



Corporate Evaluation

Technical Cooperation at the Inter-American Development Bank

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Technical Cooperation at the Inter-American Development Bank

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ACRONYMS AND ABBREVIATIONS

GCM	Grants and Co-Financing Management Unit
GPS	Global Partnership Office
IDB	Inter-American Development Bank
OC SDP	Ordinary Capital Strategic Development Program(s)
PCY	Office of the Presidency
REM	Resource Mobilization Division
TC	Technical cooperation
VPC	Vice Presidency for Countries and Regional Integration
VPS	Vice Presidency for Sectors and Knowledge

EXECUTIVE SUMMARY

Overview of technical cooperation at the Inter-American Development Bank

Technical cooperation (TC) is the main non-reimbursable vehicle that the Inter-American Development Bank (IDB or the Bank) uses to deliver technical assistance.

Through technical cooperation, the IDB provides non-reimbursable support and contingent-recovery modalities to strengthen country and regional capacities. The Agreement establishing the Bank (the IDB Charter) includes technical assistance among the Bank's functions, including support for preparing and executing development plans and projects and training specialized personnel. Technical cooperation includes national operations (with one borrowing country) and regional operations (with two or more countries).

The policy foundation of TC is broad and explicitly links it to strategies and lending.

The 2008 Technical Cooperation Policy defines the objective of TC as transferring technical know-how and experience to complement and strengthen national and regional capacities. The Policy also specifies that "TC activities will be integrated with the Bank's lending program, aligned with country and regional strategies and focused on realizing development outcomes and results" and it includes project support in its fields of activity. The 2008 TC framework seeks to modernize grant resource management by strengthening links to strategies and the lending portfolio, shifting attention from approvals to results, and standardizing processes.

Operational guidance classifies TC into three categories (the TC taxonomy). The 2011 Operational Guidelines organize TC into: (i) operational support (demand-driven and linked to preparing, executing, or evaluating a loan, guarantee, or grant), (ii) client support (stand-alone, demand-driven support not linked to an existing financial product), and (iii) research and dissemination (Bank-originated knowledge and dissemination activities).

TC financing is split between the Bank's ordinary capital and donors, with the Ordinary Capital Strategic Development Program (OC SDP) shaping the Bank's share. Ordinary capital and donor contributions each account for roughly half of total TC financing. Ordinary capital is channeled through the OC SDP, while donor resources flow through trust funds and other arrangements with their own eligibility rules. Most funding requests are coordinated through the single window, managed by GPS, which reviews TC proposals to assess funding eligibility and alignment with country and sector priorities and identify appropriate funding sources. Some exceptions for specific funding mechanisms and special purpose TCs.

TCs are identified and prioritized through four distinct mechanisms. These are: (i) the Bank's annual country programming exercise (for national TCs), (ii) the annual regional programming exercise (for regional TCs) funded through the OC SDP, (iii) on a rolling basis and (iv) calls for proposals. Regardless of the entry point, prioritization involves dialogue between the Vice Presidency of Countries (VPC) and the Vice Presidency of Sectors (VPS), as well as with donors. For OC SDP funding, final resource allocation decisions are coordinated by the Grants and Co-Financing Management Unit (GCM) at the Global Partnership Office (GPS) through the single window and involve all relevant actors. For donor-funded resources, allocation and consultation processes are governed by the specific provisions and governance arrangements established under each trust fund agreement, with donor engagement varying accordingly. VPS and VPC participate in the prioritization and coordination processes for both resources.

Monitoring emphasizes implementation and outputs, with lighter requirements for outcome measurement. Monitoring is centered on a results matrix and standardized output indicators, including 106 indicators grouped into 40 output groups and 10 business lines. Outcome statements are required, but outcome indicators are optional unless donors request them. The Bank also has a system that tracks TC implementation progress, using indicators that focus on output delivery and disbursement progress.

Evaluation design

OVE conducted this evaluation at the request of the IDB's Board of Directors because TC has become central to the Bank's operating model, and key management arrangements have evolved. The evaluation assesses (i) relevance, (ii) usage, and (iii) whether the institutional model supports relevant and effective deployment of TC. It is intended to inform the Bank's strategic direction, emphasizing scale and impact.

The evaluation covers both the institutional model for TC and the full portfolio it generates. The assessment reviews the policies and strategies that govern and orient TC, its operating model (prioritization, funding, preparation, approval, execution, and monitoring and evaluation), and all non-reimbursable TC operations approved from January 1, 2015 to December 31, 2024. Over that period, the TC portfolio totals \$2.1 billion across 4,477 TC operations—78% of sovereign-guaranteed approvals by number and 1.8% by approved amount—with annual approvals averaging \$206.7 million and an average operation size of about \$461,000.

A theory of change developed by OVE links how TC is managed to what it produces and what it is expected to achieve. The theory of change connects: (i) the foundations of the institutional model that govern TC (including the TC Policy, framework, guidelines and the OC SDP policies) and the strategies that orient TC (institutional, regional and country), to (ii) the TC operating activities (prioritization, funding, preparation, approval, execution, and monitoring and evaluation), which in turn translate into (iii) outputs, such as knowledge and advisory products, pilots, training, and events to share knowledge that lead to (iv) intermediate outcomes, including initiation of engagement in new sectors; sustained dialogue with clients; initiation of new projects; improvements in project design and execution; effective TCs and loans replicated or scaled up; policy reforms, laws, regulations and strategies approved; and strengthened client capacity.

To conduct the evaluation, OVE used mixed methods and four portfolio samples. OVE used a mix of quantitative and qualitative methods and focused on four samples of the TC portfolio: (i) all 4,477 TC operations in scope during the evaluation period (the full TC portfolio) to inform the relevance and usage assessments; (ii) 3,990 TCs (excluding operations of special nature); (iii) 407 TC operations closed since 2022 with sufficient evidence of use in Bank systems for the usage assessment; and (iv) 112 TC operations (purposive sample), including 88 country operations in Chile, Guatemala, Peru, and Trinidad and Tobago and 24 regional operations, to provide insights into all three evaluation questions. The evaluation has several limitations. First, data constraints, including weaknesses in results frameworks and reporting, limit the assessment of TC outcomes and require reliance on various subsets of operations with available information. Second, the team conducted interviews with counterparts of country TCs, but not with counterparts of regional TCs. The assessment of regional TCs is also based on a very small sample (24 TCs). Third, the TC usage assessment is not exhaustive: it is based on selected outputs rather than the full range of TC-financed activities. Finally, the evaluation did not assess third-party funding agreements.

Relevance

The objectives of TCs under review are broadly aligned with the Bank’s mandate and governing policies but the TC taxonomy does not offer clear objectives to assess relevance. The main objectives pursued by the TCs in scope—sustaining dialogue and engagement, supporting loan preparation and implementation, strengthening institutional capacity and reforms, piloting innovations, and generating knowledge—are broadly consistent with those in the Bank’s Charter and in the 2008 TC Policy. While the three categories introduced in 2011 allow a highly flexible usage of TCs, they have overlapping definitions and are not linked to distinct objectives, limiting their usefulness for judging whether different types of TCs address different problems and contribute to different outcomes.

IDBStrategy+ envisions an important—yet general—role for TC in advancing the Bank’s priorities. *IDBStrategy+* describes a focused model of engagement in which the Bank concentrates on a limited set of priorities and supports them through sequenced and complementary activities. The strategy envisions TC as an important instrument, but it leaves room to better articulate both TC’s expected results and how this instrument could support the strategy’s ambitious goals of achieving impact at scale.

National TCs are generally well anchored in governments’ priorities and Bank strategies. In the purposive sample of 88 national TCs, 81 were aligned with priorities in national development plans. Eighty-six percent were aligned with the objectives of the country strategies in effect during their lifetime (68% fully and 18% partially). Alignment was most consistent for operational support TCs (100% fully or partially aligned), followed by client support TCs (82%) and research and dissemination TCs (60%).

Client countries view TC as relevant because it fills capability, financing, and implementation gaps. Across the country cases, counterparts highlighted access to specialized expertise not readily available in-house; faster contracting and non-reimbursable financing for diagnostics and tools; implementation support (including for loans); and the Bank’s convening power, regional exchange and credibility.

Sector frameworks provide limited strategic guidance for regional TCs. During the period, no corporate regional strategy served as a consistent reference for the prioritization of regional TCs; sector frameworks provided broad, weakly prioritized benchmarks. In 11 of 24 regional TC operations reviewed, criteria for selecting beneficiary countries were not explicitly stated, and only five TC operations were designed to support a specific subregion. Since 2023, the IDB has begun moving toward a more explicit regional strategic focus through the launch of four regional programs.

Usage

TC is used across many operational needs, but current systems do not consistently document uptake and outcomes. OVE defined TC usages based on Management’s TC output classification. The identified usages were: supporting policy reform, institutional capacity, testing pilots, knowledge generation, government engagement and lending support. OVE found that outcome indicators are optional; while 65% of the TCs under review in the usage assessment (2,578 of 3,990) include some, only 35% of 5,601 indicators reviewed capture outcomes, and 65% measure outputs. Since 2022, teams have been required to report how outputs were used in Convergence, but the information is uneven.

While use is reported frequently, the evidence to demonstrate effective use appears in a minority of cases. During 2022–2025, 96% of closed operations (1,291 of 1,351) reported on output use, but only 31% (406 of 1,291) provided sufficient evidence to assess use. A further 41% (532 of 1,291) lacked sufficient detail to assess use, and reporting rarely documents non-use or explains why outputs were not taken up.

Reform-oriented classifications of outputs are common, but only some outputs classified as such lead to policy or regulatory change. Sixty-two percent of operations in the usage portfolio (2,473 of 3,990) include at least one output classified as a reform, but deeper review indicates only about 36% (1,429 of 3,990) directly supported policy, regulatory or strategy change (or related consultation/consensus-building).

Capacity building, pilots, and knowledge outputs are also common, with documented uptake varying by type. Fifty-four percent of TC operations under review for the usage assessment (2,139 of 3,990) included institutional capacity outputs, mainly training (57%) and institutional strengthening products (40%). These outputs were most often used to inform policy decisions. Sixteen percent of the TC operations (627 of 3,990) produced pilots that were used to inform IDB loans, support policy decisions beyond Bank-financed operations, or were embedded in the regular activities of beneficiary institutions. Thirty-six percent (1,442 of 3,990) generated knowledge products, which were most commonly used to inform policy reform and legislation, support knowledge dissemination, and guide program redesign and scaling.

TC plays a pivotal role in engaging with and reactivating dialogue with clients, as well as in lending support, but linkages between TCs and lending are not consistently captured. TC is the entry point to engage with client governments in 82% of cases when the Bank begins work in a new sector, and in 81% of cases when it reactivates engagement after at least five years of inactivity. Yet, loan linkages are incompletely recorded: 63% of 890 loans (including 712 investment and 178 policy-based loans) approved between 2015 and 2024 have at least one operational-support TC linked in Bank systems, but information on TC–loan linkages is not consistently recorded, limiting the Bank’s ability to monitor or assess these relationships. Evidence from the purposive sample, consistent with the findings of OVE’s policy-based loan (PBL) evaluation, suggests that the actual use of TCs in support of lending is higher than what is captured in official databases. Operational support TCs tend to accompany inherently more complex loans—projects that have longer execution time, more extensions and spend slightly more time in alert or problem status.

Half of the products delivered through TCs are underutilized. In the purposive sample, 49% of national operations (43 of 88) had outputs that were used only partially or not used at all, most often due to leadership turnover and shifting priorities, followed by the absence of enabling conditions—such as financing mechanisms, regulatory frameworks, or institutional arrangements—and, to a lesser extent, fiscal and budgetary constraints.

The IDB’s institutional model for technical cooperation

The IDB institutional model for TC has strengthened in several operational areas, while strategic and results elements remain less fully developed. Corporate direction highlights TC as part of the Bank’s value added, but neither the TC taxonomy nor institutional documents or strategies consistently translates this into a small set of distinct intended uses with clear outcomes.

Country prioritization is structured, and the country programming exercise is a good predictor of TC approvals, while regional prioritization remains less visible

from the country perspective. Country programming is reasonably predictive (63% approved in the same year; 72% approved that year or later). Regional programming, introduced in 2022, prioritized about 40% of approved regional operations in 2022–2024, yet country offices and country authorities report they are not always aware when their countries are beneficiaries of regional operations.

The OC SDP fund allocation has improved flexibility in resource use. The Bank has made a deliberate effort over the past decades to increase the flexibility of resource usage across TCs. This has resulted in a significant reduction in carryovers and cancellations, from 49% in the 2005–2013 period to 7% on average since 2017.

Donor and ordinary capital funding patterns suggest complementarity. Preliminary evidence indicates that donor funding and ordinary capital allocations correlate at 0.32 at the sector–year level, and regression results indicate that \$0.25 in ordinary-capital funding is associated with a \$1 increase in donor funding in the same sector and year. This pattern is consistent with interview evidence across the Bank, indicating that donor funding is typically used to complement available resources rather than to define TC priorities.

Bank execution has become the norm, bringing agility and responding to client demand. The TC Policy and related documents specify that Bank execution should occur only in exceptional cases. However, the Bank executed 89% of all TCs during the evaluation period, up from about 60% during 2004–2014. Four main reasons explain preference for Bank execution: (i) limited incentives for government entities to assume execution responsibilities, (ii) lengthy national procedures for TC approval, (iii) operational or technical capacity constraints in specific government institutions, and (iv) the need to ensure continuity and coordination. While TCs executed by the Bank tend to be implemented more quickly - client- or partner-executed TCs take about 10 months longer to complete – they may limit opportunities to strengthen execution capacity within counterpart institutions. IDB staff also flagged the high administrative costs of Bank-executed TCs.

The main implementation challenges reported across the portfolio for Bank-executed TCs cluster around four areas. The most frequent challenge is government transitions and shifting priorities, followed by administrative processes and capacity constraints, coordination and ownership issues, and legal or regulatory constraints.

Current reporting systems focus primarily on output and implementation, limiting the Bank’s ability to systematically assess TC usage and outcomes. The output classification system—comprising 106 indicators across 40 output groups and 10 business lines—is overly complex and obscures the link between TC activities and their contributions to outcomes. Required reporting on outputs has been in place since 2022, but reports are often incomplete and descriptive.

The IDB does not have a self-assessment and validation system for TCs, which limits accountability for—and learning from—TCs. Self-assessment and independent validation at project closure ensure accountability for resource use and generate systematic evidence of performance that can inform learning. Although the 2011 TC Guidelines recommended evaluations of selective TCs, the IDB has not implemented this measure.

The Bank also lacks a clear framework for managing knowledge generated through TCs, limiting its ability to learn systematically from these operations. Although outputs are uploaded to Convergence, there is no centralized, user-friendly system for accessing or reusing them, and ownership of these products is unclear. As a result, and

given the lack of TC self-assessment and validation, knowledge is not institutionalized, and learning remains largely informal.

Recommendations

To strengthen IDB's use of TC, OVE proposes the following recommendations:

1. **Articulate the strategic role of TC in the context of the *IDBStrategy+*.** The IDB should explicitly articulate the strategic role of TC—both national and regional—independently of the source of financing. This should be done through an institutional document that provides clear, unified guidance on how TC contributes to achieving the priorities of *IDBStrategy+*, in line with its objective of maximizing the scale and impact of the Bank's work. This document should translate the high-level objectives of the IDB Group institutional strategy into concrete operational guidance on how TCs contribute to achieving them. In doing so, it should ensure coherence across TC governing documents (including policy and guidelines) and the Bank's broader strategic architecture, while strengthening the instrument's strategic use and accountability. Specifically, for all TCs, irrespective of the source of financing, this document should: (i) define the role of TCs within the institution and establish greater selectivity based on their expected contribution to the objectives set out in *IDBStrategy+*; (ii) clarify how they will contribute to the institutional goal of scaling for impact; (iii) for national TCs, define criteria for prioritization, including how they are intended to support and be integrated with country strategies and sector framework documents and how they will add value to selected priorities of the country strategies; and (iv) for regional TCs, define criteria for prioritization and alignment with regional priorities and challenges, particularly for operations that are not part of formal regional initiatives, while ensuring continued involvement of country offices during implementation.
2. **Strengthen TC monitoring and evaluation to capture outcomes and the contribution of TCs to institutional objectives and use the resulting evidence to inform changes to the TC operational model.** The IDB should simplify and strengthen its monitoring and evaluation framework for TCs and transition toward a more outcome-oriented approach, while ensuring that requirements remain proportionate to the size and nature of TCs to avoid excessive administrative burden. To this end, the Bank should:
 - i. Enhance the M&E framework to assess the extent to which TCs contribute to intermediate outcomes. The framework should: (a) better align the TC taxonomy with strategic objectives and intermediate outcomes, and reduce overlap across categories, enabling more consistent tracking of TC usage and contributions; (b) significantly simplify the output tracking system; and (c) systematically capture and report linkages between TCs and intermediate outcomes, including, for example: engagement in new sectors; sustained dialogue with clients; initiation of new projects; improvements in project design and execution; effective TCs and loans replicated or scaled up; policy reforms, laws, regulations and strategies approved; and strengthened client capacity.
 - ii. Jointly with OVE: (a) revise the template of the TC completion report to better document results, contributions to outcomes, and key success factors and challenges; (b) develop self-assessment and validation

guidelines; (c) pilot self-assessment and validation on a subset of agreed TCs and (d) refine the process based on implementation experience.

