



RE-372

***The Country Studies Initiative
and its effect on the Bank's
Knowledge Strategy***

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(<http://idbdocs.iadb.org/wsdocs/getdocument.aspx?DOCNUM=35153566>)

I. INTRODUCTION

- 1.1 The Inter-American Development Bank has recognized that increasing the effectiveness of its analytical work is key to enhancing its development impact. The Bank's current Institutional Reform strategy *emphasizes the need to have evidence to propose an intervention*. As part of the strategy, *the Bank is improving its framework to deliver value added through non-financial products*.¹ These efforts are consistent with the recent 2010 Cancún Declaration, in which the IDB Board of Governors agreed on implementing a series of reforms *for improving both the focus of the Bank's activities and the effectiveness of the Bank's lending*, with special emphasis on *strengthening project quality and enhancing analytical capacity to improve country macroeconomic assessments*.²
- 1.2 In 2005, Management reviewed the implementation of the Bank's New Lending Framework (NLF), in effect since 2002, and made recommendations for the improvement of its execution. *The main purpose of the new lending framework was to improve the development effectiveness of the Bank's activities by enhancing its capacity to address the changing and diverse needs of the borrowing countries*.³ The recommendations included strengthening the Bank's analytical work.
- 1.3 In this context, in 2006, the Board approved the "Initiative to support country studies and improve and expand Bank loan operations" (document GN-2381-3). The main goal of the Initiative was to *strengthen the Regional Operations Departments' capacity to develop country studies (country analytical work) with the ultimate objective of enhancing the effectiveness and relevance of Bank operations in the countries*.⁴ It proposed to revise the way country studies are financed and produced: *Enhancing the capacity to develop country studies requires not only allocating new resources, but also redirecting existing ones. Accordingly, this Initiative calls for: a) a special increase in budgetary resources and staff; b) an internal reallocation of resources and an improvement in the coordination, generation, accumulation, and dissemination of knowledge of the countries; and c) thematic priorities on which the country studies should focus*.⁵
- 1.4 The Country Studies Committee (CEP) was created to manage the Initiative's resources and to discuss thematic priorities and propose work methodologies that will help identify synergies and maximize the use and impact of these resources.⁶ The CEP was composed of the Chief Economist and Manager of RES and the Regional Economic Advisors and Technical Coordinators of the Country

¹ Institutional Reforms statement, Bank's website

² Cancún Declaration, Page 2

³ Document GN-2200-13. Par. 1.2.

⁴ Document GN-2381-3. Par. 1.1.

⁵ Document GN-2381-3. Par. 1.2.

⁶ Document GA-225-1. Par. 6.139

Departments⁷. Members of the committee met at least once a month to review and approve country studies proposals, which were evaluated in terms of their technical quality and their potential contribution to the preparation of country strategies, the dialogue process with the countries, and the design of future operations⁸.

- 1.5 This work seeks to evaluate the results obtained by the implementation of the Initiative, which has not been formally evaluated. A progress report prepared by the CEP at the end of 2006 lists the major achievements of the Initiative; however, it does not present a quantitative analysis to support its conclusions.
- 1.6 The evaluation is divided into seven sections. Section I describes the context in which the Initiative was approved. Section II defines both the objectives of the Initiative and those of this evaluation. Section III describes the methodology and sources of information. Section IV evaluates the results of the implementation of the Initiative. Section V examines the effect of the Initiative on the subsequent efforts of the Bank towards strengthening its analytical work. Section VI summarizes the findings and the last section provides recommendations.

II. OBJECTIVE

- 2.1 This evaluation builds on the “Evaluation of the IDB’s Studies” (document RE-323) conducted by OVE in 2006. That work found significant flaws in the way the Bank produces, stores, and disseminates studies and made recommendations for their improvement. Some of the findings were: a) there is no evidence of studies being strategically chosen; b) there is no evidence of studies being adequately planned; c) there is no evidence of a quality control system being in place for the studies either at their conception or completion stages; d) a large proportion of completed studies is not adequately stored and disseminated; e) there is not a tracking system for the profiles of the studies; f) there is not a tracking system for the utilization of the studies, and g) the production incentives are weak and ad hoc.
- 2.2 The main objective of this evaluation is to examine the results obtained by the implementation of the Country Studies Initiative in the period 2006-2008 and inspect whether the results influenced the way analytical work is produced and utilized within the Bank. The main objective of the Initiative was to *strengthen the Regional Operations Departments’ capacity to develop country studies (country analytical work) with the ultimate objective of enhancing the effectiveness and relevance of Bank operations in the countries.*⁹ Furthermore, it is stated that the Initiative was *consistent with the efforts to conduct country studies aimed at supporting dialogue processes with the countries and*

⁷ Currently the four Country Departments are: 1) Southern Cone, 2) Central America, Mexico, Panama, and Dominican Republic, 3) Andean Group, and 4) Caribbean. Document IDBDOCs #:1860916 Footnote 6: Before the realignment, representatives of SDS and INT were also members of CEP.

⁸ Webpage <http://res/cep.cfm>. The webpage mentions that the proposals are also reviewed in terms of their potential contribution to technical assistance; however, this is not clearly defined as part of the objective in the Initiative document GN-2381-3.

⁹ Document GN-2381-3. Par. 1.1.

