusion is not OVE’s alone. Management has never challenged these conclusions of evaluation reports by pointing to evidence of concrete achievement. In fact, the draft Working Paper on the capital increase contains no discussion of results, electing instead to produce the following table of “outputs”:
Outputs realized is certainly a better indicator of Bank performance than simple effort measures like loans approved, but is still far from satisfactory. “Roads built or upgraded” for example, does not provide data on the ultimate purpose of the roads, which is to improve welfare by lowering transit times and increasing access to markets. It is also hard to reconcile this figure with World Bank estimates that roads cost approximately $1 million per mile, implying total investment in roads over the period of over $700 billion dollars, much more than the total amount of lending by the Bank over the period for any purpose.

### Contribution to the Region’s Development:
#### Outputs in Key Areas of Bank Activity 1994-2008

<table>
<thead>
<tr>
<th>Social Programs</th>
<th>1994-2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Education</strong></td>
<td></td>
</tr>
<tr>
<td>- Classrooms built or upgraded</td>
<td>71,099</td>
</tr>
<tr>
<td>- Teachers trained</td>
<td>931,151</td>
</tr>
<tr>
<td>- Students Benefited</td>
<td>22,048,326</td>
</tr>
<tr>
<td><strong>Health &amp; Social, Labor</strong></td>
<td></td>
</tr>
<tr>
<td>- Personnel Trained</td>
<td>4,091,815</td>
</tr>
<tr>
<td>- Number of facilities built or upgraded</td>
<td>297,633</td>
</tr>
<tr>
<td>- Individuals benefited</td>
<td>100,407,057</td>
</tr>
<tr>
<td><strong>Urban Development</strong></td>
<td></td>
</tr>
<tr>
<td>- Houses built or improved</td>
<td>214,894</td>
</tr>
<tr>
<td>- Families benefitted</td>
<td>1,690,936</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Infrastructure</th>
<th>1994-2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Agriculture</strong></td>
<td></td>
</tr>
<tr>
<td>- Land improved through irrigation/drainage (ha)</td>
<td>484,666</td>
</tr>
<tr>
<td>- Families benefitted</td>
<td>3,161,533</td>
</tr>
<tr>
<td><strong>Energy</strong></td>
<td></td>
</tr>
<tr>
<td>- Transmission lines installed/upgraded (km)</td>
<td>6,442</td>
</tr>
<tr>
<td>- Distribution lines installed/upgraded (km)</td>
<td>1,807</td>
</tr>
<tr>
<td>- Households benefitted</td>
<td>539,471</td>
</tr>
<tr>
<td><strong>Transport</strong></td>
<td></td>
</tr>
<tr>
<td>- Roads built or upgraded (km)</td>
<td>732,372</td>
</tr>
<tr>
<td><strong>Water and Sanitation</strong></td>
<td></td>
</tr>
<tr>
<td>- Households connected to water supply</td>
<td>4,232,437</td>
</tr>
<tr>
<td>- Households served with sanitation connection</td>
<td>2,272,201</td>
</tr>
<tr>
<td>- Water/Sewer systems built or upgraded</td>
<td>862</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Strengthening of public institutions</th>
<th>1994-2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Finance</strong></td>
<td></td>
</tr>
<tr>
<td>- Credit lines</td>
<td>546,894</td>
</tr>
<tr>
<td>- Projects/operations benefitted</td>
<td>170,092</td>
</tr>
<tr>
<td><strong>Institutional Capacity</strong></td>
<td></td>
</tr>
<tr>
<td>- Civil servants trained</td>
<td>1,466,093</td>
</tr>
<tr>
<td>- Information systems and improved processes</td>
<td>1,314</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Environmental Protection Programs</th>
<th>1994-2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Environment</strong></td>
<td></td>
</tr>
<tr>
<td>- Protected land (ha)</td>
<td>90,651</td>
</tr>
<tr>
<td>- Hydric Regulation Works</td>
<td>1,847</td>
</tr>
</tbody>
</table>

*Source: GN-2518*
2.50 Without reliable data on project results, all attempts to discuss results achieved by the Bank over a given time period have to rely on aggregate data for a country or sector. This kind of aggregate analysis can be found throughout Management’s Working Paper on the capital increase, and also forms the bulk of the “results” narrative in most of OVE’s country program evaluations.

