Approach Paper

Costa Rica
2015-2018

Country Program Evaluation

IDB | IDB Invest

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Office of Evaluation and Oversight
1350 New York Avenue, N.W.
Washington, D.C. 20577
www.iadb.org/evaluation

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ACRONYMS AND ABBREVIATIONS

BCCR	Central Bank of Costa Rica
CPE	Country Program Evaluation
CS	Country Strategy
FDI	Foreign Direct Investment
GDP	Gross domestic product
HDI	Human Development Index
IDB(G)	Inter-American Development Bank (Group)
IMF	International Monetary Fund
LAC	Latin America and the Caribbean
MIDEPLAN	Costa Rican Ministry of National Planning and Economic Policy
MIF	Multilateral Investment Fund
MINAE	Costa Rican Ministry of Environment and Energy
NSG	Non-sovereign guaranteed
OECD	Organisation for Economic Co-operation and Development
OVE	Office of Evaluation and Oversight
PPPs	Public-Private Partnerships
SBD	Development Bank System (Sistema de Banca para el Desarrollo)
SG	Sovereign-guaranteed
SMEs	Small and medium-sized enterprises
SUGEF	Costa Rican Supervisor for Financial Intermediaries
TC	Technical cooperation
UNDP	United Nations Development Programme
WDI	World Development Indicators

I. INTRODUCTION

Overview

1.1 **This approach paper defines the scope and objectives of the Costa Rica Country Program Evaluation (CPE) for the 2015-2018 period.** This is the fifth independent evaluation by the Office of Evaluation and Oversight (OVE) that provides an independent look at the Bank's program with Costa Rica. OVE's first CPE (RE-277) covered the 1990-2001 period, marked by the country's response to the debt crisis of the early 1980s, through an open trade model that resulted in substantial foreign direct investment (FDI). The second CPE (RE-325) covered the 2002-2006 period, which began with a slowdown in investment and tourism, due to exogenous factors, but then continued with a recovery in growth to rates that were high relative to regional averages. The third CPE for (RE-377) covered the 2006-2010 period, which was marked by the detrimental impacts of the international financial crisis on economic growth and fiscal performance. The fourth CPE (RE-472-3) covered the 2011-2014 period and highlighted Costa Rica's success in increasing per capita income thanks to investments in human capital and an open economy – with strong support by the Inter-American Development Bank Group (IDBG).[1] However, that CPE also found that most of the funding was going to civil works, even in areas where sector reform was needed, in part because reaching consensus on such reforms had become more difficult due to political fragmentation and divergent views on the appropriate economic model, such as the affordability of the high level of Costa Rica's social expenditures.

1.2 **The CPE follows the protocol for CPEs (RE-348-3).** "The main goal of a CPE is to provide information on Bank performance at the country level that is credible and useful, and that enables the incorporation of lessons and recommendations that can be used to improve the development effectiveness of the Bank's overall strategy and program of country assistance." The main change since the protocol was agreed was that OVE's mandate was expanded in January 2016 to also fully cover the Inter-American Investment Corporation (IIC, now IDB Invest), and since then CPEs routinely also include non-sovereign guaranteed (NSG) operations. The evaluation thus covers both financial and non-financial products, as well as sovereign-guaranteed (SG) and NSG operations.

1.3 **This approach paper defines the approach and sets out the main evaluation parameters for the CPE.** It focuses in particular on the financial and non-financial relevance of the country strategy and country program, the implementation and effectiveness of the program, as well as its efficiency and sustainability. Given that it takes time for results to materialize, it not only covers operations that were approved during this CPE period, but also a "legacy portfolio" consisting of those operations approved earlier, but still active during this CPE period and for which the results had not been assessed in the previous CPE period, i.e. in particular

[1] In this document, IDBG refers mainly to the IDB and IDB Invest. The Multilateral Investment Fund (MIF) is addressed as relevant.

those that had disbursed in the last two years of the previous CPE period and those that have had project evaluations[2] completed during the CPE period[3].

II. COUNTRY CONTEXT

2.1 **Costa Rica has a stable political environment and ambitions to join the group of the world's most developed countries.** The democracy index[4] has Costa Rica in 23rd place, second in Latin America and the Caribbean (LAC) only to Uruguay, with high marks in particular for the electoral process and pluralism, civil liberties and more moderate assessments for functioning of government, political culture and political participation. The country is in the process of seeking membership to the Organisation for Economic Co-operation and Development (OECD). A 2015 governance review by the OECD[5] was also very favorable, but highlighted challenges in public administration, such as government capabilities and integrity of procurement.

2.2 **After briefly being affected by the global financial crisis, Costa Rica enjoyed growth and moderate inflation.** Real gross domestic product (GDP) declined by 1% in 2009, then grew by an average of 4.7% from 2010-2012 (in line with the average of IDB client countries). While growth has decreased to 3.4% since then, this was above the LAC average. Inflation, after averaging over 10% from 2000 to 2009, fell to 5% from 2010 to 2014 and very low levels since then.[6]

2.3 **Over the last decades, Costa Rica has made significant progress in raising per capita incomes and has achieved strong human development indicators, but there are still challenges.** Per capita income grew by 2.7% annually in real terms since 2000, to $11,631 in 2017 (World Development Indicators or WDI - data), making it an upper-middle income country. Costa Rica's Human Development Index (HDI) places it 63rd worldwide, 6th in the Latin American and Caribbean (LAC) region[7] and 1st in Central America in 2018.[8] This strong achievement was accompanied by high social expenditures (over 20% of GDP) compared to the LAC average. The country's universal access to the health care system has led to outstanding health outcomes such as life expectancy (to 80 years) and child mortality (at about half of the LAC region). Yet, as the perception of quality is declining and wait times are growing, patients are increasingly using private insurance policies. In education, the country has achieved essentially

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2 Project evaluations include Project Completion Reports (PCRs) for SG operations and Expanded Supervision Reports (XSRs) for NSG operations, but also major external evaluations. OVE also attempted to include projects that should have had PCRs or XSRs during this CPE period.

3 For the TFFP program, only operations which had disbursements during the period were included.

4 Economist Intelligence Unit: Democracy Index 2017.

5 OECD Public Governance Reviews – Costa Rica 2015.

6 WDI (real GDP growth until 2017 and consumer price inflation until 2016) and Central Bank for Costa Rica (BCCR) for 2017. In 2005, BCCR had adopted a policy of explicit inflation targeting.