*strengthening the analytical underpinnings for preparing country strategies and designing programs, operations, and projects such as (a) programs based on sector-wide approaches, (b) performance-driven loans, (c) conditional credit lines for investment projects, (d) policy-based loans (PBLs, both traditional and programmatic), (e) and specific projects that use the new policy on expenditure eligibility, requiring the definition of country financing parameters.*¹⁰

- 2.3 The objective of the Initiative was to enhance the effectiveness and relevance of the Bank's activities in the countries. In particular, it was expected that country studies would support dialogue with the countries, the preparation of country strategies and the design of operations. Although the Initiative only financed a fraction of the studies produced at the Bank during a period of three years, it is important to identify the areas in which it was successful; to learn from its implementation and use that experience to better design the Bank's knowledge strategy and improve the Bank's structures to generate and transfer knowledge.
- 2.4 This work examines the results of the Initiative's implementation within the same evaluative framework used by OVE in 2006 to evaluate the Bank's studies, which contains the following core elements:
- i. Research should be relevant to the operational needs of the institution and its clients, and should specify its anticipated contribution at the outset.
 - ii. Research activities should be programmed to establish priorities, avoid duplication of effort and to take maximum advantage of synergies within the institution
 - iii. Research activities should be budgeted, to know in advance how much of the institution's scarce resources are being committed to a given effort, and tracked so as to determine compliance with programming.
 - iv. Research activities should be quality controlled, to ensure that the institution is receiving value for the money invested and that evidence is being deployed to substantiate conclusions.
 - v. The written output of research should be disseminated upon completion, both as a quality-enhancement incentive and as a way of diffusing the benefits of knowledge throughout the relevant community.
 - vi. The written output of research activities should be stored in manner that allows future users to find and make use of the knowledge.
 - vii. The written output of research activities should be useful (and used) in the development of operational programs.
 - viii. The written output of research activities should be evaluated in terms of its contribution to the improvement of development results. (RE-323, Par. 1.13)
- 2.5 Studies are also defined as in RE-323: *written documents that are intended to create and/or disseminate knowledge. Studies are the final output of analytical activities. They present data and advance hypotheses regarding the causes of*

¹⁰ Document GN-2381-3. Par. 1.3.

development problems (in the member countries) and the possible interventions that might contribute to their improvement (RE-323, Par. 2.1).

- 2.6 This evaluation analyzes aspects of the Initiative related to items i)-vii) of the evaluative framework. In particular, it seeks to answer the following questions:

Relevance

Relevance: Are country studies financed with the Initiative resources strategically chosen?

Effectiveness

Processes: Has the Initiative contributed to enhance Bank processes for the production, storage and dissemination of country studies?

Quality: Has the Initiative enhanced the analytical quality of country studies?

Utilization: Are country studies financed with the Initiative more likely to be utilized within the Bank among the Bank's clients, and the academic community?

Incentives: Has the Initiative improved the provision of incentives to produce country studies?

- 2.7 To analyze the effect of the Initiative on the way analytical work is produced and utilized within the Bank, the documents that address issues related to the definition and implementation of the Bank's knowledge strategy are reviewed.

III. METHODOLOGY AND DATA

- 3.1 To assess the effect of the Initiative on the Bank's analytical work, comparisons are done between country studies financed with the Initiative's resources (Initiative Studies) and country studies produced with other sources of funding (Non-Initiative Studies). The same methodology is used to answer each one of the five evaluative questions (relevance, processes, quality, utilization, and incentives). First, a list of some of the findings and recommendations stated in OVE's evaluation of 2006 is provided. This helps us establish the evaluative framework under which the analysis is performed for each question. Second, the CEP's actions associated with each of the five evaluative dimensions are described. For instance, when analyzing the quality of studies, it is explained how the CEP controlled for the quality of the studies' proposals and the completed studies. Third, provided the availability of data, measurements of the indicators of interest for a group of Initiative Studies and a comparison group of Non-Initiative Studies are computed.
- 3.2 Most of the IDB studies are currently classified under two categories of products: Non-Financial Products (NFP) and Programming Products (PRG). The NFP include "Policy Research and Analytical papers," "Economic Assessment Reports," "Economic Situation and Perspectives Reports," "Policy Papers," "Strategy Papers," "Sector Performance Reviews" and "Best Practice Papers." The PRG include "Country Strategy Papers," "Country and Sector Studies" and

- “Country and Sector Notes.”¹¹ The comparison group of Non-Initiative Studies contains only Country and Sector Studies (CSS), because most of the Initiative Studies are classified as CSS in the information systems of the Bank. According to CEP, the Initiative financed 124 studies, of which 114 are classified as CSS (Table 1)¹².
- 3.3 Also, to find out how the lessons learned from the implementation of the Initiative have been incorporated to the Bank’s subsequent efforts for strengthening analytical work, two proposals on the Bank’s knowledge strategy recently presented to the Board are reviewed. The first one, “Strategy for knowledge and capacity building products at the IDB” (document GN-2549) or, the KCP’s Strategy, proposes to build a new platform for Knowledge and Capacity Building Products (KCPs). Although it acknowledges that there are some problems with the way the Bank produces, stores, disseminates and utilizes these products, it does not offer a solution to these issues, but concentrates on introducing new definitions, typology and funding arrangements. It is worth mentioning that KCPs include not only studies but also other kinds of products such as best practices, courses of action, seminars, and training. The document proposes to classify KCPs along two dimensions: origination and scope. The four categories are called: *Advisory services*, *Policy and capacity development*, *Outreach and dissemination* and *Research and development*. Studies could be classified under any of the four categories depending on their nature.
- 3.4 The second proposal is titled “Knowledge and Learning Strategy proposal (2008 – 2010)” (document GN-2479) and from now on referred to as KNL’s Strategy. The document presents KNL’s plan to facilitate the implementation of the Bank’s knowledge strategy. It establishes the sector’s objectives and proposes the functions for each one of its units. KNL’s website is also reviewed. It contains a guideline for preparing the units’ Knowledge and Learning Plans for 2010.
- 3.5 Several sources of information are used to perform the analysis: a) CEP’s website, b) the Bank’s information systems of information and databases, c) OVE’s quality assessments on studies proposals and completed studies, and d) OVE’s Survey on IDB’s Studies.
- 3.6 CEP’s website. The website contains the minutes of the committee’s meetings, a list of Initiative Studies, links to the proposals submitted for approval, and links to the completed studies. The CEP met at least once a month to review and approve country studies projects. The projects were evaluated in terms of their technical quality and relevance for the preparation of country strategies, the design of

¹¹ The other products classified as NFP and PRG were not categorized as “Studies” in the OVE’s evaluation of 2006.