2.51 Such narratives provide an unsatisfactory treatment of results because they cannot connect the observed performance of countries with the specific interventions of the Bank. This “attribution problem” means that such narratives can describe changes in condition, but cannot establish if these changes came about as the result of Bank action. A clear example of this is the statement in the Working Paper that: *Between 1994 and 2008, the region grew at an average of 3.3 percent per annum, with a cumulative growth of 57.8 percent. Over the same period, poverty rates fell from 45.7 percent to 33.2 percent. Most of the progress in terms of poverty reduction took place between 2002 and 2008, when more robust growth coincided with a reduction in inequality in several LAC countries.* This would imply that growth, rather than specific Bank or country poverty alleviation strategies, accounts for the bulk of the improvement.

2.52 Given these limitations, the sections that follow will focus on how the Bank has approached the solution to development problems in key sectors over the IDB-8 period. These approaches were informed by the guidance established in the IDB-8, guidance that was made more specific by broad sectoral strategies proposed by Management and approved by the Board. This look at strategic approaches may help inform the structuring of future guidance from Governors about how the Bank should approach key sectors of activity in the future.
III. THE BANK’S STRATEGIC APPROACH TO KEY SECTORS

3.1 Following the approval of the IDB-8 document, the Bank elected to implement the IDB-8 instructions on sectoral priorities by creating a host of more specific sectoral strategies. The area of poverty reduction and social equity saw the adoption of the following strategies that have been reviewed by OVE as part of its work: Poverty Reduction (GN-1894-5), Rural Poverty Reduction (GN-1995-5), Social Investment Funds (GN-1930-2), Reform of Social Services Delivery (GN-1932-1), Primary and Secondary Education (GN-2067-2).

3.2 The area of modernization and integration had several reviewed strategies: Modernization of the State (GN-2235-1), Public Utilities Policy (OP-708); Sustainable Growth Strategy (GN-2227); Rural Finance Strategy (GN-2022), Information Age Technologies (OP-711); Private Sector Development Strategy (GN-2270-4); Enterprise Development Strategy (GN-1885); Financial Market Strategy (GN-1948-3).

3.3 In the environmental area there was an Environmental Strategy (GN-2208-4), a policy on Compliance with Environmental Safeguards (OP-703), and a Disaster Risk Management Policy (OP-704).

3.4 In 2003, RE-286 undertook a general review of the Bank use of sectoral strategies. It found that most strategies contained a highly generalized set of normative propositions that collectively gave the impression that the Bank was highly confident that it knew what needed to be done in the area. Seven characteristics were found to be typical of Bank strategies:

i. Strategies are presented at a high level of generality. Normative and direction-setting statements are worded so as to have presumed equal applicability to all countries in the region. Objectives are discussed at a level of generality well beyond the reach of Bank interventions. Little attempt is made to differentiate among countries or to establish typologies of countries to which different types of actions might potentially be more or less appropriate. In other words, strategies fail to be country specific, and thus are not effective guides to Bank action.

ii. Strategies do not present detailed, country-specific research in order to establish initial conditions or select options based on unique country or situational characteristics. Some strategies call for subsequent country-level research to establish this type of basis for action, but such research is rarely carried out and follow-through on such recommendations is not maintained as part of the strategy development process.

iii. Strategies in a given area begin with a statement of problems, but rarely contain much in the way of a causal model which explains the social processes which generate the problem state. It is thus difficult to separate first causes from symptomatic expressions of those causes, and leaves the Bank generally ignorant of the political economy that sustains a problem.
iv. Because of these characteristics, strategies tend to be based on prevailing opinion within the international development community, rather than on deep understanding of country or sector level detail. There is a strong tendency for strategies to propose “best practice” approaches to an area based on currently popular theories or models. Some of these theories and models are based on research, but most such research is either at a highly aggregated, cross sectional level, or based on experiences in countries other than those in which the Bank operates. As a result, the empirical basis for stating that strategy x will work well in context y is weak.

