



Corporate Evaluation

Management's Implementation of OVE Recommendations: IDB Group's Evaluation Recommendations Tracking System 2022

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**Corporate Evaluation
Management's
Implementation
of OVE
Recommendations:
IDB Group's
Evaluation
Recommendation
Tracking System
2022**

Office of Evaluation and Oversight



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Abbreviations

CPE	Country program evaluation
DSP	Strategy and Development Department
IFIs	International financial institutions
KIC	Knowledge, Innovation, and Communication Sector
MICI	Independent Consultation and Investigation Mechanism
OVE	Office of Evaluation and Oversight
PCR	Project completion report
ReTS	Evaluation Recommendation Tracking System
SPD	Office of Strategic Planning and Development Effectiveness
XCPE	Expanded country program evaluation
XSR	Expanded supervision report

Executive Summary

The Evaluation Recommendation Tracking System (ReTS) periodically provides the Boards of Executive Directors¹ of the Inter-American Development Bank (IDB) and IDB Invest with timely information on Management actions taken to address the Office of Evaluation and Oversight (OVE) recommendations endorsed by the Board. Determining to what degree such recommendations have been addressed is essential for institutional accountability and learning. In 2022, OVE and Management consolidated the progress made in previous years, including the implementation, begun in 2021, of a new platform for registering and monitoring the action plans to be implemented by Management for each recommendation. In addition, OVE, the Office of Strategic Planning and Development Effectiveness (SPD), and the Knowledge, Innovation, and Communication Sector (KIC) worked together in 2022 to develop a virtual nanocourse on the ReTS methodology and validation process. This nanocourse is open to Board members and all IDB Group staff on the Bank's eLearning portal.

In the 2022 exercise, the active action plans showed good results in terms of relevance, yet evaluability challenges persist. Between 2013 and 2022, OVE tracked a total of 340 recommendations through the ReTS; 106 of these had active action plans in 2022, and their progress was validated by OVE in this validation cycle. Practically all (97%) of the 106 action plans, including 17 of the 19 action plans added to the ReTS in 2022, were considered highly relevant. This percentage is similar to the one observed in 2021 (96%), although the share of action plans with relevance scores of "full" decreased with respect to the previous cycle. At the same time, 42% of the 106 active action plans lagged in terms of evaluability (a similar share to 2021), showing flaws that primarily dated back to action plans from prior cycles and had not been fully addressed by Management. In comparison with previous years, the evaluability of the new action plans improved.

In 2022, most action plans were implemented on time, the same percentage as in 2021. In all, 88% of the 96 action plans that included actions to be conducted in 2022 were implemented according to plan. This is the same percentage as the previous cycle. There was also an increase for a second straight year in the share of action plans with implementation scores of "full." At the same time, challenges were identified in implementing 12 action plans. In nine of these cases,

¹ In this report, the "Board" jointly refers to the Boards of Executive Directors of the IDB and IDB Invest.

adequate means of verification for validating an action were not submitted; in four cases, there were difficulties in measuring progress due to an absence of clear targets; in one case, the expected progress was not achieved; and in another, no progress was reported.²

Of the 49 recommendations retired from the ReTS in 2022, 84% were fully or substantially adopted. This share, while smaller than the 94% in 2021, is larger than the 76% average of the last six years. Six evaluations completed their cycle and were retired with all their recommendations adopted. Of the 49 recommendations retired from the ReTS, 8 recommendations, stemming from 7 evaluations, were “not adopted.” In all these cases, this was due to partial implementation of the action plan (rather than to low relevance). In six of these eight recommendations, OVE found, among other problems, that there was no evidence to substantiate progress in implementing the proposed actions. At an aggregate level, 11 evaluations completed their cycle in the ReTS in 2022. Six of these did so with all their recommendations being retired as “adopted.” The rest had at least one recommendation “not adopted.” At the same time, OVE detected through the early warning system that two recommendations still active following the 2022 cycle are at risk of being retired as “not adopted” in 2023, if no improvement occurs in implementing their respective action plans. In both cases, Management made adjustments in 2022 and showed progress with respect to 2021, although not enough to merit an implementation score of “full” or “substantial.”

The Board has requested a mechanism to monitor recommendations that OVE assesses as “not adopted” after four years of tracking under the ReTS. Between 2016 and 2022, a total of 53 recommendations were retired from the ReTS as “not adopted.” This represents one fifth of all 247 recommendations retired to date. The ReTS system currently provides for tracking Management’s actions to address Board-endorsed OVE recommendations for a period not to exceed four years. At the end of this period, unless Management requests additional time, the recommendations are retired from the ReTS as “adopted” or “not adopted,” depending on OVE’s assessment. The Board has asked OVE to work in coordination with Management to submit a mechanism for monitoring recommendations assigned a low adoption score after four years.

OVE performed an aggregate analysis of the 53 recommendations that have been retired as “not adopted” in any of the last seven cycles. This analysis covered the period from 2016 (the year the ReTS was formally launched) to 2022 and sought to achieve two objectives: (i) establish, insofar as possible, the current status of all recommendations that have been retired from the ReTS as “not adopted;” and (ii) generate information to support the Board-requested proposal for monitoring unadopted recommendations. The analysis yielded important lessons.

² Action plans may suffer from more than one of the delay-inducing factors.

First, the tracking of Board-endorsed OVE recommendations for a maximum of four years has resulted in several being forgotten, since until now they have not been subject to monitoring after being retired as “not adopted.” In many cases, valuable information on the status of the recommendation has been permanently lost. Second, the analysis performed by OVE for this report involved a costly data compilation process due to the information gap in the absence of monitoring. Third, some recommendations may lose relevance over time due to various factors. Fourth, it is essential to ensure that the action plans have a sufficiently long time horizon to span the implementation of the proposed changes.

In response to the Board request, OVE proposes extending the ReTS system to allow monitoring of recommendations regarded as “not adopted” at the end of four years. This proposal, prepared in coordination with Management, is based on the results of the analysis performed by OVE, as well as on review of the processes at other international financial institutions (IFIs). The proposed extension would mean that recommendations can be retired from the ReTS in the following cases: (i) once they have been adopted (adoption score of “full” or “substantial”); (ii) when they have been declared “obsolete” by the Board based on an OVE recommendation; or (iii) if, having been granted additional time to address a recommendation that OVE regards as “not adopted” after four years of tracking in the ReTS, Management is unable to implement the relevant actions within this additional time. In such cases, Management must account to the Board for the reasons that prevented it from addressing the recommendation despite the grant of additional time.

The proposal calls for these recommendations to be monitored within the ReTS system itself. The annual validation exercises will make it possible to identify recommendations that OVE regards as “not adopted” at the end of four years of tracking and are to remain in the ReTS. The monitoring of these recommendations will be the same as for other active recommendations in the ReTS with the following special features:

- For recommendations that receive an adoption score of “partial” or “negligible” after four years in the ReTS and are not declared “obsolete,” Management will be required to submit a new action plan (in the case of relevance problems) and/or extend the term of the existing action plan (in the case of implementation problems).
- Action plans and their implementation report will be submitted within the ReTS and be subject to the same requirements as all other active recommendations in the system.

- Management will have up to an additional two years to implement the action plan for the recommendation to be retired as “adopted.” In special cases jointly identified by OVE and Management, the maximum time for implementing the recommendation may exceed the additional two years. Once the maximum additional time for implementing the recommendations runs out, those not yet adopted will be retired from the ReTS system, and Management must account for them to the Board.
- For a recommendation to be declared “obsolete,” Management will submit evidence that the recommendation is no longer relevant after being overtaken by events or due to other factors. Based on its assessment of this justification, OVE will propose to the Board, for its approval, that the recommendation in question be declared “obsolete.”
- OVE and Management will work to develop guidelines for cases where Management may request that a recommendation be declared “obsolete.” In addition, Management will conduct an analysis of the ReTS platform with a view to implementing the necessary functionality changes and enabling implementation of the proposed mechanism.

Lastly, before the new 2024 validation exercise begins, the 53 recommendations already retired as “not adopted” and analyzed by OVE in this exercise will undergo a purging process. In this transition period, Management will review the 53 recommendations retired so far as “not adopted” and submit a proposal to OVE, indicating: (i) which of these recommendations it requests to be declared “obsolete,” providing the respective justification in accordance with guidelines to be developed jointly by OVE and Management; and (ii) how it proposes to address the other recommendations (new action plan and/or extension of time). OVE will assess points (i) and (ii) and identify the recommendations unadopted so far that are to continue under ReTS monitoring for additional time.

The results of the annual assessment and the medium-term analysis of unadopted recommendations reflect ongoing improvement in the ReTS owing to coordinated work by OVE and Management. Even though certain areas have been identified as needing improvement, continuous learning and fine-tuning of the system has led to improvements in the results of the assessments. In addition, users have described the greater ease of use of the ReTS and have increased their understanding of the system’s operation and importance. The system’s potential use of as a tracking and learning tool thus should continue to be maximized, and dialogue and collaboration should be actively promoted between OVE and Management.

To continue improving the tracking of Board-endorsed recommendations:

- OVE requests that the Board approve the general guidelines for monitoring of the recommendations retired so far as “not adopted” and those scored by OVE in the future as “not adopted” after four years of tracking in the ReTS, as described in paragraphs 4.15 to 4.17 of this report. OVE further requests that the Board confirm the proposal for OVE and Management to work together on developing and implementing the specific guidelines.
- Additionally, OVE recommends that Management review the 53 recommendations retired so far as “not adopted” in accordance with the guidelines established in paragraphs 4.15 to 4.17 of this report.



01

Introduction

- 1.1 This report presents the results of the Office of Evaluation and Oversight (OVE) validation of Management actions in 2022 to address the recommendations endorsed by the Boards of Executive Directors of the Inter-American Development Bank (IDB) and IDB Invest. OVE's monitoring of the implementation of these actions and its resulting annual report are designed to serve as an accountability mechanism for the IDB Group. It also promotes integration the findings that gave rise to the recommendations into the activities of the IDB Group, to continue improving its performance and results.
- 1.2 OVE monitors implementation of these actions through the Evaluation Recommendation Tracking System (ReTS) and issues annual reports describing their progress and challenges. After the Board endorses a recommendation made in an evaluation, Management prepares an action plan proposing the actions to be taken for implementation of the recommendation.³ OVE then monitors and validates the progress reported by Management against the implementation of these action plans during a period of four years.⁴ This provides the Board with information on progress made and obstacles encountered in implementing the Board-endorsed recommendations. OVE has been reporting the results of the annual ReTS validation process since 2013 for the IDB, and since 2016 for IDB Invest.⁵ In 2021, the ReTS included the recommendations endorsed by the IDB Lab Donors Committee, which remain in effect to date.
- 1.3 The report summarizes the main results of the 2022 validation. It also presents a medium-term analysis (2016-2022) of the recommendations that have been retired from the ReTS as "not adopted." The report is divided into five chapters. Following this introduction, Chapter II presents a summary of the methodology used and the validation process. Chapter III provides a brief

3 The MICI also prepared an action plan to address the recommendations of the Evaluation of the Independent Consultation and Investigation Mechanism (document RE-542-1) directed to the MICI.