¹² Although the CEP reviewed and financed studies in the period 2006-2008, the comparison group contains Non-Initiative CSS with a pipeline year of 2007, 2008, or 2009. The reason for not including CSS with a pipeline year of 2006 is that there appears to be a lag in the processing of the Initiative Studies entering the pipeline, that is, most of the Initiative Studies approved by the CEP in 2006 have a pipeline year of 2007 and most of those approved by the CEP in 2007 have a pipeline year of 2008 and so on. For the period 2007-2009, there are 839 NFP and 763 PRG in pipeline (Table 2). Of the 763 PRG, 457 are classified as Country and Sector Studies (CSS).

operations in the countries and the preparation of dialogues with the countries. The committee held its first meeting on March 29th, 2006 and the last one on January 30th, 2009. For most of the meetings minutes were recorded and posted on the CEP's website (Table 3). The minutes contain the titles of the submitted proposals; a brief comment about the decision of the committee; and some of the OPUS codes assigned to the projects. The Excel file titled "Products_inventory" and posted on the website under "Resumen de productos revisados por el CEP" contains the titles of the approved proposals with OPUS codes and links to completed studies.

- 3.7 Bank's information systems and databases. All products and activities of the Bank are registered in the OPUS system. The OPERA system provides information about the budgets and expenditures of the Bank's products and activities during the current year. The IDBDOCS is the repository of all documents associated to the products and activities of the Bank including completed studies. Information on the titles, OPUS codes, pipeline years, approval status and names and emails of the studies' Team Leaders (TLs) is obtained from the Data Warehouse of the Bank.¹³
- 3.8 OVE's quality assessments on studies proposals and completed studies. The quality assessments of a sample of 21 proposals of completed Initiative Studies and a sample of 60 completed studies (27 Initiative Studies and 33 Non-Initiative Studies) were performed by a group of OVE reviewers (see Table 21 for the list of completed studies). The sample consists of completed studies classified as CSS. Only one study was selected for those Team Leaders with multiple studies. As in the evaluation of 2006, the documents were reviewed in terms of five separate quality dimensions (see Figure 3 and Figure 4 for the questionnaires sent to reviewers):
- i. A question. Questions make explicit what is unknown. Although a request for a description can technically be phrased as a question (for example, "What does the Peruvian economy look like?"), in fact, the associated answer provides only information, relying on the reader to turn this information into knowledge.
 - ii. A framework. The framework explains possible reasons why phenomena related to the question might occur. It does this by outlining potential determinants and identifying assumptions.
 - iii. Data. Data are a vital component to evidence-based decision making. Secondary data are evidence that includes facts, estimates, results from secondary sources. Primary data come from sources such as surveys, randomized experiments, information systems, national accounts, etc. Data can be both qualitative and quantitative.

¹³ The databases used are titled "ODS_pois_ods_oper", "ODS_pois_ods_opmember", and "ODS_pois_ods_opevent".

- iv. Evidence based methodology. Evidence-based studies have a methodology that uses data to answer a question, and thus provides a clear description of the approach that can be replicated by other researchers. There are many methodologies, and depending on the question, framework and data, some are more appropriate than others.
 - v. Policy implications. A policy is a definite course or method of action selected from among alternatives and in light of given conditions to guide and determine present and future decisions. (RE-323, Par. 4.12)
- 3.9 OVE survey on IDB's studies. The survey was applied to TLs of a sample of completed Initiative Studies and Non-Initiative Studies. It collects information related to their production, financing, dissemination and utilization. It also contains questions about the staff's incentives to participate in the production of studies. A total of 37 TLs responded the survey; 17 of them participated in the production of Initiative Studies and the other 20 in the production of comparable Non-Initiative Studies.

IV. EVALUATION OF THE INITIATIVE

- 4.1 Following the order of the evaluative questions, the analysis is divided into five sections: A. Relevance, B. Processes, C. Quality, D. Utilization and E. Incentives. Section B on processes is further divided into 4 subsections: 1. Programming, 2. Quality control processes, 3. Information systems and storage and 4. Dissemination.
- A. Relevance: Are country studies financed with the Initiative's resources strategically chosen?**
- 4.2 Concerning the mechanism through which analytical work is selected in the Bank; in 2006, OVE found that that *the topics of studies arise in ad hoc ways* (RE-323, Par.3.6), originating more often from the preparation of projects or strategies, the priorities of managers and the personal interests of authors. Therefore, it was argued that *it is unclear what mechanism client countries use to influence the prioritization of potential studies during the programming process* (RE-323, Par. 3.4). Accordingly, OVE recommended that *more attention needs to be paid in the context of the country dialogue to the process of selection of studies, to encourage the production of studies that are demanded by potential users such as Bank operations, strategies, and especially country authorities* (RE-323, Par.7.8b).
- 4.3 The CEP's task was to review studies' proposals and finance only those relevant for the Bank's activities. No evidence was found, however, of the committee having followed a formal selection process. This implies that it is unknown whether the studies were strategically chosen.
- 4.4 **It is not possible to establish the strategic criteria used by the CEP to approve proposals in terms of the relevance of studies.** The CEP's decisions regarding the approval of studies were recorded in minutes. Although the minutes contain some comments concerning the relevance of the proposed studies, they are generally too broad, mentioning only whether the study will contribute to a

country strategy or a country dialogue without providing specifics. For instance, in the minutes of the meeting that took place on July 16th, 2008, regarding the review of each one of the proposals presented that day, it is stated that *the committee considers the proposal to touch upon a relevant topic that would also help to strengthen country dialogue*, without further elaborating on the specific reasons for their relevance to the dialogue. Another example is the comment included for each one of the proposals reviewed during the meeting of September 16th, 2008. It is mentioned that *the committee considered the topic to be of high relevance for the work of the Bank as it would provide insights on an area that is complementary to current research efforts*. However, again, it is not clarified to which kind of research the CEP refers to.