- iii. Over time, reassess the TC operational model—prioritization, funding, approval, execution, and monitoring and evaluation—with a particular focus on the criteria and process to allocate resources (ordinary capital and donor funding) based on TCs’ achievement of outcomes and on the results of the self-assessment and validation pilot.

3. Establish a framework for learning and knowledge management of TC. To ensure that knowledge generated through TCs contributes to operations and development impact, the IDB should strengthen the management, dissemination, and use of TC products through a simple, structured framework that builds on existing technology platforms. This framework should ensure that TC knowledge is organized simply yet systematically, that it is accessible, and that it is used to inform operational decision-making. Specifically, the Bank should:

- i. Establish standardized metadata and classification criteria for TC products (e.g., sector, country, outcomes) to ensure they are consistently organized and searchable. Building on this, the Bank should systematically incorporate key products generated through TCs into existing knowledge platforms, with clear assignment of responsibility for their curation and maintenance.
- ii. Promote the use of knowledge stemming from TCs in operations. This entails introducing mechanisms to encourage the use of TC knowledge in the design and implementation of lending projects, such as requiring teams to reference relevant prior TCs at concept and design stages, reflect the findings and lessons learned from TCs for which self-assessment and validation is available, and provide targeted guidance or training on how to identify and apply existing knowledge.
- iii. Track the use and influence of TC knowledge. This entails developing simple mechanisms to monitor how TC products are used, combining quantitative indicators (e.g., citations in project documents) with qualitative tagging of use cases. Periodic review of this information would help identify which types of knowledge are most relevant and inform future TC design.

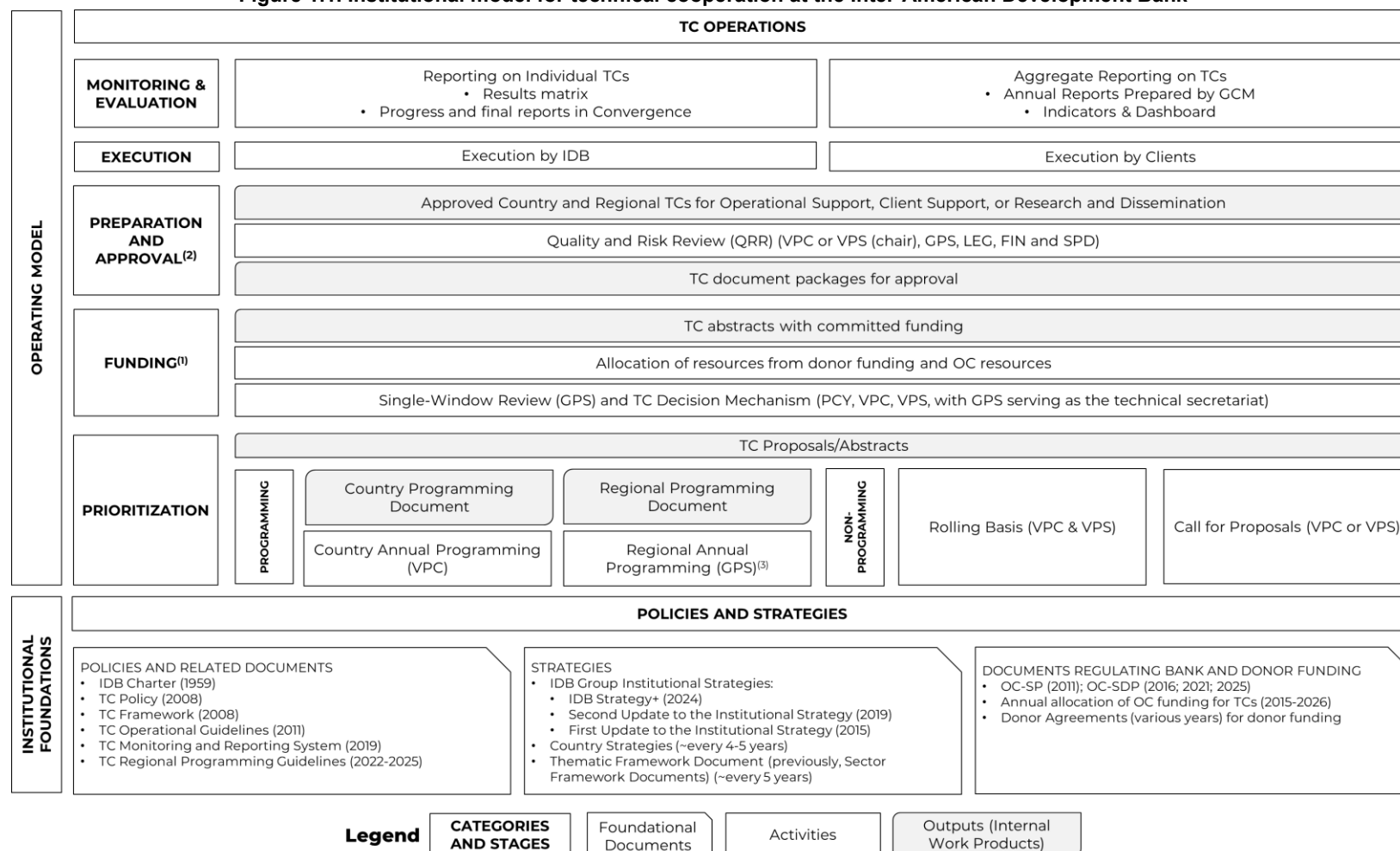
I. OVERVIEW OF TECHNICAL COOPERATION AT THE INTER-AMERICAN DEVELOPMENT BANK

- 1.1 This chapter provides an overview of technical cooperation (TC) at the Inter-American Development Bank (IDB or the Bank), focusing on its institutional foundations and operating model.** It first provides an overview of the key policies and strategies that govern and orient TC. These include the 2008 TC Policy, Framework and subsequent guidelines that define its objectives, modalities, and scope, as well as the policies that regulate how TC is funded by the Bank's own capital—such as the Ordinary Capital Strategic Development Program (OC SDP)—or by external donor resources. It also refers to key strategies that orient TC, including institutional strategies, country strategies, and thematic framework documents. It then outlines the Bank's operating model for TC—including TC prioritization, funding, approval, execution, and monitoring and evaluation. The institutional model for TC at the IDB, which comprises all of these elements, is depicted in Figure 1.1 and described in the rest of the chapter.

A. Institutional foundations for technical cooperation

- 1.2 This section describes the institutional foundations—key policies and strategies—for TC operations.** These are included in the lower portion of Figure 1.1 as the foundations of the TC Institutional Model.
- 1.3 Since its establishment, the IDB has supported its member countries by providing national and regional technical assistance through non-reimbursable instruments, including TC.** Technical Cooperation is part of the wider scope of the IDB's Technical Assistance range of products, which include (among others) Fee-Based Advisory, Knowledge Services and Economic and Sector Work. TC is provided both through non-reimbursable and contingent-recovery modalities. The Agreement establishing the IDB in 1959 (IDB Charter) includes among the Bank's functions the provision of technical assistance for "(i) the preparation, financing, and execution of development plans and projects, including the consideration of priorities and the formulation of loan proposals on specific national and regional projects for development; and (ii) the development and advanced training, through seminars and other forms of instruction, of personnel specializing in the formulation and implementation of development plans and projects." The Bank recognized from inception a distinction between national and regional TC. National TC is implemented with a single borrowing member country and is typically aligned with national development priorities, whereas regional TC involves two or more countries and addresses issues with cross-border relevance. Regional TC requires coordination across multiple stakeholders and jurisdictions and often aims to generate benefits shared across countries, while national TC is anchored in country ownership and national priorities. Figure 1.2 provides a snapshot of the key policies and guidelines developed by the IDB in subsequent years to govern and manage TC following the Charter.

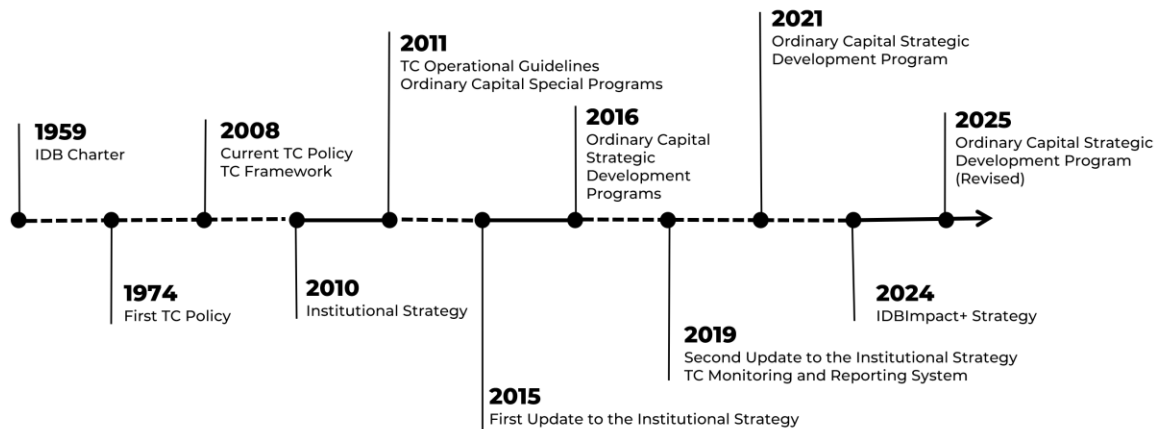
Figure 1.1. Institutional model for technical cooperation at the Inter-American Development Bank



Source: OVE.

Note: This figure presents a simplified representation of the institutional operational model and processes for Technical Cooperation; some steps and processes have been omitted for brevity. GPS = Global Partnership Office; OC SDP = Ordinary Capital Strategic Development Program(s); OC-SP = Ordinary Capital Special Programs; PCY = Office of the Presidency; TC = technical cooperation; VPC = Vice Presidency for Countries; VPS = Vice Presidency for Sectors and Knowledge. ⁽¹⁾ Funding requests are generally coordinated through the Single Window, except for Project-Specific Grants (PSGs), special-purpose TCs (e.g., intraregional TCs, Action Plan C&D, and emergency assistance), TCs financed through Financial Intermediary Funds (FIFs), and TCs prioritized through the regional programming process or dedicated calls for proposals. ⁽²⁾ Following preparation, GCM provides the final certification of funds allocated to the TC before the operation is approved and signed off in accordance with the applicable delegation of authority. ⁽³⁾ The annual regional programming exercise applies exclusively to TCs funded through the OC SDP.

Figure 1.2. Timeline of policies and strategies governing and orienting technical cooperation at the Inter-American Development Bank



Source: OVE.

Note: IDB = Inter-American Development Bank; TC = technical cooperation.

- 1.4 **The 2008 TC Policy is the current normative foundation of TC.** The current TC Policy, approved in 2008 (document [GN-2470-2](#)) replaced a TC policy that had been in place since 1974, aiming to provide a long-term vision for managing TC. It indicates that the objective of TC is “to facilitate the transfer of technical know-how and qualified experience with the purpose of complementing and strengthening national and regional technical capacities, thereby contributing to the primary purpose of the Bank: accelerating the process of economic and social development of the borrowing member countries, individually and collectively. TC activities will be integrated with the Bank’s lending program, aligned with country and regional strategies and focused on realizing development outcomes and results.”¹ The policy applies to national and regional TC operations led by IDB operational units, financed by the Bank with its own resources (ordinary capital) or resources under its administration, under the modalities of non-reimbursable TC, contingent recovery TC, or reimbursable TC. In its description of “fields of activities”, the Policy includes project support, institutional strengthening, policy and sector analysis, development planning, and resource mobilization, as well as promotion of knowledge transfer and piloting of innovative solutions.
- 1.5 **The 2008 TC framework offers medium-term guidance for developing and implementing TC.** The TC framework (document [GN-2469-2](#)) seeks to modernize the Bank’s use of grant resources by linking TC more explicitly to country strategies, regional programming, and the lending portfolio, while shifting the focus from approvals to results. It introduces a unified funding approach and a centralized “single window” for access to TC resources, alongside standardized and simplified procedures for approval and execution to reduce transaction costs and address implementation bottlenecks. The framework also expands delegation for TC approval and administration, enabling greater operational flexibility, and strengthens the focus on monitoring, evaluation, and reporting of development outcomes. The changes introduced by the framework aimed to improve TC

¹ Proposal for a new Bank policy on technical cooperation. Revised version. Document [GN-2470-2](#), paragraph 2.2.

efficiency, enhance its strategic alignment, and position the Bank to better mobilize external grant resources, including from philanthropic and private sector partners.

- 1.6 **The 2011 Operational Guidelines were introduced to guide the programming, preparation, approval, execution, and monitoring of TCs.** These guidelines (document [GN-2629-1](#)) replaced a taxonomy of TC that had been perceived as complex and fragmented. Under the previous system, TCs were divided into multiple subcategories with distinct approval tracks, which increased procedural complexity without clearly distinguishing their purpose or use. The guidelines consolidate this structure into three TC categories (TC taxonomy)—operational support, client support, and research and dissemination (Box 1.1).

Box 1.1. Technical cooperation taxonomy

The 2011 Guidelines identify three categories of technical cooperation (TC) in the section “Taxonomy of Bank Products and Technical Cooperation”:

- **Operational support** products contribute to the preparation, execution or evaluation of a loan or guarantee (financial product or grant). For a TC to be considered operational support, it needs to be linked to a loan, guarantee or grant product (in pipeline or under execution) or to a financial product for which funds have been fully committed or disbursed in the case of support for ex-post evaluations. This implies that operational support TCs predominately originate in response to a client request to support the design or execution of a given financial product (even when initially identified by project teams). However, the Bank may also identify complementary TC activities to a financial product.
- **Client support** products are not linked to an existing financial product. The most salient characteristic of client support TCs is that they are originated and requested by the borrowing member country or private sector client. They cover demand-driven stand-alone products that provide either (i) the capacity to offer a quick response to a client need, such as intraregional cooperation (CT-Intra); or (ii) medium or long-term assistance for policy development and sector knowledge, or outreach and dissemination, capacity building and training, and community development projects, which, for the scope of this taxonomy, are limited to those that are provided on a non-fee, non-reimbursable basis. Feasibility and other upstream project studies are also included in this category.
- **Research and dissemination** includes all knowledge products and dissemination activities originated by the Bank. It basically comprises stand-alone products and activities aimed at deepening the Bank’s or clients’ knowledge or capacity on a given topic, or to draw on knowledge that is readily available, including outreach and dissemination activities originating at the Bank. Research and dissemination products are key to support the countries and clients and ultimately serve operational purposes as they support an understanding of key sectors and the development challenges and gaps faced by each country. As such, they inform the policy dialogue and programming process with countries, as well as with the private sector, and ultimately help focus the Bank’s strategic framework with a country, and in a given sector.

Source: Operational Guidelines for Technical Cooperation Products: Revised Version (2011).

- 1.7 **Institutional strategies, country strategies and thematic frameworks have increasingly highlighted the importance of TC and the need to align it with institutional priorities.** The IDB Institutional Strategy defines the Bank’s overall mandates and priorities. These institutional mandates are operationalized through country strategies and thematic frameworks, which define medium-term priorities at the country and sector levels. The 2010 IDB-9 Agreement reflected a general intention to increase the effectiveness of the IDB’s nonfinancial contributions to its borrowers, particularly the development impact of TC. The 2015 update to the institutional strategy noted that clients were increasingly looking beyond the Bank’s financial resources per se and toward the value added embedded in its interventions, especially its knowledge and TC products. For that reason, it noted that institutional strategic priorities and principles should permeate TC as much as lending. The 2019 update to the institutional strategy

did not mention TC specifically but placed particular emphasis on the importance of strengthening the IDB Group's knowledge activities. The 2024 *Transforming for Scale and Impact* strategy (*IDBStrategy+*) calls for a review of the allocation of ordinary-capital net income and of the TC policy so that TC resources can be aligned more deliberately with institutional priorities.² Recent country strategies and thematic frameworks incorporate more programmatic approaches, which often entail a greater reliance on TC.