4 In general, the recommendations arising from the evaluations and their respective action plans remain active in the system for a period of four years. However, the effective period of the action plans is flexible. Management has the authority to establish shorter periods, as it deems necessary, and can request an extension of an established period. A recommendation is active in the ReTS, if it has an action plan registered in the system, and if this plan includes at least one action on which progress is expected in the current year or subsequent years.

5 In the OVE 2013-2014 Annual Report (document RE-470-4), OVE reported on the measures taken by Management to implement the recommendations that formed part of the ReTS pilot phase between mid 2013 and December 2014. In 2015, OVE and SPD conducted a review of the pilot phase and, since this was a transition period, the Board agreed that OVE, in its annual report for that year, would not report on the measures taken by Management to address the recommendations (see document RE-485-5). Since 2016, OVE reports on 100% of the Board-endorsed recommendations active in the ReTS. From 2016 to 2018, the validation report was part of the annual OVE reports (documents RE-511 and RE-524-2 and RE-537). Starting in 2019, the ReTS validation reports have been presented as individual documents (documents RE-541, RE-550, RE-562, and RE-572), to allow for closure of the cycle until 31 December of each year.

overview of the set of recommendations endorsed during the period 2013-2022 and their corresponding action plans, and summarizes the main results of the 2022 validation in terms of the dimensions of evaluability, relevance, implementation, and adoption of the active recommendations. The chapter also includes an early warning section for active recommendations that have exhibited relevance or implementation problems for at least two years. Chapter IV presents an aggregate and medium-term analysis of recommendations that have been retired as “not adopted”⁶ in the period 2016-2022, as well as lessons learned from this analysis. It also describes OVE’s proposal to extend the ReTS system in order to continue monitoring recommendations assessed as “not adopted” after four years. Lastly, Chapter V presents the report’s conclusions and recommendations.

6 According to the ReTS methodology, recommendations with an adoption score of “partial” or “negligible” are regarded as “not adopted” (Table I.1.2 in the Annex).



02

Methodology and Processes

2.1 OVE validates the action plans prepared by Management for the dimensions of evaluability, relevance, implementation, and adoption. In the 2022 validation, OVE employed the same methodology it has used in previous years, which is described in Chapter I of the Annex. This methodology is in line with the practices adopted by other international financial institutions, as described in the 2021 ReTS report (document [RE-572](#)). Management must prepare an action plan for each recommendation endorsed by the IDB or IDB Invest Boards, so each evaluation gives rise to as many action plans as there are endorsed recommendations.⁷ Throughout the life cycle of each recommendation, OVE reviews the action plans and scores them on four dimensions: evaluability, relevance, implementation, and adoption. Evaluability refers to the extent to which the plan sets out well-defined actions, clear and measurable targets, and an appropriate timetable for interim steps and completion. The analysis criteria for the dimensions of relevance, implementation, and adoption, as well as the four-level scoring scale (full, substantial, partial, and negligible), are described in Table 2.1 and in Chapter I of the Annex. During the course of each year, OVE rates the evaluability and relevance of new action plans and those that were modified during the validation cycle. At the end of the year, it also rates the implementation of the actions proposed by Management for that period. Lastly, at the end of the action plan’s term, which is generally four years, OVE rates the degree of adoption achieved for each recommendation and retires the recommendation.

Table 2.1. Validation criteria and four-level scoring scale

Criterion	What is examined?	Scoring scale			
		Negligible	Partial	Substantial	Full
Relevance of action plan	Extent to which action plan addresses the recommendation	Action plan largely fails to address the recommendation	Action plan addresses the recommendation with considerable shortcomings	Action plan addresses the recommendation with minor shortcomings	Action plan addresses the recommendation fully
Degree of implementation of action plan	Extent to which actions due or expected to make progress in that year were implemented as planned	Virtually no (relevant) actions were completed as planned	Few/minor (relevant) actions were completed as planned	Most (relevant) actions were completed as planned	All (relevant) actions were completed as planned
Degree of adoption of recommendation	Extent to which the IDB Group has adopted the recommendation	Either relevance of action plan OR level of implementation was negligible	Action plan was at least partially relevant AND at least partially implemented	Action plan was at least substantially relevant AND at least substantially implemented	Action plan was fully relevant AND fully implemented

Source: OVE, [Infographic on ReTS validation methodology](#)

Note: To assess adoption, the rating scale considers both the relevance of the action plan and score for overall (or global) degree of implementation in all years in which the action plan was active. This overall implementation score seeks to reflect all that was achieved during the tracking period, which goes beyond a simple average of the annual implementation scores.

⁷ In some cases (such as the evaluation of the MICI), a situation may arise where there are more action plans than recommendations, because some of the recommendations have separate action plans for each of the different entities (IDB, IDB Invest, and the MICI).

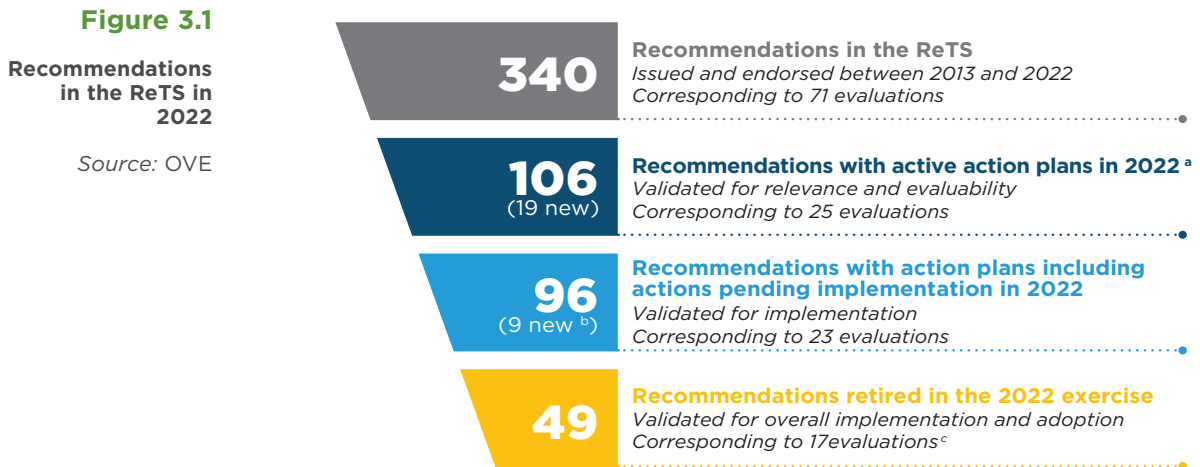
- 2.2 The ReTS is a tracking system; fully capturing the institutional response to the recommendations of an OVE evaluation would require a new evaluation. Through the system, OVE assesses the extent to which the action plans include actions for *addressing the recommendations* made in an evaluation, as well as the degree of progress in implementing those actions; it does not determine whether the factors that gave rise to the recommendation have been or will be resolved, which can only be determined through a new evaluation. Box I.1.1 in the Annex discusses the scope and limitations of the validations performed by OVE through the ReTS.
- 2.3 The validation process has been consolidated over time. Since the initial validation in the 2013-2014 pilot phase, the ReTS processes have been strengthened and broadened in scope. Box I.1.2 in the Annex summarizes the main milestones in the strengthening of the ReTS processes. These milestones include the introduction, in 2017, of an informal feedback process in which OVE examines the relevance and evaluability of draft new action plans proposed by Management prior to their formalization in the ReTS. In addition, OVE provides informal feedback for active action plans originating in previous years that have required changes or clarification (Chapter II of the Annex lists the action plans that benefited from the informal feedback process in 2022 and 2023). As will be explained in Chapter IV, this has resulted in improvements in the relevance of the action plans. The most recent advances include Management's implementation in 2021 of the TeamMate+ platform to register, manage, and update action plans. This change in the registration system has involved a natural learning and adjustment process that continued in 2022 and has been facilitated by the ongoing coordination and feedback work between OVE, the IDB Office of Strategic Planning and Development Effectiveness (SPD), and the IDB Invest Strategy and Development Department (DSP). Additionally, OVE, SPD, and the Knowledge, Innovation, and Communication Sector (KIC) worked together in 2022 to develop a virtual nanocourse on the ReTS methodology and validation process with a view to facilitating access and improving understanding of the ReTS. This nanocourse is open to Board members and all IDB Group staff on the Bank's eLearning portal.



03

Results of the
2022 Validation

3.1 OVE has tracked 340 recommendations through the ReTS, 106 of which were active during the 2022 cycle. Of the 351 recommendations issued since 2013, 340 (97%) have been endorsed by the Board (two of them partially) (See Table I.3.1 in the Annex). In the 2022 validation period, 106 of the Board-endorsed recommendations had an action plan that was validated by OVE.⁸ Of these, 19 were new recommendations registered in 2022 and originating in 4 evaluations.⁹ Figure 3.1 shows a summary of the recommendations endorsed by the Board and the action plans validated during the 2022 cycle under the four dimensions of the ReTS.



Notes: ^a The number of active action plans does not include the five recommendations of the CPE Nicaragua 2013-2017. ^b The action plans associated with the recommendations of the XCPE Dominican Republic and the evaluation of the guarantee instruments at the IDB Group were introduced into the ReTS in the first half of 2022. These action plans anticipated implementation progress expected to be made that year. ^c Of the 17 evaluations, a total of 11 were eliminated from the ReTS in 2022 because all of their recommendations had been retired.

3.2 In 2022, Management experienced delays in preparing the action plans corresponding to three corporate evaluations. Once the Board has endorsed an OVE recommendation, Management has 90 working days to prepare and upload the respective action plans into the ReTS.¹⁰ In 2022, Management was to submit the action plans stemming from the recommendations of the Evaluation of the Inter-American Development Bank’s Governance (document

8 The five recommendations of the CPE Nicaragua 2013-2017 did not have an action plan and were not validated on the dimensions of evaluability, relevance, and implementation. However, Management reported progress on these recommendations each year from 2019 to 2022. This year, the recommendations completed four cycles in the ReTS and were retired from the system with an adoption score based on the reports submitted by Management. The case of Nicaragua is reported separately at the end of Section 3.D.

9 XCPE Dominican Republic (document RE-566; 4 recommendations), Evaluation of Guarantee Instruments at the IDB Group (document RE-559-1, 5 recommendations), Evaluation of the Use of the IDB Grant Facility for Haiti’s Reconstruction and Development: 2011-2020 (document RE-558-1, 6 recommendations), OVE’s Review of Project Completion Reports and Expanded Supervision Reports: The 2022 Validation Cycle (document RE-575; 4 recommendations).