- 4.5 **It remains unclear what mechanisms countries use to influence the production of studies.** Client country requests are rarely the main reason for producing studies. According to the results of the survey applied to TLs, for only 3% of the studies the idea motivating their preparation was proposed by the country government, as opposed to being suggested by VPC, VPS or other IDB units. However, 41% of them are intended to be most relevant to country governments. Similar patterns are observed when analyzing the responses by groups of studies. While 0% of the Initiative Studies were requested by the country government, 35% of them are intended to be relevant to that government. These percentages for the Non-Initiative Studies are 5% and 45% respectively. (Tables 4-5)

B. Processes: Has the Initiative contributed to enhance Bank processes for the production, storage and dissemination of country studies?

1. Programming

- 4.6 As already pointed out by OVE, *programming is designed to establish priorities for Bank action, define anticipated budgetary needs, and provide a guide for Bank staff and country authorities as to what the Bank is intending to do in the near future. It also helps define the work program of the various departments that have a role to play in the production of these products.* (RE-323, Par. 3.1)
- 4.7 OVE's Evaluation of 2006 found that while loans and technical cooperation activities are formally programmed, with a pipeline of intended operations reviewed by the Programming Committees of both Management and Board, in the case of the country studies and work done for project preparation, programming at the institutional level is largely absent. The Bank is not strategic about how it prioritizes potential studies. Many studies are not programmed. Supply is generally ad-hoc. Little attempt is made to validate compliance with programming decisions to ensure that programmed activities actually result in the production of the expected studies. (RE 323, Pars. 3.1, 7.3)
- 4.8 Accordingly, OVE recommended that the quality control function should be clearly and uniformly defined, from the profile stage to conclusion, possible publication and dissemination. In considering the profile for each proposed study, intended audiences should be clearly specified, as well as the role to be played by local institutions and clients in the implementation of the study. The intended

impact of the study should be also clearly specified at all stages and means of verification and monitoring proposed. (RE-323, Par.7.8a)

- 4.9 This evaluation investigates whether studies are adequately programmed. In particular, it examined how the studies are planned and budgeted. The CEP did not put in place a new mechanism to monitor budgets; the Bank's OPERA system is used to assess the budgeting process. This system presents the budgets and expenditures of products and activities disaggregated by missions, consultants and other expenses. An important limitation of OPERA is that it provides information only for products present in the current year's work plans, not for previous years.
- 4.10 **The work of the CEP brought to light the importance of defining standards even for basic procedures, such as the format of a study proposal. The information contained in the proposals is essential to plan a study and later monitor its production.** In 2006, there was not a standard format for Initiative Studies; information related to the budget and timeline varied significantly. Some didn't have any information at all, others indicated only the total costs and still others presented disaggregated costs for consulting services, consultants' travels, and research assistance. By 2008, they contained much more information, the first part of the proposal indicated the OPUS code, the title of the project, the name of the team leader, the date of submission, the IDBDOCS number assigned to the proposal, the total cost of the study, and the type of study, which could be a profile-0, dataset, position paper, survey study or policy research study. The body of the proposal was divided into six sections, titled: motivation, objective, framework and content of the project, schedule of activities, peer review and dissemination, and costs. However, not all this information is captured in the systems of the Bank. In the case of Non-Initiative Studies, most profiles or proposals are not available.
- 4.11 **A large proportion of the studies are not being adequately budgeted.** The information from OPERA as of January 2009 is analyzed for NFP and PRG, which include the Initiative Studies. Out of a total of 1,049 entries, 27% of them have expenditures, 10% have budgets, and only 5% have both budgets and expenditures. Moreover, there is almost never a budget for staff time (FTEs). From the 537 entries corresponding to PRGs produced in the Regions, excluding Initiative products, only 10% have budgets. In the case of the Initiative Studies, while a higher proportion of them present expenditures (73% of the 77 entries), only 4% present budgets (Tables 6 - 7).

2. Quality Control Processes

- 4.12 Concerning the quality control process for studies, in 2006, OVE found that the process is sporadic. Bank internal documents and stakeholder interviews suggest that the studies produced by the Bank are not systematically quality controlled. Only a fraction of IDB studies are published, and have thus been quality controlled by academic journals (RE 323, Par. 7.5). To formalize the quality control process for studies, the Office recommended requiring peer reviews from outside the producing department and, depending on the importance of the study,

