Office of Evaluation and Oversight

Approach Paper

Evaluation of the IDB Group's support to Small Island Developing States (SIDS): 2016-2025

IDB Group

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ACRONYMS AND ABBREVIATIONS

BA	Barbados
BH	The Bahamas
BL	Belize
CARICOM	Caribbean Community
CC+	Compete Caribbean Program, Phase Three
CCB	Caribbean Country Department
CS	Country Strategy
GDP	Gross domestic product
GY	Guyana
ICPR	Independent Country Program Review
IDB	Inter-American Development Bank
IDB Group	Inter-American Development Bank Group
IEG	Independent Evaluation Group
IMF	International Monetary Fund
JA	Jamaica
LAC	Latin America and the Caribbean
MDB	Multilateral Development Bank
OECD	Organisation for Economic Cooperation and Development
OECS	Organisation of Eastern Caribbean States
OVE	Office of Evaluation and Oversight
PBL	Policy-based loan
PCR	Project Completion Report
PMR	Project Monitoring Report
ReTS	IDB Group Recommendations Tracking System
SIDS	Small Island Developing States
SIDS-7	The seven SIDS that are the focus of this evaluation
S&I	Small and Island countries
SSI	Semi-structured interviews
SU	Suriname
TCs	Technical Cooperations
TT	Trinidad and Tobago
UN	United Nations
WEO	World Economic Outlook
WB	World Bank
XCPE	Extended Country Program Evaluation
XSR	Expanded Supervision Report

I. INTRODUCTION

1.1 **This document outlines the approach that the Inter-American Development Bank's (IDB) Office of Evaluation and Oversight (OVE) will adopt to evaluate the IDB Group's support to its client Small Island Developing States (SIDS) in Latin America and the Caribbean (LAC).** The IDB Group Boards asked OVE to conduct an assessment of the relevance and effectiveness of the IDB Group's work in SIDS, recognizing their distinct development needs and challenges and the necessity of adapting the IDB Group's operational model to their specific contexts.

1.2 **The evaluation will focus on seven countries: Barbados, The Bahamas, Belize, Guyana, Jamaica, Suriname, and Trinidad and Tobago (SIDS-7).** To ensure that the evaluation is feasible and to provide sufficient depth of the analysis, OVE will focus the assessment on seven SIDS (SIDS-7), comprising five traditionally small SIDS economies (Barbados, The Bahamas, Belize, Guyana, and Suriname) and two larger SIDS economies (Jamaica and Trinidad and Tobago).[1] This sample of countries was chosen for two main reasons: to ensure consistency with the IDB Group's framework for developing a regional approach for SIDS (ONE Caribbean), and to ensure coverage of diverse SIDS: large and small economies and service-based and commodity-dependent. The seven selected SIDS comprise the youngest nations among the IDB Group's borrowing member countries. The sample excludes the Dominican Republic and Haiti, both of which have significantly larger populations than the SIDS-7 and are not part of ONE Caribbean.[2]

1.3 **An assessment of the IDB Group's support to SIDS-7 is timely to inform future implementation of corporate strategies that cover these countries and are reaching their midterm point.** In 2024, the IDB Group's Governors approved a new institutional strategy, Impact+ (2024-2030) (document GN-3159-12), as well as ONE Caribbean, a framework for developing a regional approach to addressing specific topics across the SIDS-7. This evaluation is scheduled for delivery in 2026, coinciding with the mid-point of the framework's implementation. The evaluation can support ongoing strategic efforts by offering insights to improve the relevance and effectiveness of the IDB Group's operational program in the SIDS-7.

1.4 **The evaluation will build on the findings of other country and thematic evaluations.** These include two ongoing Independent Country Program Reviews (ICPRs) for Trinidad and Tobago and Suriname, both covering the 2021-2025 period, and the recently completed Extended Country Program Evaluation (XCPE) for Belize, covering the 2013-2025 period. Where pertinent, OVE will also build on available evidence from recent thematic and sector evaluations, in particular, the Citizen Security evaluation (OVE, 2024a) and the Adaptation to Climate Change evaluation (OVE, 2025).[3]

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[1] The United Nations (UN) formally recognizes 39 SIDS, 16 of which are in LAC —all within the Caribbean region— (Annex I). Of these SIDS, nine are IDB Group member countries.

[2] Additionally, Haiti differs from the SIDS-7 in key aspects. It is considered a fragile state by the IDB Group and one of the least developed countries by the UN, it operates under a client engagement note rather than a Country Strategy and only has access to IDB Group's non-reimbursable financing. In 2022, OVE conducted an evaluation of the use of the IDB Grant Facility in Haiti.

[3] In addition, the XCPE for Barbados (OVE, 2024b) included a deep-dive on climate change (Annex II), and OVE is currently preparing evaluations focused on technical cooperations and on productive development.

1.5 **This Approach Paper is structured in six sections.** Following this introduction, Section II presents an overview of the SIDS-7's characteristics and development challenges. Section III presents the IDB Group's Institutional framework that guides its support to SIDS. Section IV outlines the evaluation objective, scope, and logical framework. Section V outlines the evaluation questions and methods. Finally, Section VI presents the evaluation team and estimated delivery timeline. Annexes include supplementary information for these sections.

II. SIDS-7 DEVELOPMENT CHALLENGES

2.1 **SIDS-7 face distinct challenges, including low productivity, vulnerability to natural disasters, macroeconomic and fiscal imbalances, governance and institutional shortcomings, and social vulnerabilities.** Though a heterogeneous group, SIDS-7 face similar challenges in six related areas[4]. Several of these challenges are associated with these countries' small size and high exposure to shocks:

- *First*, they exhibit lower productivity and growth compared to the LAC average and that of advanced economies.[5] Due to their narrow resource bases and small domestic markets, SIDS-7's productive base (and exports) are often undiversified, with a strong concentration on services –mostly tourism and financial intermediation–, and commodities –especially oil/fuels, gas, minerals, and agricultural products (Figure 2.1 and Annex III).
- *Second,* SIDS-7's investment climate is characterized by several constraints, including: (i) regulatory frameworks and complex procedures that are often not conducive to foreign direct investment, product-market competition, entrepreneurship, and growth of local firms –including through development of supply and value chains–; (ii) high infrastructure costs, including transportation costs,[6] due to the countries' remoteness, small scale, limited infrastructure and transportation options, and reliance on specific shipping routes, as well as high energy costs; (iii) high fixed costs for commercial and financial sector transactions relative to their economies' transaction volumes, limited trade agreements, low financial depth,[7] and concentrated banking sectors; (iv) labor shortages due to supply-demand mismatches; and (v) high crime rates[8].
- *Third*, most SIDS-7 are highly vulnerable to natural disasters, which have a major impact on infrastructure[9], macroeconomic stability, and pose an

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4 Key sources include The Commonwealth Secretariat/WB -Task Force on Small States (link); UN's SIDS (link and link), WB-IEG (2016a, 2016b, 2006); IIMF (2022a, 2013); Briguglo, Persaud, and Stern (2006).

5 Between 2016 and 2023, the SIDS-7 averaged GDP growth of 0.3%, significantly below the LAC average of 1.3%. The exception is Guyana, which has seen rapid growth (22.2% annually) due to oil production (IMF's WEO, 2025). Although some countries perform relatively well in terms of total factor productivity, the broader trend since the 2010s has been one of declining productivity (IDB, 2023, 2014; IMF-IEO, 2022b; ECLAC, 2024). The average labor productivity in the Caribbean was 46% of the OECD (OECD, 2024).

6 UNCTD (2014). IFC (2023) also highlights challenges in border and ports infrastructure.

7 The IMF (2013) found that, while the financial sector in the Caribbean is large relative to economic size and is dominated by banks, there is limited access to credit, and the high interest rates affect private sector business expansion in some of these countries.