- 1.8 **The funding of TC is governed by the TC Policy and framework document, as well as the OC SDP document and donor agreements.** Prior to 2005, TCs were funded primarily through the net income of the Fund for Special Operations (FSO). In 2005, the IDB's Board of Directors approved the use of ordinary capital net income to fund TCs to support specific country and regional needs. To this end, the Bank created three special programs, each financed through a defined transfer of ordinary capital: (i) Regional Public Goods: Proposal for an Expanded Bank Role; (ii) Fund for the Financing of Technical Cooperation for Initiatives for Regional Infrastructure Integration; and (iii) the Program to Implement the External Pillar of the Medium-Term Action Plan for Development Effectiveness at the IDB (PRODEV). In 2008, the TC framework document included a Bank model of grant resource management for TC and established a centralized grant resource management function within the Bank's Grants and Co-Financing Management Unit (GCM) at the Global Partnership Office (GPS).³ Special programs evolved into strategic development programs in 2016 (document [GN-2819-1](#)) and were consolidated in 2021 into a single integrated OC SDP (document [GN-2819-14](#)) that was updated in 2025 (document [GN-2819-25](#)).

B. The IDB's operating model for technical cooperation

- 1.9 **This section describes the activities and internal work products related to the TC operating model.** These are included in the upper portion of Figure 1.1, which depicts all stages of TC processing.
- 1.10 **The operating model translates policies and strategies governing and orienting TC into approved and executed TC operations.** The TC operating model is anchored in the policies and strategies that govern and orient TC. It encompasses all stages of TC processing, including prioritization, funding, approval, execution, and monitoring and evaluation.
- 1.11 **Potential TC projects are identified and prioritized by several internal mechanisms.** On an annual basis, the Vice Presidency for Countries (VPC) identifies and prioritizes national TC proposals in line with institutional, country, and sector strategies, with inputs from the Vice Presidency for Sectors and Knowledge (VPS). Prioritization of national TCs follows the Bank's annual programming process, which extends beyond TCs to cover the full program of sovereign-guaranteed (SG) operations (including lending and TC). It is led by VPC as part of strategic dialogue with borrowing member countries. Client support and

² Inter-American Development Bank Group. 2024. *IDB Group Institutional Strategy: Transforming for Scale and Impact (IDBStrategy+)*. [GN-3159-12](#). Washington, DC.

³ The Grants and Co-Financing Management Unit (GCM) at the Global Partnership Office (GPS), formerly known as the Office of Outreach and Partnerships (ORP), works with other Inter-American Development Bank departments to ensure grants and co-financing resources are used effectively and strategically.

operational support TCs are programmed within this process, with the results captured in annual Country Programming Documents ([GN-2551](#)), which provide preliminary snapshots of expected operations at the beginning of the year. Country Representatives have the final decision over the Country Programming Documents. By contrast, the programming of regional TCs is governed by the Guidelines for the Regional Programming and Prioritization (RPPD) process, which are amended annually and cover only regional TCs (not regional lending operations) funded through the OC-SDP. In addition, IDB staff can submit national and regional TC proposals on a rolling basis; these proposals are prioritized through ongoing dialogue between VPS and VPC, as well as with donors. Finally, IDB staff can submit TC proposals in response to specific calls for proposals issued by an IDB operational department or a donor; methods for prioritizing these proposals are specified in the calls.

- 1.12 **The Bank's TC financing model combines diverse funding sources.** TC operations at the IDB are financed through a combination of the Bank's ordinary capital and external donor contributions, each accounting for roughly half of total financing. The Bank relies more on its own resources to finance TC than most peer MDBs. The IDB channels ordinary capital to TC operations through the OC SDP, which serves as the Bank's principal framework for allocating ordinary capital funding to TC in line with corporate priorities. Donor financing is provided through single-donor and multi-donor trust funds and financial intermediary funds operating under distinct guidelines that define their scope and associated procedures, including specific eligibility criteria. In addition, project-specific grants and special arrangements support pre-identified operations on a case-by-case basis.
- 1.13 **The allocation of ordinary capital-funded resources to individual TCs follows parameters established by Management and approved by the Board.** The allocation of ordinary capital resources to the OC SDP is determined annually. The allocation parameters to individual TC projects are related to the TC taxonomy, geographic scope, and minimum country allocations. Specifically, 75% of annual OC SDP resources are allocated to client support and operational support TCs, with the remaining 25% allocated to research and dissemination TCs. Further, 60% of OC SDP resources are allocated to national TCs (with each country receiving a minimum average allocation of \$1 million per year, calculated over a three-year period) and 40% to regional TCs.
- 1.14 **The single window coordinates funding eligibility decisions and verifies alignment with country and sector priorities.** Managed by GPS, the single window serves as the entry point for most TC funding requests, regardless of the source of financing, by centralizing TC abstracts and reviewing them to assess funding eligibility and identify appropriate funding sources. Exceptions include Project-Specific Grants (PSGs), special-purpose TCs (e.g., Intraregional TCs, Action Plan C&D, and Emergency Assistance), TCs funded through Financial Intermediary Funds (FIFs), and TCs identified through the regional programming process and dedicated calls for proposals. Final funding decisions for donor and Financial Intermediary Fund (FIF) financed operations are determined through the corresponding funding arrangements, while decisions related to OC-SDP resources are made through the TC Decision Mechanism. This mechanism brings together VPC, VPS, and PCY, with PCY acting as a tiebreaker in cases of divergence between VPC and VPS. Within OC-SDP, most TCs are assigned funding following priority confirmation with VPC and VPS, while the TC Decision

Mechanism is triggered when there is no consensus on priorities between VPC and VPS, or to help ensure that resource allocation responds to institutional priorities, client demand, and coordination across programming.

- 1.15 **TC quality review occurs at several levels.** The Quality and Risk Review (QRR) is the formal quality review process, which occurs after declaring eligibility and fund assignment and once the TC document package is submitted for review by the team leader to the QRR chair. The QRR chair, who is the chief of the originating unit, approves the distribution of the package to the QRR distribution list, which includes VPC, VPS, GPS, Legal (LEG), Finance (FIN), and Office of Strategic Planning and Development Effectiveness (SPD) counterparts. QRR members provide comments that are addressed by the project team leader. A revised package is then shared by the QRR chair for the non-objection of the QRR members. If operational or policy issues cannot be resolved, the Operations Policy Committee (OPC) has the final decision. The final package is submitted for certification and subsequently for approval, with the approving authority determined by the TC amount and its originating unit. In addition to this formal process, quality reviews are carried out internally within divisions and sector management throughout TC preparation. TC focal points within divisions review all TC proposals prior to submission to the single window, as well as the TC packages before and after the QRR. TC focal points within sectors also conduct quality reviews, focusing primarily on TCs of higher financial value (those above \$750,000, which require sector management approval) or of significant strategic relevance.
- 1.16 **TCs may be executed either by the Bank or by external executing agencies.** The Bank may execute TCs in areas of its expertise, subject to the concurrence of beneficiary countries and alignment with country or regional strategies. Alternatively, execution may be carried out by legally established entities, including national and subnational government institutions, regional organizations, international organizations and non-profit institutions.
- 1.17 **Management monitors and reports on individual TCs and on the TC portfolio.** In 2015, the Bank introduced its first formal proposal for a unified Technical Cooperation Monitoring and Reporting System (TCM) ([OP-1385-2](#)), aimed at standardizing reporting across the non-reimbursable portfolio. These principles were subsequently incorporated into the TCM modules of the Bank's operations management platform, Convergence, and further formalized in the 2019 framework ([OP-1385-4](#)), which clarified governance arrangements and validation processes. Under the TCM, the Results Matrix (RM) serves as the central tool for monitoring progress, requiring TCs to be structured around outputs and outcomes. TC outputs are classified into 106 standardized indicators, organized into 40 output groups which are then aggregated into 10 business lines. While outcome statements are required, the inclusion of outcome indicators is optional, unless mandated by donors as a condition for funding eligibility⁴. The Bank also has a system that tracks implementation progress, using indicators covering financial

⁴ Fund Coordinators and other members of the QRR may recommend the inclusion of outcome indicators where appropriate and feasible, depending on the nature and scope of the operation.

execution, output delivery and scheduling.⁵ It allows the Bank to assess, for example, delivered outputs compared to planned outputs and progress in disbursement. Team Leaders (TLs) are required to provide annual progress updates, including reporting on outputs and outcomes (when available) and uploading supporting evidence to validate completed outputs. Upon TC completion, TLs must submit a final TCM report in Convergence summarizing results and implementation performance. Final TCM reports are reviewed and validated by Fund Coordinators and are then published for public disclosure. Aggregate TC reporting is not governed by this system; instead, GCM prepares annual reports providing a high-level overview of the OC SDP portfolio and progress reports tailored to the specific requirements of donors.

- 1.18 **The remainder of the report is organized as follows.** The next chapter presents the evaluation's design. Chapter III focuses on TC relevance, Chapter IV examines TC usage, Chapter V assesses the coherence of the TC institutional model, and Chapter VI includes conclusions and recommendations.

⁵ Financial indicators track funds disbursed, funds committed, and their combined total as a share of approved financing. Output delivery is measured through the TC Delivery Indicator (TCDI), which compares delivered outputs to those planned and uses a traffic-light rating, and the TC Progress Indicator (TCPI), which measures cumulative delivery relative to lifetime targets. Scheduling is assessed using the TC Readiness Indicator (TCRI), measuring time from eligibility to first disbursement, and the TC Extension Indicator (TCEX), which measures the proportion of time added to the original execution period.

II. EVALUATION DESIGN

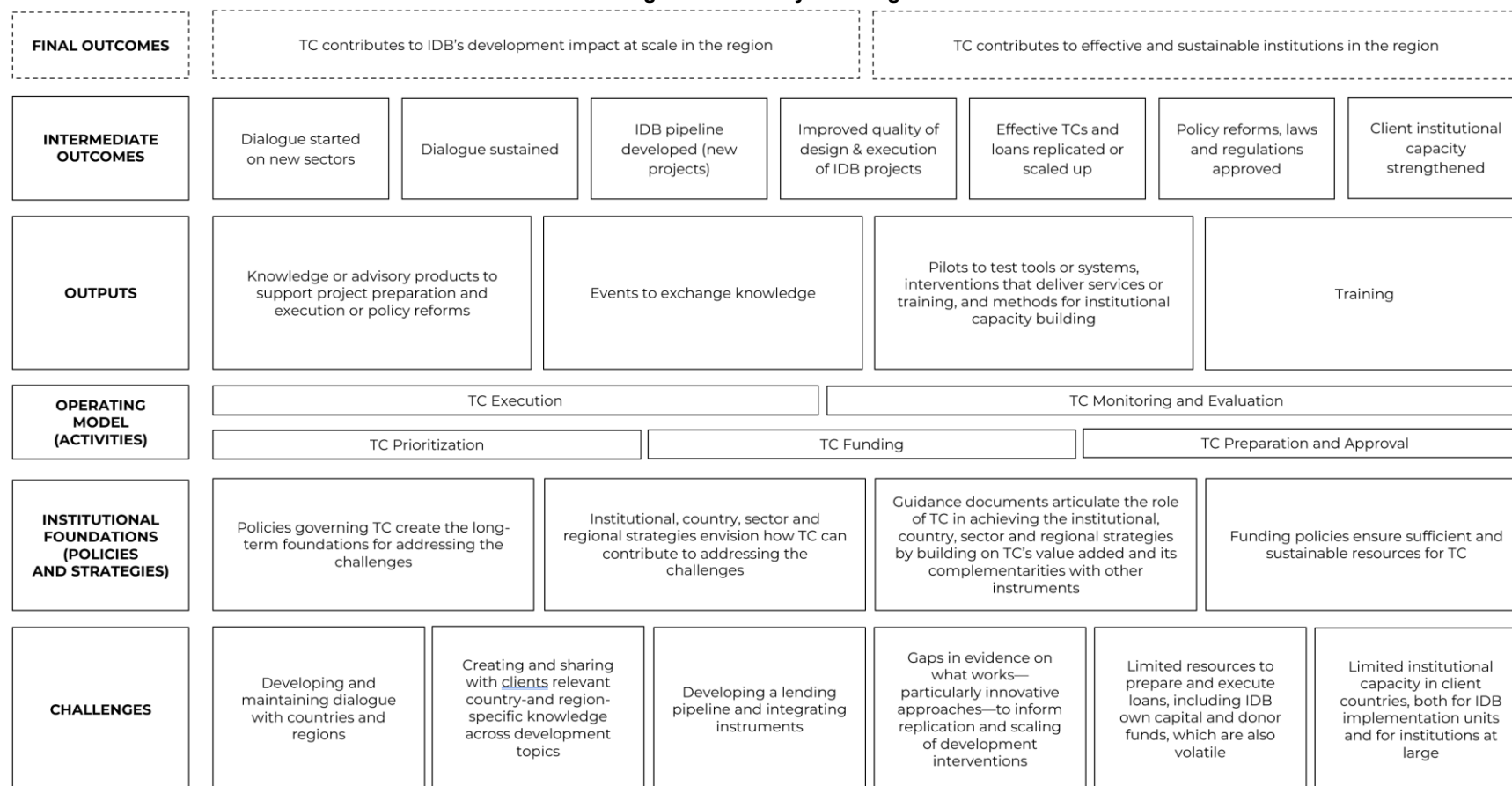
- 2.1 **This chapter sets out the design of the evaluation.** It first explains the purpose and timeliness of the evaluation, situating it in the context of the evolving role of TC within the IDB in view of ongoing institutional reforms. It then defines the scope of the assessment, presents the Theory of Change (TOC) that underpins the evaluation and clarifies the core questions guiding the analysis—on the relevance and usage of TC and on the coherence of its institutional model. Finally, it describes the methods used to address the evaluation questions and discusses the main limitations that shape the interpretation of findings.
- A. **Objective, rationale and scope of the evaluation**
- 2.2 **The overall objective of this evaluation is to shed light on the relevance and usage of TC operations, as well as the coherence of the institutional model that governs them.** It aims to determine the extent to which TCs respond to institutional and strategic priorities, address country and regional challenges; contribute to TC usage and whether the current institutional model support TC relevant and effective deployment. Evaluating TC at this juncture is both important and timely. Over time, TC has become one of the IDB's principal instruments for providing non-lending support to borrowing member countries and a key component of the value the Bank offers the region. The Office of Evaluation and Oversight (OVE) of the IDB Group last reviewed key aspects of TC in 2010 and 2014. While the TC Policy has not changed since 2008, key elements of the TC operational model – including resource allocation mechanisms, programming exercises, the monitoring and reporting systems and the responsibilities of various departments involved – have *de facto* evolved significantly. The evaluation is also timely to provide insights to the Board and Management in view of: (i) Management's ongoing revisions to the TC Policy; and (ii) the new IDB Group vision to scale for impact put forward in the 2024 *IDBStrategy+*.
- 2.3 **This evaluation focuses on the IDB's policies, strategies and programs governing and orienting TC, the TC operating model, as well as the IDB portfolio of non-reimbursable TCs approved between 2015 and 2024.** The evaluation period is January 1, 2015 to December 31, 2024. The policies, strategies and program documents in scope—to varying degrees of depth—are those that were in place during this period. They include the TC Policy and associated TC framework, the M&E guidelines, the OC SDP, and the relevant IDB institutional strategies and country and sector frameworks. All key elements of the operational model are also in scope, including TC prioritization, funding, approval, execution, and monitoring and evaluation. The portfolio in scope includes 4,477 IDB non-reimbursable⁶ TCs totaling \$2.1 billion approved between 2015 and 2024. These TCs represent 78% of all sovereign-guaranteed (SG) operation approvals by number and 1.8% of total SG-approved amounts in the evaluation period. During the period, annual TC approval amounts averaged \$206.7 million, with individual operations receiving an average of approximately \$461,000.