7 Below Chile (44th), Argentina (47th), Bahamas (54th), Uruguay (55th) and Barbados (58th).

8 United Nations Development Programme (UNDP) 2018 Human Development Statistical Update, http://hdr.undp.org/sites/default/files/2018_human_development_statistical_update.pdf

universal access to primary and secondary education for both girls and boys, and also very high levels of tertiary enrollment (over 50%).[9] However, retention is a significant challenge, with a survival rate of 67% to the last grade of lower secondary general education.[10]

2.4 **Costa Rica enjoys a remarkable leadership on green and climate issues at the regional and global levels; nevertheless, there are challenges.** [11] Costa Rica shows a strong track record on many environmental issues such as forest coverage (over 52% of the territory), having 26% of the country under legal protection, and a vision towards carbon neutrality.[12] At the same time, the country is faced with threats from natural disasters inherent to its geographical location, which require efforts for disaster preparedness and mitigation measures. In addition, environmental management challenges remain, to prevent negative impacts for residents, ecosystems and potentially tourism.[13] [14] These challenges include risks to the pollution of surface and groundwater resources, [15] occupation of sensitive environmental areas by the expansion of cities and related to agricultural production,[16] and waste disposal. [17]

2.5 **Costa Rica's distributive and welfare policies have enabled equitable access to public services for the large majority of the population, but significant signs of stress are starting to emerge.**[18] The country has achieved essentially universal access to electricity, even in rural areas, and almost all the electricity is generated from renewable sources – but prices to final consumers are high in comparison to most efficient markets in LAC and the US. Costa Rica has also achieved high access to water networks but coverage with sewerage and wastewater networks is low in comparison to LAC countries at similar income level, since less than a fifth of the population has access to a sewerage system, and only 8% of wastewater receives some level of treatment.[19]

2.6 **The transport sector is key for the economy, and Costa Rica has a dense road network, but there are also significant challenges.** Costa Rica has one of

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9 WDI

10 UNDP (HDI) 2018.

11 Informe Estado del Ambiente. Costa Rica 2017. Consejo Nacional Ambiental, Ministerio de Ambiente y Energía (MINAE).

12 Costa Rica's Intended National Determined Contribution. September 2015; National Policy for Climate Change Adaptation 2018-2030 from April 24 2018.

13 IDB. Agua y Saneamiento en Costa Rica. Nota de Política. Enero 2014.

14 Informe Estado de la Nación en Desarrollo Humano Sostenible 2017. Uso y estado de los recursos: recurso hídrico. Jorge Herrera Murillo. p 28-30.

15 Contraloría General de la Republica. Informe DFOE-AE_IF-01-2013. Citado en Capitulo 4 Informe XIX Estado de la Nación 2013. Armonía con la Naturaleza. p 188-190.

16 Araya et al 2014. Pesticides, Pollution, and People: An overview of Public Health and Environment in Costa Rica.

17 Decreto Presidencial 34431. Canon de Vertidos marzo 2008.

18 World Development Indicators: Access to electricity: 100% (2016); safe drinking water: 90% (2015); at least basic sanitation services: 97% (2015); mobile phones: 1.7 per person (2016); access to the internet: 66% (2016).

19 Costa Rica: Agua y Saneamiento 2030 (Water and Sewer 2030). (Ministry of National Planning and Economic Policy) MIDEPLAN (2018), 2016 data: 21.4%.

the densest road networks in LAC, with 83 km of roads for every 100 km^2 versus 45 km for LAC[20]. Nevertheless, it is lacking high capacity highways in some areas, rural roads have deficiencies that limit agriculture and tourism and road quality is affected by low investment in maintenance. Many different agencies are in charge of different parts of the transport sector, and the legal and regulatory framework is complex.

2.7 **Despite continuous improvement, inequality and structural poverty still affect part of the population.**[21] The Gini coefficient is high, showing significant inequality in Costa Rica.[22] The poverty rate reduced slightly since 2010, but remains high at about 20% in 2017 (according to the national definition), and extreme poverty is 5.7%.[23] Poverty affects particularly people in rural areas (24.1%), as well as women, indigenous people and people of African descent. Unemployment, which had been below 5% prior to the global financial crisis of 2008, peaked at over 10% in 2011 and has remained stubbornly high since then, falling only slightly to 8.5% in 2017. Female unemployment since the crisis has tended to be about 4 percentage points higher and only 45% of women of working age participate in the labor force compared to 74% of men,[24] and youth unemployment has consistently exceeded 20% since 2010.

2.8 **The business environment has been improving, but structural challenges remain.** Costa Rica's rank in terms of the Global Competitiveness Index[25] has been improving from 54th in 2013/2014 to 47th in 2017/2018 (in LAC only behind Chile) and for Doing Business[26] Costa Rica's rank has improved significantly, from 102nd in 2014 to 61st in 2018. However, a survey conducted for the Global Competitiveness report identified problematic factors, in particular an inefficient government bureaucracy and an inadequate supply of infrastructure, but also high tax rates, problems accessing financing and restrictive labor regulations. Areas rated weak in Doing Business include resolving insolvency, enforcing contracts, starting a business and protecting investors.

2.9 **Domestic credit to the private sector has been growing, but publicly owned banks enjoy a commanding share and regulatory preferences.**[27] The 3 largest banks are public, whereas the 12 largest private banks provided less than 33% of credit in 2016.[28] Private banks are required to pass on part of their deposits to public banks, and also are hampered by a lack of deposit insurance, creating an unequal playing field. Several recent changes seek to expand access to credit for SMEs, including the creation of a second-tier financing mechanism for

20 IRF World Road Statistics 2015 Database.

21 Source: Costa Rica, Country Development Challenges (CDC), forthcoming.

22 World Development Indicators (2016): 0.49. Only in 6 countries in LAC is the latest Gini coefficient higher.

23 Instituto Nacional de Estadística y Censos, http://www.inec.go.cr/estadisticas.

24 UNDP HDI; 2017 data.

25 World Economic Forum: Global Competitiveness Index, various years. Most recent: 2017/2018.

26 Doing Business, various years. Most recent: 2018. In LAC, only Mexico (49), Chile (55), Peru (58) and Colombia (59) were ranked ahead of Costa Rica.

27 Domestic credit to the private sector has grown steadily since 1995, reaching 62% of GDP in 2017 (World Development Indicators).

28 Costa Rican Supervisor of Financial Intermediaries (SUGEF).

entrepreneurs and SMEs of all productive activities to which private and public banks have access – Sistema de Banca para el Desarrollo (SBD) – in 2015[29] and the introduction of a mobile collateral system in 2016.[30] However SMEs still face challenges with credit granting taking up to 20 days,[31] and volatile real interest rates -2% in 2007, 13.3% in 2012, and 9.2% in 2017.[32] According to data from the supervisor for financial intermediaries (SUGEF), non-performing loans increased from 1.6% in March 2017 to 2.5% in July 2018 – the highest level since the 2008 crisis.

2.10 **The fiscal situation has deteriorated significantly in the absence of meaningful reforms.** After having a broadly balanced budget until 2008, the central government's overall deficit has increased to an average of over 5% of GDP since 2010.[33] As a consequence, debt-to-GDP has virtually doubled since 2008, to 49% in 2017. Without significant fiscal adjustment it will increase further, in part due to increases in debt service.[34] In turn, this situation has limited the government's room to fund much needed investment. Costa Rica's credit rating has also deteriorated, specifically citing the lack of tax reform and weakening public finances.[35]

2.11 **Costa Rica faces a challenging environment, both internally and externally.** The political fragmentation, as shown by the 2017 presidential election, and the country's institutional framework add a layer of complexity for approving and implementing key reforms to address current challenges. For example, the 2012 fiscal reform package that was approved by the Legislative Assembly was later invalidated by the Constitutional Court following an injunction filed by a legislator. Recent labor strikes also illustrate a rising level of confrontation. On the positive side, political forces have manifested their willingness to reach a national agreement. On the international side, growing trade protectionism among Costa Rica's most important partners, increases in international interest rates and the massive migration prompted by the conflict in Nicaragua are adding to the social and fiscal pressures.