- 4.13 **There is progress in terms of the design of the Initiative quality control mechanisms; however, there is no evidence of them being fully functional.** The CEP put in place two mechanisms: a quality-at-entry review mechanism for studies' proposals and a quality peer review mechanism for completed studies. However, there is not enough information to assess the processes.
- 4.14 In the first one, the members of the committee reviewed the studies' proposals in terms of their technical quality and made recommendations for their improvement. Then, TLs included the comments of the committee and resubmitted the revised proposal for final approval. Because the few comments that the minutes contain on the technical quality of the proposals are very broad, not much can be said about this review mechanism. Therefore, this evaluation assesses the quality of the proposals stored on the CEP's website. A similar analysis cannot be done for Non-Initiative Studies because of the lack of information on their profiles.
- 4.15 **The proposals of the Initiative Studies present several quality problems.** First, 29% of them do not identify the question the study seeks to address. Second, 48% do not mention the use of data to support their conclusions. Third, 43% of them do not contain an evidence-based methodology. Fourth, 48% do not specify the intention of the study or how the results could be utilized. Finally, 71% do not indicate the planned dissemination strategy. (Tables 8-10)
- 4.16 Regarding the second quality control mechanism implemented by the CEP, submitted proposals incorporated a list of candidates for the role of paid peer reviewers for completed studies. Also, to identify potential peer reviewers, the CEP made an external call for candidates. The CEP has registered 376 potential peer reviewers in an electronic database that contains the following information on the candidate: name, email, curriculum vitae, profession, education, country, languages, area of expertise, and date of application.
- 4.17 **It is not possible to assess the effectiveness of the CEP's peer review process for completed studies because of the lack of information.** The reviews are not available and also there is no evidence of the existence of a control system to monitor that the comments of the peer reviewers were included. Correspondingly, only 11% of the TLs of Initiative Studies report peer reviews of completed studies as one of the most relevant advantages of having a study financed with the Initiative resources (Table 11).
- 4.18 **The CEP made some progress in terms of collecting the information needed to monitor the process from proposal to completion of a study. However, this information is only partially captured in the information systems of the Bank.** The proposals submitted to the CEP in 2008 contained more information about the characteristics of the study and information needed to monitor the production process of the study than those submitted in 2006. For instance, while only 30% of the proposals reviewed in 2006 are identified with an OPUS code, 65% of those reviewed in 2008 have the code. Also, while 70% of the 2006

proposals present the cost of the study, 84% of the 2008 proposals do so. It should be noted that the rules used to assigned OPUS codes to the Initiative Studies are confusing. There are two types of OPUS codes, those assigned to the “projects” and those assigned to the “products.” First, the difference between a project and a product is not clear because both of them can be associated to multiple delivered documents. Second, it is not clear which kind of OPUS codes is being used to store all related documents in IDBDOCS.

3. Information Systems and Storage

- 4.19 OVE’s evaluation of 2006 concluded that studies are not systematically stored and information systems are weak, not user-friendly, and not integrated. The evaluation found that there is no unique repository and that a substantial fraction of the studies produced by the Bank cannot be found by any search method (including searching the archives, library, IDBDOCS, Bank web pages, and asking the authors themselves). For the studies that could be found, the search costs are high. (RE 323, Par. 7.12-7.18).
- 4.20 OVE’s recommendations of 2006 include: all studies should be stored, including the stock of past studies and those produced by the country offices; the information systems should use standard metadata; information systems should be integrated so that the profiles of studies in pipeline as well as their costs are linked to the completed studies; and, the Bank’s website should be user-friendly and maintain links to studies over time.
- 4.21 Although all completed Initiative Studies are stored in the CEP’s website, this evaluation investigates whether the Bank’s studies, including the Initiative Studies, are available to inside users in IDBDOCS and to the public in Google Scholar.
- 4.22 **A large proportion of the documents associated with NFPs and PRGs cannot be found in the systems of the Bank.** Information such as the year when the studies entered the pipeline, the status of the studies (“approved” or not)¹⁴, the names of the Team Leaders, the titles and OPUS codes can be found in the data warehouse of the Bank. However, of the 121 projects that are classified as approved in 2008 in OPUS as of January 2009, only 53% have links to associated documents and only 33% of the completed products can be found in IDBDOCS.
- 4.23 **IDB monitoring information systems are weak.** Although a list of studies that contains the title, name of the Team Leader, and pipeline year is available in the systems of the Bank, there is no additional information that would help to track the studies. For instance, there is no information about the authors, date of completion or a link to the completed product. Moreover, it is difficult to figure out how many studies are produced, because of the low quality of the information. According to the information systems of the Bank, of the 457 CSS in pipeline for the period 2007-2009, only 291 have any information on their approval status (121 are reported as approved and 170 as not approved).

¹⁴ It seems that a study already in pipeline is called approved when it is about to be completed and has been budgeted. However, not every unit uses the same convention.

- 4.24 **Most of the Bank's studies are not available to the public.** According to IDBDOCS, only 16% of the sample of completed studies is authorized to be published on the Bank's website. And only 21% of them were available through Google Scholar searches (33% of the Initiative Studies and 12% of the Non-Initiative Studies).
- 4.25 **The quality of the information stored in the CEP's website could be improved.** The site contains the minutes, the proposals submitted to the CEP, a summary of the studies approved with titles, OPUS codes, and the dates of approval and links to the completed Initiative Studies. However, there are no minutes recorded for 10% of the CEP meetings and there is no information on the peer reviews.

4. Dissemination

- 4.26 OVE's evaluation of 2006 concluded that the procedures for dissemination vary across departments and individuals, that dissemination efforts do not occur for most Bank studies, and that direct, face-to-face dissemination methods also appear to be biased toward the analytical work produced by the central departments (RES, INT, SDS), rather than toward project-related analytical work in the regions. (RE 323, Pars. 5.2-5.5) Active dissemination efforts do not occur for most bank studies. Dissemination strategy is not part of Concept Papers, is often ad hoc and in general is not prioritized during the planning and execution of Bank studies (RE-323, Pars. 7.14). OVE recommended including dissemination in each study's profile: the information system containing each study's profile should also include the study's target audience(s), dissemination plans, and dissemination budgets. (RE-323, Par. 7.19)
- 4.27 **A higher proportion of the Initiative Studies were disseminated via postings or publication in comparison with Non-Initiative Studies.** According to the TLs' reports, while 65% of the Initiative Studies were posted on the Bank's intranet or on an external web page, only 20% of the Non-Initiative Studies were disseminated by the same channels. The difference is more notable when the dissemination was done via publication; while 53% of the Initiative Studies were published in a journal or a book, only 10% of the Non-Initiative Studies were published. (Table 12)
- 4.28 **The most common channel of dissemination for studies is via presentations and the least is publication.** A total of 89% of the Team Leaders report that their studies were disseminated through presentations to government officials, academia, other IDB employees and civil society and only 30% of them were published in a journal or as part of a book (Table 12). The proportion of published studies varies depending on the type of study produced. While 46% of the studies intended to be most relevant to the country government are published in a journal or a book, only 11% of those intended to be most relevant to IDB teams preparing a Country Strategy, a loan, another study or a policy or sector strategy are published.