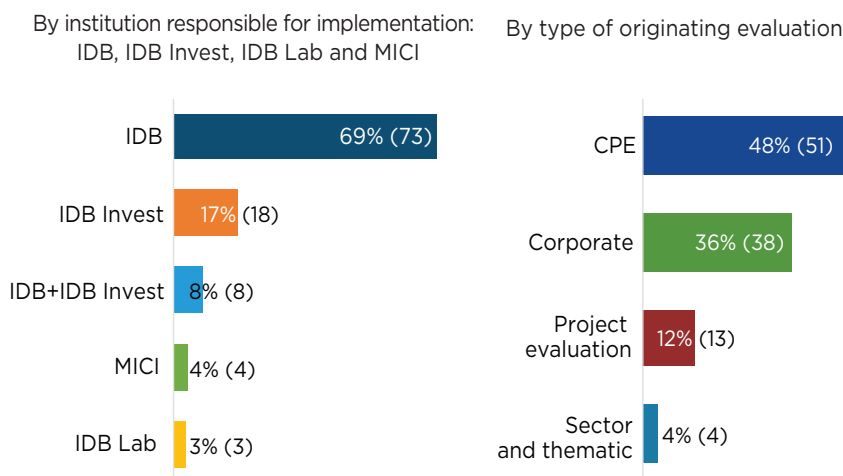
10 IDB Administrative Manual, Section AM-140-1.

[RE-553-4](#)) directed at Management.¹¹ However, due to institutional changes during the second half of 2022 and the first half of 2023, at the time of closing of this report Management was working on the respective action plans, which were to be monitored by OVE beginning in the 2023 validation cycle. The action plans stemming from two other corporate evaluations (six from the Evaluation of the Use of the IDB Grant Facility for Haiti’s Reconstruction and Development: 2011-2020 (document [RE-558-1](#)) and one from OVE’s Review of Project Completion Reports and Expanded Supervision Reports: The 2022 Validation Cycle (document [RE-565](#)) were completed with a delay but in time to be included in this report.¹²

3.3 Most of the recommendations active in the ReTS in 2022 were directed at the IDB and originated principally in country program evaluations (CPEs and XCPEs), followed by corporate evaluations. Figure 3.2 illustrates the breakdown of action plans validated in 2022 into those directed at the IDB, at IDB Invest, at IDB Lab, and at the Independent Consultation and Investigation Mechanism (MICI). It also shows their breakdown by type of originating evaluation.

Figure 3.2
Breakdown of action plans validated in 2022

Source: OVE, based on ReTS data.



A. Evaluability

3.4 In comparison with previous years, the evaluability of action plans entered into the ReTS for the first time in the 2022 cycle improved on two of the four analyzed criteria. Although the small number

11 The Evaluation of the Inter-American Development Bank’s Governance included 12 recommendations., Three of these were directed to IDB Management. The remaining recommendations were directed to the Board and so are not part of the ReTS system.

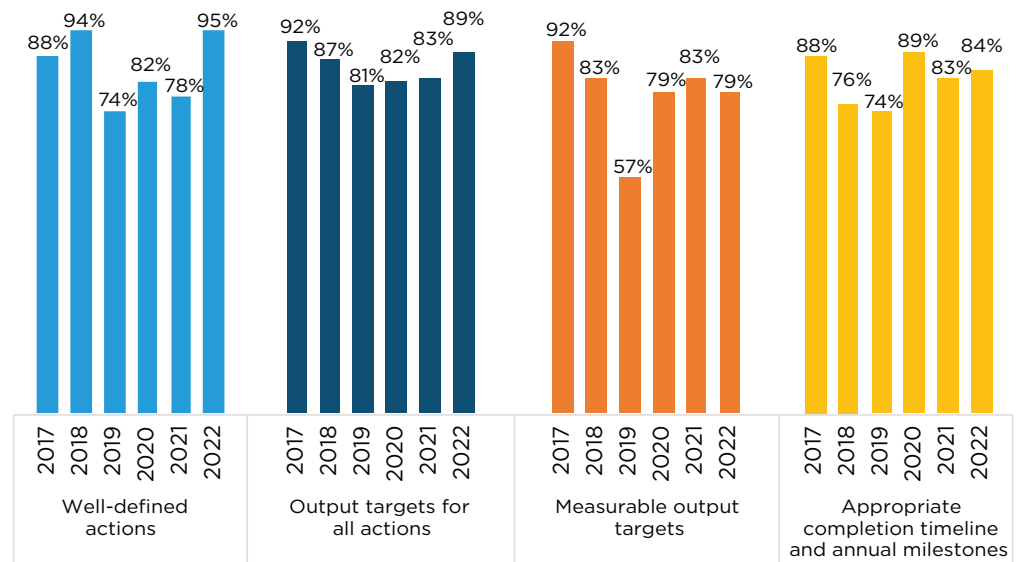
12 In agreement with OVE, completion of the action plans stemming from the Evaluation of the Use of the IDB Grant Facility for Haiti’s Reconstruction and Development: 2011-2020 (document RE-558-1) was delayed in order to incorporate part of the initiatives presented by Management in the update submitted to the Programming Committee of the Board in April 2023 (document GN-3037-2). In addition, the preparation and delivery of an action plan associated with OVE’s Review of Project Completion Reports and Expanded Supervision Reports: The 2022 Validation Cycle (document RE-565) were delayed, partly due to the work under way to prepare the new institutional strategy.

of new plans in 2022 limits an interpretation of the results, when considering only those action plans entered into the ReTS for the first time each year, progress was seen in 2022 in terms of evaluability with respect to the previous year on two criteria: (i) inclusion of well-defined actions; and (ii) inclusion of output targets for all actions (Figure 3.3). At the same time, challenges were observed in the new action plans in terms of ensuring that output targets were measurable (see Box I.4.1 in the Annex for a list of new action plans with partially measurable or nonmeasurable output targets).¹³ The percentage of new action plans with appropriate completion deadlines and annual milestones was similar to the percentage observed in the 2021 cycle.

Figure 3.3

Evaluability of action plans by year of entry into the ReTS (IDB Group)

Source: OVE



Notes: ^a Action plans validated for the first time each year; in some cases, the evaluability scores may have changed in subsequent years. ^b The total number of new action plans for each year is 26 (2017), 54 (2018), 42 (2019), 28 (2020), 23 (2021), and 19 (2022).

3.5 With respect to the overall number of action plans that were active during the 2022 cycle, the results in terms of evaluability for that year are similar to those of the previous cycle with deficits related to action plans from previous cycles that have not been fully addressed. In 2022, the evaluability of all active action plans (106) experienced a moderate improvement on three of the criteria, whereas backsliding was observed on one of them (Figure 3.4): a total of 62 action plans received only favorable ratings on evaluability, while 44 action plans had at least one low score on one of the evaluability criteria (see Table I.4.2 in the Annex for more details). The share of action plans with a low score on at least one evaluability criterion remained more or less the same as

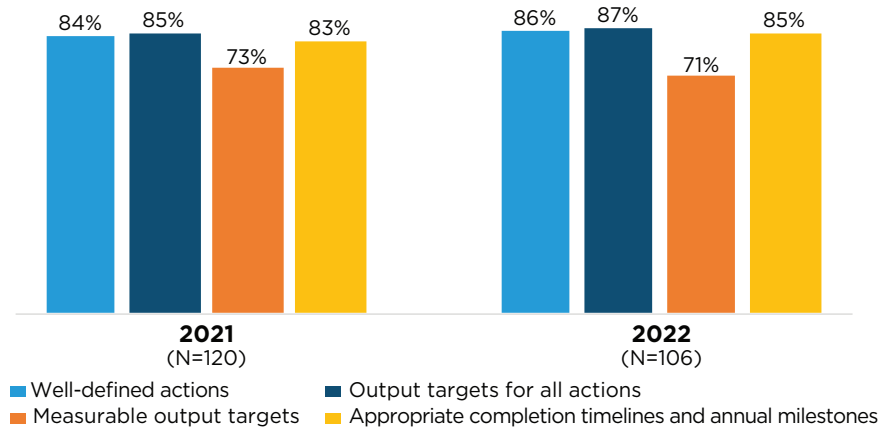
¹³ This evaluability criterion was introduced into the ReTS methodology in the 2017 validation cycle. Its analysis is included in this year's report, to provide a more accurate and complete assessment of the action plans' evaluability.

the previous year (42%).¹⁴ Most of these action plans were already showing flaws in 2021: of these 44, 37 were active in 2021 and 35 received a low score on at least one of the evaluability criteria.¹⁵ Moreover, only four action plans improved their evaluability (on at least one criterion) between 2021 and 2022. Table I.4.2 in the Annex shows the percentage of active action plans in 2022 that satisfy each of the evaluability criteria according to the entity responsible for their implementation (IDB, IDB Invest, or both).

Figure 3.4

Evaluability of action plans by year of entry into the ReTS (IDB Group)

Source: OVE, based on ReTS data.



B. Relevance

3.6 Most of the 106 action plans validated in 2022 proved to be relevant for addressing the recommendations. Continuing the positive trend of previous exercises, the action plans in the 2022 validation cycle were found to be highly relevant for addressing the recommendations,¹⁶ although the share of action plans with a “full” relevance score declined (Figure 3.5). Of the new action plans registered in 2022, 17 (89%) were highly relevant, marking an improvement over the previous year (87%) (see Figure I.4.3 in the Annex). Two newly introduced action plans (both for the IDB) proposed activities that were only partially relevant for addressing the recommendations (Table I.4.4 in the Annex).¹⁷

¹⁴ This calculation is not comparable to the one described in prior reports, since those reports did not consider the criterion of measurable output targets.

¹⁵ Eight of these 35 action plans were modified during the 2022 cycle; in two cases (recommendation 5 of the Comparative Evaluation: Review of Bank Support to Tax Policy and Administration, 2007-2016 and recommendation 2 of OVE’s Review of Project Completion Reports and Expanded Supervision Reports: The 2020 Validation Cycle), the changes addressed evaluability issues identified during the 2021 validation exercise that entailed improvements in the corresponding ratings. However, they did not address all shortcomings, and the scores remained low on at least one of the criteria.

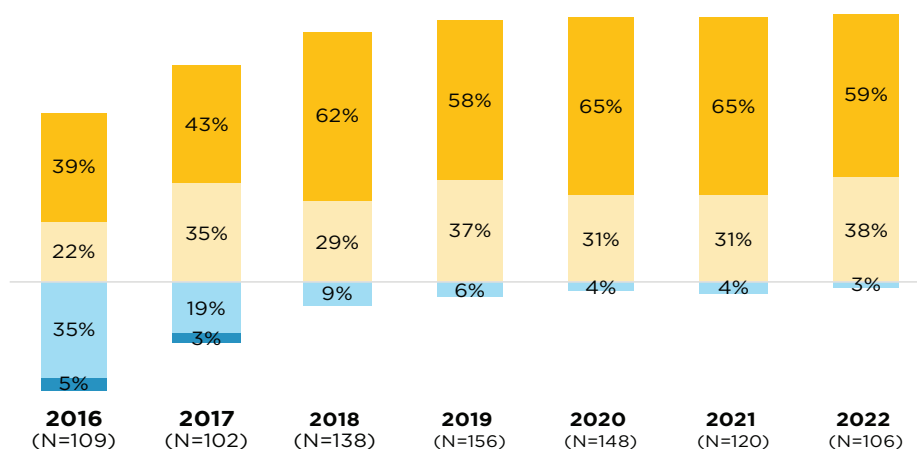
¹⁶ This is also reflected in the analysis of relevance results grouped by evaluation level. In 22 of the 25 evaluations submitted for validation, all recommendations had relevance scores of “substantial” or “full” (Table I.4.3 in the Annex).