⁶ The evaluation focuses exclusively on non-reimbursable TCs (NRTC). It excludes reimbursable TCs (RTCs) and contingent recovery TCs (CRTCs), given their low number of approvals during the evaluation period (5 RTCs and 18 CRTCs). Additionally, it covers only technical assistance financed through TCs, excluding other types of knowledge products or services such as sector work, fee-for-service activities, or assistance funded from the Bank's administrative budget.

B. Theory of change, evaluation questions and methods

- 2.4 TC is expected to contribute to the Bank's development objectives through a sequence of linked steps.** To guide the analysis, OVE developed a theory of change (Figure 2.1) that articulates how TCs are expected to address institutional challenges and contribute to the institution's development objectives. The challenges include developing and maintaining dialogue and sharing relevant knowledge with client countries and regions, developing and maintaining a lending pipeline, replicating effective interventions, preparing and executing loans with limited and unpredictable resources, and limitations on client capacity. Policies and strategies lay the long-term foundations for addressing these challenges by envisioning how TC can contribute, defining the role of TC in the IDB's overall portfolio, and ensuring that funding is sufficient and sustainable. The foundations support activities—including prioritization, approval and funding—that together enable the execution of TCs, which can be performed by the IDB or by clients. Management monitors TCs and reports on their overall implementation and results to the Board yearly. TC execution results in a variety of outputs, including: (1) knowledge and advisory products, such as research papers, papers informing regulatory or policy changes, and studies supporting project preparation and execution (e.g., feasibility studies); (2) pilots, such as testing of new technologies to provide inputs to projects; (3) trainings to public agencies, including IDB's project execution agencies; (5) events to share knowledge, including peer to peer events among client countries facilitated by the IDB. The outputs contribute to intermediate outcomes such as: (1) initiation of engagement in new sectors, (2) sustained dialogue with clients; (3) initiation of new projects, (4) improvements in projects' design and execution, (5) effective IDB TCs and loans replicated or scaled up, (6) policy reforms, laws, regulations and strategies approved, and (7) strengthened client capacity. Ultimately, these intermediate outcomes are expected to influence final outcomes (which are out of scope of this evaluation) such as IDB's contributions to development impact at scale in the region, and the effectiveness and sustainability of institutions in the region.
- 2.5 Three main questions guided this evaluation.** To shed light on the relevance, and usage of TC, as well as the coherence of the institutional model that governs them, the evaluation aimed to answer three main questions: (i) how relevant are TCs in addressing IDB's institutional priorities, and regional and country-specific challenges? (ii) how have TCs been used? and (iii) how coherent is the Bank's TC institutional model to support the relevant and effective deployment of TC?

Figure 2.1. Theory of change



Note: Assumptions: (i) continuous country ownership and government commitment; (ii) countries provide an appropriate and enabling environment to allow for improved institutional function and performance; (iii) countries have adequate resources to utilize TC findings and recommendations; (iv) technical assistance is provided in a timely and relevant manner; (v) capacity development is in line with the required skills to be delivered (vi) stakeholders understand roles and responsibilities, regulations, and processes; (vi) coherent, effective and efficient operating model with clear governance leads to the identification and approval of TCs that can contribute to addressing the challenges; (vii) coherence of institutional governing and funding policies and strategies to support TC to contribute to address the challenges.

- 2.6 **OVE used a mixed-methods approach to address the evaluation questions.** To assess relevance, OVE examined the alignment of the TC portfolio with IDB policies and institutional strategies, as well as the needs of countries and regions. To assess usage, OVE analyzed the use of TC outputs using IDB administrative data, complemented by qualitative evidence from country counterparts; parts of this analysis were further supported by econometric work. To assess the adequacy of the TC institutional model, OVE examined its internal coherence—that is, the extent to which its components are aligned to achieve expected TC outcomes. Table 2.1 summarizes the methods, scope, and sources of information for responding to evaluative questions.
- 2.7 **The evaluation used four portfolio samples.** First, all 4,477 TCs approved between 2015 and 2024 to identify trends and inform the econometric work that informed the usage analysis. Second, a sample of 3,990 TCs (2015-2024) drawn from full portfolio minus TCs of a special nature, such as emergency TCs, intraregional TC, and Action Plan C&D to describe usage. Third, a sample of 406 TCs that closed after 2022 to assess the usage of TCs. This sample was selected because, since 2022, TCs have been required to report on output use. Of 1,351 TCs closed between 2022 and 2025, only 406 provide sufficient information to assess TC usage in Convergence. Fourth, an in-depth analysis of selected national and regional TCs to address the relevance question and to provide insights on all three evaluation questions. For national TCs, OVE selected four countries (Chile, Guatemala, Perú, and Trinidad and Tobago) based on variation in key variables such as geographic region, income level, size of the TC portfolio, and the type of TCs employed, allowing for a diverse cross-section of institutional and country contexts. Within each country, OVE selected a purposive sample, reflecting variation in TC type, approved amounts, funding source, and sector focus to ensure efficiency for fieldwork while maintaining diversity and comparability across cases. The final number of national TC operations was 88. For the in-depth analysis of regional TCs, the evaluation employed a purposive sample of 24 regional TCs, selected based on geographic coverage, number of beneficiary countries, and type of TC. The in-depth analysis of national and regional TCs drew on desk reviews and interviews with IDB staff and country counterparts, including executing agencies, to gain a deeper understanding of how the TC instrument was used (Annex I).

Table 2.1 Questions, methods, focus of the assessment, and sources of information

Criteria	Question	Method	Focus of the assessments	Source of information
Relevance	(i) How relevant are TCs in addressing IDB's institutional priorities, and regional and country-specific challenges?	(a) Portfolio data analysis of 4,477 TC operations (2015-2024 full portfolio)	Alignment of TC operations with (i) IDB's policies and institutional strategies, (ii) IDB's country and regional strategies, sector frameworks documents, and (iii) country-specific and regional challenges	IDB data warehouse
		(b) Qualitative analysis of a purposive sample of 112 TCs (2015-2024): 88 national TCs and 24 regional TCs; (c) qualitative analysis of semi-structured interviews with IDB staff		IDB Charter, TC policy and guidelines, IDB Institutional Strategy, IDB Group Country Strategies, Sector Frameworks Documents, National Development Plans, TC project documents, TC monitoring system Interviews with IDB sector specialists, country representatives, chiefs of operations, and country counterparts, including executing agencies
Usage	(ii) How have TCs been used?	(a) Portfolio data analysis of 3,990 TCs (2015-2024) full portfolio minus TCs of a special nature, such as emergency TCs, intraregional TC, and Action Plan C&D; b) econometric analysis to explore the association of TCs and loans (2015-2024)	Assessing TC usage for: (i) policy reform, (ii) testing pilots, (iii) institutional strengthening (iv) knowledge development, and (v) IDB engagement in new sectors or reactivation of the IDB dialogue in a sector; and (vi) support to project design and execution	IDB data warehouse, TC monitoring system
		(a) Qualitative analysis of a sample of 407 TCs closed (2022-2025) for which we have evidence of output usage in Convergence; (b) qualitative analysis of a purposive sample of 112 TCs (2020-2024): 88 national TCs and 24 regional TCs; (c) qualitative analysis of semi-structured interviews of IDB staff		Interviews with IDB sector specialists, country representatives, chief of operations, and country counterparts, including executing agencies
Coherence	(iii) How coherent is the Bank's TC institutional model to support the relevant and effective deployment of TC?	(a) Qualitative analysis of desk review of policy and strategy documents; (b) qualitative analysis of semi structured interviews with IDB staff.	Identifying the alignment of the components of the TC institutional model: (i) policies and strategies that govern and orient TCs; (ii) processes and practices through which the IDB manages TCs (prioritization, funding, execution, monitoring and evaluation)	Policies and strategies, including IDB Charter, TC policy and guidelines, OC SDP and programming documents. Interviews with GCM, REM, VPC, VPS, Sector specialists, country representatives, chief of operations, division chiefs, and sector TC focal points.

Source: OVE.

Note: GCM = Grants and Co-Financing Management Unit; IDB = Inter-American Development Bank; OC SDP = Ordinary Capital Strategic Development Program(s); TC = technical cooperation.

2.8 **The evaluation faces several limitations.** First, data constraints, including weaknesses in results frameworks and reporting, limit the assessment of TC outcomes and require reliance on various subsets of operations with available information. These limitations also constrained the analysis of trends over the evaluation period. Second, the sample of Regional TCs is small (24 TCs), and interviews with counterparts were not conducted for these operations given time and resource constraints and the large number of counterparts involved in these TCs. Third, for the TC usage assessment, OVE had to rely on a subset of 407 TC operations closed after 2022, for which more information was available. The period of this assessment may reflect influences related to the COVID-19 pandemic. The usage assessment is also not exhaustive: it is based on selected outputs rather than the full range of TC-financed activities. Finally, the evaluation did not assess the specific agreements with third-party resources or their requirements or priorities.

III. RELEVANCE

- 3.1 **This chapter assesses TC relevance— the alignment of TC with institutional and strategic objectives and with the needs of countries and regions.** It first provides an overview of the TC portfolio under assessment and its distribution by types of TC and countries. It then examines the extent to which the TC portfolio is aligned with its institutional foundations: the objectives in the IDB TC Charter, the 2008 TC Policy and related documents. Third, it assesses the alignment of the TC portfolio with country and regional needs and with the IDB's institutional strategies, including *IDBStrategy+*, as well as the IDB's country and regional strategies.
- 3.2 **The relevance assessment is based on a review of the full TC portfolio under evaluation as well as an in-depth assessment of a purposive sample of TCs in four countries.** The evaluation of the alignment between the TC portfolio and IDB policies is based on all TC operations approved during the evaluation period. The rest of the relevance assessment is based on a purposive sample of 88 national and 24 regional closed TCs in Chile, Guatemala, Peru and Trinidad and Tobago.
- A. **Overview of the evaluated TC portfolio**
- 3.3 **The TC portfolio under review includes national and regional TCs across the TC taxonomy—operational support, client support, and research and dissemination—funded evenly by the Bank and donors.** Sixty-six percent of the total TCs under review (2,975 of 4,477) and 56.6% of the total approved amount (\$1.17 billion of \$2.1 billion) supported country-specific initiatives, while 1,502 TC operations and \$900 million in approvals were directed toward regional efforts. Client support represented 59% of the total number of TCs (58% of the volume), research and dissemination represented 21% (24% of the volume) and operational support represented 20% (17% of the volume). National TCs were mostly mapped to client support (69.7%), while regional TCs, which were larger in size, were primarily allocated to research and dissemination (53.5%). The funding of TCs was split almost equally between ordinary capital (52.5%) and donor contributions (47.5%) throughout the evaluation period, with a large share of the donor funding (40.8%) financed by single source donors. The vast majority of TCs (88%) were executed by the Bank (Table 3.1).

Table 3.1. TC evaluated portfolio

Category	TCs (no.)	Share of total (%)	Amount (\$ million)	Share of total (%)	Average approval amount (\$ million)
Total portfolio	4,477	100	2,071.8	100	0.5
By funding source¹					
Ordinary capital	3,328	74.3	1,079.7	52.5	0.3
Donors	1,364	30.5	975.9	47.5	0.7
By geographical scope					
National	2,975	66.5	1,172.4	56.6	0.4
Regional	1,502	33.5	899.5	43.4	0.6
By taxonomy (categories)					
Client support	2,640	59	1,204.7	58.1	0.5
Research and dissemination	938	21	505.7	24.4	0.5
Operational support	896	20	360.8	17.4	0.4
By execution modality					
Bank executed	3,944	88.1	1,672.5	80.7	0.4
Client executed	533	11.9	399.4	19.3	0.7

Source: OVE with IDB data and GCM's Historical Operations Detail dashboard.

Note: GCM = Grants and Co-Financing Management Unit; IDB = Inter-American Development Bank; TC = technical cooperation.

¹ 216 operations were financed by both Ordinary Capital and donor funds. For this reason, percentages sum to more than 100%. Data by funding source from the GCM's dashboard do not reconcile with total portfolio amounts reported by IDB Data Partner.

3.4 Seven countries accounted for half of the country-specific TC volume, with Colombia and Brazil receiving the largest share. During the evaluation period, Colombia, Brazil, Peru, Ecuador, Honduras, Mexico, and Paraguay consistently received close to half of all approved funding for national TCs. Colombia and Brazil received 12.8% and 11.3% of the total, respectively, followed by Peru (7.1%). Overall, countries in the C and D income groups received 56.8% of approved TC funding, while those in the A and B groups received 43.2%.⁷ By subregion, the Regional Country Department for Central America, Haiti, Mexico, Panama, and the Dominican Republic (CID) received the largest share of national TCs (33.3%), followed by the Andean Group (CAN) with 30.4%, the Southern Cone (CSC) with 25.8%, and the Caribbean (CCB) with 10.5%. The main recipient sectors of TCs were Environment and Natural Disasters (12.9%), Reform and Modernization of the State (12.5%), Water and Sanitation (10.9%), Social Investment (9.4%), and Energy (8.1%). Close to a third (30.5%) of regional TCs serviced all 26 borrowing countries, another third (34.6%) had four or fewer beneficiaries, and the rest had between five and 26 participating countries. The five most frequent country recipients of regional TCs were Colombia, Peru, Argentina, Chile, and Ecuador. Country and sector concentration of TCs is driven by a multitude of factors, including country demand, institutional capacity, portfolio size, and strategic prioritization.

⁷ The Inter-American Development Bank groups member countries based on their relative level of development within the region. Group A comprises the more advanced countries; Group B, middle-income developing countries, and Groups C and D encompass the least-developed countries in the region.

B. Alignment of the TC portfolio with the IDB's policies and institutional strategies

3.5 The objectives of TC operations under review are broadly aligned with the objectives included in the IDB Charter and in the 2008 TC Policy. Based on OVE's portfolio review and interviews of IDB country office and sector staff in VPC and VPS, the main objectives of TCs – in the portfolio under review and more broadly – are to: (i) sustain dialogue and engagement with counterparts, including initiating work in new sectors and supporting pipeline development; (ii) support the preparation and implementation of lending operations; (iii) strengthen clients' institutional capacity and advancing reforms; and (iv) pilot innovative approaches and generating knowledge. These objectives are broadly consistent with those in the IDB Charter—supporting the preparation, financing, and execution of development plans and projects, and promoting development and advanced training. They are also broadly consistent with the objectives and the “fields of activity” of the 2008 TC Policy. While the TC Policy includes as only explicit objective that of “facilitating the transfer of technical know-how and qualified experience to complement and strengthen national and regional capacities”, it also mentions that “(TC) will continue to support the two main fields of activity (...) identified in the Bank's Charter”. The TC Policy also includes several additional areas (“fields of activities”) stating that they were added to address the “complex challenges facing member countries”. These areas include: (i) improving capabilities and institutional capacities in the borrowing member countries; (ii) formulate and coordinate development strategies, plans and programs; (iii) support sector policy and issues oriented studies; (iv) strengthen development planning; (v) support the mobilization of resources by the borrowing countries; (vi) promote the transfer of technology and knowledge; and (vii) support the identification, preparation and implementation of pilot projects designed to test innovative ideas and to promote new responses to enduring development problems. The combination of the TC Policy objectives, the references of the Policy to the IDB Charter and the detailed list of areas included in the Policy's “fields of activities” make the TC Policy broadly consistent with the TC objectives identified by Management.

3.6 The three categories of TC identified in the TC guidelines, however, are not linked to clear objectives and have overlapping definitions. The TC categories in the taxonomy introduced by the 2011 TC Guidelines—operational support, client support and research and dissemination—do not have clear objectives and associated outcomes. The definitions of the three categories of TCs also overlap. The Guidelines indicate, for example, that “the most salient characteristic of client support TCs is that they are originated and requested by the borrowing member country or private sector client”, but they also state that “operational support TCs predominantly originate in response to a client request to support the design or execution of a given financial product.” According to the Guidelines definition, client support TCs can “contribute to upstream project studies”, which are often key to prepare a loan. Similarly, the Guidelines state that operational support TCs “may identify complementary TC activities to a financial product”, in addition to supporting preparation, execution and evaluation of a loan. Complementary activities to a financial product may be activities that support clients. Similarly, the Guidelines indicate that research and dissemination products “are key to support the countries and clients and ultimately serve operational purposes”, also

contributing to blurring the boundaries between this category, the client support and operational support categories.