v. The “best practice” approach biases strategies in favor of a “one-size fits all” strategic guidance. General principles are offered, but little guidance is provided to either staff or borrowing member countries about how to turn these general principles into the practical task of choosing among competing tactical approaches to the same general strategic goal. It is extremely rare to encounter any discussion of tactical alternatives, nor to differentiate plausible but risky tactical choices from equally plausible but more potentially productive alternatives.

vi. These characteristics mean that strategy documents are focused on what is presumed to be known about a development issue, rather than what remains to be learned. There is a tone of certainty (“do this and the problem will improve”) rather than a recognition that much is unknown about how to address a problem in the current context of the region or a country. Strategy documents tend to presume that learning on a subject has already taken place, rather than that operations are themselves an opportunity for learning.

vii. Finally, and most importantly, Bank strategy documents lack clearly defined and potentially measurable goals. Strategies are defined as generalized approaches to problems in the region, not as statements of what the Bank intends to accomplish in the medium term. Thus they offer no explicit goals for the outcome of Bank actions. Strategies are couched at the regional level, where measurable goals are difficult to establish and where there is no decision-making entity capable of defining and implementing action plans to achieve the goals. While country strategies can potentially have such goals, the kinds of Bankwide strategies reviewed here neither offer specific country-level objectives nor provide guidance to countries or project teams as to how to construct meaningful goals for their own actions. Finally, strategy documents provide neither indicators nor benchmarks against which countries and project teams can establish realistic and realizable goals for their own actions.

3.5 These design concerns have created substantial problems for the Bank in its efforts to do effective lending in priority sectors. In the case of poverty reduction, RE-288 found that the strategy prescribed the need for country-level poverty reduction strategies, but the Bank did not follow this instruction, relying instead
on World Bank poverty assessments. It also found that the Bank’s strategy described an approach based on improving opportunities for the poor, supported by efforts to increase the capabilities of the poor to take advantage of these opportunities. Most Bank lending effort, however, went to the capabilities agenda, with substantial interventions to improve the health and education status of the poor. The strategic emphasis on “helping the poor earn their way out of poverty” did not confront adequately the problem of insufficient provision of opportunities for employment of the poor.

3.6 RE-281 and RE-324 explored the Bank’s efforts in education and health. Both were heavily influenced by the Strategy on Reform of Delivery of social services which sought major changes in the way social services were organized and structured. In the case of education, RE-281 found that the strategy placed a heavy emphasis on two ideas popular at the time: school autonomy and teacher training, leading to most education projects having such components. The strategy provided no data on the effectiveness of these interventions in the LAC context, so the evaluation examined several large data sets on student performance and found that neither school autonomy nor teacher training had a significant positive impact on student learning. In contrast, reducing the amount of time children spent in the workforce did have a powerful and positive effect on student learning.

3.7 This finding was confirmed by subsequent impact evaluations of conditional cash transfer programs in Argentina, Mexico and Honduras. These evaluations found that such programs made an immediate impact on poverty (through the cash transfer) but also had positive long-term effects by improving the nutritional status of children and reducing the amount of time they had to spend in the workforce. These may produce positive long-term outcomes in building the capabilities of the poor to take advantage of future employment opportunities.

3.8 RE-324 found that the health strategy was organized around concepts being promoted by the World Bank. Some of these concepts, for example the introduction of user fees and the use of performance incentives, were rejected by the Bank’s borrowers and not included in most projects. Other concepts, like contracting-out health services and implementing performance-based incentives were applied more broadly, but were found not to be effective by the Bank’s own internal evaluations and the work of other independent evaluators.