¹⁷ These correspond to recommendation 6 in the Evaluation of the Use of the IDB Grant Facility for Haiti’s Reconstruction and Development: 2011-2020 and recommendation 1 in OVE’s Review of Project Completion Reports and Expanded Supervision Reports: The 2022 Validation Cycle.

Regarding the remaining active action plans (87 action plans from previous years), only one was rated partially relevant, earning a lower score than in previous years after having been modified (Box 3.1).¹⁸ It is worth noting that all action plans with low relevance will continue to be active in the ReTS in 2023 (and until the end of their tracking period), so Management has the opportunity to adjust them during the next validation cycle to improve their score.

Figure 3.5
Relevance of active action plans by validation year

Source: OVE, based on ReTS data.



Note: In Figure 3.5, the sum of “full” and “substantial” differs from the total reported in 2019 (94%) due to decimal rounding.

3.7 Management has continued its efforts to improve the relevance of action plans. In 2022, following the pattern of previous years, Management made efforts to improve the relevance of action plans by making use of OVE’s informal feedback process (see Annex, Chapter II).¹⁹ As a result, after Management made changes or provided additional information for the four action plans that had scored low on relevance in 2021 and remained active, their relevance score improved in 2022 (Table 3.1 and Box 3.1).

Figure 3.1. Improvements in action plan relevance between 2021 and 2022

Evaluation	Rec.	Responsible institution	Informal feedback in 2022	Action plan relevance	
				2021	2022
Environmental and Social Safeguards Evaluation	IDB-3	IDB	Yes	Partial	Substantial
CPE Costa Rica 2015-2018	2	IDB Invest	Yes	Partial	Substantial
PCR 2019-2020	2	IDB	Yes	Partial	Substantial
PCR 2020-2021	2	IDB	Yes	Partial	Full

Source: OVE based on ReTS data.

¹⁸ The score declined for the action plan to address recommendation 4 of the CPE Argentina 2016-2019.

¹⁹ In the 2022 cycle, a total of 11 evaluations benefited from the process (including the 4 new evaluations).

Box 3.1. Examples of adjustments to action plans and changes in their relevance

Upward adjustment

The **Environmental and Social Safeguards Evaluation** advised the IDB (recommendation 3) to “strengthen safeguards supervision and reporting” through the following actions: (a) “undertake more regular follow-up and field visits of all high and medium environmental and social impact operations...”; (b) “revisit and solidify the approach to supervising projects using a framework approach by following up regularly on sub-projects, possibly with increased use of third-party consultants financed from project funds;” and (c) “strengthen safeguards results monitoring and reporting through both a uniform borrower reporting requirement and an enhanced Bank monitoring and reporting system.” The action plan to address this recommendation planned actions to improve project supervision overall, including increased support for high- and moderate-risk projects, safeguards training for team leaders, and more ESG specialists in the field. However, it did not include specific actions for supervising framework projects, which often pose particular supervision challenges. Thus, between 2019 and 2021, the action plan’s relevance was consistently rated as “partial.”

In 2022 (the last year of the original action plan), based on feedback from OVE, Management requested an extension of the action plan completion deadline to 2023 and added a milestone related to the objective of strengthening the supervision of framework projects. To address the particular challenges of these projects, Management proposed adding a new functionality to ESG Compass to support proper application of the internal ESG protocol for analysis and monitoring of operations with a framework approach during the preparation and supervision stages. As a result, the action plan’s relevance score was adjusted upward from “partial” to “substantial.”

Downward adjustment

The **CPE Argentina 2016-2019** advised the IDB (recommendation 4) to “take measures to ensure that gaps in institutional capacity at IDB counterpart agencies are more effectively addressed.” In 2021 the corresponding action plan obtained a relevance score of “substantial” (rather than “full”) since it only included actions to identify and address institutional strengthening needs related to the public procurement system. In 2022 Management adjusted the action plan, replacing the annual milestone (which related to a system that had been discontinued by the government) with a nonequivalent one in terms of addressing the recommendation. As a result, the action plan’s relevance score was adjusted downward to “partial” in the 2022 validation cycle.

Source: OVE, based on ReTS data.

C. Implementation

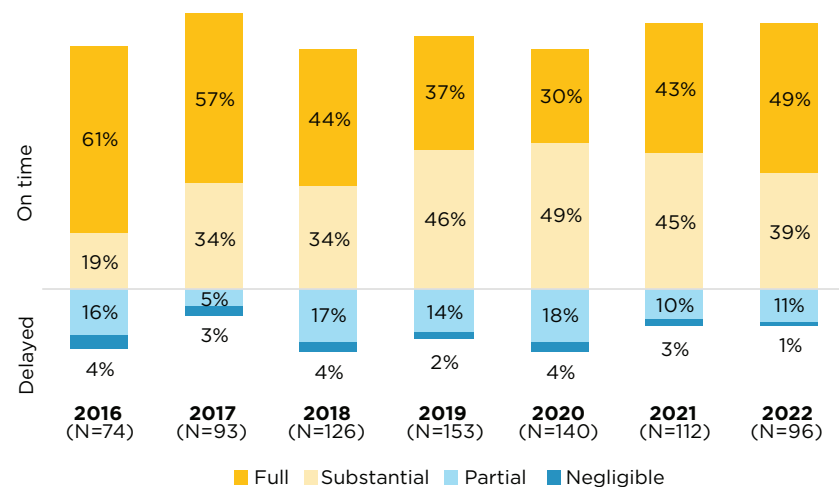
3.8 In 2022, most of the action plans were implemented on time, maintaining the same share as in 2021. All told, 88% of the 96 action plans with actions scheduled for 2022 were implemented on time and as planned (implementation rating of “full” or “substantial”). This percentage is equivalent to the previous year. In addition, for the second consecutive year, there was an increase

in the proportion of action plans with implementation scores of “full” (up six percentage points in 2022) (Figure 3.6). However, 12 action plans were also identified as having a low implementation level in 2022. Of this group, 11 are for the IDB, and one is being jointly implemented by the IDB and IDB Invest (Figure I.4.5 in the Annex). By type of evaluation, 7 of the 12 action plans whose implementation was delayed are for country evaluations; the rest are for project evaluations (3) and for corporate evaluations (2).

Figure 3.6

Implementation status of active action plans by validation year

Source: OVE, based on ReTS data.



3.9 The low implementation scores in 2022 are due mainly to lack of evidence to validate reported progress. The factors that affected the implementation score of the action plans, in order of frequency, are the following: (i) failure to provide adequate means of verification to validate the reported implementation (nine cases); (ii) evaluability problems in proposed indicators preventing OVE from measuring progress (four cases); (iii) reported failure to meet annual milestone targets as planned (one case); and (iv) no reporting of progress (one case).²⁰

3.10 At the evaluation level, the percentage of action plans implemented on time remained largely the same as in 2021. OVE calculated the proportion of recommendations with annual implementation scores of “substantial” or “full” for each of the 23 evaluations that had active actions in 2022 (see Table I.4.5 in the Annex). On average, in 2022, the evaluations achieved an on-time implementation rate of 86% in their action plans, just one percentage point lower than in the previous cycle (see Figure I.4.10 in the Annex). Of the 23 evaluations considered, 15 succeeded

²⁰ An action plan can be subject to multiple delay factors. OVE noted a lack of adequate evidence of progress on action plan actions in seven cases; difficulty in measuring progress due to evaluability problems in two cases; both of these problems in one case; lack of reporting in one case; and a combination of unmet goals, lack of evidence, and evaluability problems in one case.

in having 100% of their recommendations implemented on time, and only one had an on-time implementation rate of less than 50% in 2022 (CPE Brazil 2015-2018).

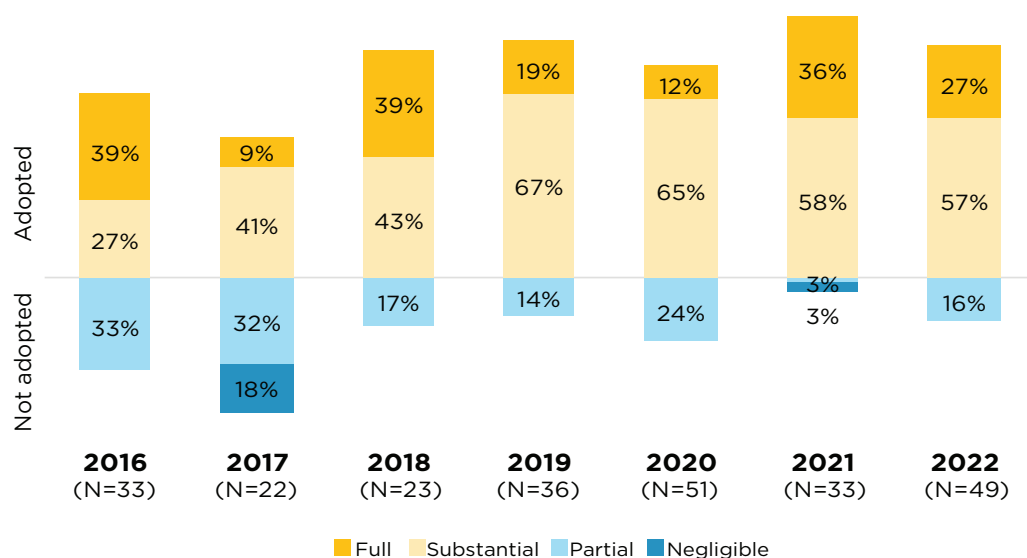
D. Overall adoption of OVE recommendations

3.11 In 2022, 49 recommendations from 17 evaluations were retired from the ReTS, 41 of them having been substantially or fully adopted. Of these 41, 13 were rated as “fully adopted,” and 28 as “substantially adopted.” This translates into an adoption rate of 84%, which is lower than in 2021 (94%) but still higher than the average of the last six years (76%), as shown in Figure 3.7. For more details on the adoption scores of these recommendations, as well as specific information on recommendations retired in 2022 as “not adopted,” see Chapter IV of the Annex.

Figure 3.7

Overall adoption of retired recommendations 2016-2022

Source: OVE, based on ReTS data.



3.12 In 2022, eight recommendations were retired as “not adopted.” Of these eight (from seven evaluations), seven were for the IDB and one jointly for the IDB and IDB Invest. In all these cases, OVE rated the recommendation as “partially adopted,” attributing this score to partial overall implementation (rather than low relevance of the action plan). In general, this was because, despite progress on accomplishing some planned actions and milestones, Management failed to present evidence of, or make progress as expected on, critical actions and milestones to address the recommendation (see Box I.4.3 in the Annex and Section III.C and Chapter IV of the report).