4.29 The literature on knowledge utilization suggests that a key strategy to facilitate the transfer of knowledge is by promoting the collaboration between knowledge producers and potential users. The Initiative enhanced collaboration with local and international researchers, but there is no evidence of collaboration between staff members of the Bank. While less than 60% of the TLs of Non-Initiative Studies report local or international researchers having collaborated in the production of their study, more than 70% of TLs of Initiative Studies report that. (Table 20) From a total of 27 Initiative Studies, 19% have at least two IDB authors and only 4% have at least two authors from different departments of the IDB, these percentages for Non-Initiative Studies are 27% and 12%, respectively.

C. Quality: Has the Initiative enhanced the analytical quality of country studies?

4.30 In 2006, OVE found that an independent assessment of IDB studies indicates that many studies are of low quality. A substantial number of studies (20%) made no use of primary or secondary data. Over half did not use a replicable, evidence-based methodology, and $\frac{3}{4}$ did not provide policy implications that were logically consistent given the rest of the study. (RE-323, Par. 7.4) The Office recommended formalizing the quality control processes for all studies to ensure that the conclusion of studies is based on clearly cited evidence and replicable methods. They also recommended requiring at least one peer reviewer from outside the producing department and improving the incentives for the production of quality studies. (RE-323, Pars. 7.10, 7.11)

4.31 The CEP implemented a quality-at-entry review process for studies' proposals and a quality peer review process for completed studies. First, the committee approved the studies' proposals in terms of their technical quality. Then, since the beginning of 2007, studies had to be peer reviewed before they were completed (Minutes of February 28th, 2007). To investigate whether the Initiative enhanced the quality of country studies, the quality assessments of the sample of completed Initiative and Non-Initiative studies are compared. As already mentioned in section B, only the quality of the final product is examined, because there is not enough information to evaluate the review processes.

4.32 As explained in the methodology section, the quality of studies is assessed in terms of five dimensions: question, framework, data, methodology, and policy implications. Additionally, the peer reviewers were asked to do an overall assessment of the study by providing a score on a scale from 1 to 5 (5 is high) according to: i) clarity of the question and framework, ii) whether the authors took an evidence-based approach, and iii) the clarity and consistency of the policy implications.

4.33 In general, the overall quality of studies still remains weak, but the Initiative Studies were considered of higher quality than the Non-Initiative Studies.

4.34 **An important proportion of the studies are only descriptions and do not present any further analysis.** More than one third of the studies (38%) do not identify the question they seek to answer (Table 14). Some of the reviewers' comments regarding this issue are: *a) the paper is simply a description of the*

changes in the policy-making process; b) the report only provides an overview of the energy sector and recommendations for an alternative energy program; c) the document cannot be defined as a “study”, such as there is no analysis, framework or evidence-based methodology. Instead, it is completion report about the implementation of a water sanitation program; d) it is a description of the tourism sector. It also lists the challenges of the sector; e) the study is a description of various aspects of indigenous life, politics and development. There is no question posed; and f) the document is purely descriptive and does not analyze a particular question.

- 4.35 **The Initiative contributed to the overall quality of studies.** The Initiative Studies were better evaluated in all dimensions considered in the overall assessment. That is, on average, the Initiative Studies included better formulation of the question and its framework, an approach more focused on evidence, and better clarity and consistency of the policy implications of the study. In terms of the clarity of the question and framework, the score of the Initiative Studies is 3.3 while that of the Non-Initiative Studies is 1.8. Regarding the evidence-based approach, the reviewers report a higher score for the Initiative Studies, 3.1 versus 1.8. Likewise, for the clarity and consistency of the policy implications, the Initiative Studies have a higher score, 2.9 versus 2.1. (Table 13)
- 4.36 **Less than two thirds of the studies identify the question of interest.** A total of 78% of the Initiative Studies provide a specific question and 48% of them provide additionally a hypothesis. In the case of the Non-Initiative Studies only 48% of them specify a question and a very low percentage, 6%, form a hypothesis. (Table 14)
- 4.37 **Also, a relatively large proportion of the studies are not evidence-based.** The problem of the lack of utilization of quantitative or qualitative data persists for both Initiative and Non-Initiative Studies which hinders the reliability and credibility of their conclusions. A considerable portion of both groups of studies (15%) made no use of primary or secondary data (Table 15). Sources of data used include censuses, surveys, police reports, economic series, research papers, and books.
- 4.38 **Concerning the methodology, the Initiative Studies resulted in better quality.** A higher proportion of the Initiative Studies presented an evidence-based methodology in comparison with Non-Initiative Studies, 74% versus 60%. This result is not unexpected given that the CEP evaluated the proposals in terms of their technical quality. Also, because a higher percentage of the Initiative Studies include an appropriate framework definition (78%), the choice of methodology results of better quality (Table 14-15). However, only 26% of them establish a strategy to identify causation rather than correlation among the determinants of the point in question.
- 4.39 **The policy implications of the Initiative Studies are more consistent with their analysis.** According to the reviewers, 51% of the Initiative Studies provide policy implications that are consistent with the question, framework, data, and methodology of the study. This figure contrasts with the 27% of the Non-

Initiative Studies that satisfy the same characteristic. This result indicates that the Initiative Studies may result more useful to decision makers when choosing which social programs or policies to endorse. (Table 16)

D. Utilization: Are country studies financed with the Initiative more likely to be utilized within the Bank among the Bank clients, and the academic community?