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29 During 2016, SBD provided credit of US$478 million (0.9% of GDP). SBD Report (2016) and Costa Rican Central Bank (BCCR).

30 Doing Business (2016, 2017, 2018). Following that reform, Costa Rica was ranked 7th in the world on getting credit. In 2018, it had fallen back to 12th (since other countries had similarly introduced reforms).

31 IDB (July 2018): Inclusión financiera y el costo del uso de instrumentos financieros formales: Las experiencias de América Latina y el Caribe.

32 World Development Indicators.

33 Overall fiscal balance: WDI until 2017 and International Monetary Fund (IMF) Press Release June 18, 2018. The deficit is expected to reach over 7% in 2018, a level deemed unsustainable.

34 The Economist Intelligence Unit projects debt/GDP to increase to almost 80% by 2022, despite assuming some fiscal tightening and increased revenues from a value added tax. The longer the delay in addressing the fiscal deficit, the larger the deterioration will be (including because of the growing interest bill), and therefore the larger the adjustment effort needed to stabilize the debt ratio will be.

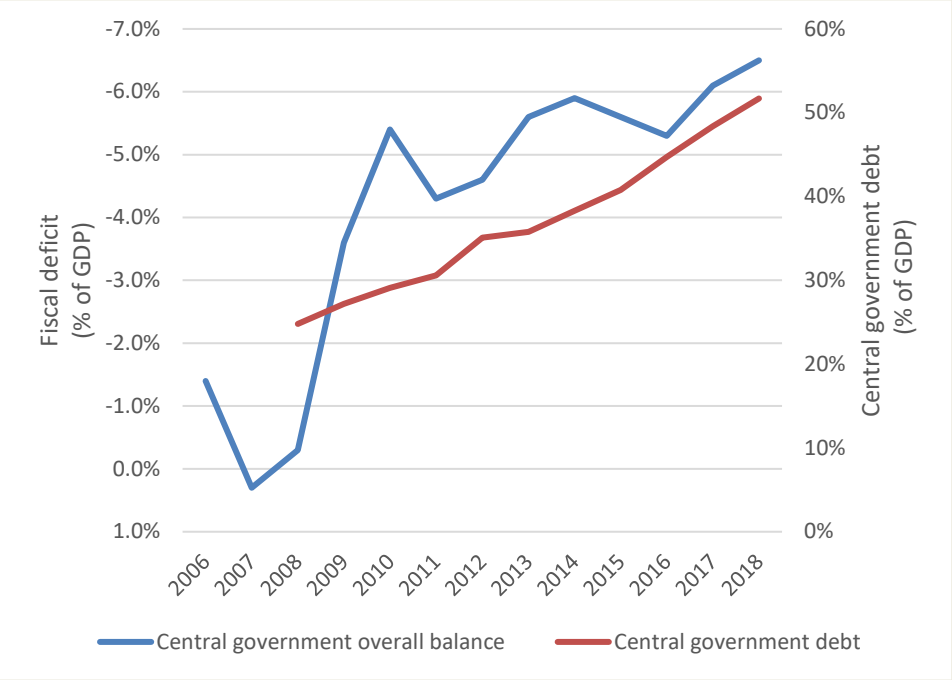
35 In February 2016, Standard & Poor's Ratings Services downgraded Costa Rica long-term credit ratings from BB to BB- with negative outlook.

Outlook

2.12 **Following elections in 2018, Costa Rica's new government identified seven priority areas.** They are (i) innovation and competitiveness; (ii) infrastructure, mobility and spatial planning; (iii) security; (iv) health and social security; (v) education for sustainable development and peaceful coexistence; (vi) economy for stability and inclusive growth; and (vii) regional development.[36]

2.13 **IDB's country dialogue identified some key challenges.** In its discussion with government officials in July 2017, IDB identified – in addition to significant progress on many fronts – significant challenges. In terms of growth prospects, they included macro-economic risks (in particular the fiscal balance, see Figure 2.1), infrastructure and human capital constraints, market failures related to information and coordination, and high costs of financing. Challenges also included high inequality, high unemployment (especially for youth) and poverty rates, vulnerability to climate change, insufficient investment in innovation and a deteriorating security situation.[37]

Figure 2.1. Costa Rica: rising fiscal deficit and debt



Source: IMF Article IV Staff Consultation Reports (2011, 2012, 2014, 2017).[38]

36 Presidential decree, June 26th, 2018: Seven strategic areas for priority attention.

37 The conclusion were in particular five challenges: (i) improve equity and productivity of human capital; (ii) close productivity gaps and regional differences; (iii) improve infrastructure for improved competitiveness; (iv) strengthen environmental resilience and sustainability; and (v) secure sustainability of public finances.

38 Note that the IMF's most recent mission concluding statement (June 18, 2018) puts the expected fiscal deficit for 2018, in the absence of policy measures, even higher, at 7.2%.

III. COUNTRY DEVELOPMENT PRIORITIES AND THE IDB GROUP PROGRAM

A. The country's development priorities

3.1 **Costa Rica's development priorities for the review period were elaborated in 2014 in the government's "Plan Nacional de Desarrollo 2015-2018, Alberto Cañas Escalante".** They included a vision of a society that is equitable, based on knowledge, innovation, transparency and sustainable development. The plan was based on three pillars: (i) create the conditions for economic growth, leading to more and better jobs; (ii) reduce inequality and eliminate extreme poverty; and (iii) fight against corruption by strengthening transparency, efficiency and effectiveness in government. The pillars were underpinned by two cross-cutting themes: promote further citizen participation and ensure local and regional impacts.

3.2 **The plan included many thematic priorities** and a mandate for it to be evaluated in terms of design, processes and results. The plan identified numerous thematic areas, including community development, competitiveness, energy and transport, technological innovation, fishing and tourism and more generally the promotion of the wellbeing of humans and animals and environmental sustainability. As per the 2000 Political Constitution, the plan was subject to evaluation by the Ministry of Planning and Economic Policy.[39]

B. The IDB Group's country strategy, 2015-2018

3.3 **The country strategy (CS) focused on four broad priorities, supported by cross-cutting interventions**: (i) supporting fiscal sustainability and efficient spending; (ii) improving productive infrastructure quality, efficiency and sustainability (focusing on energy and transport, with water and sanitation as dialogue area); (iii) boosting the competitiveness of small and medium-sized enterprises (SMEs); and (iv) strengthening human capital accumulation. The strategy, approved in late 2015, envisaged two scenarios, with lending envelopes of $736 and $1,031 million, respectively. The CS recognized several risks to its implementation, such as institutional risks, macroeconomic and fiscal risks, and natural disasters.