3.13 At the evaluation level, in 2022, 11 evaluations completed their cycle in the ReTS as all their recommendations were retired. Of these evaluations, just over half (6) had all their recommendations

adopted, while the rest had at least one recommendation “not adopted.” By type of evaluation: of six CPEs, two had at least one recommendation “not adopted;” of three corporate evaluations, two had low adoption in at least one of their recommendations; and the single sector and thematic evaluation had all of its recommendations retired as “adopted.” Lastly, one of the recommendations from the project validation report for the 2020 cycle was not adopted²¹ (see Figure 3.2).

Figure 3.2. Adopted recommendations from evaluations that completed their ReTS tracking cycle in 2022

Type of evaluation	Evaluation	Adoption proportion
CPE	Country Program Evaluation: Chile 2014-2018	3/3
CPE	Country Program Evaluation: Colombia 2015-2018	3/3
CPE	Country Program Evaluation: Costa Rica 2015-2018	4/4
CPE	Country Program Evaluation: Honduras 2015-2018	3/3
CPE	Country Program Evaluation: Paraguay 2014-2018	2/3
CPE	Country Program Evaluation: Brazil 2015-2018	3/5
Corporate	Review of Knowledge Generation and Dissemination in the Inter-American Development Bank	3/4
Corporate	IDB’s Impact Evaluations: Production, Use, and Influence	3/7
Sector and thematic	Comparative Evaluation: Review of Bank Support to Tax Policy and Administration, 2007-2016	5/5
Project evaluation	Lessons from IDB Group’s NSG Problem Projects	2/2
Project evaluation	OVE’s Review of Project Completion Reports and Expanded Supervision Reports: The 2020 Validation Cycle	3/4

Source: OVE - ReTS.

Note: The table presents a summary of all recommendations made in those evaluations. Some were retired prior to 2022.

3.14 The five recommendations from the CPE Nicaragua 2013-2017 that did not have action plans were retired after completing four tracking cycles in the ReTS. Although these recommendations did not give rise to an action plan per se, Management reported annually to OVE from 2019 to 2022 on progress related to them. At the close of this cycle, each recommendation received a final adoption rating based on the reports provided by Management. As shown in Table I.4.8 in the Annex, three of the recommendations were retired with a rating of “partially adopted,” while two of them received an adoption rating of “negligible.” It is worth noting that the Bank has not had a country strategy with Nicaragua since late 2019, so no new loans have been approved for that country.

²¹ Prior to 2022, two recommendations from OVE’s Review of Project Completion Reports and Expanded Supervision Reports: The 2020 Validation Cycle were retired, as well as three recommendations from the IDB’s Impact Evaluations: Production, Use, and Influence and one recommendation from the Comparative Evaluation: Review of Bank Support to Tax Policy and Administration, 2007-2016.

E. Early warning: recommendations whose action plans exhibit relevance and/or implementation challenges in at least two years

3.15 This section provides an early warning analysis of recommendations whose action plans have exhibited relevance and/or implementation challenges in at least two years. The purpose of this analysis (which is being conducted for the second consecutive year) is to provide the Board and Management with information regarding recommendations at risk of being not adopted unless additional efforts are made to correct their course. Out of the 106 active action plans, OVE has identified those that have received low relevance or implementation scores in at least two years since their registration in the ReTS. These cases are at risk of the associated recommendations being retired as “not adopted” at the end of their ReTS tracking period.

3.16 Two recommendations (out of a total of 106 active) whose action plans have faced challenges are at risk of being retired as “not adopted.” Both are scheduled to be retired from the ReTS in 2023, and their pending challenges are implementation-related. The action plan to address recommendation 3 of the Environmental and Social Safeguards Evaluation (document [RE-521-1](#)) generated an early warning in the 2021 report because it had received a relevance rating of “partial” in the ReTS over three consecutive years (Box 3.1). This issue was rectified during the 2022 validation cycle. However, the action plan remains on alert status because its implementation was rated “partial” in 2022. In addition, OVE identified that the action plan to address recommendation 5 of the CPE Argentina 2016-2019 (document [RE-540-1](#)) had low implementation scores in 2021 and 2022 because Management had not reported sufficient progress on the proposed actions (Tables 3.3 and I.4.9 in the Annex).

Figure 3.3. Early warning: Action plans with relevance or implementation challenges during at least two years

Evaluation	Rec. #	Criterion	2019	2020	2021	2022	2023
Environmental and Social Safeguards Evaluation	IDB #3	Relevance	P	P	P	S	Action plan closing year
		Implementation	S	S	S	P	
CPE Argentina 2016-2019	IDB #5	Relevance	NA	F	F	F	Action plan closing year
		Implementation	NA	F	P	P	

Source: OVE.

Note: The possible relevance and implementation scores are full (F), substantial (S), partial (P), and negligible (N).

3.17 Four of the recommendations identified by the early warning analysis described in the ReTS 2021 report were retired: three as “not adopted” and one as “adopted.” Recommendation 5 of IDB’s Impact Evaluations: Production, Use, and Influence (document [RE-](#)

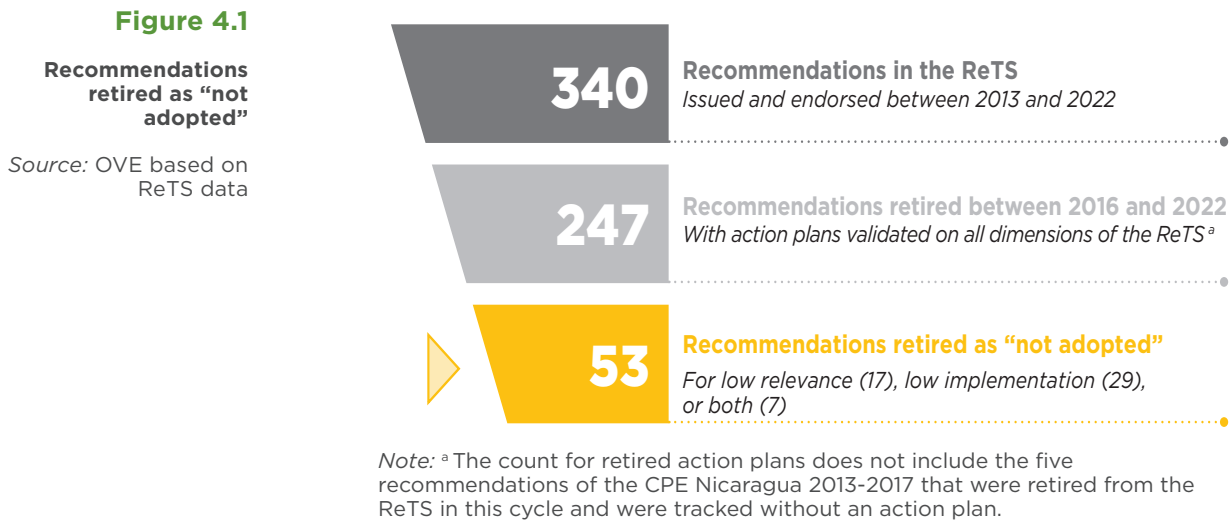
[512-1](#)), recommendation 2 of the Review of Knowledge Generation and Dissemination in the Inter-American Development Bank (document [RE-517-2](#)), and recommendation 4 of the CPE Brazil 2015-2018 (document [RE-534-1](#)) generated an alert in 2021. Despite this, not enough relevant actions were implemented to improve their performance during the last cycle, so they were retired as “partially adopted.” In contrast, recommendation 2 of IDB’s Impact Evaluations: Production, Use, and Influence was retired in 2022 as “substantially adopted,” despite having exhibited implementation problems in the past (for not providing adequate means of verification), because OVE was able to identify evidence showing that the expected milestones in 2021 and 2022 were met.



04

Tracking of
Recommendations
Retired from the
ReTS as "Not
Adopted"

4.1 In the period from 2016 to 2022, a total of 53 recommendations have been retired from the ReTS as “not adopted,” representing more than one fifth of the total 247 recommendations endorsed by the Board and retired to date.²² Figure 4.1 shows the universe of recommendations addressed in this chapter. The share of nonadoption varies for recommendations directed to the IDB, to IDB Invest, and to the two jointly, as shown in Figure I.6.1 in the Annex.



4.2 The Board has requested a mechanism to monitor the recommendations that OVE regards as “not adopted” at the end of four years of monitoring in the ReTS. As detailed in Chapter II, and in Chapter I of the Annex, the current ReTS system provides for tracking Management’s actions to address Board-endorsed OVE recommendations for a maximum period of four years. At the end of this period, unless Management requests additional time, the recommendations are retired from the ReTS as “adopted” or “not adopted,” depending on the rating they receive from OVE. As part of this report, OVE informs the Board on an annual basis as to the recommendations to be retired, including the reasons why a recommendation is regarded as “not adopted.”²³ During the presentation to the Board of the report covering the 2021 validation cycle, several Executive Directors “asked OVE to work in coordination with Management to present a mechanism to the Board for tracking recommendations that were retired without being implemented. They also asked for the mechanism to consider lessons learned from other IFIs and the role of the Board.”

22 The five recommendations of the CPE Nicaragua 2013-2017 are not considered in the analysis set out in this chapter.

23 As part of the review process for the draft of this report, Management has the opportunity to submit comments on OVE’s scores before OVE completes the final version.

4.3 For the 2023 validation exercise, OVE performed an analysis of all recommendations that have been retired from ReTS as “not adopted” between 2016 and 2022. This analysis had two objectives: (i) establish, insofar as possible, the current status of all recommendations that have been retired from the ReTS as “not adopted” (listed in Table I.6.1 in the Annex); and (ii) generate information to support the proposal for monitoring recommendations regarded as “not adopted”, as requested by the Board. A recommendation is regarded as “not adopted” when it obtains an adoption rating of “partial” or “negligible” owing to low relevance of the actions proposed to address it, low implementation of relevant actions, or a combination of the two factors. This analysis distinguishes between recommendations whose action plans received low relevance scores (“partial” or “negligible”) and those whose action plans were poorly implemented (“partial” or “negligible”).²⁴ In the first case, the analysis focuses on the reasons that led to low relevance, as well as on the challenges identified in addressing OVE feedback during the four years of tracking in the ReTS. In the second case, the analysis reviews the factors that limited the implementation of the action plans proposed by Management and also documents progress made on some action plans after their retirement from the ReTS.²⁵ The lessons learned during the analysis process, which informed the proposal to respond to the Board’s request, are set out at the end of this section along with the aforementioned proposal.