8 Particularly in Jamaica, Belize and The Bahamas. In contrast Barbados and Suriname are considered relatively safe countries (IDB, 2017, 2024b, and Annex III).

9 Annual infrastructure-related losses caused by natural disasters and climate change are estimated at $12.5 billion across the Caribbean (UNDRR, 2015, and IDB 2021, 2022a).

existential threat to the small population and the economies of these countries.

- *Fourth*, high macroeconomic and fiscal imbalances that are significantly affected by external shocks (changes in commodity prices and natural disasters),[10] which may drive the SIDS-7 economies into debt with long-term consequences.
- *Fifth*, SIDS-7 face important institutional and governance shortcomings,[11] including high per-capita costs for public goods and services due to the small size of their populations, especially for the smaller islands. The efficiency and quality of government services are also affected by the migration of skilled labor and the rotation of public servants.
- *Sixth*, SIDS-7 face major social challenges, including internal inequalities (associated with exposure to external shocks), a growing incidence of non-communicable diseases –which are a leading cause of death–, low-performing educational systems, and high migration rates ("brain drain")[12] resulting in a limited supply of skilled labor and uneven progress in closing gender gaps.

2.2. **Small and relatively large SIDS-7 face vulnerability to external economic conditions, while larger Caribbean economies benefit from relatively bigger domestic markets, which might better cushion the impact of external shocks and support economies of scale.** By Gross Domestic Product (GDP) and population size, The Bahamas, Barbados, Belize, and Suriname are the smallest economies among the SIDS-7, (GDP below $17 billion and populations under 1.5 million). Trinidad and Tobago and Jamaica are the largest economies (GDP of $26.5 billion and $21.4 billion, respectively, and populations between 1.5 and 3 million).[13] Meanwhile, Guyana, traditionally a small economy, is undergoing economic transition —driven by its burgeoning oil industry—, positioning it among the largest economies in the region with a nominal GDP of $25.8 billion.[14] The Bahamas, Barbados, Jamaica, and Belize rely heavily on service-based industries, such as tourism and financial intermediation. Services account for approximately 60% to 80% of GDP in these countries. Guyana, Suriname, and Trinidad and Tobago are considered commodity-based economies, with strong dependence on oil, gas, and minerals. Industry contributes approximately 35% to 70% of GDP across these economies. Belize could be considered a hybrid economy due to its relevance as exporter of agricultural commodities (Annex III). While all these economies share several common characteristics, the larger Caribbean economies, such as Trinidad and Tobago and Jamaica, benefit from relatively bigger domestic markets due to their greater population size and economic activity. This larger internal demand can, to some extent, better cushion the impact of external shocks and support economies of scale, potentially reducing the per-capita cost of infrastructure and public services. There is no consistent relationship between the SIDS-7 economic size and their levels of diversification or overall

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10 Natural disasters can generate direct fiscal costs and reconstruction pressures. Commodity price shocks drive macroeconomic volatility that can distort government revenues and/or spending.

11 IDB (2024, 2018a and 2018b) and Annex III.

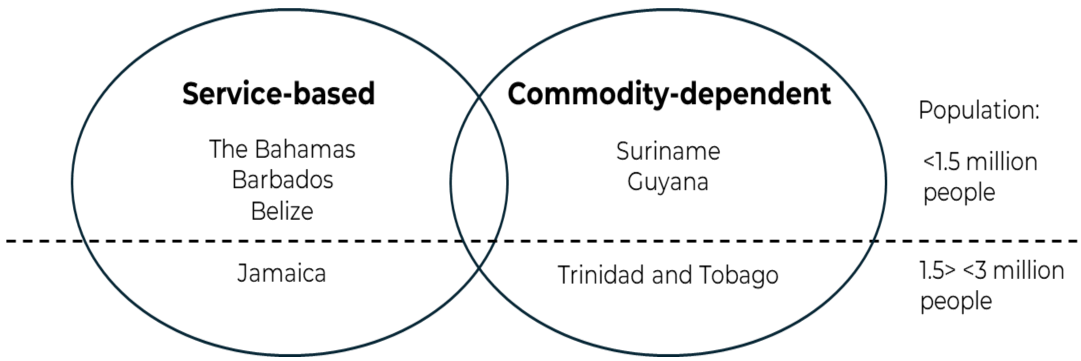
12 Jaupart (2023); Cecchini et al. (2023); IOM (2022).

13 IMF's WEO, 2025 data and Annex III. In terms of population density, the SIDS-7 range from 4 people per km² in Guyana and Suriname —the lowest in LAC— to 657 per km² in Barbados, the highest in LAC.

14 In per capita terms, the wealthiest nations among the SIDS-7 have been The Bahamas, and Trinidad and Tobago. However, Guyana has recently surpassed them (Annex III).

economic strength. While larger Caribbean economies tend to have bigger domestic markets, they remain highly open and dependent on international trade, underscoring their continued vulnerability to external economic conditions.

Figure 2.1. Subgroups of SIDS-7
(by GDP composition and trade structure)



Source: OVE based on data from the International Monetary Fund (IMF)'s World Economic Outlook (WEO) and WEO databases, and World Bank (WB)'s World Development Indicators (WDI).

III. IDB GROUP INSTITUTIONAL FRAMEWORK TO SUPPORT SIDS

3.1 **The IDB Group has been developing a strategic approach to support SIDS in LAC since 2015.** The 2015 Update to the Institutional Strategy (IDB, 2015; document AB-3008) affirmed the IDB commitment to recognizing client heterogeneity and providing tailored responses to country challenges. The Update directed the IDB Group to utilize its country offices to enhance engagement with its clients and to deliver high-quality initiatives in small and vulnerable countries. The 2015 Busan Resolution (document AG-9/15), which approved the merge-out of the IDB's private sector window and the capitalization of IDB Invest, included the increase in lending to Caribbean countries as a desired outcome of the IDB Invest's capitalization. In 2017 and 2020, IDB Invest approved two Action Plans (documents CII/GN-354 and CII/GN 354-2) to bolster operations in Small and Island (S&I) countries (including the SIDS-7).[15] The Action Plans proposed a targeted approach for S&I countries, including a more active use of advisory services, process-level changes in origination and structuring, and country commitment targets. For instance, the 2017 Plan set a target of allocating 10% of IDB Invest approved volume to S&I countries, which the 2020 Plan refined to 10% of both long-term and short-term commitments. In 2025, the IDB Invest launched the S&I Roadmap 2026-2031 (document CII/GN-354-7), which builds on and supersedes the IDB Invest S&I Action Plans, shifting the focus from commitment volumes to long-term, systemic targets that prioritize specific areas and countries. Finally, the 2022 Barranquilla resolution (IDB, 2022b, document AG-7/22), which required the IDB Group Management to propose operational and institutional reforms to enhance the Group's development and operational effectiveness, underscored the urgency of addressing SIDS' development needs through a more strategic approach.

15 Including the SIDS-7, Dominican Republic and Haiti (known within the IDB invest as S&I countries). The 2020 document updated and complemented the original 2017 Action Plan.