3.9 Several country program evaluations looked at the implementation of social investment funds (Guatemala, Panama, and Jamaica). These reviews found them to be effective in building local infrastructure and improving access to services, but ineffective at creating long-term employment opportunities for the poor. Of more concern, targeting of the poor, a basic goal of the Bank’s social investment fund strategy, was problematic in all cases. Finally, an ex-post evaluation of one project found that community participation, a key element of the Bank’s strategy for social investment funds, only improved the perception of people regarding the program, not their actual improved access to services.
3.10 In the area of modernization and integration, three themes dominated the Bank’s work: reform of tax and budgetary institutions; financial sector reform; and the financing of infrastructure. Tax and budgetary reform was covered by the Modernization of the State Strategy and the subsequent Sustainable Growth Strategy. Both focused the work of the Bank in these areas on short-term measures to increase tax and customs collection as a way of contributing to the maintenance of fiscal discipline. RE-317 found that such measures were often successful, but that the strategy missed equally important long term objectives that have now become problematic for the governments of the region. Chief among these are the unacknowledged contingent liabilities growing out of current fiscal decisions, and the development of productivity measures for public spending that would allow efficiency improvements in expenditure management. Both are threats to the long-term fiscal sustainability of many borrowers.

3.11 RE-273 found that the Bank’s enterprise development strategy acknowledged its own lack of country specificity and called for individual country enterprise development strategies to be developed. Only a small number of such studies were undertaken, however, before the program was cancelled.

3.12 The Financial Market Strategy also called for country-specific financial strategies, as did the Rural Finance strategy, and here again OVE could find no evidence that such strategies were developed for most borrowing member countries. Actual work by the Bank in the financial sector was concentrated in two instruments: Policy Based Loans for financial sector reform; and global credit operations providing funds to financial intermediaries for on-lending to final borrowers (primarily small and medium enterprises).

3.13 OVE has not done a formal review of financial sector PBLs, however individual country program evaluations have found mixed results of such interventions. In the case of Peru, Re 262 found that two financial sector loans contributed substantially to the resilience of the sector to withstand external shocks. A similar situation was found by RE-328 for Honduras. In contrast, RE-294 found that Paraguay failed to implement key elements of the financial sector reform loan, and in Jamaica, RE-310 found that neither the IDB nor the World Bank, both of which were active in financial sector reform, anticipated or prevented a major credit crisis resulting from that reform. A similar story was found by RE-304 for Guatemala.

3.14 OVE did review the use of global multi-sector credit operations as a tool for financial reform. RE-336 found that, despite the hopes articulated in the Financial Market Strategy, such operations did not transform the second-tier financial institutions into more efficient intermediators of credit, and that the tenor of loans actually went down as a result of a Bank operation, precisely the reverse of the objective sought. Over the past two decades, domestic credit to the private sector has stagnated in the region, while growing strongly in the rest of the world.

3.15 A key element in both the Financial Markets strategy and the Rural Finance strategy was the “rationalization” of state-owned and managed financial institutions. RE-291 found that this instruction was interpreted to mean the
shutting down of specialized public institutions for the granting of rural credit, in
the belief that this would open up space for private financial intermediaries. The
public institutions were successfully closed in many countries, but private
suppliers of credit did not arise to take their place. Once again, reality failed to
conform to theory.

3.16 The most dramatic confrontation of theory with reality, however, came in the
Bank’s approach to the provision of public utility infrastructure services. The
policy (OP-708) was approved in 1996 and incorporated a set of “basic
conditions” that utilities (principally water and electricity) needed to meet before
they could receive funding. These conditions reflected the consensus of the time
on the virtues of private production and emphasizing the role of the State as
regulator rather than provider of services.

3.17 So strong was the consensus on the virtues of this approach that the policy
severely limited the Bank’s flexibility in implementing it, stating “significant
action can only be taken [by the Bank] when the government has already made
credible and irreversible public commitment to the mutually agreed upon process,
signaled by the adoption of some of the basic conditions, or at least by making
satisfactory progress towards their implementation.”