A. Analysis of recommendations retired from the ReTS as “not adopted” between 2016 and 2022

4.4 In the early years of the ReTS, low adoption of recommendations was attributed primarily to low relevance of the action plans proposed by Management. From 2019 onwards, low adoption has been due mainly to poor scores on implementation of the action plans. Of the 53 recommendations categorized as “not adopted,” in most cases (29 recommendations, equivalent to 55% of the total) this was due to poor implementation. The next

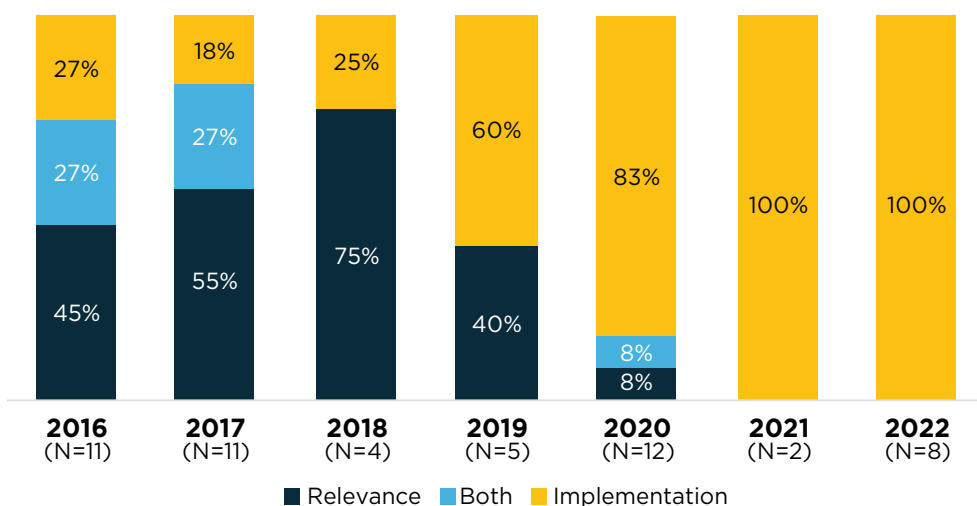
²⁴ Seven action plans received low scores for both relevance and implementation, which is why they are present in both analyses. OVE does not rate the implementation of action plans that have “negligible” relevance. Therefore, all action plans rated as having low implementation have at least a relevance rating of “partial.”

²⁵ In both cases, the analysis is based on information extracted from previous validations and ReTS annual reports, including Management’s responses to them. The findings derived from other OVE evaluations and reviews are also considered. OVE supplemented this information with semistructured interviews and communications with the team leaders (and in their absence, substitute contacts) for the relevant action plans. A summary of the issues addressed is provided in Box I.6.1 in the Annex. Despite the high rate response to these inquiries, knowledge about the process of designing, improving, and implementing action plans varied among the people interviewed, mainly depending on the age of the action plans and the turnover of action plan staff.

largest share were the nearly one third (17 recommendations or 32%) whose action plans were of low relevance, and one eighth (7 recommendations or 13%) that had a combination of the two factors. Looking at the data based on year of retirement, a change in the rationale for nonadoption is apparent over time. During the years 2016-2018, approximately three fourths of the recommendations retired as “not adopted” had relevance problems in their action plans. Starting in 2019, this trend reversed, and in 2021 and 2022 only implementation problems were noted in the recommendations retired as “not adopted” (Figure 4.2).

Figure 4.2
Recommendations not adopted, by rationale for nonadoption

Source: OVE-ReTS



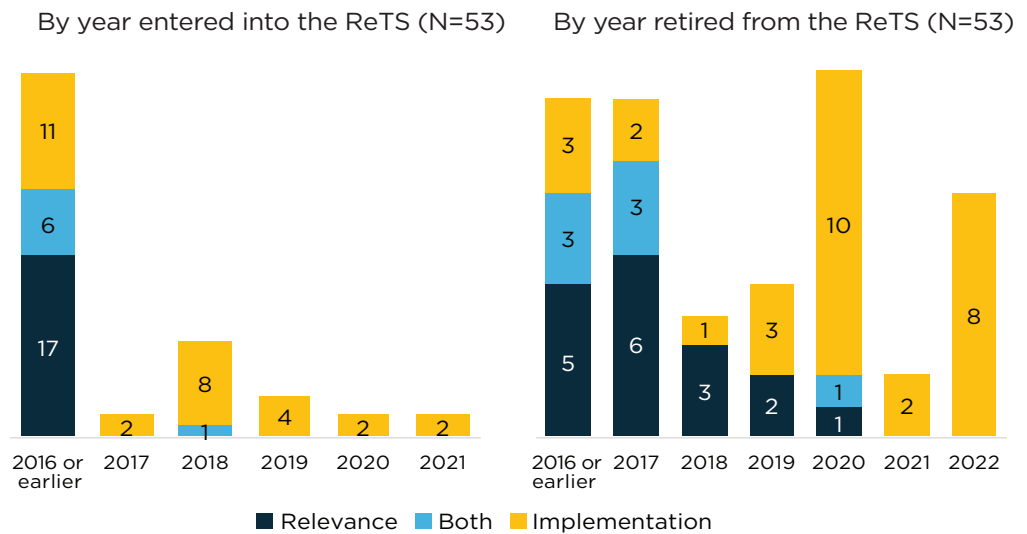
4.5 The majority of the recommendations retired as “not adopted” were entered into the ReTS in 2016 or earlier, and a large number of them were retired in 2016 and 2017. Of the total of 53 recommendations retired as “not adopted,” 64% (including virtually all those that experienced relevance issues in their proposed action plans) were entered into the ReTS in 2016 or earlier. Moreover, 42% of the recommendations were retired in 2016 and 2017 (Figure 4.3). Those years account for a large share of the action plans prepared during the pilot phase of the ReTS between 2013 and 2015, whose nonadoption rate (38%) is more than twice that of action plans prepared after the pilot phase (17%)²⁶ (Figure I.6.2 in the Annex). It is also worth noting that the action plans retired in 2016 and 2017 did not benefit from the informal feedback process implemented by OVE in late 2017.

²⁶ Includes the recommendations stemming from the evaluations that were part of the Review of the Pilot Phase of the IDB’s New Recommendation Tracking System (document GN-2707-4), as well as the recommendations in the CPE Costa Rica (document RE-472-3) and CPE El Salvador (document RE-474-3), whose action plans were entered into the ReTS in April and May 2015, respectively.

Figure 4.3

Number of recommendations not adopted, by rationale for nonadoption

Source: OVE, based on ReTS



B. Recommendations not adopted due to low relevance

4.6 Of the 53 recommendations retired as “not adopted” in 2016-2022, 24 (45%) had relevance problems with their action plans.²⁷ In all of these cases, the action plans received a low relevance score from the time of their entry into the ReTS. Unlike the action plans of other recommendations (Box 4.1), these action plans generally did not undergo sufficient adjustments to improve their relevance during the ReTS tracking period, even after receiving feedback from OVE in the annual validation exercises. A lack of both attention to, and improvement of, initial relevance ratings is observed only in the early years of the ReTS, with 23 of these 24 action plans having been entered into the system before 2017.²⁸ At the same time, OVE determined that, in half of the 24 recommendations retired as “not adopted” in the period 2013-2022 due to low relevance of their action plans, the proposed actions were insufficient in scope to adequately address the recommendation in question (Figure 4.4).²⁹

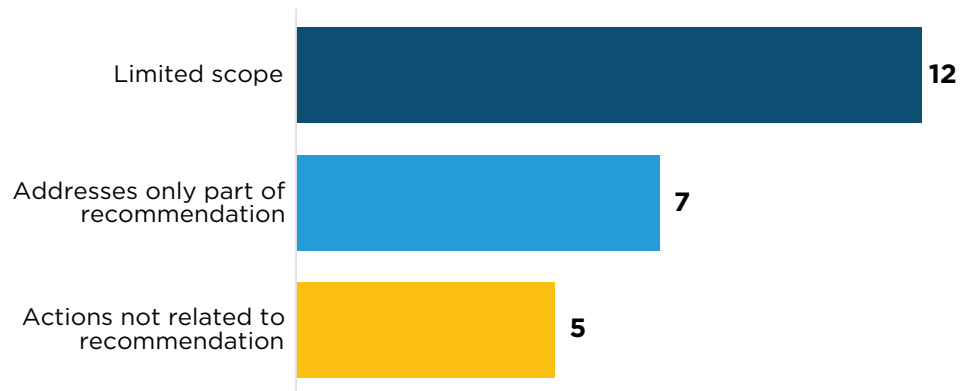
27 The number includes those retired due to low relevance (17) or low relevance and low implementation (7).

28 Recommendation 7 of IDB’s Impact Evaluations: Production, Use, and Influence was entered into the ReTS in 2018 and was retired in 2020 as “not adopted” with low scores in both relevance and implementation.

29 See category definitions and examples in Box 1.6.3 in the Annex.

Figure 4.4
Relevance problems
of action plans
of unadopted
recommendations
(2016-2022)

Source: OVE-ReTS



4.7 Possible reasons behind the relevance problems of the action plans and the failure to correct them over time include unfamiliarity with the ReTS protocol and methodology in the early years of the system's operation, as well as a lack of incentives to report on all efforts to address the recommendations. In interviews with team leaders of older action plans that received low relevance ratings, some said they did not have enough information on expectations for action plans or were unaware that action plans could be modified to improve their relevance.³⁰ In some cases, interviewees had been involved in the design of action plans to address the recommendations of subsequent evaluations. All noted that the process had improved over time, and they now had a more solid understanding of the ReTS guidelines, as well as more tools for preparing relevant action plans from their design phase and for making subsequent improvements, if necessary. This phenomenon is consistent with the rise in the relevance scores of action plans detailed in the ReTS reports, resulting from improvements in the protocol,³¹ joint SPD and OVE efforts to broadly disseminate and mainstream the ReTS, and the increased importance given to the ReTS in general. At the same time, informal feedback interviews and discussions showed that there is little incentive for teams to report to the ReTS all actions taken to address recommendations, especially those that are more complex or have long implementation timelines. This is attributable to both the cost associated with reporting to the ReTS (although some interviewees noted that this cost has decreased with the ongoing improvements to the system, including the introduction of TeamMate+) and the teams' preoccupation with meeting deadlines and obtaining a high score. As a result, in their in action plans, some teams

³⁰ Box I.6.2 in the Annex summarizes the main factors noted by the Management teams interviewed by OVE as limiting their ability to address OVE's feedback and adjust the action plans.

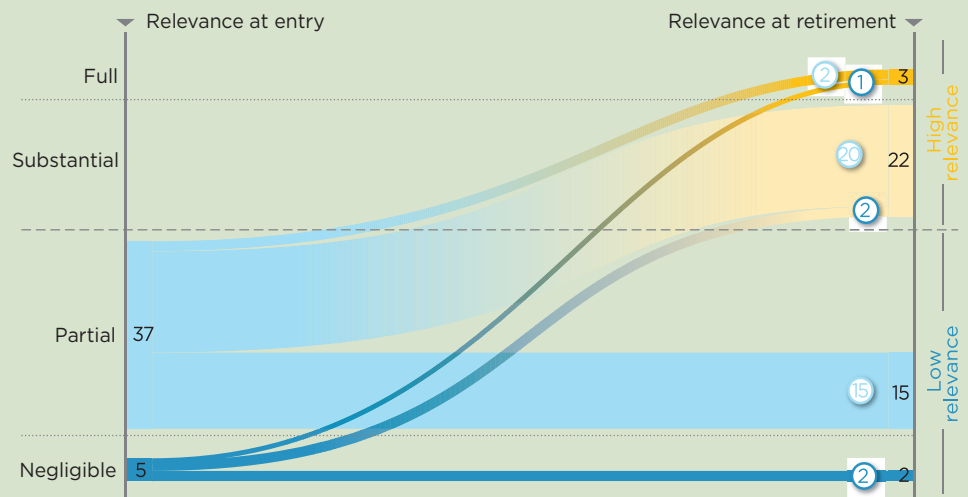
³¹ For example, the informal feedback process used by OVE to review the relevance of the plans.

tend to include actions that are easy to implement and have visible impacts in the short term, even if they are occasionally less robust and exhaustive than would be desirable.