3.2 **The 2024 launch of the new Institutional Strategy (Impact+) and the ONE Caribbean initiative (document GN-3201-5) provided a framework for IDB, IDB Invest, and IDB Lab to create and prioritize regional initiatives to promote sustainable development and to enhance living conditions in the LAC SIDS.** The new Institutional Strategy advanced the institutional framework to support small islands and low-lying coastal states through enhanced collaboration with other Multilateral Development Banks (MDBs), regional integration efforts, and targeted initiatives. Among them, ONE Caribbean aims to support the design, approval, and implementation of programmatic approaches in the six Caribbean Country Department (CCB) countries and Belize, to address four regional priorities:[16] i) climate adaptation, disaster risk management, and resilience; ii) citizen security; iii) private sector engagement; and iv) food security. It also emphasizes institutional strengthening and digital transformation of the public sector as cross-cutting themes.[17] This is the first IDB Group initiative focused on the SIDS, addressing regional priorities, and integrating the three windows (IDB, IDB Lab, IDB Invest). It complements countries' institutional priorities, which result from dialogue with the government and are outlined in each Country Strategy (CS), as well as other initiatives like the S&I Action Plans and Roadmap. In 2023, the IDB Group also launched the "Amazonia Forever Initiative", an umbrella program to scale up financing and boost coordination to accelerate the sustainable, inclusive, and resilient development and biodiversity conservation of the Amazon region (covering seven countries, two of which are SIDS-7 —Suriname and Guyana—). That initiative integrates efforts from the IDB, IDB Invest and IDB Lab.[18] Finally, in 2024, the IDB Group approved Phase 3 of the Compete Caribbean program (CC+) (document GN-2851-2)[19] —which was launched in 2010 and that became a multi-donor trust fund in 2016. CC+ supports private sector development in the region through technical cooperation. Its four priority areas are to strengthen (i) Caribbean business' competitiveness and capacity for climate action, (ii) governance frameworks for private sector development, (iii) the capacity of Caribbean research organizations to support private sector climate governance, and iv) technical assistance to stimulate competitiveness and climate action. Figure 3.1 provides an overview of the IDB Group's strategic approach to support SIDS between 2015 and 2025.[20]

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16 It also included the establishment in 2024 of the Ordinary Capital Strategic Development Program Transitory Emerging Need for Sustainable Development in the Caribbean. (IDB, 2024)

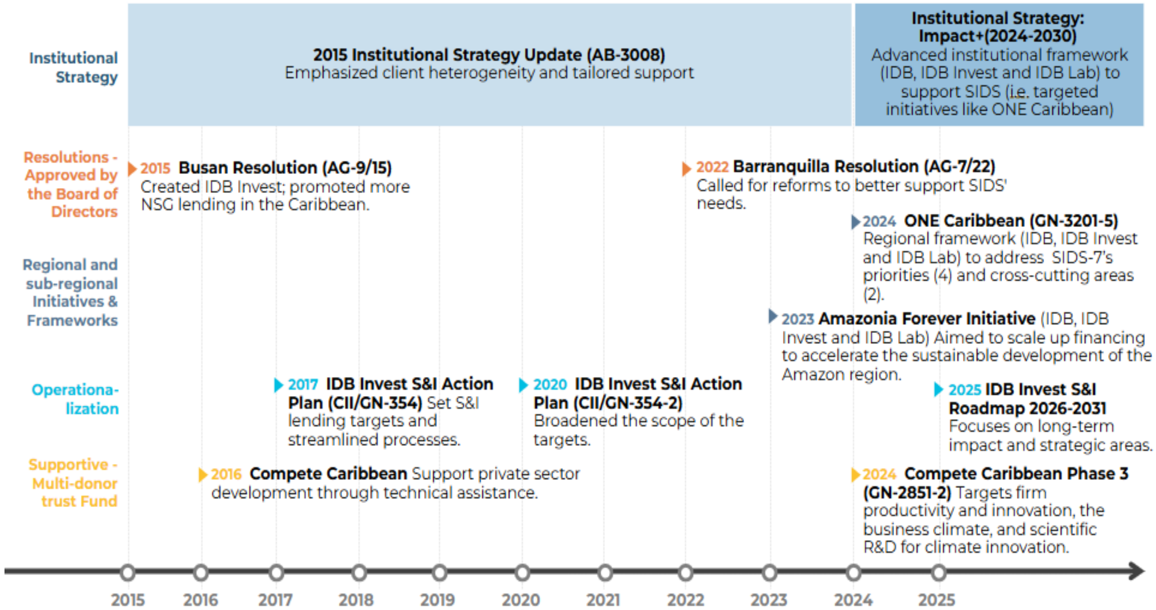
17 The ONE Caribbean initiative also seeks to build upon existing partnerships and forge new ones to address shared challenges and involves collaboration with member countries and MDBs (e.g. WB), regional institutions (e.g. the Caribbean Community -CARICOM), Academia and the private sector.

18 In addition, in 2024, the IDB Group approved the "America en el Centro" regional program to address challenges faced by Central America -including Belize-, Panamá and the Dominican Republic.

19 CC+ covers 13 countries: seven IDB members and six of the Organization of Eastern Caribbean States (OECS).

20 Additionally, in 2024, the IDB Group launched the Fragility and Conflict Sector Framework Document (GN-3199-2). So far, this framework does not operate in any of the SIDS-7.

Figure 3.1. IDB Group Institutional Framework to Support SIDS (2015-2025)



Source: OVE, based on IDB Group institutional and corporate documents.

IV. EVALUATION OBJECTIVE, SCOPE, AND LOGICAL FRAMEWORK

A. Evaluation objective and scope

4.1 **The evaluation seeks to provide evidence on the relevance and effectiveness of the IDB Group's program in the SIDS-7 and to assess the Group's operational model in these countries in the 2016-2025 period.** Throughout the evaluation, OVE will maintain both a regional and a country-specific focus. The evaluation aims to assess the extent to which the IDB Group's support during the evaluation period[21] has been consistent with the IDB Group's institutional strategic priorities for the SIDS-7 and government priorities. It will also assess whether the IDB Group has been relevant to addressing the barriers to sustainable and inclusive growth through both country-level and regional approaches (relevance). The evaluation also aims to assess the extent to which the IDB Group has contributed to achieving its expected objectives to foster sustainable and inclusive growth in the SIDS-7 (effectiveness). Given the limited number of regional operations with a Project Completion Report (PCR) or Expanded Supervision Report (XSR), the effectiveness analysis will focus on the non-regional portfolio. In addition, it will explore the IDB Group's operational model with the SIDS-7 to provide insights into its suitability for the unique realities of these countries. The evaluation aims to provide relevant insights for the Boards and Management of the IDB and IDB Invest to inform the discussion and future decision-making to improve the relevance and effectiveness of the Group's ongoing and future support to SIDS. The SIDS-7 represents a majority (78%) of the IDB Group member SIDS. All SIDS-7 have an active borrowing member status with the IDB Group and an active portfolio of both reimbursable and non-reimbursable operations (Table 4.1).[22] The 2016-2025

21 From January 1, 2016, to March 31, 2025.

22 IDB's criteria to access concessional resources is based on per capita income and creditworthiness. Guyana graduated from eligibility for IDB concessional resources in 2021, under the Enhanced Performance-Based Allocation/Debt Sustainability Framework (EPBA/DSF), in accordance with document AB-3066-2.

evaluation period covers more than one CS in each selected country (Annex II). It also covers the period after the merge-out of the IDB Group's private sector window and the implementation of the IDB Invest S&I Action Plans. The IDB is the largest development partner in terms of financing amounts in most of the SIDS-7 —except in Belize and Trinidad and Tobago— (Annex IV), IDB Invest has been actively seeking to grow its presence in these countries, and IDB Lab has been increasingly focusing on addressing barriers to innovation.