3.18 In 1996, there was convergence of interests between private firms seeing
opportunities in taking over inefficient public utilities, and governments needing
the fiscal revenue from privatization. RE-326 found that this convergence was
strongest in the area of electric power, and the policy was successfully
implemented in a number of countries. However, the enthusiasm for privatization
in the electricity sector has waned in subsequent years, and the policy proved
incompatible with the new conditions. Significant new lending in recent years for
electricity has thus required a waiver of the policy conditions.

3.19 In the case of water, RE-270 found that the “basic conditions” simply could not
be met anywhere outside of a few very large cities. Water is a basic necessity of
life (unlike electricity) and water supply is thus inherently a much more difficult
sector in which to introduce principles of private participation and tariffs that
cover marginal costs. The appetite of private investors to finance a slow-growth
sector with immense long-term capital requirements was also not adequate.

3.20 As a result of this collision between policy and reality, the Bank simply stopped
lending for water. Water lending collapsed from 1996 through 2001, and the
projects that did go forward were crafted as “social investment” projects with a
poverty focus, thus escaping the strict requirements of the Public Utilities policy.
Other water projects done by major Bank borrowers, were simply not required to
comply with the policy.

3.21 It should be acknowledged, however, that in 2007 the Bank adopted a “Water
Initiative” that recognized “There is no “one-size-fits-all” approach to
development of the water and sanitation sector. The Bank must tailor its actions to
the institutional, cultural, and political reality of each individual country”. (GN-
2446-2).
While the Water Initiative was responsive to the problems of overly restrictive guidance, in effect it replaced poor guidance with no guidance. The initiative itself is broad and vague in its statement of strategic direction, resembling the generalized language of the IDB-8 itself rather than the more specific guidance of subsequent strategies. It should also be pointed out that despite the Water Initiative, the Public Utilities policy remains the current statement of Bank policy in this area, unamended in light of the disappointing experience with implementing its prescriptions.
IV. IMPLICATIONS FOR FUTURE CAPITAL INCREASE AGREEMENTS

4.1 The language in the IDB-8 agreement is suggestive of action but not directive. Many possible areas of action are mentioned, but there is no prioritization and no assurance that a given possibility is given attention by the Bank. The Agreement is directive only in the area of specific targets for lending volume, and those directions have been complied with. So the first implication for future capital increase documents is: less talk, more targets. This change would produce more evaluable guidance documents.

4.2 Targets focus the mind. The Bank’s Institutional Strategy noted that in organizations: “What you value, you measure, and what you measure, you get”. Targets also accomplish prioritization: not every objective can have a target, and those with explicit targets become, de facto, the highest priorities for the institution. Targets can be set for either effort (volume of lending) or results (like the Millennium Development Goals). Level of effort targets are easier for the Bank to monitor, and so the task of crafting a new capital increase agreement should contemplate a set of effort targets that match the current priorities of shareholders.

4.3 Outcome targets at the Bank level are also a possibility, but they will be much more difficult to construct owing to the heterogeneity of conditions among borrowing member countries. Countries have collectively agreed to results targets for Millennium Development Goals, and it would be administratively simple to incorporate them into future guidance documents. Whether a simple incorporation of such goals would be appropriate, however, is a decision for shareholders. The evaluative point is that clear outcome goals would help focus the Bank’s programs and projects on real outcomes instead of effort.

4.4 If setting outcome targets at a Bank-wide level is impractical for reasons of heterogeneity, the appropriate alternative is not to abandon outcome targeting altogether but to shift this exercise to the country or project level where heterogeneity is fully internalized. It is important to emphasize that a requirement to target outcomes in Bank interventions creates a cascade of events which, by themselves, will significantly improve the performance of the organization even if the targeted outcome is not achieved.

4.5 Targeting outcomes requires an adequate specification of current conditions in order to establish the nature of the problematic situation that is to be changed. This exercise would remedy much of the analytical weakness of Bank interventions noted earlier. It also requires the specification of a clear intervention model that finds causes for the problems observed and seeks to influence those causal factors. Monitoring outcomes as a project or program unfolds also allows for results-focused feedback and in-course correction, desirable features for an institution seeking to be innovative and flexible.