- 3.7 **The TC taxonomy does not consistently distinguish the type of activities financed.** Consistent with overlapping definitions, client support, operational support, and research and dissemination TCs generate broadly similar types of products. The differences between different output groups—e.g., diagnostics and assessments, project studies and proposals and knowledge products—are also not clear. This lack of differentiation is reflected in the fact that TCs that support lending are not systematically categorized as operational support—particularly when the associated loan operation has not yet been defined at the time of registration—resulting in their categorization under other categories and limiting the taxonomy’s ability to reflect their intended use.
- 3.8 **While the current categorization allows a highly flexible usage of TCs, it makes it difficult to assess whether TCs contribute to the achievement of relevant outcomes per category.** While the current taxonomy grants flexibility to IDB staff and clients to map TCs across various categories and to maximize the use of available TC funds, it makes it difficult to assess the objectives and outcomes that TCs are intended to achieve at inception and whether they have achieved them at closure. *Prima facie*, the three TC categories appear to be mutually exclusive, such that they could be easily linked to different outcomes—pipeline development and improved quality of loan design and implementation for operational support, strengthened institutional capacity for client support, and development of country and sector-specific knowledge for research and dissemination. Yet, the flexibility allowed by the definitions of the three categories, the lack of objectives and outcomes by category, and the fact that the Bank does not systematically monitor and track TC results make it difficult to assess, at an aggregate level, what the three TC categories are intended to achieve and what they achieve in practice.
- 3.9 **IDBStrategy+ envisions an important—yet general—role for TC in advancing the Bank’s priorities.** *IDBStrategy+* presents TC primarily as the instrument through which the IDB generates and applies knowledge—both to identify country needs and to inform policy choices—and uses that knowledge to support governments in designing reforms and preparing projects. It also indicates that TC is expected to link early analysis to implementation, helping strengthen the ability of public institutions to carry out policies and operations effectively. In this way, it underpins a more focused and coordinated model of engagement, in which the Bank concentrates on a limited set of priorities and supports them through sequenced and complementary activities rather than isolated interventions. The strategy further suggests that TC can support research, impact evaluation, regional and global initiatives, work with subnational governments and state-owned enterprises, and piloting innovative solutions before scaling. While relevant, the references to TC in *IDBStrategy+* remain general, leaving room to better articulate both TC’s expected results and how TC could support the strategy ambitious goals of achieving impact at scale.

C. Alignment of the national TC portfolio with country needs and IDB strategies

- 3.10 **Most national deployed TCs responded to country priorities and needs.** Of the 88 national TCs reviewed in the purposive sample, 81 were aligned with priorities defined in National Development Plans, and only seven were partially

or not aligned. Interviews with government counterparts consistently described TCs as addressing important institutional needs. In Guatemala, the Ministry of Education identified the need for analytical inputs and guidance on teaching indigenous languages in classrooms, which the IDB translated into the design of the TC *Support for mainstreaming diversity issues* (GU-T1317/2020) to develop knowledge products and tools for bilingual education. Counterparts also emphasized the instrument's flexibility to adapt to evolving development priorities. In response to a change in priorities following a change in government in Chile, the TC *Assisting public expenditure quality and efficiency* (CH-T1237/2020) shifted from a narrow focus on a budget formulation system to institutional strengthening in evaluation methodologies, procurement reform, and green tax compensation mechanisms.

- 3.11 **The vast majority of national TCs were also aligned with the strategic objectives of the Country Strategies where they were deployed.** Eighty-six percent of the 88 national TCs assessed during the evaluation period were aligned with the objectives of the Country Strategies: 68% were fully aligned—linked to a specific strategic objective (SO) or expected result—while 18% were partially aligned, either because they were associated only with cross-cutting priorities or aligned with one Country Strategy in effect during their lifetime but not another. While the remaining 14% were not aligned with any SO or expected result, they responded to emerging government priorities or new areas of Bank work not contemplated in the Country Strategy at the time of approval and emergency conditions (including COVID-19). Alignment is strongest among operational support TCs (100% fully or partially aligned), followed by client support TCs (82%) and research and dissemination TCs (60%). Alignment with the Bank's cross-cutting themes⁸ is also widespread across the portfolio: 84% of TCs were fully aligned with at least one cross-cutting objective, 8% were partially aligned, and 8% were not aligned. Forty-seven percent of the TCs were aligned with the cross-cutting theme of institutional capacity, 44% with gender equality and 40% with climate change.
- 3.12 **Most national TCs emerge from ongoing dialogue between the Bank and country governments.** Nearly half (49%) of national TCs emerge from established working relationships between the Bank and the government, including joint problem identification, follow-on work building on prior diagnostics, or extensions of previous TCs or lending operations. Of the remaining cases, government-initiated TCs (32%) are more common than Bank-driven proposals (14%), underscoring the demand-responsive nature of the TC portfolio. A small residual share corresponds to TCs initiated in response to emerging policy windows, shifts in government priorities, or external shocks.
- 3.13 **Reference to Sector Framework Documents (SFDs) in national TC design is common but not systematic.** Of the 88 national TCs assessed, 64% explicitly cited alignment with an SFD, while 36% made no reference⁹. The absence of

⁸ For TCs approved in 2024 or later, objectives were assessed against the cross-cutting priorities of the Inter-American Development Bank Group institutional strategy (GN-3159-9): biodiversity, natural capital, and climate action; gender equality and inclusion; and institutional capacity, rule of law, and citizen security. For TCs approved before 2024, objectives were assessed against the cross-cutting priorities in the 2020–2023 institutional strategy update (GN-2933): gender equality and diversity; climate and environmental sustainability; and institutional capacity and rule of law.

⁹ The share of TCs not citing an SFD increased over time—from 29% of approvals in 2020 to 50% in 2023.

explicit reference could be related to TCs not being well aligned with the SFDs or to TCs responding to emerging sector needs that were not clearly reflected in the relevant SFD. When SFDs are cited, alignment is generally strong. Among the 56 TCs that referenced an SFD, 93% were assessed as fully aligned, with only a small minority rated as partially or not aligned, primarily because, although the TC was within the sector covered by the framework, its objectives did not clearly link to the specific priorities or results areas articulated in it.

- 3.14 **Across countries, counterparts consistently identify four main sources of value added from IDB national TCs.** First, access to specialized expertise not readily available in-house. In Chile, counterparts highlighted support in emerging areas such as green hydrogen and environmental standards, where the Bank contributed technical guidance and international experience that informed policy design. Second, faster contracting and strategic financing. In Guatemala, ministries noted that Bank procurement processes facilitated the hiring of firms and experts more quickly than under national systems, while non-reimbursable financing enabled diagnostics and tool development not covered by regular budgets. Third, support to implementation and loan execution. In Peru, counterparts emphasized the role of TCs in hiring technical experts and strengthening environmental and social frameworks to operationalize lending and sustain reform momentum during institutional transitions. Fourth, coordination, regional exchange, and credibility. In Trinidad and Tobago, counterparts underscored the Bank's convening power, its facilitation of regional knowledge exchange, and the credibility it brought to multi-stakeholder reform processes.

D. Alignment of regional TCs with IDB regional strategies

- 3.15 **During the evaluation period, the IDB lacked corporate regional strategic directions to orient regional TCs; the IDB Group introduced new subregional strategic frameworks since 2023.** The TC Framework indicates that regional TCs would be prioritized based on region-wide and subregional priorities set out in regional strategies. However, OVE did not identify any document that explicitly defines region-wide priorities for regional TCs during the evaluation period. In the absence of an explicit corporate reference, OVE used the "main challenges for the region" sections of the Sector Framework Documents (SFDs) as a proxy for regional priorities. Against this benchmark, alignment was generally high: of the 17 TCs that explicitly referenced one or more SFDs, 76% were fully aligned, and 24% were partially aligned. However, the challenges described in SFDs are often broad and not clearly prioritized, limiting their usefulness as a strategic guide for regional TC programming. It is worth noting that, since 2023, the IDB has been moving toward a more explicitly regional strategic focus. Four regional initiatives were launched, starting with Amazonia Forever in July 2023, followed by ONE Caribbean (February 2024), "América en el Centro" (November 2024), and South Connection (March 2025)—alongside other cross-cutting regional initiatives like BID for the Americas (September 2023) and the Alliance for Security, Justice, and Development (December 2024). This shift reflects a growing institutional recognition that interconnected regional challenges require a more structured regional programming approach.
- 3.16 **The justification for country inclusion in regional TCs is not consistently documented, which allows flexibility.** Document review indicates that the criteria for selecting beneficiary countries of regional TCs are not always clearly

articulated: in 11 of 24 regional TCs reviewed, selection criteria were not explicitly stated, and only 5 were designed to support a specific subregion¹⁰. Interviews with Bank staff suggest that broad eligibility often reflects two considerations: (i) maintaining flexibility to determine pilot countries during implementation and allowing additional countries to join as demand emerges; and (ii) pursuing regional objectives—particularly in research and dissemination TCs—aimed at generating knowledge products or tools of broad relevance, which do not require a formal country request. As a result, many regional TCs are approved with a tentative list of beneficiary countries that is subsequently revised during implementation.

¹⁰ These include one TC focused on trade facilitation and investment promotion in Central America (RG-T3824); three education TCs in Mesoamerica aimed at safe school reopening, learning recovery, and protecting educational trajectories for the most vulnerable populations (RG-T3742, RG-T3766, and RG-T3595); and one TC to develop a territorial framework for the Andean–Orinoco Amazon region (RG-T4173). Across these five cases, the criteria for country selection were clearly defined.

IV. USAGE

- 4.1 **This chapter assesses the use of TCs.** OVE based this assessment on portfolio analysis and on interviews with IDB staff. OVE defined TC usages based on Management's TC output classification at the "business line" and "output group" levels of aggregation¹¹. The identified usages were: supporting policy reform, institutional capacity, testing pilots, knowledge generation, government engagement and lending support. After describing methods and limitations, the chapter first focuses on TC supporting reforms, institutional strengthening, pilots and knowledge support. It then examines the role that TC plays in initiating engagement in new sectors and reactivating engagement after long periods of inactivity. Third, it assesses the relationship between TC and the preparation and execution of lending operations. Fourth, the chapter explores factors limiting the usage of TC outputs.
- 4.2 **The chapter relies on a sub-set of the full TC portfolio and two smaller samples.** OVE used a sub-set of the full TC portfolio for the overall TC usage assessment and a sample for an in-depth assessment of usage. The usage analysis is based on a portfolio of 3,990 TCs ("usage portfolio"), which is obtained as the full TC portfolio under review (4,774 TCs) minus TCs of a special nature, such as Intraregional TC Action Plan C+D and Emergency Response operations.¹² For a more in-depth assessment of TC usage, OVE relied on a sample of 406 TCs that closed between 2022 and 2025 and that have sufficient information in Convergence to assess TC usage. OVE also used a purposive sample of 88 TCs in Chile, Guatemala, Peru and Trinidad and Tobago to understand the factors that influenced the utilization of TC outputs and to draw examples across the six types of uses. Finally, OVE used regression analysis to estimate the association between the use of operational support TCs and loan execution.
- 4.3 **The usage analysis is subject to limitations due to shortcomings of the TC results frameworks and reporting.** First, while TCs are not required to include outcome indicators in their results matrices, 65% of the TCs under review in this evaluation (2,578 of 3,990) do include some outcome indicators. However, OVE's review of the 5,601 indicators registered for these operations shows that only 35% capture actual outcomes—such as the adoption or effective use of a practice, tool, or framework—while the remaining 65% measure outputs (e.g., studies produced, training delivered, or systems developed). Second, IDB's reporting on the use of TC outputs is also limited. TCs have been required to report on output use since 2022. During 2022–2025, 96% of closed TCs (1,291 of 1,351) included such information in Convergence. However, the quality of reporting is uneven. Among TCs with available information, only 31% (406 of 1291) provide evidence of use—demonstrating how outputs informed policy reforms, strengthened institutions, or supported decision-making. In addition, 41% percent of reviewed TCs (532 of

¹¹ The 10 business lines that aggregate 40 output groups which in turn aggregate 106 output indicators are: evaluation, institutional capacity, outreach and dissemination, pilots, project execution, project preparation, public-private partnerships, reforms, strategic knowledge, and upstream business development.

¹² Action Plan C+D resources are allocated to C+D countries to respond flexibly and quickly to emerging short-term needs. They finance a variety of small consultancies and events at the discretion of the country office. Intraregional TC (CT-Intra) finances training trips of government officials. Emergency response TC finances humanitarian aid following a natural disaster.

1,291) lacks sufficient detail to assess use, including reports that describe completed activities but provide general or prospective statements about their application even when the operations are closed. Monitoring reports do not also explicitly refer to instances in which products were not used or to the reasons for non-use. Third, the institution does not systematically track or report on some of the main institutional roles of TCs, such as their contribution to generating new operations or supporting the execution of the investment portfolio. As a result, it is not possible to assess whether TCs effectively contribute to pipeline development or improve implementation performance.

A. Reforms, institutional strengthening, pilots and knowledge support

4.4 While many TCs are classified as supporting “reforms,” only a subset contributes to policy, regulatory, or strategic changes. Sixty-two percent of TCs under evaluation (2,473 of 3,990) include at least one output that the Bank classifies as “reform”. The Bank’s “reform” output category is broad, including diagnostics, policy work, action plans, strategies, regulatory frameworks and legislation (among other outputs). An in-depth analysis conducted by OVE classified the 3,990 TCs in scope based on whether their primary aim was to support policy reform. A TC was considered as supporting policy reform if its objectives, activities, or outputs explicitly aimed to contribute to the development, modification, or implementation of public policies, laws, regulations, or institutional frameworks, at the national or subnational level. The analysis indicates that approximately 36% of these TCs (1,429 out of 3,990) support policies, regulatory and strategy changes or (in a small share) facilitate stakeholder consultation or consensus-building processes to support reforms. TCs that were used to inform policies include, for example, the “Support for the Modernization of the Energy Sector of Chile with a Citizen-Based Approach TC (CH-T1228/2020), which contributed to the implementation of the Energy Efficiency Law and informed the National Electromobility Strategy by defining key technical parameters for integrating flexibility into the electricity grid, developing blueprint for the digitalization of the energy sector and providing inputs to shape the national agenda for Chile’s second energy transition.

4.5 Institutional capacity-building TCs informed a set of broad activities, including policy reforms, strengthening of operational processes, support service delivery, and, to a lesser extent, lending preparation. Fifty-four percent of TCs (2,139 of 3,990) included at least one output categorized as institutional capacity. TCs with institutional capacity outputs mainly delivered training (57%, 1,219 TCs) and institutional strengthening (40%, 853 TCs). Of the 812 TCs closed during 2022-2025 that included capacity building outputs, 19% (154 TCs) provide evidence sufficient information to assess use. OVE identified four main (not mutually exclusive) uses of these 154 TCs. First, outputs informed policy or institutional decision-making (95 cases out of 154), such as diagnostics and analytical tools used in the design of reforms or frameworks—for example, studies under the “Support to improve pensions in Chile” TC (CH-T1279/2022) informed the development of Chile’s pension reform approved in 2025. Second, outputs were incorporated into institutional processes, including manuals, systems, and assessments (66 out of 154) —for instance, climate and risk analyses in the “Support for the mainstreaming of Climate Change in key sectors of Guatemala” TC (GU-T1345/2023) informed emissions regulations and infrastructure planning. Third, training and capacity-building activities (44 cases out of 154) on a wide

range of topics (including digital skills and information systems, environmental sustainability, education, health services, labor and vocational skills, among others). These trainings achieved the target number of participants, but reporting often does not specify how acquired skills were subsequently applied. Finally, a smaller group of institutional capacity building outputs (19 cases out of 154) contributed to the preparation of lending operations.