Table 4.1. IDB Group key institutional characteristics among the SIDS-7

Country	Part of IDB Group - ONE Caribbean [a]	Part of IDB Invest S&I Action Plan [b]	Part of IDB Group Amazonia Forever [c]	IDB Group Region [d]	UN- Small Island Developing States (SIDS)	Portfolio [e]	Type [f]
Smaller countries							
Barbados	Yes	Yes		CCB	Yes	Yes	Small and Island
The Bahamas	Yes	Yes		CCB	Yes	Yes	Small and Island
Belize	Yes	Yes		CID	Yes	Yes	Small
Suriname	Yes	Yes	Yes	CCB	Yes	Yes	Small
Guyana	Yes	Yes	Yes	CCB	Yes	Yes	Small
Larger countries							
Trinidad and Tobago	Yes	Yes		CCB	Yes	Yes	Small and Island
Jamaica	Yes	Yes		CCB	Yes	Yes	Smal and Island

Source: OVE. Not all IDB Group member countries are included in the table. [a] ONE Caribbean covers these seven countries. [b] IDB Invest S&I Action Plan includes 9 countries. [c] The Amazonia forever initiative covers seven countries: Bolivia, Brazil, Colombia, Ecuador, Guyana, Peru and Suriname. [d] CCB: Caribbean Department, CID: Central America, Haiti, Mexico, Panama, and Dominican Republic Department. [e] Reimbursable and non-reimbursable operations. [f] S: Small Country (by population: 2024), I: Island country (comprise of one or more islands).

4.2 **The IDB Group's SIDS-7 portfolio that the evaluation will assess includes 212 reimbursable non-regional operations totaling US$8 billion.** Among the non-regional operations, the IDB Group's SIDS-7 portfolio (approvals and legacy) for the 2016-2025 period includes 168 reimbursable non-regional IDB operations totaling US$6.9 billion, and 44 reimbursable non-regional IDB Invest operations with US$1.1 billion in commitments. Policy-based loans (PBLs) account for half of the IDB's total amount approved in the period (US$2.6 billion), Investment loans (INVs) account for 47% of the IDB's approved amounts (US$2.4 billion), and the remaining 3% by two Special Development Loans (SDLs) (US$150 million). Most IDB reimbursable operations are concentrated in reform and modernization of the state (32), followed by social investment (17). The IDB Invest portfolio includes 40 operations with long-term commitments (LTC) for US$923 million, most of which were allocated to senior loans and lines of credit (US$749.4 million), and four operations with short-term commitments (STC) under the Trade Finance Facilitation Program (TFFP). LTC financed the three IDB Invest business segments: infrastructure and energy, financial institutions, and corporates. The IDB and IDB Invest portfolios also include non-reimbursable operations (Annex V).

4.3 **The evaluation will also include a purposive sample of IDB Lab operations.** The total IDB Lab non-regional portfolio (approvals and legacy), from which OVE will draw a small sample, comprises 184 operations (of which 24 are reimbursable) totaling US$95.8 million —a relatively small amount compared to the portfolios of IDB and IDB Invest, due to the innovative nature of IDB Lab. By sector, over half of the IDB Lab's approved amount focuses on supporting firms and small and medium enterprises, agricultural and rural development, and environmental and natural disaster-related areas.

4.4 **The evaluation will also incorporate a purposive sample of regional operations across the three windows (IDB, IDB Invest, and IDB Lab).** OVE identified a universe of over 900 regional operations approved during the evaluation period that included in their design at least one of the SIDS-7 as a participating country (over 700 approved by the IDB, 200 by IDB Invest, and 70 by IDB Lab). Within the IDB, nearly all regional operations (99%) are technical cooperations (TCs), concentrated in the areas of modernization of the state, social investment, water and sanitation, energy, and environment and natural disasters. For IDB Invest, most regional operations (90%) are advisory services, with the largest share in corporates, followed by financial institutions, and infrastructure and energy. For IDB Lab, most regional operations (56%) are TCs, concentrated in private firms and small and medium enterprises, energy, and financial markets.

4.5 **In sum, the evaluation will cover all non-regional IDB and IDB Invest operations for portfolio-wide analysis, along with a purposive sample of regional and non-regional operations from IDB, IDB Invest, and IDB Lab for selected deep-dives.** OVE will conduct a sectoral deep-dive on energy and a regional deep-dive assessing the relevance and operational model of IDB Group's regional approach to the SIDS-7, with a focus on productive development and regional integration. For the energy deep-dive, OVE will draw on the total energy portfolio (see paragraph 5.3, and Annex VII). For the regional approach deep-dive, OVE will analyze a sample of regional operations aligned with the evaluation's focus on productive development in the SIDS and the institutional priority of regional integration. Due to its nature, regional operations vary in country coverage —some cover the six SIDS-7 from the CCB region, others more than three SIDS-7 (including Belize), and some at least one of the SIDS-7 alongside other member countries—.[23] Operations involving 23 or more member countries with broad topics were excluded. All selected operations aimed at addressing relevant aspects for this evaluation (Annex V). OVE will complement both deep dives with an in-depth review of the non-regional portfolio of business environment operations, to assess the extent to which the IDB Group has addressed economy-wide constraints to productive development.

B. Logical framework

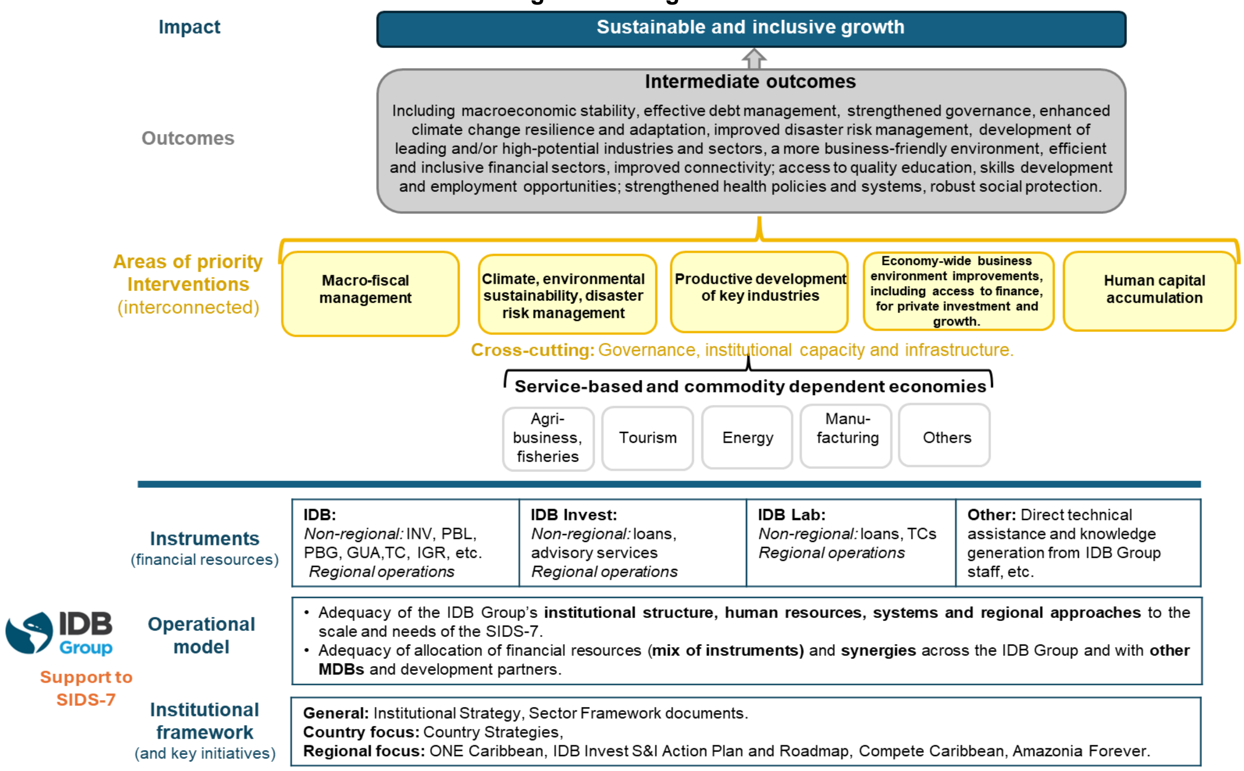
4.6 **The logical framework of the evaluation outlines how a series of interventions can drive sustainable and inclusive growth in the SIDS-7, offering a structured lens for the analysis.** The evaluation logical framework (Figure 4.1) provides a general pathway linking priority interventions across key areas —macro-fiscal policy, environment, productive development, business climate and finance, and human capital— to intermediate outcomes that promote sustainable and inclusive growth. The framework offers a structured lens for evaluating the relevance and effectiveness of the IDB Group's development efforts in the SIDS-7. For example:[24] (i) macro-fiscal management interventions foster macroeconomic stability and sound debt management, enabling sustained investment and reducing external vulnerabilities; (ii) environmental and climate

23 For the selection, OVE reviewed projects' objectives and components. In some cases, we conducted a preliminary documentary review of project profiles and TC agreements. OVE may further refine the sample during the evaluation.