- 4.40 In the evaluation of 2006, OVE found that *i) it is not clear that there is a demand for many of the studies the Bank produces, ii) the Bank's project documents (and some of its studies) do not include citing footnotes with pagination, iii) downloads of studies from the web have been increasing but only a subset of studies is available, iv) relative to EBT, IMF, and WB, IDB studies have limited citations within the academic community; 56% of IDB journal publications have never been cited, v) authors do not believe that the Bank is systematically using all of the studies they produce; furthermore, project team leaders use only the IDB studies that they commission themselves, and vi) the Bank does not track the utilization of its studies.* (RE-323, Pars. 7.21-7.26)
- 4.41 Accordingly, OVE recommended: a) *ensure sources of information are cited by using references and footnotes to cite all internal and external sources of information and including links to IDBDOCS for the referenced documents produced at the Bank; and b) track the utilization of studies by, among other things, preparing citation analysis, reports on downloads from IDBDOCS and the Internet, consults to Google Scholar and user surveys; c) usage should be linked to the incentives of authors, and d) bibliographies of loan documents should be stored as metadata* (RE-323, Pars. 7.27, 7.28)
- 4.42 This evaluation found little evidence of the studies being utilized inside the Bank or in journals. Note that some of the indicators of utilization are measured for the universe of the Bank's studies. However, since the level of utilization is low for all studies, it can be concluded that both the Initiative and Non-Initiative Studies are affected by similar problems of underutilization.
- 4.43 Because there is not a unique conceptual model of knowledge utilization in policymaking, many scales and indices have been designed to measure the use of research evidence in this field. For some, utilization occurs when the policy-maker understands the information received; for others, it occurs when it influences a discrete decision, and for others it occurs when it influences all stages of the decision-making process. A common scale is the one proposed by Knott and Wildavsky (1980) which is *meant not only to capture the extent to which information is processed cognitively by the policy-makers but also its consequence in the policy process* (Webber, 1992). The scale includes seven stages: reception, cognition, reference, effort, adoption, implementation, and impact. Figure 2 defines utilization for each one of these stages.

- 4.44 Based on this scale, utilization is measured first by performing a citation analysis for studies produced at the Bank, using the Web of Science citation databases¹⁵; and second by investigating whether the completed studies influenced other products, according to the responses of the Team Leaders' survey.
- 4.45 **Relative to other development banks, published IDB studies are less cited.** Although the IDB and the Asian Development Bank (ADB) have a similar number of studies published in the period 2005-2009, 85 and 81 respectively, the citations average per article for the ADB is 2.28 while that for the IDB is 1.98. That average is also higher for institutions that published more and less than the IDB. The World Bank published 1,452 articles in that period and the citations average is 4.02; the European Bank for Reconstruction and Development published only 21 articles but the average of citations per article is 3.57. (Table 17)
- 4.46 **The demand for analytical work by the visitors to the IDB's website has decreased from 2008 to 2009.** When counting the number of visits¹⁶ to the documents available on the website during the year 2009, none of the studies of the sample of completed studies was among the most visited 1,000 documents in the site. The 150 most frequently visited documents in 2008 and 2009 were classified into five categories: study or report, Country Strategy, documents related to loans or technical cooperation, documents related to meetings, and others. This evaluation found that in 2008, 44% of the most frequently visited documents on the website were studies or reports. This percentage decreased to 21% in 2009, while the percentages of visitors interested in documents related to loans, technical cooperation or meetings increased.
- 4.47 In 2009, the five most frequently visited documents were i) an outline for the 2008 IDB-Civil Society Meeting in Montevideo, ii) general information about the IDB's Cultural Development Program managed by the IDB Cultural Center, iii) a book entitled "Beyond Facts: Understanding Quality of Life," the first edition of the IDB's flagship series "Development in the Americas," iv) the IDB's annual report for 2008, and v) a PowerPoint presentation about the causes, consequences and policy implications of the secondary school dropout rate in Argentina.
- 4.48 **A large proportion of the studies published by the IDB are not utilized in journals.** Of the 243 published studies found in science databases for the period 1990-2009, 94 (38%) have never been cited. Over this time there has not been an improvement in terms of the IDB publications being cited in journals. In 2006, OVE found that for the period 1990-2004, 56% of the IDB journal publications had never been cited and now, for the period 2005-2009, that percentage increased to 58%. Even when comparing the number of citations before and after for periods of four years, the more recent publications were cited approximately the same number of times as before. Of the 60 studies published in the period 2001-2004, 63% were not cited in that same period and 40% of the citations come from only four studies. A similar pattern is observed for the 67 studies published

¹⁵ This system is managed by Thomson Reuters.

¹⁶ A visit to a document of the website happens when a visitor to the site clicks on the link of the document.

in the period 2005-2008; 68% of them were not cited in that period and 58% of the citations come from only four studies.

4.49 **It is difficult to find evidence of the utilization of studies inside the Bank mainly because of the absence of a culture of citation.** According to the Team Leaders' reports, 42% of the studies were utilized by another IDB staff member and the most common product the studies influenced is a Country Strategy. However, only about half of those Country Strategies list their studies as references. In the case of other products that use studies as inputs such as loan and technical cooperation documents, it is not possible to assess utilization because of the absence of citations, footnotes and references.