3.4 **The objectives were to be supported by cross-cutting interventions and through private sector support.** The cross-cutting interventions were institutional strengthening, gender equality and diversity, climate change and environmental sustainability. In addition, the CS recognized the importance of private sector support, in particular through significant private sector participation in infrastructure, recognizing that this would require improvements in the regulatory framework for public-private partnerships (PPPs), which the IDB Group was going to support, as well as possible PPPs in social services (education, health and housing) and engaging the private sector in energy efficiency, green lines and renewable energy.

[39] National Evaluation Plan (Plan Nacional de Evaluaciones), MIDEPLAN (2016).

3.5 **The results matrix included a range of expected outcomes, but no specific targets.** Expected outcomes included increased tax revenues, increased coverage and enhanced efficiency of poverty-reduction programs, improved road quality and border crossings, more energy generation from renewable sources, increased revenues to SMEs, increase graduation rates in secondary schools and a range of actions to improve the countries fiduciary and management systems. While the results matrix stated indicators and baselines, it did not specify targets.

C. The IDB Group's operational portfolio, 2015-2018[40]

3.6 **Since January 2015, the IDB Group has approved a total of US$671.5 million through 63 new operations.** The operations included by volume mainly four SG loans ($464 million, most of it for three energy and transport projects) and 26 NSG loans and guarantees ($196.6 million, with 15 operations in financial markets, including 8 in trade finance). There were also 33 technical cooperation operations (TCs) and grants for $10.8 million in numerous sectors (social investment, reform and modernization of the state, environment and natural disasters, science and technology, transport and others).

3.7 **The portfolio under evaluation includes a legacy portfolio of 49 operations for $2,413.5 million.[41]** On the SG side ($1,763.4 million), this includes mainly loans for infrastructure (transport $810, energy $500, and water and sanitation $73 million), and social sectors (education $167.5 and social investment $132.4 million), as well as 13 TCs and grants. On the NSG side, this includes 26 loans for $650 million, again mostly for financial markets ($3.88.5), but also for energy ($200 million), transport ($53 million), and corporate loans ($8.6 million).

3.8 **The previous CPE for Costa Rica (RE-472-3) covered the 2011-2014 CS and included three recommendations, which were endorsed by IDB's Board.** The recommendations were (i) Strive to deepen the Bank's support for the dialogue on the formulation and implementation of public policies, potentially including the fiscal, innovation, and local productive development domains;[42] (ii) Support the country in seeking alternatives for attracting private investment through public-private partnerships, particularly in infrastructure; and (iii) Help the country strengthen public governance capacities, particularly in areas related to project execution, procurement, and e-government. This CPE will also address management's progress in implementing its action plan.[43]

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40 The strategy period covers also the operations undertaken during the transition period (2014).

41 See paragraph 1.3 for a description of the legacy portfolio.

42 IDB management partially agreed with this recommendation, citing the importance of also keeping the Bank involved through investment operations.

43 In its latest validation of the implementation of the Action Plan, which, however, is only desk-based, OVE rated the extent to which the action plan addresses recommendations 1 and 2 only "partially" and 3 "substantially", i.e., none was rated "fully" implemented. While the action plan for recommendations 1 and 3 was "on track" in terms of implementation, it wasn't for recommendation 2, which also suffered from a lack of well-defined actions or output targets.

IV. EVALUATION QUESTIONS AND METHODOLOGY

4.1 **The CPE will use the evaluation criteria of relevance, efficiency, effectiveness and sustainability.** These criteria provide a comprehensive view of IDBG's country program, the results, and the means to achieve them. The portfolio under evaluation includes both approvals during the CPE period 2015-2018 (Annex Table I.1), and the legacy portfolio described in paragraph 3.7 and Annex Table I.2. Detailed evaluation questions are described in the Protocol for Country Program Evaluation (RE-348-3, paragraph 19 and Annex 1), that was approved by IDB's Board of Directors. Evaluation questions are described below. The CPE will assess whether the program implemented by the IDBG was consistent with the country's development needs and Government priorities and with the objectives identified by the Bank in its 2015-2018 CS. It will also examine the extent to which the program made progress in achieving its outcome targets and the factors that affected the program's implementation and sustainability of the results achieved.

A. Relevance

4.2 *Relevance* measures the alignment of IDBG's CS and country program with the country's development needs and with the Government's development strategies. For this dimension, the CPE will seek to answer questions like the following:

1. To what extent was IDBG's CS, its objectives and the operational program aligned with the country's development needs, the Government's development strategies, and IDBG's mandate?
2. To what extent was IDBG's implemented program aligned with the CS and the country's development needs?
3. What has been IDBG's role and added value in Costa Rica, and how did it evolve over time? Was IDBG's support financially relevant? Did the indicative financial envelope behave according to the CS predictions? Why or why not?
4. Were the program and individual operations designed in a manner consistent with the Government's institutional capacity for implementation, the macroeconomic and fiscal situation and the country's development priorities?
5. Was the mix of financial and technical assistance instruments appropriate given the level of institutional capacity, fiscal priorities, and market conditions?

B. Implementation, efficiency and effectiveness

4.3 In assessing the *implementation and efficiency* of IDBG's program, the CPE will seek to answer to what extent the expected results – outputs and outcomes – were achieved within reasonable times and costs, assessing issues such as the efficiency of the executing agencies, use of national systems and the quality of IDBG's technical and administrative assistance. *Effectiveness* measures the extent to which the program met the objectives set in the CS. In that context, the CPE will address the following questions:

1. What were the principal factors affecting program implementation and achievement of proposed outputs and outcomes?

2. To what extent did IDBG appropriately assess implementation risks and how did IDBG respond to implementation challenges that may have occurred?

3. How did program implementation compare to IDB-wide and regional averages, and how have the times and costs associated with the preparation and execution of IDB projects evolved since the last period?

4. To what extent did IDBG's interventions help generate progress toward the strategic objectives set out in the CS?

5. How successful were IDBG's efforts to boost greater engagement by the private sector and its intended advisory role on public-private partnerships?

C. Sustainability

4.4 *Sustainability* measures the likelihood that the program's results will be maintained over time, and includes institutional, economic, social and environmental sustainability. For this dimension, the CPE will seek to answer questions like the following:

1. What is the likelihood that program results will be sustainable?

2. What are the main risks to sustainability (including the environmental and social performance and sustainability of the operations)?