24 The framework assumes complementary across interventions. Additionally, improvements in governance and institutional capacity cut across all domains, increasing policy effectiveness, and accountability. Similarly, infrastructure (including quality and resilient systems and affordable transportation) plays a crucial cross-cutting role in promoting sustainable and inclusive growth.

interventions enhance climate resilience, adaptation and disaster risk management, supporting inclusive, long-term growth; (iii) productive development in key sectors lowers costs, creates jobs, and boosts foreign exchange earnings, driving economic growth; (iv) a strong business environment improves access to capital, enabling firms to invest, innovate and grow; (v) human capital investments —in education, skills, health, and social protection —enhance labor productivity and equity, making growth more inclusive.

Figure 4.1. Logical framework



Source: OVE.

V. EVALUATION QUESTIONS AND METHODS

A. Evaluation questions

5.1. **The evaluation aims to provide insights into the relevance and effectiveness of the IDB Group's support to the SIDS-7 and its operational model.** The evaluation will assess the relevance and effectiveness of the IDB Group's work in promoting sustainable and inclusive growth in the SIDS-7 as well as the adequacy of its operational model for the scale and needs of the SIDS-7. While this evaluation primarily aims to deliver lessons learned and recommendations at the regional level, the team will also aim to provide insights at the country level, as well as for sub-groups within the SIDS-7 —namely, relatively larger and smaller economies, and commodity-based and service-based economies. The evaluation will aim to answer three main questions:

Q1. Relevance: Has the work of the IDB Group in the SIDS-7 been consistent with its institutional and government priorities? Has the IDB Group been relevant in addressing the barriers to sustainable and inclusive growth, through both its country-level and regional approaches?

Q2. **Effectiveness:** How effective has the IDB Group been in achieving its expected objectives to foster sustainable and inclusive growth in the SIDS-7?

Q2.1 What were the main factors that influenced IDB Group's performance?

Q3. **Operational Model:** Was the IDB Group's operational model adequate (fit for purpose) for the scale and needs of the SIDS -7?

Q3.1 Were the IDB Group's institutional structure, human resources, systems, and regional approaches adequate to address the limited economies of scale and needs of the SIDS-7?

Q3.2 Were the IDB Group's financial resources (mix of instruments) and synergies across the IDB Group and with other Multilateral Development Banks (MDBs) and development partners adequate to address the limited economies of scale and needs of the SIDS-7?

B. Methods

5.2. **The evaluation will use a variety of evaluation methods at three levels of analysis – portfolio, cluster deep-dives, and corporate – to answer the evaluation questions.** This section outlines the methods to be used to answer each of the evaluation questions at each level: (i) *Portfolio level* —encompassing a portfolio-wide analysis of IDB Group operations, including an in-depth review of business environment operations, addressing economy-wide and sector-specific barriers to sustainable and inclusive growth as well as a synthesis of existing evaluative findings from OVE country and thematic evaluations, including ICPRs and the Adaptation to Climate Change evaluation; (ii) *Cluster level* deep-dives, including an analysis of a purposive sample of IDB Group operations supporting the energy sector and of a purposive sample of IDB Group's regional operations with a focus on productive development and regional integration in the SIDS-7; and (iii) *Corporate level* —examining the IDB Group's operational model with the SIDS-7. The operational model entails the IDB Group's institutional structure, regional approaches, systems, human resources, financial resources (mix of instruments), and the synergies across the IDB Group windows and with other MDBs —such as the World Bank (WB) and the Caribbean Development Bank (CDB) —. The evaluation will apply mixed methods to answer the three evaluation questions across the three levels, including portfolio review and analysis, systematic document review, case studies for the cluster of projects, stocktaking of previous country program and thematic evaluations, including the Adaptation to Climate Change evaluation, as well as semi-structured interviews (SSI),[25] and analysis of secondary data. Table 5.1 provides a summary of the methods that the evaluation will use to answer each question at the three levels. (Annex VI)

5.3. **At the *cluster* level deep-dives, the evaluation will focus on: (a) the energy sector, and (b) the IDB Group's regional approach in the SIDS-7**. In commodity-based SIDS-7, energy infrastructure development and effective governance of the sector are critical to support sustained growth. In net-importers (service-based) SIDS-7, high energy costs due to heavy reliance on imported fossil fuels undermine the competitiveness of key sectors such as tourism and

[25] SSI allow interviewers to explore themes further while keeping the structure of the interviews comparable. OVE will conduct content analysis and use qualitative analysis software to systematize information.

agriculture. Reducing energy costs and strengthening resilience is essential to sustain productivity across sectors. While the SIDS-7 are pursuing a transition to renewable energy, some are simultaneously experiencing oil booms —a dual dynamic which poses significant economic challenges, including potential divergent policy priorities, limited economic diversification, and the risk of Dutch disease. Managing this transition effectively requires balancing the benefits of resource wealth with long-term sustainable development goals. Vulnerable infrastructure and weak regulatory frameworks further constrain resilience and limit the ability to attract private capital, which is essential for scaling up renewable energy, improving supply reliability, and enhancing energy efficiency. The evaluation will include a specific assessment of how interventions in the energy sector are contributing to intermediate outcomes in the SIDS-7 (Figure 4.1 and Annex VII) as well as whether the sector has incorporated —when deemed appropriate— considerations of disaster risk management.[26] OVE remains open to discuss with the Board and IDB Management the inclusion of other industries that are relevant to the SIDS-7's sustainable and inclusive growth. Additionally, OVE will conduct a deep-dive analysis of the IDB Group's regional approach during the evaluation period, which will be crucial for identifying progress, challenges, coordination gaps, and lessons learned in regional collaboration mechanisms and in IDB Group-supported initiatives and projects aimed at complementing national efforts in the SIDS-7. This assessment will include an evaluation of a purposive sample of IDB Group's regional operations with a focus on productive development and regional integration in the SIDS-7. The findings from this assessment can help inform a more effective regional engagement by the Bank going forward. Given that key regional SIDS initiatives —such as ONE Caribbean—were approved recently, OVE will adopt a forward-looking perspective, identifying early lessons and opportunities for the Bank on these specific topics, emphasizing areas where future improvements can be made.

[26] OVE will also identify whether the IDB Group considered addressing skills issues in the sector.