4.6 But the real payoff from outcome targeting is that it shifts the way the Bank approaches problems. As demonstrated earlier, IDB-8 guidance was translated by
the Bank into a series of “one size fits all” generalizations that operated on the presumption that the Bank already knew what needed to be done, it didn’t have to learn. Outcome targeting turns this approach on its head by emphasizing the need to learn about what produces results in a particular context, and adjusting treatment accordingly to improve final results. Outcome targeting encourages a scientific and experimental approach to the region’s problems rather than a dogmatic one.

4.7 Because it requires more work in both project design and monitoring, outcome targeting will not initially fit comfortably with the Bank’s current emphasis on speeding up its approval and disbursement processes. This is to be expected. But both Management and Shareholders should recognize that there is a difference between delay due to burdensome rules and unresponsive bureaucrats and delay due to care in the preparation and observation of a high-quality intervention.

4.8 Accordingly, one of the most powerful messages that shareholders could include in a future capital increase would be a firm commitment that Bank country programs and projects contain a fully specified results framework consisting of indicators, baselines, targets and methods of verification for every proposed development objective. There are two means to accomplish this: a straight instruction to the Board of Executive Directors that no country program or project be approved that did not meet this standard; or a more gradual approach mandating that the percentage of approved programs and projects meeting this standard should increase steadily over time, reaching 100% by the end of a set period.

4.9 It is not enough, however, simply to focus on clear results frameworks at the design stage. For the Bank to learn, results of programs and projects must be observed throughout execution, and those observations brought back to the attention of the Bank upon project completion. This is particularly true of lending instruments that consciously promote experimentation and innovation. Thus it would be helpful if shareholders would signal an interest in periodic reviews of project completion reports by the Board of Executive Directors. These exercises should be focused on institutional learning about what has and has not worked in Bank operations. Such reviews would also help remedy the observed deficit in information regarding Bank accomplishments.

4.10 If the Bank is to focus more on results, it is essential that its own internal processes adopt a focus on results as well. Results-based budgeting, and an overall performance monitoring system that connects what goes on inside the Bank to what impact it is having on development outside the Bank, are two past OVE recommendations that are still pending.

4.11 Finally, capital increases are always historical phenomena, rooted in a set of economic problems and favored solutions that have a particular historical moment. Agreements among shareholders would benefit from a clear recognition of this, locating each agreement in its proper economic context (particularly with respect to the economic cycle), while remaining skeptical of purported universal truths about how development objectives must be pursued.
COUNTRY PROGRAM EVALUATIONS


OTHER EVALUATIONS


RE-347-2 - Additional information regarding the investment policy review eval.


RE-323-1 - Evaluation of the IDB’s Studies. Electronic link.
RE-315 - Assessment of the 2004 Project Completion Reports (PCR) produced under the Bank’s new PCR guidelines. Released on April, 2006. Approved on June 14, 2006.


**RE-253 (WP/02-01)** - Evaluability of country strategies: Methodology Note. Released on October, 2001. Approved on December 10, 2001 (for information only).


**Evaluations for the MIF**


EVALUATIONS FOR THE IIC

CII/RE-9 - Sixth independent evaluation report to the IIC Board of Executive Directors. Released on April, 2009. Approved on June 9, 2009.


CII/RE-7 - Fourth independent evaluation report to the IIC Board of Executive Director. Released on October, 2006.


CII/RE-4 - Third independent evaluation report to the IIC Board of Executive Directors. Released on February, 2005.

CII/RE-3 - Second independent evaluation report to the IIC Board of Executive Directors. Released on July, 2003.


JTF EVALUATION


WORKING PAPERS


WP/03-08 - Incapacity to Pay or Moral Hazard? Public Mortgage Delinquency Rates in Chile. March, 2008.


WP/13-06 - The Impact of University Enterprise Incentive Program on the Performance and Technological Efforts of Brazilian Industrial Firms. December, 2006.