3. What measures have been taken to mitigate these risks?

D. Methodology

4.5 **To answer the evaluation questions, OVE will gather evidence from a variety of sources.** The evaluation will follow the methodologies outlined in the Protocol for Country Evaluations (RE-348-3) and in the evaluation design matrix (Annex II). OVE will conduct a review of the official development strategy documents of the Government of Costa Rica, IDBG, and other multilateral institutions, as well as a review of relevant reports compiled by other reputable sources. OVE will analyze economic and social indicators provided by the Government, multilateral and academic institutions. OVE will also conduct a desk review of relevant IDBG documents related to the CS and operational program in Costa Rica (e.g., annual country programming documents, loan and TC documents, progress monitoring reports and project completion reports for IDB, and expanded and annual supervision reports for IDB Invest), as well as relevant external evaluations. OVE will complement this work with field visits to selected projects. The review will also include an analysis of external and internal databases, for example information on databases on development, fiscal and sectoral indicators maintained by other institutions, and portfolio implementation and results that are available from IDBG's information systems. Finally, OVE will conduct interviews with relevant internal and external stakeholders: current and former officials of Costa Rica's government, project executing agencies, IDBG sector specialists, and members of other international institutions, academia and civil society who are familiar with IDBG's work in relevant sectors.

V. TEAM AND TIMELINE

5.1 The evaluation team includes Roland Michelitsch, Alejandro Soriano, Cesar Bouillon, Horst Wattenbach, Galia Rabchinsky, Nadia Ramirez, Johanan Rivera, Abel Mejia, José Fajgenbaum, María Eugenia Mujica, Carlos Mora, Xiomara Rojas-Asqui and Melanie Putic.

Table 5.1. Expected evaluation timeline

Activity	Date
Approach paper	November 2018
Evaluation mission	October 2018
Draft for Government and Management review	January 2019
Delivery of CPE to the Board of Executive Directors	March 2019

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ANNEX I – PORTFOLIO UNDER REVIEW

Table I.1. Approvals during the CPE period (2015-2018)

Area	Sector	SG						NSG				Total		
		Loan		Grant		TC		Loan		Guarantee				
		#	Original approved amount ($M)	#	Original approved amount ($M)	#	Original approved amount ($M)	#	Original approved amount ($M)	#	Original approved amount ($M)	#	Original approved amount ($M)	%
Infrastructure	Transport	2	244.0			4	1.23	1	12.0			7	257.3	38.3%
	Energy	1	200.0			1	0.42	1	4.8			3	205.2	30.6%
	Water & Sanitation					1	0.30					1	0.3	0.0%
Environment and Natural Disasters		1	20.0			3	0.60					4	20.6	3.1%
Urban Development and Housing						2	0.73	1	10.0			2	10.2	1.6%
Social	Education					2	1.85					2	1.9	0.3%
	Health			1	1.5	1	0.32					2	1.8	0.3%
	Social Investment					6	1.61					6	1.6	0.2%
Reform / Modernization of the State						3	0.60					3	0.6	0.1%
Private Sector	Firms and SME Development					1	0.01					1	0.0	0.0%
	Science and Technology					4	0.51					4	0.5	0.1%
	Corporate							8	13.5			8	13.5	2.0%
	Financial Markets							7	120.0			7	120.0	17.9%
	Trade Finance							6	33	2	3.3	8	36.3	5.4%
Other (C&D Plan)						4	1.18					4	1.2	0.2%
Total		4	464.0	1	1.5	32	9.37	24	193.3	2	3.3	63	671.5	100%

Source: OVE

Table I.2. Legacy portfolio

Area	Sector	SG						NSG		Total		
		Loan		Grant		TC		Loan				
		#	Original approved amount ($M)	#	Original approved amount ($M)	#	Original approved amount ($M)	#	Original approved amount ($M)	#	Original approved amount ($M)	%
Infrastructure	Transport	3	810.0			2	2.0	2	53.0	7	865.0	35.84%
	Energy	2	500.0			2	1.2	1	200.0	5	701.2	29.05%
	Water & Sanitation	1	73.0	1	20.0	2	0.4			4	93.4	3.87%
Environment and Natural Disasters		1	19.0							1	19.0	0.79%
Urban Development and Housing						1	1.2			1	1.2	0.05%
Social	Education	1	167.5							1	167.5	6.94%
	Health					1	0.4			1	0.4	0.02%
	Social Investment	1	132.4							1	132.4	5.49%
Reform / Modernization of the State						2	0.4			2	0.4	0.01%
Private Sector	Private firms and SME Development					1	0.7			1	0.7	0.03%
	Science and Technology	1	35.0							1	35.0	1.45%
	Corporate							4	8.6	4	8.6	0.36%
	Financial Markets					1	0.2	19	388.5	20	388.7	16.11%
	Trade Finance											
Other (C&D Plan)												
Total		10	1737.0	1	20	12	6.5	26	650.1	49	2,413.5	100%

Source: OVE

Table I.3. List of SG projects under review for the CPE Costa Rica 2015-2018

CPE Division	Approving Institution	Project Number	Project Name	Sector	Type	Approval Year	Original approved amount ($M)	Current approved amount ($M)	Balance ($M)	Disbursement to Sept 19 (%)
Infrastructure	IDB	CR-L1022	First Road Infrastructure Program	Transport	Loan	2008	300.00	300.00	-	100%
	IDB	CR-L1023	Cantonal Road Network Program			2008	60.00	55.38	-	100%
	IDB	CR-L1032	Infrastructure Transport Program (PIT)			2013	450.00	450.00	400.00	11%
	IDB	CR-L1066	Border Integration Program of Costa Rica			2015	100.00	100.00	100.00	0%
	IDB	CR-L1065	Cantonal Road Network II Program			2018	144.04	144.04	144.04	0%
	IDB	CR-T1099	Costa Rican National Broadband Plan		TC	2014	0.25	0.25	-	100%
	IDB	CR-T1119	Sustainable Urban Mobility Program for San Jose, Costa Rica			2014	1.78	1.78	0.00	100%
	IDB	CR-T1123	Support for the Preparation and Implementation of the Transport Sector Operation			2015	0.50	0.50	-	100%
	IDB	CR-T1138	Best practices for passenger rail transport systems			2015	0.004	0.004	-	100%
	IDB	CR-T1150	Support to the Strengthening of Public Works investment Programs in Costa Rica			2016	0.280	0.280	0.01	95%
	IDB	CR-T1172	Support to the Preparation and Execution of the Operations of the Transport Sector in Costa Rica			2017	0.450	0.450	0.27	39%
	IDB	CR-L1009	First Electric Power Sector Development Program 2008-2011	Energy	Loan	2007	250.000	250.000	-	100%