Table 5.1. Evaluation Questions, Levels and Methods

Level of analysis (SIDS-7, 2016-2025)		
I. *Portfolio level* (Portfolio-wide) Focus: Sustainable and inclusive growth, with an in-depth review of business environment operations addressing economy-wide and sector-specific constraints	II. *Cluster level deep dives* (Purposive sample of regional and non-regional operations) Focus: a) Economy wide and energy sector, b) Regional approach	III. *Corporate level* Focus: operational model
1. Relevance		
Q1. Has the work of the IDB Group in the SIDS-7 been consistent with its institutional and government priorities? Has the IDB Group been relevant in addressing the barriers to sustainable and inclusive growth, through both its country-level and regional approaches?		
Structure literature review. Reference list of the barriers to fostering sustainable and inclusive growth in SIDS-7, including economy-wide business environment constraints and sector-specific constraints.	**Structured literature review.** Reference list of the prevailing challenges to productive development in the energy sector. Identification of existing evidence on regional approaches that have supported sustainable and inclusive growth in the SIDS-7 or other small and island countries.	NA
Stocktaking of completed and ongoing **country program evaluations** (ICPRs, XCPEs) **and of thematic evaluations,** including the **Adaptation to Climate Change evaluation**	Note: The **stocktaking** (in column 1) also covers the energy sector, as well as the regional approach where available.	NA
NA	**Identification of the IDB Group's key regional frameworks and initiatives** covering the SIDS.	NA
Portfolio analysis of areas of intervention and alignment with institutional and government priorities addressing barriers to foster sustainable and inclusive growth through economy-wide business environment and sector specific interventions. Summary of key findings from the Adaptation to Climate Change evaluation, and highlights on the relevance of the disaster risk management portfolio.	Note: The **portfolio analysis** (in column 1) also covers the energy sector. Notwithstanding, the cluster-level analysis for energy will be informed by a detailed **review of relevant project documents** and site visits (field missions).	NA
Desk review of the support that **other MDBs/development partners** are providing to SIDS-7. Identification of synergies, gaps, or overlaps. Also, leverage completed and ongoing **country program evaluations,** which examine collaboration among MDBs.	Note: The **analysis** (in column 1) also covers the energy sector.	NA
Qualitative analysis of interview-based evidence. SSI with IDB Group management, key government counterparts, and subject matter experts.	**Qualitative analysis of interview-based evidence.** SSI with IDB Group management, key government counterparts, and sector experts.	NA
2. Effectiveness		
Q2. How effective has the IDB Group been in achieving its expected objectives to foster sustainable and inclusive growth in the SIDS-7?		
Stocktaking of country program and thematic evaluations, including the **Adaptation to Climate Change evaluation**, and evidence from **PCRs**, **XSRs, and OVE validations** to assess effectiveness at the portfolio level. PCRs and XSRs will be used as input to assess achievement of outcomes, filtering	Note: The **stocktaking** (in column 1) also covers the energy sector. The analysis will be complemented with a **review of additional project documents** (e.g. Project Monitoring reports -PMRs- and semi-annual reports), **qualitative analysis of interview-based evidence** (SSI with key stakeholders), and **field missions**	NA

data gaps, and issues with the design of the results matrices.	to verify achievements (countries and interventions to be determined).	
Q.2.1 What were the main factors that influenced IDB Group's performance?		
Portfolio analysis and stocktaking of country program and thematic evaluations, including the **Adaptation to Climate Change evaluation**, and information from **PCRs, XSRs, and OVE validations.** Covering portfolio execution, implementation data, reformulations and cancellations. Identification and categorization of the main factors of successful execution or lack of it at the portfolio level.	Note: The **portfolio analysis** (in column 1) also covers the energy sector. The analysis will be complemented with an **in-depth project review and qualitative analysis of project documents and interview-based evidence** to assess project execution, and **field missions** to gather additional evidence on implementation challenges. Identification and categorization of the main factors of success or lack of it**.**	NA
3. Operational Model		
Q3. Was the IDB Group's operational model adequate (fit for purpose) for the scale and the needs of the SIDS-7?		
Q3.1 Were the IDB Group's institutional structure, human resources, systems, and regional approaches adequate to address the limited economies of scale and needs of SIDS-7?		
NA	NA	**Stocktaking of country program evaluations and recommendations** (ICPRs, XCPEs, ReTS) to identify and further analyze the most recurrent factors affecting the operational model and explaining IDB Group's higher or lower contributions across the SIDS-7 (e.g. execution capacity constraints, institutional weaknesses, and procurement challenges).
NA	NA	**Analysis of human resources allocation and staffing** across the SIDS-7 (subject to data availability), and of the **institutional strengthening efforts** —such as monitoring and evaluation capacities— supported by the IDB Group.
NA	NA	**Qualitative analysis of interview-based evidence.** SSI with IDB Group management (e.g. fiduciary/ procurement specialists) and key government counterparts) to triangulate information, and extract insights of strengths and shortcomings of the operational model.
NA	NA	**Qualitative analysis of desk review** of project documents from a purposive sample of regional operations, and of **interview-based evidence** (SSI, e.g. with regional executing agencies).
Q3.2 Were the IDB Group's financial resources (mix of instruments) and synergies across the IDB Group and with other MDBs adequate to address the limited economies of scale and needs of SIDS-7?		
NA	NA	**Stocktaking of country program evaluations and recommendations** (ICPRs, XCPEs, ReTS) to inform the assessment of adequacy of instruments at the portfolio level and collaboration among MDBs.
NA	NA	Build on **aggregate portfolio analyses** (Q1 and Q2) to identify trends in instrument use and innovative instruments. **Triangulate findings with other evaluations** and analyses on the use of instruments.
NA	NA	**Qualitative analysis of interview-based evidence.** SSI with IDB Group staff, key government counterparts, private sector clients, and other MDBs/development partners to gather insights behind instrument selection

		and into the adequacy of financial and non-financial support, identify gaps/synergies in the instruments offered by the IDB Group, and gaps/synergies with other MDBs.
NA	NA	**Complementary analysis.** Private finance mobilization —or the lack thereof— and local currency transactions in the SIDS-7. Other factors, such as pricing among MDBs, may be analyzed, subject to data availability.

Source: OVE.

1. Relevance

5.4. **(Q1) The consistency of the IDB Group's support in SIDS-7 with its institutional and government priorities, and its relevance to addressing barriers to sustainable and inclusive growth in these countries through country-level and regional approaches will be assessed based on the following methodological building blocks.**

Portfolio level and cluster of projects level

a. **First, the team will assess the IDB Group's strategic priorities in SIDS-7 and the development needs of these countries.** The team will perform a structured literature review and a review of ICPRs and XCPEs to establish a reference list of the barriers to foster sustainable and inclusive growth in the SIDS-7, including economy-wide business environment constraints and sector-specific constraints. OVE will also identify whether existing evidence points to regional approaches that have supported sustainable and inclusive growth in the SIDS-7 or other small and island countries. The literature review will focus on peer-reviewed journals, expert reports, external reliable public sources (e.g., IMF's Article IV), and other authoritative sources. The evaluation team will also conduct a stocktaking of the ICPRs and XCPEs, which by design include an assessment of congruence and coverage of CS objectives with respect to "the country's development needs (as established in the diagnostic assessments); national priorities (as established in the government, development and/or sector plans of the country); and institutional priorities" (OVE, 2023). Finally, the evaluation team will extract key findings on strategic priorities in the SIDS-7 from thematic evaluations that address relevant issues for the Small Island Developing States evaluation, with a special focus on the recently completed Adaptation to Climate Change evaluation, considering the impact of extreme climate events on sustainable and inclusive growth.

b. **Second, the team will assess the alignment of the IDB Group's interventions in the SIDS-7 with the IDB Group's strategic priorities and the countries' development needs.** OVE will then conduct a portfolio-wide analysis of areas of intervention and alignment with institutional and government priorities addressing barriers to foster sustainable and inclusive growth (through economy-wide business environment and sector specific interventions). In addition, OVE will conduct interviews of stakeholders, a synthesis of the sections of the ICPRs and XCPEs that examine the alignment of country programs with the strategic objectives set forth in the CS (Ibid.),[27] and a synthesis of thematic evaluations that covered SIDS-7 countries —including the Adaptation to Climate Change evaluation—, to assess the level of alignment between Bank Group interventions and key barriers to foster sustainable and inclusive growth in the SIDS-7 identified through the literature review and in the ICPRs and the XCPEs, and in other relevant initiatives (e.g. IDB Invest S&I Action Plan). As part of this exercise, OVE will also synthesize findings of completed evaluations and conduct additional assessments as needed to evaluate the portfolio alignment with disaster risk management priorities, with a view to assess whether the IDB Group has contributed to minimizing the impact of extreme whether events on inclusive and sustainable growth. The team will also conduct semi-structured interviews with IDB Group staff (e.g. senior management, including country representatives, the Head of the IDB Invest S&I Action Plans, among others), key government counterparts (e.g. Ministries of Finance and Planning), and subject matter experts to triangulate findings on the alignment of the IDB Group's portfolio with the Bank's priorities in the SIDS-7 and with the development needs of these countries. The team will complement this analysis with a review of the support that other MDBs/development partners —such as the WB and the CDB— are providing to SIDS-7, to ensure that the assessment of the relevance of IDB Group's interventions considers the work of other development partners. OVE will also leverage the recent and ongoing country program evaluations, which examine collaboration among MDBs.