- 4.6 **TCs supporting pilots have had three main uses: informing lending operations, informing policy decisions, and modifying the functioning of beneficiary institutions.** Sixteen percent of TCs (627 of 3,990) included at least one pilot among their outputs. OVE identified three main activities that supported pilots: (i) testing the functioning of technology-based tools or systems; (ii) testing beneficiary-focused interventions that deliver services or training; and (iii) testing new processes or methodologies for institutional capacity building. Of the 260 TCs closed during 2022-2025 that included pilots and reported on output use, 34% (88) provide evidence sufficient information to assess use. OVE identified three main uses of these 88 pilots. First, pilot results were incorporated into the design or preparation of IDB lending operations, including governance mechanisms for labor market skills, green jobs training methodologies, and housing and urban data systems. Second, pilots informed public policy decisions outside Bank-financed operations, either by contributing to regulatory changes—such as an autonomous vehicles pilot informing national legislation—or by supporting programmatic adjustments, such as drone-based road assessments used in national programs and rental subsidy pilots later scaled to reach over 3,000 households. Third, pilots were absorbed into the regular operations of beneficiary institutions, including data collection pilots that changed how national statistics institutes conduct household surveys and digital skills bootcamps that were subsequently institutionalized. Despite this evidence, the absence of systematic tracking of pilot results and their post-implementation use limits the Bank’s ability to measure and report their contribution to outcomes.
- 4.7 **Knowledge products financed by TCs are used for policy reform, academic discussions, program redesign, lending operations, and monitoring.** In the “knowledge products” category, OVE included the *knowledge products*, *impact evaluation*, and *new databases* output groups.¹³ Based on this classification, 36% percent of TCs (1,442 out of 3,990) have at least one output identified in this *knowledge products* category. Within this subset, the main types of outputs were: (i) analytical outputs that inform policy design or loan preparation, including technical notes (36%), as well as working papers, discussion papers, and policy briefs, (ii) impact evaluations and evidence-generation products, which account for 11% of outputs; and (iii) databases, which account for 15% of outputs. Of the 501 TCs closed during 2022-2025 that included knowledge products and reported on output use, 33% (167) provide sufficient evidence to assess use. Policy reform and legislation are the most frequent uses of TC-funded knowledge products, with studies, diagnostics, and technical documents informing regulatory decrees, national strategies, legislation, and budget frameworks. Academic and knowledge dissemination is the second most common use, including publication, downloads,

¹³ Based on the description of knowledge products included in the Inter-American Development Bank Publications Policy and Procedures ([AM-331](#)), OVE included impact evaluations, and new databases. These output groups are classified under the business lines of outreach and dissemination, evaluation and strategic knowledge.

conference presentations, and dissemination through blogs and policy forums. The third is program redesign and scaling, where knowledge products—primarily evaluation findings and research evidence—are used to inform decisions to adjust, replicate, or expand programs. Loan and investment operation preparation is another recurring use, as technical notes, feasibility studies, diagnostics, and databases are referenced as direct inputs into the design, eligibility, or disbursement conditions of IDB lending operations. Finally, monitoring and management is also a relevant use, with databases, assessment tools, and diagnostic outputs supporting indicator tracking, registry management, and operational decision-making within government agencies.

B. Engagement

- 4.8 TCs play a central role in initiating the IDB’s engagement in new sectors, although there is limited evidence on the extent to which this engagement translates into subsequent lending.** OVE found that when the Bank begins work in a new sector within a country, it relies on TCs (of any type, including operational support, client support or research and dissemination) as the entry point to start a dialogue with the country in 82% of the cases (with an additional 6% combining TCs with other instruments, and 12% initiated through investment loans). (Annex II) The TC *Support to the Digital Connectivity Strategy in Trinidad and Tobago* TC (TT-T1127/2022), for example, supported the development of a national broadband plan, consistently with the IDB Group Country Strategy 2021–2025, which had digital transformation as a priority. The TC applied methodologies previously used by the IDB in other countries to address data gaps on network infrastructure, regulatory and market conditions, and unmet demand, and it estimated the investments needed to expand coverage. The findings of the TC were included in a National Broadband Plan that is currently pending legislative ratification. The Bank does not, however, systematically track whether and when TCs contribute to the development of subsequent operations, limiting its ability to assess their role in building the lending pipeline.
- 4.9 TC has also proven critical in reactivating the IDB’s engagement after long periods of inactivity.** OVE identified instances of inactivity—defined as periods of five years or more without any IDB TC or lending operation—in specific sectors within countries, and found that in 81% of these cases, the dialogue with the country was reinitiated through TCs (of any type, including operational support, client support or research and dissemination). In an additional 8% of cases, TCs were combined with other instruments, while in 6% of cases the dialogue was reactivated through loans and in 4% of cases through a combination of various instruments. (Annex II) The Chile *Innovation and Institutional Strengthening for Food Security* (CH-T1261/2021) TC, for example, reactivated IDB engagement in Chile’s agriculture and rural development sector after a 25-year hiatus. The TC supported the Government in implementing the country’s National Rural Development Policy through a public consultation process to define targets and priority actions focused on a diagnostic of high-impact rural public investments, an evaluation system for such investments and the identification of additional measures to support implementation of the policy. The IDB subsequently approved additional TCs in Chile’s agriculture and rural development sector since 2021 as well as an investment loan in 2024.

C. Lending preparation and execution

- 4.10 **Most loans are accompanied by operational support TCs, underscoring their centrality for the IDB portfolio. However, the relationship between the outputs produced by TCs and the preparation and execution of lending operations is not systematically captured in IDB systems.** Approximately 63% of 890 loans (including 712 investment and 178 policy-based loans) approved between 2015 and 2024 had at least one operational support TC linked to them (64% for Investment loans and 58% for PBLs) in the Bank's systems. (Annex II). However, information on TC–loan linkages is not consistently recorded, limiting the Bank's ability to monitor or assess this relationship. Evidence from the purposive sample reinforces this gap: of the 88 national TCs reviewed, 28 (32%) supported Investment Loans. Twenty of these (71%) were classified as operational support, while seven (25%) were classified as client support and one (4%) as Research and dissemination. Client support and research and dissemination TCs generated analytical, policy, and institutional outputs that made subsequent loan preparation feasible or shaped the design of ongoing operations. Fourteen TCs in the purposive sample (16% of the 88 TCs in the purposive sample) supported PBLs. Nine of these (64% of 14) were classified as operational support and formally linked to a PBL in the IDB systems, while the other five (36%) were classified as client support TCs. Among these 14 cases, six clearly articulated the linkage between TC outputs and their use for loan preparation, five identified the linkage at design but did not report how outputs supported PBL policy actions, and three—although linked in Convergence—provided no concrete evidence of contribution of the TC outputs to support PBLs. These findings are consistent with OVE's 2024 evaluation of Policy-Based Lending ([RE-582-2](#)), suggesting that the actual use of TCs in support of lending is significantly higher than what is captured in official databases. Beyond linkage, the Bank does not systematically track how TC-supported analytical work contributes to the design or implementation of policy actions or how support to investment loans affects their design or execution performance.
- 4.11 **Operational support TCs are more frequently deployed in investment operations facing greater operational complexity.** OVE conducted empirical work that demonstrates that loans with operational support TCs tend to have longer execution time, more extensions and spend slightly more time in alert or problem status (as reflected in Project Monitoring Report ratings) than loans without support. These differences are statistically significant. However, the reasons for these differences should be interpreted with caution. To better understand them, OVE used a proxy for complexity based on the expected closure date at approval, since more complex loans are typically designed with longer execution timelines. The analysis shows that Investment Loans supported by at least one operational support TC were initially expected to take about 123 to 156 days longer to complete than those without support, suggesting that operational support TCs tend to accompany inherently more complex operations. (Annex II). For example, in Guatemala, a TC *REDD+ Strategy Support to Consolidate the Deforestation Agents Approach* (GU-T1310/2020) complemented an investment loan (GU-L1165/2020) aimed at reducing deforestation under the REDD+ framework. The operation required coordination across multiple institutions and compliance with complex donor and technical requirements, which exceeded the executing agency's capacity. The TC provided targeted support for coordination, monitoring, and compliance, helping address implementation bottlenecks and enabling the operation to advance.

D. Factors limiting usage of TC outputs

4.12 **Counterparts report that about half of the products that TCs deliver are underutilized mostly due to institutional and political factors.** OVE assessed the degree of use of each of the 88 national TC in the purposive sample through desk review and interviews¹⁴, classifying operations as: (i) fully used, when outputs were used for their intended purpose at design; (ii) partially used, when one or more outputs were only partially used or used for purposes different from those originally intended; and (iii) not used, when no evidence of use of the outputs was identified. Based on this assessment, OVE found that 49% (43 of 88) of the national TCs had outputs that were either partially used or not used. Partial or no use of outputs was primarily driven by institutional and political factors arising after delivery. The most common factor was the loss of political leadership and turnover of key counterparts. For example, the TC on National Development and Population Policy in Guatemala (GU-T1334/2022) produced a robust diagnostic to update the National Development and Population Policy that was neither validated nor adopted due to shifts in political priorities. A second factor was the absence of enabling conditions, such as financing mechanisms, regulatory instruments, or institutional arrangements, to support uptake. For instance, under the TC *Assessment for the Establishment of Habitat Banks in Peru* (PE-T1481/2021), all planned outputs were completed, including diagnostic analyses and pilot design concepts for habitat banks—a market-based mechanism for biodiversity compensation. However, these mechanisms could not be operationalized because the required regulatory framework—including a Supreme Decree and revisions to the administrative procedures framework (TUPA)—was not yet in place, leaving outputs as foundational inputs for future policy development rather than operational instruments. Third, fiscal and budgetary constraints limited implementation. In Trinidad and Tobago, *Improving Mobility in Trinidad and Tobago* (TT-T1099/2021) generated outputs related to institutional reform and electronic payment systems that were not implemented due to financing needs and the absence of high-level decisions, although lower-cost digital tools were adopted. Overall, these patterns suggest that partial use of TC outputs is largely driven by constraints outside Management's control, and that many products remain as enabling inputs for future decisions, contingent on favorable institutional and financial conditions.

¹⁴ The analysis of the use of TC products is not exhaustive. As individual TCs typically finance numerous outputs, findings on use and non-use are based on the most relevant products identified through desk review and interviews, and do not cover the full universe of TC-financed outputs.

V. THE IDB'S INSTITUTIONAL MODEL FOR TC

- 5.1 **This chapter evaluates the IDB institutional model for TC.** The institutional model comprises the policies that govern TC (the TC Policy, Framework, Operating Guidelines and M&E Guidelines), the strategies that orient TCs, and the TC operational model: the processes and practices through which the IDB manages TCs, including prioritization, funding (through the OC SDP and donors), approval, execution, and monitoring and evaluation. The institutional model is depicted in Figure 1.1 and is a central element of the theory of change (Figure 2.1) as conducive policies, strategies and practices are essential for TC usage and achievement of outcomes.
- 5.2 **OVE evaluated the TC institutional model by assessing its coherence—i.e., the alignment of its parts—to achieve development outcomes.** To conduct this assessment, OVE used the “internal coherence” criterion, which evaluates the extent to which “an institution acts as a coordinated, internally consistent system in pursuit of development results.”¹⁵ Internal coherence entails, for example, strategic coherence (e.g., alignment between corporate strategies, sector frameworks and country programs) and organizational coherence (e.g., coordination across departments) to achieve development outcomes. First, OVE assessed the extent to which TC prioritization, approval and funding processes enabled alignment of TC with institutional priorities, adaptability to emerging needs and outcome achievement. Second OVE assessed the extent to which: (i) TC execution was consistent with the TC Policy and whether its management was conducive to effective use of the instrument; and (ii) TC M&E practices and system enabled measurement of results that facilitate monitoring and assessing TC usage, outcome achievement and learning.
- 5.3 **This chapter is divided into four parts.** It assesses the coherence of the overall TC institutional model, including (a) prioritization and approval, (b) funding, (c) execution and (d) monitoring and evaluation.
- A. TC prioritization and approval**
- 5.4 **The 2011 TC Guidelines introduced important recommendations to increase the coherence of TC prioritization with the institution's programming processes.** The 2011 operational guidelines identified the *ad hoc*, fragmented nature of the TC approval process at the time and recommended aligning TC programming with institutional programming. Following approval of the guidelines, the Bank introduced annual programming complemented by rolling-basis processes for all TCs. These include the Bank's annual programming exercises (for national TCs), regional programming exercises (for regional TCs), rolling approvals based on ongoing dialogue with country authorities, and, in some cases, calls for proposals.
- 5.5 **Current TC prioritization processes balance structured programming with flexible mechanisms, aligning TCs with institutional priorities.** Annual programming exercises have strengthened the TC prioritization process by improving planning, aligning TCs with institutional, country and sector strategies,

¹⁵ OECD DAC (Organization for Economic Co-operation and Development, Development Assistance Committee). 2019. *Better Criteria for Better Evaluation: Revised Evaluation Criteria Definitions and Principles for Use*. OECD Publishing, Paris. <https://doi.org/10.1787/15a9c26b-en>.

and enabling early identification of operations and discussion around their priorities. The annual country and regional programming exercises also provide structure to the TC prioritization process by establishing clear timelines for proposal preparation and encouraging early discussions on operation prioritization between the Vice Presidency for Countries (VPC) and the Vice Presidency for Sectors (VPS). Identification on a rolling basis and calls for proposals complement the annual programming exercises, giving staff the opportunity to submit TC proposals throughout the year to respond to emerging priorities or urgent needs, ensuring adaptive change management—an important principle of the institution’s development effectiveness policy framework-

- 5.6 **Country programming exercises are generally good predictors of TC approvals.** Country Programming Documents are generally good predictors of TC approvals: between 2017¹⁶ and 2024, 63% of TCs in Country Programming Documents were approved within the same calendar year, and 72% were approved either during the Country Programming Document year or subsequently.¹⁷ Approval rates have generally increased over time, with a temporary decline in 2020–2021—likely reflecting emerging needs during the COVID-19 pandemic—followed by a recovery that surpassed pre-pandemic levels. Approximately half of national TCs are identified through the annual programming exercise, while the remainder are approved on a rolling basis or through calls for proposals.
- 5.7 **National TCs are prioritized based mainly on their alignment with country strategies, with a focus on TCs that support lending.** Alignment with country strategies varies in practice: interviews suggest that some Country Representatives approve only TCs fully aligned with the country strategy, while others allow some flexibility to account for emerging priorities, including those that arise toward the end of the strategy period, when discussions on the next country strategy are already underway. Within this framework, country offices tend to prioritize TCs that support the lending portfolio, indicating that the administrative budget is often insufficient to cover the full costs of loan preparation and supervision. A second priority is given to TCs that help develop the future lending pipeline. Interviews with IDB staff indicate that TC resources are essential for enabling project teams to undertake upstream analytical work to develop new projects, and to implement them, and point to insufficient administrative budget for this work. As a result, TC funding is considered a key contributor to the identification, preparation and delivery of the lending program. In countries for which the Bank’s financing is less competitive relative to alternative sources, prioritization aims at sustaining the Bank’s dialogue with governments and promoting IDB as a development partner.
- 5.8 **Involvement of both VPS and VPC in the country TC approval process supports alignment of TCs with both country and sector priorities.** As part of the single window funding eligibility review, both VPS and VPC have to reconfirm the priority level of the proposed TCs, to ensure that they remain relevant (through the TCDM). This happens regardless of how a TC was initially prioritized—whether

¹⁶ Programming information at the operation level is only available starting in 2017 for country programming and from 2022 for regional programming.

¹⁷ Because CPDs include the country lending pipeline, TCs that support lending operations tend to show higher predictability (71%) than client-support TCs (58%). Research and dissemination TCs are rarely included in CPDs, reflecting their more Bank-driven nature.

through programming exercises, the rolling basis process, or calls for proposals – and contributes to alignment of TCs with both country and sector priorities. While VPC and VPS collaborate both in the Country programming exercise and during the single window review, VPC retains final decision-making authority in the Country Programming Document, reinforcing its central role in prioritization at the country level.