Box 4.1. Retired recommendations entered into the ReTS with action plans of low relevance

OVE found that, of all the action plans that were entered into the ReTS with a low relevance score whose recommendations have already been retired (a total of 42), almost half retained their low relevance score up to the time they were retired, as shown in the graph. Most of these (16 out of 17) were action plans that were entered into the ReTS in 2016 or earlier and were retired in 2019 or earlier, and one action plan that was entered into the ReTS in 2018 and was retired with no adjustments in 2020. This highlights the importance of ensuring robust relevance starting from the action plan design phase, and of correcting action plans that had low relevance scores upon their entry into the system.

Relevance of action plans entered into the ReTS with low relevance that have been retired (2016-2022)



Source: OVE, based on ReTS data.

Notes: ^aSince the ReTS was launched in 2013, a total of 50 action plans were entered into the system with a low relevance score and were subsequently retired. However, this analysis does not take into account eight action plans that were entered in 2016 or earlier and were retired that same year without the opportunity to improve their score during 2016-2023. ^bThe figure shows the relevance of the action plans at the time they were entered into the ReTS (in various years), as well as the relevance of the action plans when the corresponding recommendations were retired from the ReTS between 2016 and 2022. ^cThe figure shows data on 17 recommendations with action plans of low relevance. One of these recommendations was retired as “adopted.”

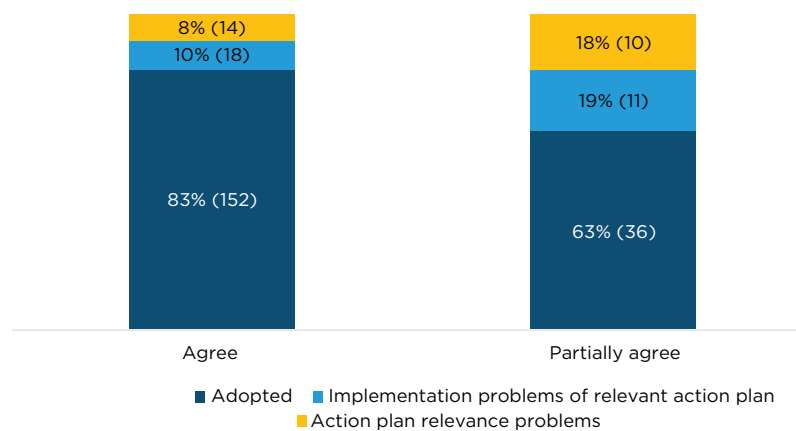
4.8 Management’s response to OVE’s recommendations also emerged as a factor linked to both the level of adoption and the lack of improvements in action plans. Although caution must be exercised in establishing a direct relationship between the two trends, an analysis of the ReTS recommendations shows that the likelihood of their being adopted is negatively correlated

with the extent of Management’s agreement with them (Figure 4.5). Of those recommendations with which Management was in full agreement at the time the evaluation was presented to the Board (184), 83% were retired as “adopted.” In contrast, of the recommendations with which Management partially agreed (57), only 63% were retired as “adopted”, while 18% were retired as “not adopted” due to relevance issues, and 19% due to implementation issues.³²

Figure 4.5

Likelihood of adoption in relation to level of Management’s agreement

Source: OVE, based on ReTS data.



Note: Management expressed disagreement with five recommendations. In one additional case it was not clear whether it agreed or disagreed. All of these recommendations were retired as “adopted.”

C. Recommendations not adopted due to low implementation

4.9 Of the 53 recommendations retired as “not adopted” in the period 2016-2022, 36 (68%)³³ had implementation problems in their action plans. Less progress than initially proposed was reported for 83% of these action plans (Figure 4.6) because certain actions were canceled, postponed, or not completed (14 cases),³⁴ delivered outputs did not have the expected characteristics (13 cases),³⁵ or both problems (3 cases). In 42% of the cases, moreover, Management failed to provide adequate or sufficient evidence of progress in implementing the action

³² Management fully disagreed with only five recommendations (and in an additional case was unclear whether it agreed or disagreed). Given the small number of these recommendations, strong inferences cannot be made about them. The five recommendations were retired as “adopted.”

³³ In 29 of these cases, the action plans were fully or substantially relevant. In the seven other cases, the action plans exhibited relevance and implementation challenges.

³⁴ For example, one of the action plans for the CPE Guyana 2012-2016 set the target of implementing a delivery unit, which was not achieved within the established timeframe.

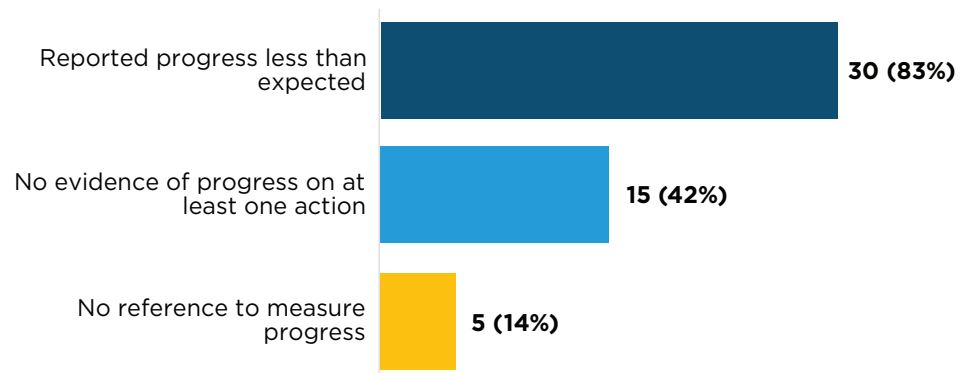
³⁵ This was the case of an impact evaluation monitoring system that Management deemed implemented through the creation of a dashboard. However, OVE considered this tool to be insufficient because it did not allow the necessary collaborations and partnerships to be monitored, as required by the recommendation.

plans.³⁶ Lastly, 14% of the action plans exhibited evaluability issues that prevented a proper assessment of progress in the implementation of one or another of their actions. It is worth noting that these categories are not mutually exclusive, so a single action plan may have been affected by more than one of these problems (defined in Box I.6.4 of the Annex).

Figure 4.6

Implementation problems of action plans for unadopted recommendations (2013-2022)

Source: OVE, based on ReTS data.



Note: The percentages do not add up to 100% because action plans can exhibit more than one problem.

4.10 Management reported that the implementation of some action plans was affected by circumstances mostly beyond its control, but this problem has become less prevalent. Some of the action plans with reported implementation progress less than expected (at least 11, all corresponding to country program evaluations) included actions whose implementation required the involvement of actors outside the IDB Group, such as government adoption of new proposals submitted by the IDB Group. Through the ReTS or in interviews with OVE, Management has indicated that changes in these actors' priorities or in the political or fiscal context contributed to the nonimplementation of action plans. This was mainly in action plans from 2017 or earlier that included actions beyond Management's scope of action. It is also worth noting that, of the 36 recommendations retired as "not adopted" due to low implementation, 11 were retired in 2020, the first year of the COVID-19 pandemic. Three of these action plans were noted in that year's ReTS report as being affected by the pandemic.³⁷ However, the report refers to a single year's implementation and, in all three cases, OVE had identified implementation delays in previous years. Even

³⁶ Includes cases in which Management failed to submit information on progress or evidence for some of the actions.

³⁷ The OVE analysis identified that the action plans aimed at addressing recommendations 2 and 5 of the CPE Guyana 2012-2016 and recommendation 5 of the CPE Haiti (retired in 2020) experienced implementation problems due to the COVID-19 pandemic. In addition, the action plans to address recommendation 3 of the CPE Barbados 2014-2018, (retired in 2021) and recommendation 2 of the Review of Knowledge Generation and Dissemination in the Inter-American Development Bank (retired in 2022) were also affected in terms of implementation in 2022.

so, in one of the cases, Management was continuing work and expected to see implementation progress in 2021 despite having the option of requesting an extension for the action plan.³⁸

- 4.11 One of the main reasons behind action plans not adopted due to implementation problems is the absence of evidence for measuring progress. This has been a recurring difficulty over the years, with 2022 being the year with the highest incidence (7 out of 15 action plans with this problem were retired in this cycle). The problem persists despite the fact that OVE provides written comments in this regard (in previous validations or in the first rounds of the validation process), which are not always addressed by Management. The lack of reporting, adequate evidence, and responsiveness to OVE’s comments makes it difficult to measure and effectively monitor progress on implementation of the commitments established in the action plans.
- 4.12 Lastly, OVE identified that progress on the implementation of some action plans that was made after the recommendation had been retired from the ReTS as “not adopted.” OVE compiled information on the status of the action plans corresponding to the 36 recommendations retired from the ReTS in previous cycles as “not adopted” due to implementation problems.³⁹ This process included semistructured interviews with Management team leaders, as well as a review of subsequent OVE evaluations that elaborated on some of these issues. Although isolated cases of progress in implementing some action plans could be identified, the information compiled does not provide a solid basis for conclusive judgments about significant progress after the closure of the action plans. The lack of systematic tracking and the absence of detailed information on the results achieved make it difficult to determine whether the objectives of the commitments were achieved, especially in cases where OVE was unable to locate the teams responsible for the design and implementation of the action plans.⁴⁰ In some cases, however, the interviewed teams said they are continuing to work

38 When recommendation 5 of the CPE Guyana 2012-2016 was being retired, some actions were still pending, such as the launch of a data platform, preparation of a report on the country’s housing strategy, administration of an agricultural census, and training for Ministry of Agriculture staff. Management reported to OVE that the agricultural survey (the census having been changed to a survey) was launched in 2022.

39 While this tally focuses on the progress reported regarding recommendations not adopted due to implementation problems, it should be noted that the interviewed teams also reported progress on the adoption of recommendations that were retired as “not adopted” for reasons of relevance.