CPE Division	Approving Institution	Project Number	Project Name	Sector	Type	Approval Year	Original approved amount ($M)	Current approved amount ($M)	Balance ($M)	Disbursement to Sept 19 (%)
Infrastructure	IDB	CR-L1049	Power Sector Development Program 2012-2016 (Reventazon Hydroelectric Project)	Energy	Loan	2012	250.000	250.000	82.30	67%
	IDB	CR-L1070	First Renewable Energy, Transmission and Distribution of Electricity Program			2015	200.000	200.000	200.00	0%
	IDB	CR-T1149	Environmental and Social Management Capacity Building for ICE's Electricity Business Line		TC	2016	0.416	0.416	0.24	41%
	IDB	CR-T1113	Analisis Opciones para Manejar Mayor Incorporación Energias Renovables Variables			2014	0.500	0.499	-	100%
	IDB	CR-T1117	Support for Geothermal Development Project in Guanacaste			2014	0.700	0.700	-	100%
	IDB	CR-L1024	Water and Sanitation Program	Water & Sanitation	Loan	2010	73.000	73.000	63.82	13%
	IDB	CR-T1090	Institutional Strengthening and Strategic Process Changes for AyA		TC	2012	0.170	0.169	-	100%
	IDB	CR-T1101	Support to Execution for the Water and Sanitation Program CR-L1024			2014	0.239	0.238	-	100%
	IDB	CR-T1180	Support to the Instituto Costarricense de Acueductos y Alcantarillados (AyA) in the implementation of the Potable Water and Sanitation Program (CR-L1024; CR-X1009) and of other Priority Initiatives			2018	0.300	0.300	0.28	6%
	IDB	CR-X1009	Water and Sanitation Program		Grant	2010	20.000	20.000	19.22	4%
Environment	IDB	CR-L1001	Tourism Program in Protected Areas	Environment and Natural Disasters	Loan	2006	19.000	18.725	-	100%
	IDB	CR-L1135	Tropical Storm Nate Emergency Response Program			2017	20.000	20.000	20.00	0%

CPE Division	Approving Institution	Project Number	Project Name	Sector	Type	Approval Year	Original approved amount ($M)	Current approved amount ($M)	Balance ($M)	Disbursement to Sept 19 (%)
Environment	IDB	CR-T1103	Support for the Financial Management of Natural Disaster Risk	Environment and Natural Disasters	TC	2013	0.200	0.200	0.13	37%
	IDB	CR-T1137	Emergency assistance after tropical waves in Costa Rica			2015	0.200	0.200	-	100%
	IDB	CR-T1161	Support for Emergencies Generated by Hurricane Otto			2016	0.200	0.200	-	100%
	IDB	CR-T1175	Emergency Support for the Tropical Storm Nate			2017	0.200	0.200	-	100%
Urban	IDB	CR-T1120	Implementation of ESCI in the City of San Jose, Costa Rica	Urban Development and Housing	TC	2014	1.200	1.200	0.02	99%
	IDB	CR-T1160	Urban Regeneration of the Four Central Districts of San José			2017	0.228	0.228	0.21	8%
	IDB	CR-T1176	Public-Private Instruments for the Urban Regeneration of San Jose			2018	0.500	0.500	0.495	1%
Social	IDB	CR-L1053	Building and Equipping of Education Infrastructure	Education	Loan	2012	167.524	167.524	91.64	45%
	IDB	CR-T1092	Improving Educational Infrastructure Management		TC	2015	0.350	0.350	0.04	87%
	IDB	CR-T1134	Mathematical logical thinking skills through education technology in Preschool			2015	1.500	1.500	0.91	61%
	IDB	CR-T1111	Evaluation of Interventions to Reduce Teen Pregnancy	Health	TC	2014	0.382	0.382	0.25	34%
	IDB	CR-T1129	Support for institutionalizing Technology Assessment in Health in Costa Rica			2015	0.320	0.320	0.08	74%
	IDB	CR-G1004	Mesoamerican Health Facility 2015 Costa Rica- Second Individual Operation		Grant	2015	1.482	1.482	0.90	39%
	IDB	CR-L1031	Violence Prevention and Social Inclusion Promotion Program	Social Investment	Loan	2011	132.441	132.441	-	100%
	IDB	CR-T1126	Support for the Implementation of the Extreme poverty reduction strategy		TC	2015	0.320	0.448	-	100%

CPE Division	Approving Institution	Project Number	Project Name	Sector	Type	Approval Year	Original approved amount ($M)	Current approved amount ($M)	Balance ($M)	Disbursement to Sept 19 (%)
Social	IDB	CR-T1147	Innovating Experiences in Civilian Safety	Social Investment	TC	2016	0.007	0.006	-	100%
	IDB	CR-T1154	Strengthening of Active Labor Market Policies in Costa Rica			2017	0.300	0.300	0.20	33%
	IDB	CR-T1157	Human and Productive Empowerment for Indigenous and Afro-descendant Peoples of Costa Rica			2017	0.790	0.790	0.40	49%
	IDB	CR-T1158	Support to the creation of a long-term care policy to assist dependent people in Costa Rica			2017	0.180	0.180	0.09	47%
	IDB	CR-T1167	Technical Cooperation to Visit the Public-Private Support Model for the Continuous Development of Workers from Riviera Maya			2017	0.018	0.014	-	100%
State Reform	IDB	CR-T1105	Improving the Business Environment in Costa Rica	Reform / Modernization of the State	TC	2013	0.109	0.109	-	100%
	IDB	CR-T1097	Strengthening Fiscal Institutions in Costa Rica			2014	0.250	0.249	-	100%
	IDB	CR-T1135	Technical Support to the Ministry of the Presidency (Center of Government)			2015	0.500	0.436	-	100%
	IDB	CR-T1127	Budget for Results			2017	0.100	0.100	0.10	0%
	IDB	CR-T1171	Knowledge Exchange on Electronic Invoicing and Fiscal Risk			2017	0.005	0.004	-	100%
Private	IDB	CR-L1043	Innovation and Human Capital for Competitiveness Program	Science and Technology	Loan	2012	35.000	35.000	21.77	38%
	IDB	CR-T1133	Complementary Strengthening of Public Policies Innovation		TC	2015	0.017	0.016	-	100%
	IDB	CR-T1155	Capacity Building Activities Management Innovation, Science and Technology		TC	2016	0.019	0.017	-	100%

CPE Division	Approving Institution	Project Number	Project Name	Sector	Type	Approval Year	Original approved amount ($M)	Current approved amount ($M)	Balance ($M)	Disbursement to Sept 19 (%)
Private	IDB	CR-T1136	Strengthening of the Presidential Council on Competitiveness, Innovation and Human Talent of Costa Rica	Science and Technology	TC	2016	0.200	0.200	0.14	31%
	IDB	CR-T1184	Support for Digital Transformation Policies for Productivity and Equity		TC	2018	0.275	0.275	0.27	1%
	IDB	CR-T1115	Strengthening of Pacific Coast Agricultural Groups in Costa Rica	Private firms and SME Development	TC	2014	0.675	0.675	-	100%
	IDB	CR-T1139	Best Practices in public-private collaboration for competitiveness		TC	2015	0.007	0.004	-	100%
Other (C&D Plan)	IDB	CR-T1132	Action Plan for C and D Countries	Other (C&D Plan)	TC	2015	0.200	0.199	-	100%
	IDB	CR-T1146	Action Plan for C and D Countries		TC	2016	0.327	0.327	-	100%
	IDB	CR-T1162	Action Plan C&D		TC	2017	0.326	0.326	0.00	100%
	IDB	CR-T1186	Action Plan for C & D		TC	2018	0.325	0.325	0.17	48%