- 5.9 **The regional programming exercise introduces a structured process of prioritization and approval, which involves all relevant actors.** Regional TCs financed through OC-SDP resources follow a separate annual prioritization exercise, which was introduced in 2022 and subsequently refined. On average, 40% of approved regional TCs between 2022 and 2024 were prioritized through the regional programming process, which is reflected in the Regional Programming and Prioritization Document (RPPD), while the rest were approved on a rolling basis or through calls for proposals. Regional prioritization, which involves both VPC and VPS through designated focal points, envisions the application of specific prioritization criteria, namely: clarity of objectives, alignment with institutional and country priorities, value for money, contribution to lending operations or policy dialogue, and relevance to sector or country needs. The process functions largely as a call for proposals competing for a finite envelope. It establishes clear timelines for proposal submission, sequenced stages for review and evaluation, and defined responsibilities across GPS, VPC, and VPS. It applies explicit criteria—scored on a defined scale and aggregated into an overall score—that generate an initial ranked list, which is subsequently reviewed by VPC and VPS.
- 5.10 **The regional TC prioritization process is insufficiently connected to country-level engagement, particularly for TCs outside the OC SDP regional programming exercise.** The regional programming process for TCs financed through OC-SDP resources has undergone various iterations in the past few years, with annual guidelines introducing adjustments to address shortcomings identified in previous cycles. However, this process covers only around 40% of approved regional TCs. The remaining regional TCs are prioritized through less structured processes that tend to concentrate decision-making at headquarters. Country offices report not being consistently involved in prioritization decisions and, in some cases, only becoming informed of regional TCs involving their countries during implementation. In addition, TC team leaders report limited understanding of how prioritization decisions are made, particularly for regional TCs prioritized outside the programming process.
- 5.11 **Complex and fragmented prioritization processes overburden TC.** National TCs are expected to derive guidance on strategic selectivity from country strategies, as envisaged in the new country strategy guidelines, but it remains uncertain how explicit and operational these strategies will be in guiding TC decisions. A similar uncertainty applies to regional TCs, where Thematic Framework Documents and Regional Programs are intended to guide prioritization within regions, but have so far provided limited strategic direction. In practice, TC navigates a complex prioritization, funding, and approval process that must comply with certain parameters related to geographic scope, taxonomy, country minimums, in addition to institutional, country, regional, and thematic strategies, OC SDP pillars, and donor agreements.
- 5.12 **TC's potential contributions to the objectives and outcomes of *IDBStrategy+* are limited by insufficient guidance.** *IDBStrategy+* acknowledges the need for

a more strategic use of TCs but it does not specify what this entails. The TC taxonomy is not outcome oriented and it does not provide guidance on the strategic uses of the three categories of TC. These features reduce TC selectivity – the likelihood of focusing TCs on interventions that have the potential to contribute to the institutional strategy’s ambitious goal of scaling for impact.

B. TC funding

5.13 **Over the evaluation period, the OC SDP has evolved through three successive configurations.** These changes have been driven by the need to consolidate the multiplicity of existing special programs (before 2016), align with Bank reforms and optimize the use and effectiveness of TC resources (in 2021), and align with *IDBStrategy+* (in 2024) (Table 5.1). The most recent ordinary capital structure (approved in 2025) has three pillars: (i) strategic priorities and annual and multiannual initiatives, (ii) rapid and reliable response programs, including support to small and vulnerable countries and emergency situations, and (iii) core operational and analytical work.

Table 5.1: Changes in the OC SDP structure during the evaluation period

Period	Description of the structure	Reason for the changes
2016-2021	Structure based on six Strategic Development Programs (SDP) that mirrored the organization of the Bank’s structure at the time: <ul style="list-style-type: none"> • SDP for countries. • Five thematic SDP: infrastructure, institutions, integration, social development, and sustainability. 	<ul style="list-style-type: none"> • Consolidate the multiplicity of special programs created and give them a rationale.
2021-2025	Structure based on three Windows: <ul style="list-style-type: none"> • Window 1, Core Commitments: flagship areas related to the lending program and specific client and knowledge needs. • Window 2, Priority Areas: six thematic areas and inclusive economic growth. • Window 3, Emerging Needs: new areas. 	<ul style="list-style-type: none"> • Changes within the broader context of Bank reforms for Operational Excellence. • Optimize the deployment of TC resources and enhance their effectiveness.
2025 onwards	Structure based on three pillars: <ul style="list-style-type: none"> • Pillar 1, Strategic Priorities: regional programs and initiatives, support for innovative financing instruments, and global positioning and strategic engagement. • Pillar 2, Rapid/Reliable Response Programs: Targeted Response to C and D countries, Emergency Assistance for Disasters, and Low-Income Country Support. • Pillar 3, Core Operational and Analytical Work: support to the Bank’s core operations, including origination and project preparation, project execution and monitoring, and capacity-building and knowledge generation. 	<ul style="list-style-type: none"> • Improve alignment with the new institutional strategy (<i>IDBStrategy+</i>).

Source: OVE based on OC SDP architecture documents: [GN-2819-1](#) (2016), [GN-2819-14](#) (2021) and [GN-2819-25](#) (2025).

Note: OC SDP = Ordinary Capital Strategic Development Program(s).

5.14 **The changes that Management has introduced to the OC SDP fund allocation over the past decade have improved flexibility in the use of resources, consistent with the TC Guidelines and the institutional focus on adaptive management.** The 2014 OVE evaluation identified high and persistent unspent TC balances driven by rigid earmarking and under-execution. The three most recent OC SDP documents have progressively incorporated flexibility in resource allocation to mitigate these risks and increase allocation of resources to TCs. The

2016 reform consolidated 19 funds into six OC SDPs, simplifying administration and introducing an initial degree of flexibility through the Flexibilization Resources, but retained sectoral silos that limited responsiveness. The 2021 reform allowed reallocations across windows to avoid leaving resources fragmented across siloed funds. It also established a dedicated channel for new priorities—Window 3 (Emerging Needs)—which enabled Management to launch or scale flagship initiatives without creating new OC SDPs. In parallel, mid-year execution reviews and enhanced portfolio management tools facilitated in-year reprogramming, and the introduction of allocation parameters (for example, a cap on regional TCs and a country-access floor) to preserve portfolio balance while permitting adjustments as demand and implementation performance evolved. The 2025 OC SDP document further strengthened flexibility in three ways: (i) by reserving Pillar 1 for strategic priorities with explicitly flexible financing criteria; (ii) by allocating resources directly at the pillar level, eliminating the indicative targets previously applied within pillars; and (iii) by revising the resource allocation methodology, replacing historically anchored shares with forward-looking criteria, including work-program costing for Pillars 1 and 3. As a result of the measures applied over time, TC carryovers and cancellations have remained at an average of 7% from 2017 onward, compared to an average of 49% between 2005-2013 as reported by OVE in 2014.

- 5.15 **Like the governance of the prioritization and approval model, the OC SDP funding allocation envisions involvement of all relevant actors.** The funding allocation is prepared by GPS with inputs from both VPC and VPS, with the aim of ensuring a balance between country and sector perspectives.
- 5.16 **Preliminary evidence points to coherence on the use of ordinary capital and donor funds, with donor funds complementing OC SPD funds in supporting achievement of the institutional priorities.** Quantitative analysis shows a moderate positive and significant correlation between donor funding and OC SDP allocations at the sector–year level (0.32), with regression results indicating that a \$0.25 in OC SDP funding is associated with a \$1 increase in donor funding in the same sector and year.¹⁸ Although these results do not imply causation, they suggest that donor resources tend to concentrate in sectors and countries that also receive higher OC SDP funding, consistent with complementarity rather than substitution between funding sources and indicating that donor funds fill financing gaps rather than setting TC priorities. This pattern is consistent with interview evidence across the Bank—including team leaders, Division Chiefs, TC focal points, and GCM staff—who indicated that donor funding is typically used to complement available resources rather than to define TC priorities. Teams generally conceptualize TCs based on operational needs and subsequently identify appropriate funding sources, allocating donor resources to operations aligned with donor priorities and relying on OC SDP funding for the remaining activities.
- 5.17 **The resource management model drives competition for TC resources, pushing teams to secure funding early.** Resources are formally allocated to TCs only after individual TCs access the single window and obtain financing. This creates a partially first-come, first-served logic that incentivizes reaching the single window early—a risk already identified in the 2014 OVE evaluation, which noted pressures to commit funds early in the year, potentially at the expense of design

¹⁸ Further disaggregation of the data by sector, year, funding source, and country produced similar results.

quality. Interview evidence for this evaluation suggests these pressures persist, as teams continue to seek early access to “reserve” resources. In fact, about two-thirds of OC SDP resources are already committed by June, and 85% by August. The risk that pressure to secure resources early could compromise TC design quality is partly mitigated by GPS deadlines requiring TCs to complete the full preparation process and obtain final approval within four months for client support and research and dissemination TCs, and six months for operational support TCs, once financing is secured. Only 2.3% of TCs (92 of 3952 approved in the evaluation period) failed to meet this requirement. Although the evidence is not conclusive, it suggests that deadline requirements discourage teams from submitting proposals that are not sufficiently mature to the single window, as teams are generally able to prepare TC packages and complete the QRR within the stipulated timelines. This suggests that, although incentives to secure resources early remain, there is no evidence that they have impeded developing TC packages with the expected quality level to go through the QRR within stipulated timelines.

- 5.18 **The 2025 OC SDP structure is consistent with the *IDBStrategy+* thematic focus, but not with its result-based orientation.** The 2025 OC-SPD architecture introduced improvements and greater flexibility in the allocation of resources, while realigning with evolving corporate priorities. In particular, the thematic areas under Pillar 3 are consistent with the operational focus areas defined in *IDBStrategy+*, while Pillar 1 establishes a flexible funding envelope for flagship initiatives and cross-cutting priorities. Despite this alignment and increased flexibility, the OC SDP lacks a results framework at the pillar level to define and track outputs and outcomes. This limits the extent to which the allocation of TC resources can be linked to measurable results and is not consistent with the results-based orientation and “impact for scale” ambition of the *IDBStrategy+*.
- 5.19 **The Bank’s lack of definition of how TC is expected to contribute to *IDBStrategy+* also weakens coherence across funding sources.** There is no overarching document that defines how TC is expected to contribute to the *IDBStrategy+* in a way that applies consistently to both OC SDP resources and donor funds. The OC SDP architecture identifies three pillars and sub-pillars—covering 13 priorities—but these function as an organizing framework to allocate funds rather than as a strategic reference. TC donor resources are governed by fund-specific arrangements and the institution does not have a chapeau strategy to guide the overall deployment of TC funds.

C. TC execution

- 5.20 **The execution of TC operations is predominantly carried out by the Bank, although the TC policy establishes Bank execution as an exception rather than the standard modality.** The 2008 Technical Cooperation Policy ([GN-2470-2](#)) allows the Bank to initiate and execute TCs in areas of its expertise with the concurrence of beneficiary countries and alignment with country or regional strategies. The policy and subsequent procedures (OP-619-4, 2021) also specify that Bank execution—particularly the selection and contracting of consultants on behalf of beneficiaries—should occur only in exceptional cases for operational support and client support TCs. Research and dissemination TCs are an exception to this principle, as they are Bank-initiated by design and therefore do not require a counterpart responsible for execution. In practice, however, the IDB serves as the executing agency for 89% of all TCs (86% considering only operational support

and client support), indicating that Bank execution has effectively become the norm rather than the exception. Bank execution has also increased significantly over time. Between 2004 and 2014, IDB-executed TCs represented about 60% of the portfolio. Over the evaluation period, the Bank executed 88% of the regional TCs and 89% of the national TCs. Among the relatively small share of TCs not executed by the Bank, implementation is primarily entrusted to public sector institutions—such as line ministries, sector agencies, and regulatory authorities—which account for 42% of cases. Non-profit organizations and NGOs execute 25%, while intergovernmental and international organizations account for 12%, financial institutions 10%, with the remainder implemented by other organizations such as financial institutions, academia and foundations.

- 5.21 **Bank execution is often driven by operational considerations that make it a practical solution—both for client countries and for the IDB—to improve effective use of TC.** Bank execution reflects demand from counterparts and operational factors affecting implementation. Interviews with IDB staff and counterparts point to four main drivers of Bank execution: (i) limited incentives for government entities to assume execution responsibilities, (ii) lengthy national procedures for TC approval, (iii) operational or technical capacity constraints in specific government institutions, and (iv) the need to ensure continuity and coordination. First, in some contexts, government entities have little incentive to assume execution responsibilities. For example, in Chile, TC resources are transferred through the Ministry of Finance and do not increase line-ministry budgets, reducing incentives for ministries to undertake the administrative effort required to execute them. Second, national procedures can significantly delay government execution¹⁹. In Guatemala, all externally financed operations must be cleared through SEGEPLAN (Secretaría de Planificación y Programación de la Presidencia), which can significantly delay implementation, leading counterparts to request Bank execution. Third, capacity constraints—particularly for technically complex or multi-ministerial TCs—also contribute to the use of Bank execution, as noted in Guatemala and Trinidad and Tobago. Finally, Bank execution is sometimes used to ensure continuity in contexts of institutional or political instability. In Peru, frequent government turnover and administrative requirements under the national investment system (Invierte.pe) make Bank technical oversight important for maintaining continuity and ensuring delivery of the planned outputs. As indicated in section B of this chapter, teams also rely on executing operational support TCs to complement limited operational resources available for loan preparation and implementation, providing additional flexibility to advance analytical work and technical activities associated with lending operations.
- 5.22 **TCs executed by the Bank tend to be implemented more quickly and have lower cancellation rates than those executed by government counterparts, but limit opportunities to strengthen execution capacity in counterpart institutions.** Execution through government agencies or other institutions typically involves additional administrative steps and approval procedures, which can lengthen implementation timelines. Consistent with this, TCs implemented by clients or other partners take on average about 10 months longer to complete than

¹⁹ Particularly in contexts where government budget procedures and legal approval requirements create significant delays or risks of cancellation, and where donor milestones require predictable, time-bound execution.

those executed by the IDB.²⁰ Although IDB-executed TCs have longer extensions (329 days vs. 279 for client-executed TCs), they are also designed with shorter expected implementation periods (884 days vs. 1,108 for client-executed TCs). Bank-executed TCs also have lower average cancellation rates, while overall performance—as measured by scores from the TC Delivery Indicator²¹—remains broadly similar regardless of the executing entity. Interviews with IDB staff suggest that these differences reflect operational advantages associated with Bank execution, particularly greater agility in mobilizing resources and flexibility to adapt activities during implementation. Bank execution limits, however opportunities to strengthen execution capacity within counterpart institutions, transfer of technical know-how, and reduce government ownership of activities.

- 5.23 **The main implementation challenges reported by IDB staff and counterparts for Bank-executed TCs are government transitions and shifting priorities, administrative processes and execution capacity, coordination and ownership, and legal or regulatory constraints.** Interviews with IDB staff and counterparts identified that the most frequent challenge relates to government transitions and shifting priorities as the most frequent challenge, affecting 45% of TCs. Changes in administration, turnover in senior leadership, and shifts in policy direction often disrupted continuity of implementation; in several cases, reforms lost momentum when key officials departed or newly appointed authorities declined to advance studies or outputs developed under previous administrations. In these situations, the flexibility of TCs—particularly their ability to adjust activities or scope without altering the main objective and having to formally reformulate—often allowed teams to adapt or rescope activities to align with evolving government priorities. Administrative processes and capacity constraints were reported in 43% of TCs, including procurement delays, complex approval procedures, documentation requirements, and limited staffing capacity within beneficiary entities. In some cases, procurement timelines were extended due to compliance requirements in national systems or Bank procedures. Staff report that TC management generates a significant administrative workload overall, including procurement processing, financial reporting, oversight of consultants and contract management. Country offices have adopted different approaches to manage this workload. In Peru, for example, a dedicated task force with two full-time analysts was established to handle roughly half of TC-related administrative tasks, allowing more experienced staff to focus on operational and strategic activities. Coordination and ownership challenges were also common (37% of TCs), particularly in operations involving multiple ministries or agencies, where fragmented mandates, unclear allocation of responsibilities, or limited counterpart engagement slowed implementation. Finally, legal and regulatory constraints affected 18% of TCs, typically when statutory approvals or enabling legal frameworks were required before reforms could proceed, for example, in sectors where regulatory frameworks for proposed mechanisms had not yet been established.

²⁰ Excluding intraregional technical cooperation (CT-Intra), action plan C&D and emergency response TC.

²¹ The TCDI indicator monitors progress in the completion of outputs against the plan. The indicator calculates the physical units of outputs delivered by the end of the reporting period over the original plan as of the end of the reporting period.