c. **Third, the team will perform a similar analysis at the cluster of projects level, with a focus on the energy sector.** The team will apply the analysis described above –assessment of the alignment of the IDB Group's interventions in the SIDS-7 with the IDB Group's strategic priorities and the countries' needs – with a specific focus on the energy sector and its impact on inclusive and sustainable growth. The in-depth cluster-level analysis will be informed by site visits and a detailed review of relevant project documents.

d. **Finally, to assess the relevance of the IDB Group's regional approach, the team will examine how the Bank's regional frameworks and initiatives have aligned with the SIDS's development needs.** OVE will assess the alignment between the Bank's regional frameworks and initiatives (including those on productive development) covering the SIDS during the evaluation period and the key barriers to sustainable and inclusive growth in these countries identified in the literature review. The team will also conduct SSI with IDB Group staff (e.g. senior management, including country representatives), key government counterparts, and subject matter experts to triangulate findings on the alignment.

[27] CS indicate the parameters that define the Bank's dialogue with the country. ICPRs/ XCPEs also report whether an explanation was provided for cases when a part of the country program is not aligned with CS objectives, e.g., whether this responds to the CS dialogue areas, or whether it responds to a different logic, not foreseen in the CS (e.g. corporate initiatives or unpredictable events). (OVE, 2023)

2. Effectiveness

5.5. **(Q2) To assess the effectiveness of the IDB Group in achieving its expected objectives to foster sustainable and inclusive growth in the SIDS-7, OVE will use the following methodological building blocks.**

Portfolio level and cluster of projects level

a. **The team will conduct a stocktaking of country program and thematic evaluations and leverage evidence from PCRs and XSRs at the portfolio level.** OVE will conduct a broad development effectiveness assessment of the portfolio, based on existing evidence from OVE's country program (ICPRs and XCPEs)[28] and relevant thematic evaluations covering the SIDS-7, including the Adaptation to Climate Change evaluation, and leverage evidence from Project Completion Reports (PCRs), Expanded Supervision Reports (XSRs), and OVE validation reports.[29] PCRs and XSRs will be used as input to assess achievement of outcomes, filtering data gaps, and issues with the design of the results matrices. OVE will report on aggregate trends, as well as relevant findings, if any, at the sectoral or country-level. To the extent possible, OVE will report any differing trends identified through these analyses among sub-groups within the SIDS-7 —namely, relatively larger and smaller economies, and commodity-based and service-based economies.

b. **At the cluster of projects level, the team will complement the stocktaking of country program and thematic evaluations and evidence from PCRs and XSRs with a review of additional documents, interviews of key stakeholders, and field missions.** The team will conduct the analysis described above for the purposive sample of IDB Group operations focused on the energy sector. In addition to reviewing PCRs and XSRs, the team will also look at Project Monitoring Reports (PMR) and semi-annual progress reports from implementing agencies. The team will also conduct follow-up SSI with IDB Group management (e.g. project teams, IDB Group Division Chiefs), executing agencies, and other country counterparts, and carry out field mission to verify the implementation status and achievements of a sample of projects, triangulate information, and comprehensively document results. In the cluster of projects level analysis, OVE will also aim to assess the aggregate contribution of the set of IDB Group's interventions to productive development.

5.6. **(Q2.1) The effectiveness analysis will explore the main factors that influenced IDB Group's performance.**

Portfolio level and cluster of projects level

a. **The team will conduct an aggregate portfolio analysis and stocktaking of country program and thematic evaluations and information from PCRs and XSRs.** The portfolio assessment will include

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28 ICPRs and XCPEs contemplate an overall assessment of contribution of each country program to the objectives set in the CS (Ibid.).

29 OVE will focus its analysis on the outcome indicators with available results within the priority topics relevant to advancing sustainable and inclusive growth.

comparisons within the period, and across sectors and countries to identify potential implementation trends, changes or differences in portfolio execution, reformulations (e.g. during COVID-19) and cancellations, and implementation bottlenecks (for samples that are sufficiently large to draw significant conclusions). OVE will also rely on ICPRs and XCPEs, which report "the main reasons for time or expense overruns in the execution of the IDB Group program" (OVE, 2023)[30] and on information from PCRs and XSRs covering portfolio execution, to identify the main factors that influenced IDB Group's performance (factors may include countries' execution capacity and institutional weaknesses).

b. **For the operations focused on the energy sector, the team will conduct an in-depth review of project documents, interviews with key stakeholders, and field missions.** Building on the exercise described in the previous paragraph, for the purposive sample of IDB Group operations focused on the energy sector, the team will conduct an in-depth portfolio review of project self-evaluations and monitoring and validation reports to further assess project execution, document implementation challenges, and identify the reasons or justifications for cancellations. To triangulate findings, OVE will also conduct SSIs with IDB Group management (e.g. project teams and fiduciary/procurement specialists), key government counterparts, country clients, and executing units. In addition, OVE will carry out field missions to verify the implementation status and gather additional evidence on implementation challenges.

3. Operational model

5.7. **(Q3) To assess the adequacy of the IDB Group's operational model, first, OVE will focus on whether the Bank´s institutional structure, human resources, systems, and regional approaches were adequate for the scale and needs of the SIDS-7 (Q.3.1).**

a. **The team will conduct a stocktaking of country program evaluations and their recommendations, an analysis of human resource allocation, and interviews with stakeholders.** ICPRs and XCPEs highlight the key factors explaining the execution of country programs and their varying levels of contributions, while the IDB Group Recommendations Tracking System (ReTS) provides useful information on the progress made by the IDB and IDB Invest in implementing Board-endorsed recommendations to enhance overall execution and client engagement over time (OVE, 2021). OVE will build on these sources by identifying and synthesizing the most recurrent factors across SIDS-7 that affect the operational model (e.g. procurement challenges, execution capacity constraints, and institutional weaknesses),[31] and by conducting a deeper analysis of the underlying issues associated with these common factors. In addition, when available information permits, OVE will analyze human resources allocation and staffing across the SIDS-7 —including IDB Invest's efforts under the S&I action plans to increase the number of Investment Officers in the region. Finally, as information allows, OVE will

30 "For PBLs, the reasons associated with the truncation of programmatic series (…) are identified." (Ibid.)