Source: OVE using data from the Data Warehouse of the Bank

Table I.4. List of NSG projects under review for the CPE Costa Rica 2015-2018

CPE Division	Approving Institution	Project Number	Project Name	Sector	Type	Approval Year	Approved amount ($M)
Infrastructure	Legacy IDB: SCF	CR-L1037	Juan Santamaria International Airport Expansion	Transport	Loan	2009	45.000
	Legacy IIC	CR3941A-01	Coriport			2010	8.000
	Legacy IIC	CR3941A-02	Coriport II			2015	12.000
	Legacy IIC	CR-L1056	Reventazon Hydroelectric Power Project	Energy		2012	200.000
	Legacy IDB: SCF	CR-L1071	TicoFrut Biomass Cogeneration Plant			2015	4.800
Corporate	Legacy IIC	CR-L1045	Marriott Courtyard Alajuela (CR-L1045)	Private Sector and SME Development		2010	4.053
	Legacy IIC	CR3919A-01	Cafe Britt CR S.A*			2010	4.000
	Legacy IIC	CR3984A-01	Corporación DESINID, S.A.			2013	0.450
	Legacy IIC	CR3904A-03	Ujarras III			2014	0.100
	Legacy IIC	CR4027A-01	Caycha del Norte S.A.			2015	0.126
	Legacy IIC	CR3997A-01	Almacenadora			2015	0.600
	Legacy IIC	CR3998A-01	Continex			2015	0.450
	Legacy IIC	CR4020A-01	Industrias Alserro			2015	0.150
	Legacy IIC	CR4017A-01	Castle			2015	0.194
	Legacy IIC	CR4023A-01	Chaso			2015	0.115
	IDB Invest	CR4013A-01	ATI-Orbe			2016	2.875
	IDB Invest	11935-02	Regal Forest Costa Rica			2016	9.000
FI	Legacy IIC	CR-L1044	Banco Promerica Financing Facility (CR-L1044)	Private Sector and SME Development	Loan	2010	15.000
	Legacy IIC	CR3958A-01	General (Costa Rica)			2011	10.000
	Legacy IIC	CR3936A-01	Coopealianza			2011	1.000
	Legacy IIC	CR3949A-01	HSBC CR			2011	30.000
	Legacy IIC	CR3041A-03	BAC San Jose III*			2012	20.000
	Legacy IIC	CR3838A-03	Cafsa III			2012	3.000
	Legacy IIC	CR3969A-01	BNS CR*			2012	20.000
	Legacy IIC	CR-L1058	Banco Improsa SME Facility (CR-L1058)			2012	8.000

CPE Division	Approving Institution	Project Number	Project Name	Sector	Type	Approval Year	Approved amount ($M)
FI	Legacy IIC	CR-L1059	Banco BAC San Jose Financing Facility (CR-L1059)	Private Sector and SME Development	Loan	2012	40.000
	Legacy IIC	CR3980A-01	Coocique			2013	1.000
	Legacy IIC	CR-L1068	Bancredito SME Financing Partnership			2013	10.000
	Legacy IIC	CR-L1063	Banco BCT SME Financing Partnership			2013	10.000
	Legacy IIC	CR-L1069	Banco Nacional de Costa Rica MSME Financing Partnership			2013	75.000
	Legacy IIC	CR-L1061	Scotiabank Costa Rica Downscaling Finance Line			2013	40.000
	Legacy IIC	CR-L1064	Banco General Costa Rica SME Financing Partnership			2013	8.000
	Legacy IIC	CR3953A-02	BCR II			2014	10.000
FI	Legacy IDB: SCF	CR-L1080	Banco Davivienda Costa Rica Green Line Partnership*	Private Sector and SME Development	Loan	2015	25.000
	Legacy IIC	CR3936A-02	Coopealianza II			2015	3.000
	Legacy IIC	CR3976A-02	MUCAP			2015	3.000
	Legacy IDB: SCF	CR-L1074	Banco BAC San Jose MSME Financing Partnership			2015	40.000
	Legacy IIC	CR3910A-03	Davivienda Costa Rica			2015	15.000
	IDB Invest	CR-L1083	Coopeservidores Housing Financing Partnership			2016	30.000
	IDB Invest	11577-01	CAFSA IV			2016	4.000
	Legacy IIC	CR3953A-01	Banco de Costa Rica		Sub-loan	2012	22.500

Source: OVE using data from the Data Warehouse of the Bank

ANNEX II – EVALUATION DESIGN MATRIX

Table II.1. Relevance			
Researchable Question(s)	**Information Required and Source(s)**	**Scope and Methodology**	**Limitations**
1. To what extent was IDBG's CS, its objectives and the operational program aligned with the country's development needs, the Government's development strategies, and IDBG's mandate?	• Government strategy documents, IDBG country strategy documents (including annual Country Programming Documents), sector framework documents and policies, economic analysis from IDBG and other institutions, Government economic and social data, Data from other institutions. Also, IDBG operational documents (loans, investment grants, TCs) • IDBG project databases • Interviews with Government and IDBG staff and other experts.	• Context note and Document review to compile a complete list of Government development priorities, country development needs, IDBG country strategy priorities. • Portfolio review • Use all relevant evidence to determine the alignment of the Bank's CS priorities to the Government development priorities and country development needs.	• The analysis will be based on information provided by Government and IDBG documents. It is possible that the program and operations deviate from the priorities written in these documents. • Economic and social data may not be complete and updated. • The number and volume of IDBG approvals by priority area/sector might not adequately measure Bank's relevance. Sometimes small Loan or TCs might be of great relevance.
2. To what extent was IDBG's implemented program aligned with the CS and the country's development needs?	• IDBG project databases • Loan and TC documents • CS and sector notes • Interviews with Government and IDBG staff and other experts.	• Portfolio review • Project and TC desk review • Use all relevant evidence to determine the alignment of the IDBG operational program with the CS and the country's development needs	• Alignment of operational program to IDBG CS may lose relevance, with respect to country development needs and government priorities, if country conditions change during the CS period.
3. What has been IDBG's role and added value in Costa Rica, and how did it evolve over time? Was IDBG's support financially relevant? Did the indicative financial envelope behave according to the CS predictions? Why or why not?	• The Bank's Enterprise Data Warehouse • National statistics • Approval data from other multilateral institutions • IDB Invest approval and disbursement data • Approval data from other multilateral private sector windows • GPS • Stakeholder perceptions	• For the periods [2005-2015 and 2015-2018] analyze the trends of IDB disbursements and approvals • For the periods [2005-2015 and 2015-2018] compare the trends of IDB disbursements and approvals to other multilateral institutions • For the periods [2005-2015 and 2015-2018] analyze the trends of IDB Invest approvals • For the periods [2005-2015 and 2015-2018] compare the trends of IDB Invest approvals to other multilateral private sectors • Analysis of GPS results	• Patterns and trends of approvals and disbursements may be difficult to explain with certainty given that OVE will rely on stakeholder perceptions from surveys and interviews and focus groups. • There is not necessarily a positive correlation between lending and disbursement volume and IDBG relevance.