D. Monitoring, reporting, and learning

- 5.24 **Over the past decade, the IDB has made significant efforts to strengthen the monitoring and reporting of TC operations.** The 2008 TC Framework aimed to shift the focus from TC approvals to results including by strengthening monitoring, evaluation, and reporting of development outcomes. The 2011 Guidelines identified key shortcomings of the TC monitoring, reporting and verification system, including “the lack of compliance, the reliance on self-reporting and the absence of any sort of verification. (...) On average, TC monitoring has been limited to tracking disbursements”. The Guidelines recommended establishing a specific system for systematic reporting on TC progress, focused on tracking activities, outputs and costs in a result matrix; and establishing a TC completion report and evaluations of selective TCs at project, sector or country level.
- 5.25 **The current reporting and monitoring systems are focused on tracking outputs and TC implementation progress. They do not allow for a systematic assessment of TCs’ usage or achievement of outcomes.** The current output classification system, including 106 standardized indicators, organized into 40 output groups which are then aggregated into 10 business lines is overly complex and leads to losing sight of TCs’ contributions to outcomes. Similarly, the system that the Bank has in place to track TC implementation is focused on progress towards disbursement and output achievement, rather than progress towards outcome achievement²². Since 2022, the Bank has made efforts to capture information on the use of outputs, requiring TLs to report on how delivered products are used. As indicated in Chapter 4, however, this information is often incomplete and descriptive, with limited clarity on how outputs were used or whether they informed decisions or contributed to achieving the TC objectives. Corporate monitoring also focuses on output completion, with the main performance metric for TCs being the TC Delivery Indicator (TCDI), included in the Impact Framework, which tracks progress in the completion of TC operations’ outputs. As a result, there is no institutional metric that systematically captures how TCs contribute to outcomes, including: initiating and maintaining dialogue with clients; IDB pipeline development and improvements in projects’ design and execution; replication and scale up of effective IDB TCs and loans; policy reforms, laws, regulations and strategies supported; and strengthened client capacity.
- 5.26 **The Bank also lacks a clear framework for managing knowledge generated through TCs, limiting its ability to learn systematically from these operations.** Although TC deliverables are required to be uploaded to Convergence, there is no centralized repository or tool that allows for easy access, consultation, or reuse, and only a subset of outputs deemed publishable is available on the Bank’s website. Ownership of these products is also unclear, with no designated unit responsible for their management, curation or long-term maintenance. As a result, knowledge generated through TCs is not systematically captured or shared beyond the individual operations. Evidence from interviews suggests that learning occurs primarily at the individual level, through informal channels: Team Leaders accumulate knowledge about counterparts, sector

²² This finding is consistent with the finding on the Inter-American Development Bank monitoring system for lending projects in OVE’s *Comparative Analysis of Project Development Effectiveness Management Tools for Sovereign Guaranteed Operations of the African Development Bank, Asian Development Bank, Inter-American Development Bank, International Fund for Agricultural Development, and World Bank* ([RE-583-5](#)) paragraphs 2.11, 2.12, and 5.4.

needs, and effective approaches, but this knowledge is not institutionalized. There has been some progress through recent initiatives, including the creation of a repository of digital tools. However, a stronger and more concerted institutional effort is still required to ensure learning from TCs.

- 5.27 **Additionally, the current system does not allow for a consistent tracing of changes to TC design, limiting the ability to assess what was achieved.** While the system allows Team Leaders to revise indicators, targets, and outputs at different stages of the project cycle—and these changes are technically recorded—it does not capture how the scope or intent of operations evolves during implementation. Country case studies indicate that a significant share of TCs undergo design changes, but these were primarily identified through interviews rather than through the system. For example, in Chile, around half of the TCs reviewed experienced adjustments during execution, often in response to shifting government priorities; in one case, a TC initially focused on a single national plan was reoriented to support multiple regional plans aligned with a decentralization agenda. These types of changes, which involve shifts in scope or objectives, are not systematically traceable in the TCM, including because outputs are defined using a fixed set of indicators that do not capture changes in the product's nature. While flexibility is an important feature of TCs, the absence of a clear record of how designs evolve over time limits accountability and makes it difficult to assess what TCs ultimately deliver.
- 5.28 **Beyond traceability, constraints in the current IDB platform to support TC monitoring (Convergence) limit its use as a management tool.** Interviews with staff across the Bank, and the evaluation team's direct experience show that Convergence operates as a set of disconnected databases, requiring Team Leaders to enter the same information multiple times across different sections of the system. Financial execution data is not automatically populated from actual transactions, requiring Team Leaders to manually update and reconcile disbursement information in the system. Donor reporting requirements also vary across funds in ways that the system cannot always accommodate, generating additional work outside the system. In practice, these constraints have led Team Leaders to rely on separate Excel trackers or informal tools for day-to-day management, while engaging with Convergence primarily as an annual reporting obligation. As a result, the information needed for portfolio-level reviews is often captured outside institutional systems, if at all, rather than consolidated in a way that supports either operational decision-making or learning.
- 5.29 **The IDB does not have a self-assessment and validation system for TCs, which significantly limits the potential for institutional accountability on—and learning from—TCs.** Self-assessment and independent validation at project closure are essential to ensure accountability for the use of resources and to generate systematic evidence on performance that can inform learning and the design and implementation of future operations. Although the 2011 TC Guidelines recommended evaluations of selective TCs, the Bank has not implemented this measure. While this gap is common across multilateral development banks, there are notable exceptions, including the Asian Development Bank (ADB) and the International Finance Corporation (IFC) that have had self-evaluation and independent validation of TCs for more than two decades (Box 5.1).

Box 5.1. Self-assessment and validation systems for technical cooperation at the ADB and the IFC

The ADB has a formal self-evaluation system for all of its sovereign technical assistance operations through completion reports that are validated on a sample basis by the ADB's independent evaluation function. At ADB, all technical assistance (TA) operations are self-evaluated through Technical Assistance Completion Reports (TCRs), prepared at project closure. These assess performance against predefined objectives using standard evaluation criteria - relevance, effectiveness, efficiency, and sustainability. A subset of TCRs is independently validated by the Independent Evaluation Department (IED) through Technical Assistance Completion Report Validations (TCRVs). Validation is systematic but selective rather than comprehensive, and portfolio-level findings are derived from the validated sample. The approach provides a structured and standardized basis for performance assessment, but with more limited coverage.

The IFC also has a formal self-evaluation system for a sample of its advisory services through completion reports that are validated by the independent evaluation function of the World Bank Group. At IFC, advisory projects comprise both projects that have private IFC clients as beneficiaries and projects that support governments, including for example projects aimed at improving regulations to increase access to finance or to improve the investment climate. IFC Management conducts self-assessment of a selected sample of closed advisory projects through Project Completion Reports (PCRs). The sample ensures a relative high coverage of the universe of closed advisory services, and it is selected based on clear performance criteria. The Independent Evaluation Group (IEG) of the World Bank Group validates the PCRs through Evaluative Notes, using an objectives-based methodology that assesses performance against stated project objectives. IEG selects a large, stratified, and representative sample of projects to validate each year - typically covering more than half of closed operations. Projects are assessed along three dimensions: development effectiveness, IFC role and contribution, and IFC work quality. Development effectiveness is further broken down into relevance, outputs, outcomes, impact, and efficiency, with explicit thresholds used to assign ratings.

In both institutions, self-assessments and independent validations provide a basis for standardized performance assessment and feed into corporate reporting and learning. IFC's higher validation coverage and structured sampling approach support more robust aggregation and comparability of results, while ADB's system provides selective but still standardized evidence for assessing performance and capturing lessons.

Source: OVE based on (a) World Bank. 2024. *Results and Performance of the World Bank Group 2024: Managing Results in an Uncertain World*. Independent Evaluation Group, World Bank; and (b) Asian Development Bank. 2025. *ADB Technical Assistance Operations, 2014–2023*. Independent Evaluation Department, Asian Development Bank.

VI. CONCLUSION AND RECOMMENDATIONS

- 6.1 **TC is delivering operational value.** Between 2015 and 2024, the Bank approved 4,477 non-reimbursable TC operations totaling \$2.1 billion, representing 78% of sovereign-guaranteed approvals by number and 1.8% by approved amount, with annual approvals averaging \$206.7 million and an average operation size of about \$461,000. TC supports objectives that broadly align with the Bank's mandate and TC Policy foundations, including supporting the Bank's lending, promoting development and advanced training, facilitating the transfer of technical know-how to strengthen national and regional capacities, supporting policy reforms, piloting innovations, and generating knowledge. TCs are also generally well anchored in national priorities and Bank strategies. TC plays a central role in loan preparation and implementation: among the 890 loans approved between 2015 and 2024 (including 712 investment loans and 178 policy-based loans), at least 63% were linked to TC (64% for investment loans and 58% for policy-based loans). It is also central to the Bank's engagement model, serving as the main instrument through which the IDB starts its dialogue with governments in new sectors (in 82% of the cases) or reactivates the dialogue after long inactivity (in 81% of the cases). Client countries view TC as relevant because it gives them access to expertise not available in house; provides non-reimbursable financing for diagnostics, tools and implementation support; allows for fast contracting; and brings credibility through the Bank's convening power.
- 6.2 **Management has improved the IDB's institutional model for TC.** Over the past two decades, Management has improved the institutional model the IDB uses for TC, including by increasing alignment with institutional and country strategic priorities, introducing a prioritization process that balances structured programming with flexible mechanisms to respond to emerging needs, and adopting decision making processes that incorporate—and ensure a balance between—the views of key institutional actors, including VPC, VPS and PCY. Programming has become more structured and predictable (63% of operations listed in Country Programming Documents were approved in the same year, and 72% either that year or later), and funding reforms have improved flexibility and reduced chronic under execution (carryovers and cancellations averaged 7% from 2017 onward, compared with 49% in 2005–2013).
- 6.3 **The Bank has not clearly articulated how to use TC selectively to increase its contribution to institutional, country, regional and sectoral strategic priorities.** The potential contributions of TC to the priorities of the current institutional strategy are limited by insufficient guidance: although *IDBStrategy+* acknowledges the need for a more strategic use of TCs, it does not specify what this entails, and no other institutional document translates its high-level priorities into concrete operational guidance as to how, for example, greater selectivity and a stronger focus on clearly articulated expected outcomes for TC could contribute to maximizing the scale and impact of the Bank's work. Identifying TC's contributions to regional priorities in the evaluation period has been particularly difficult due to the lack of documents that explicitly define region-wide priorities. The IDB's improved regional strategic focus through the four regional initiatives launched in the past few years has laid the ground for a clearer definition of the role of regional TC in achieving expected outcomes. While the use of donor funds during the evaluation period appears to complement Bank resources rather than define TC priorities, the institution does not

have strategic guidelines to ensure consistency of the use of all funds towards the achievement of the *IDBStrategy+* outcomes.

- 6.4 **Limitations in TC monitoring and evaluation constrain improvement of the TC operational model.** Four issues in monitoring and evaluation limit the IDB's ability to adapt its operational model to more effectively achieve strategic priorities. First, the categories in the current taxonomy for TC (operational support, client support, and research and dissemination) overlap, do not map cleanly to distinct objectives or outcomes, and are not accompanied by clear guidance on strategic uses. These features of the taxonomy blur the strategic intent of TC operations; for example, activities to support lending are not consistently captured under the operational support category. They also reduce TC selectivity—the likelihood of focusing TCs on the sorts of interventions that have the greatest potential to contribute to the institution's goal of scaling for impact. Second, monitoring emphasizes outputs rather than outcomes and is based on an overly complex output classification system that is not well suited to inform meaningful decision making and the assessment of TC's contributions to outcome achievement. Reporting on outputs has been required since 2022, and coverage is high (1,291, or 96%, of 1,351 closed operations between 2022 and 2025 reported on outputs). However, its evidentiary value is limited: only 406, or 31%, of the 1,291 operations that reported on outputs explicitly provided evidence about their use. Outcome measurement remains optional and limited: although 65% of operations covered in the usage assessment (2,578 of 3,990) include outcome indicators, only 35% of the 5,601 indicators reviewed capture outcomes, with the remaining 65% measuring outputs. Third, the output classification system—comprising 106 indicators across 40 output groups and 10 business lines—does not shed light on the links between TC activities and their contributions to outcomes, reducing its relevance for decision making. Fourth, unlike some other multilateral development banks, such as the IFC and the ADB, the IDB does not self-assess or independently validate its TC work. Consequently, the Bank lacks a consistent, comparable evidence base at closure that can support credible portfolio-level learning across operations and over time. Together, the overlapping taxonomic categories, the focus on outputs, the incomplete linkages to outcomes, and the absence of assessment of TC operations at closure limit the IDB's ability to adapt its TC operational model—prioritization, approval, funding, execution, and monitoring and evaluation—to optimize resource allocation for achieving impact at scale.
- 6.5 **TC does not systematically contribute to reusable knowledge because products are dispersed and there is no information on their use to inform the design of subsequent work.** The IDB does not have a simple, structured framework for systematically sharing knowledge about TC products and ensuring that they are used to inform operational decision-making. Although TC products are uploaded into the system, they are not centralized and managed in a way that allows for easy access, consultation or reuse. In addition, ownership for curation and long-term maintenance is unclear. Staff report relying on informal channels to access these products, which weakens feedback loops from completed TC to new design choices. This matters especially given TC's administrative footprint and the expectation that it generates knowledge that strengthens the Bank's operational quality.

Recommendations

To strengthen IDB's use of TC, OVE proposes the following recommendations:

1. **Articulate the strategic role of TC in the context of the *IDBStrategy+*.** The IDB should explicitly articulate the strategic role of TC—both national and regional—independently of the source of financing. This should be done through an institutional document that provides clear, unified guidance on how TC contributes to achieving the priorities of *IDBStrategy+*, in line with its objective of maximizing the scale and impact of the Bank's work. This document should translate the high-level objectives of the IDB Group institutional strategy into concrete operational guidance on how TCs contribute to achieving them. In doing so, it should ensure coherence across TC governing documents (including policy and guidelines) and the Bank's broader strategic architecture, while strengthening the instrument's strategic use and accountability. Specifically, for all TCs, irrespective of the source of financing, this document should: (i) define the role of TCs within the institution and establish greater selectivity based on their expected contribution to the objectives set out in *IDBStrategy+*; (ii) clarify how they will contribute to the institutional goal of scaling for impact; (iii) for national TCs, define criteria for prioritization, including how they are intended to support and be integrated with country strategies and sector framework documents and how they will add value to selected priorities of the country strategies; and (iv) for regional TCs, define criteria for prioritization and alignment with regional priorities and challenges, particularly for operations that are not part of formal regional initiatives, while ensuring continued involvement of country offices during implementation.
2. **Strengthen TC monitoring and evaluation to capture outcomes and the contribution of TCs to institutional objectives and use the resulting evidence to inform changes to the TC operational model.** The IDB should simplify and strengthen its monitoring and evaluation framework for TCs and transition toward a more outcome-oriented approach, while ensuring that requirements remain proportionate to the size and nature of TCs to avoid excessive administrative burden. To this end, the Bank should:
 - i. Enhance the M&E framework to assess the extent to which TCs contribute to intermediate outcomes. The framework should: (a) better align the TC taxonomy with strategic objectives and intermediate outcomes, and reduce overlap across categories, enabling more consistent tracking of TC usage and contributions; (b) simplify the output tracking system; and (c) systematically capture and report linkages between TCs and intermediate outcomes, including, for example: engagement in new sectors; sustained dialogue with clients; initiation of new projects; improvements in project design and execution; effective TCs and loans replicated or scaled up; policy reforms, laws, regulations and strategies approved; and strengthened client capacity.
 - ii. Jointly with OVE: (a) revise the template of the TC completion report to better document results, contributions to outcomes, and key success factors and challenges; (b) develop self-assessment and validation guidelines; (c) pilot self-assessment and validation on a subset of agreed TCs and (d) refine the process based on implementation experience.
 - iii. Over time, reassess the TC operational model—prioritization, funding, approval, execution, and monitoring and evaluation—with a particular

focus on the criteria and process to allocate resources (ordinary capital and donor funding) based on TCs' achievement of outcomes and on the results of the self-assessment and validation pilot.

3. Establish a framework for learning and knowledge management of TC. To ensure that knowledge generated through TCs contributes to operations and development impact, the IDB should strengthen the management, dissemination, and use of TC products through a simple, structured framework that builds on existing technology platforms. This framework should ensure that TC knowledge is organized simply yet systematically, that it is accessible, and that it is used to inform operational decision-making. Specifically, the Bank should:

- i. Establish standardized metadata and classification criteria for TC products (e.g., sector, country, outcomes) to ensure they are consistently organized and searchable. Building on this, the Bank should systematically incorporate key products generated through TCs into existing knowledge platforms, with clear assignment of responsibility for their curation and maintenance.
- ii. Promote the use of knowledge stemming from TCs in operations. This entails introducing mechanisms to encourage the use of TC knowledge in the design and implementation of lending projects, such as requiring teams to reference relevant prior TCs at concept and design stages, reflect the findings and lessons learned from TCs for which self-assessment and validation is available, and provide targeted guidance or training on how to identify and apply existing knowledge.
- iii. Track the use and influence of TC knowledge. This entails developing simple mechanisms to monitor how TC products are used, combining quantitative indicators (e.g., citations in project documents) with qualitative tagging of use cases. Periodic review of this information would help identify which types of knowledge are most relevant and inform future TC design.

Office of Evaluation and Oversight - OVE

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