40 As indicated in Box I.6.1. in the Annex, around two thirds of those interviewed by OVE participated in the process of designing and implementing the action plans or had direct knowledge of them. In the remaining cases, the interviewees were aware of the recommendations, but their level of specific knowledge of the action plan design and implementation process varied.

on improvements, some of which are already evident.⁴¹ To get a more accurate and complete picture of progress, this analysis would have to be supplemented with a new evaluation of the issues that the action plans sought to address, or the unadopted recommendations would have to be systematically tracked. Box 4.2 provides specific examples of progress identified by OVE, including the completion of guidelines, directives, and systems that took longer than anticipated under the action plan, belated approval of operations planned under the action plans, and the introduction of practices or processes that took time to adopt.

Box 4.2. Examples of progress on implementation of recommendations after being retired from the ReTS

The action plan to address recommendation 3 of the **CPE Dominican Republic 2009-2013** (document [RE-453-1](#)), which urged the IDB to promote a reactivation of the policy dialogue in the electricity sector, envisaged the continuation of a programmatic series of policy-based loan operations in the energy sector. However, by the time of the action plan's closure (in 2016), this series had been truncated due to changes in government priorities. In the course of this exercise, Management reported to OVE that, after a new administration took office, the programmatic series had been reactivated and approved.

Recommendation 5 of the **CPE Guyana 2012-2016** (document [RE-502-4](#)) was retired as “partially adopted.” Management reported that implementation of the action plan suffered setbacks with respect to two actions due to the political impasse between 2018 and 2020 and the advent of the COVID-19 pandemic. At the time the action plan was retired, implementation of an agricultural census had not been achieved (initially conceived as a national census but later changed to a survey). During the 2023 validation exercise, Management reported that the agricultural survey had been launched in 2022, and as of May 2023 the Ministry of Agriculture was analyzing the data and the contracting system for digitalizing the data.

Two recommendations of the **reports on OVE's reviews of project completion reports (PCRs) and expanded supervision report (XSRs)** (2016 (document [RE-520](#)) and 2017 (document [RE-530-2](#)) validation cycles) called for adjustments to the PCR guidelines that had not been completed when the corresponding action plans were retired. However, the current guidelines, approved in 2018 and updated in 2020, ultimately addressed these recommendations.

Recommendation 5 of the **CPE Uruguay 2010-2015** (document [RE-484-3](#)) was retired as “not adopted” because Management did not provide evidence of progress on two issues: (i) allocation of regular program resources for operations with a regional integration approach; and (ii) introduction of a lending instrument for small operations with low preparation and supervision costs. The CPE 2016-2020 observed progress in the implementation and development of new instruments adapted to Uruguay and found that loans based on results were in significant demand by some executing agencies and were successfully implemented in the country. In addition, Management reported the approval, in 2018, of a regional integration operation (loan RG-L1124) for modernization of the Salto Grande Binational (Argentina-Uruguay) Hydropower Complex.

Source: OVE, based on assessments and information from semistructured interviews with action plan team leaders. con líderes de equipo de PA.

⁴¹ For example, the introduction of knowledge gap analysis in country development challenges and sector framework documents, as established in the action plan to address recommendation 2 of the Review of Knowledge Generation and Dissemination in the Inter-American Development Bank.

D. Lessons learned

- 4.13 The process of analyzing the recommendations retired from the ReTS as “not adopted” has yielded important lessons. These notably include the following: first, tracking all recommendations for a maximum of four years has resulted in a number of Board-endorsed OVE recommendations retired as “not adopted” being forgotten, since until now they have not been subject to monitoring after being retired. In some cases, it was possible to reconstruct the events and identify actions taken to implement the recommendation retired as “not adopted,” but in many others, valuable information on the status of the recommendation has been permanently lost. Second, the analysis performed by OVE for this report involved a costly data compilation process for both OVE and Management due to the information gap in the absence of monitoring. Third, some recommendations may lose relevance over time due to various factors. Fourth, it is essential to ensure that the action plans have a sufficiently long time horizon to span the implementation of the proposed changes, whether by initial design or by making adjustments as necessary during their implementation.
- 4.14 The comparative analysis of the processes for monitoring the adoption of recommendations at nine IFIs, presented in the 2022 ReTS report on the 2021 validation exercise (document RE-572), showed that the various IFIs have different methods for retiring recommendations from their tracking systems. At most of the comparator institutions (including the IDB), recommendations are retired at the end of a predetermined tracking period. At some IFIs, however, recommendations are retired only when they are considered “adopted” or “overtaken by events,” which allows the recommendations to be tracked for as long as it takes to implement them.

E. System for monitoring unadopted recommendations after four years of tracking in the ReTS

- 4.15 In response to the Board request, OVE proposes extending the ReTS system to allow monitoring of recommendations regarded as “not adopted” at the end of four years. This proposal, prepared in coordination with Management, is based on the results of the analysis performed by OVE, as well as on review of the processes at other IFIs. The proposed extension would mean that Board-endorsed OVE recommendations can be retired from the ReTS in the following cases: (i) once they have been adopted (adoption score of “full” or “substantial”); (ii) when they

have been declared “obsolete” by the Board based on an OVE recommendation; or (iii) if, having been granted additional time to address a recommendation that OVE regards as “not adopted” after four years of tracking in the ReTS, Management is unable to implement the relevant actions within this additional time. In such cases, Management must account to the Board for the reasons that prevented it from addressing the recommendation despite the grant of additional time.

4.16 Under the proposal, recommendations that have not been adopted after four years will be monitored within the ReTS system itself. The annual validation exercises will make it possible to identify recommendations that OVE regards as “not adopted” at the end of four years of tracking and are to remain in the ReTS. The monitoring of these recommendations will be the same as for other active recommendations in the ReTS with the following special features:

- For recommendations that receive an adoption score of “partial” or “negligible” after four years in the ReTS and are not declared “obsolete,” Management will be required to submit a new action plan (in the case of relevance problems) and/or extend the term of the existing action plan (in the case of implementation problems).
- Action plans and their implementation report will be submitted within the ReTS and be subject to the same requirements as all other active recommendations in the system.
- Management will have up to an additional two years to implement the action plan for the recommendation to be retired as “adopted.” In special cases jointly identified by OVE and Management, the maximum time for implementing the recommendation may exceed the additional two years. Once the maximum additional time for implementing the recommendations runs out, those not yet adopted will be retired from the ReTS system, and Management must account for them to the Board.
- For a recommendation to be declared “obsolete,” Management will submit evidence that the recommendation is no longer relevant after being overtaken by events or due to other factors. Based on its assessment of this justification, OVE will propose to the Board, for its approval, that the recommendation in question be declared “obsolete.”
- OVE and Management will work to develop guidelines for cases where Management may request that a recommendation be declared “obsolete.” In addition, Management will conduct an

analysis of the ReTS platform with a view to implementing the necessary functionality changes and enabling implementation of the proposed mechanism.

- 4.17 Lastly, before the new 2024 validation exercise begins, the 53 recommendations already retired as "not adopted" and analyzed by OVE in this exercise will undergo a purging process. In this transition period, Management will review the 53 recommendations retired so far as "not adopted" and submit a proposal to OVE, indicating: (i) which of these recommendations it requests to be declared "obsolete," providing the respective justification in accordance with guidelines to be developed jointly by OVE and Management; and (ii) how it proposes to address the other recommendations (new action plan and/or extension of time). OVE will assess points (i) and (ii) and identify the recommendations unadopted so far that are to continue under ReTS monitoring for additional time.



05

Conclusions and Recommendations

- 5.1 In this seventh validation exercise under the ReTS, OVE continued to find high relevance in the action plans, while at the same time identifying areas for improvement in evaluability and the reporting of information on their implementation. In 2022, OVE tracked 106 action plans stemming from the same number of recommendations endorsed by the Board and issued in 25 different evaluations. Regular, timely reporting on the results of this tracking is intended to help the IDB Group continue to improve its performance and results. Most of the action plans were relevant in addressing the recommendations, but persistent evaluability challenges (found in more than 40% of the action plans validated in the 2022 cycle) need to be addressed, especially by including clear, measurable output targets in the plans, to ensure effective tracking of recommendations. Compared to the previous year, the percentage of action plans implemented on time remained constant, and action plans with “full” annual implementation represented a larger share. However, 12 action plans obtained a low implementation score in 2022. The reasons (not exclusively) were: (i) the means of verification provided to validate implementation were inadequate (nine cases); (ii) progress could not be measured due to action plan evaluability problems caused by the absence of clear targets (four cases); (iii) important milestone targets went unmet (one case); and (iv) no information was available on progress of expected milestones (one case).
- 5.2 The information available in the ReTS indicates that some aspects of nearly one fourth of the Board-endorsed recommendations retired from ReTS in 2022 went unaddressed. In 2022, 41 of the 54 recommendations that completed their tracking cycle in the ReTS were fully or substantially adopted. The limitations faced by Management in implementing the remaining recommendations included factors that could have been considered in the design or revisions of the action plans. The importance of providing adequate evidence of progress is also worth noting.
- 5.3 The medium-term analysis of unadopted recommendations confirms the importance of using the initial reviews of action plans to ensure the relevance of the proposed actions to address the recommendation, as well as to resolve any design and reporting issues that affect implementation. The low incidence of relevance problems in the most recent action plans confirms the importance of teams incorporating OVE feedback during the initial validation exercises. At the same time, it highlights the need to pay attention to the incentives generated by the ReTS process to foster ownership of the action plans by the teams responsible for implementing the recommendations, in order to effectively address the underlying issues that gave rise to those recommendations. Regarding implementation problems, the analysis highlights the importance of including evaluable actions and clearly reporting where progress has been made, supported by the necessary evidence demonstrating

that commitments have been met, as well as transparently indicating where progress has not been as expected along with adequate justification. In addition, the analysis evidenced that information on the implementation status of recommendations retired as “not adopted” is lost, once they are retired from the ReTS. It also identified that extending the time for some action plans could have enabled the adoption of the corresponding recommendations, especially the most recent ones.

5.4 OVE and Management have consolidated the progress made in previous years and continue to work on several areas of improvement. Although implementation of the new action plan registration system launched in 2021 has required a learning and adjustment curve that extended through 2022, ongoing collaboration between OVE, SPD, and DSP has facilitated the process. The purpose of the virtual nanocourse on the ReTS methodology and validation process, developed jointly by OVE, SPD, and KIC in 2022 to strengthen internal dissemination and knowledge of the ReTS, is to expand the system’s potential as a tracking and learning tool and to continue promoting dialogue and collaboration between OVE and Management, which has led to continuous improvements in the ReTS. The results of each annual validation cycle and analyses such as the unadopted recommendations analysis in this report inform the process of continuous improvement of the ReTS.

5.5 To continue improving the tracking of Board-endorsed recommendations:

- OVE requests that the Board approve the general guidelines for monitoring of the recommendations retired so far as “not adopted” and those scored by OVE in the future as “not adopted” after four years of tracking in the ReTS, as described in paragraphs 4.15 to 4.17 of this report. OVE further requests that the Board confirm the proposal for OVE and Management to work together on developing and implementing the specific guidelines.
- Additionally, OVE recommends that Management review the 53 recommendations retired so far as “not adopted” in accordance with the guidelines established in paragraphs 4.15 to 4.17 of this report.


Office of Evaluation and Oversight - OVE

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