31 This analysis will be complemented with Q2.1, which provides insights into implementation bottlenecks, as well as with available Institutional Capacity Assessments (PACI).

assess the institutional strengthening efforts —such as monitoring and evaluation capacities, data generation, and knowledge sharing— supported by the IDB Group. To complement the analyses, triangulate information, and extract concrete examples regarding the strengths and shortcomings of the operational model, the team will conduct SSI with IDB Group management (e.g. chief of operations, country representatives, project teams, fiduciary/procurement specialists, and human resources specialists), key government counterparts (e.g. Ministry of Finance), and executing units.

b. **To assess the IDB Group's regional approach, OVE will conduct an in-depth assessment of a purposive sample of regional operations and interviews with stakeholders.** OVE has not conducted recent evaluations focused on the adequacy of regional approaches and operations.[32] For this assessment, OVE will focus on a purposive sample of regional operations covering the SIDS-7 that are aligned with the evaluation's focus on productive development and the institutional priority of regional integration (Annex V).[33] OVE will assess the rationale behind the origination of these operations and selection of countries, the advantages and challenges in their design and approval, their adequacy in addressing limited economies of scale, and the value added of executing regional operations by/through regional agencies and/or under a regional umbrella facility (i.e. Compete Caribbean). The analysis will include an in-depth desk review of project documents (e.g. project profiles and donor monitoring reports) and SSI to substantiate the analysis. Interviews will be conducted with IDB Group staff, IDB's regional executing agencies (such as the Caribbean Tourism organization —CTO—, and the Caribbean Public Health Agency —CARPHA—), relevant intergovernmental organizations (e.g. the Caribbean Community —CARICOM—), and government counterparts.

5.8. **(Q3.2) To assess the adequacy of the IDB Group's financial resources (mix of instruments), and synergies across the IDB Group and with other MDBs/development partners, for the scale and needs of the SIDS-7, OVE will conduct the following analyses.**

c. **The team will undertake a stocktaking of country program evaluations and their recommendations, build on the aggregate portfolio analysis to identify trends in the use of instruments, and conduct interviews with key stakeholders.** ICPRs and XCPEs contemplate an overall assessment of the operational design of their respective country program, including "the type, mix and expected sequencing of operations" (Ibid). The team will draw on these reports to inform the assessment of the adequacy of instruments at the portfolio level. In addition, building on the aggregate portfolio-level analyses conducted in Q1 and Q2, OVE will identify and document trends in the use of instruments —e.g. PBLs— (at the country level and across groups of countries), as well as the use of more innovative instruments —such as guaranteed debt-for-nature conversion

32 OVE has not conducted recent evaluations focused on regional operations. The latest efforts were an evaluation of Transnational Programs (OVE, 2012), and a technical note on the Competitive Regional and Global Integration in LAC (OVE, 2013). Two earlier evaluations focused on Regional Infrastructure in South America (OVE, 2008), and the Implicit Strategy for Regional Integration (OVE, 2002). Though none of these were focused on the SIDS-7, OVE will consider their findings as background for this assessment.

33 This regional analysis will not focus on non-member countries such as the OECS countries.

transactions. OVE will also leverage the ReTS, as some recommendations have highlighted areas for improving the use of instruments, and will triangulate findings with other evaluations and analyses on the same topic.[34] Regarding strategic cooperation with the private sector, OVE will report on the private finance mobilization efforts —or the lack thereof—, as well as on local currency transactions and convertibility aspects, in the seven countries. These aspects will be assessed in light of their suitability to the scale and needs of clients and countries. Other factors, such as pricing practices among MDBs, may also be analyzed, subject to data availability. Finally, the team will conduct SSIs with IDB Group staff (e.g. chief of operations, country representatives, and relevant IDB Invest management), key government counterparts (e.g. Ministry of Finance and Ministry of Planning and/or other relevant government counterparts engaged in dialogue and collaborations with the MDBs), private sector clients, and other MDBs/development partners relevant for the SIDS-7[35], with the aim to gather insights on instrument selection, the adequacy of financial and non-financial support to the countries' needs, identify gaps in the instruments offered by the IDB Group, the appetite and/or suitability for more programmatic approaches, and gaps and synergies with other MDBs/development partners.

4. Additional considerations and limitations

5.9. **The scope of the evaluation faces some limitations, for which OVE has identified and integrated mitigation measures.**

- *First*, the findings and conclusions will be specific to the selected countries and are not intended to be generalized to other SIDS, regions, or sectors. To mitigate this limitation, the evaluation will document country selection criteria and case study selection, and, when appropriate, will highlight patterns that may be of relevance to other contexts while avoiding overgeneralization.
- *Second*, the in-depth analyses will center on the energy sector portfolio and on a sample of regional operations, which limit the applicability of findings to other sectors and regional operations, respectively. While the evaluation will clearly define the scope of its findings and acknowledge the limitations in generalizing results, where relevant and supported by available evidence, cross-sectoral and thematic lessons will be highlighted to inform broader institutional learning.
- *Third,* the evaluation will include a sample of IDB lab operations, but the available evidence on results may be limited. OVE will maintain regular communication with IDB Lab management to identify information gaps early, explore alternative sources of information, and document instances where data are unavailable or incomplete. OVE will also draw from current ICPRs for Suriname and Trinidad & Tobago, which document synergies with IDB Lab.
- *Fourth,* the evaluation period includes years impacted by the COVID-19 pandemic, which may have influenced project implementation and results. OVE will explicitly consider the contextual impact of COVID-19 when analyzing

34 Such as OVE's evaluation on PBL (OVE, 2024c) and Lending Instruments Report (OVE, 2020).

35 Including the CDB, the WB, the Development Bank of Latin America and the Caribbean (CAF), and the Islamic Development Bank (IsDB).

performance and implementation data, but this assessment will be grounded in the available evidence and approach with caution to avoid overgeneralization.

- *Fifth,* the evaluation aims to provide insights at both the country and sub-group level within the SIDS-7, but evidence may be insufficient to disaggregate results for all subgroups. OVE will disaggregate findings wherever data allows it and will clearly indicate where disaggregation is not feasible due to lack of evidence, limited number of observations, or other factor(s).
- *Six,* publicly available data from other MDBs and development partners may be limited or not directly comparable. OVE will conduct interviews with key stakeholders (e.g. country authorities and MDB representatives) to gather additional information, triangulate findings, and fill in gaps in available data.
- *Seven,* the effectiveness analysis may be constrained by the lack of PCRs, XSRs, or OVE validations for recently closed operations. For such projects and projects with a high level of execution in the energy sector deep-dive, OVE will rely on available PMRs, reports from implementing agencies, as well as triangulation of information with interviews (with project teams, executing agencies, and country clients) to gauge progress and outcomes.

The evaluation will employ triangulation of multiple data sources to fill gaps and strengthen the robustness and depth of findings.

VI. TEAM AND TIMELINE

6.1 **This evaluation will be produced by a multi-disciplinary team at OVE.** The team comprises Odette Maciel (team leader), Anais Anderson (team leader), Dana Michael King, Andreia Barcellos, Jorge Luis Gonzalez, Miguel Molina, Nicole Usher, Marlon Brooks, under the supervision of Cesar Bouillon (Sector Cluster Leader), and the direction of Marialisa Motta (Director of OVE).[36]

6.2 **Evaluation timeline.** OVE plans to send the SIDS-7 report to the Board in the second quarter of 2026. Table 6.1 presents an indicative timeline.

Table 6.1. Indicative timeline of activities

Deliverables	Month
Approach Paper delivered to the Office of the Secretary	January 2026
Field mission (countries TBD)	February- March 2026
Draft report shared with Management and the corresponding Governments for consideration and comments	May-June 2026
Final document delivered to the Office of the Secretary	June-July 2026
Presentation before the Program Evaluation Committee of the Board of Directors	July 2026
Dissemination activities	August 2026

36 To which additional OVE or external specialists may join, if required. OVE will promote synergies in its use of human resources across its various evaluations and reports. For instance, team members are working on parallel evaluations: Anais Anderson, Jorge Gonzalez and Miguel Molina work on the ICPR for Trinidad and Tobago; Odette Maciel, Dana King, Nicole Usher, Jorge Gonzalez and Miguel Molina work on the ICPR for Suriname; Marlon Brooks works on the productive development evaluation; Anais Anderson and Nicole Usher worked on the XCPE for Belize; and Anais Anderson and Andreia Barcellos worked on the adaptation to climate change evaluation.

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