Table II.1. Relevance			
Researchable Question(s)	**Information Required and Source(s)**	**Scope and Methodology**	**Limitations**
		• Interviews and focus groups with stakeholders	
4. Were the program and individual operations designed in a manner consistent with the Government's institutional capacity for implementation, the macroeconomic and fiscal situation and the country's development priorities?	• Program and operational documents (including Country Programming Documents, loan and TC approvals, PCRs, PMRs, XSRs). • PEFA and other assessments of institutional capacity. • Interviews with executing agency staff and IDB country representative, chief of operations, country economist, country coordinator, procurement specialist, financial management specialist, and project team leaders.	• Document and indicator review to determine institutional capacity in financial management, procurement, and project management. Complement the review with stakeholder interviews. • Desk Review: Detailed methodology for loan and investment grants and TCs.	• Indicators for institutional capacity may not be very reliable. Therefore, we must look at trends over time and triangulate with other information (interviews and PMR, PCR, PSR and XSR reports). • Some of the Bank's support for institutional capacity may be difficult to substantiate (i.e., C&D funds are likely used but will not have and M&E framework to provide us with reliable evidence).
5. Was the mix of financial and technical assistance instruments appropriate given the level of institutional capacity, fiscal priorities, and market conditions?	• Program and operational documents. • Public Expenditure and Financial Accountability assessment (World Bank) and Institutional Capacity Assessment (IDB). • Interviews with executing agency staff and IDBG country representative, chief of operations, country economist, country coordinator, procurement specialist, financial management specialist, and project team leaders. • IDBG portfolio data • Terms of IDBG instruments • Government data on debt profile and terms. • Operational documents and Human Resources Department data showing coordination within IDBG.	• Document review, supplemented with interviews, to determine if the mix of instruments was appropriate given the level of institutional capacity. • Review of the Bank's use of financial instruments (loans and grants) in the context of the Government's fiscal needs and priorities. • Analysis and comparison of terms of lending for IDBG instruments, Government debt terms, and market terms. • Document and data review of IDBG coordination.	• Indicators for institutional capacity may not be very reliable. Therefore, we must look at trends over time and triangulate with other information (interviews and PMR/PCR reports). • Some of the Bank's support for institutional capacity may be difficult to substantiate (i.e., C&D funds are likely used but will not have and M&E framework to provide us with reliable evidence. In fact, most TCs do not have or have poor M&E frameworks).

Source: OVE

Table II.2. Implementation, Efficiency and Effectiveness			
Researchable Question(s)	**Information Required and Source(s)**	**Scope and Methodology**	**Limitations**
1. What were the principal factors affecting program implementation and achievement of proposed outputs and outcomes?	• Program and operational documents. • Data gathered from executing agencies and IDB team leaders. • Information collected during site visits. • Interviews with IDB country representative, chief of operations, procurement officer, financial management officer, and executing agency staff.	• Desk review: Detailed methodology for loan and investment grants and TCs. For this sub-question we will tally the different factors affecting project implementation.	• The interviews will give us different perspectives on implementation challenges. • Therefore, our desk review will include as much documentary evidence collection as possible related to implementation challenges (especially from the Bank's procurement databases). This evidence may be difficult to gather and may not be complete.
2. a) To what extent did IDBG appropriately assess implementation risks? b) How did IDBG respond to implementation challenges that may have occurred?	• Program and operational documents. • Data gathered from executing agencies and IDB team leaders. • Information collected during site visits. • Interviews with IDB country representative, chief of operations, procurement officer, financial management officer, and executing agency staff.	• Desk review: Detailed methodology for loan and investment grants and TCs.	• Linking the Bank's actions to anticipating and responding to challenges may be difficult, • We will need to rely on interviews and then confirm any actions to project or TC documentation on actions taken to anticipate, mitigate, and address implementation challenges.
3. How did program implementation compare to IDB-wide and regional averages, and how have the times and costs associated with the preparation and execution of IDB projects evolved since the last period?	• Program and operational documents. • Data gathered from executing agencies and IDB team leaders. • Information collected during site visits. • Interviews with IDB country representative, chief of operations, procurement officer, financial management officer, and executing agency staff.	• Analysis of the evolution of: (i) cost of investment loan preparation implementation (nominal and %); (ii) execution time. • Desk review: Detailed methodology for loan and investment grants and TCs.	• The comparisons will be dependent on comparable Bank-wide implementation data. • Therefore, to facilitate comparison, we will likely focus primarily on the length of the project cycle.
4. To what extent did IDBG's interventions help generate progress toward the strategic objectives set out in the CS?	• Program and operational documents. • Data gathered from executing agencies and IDB team leaders. • Information collected during site visits.	• Compilation, verification, and assessment of CS results matrix indicators to determine the level of achievement of proposed targets. • Desk review[1]: Detailed methodology for loan and investment grants and TCs. • Site visits to verify and gather further data on project implementation.	• Many projects will not be fully disbursed or closed, so we will not be able to report on final outputs and outcomes. • Data availability and reliability may present limitations to rigorously determining the achievement of targets. • Achievement of outcomes may be affected by external factors and difficult to attribute to IDBG's interventions.

[1] For PBLs we will use structural depth analysis, consistent with OVE's 2015 Annual Report.

Table II.2. Implementation, Efficiency and Effectiveness			
Researchable Question(s)	**Information Required and Source(s)**	**Scope and Methodology**	**Limitations**
5. How successful were IDBG's efforts to boost greater engagement by the private sector and the intended advisory role on public-private partnerships?	• Program and operational documents. • Program and operational documents of other development partners. • Documents related to the PPP environment and related work by IDBG and its development partners. • Information related to the private sector business environment and private investment in the country. • Interviews with implementing agencies, other donors, IDBG country representative, chief of operations, country coordinator, and project team leaders.	• Use evidence available to determine the level of complementarity or duplication of IDBG support. • Document review supplemented with interviews with IDBG staff, government officials, other development partners, private sector operators and experts familiar with the private sector environment in Costa Rica • Review of the PPP environment and related work by IDBG and its development partners. • Analysis of information related to the private sector business environment and private investment in the country.	• The Government, IDBG, and other development partners may not be forthcoming with information about coordination given their own differing incentives. • Some indicators (e.g., private investment) may not be entirely reliable. • Factors other than the work of IDBG and its development partners (e.g., the country's political, macro and fiscal situation) may have affected private investment.

Source: OVE

Table II.3. Sustainability			
Researchable Question(s)	**Information Required and Source(s)**	**Scope and Methodology**	**Limitations**
1. What is the likelihood that program results will be sustainable? 2. What are the main risks to sustainability (including environmental and social performance and sustainability of the operations)? 3. What measures have been taken to mitigate these risks?	• Program and operational documents. • Environmental and social project documents, MICI information • Stakeholder perceptions of sustainability Country context note	• Document review • Interviews with stakeholders • Review of information gathered to develop a list of principal risks to the sustainability of program risks and measures taken to mitigate these risks. • Analysis of identified risks and mitigation measures to determine which, if any, risks remain unmitigated.	• Sustainability will depend in part on factors that are out of the IDBG's control and OVE may not have full access to information on these.

Source: OVE