4.50 **A significant proportion of TLs do not follow up on the utilization of their studies, and therefore, it is not clear to what extent the Bank's studies are being produced to influence country governments' strategies or policies.** Only 68% of the TLs knew the name of the person who used their study and 51% knew the name of the product their study influenced. The most common influenced products are Country Strategies, loan projects and technical cooperation. According to TLs, the places where their studies were utilized include central banks, ministries, and universities. A higher percentage of the Initiative TLs knew where and who in the country governments utilized their study. (Table 18)

E. Incentives: Has the Initiative improved the provision of incentives to produce country studies?

4.51 In 2006, OVE found that the incentives are not strategically set to produce knowledge. This limitation affects the whole production process of studies, that is, employees are not rewarded for collaborating with other units for producing analytical work or for preparing high quality studies or for disseminating them. According to OVE's evaluation, *managers in the operational departments have incentives linked to the number and amount of loans approved, not to studies produced. The NFP process tracks only number. Authors' efforts are typically driven by personal interest, but this is counterbalanced by the stigma of being seen as 'too academic'.* (RE-323, Par. 7.7)

4.52 OVE recommendations were: *a) Improve incentives for the production of quality studies. Provide project team leaders and authors with incentives regarding the commission and preparation of quality studies. The Bank personnel policy should be analyzed to ensure that professional career growth opportunities are adequate for experts who work in the preparation of analytical studies; b) Provide incentives to project team leaders, authors and filers regarding the storage and dissemination of studies; and c) Usage should be linked to incentives of authors* (RE-323).

4.53 Although the Initiative did not propose a new incentive structure, this evaluation investigates whether its implementation motivated TLs to conduct country studies. The survey applied to TLs is used to know more about the employees' interests related to analytical work.

- 4.54 The interests of the TL working on Initiative Studies are similar to those of TLs working on Non-Initiative Studies. They think that developing technical expertise is the main motivation for staff members to produce studies but also that participating in the production of studies is not a priority of the IDB departments other than RES. Therefore, the Bank is not signaling its employees that analytical work is a priority area, which implies that incentives are not strategically set.
- 4.55 **The opportunity to be promoted at the Bank is not seen as one of the reasons that motivate Team Leaders to participate in the production of studies.** Only 3% of the TLs selected the increase in the probability of a promotion or advancement at the IDB as one of the most relevant reasons for producing studies. For 65% of the TLs one of the main reasons is that it helps develop technical expertise. The second most relevant reason is that it is important for achieving your career goals, with 16% of the respondents mentioning it. No one reported that the main reason was the monetary compensation. The responses are very similar for team leaders of both groups of studies, Initiative and Non-Initiative. (Table 19)
- 4.56 **The most relevant reason for staff members not participating in the production of studies is that it is not a priority of departments/units other than RES.** More than 40% of the TLs in both the Initiative and Non-Initiative groups selected that option. Other important reasons are the lack of expertise to conduct analytical work, that it is difficult to secure funds for the production of studies and that it takes a long time to produce a study. That there are limitations in choosing the topics of the studies is not seen as a relevant reason. The biggest difference between the responses of the Initiative TLs and Non-Initiative TLs is related to the lack of expertise to conduct analytical work. Only 20% of Non-Initiative TLs indicate that option as one of the main reasons while 53% of Initiative TLs do so. (Table 19)
- 4.57 **The Initiative which was one of the first attempts of the Bank to improve its production of analytical work was not properly promoted among Team Leaders who produce studies.** When asked their opinion about the advantages of submitting a proposal to the CEP, most Non-Initiative TLs did not respond, or reported not knowing, which suggests that not all TLs were informed about the CEP functions. Of the Initiative TLs, 34% indicate the review process that provided methodological comments as one of the most relevant advantages of the CEP. (Table 11)
- 4.58 Concerning the disadvantages of CEP, some of the TLs' comments are: *a) procedures are too onerous; b) time delays, c) it was a black box, it seldom coincided with operative priorities in the countries, d) I think that the Initiative could have been enhanced if a process involving external reviewers could be set in place, e) lack of knowledge of CEP of specific countries' needs and bank's strategic engagement; f) being managed by RES, the CEP would prioritize "studies" that were more "academic" (publishable); initiatives that involved less novel research, but useful from an operative perspective, had a hard time being approved and g) there were coordination problems, these include the setting up of the meeting, all the way up to once the study was presented: other departments*

want to join the study (which is actually fine), but then the coordination became more burdensome because it falls all on the proposing department.

V. THE BANK'S KNOWLEDGE STRATEGY

- 5.1 To find out whether the Initiative constituted a basis for efforts at strengthening analytical work, this evaluation examines how the lessons learned from the implementation of the Initiative were taken into consideration to define the KCPs' Strategy and the KNL's Strategy. Surprisingly, none of the proposals builds on the work done by the CEP or provides any comment about the results of the Initiative's implementation. Following the order of the evaluative framework used for the analysis in Section IV, key aspects of the definition of the strategies are reviewed.

A. Relevance

Strategy without tactics is the slowest route to victory. Tactics without strategy is the noise before defeat.

Sun Tzu

- 5.2 The Bank has sought to define a corporate knowledge strategy to guide the actions of its departments and staff towards the improvement of the institution's analytical work. That strategy would need to identify the objectives that the Bank seeks to achieve through the generation, transfer and application of knowledge and link them to its business strategies. Without a well defined corporate knowledge strategy, the units' efforts in this area would probably be random, inconsistent and informal, which in turn would be ineffective for the Bank's business.
- 5.3 The KCPs' Strategy presents an incomplete corporate knowledge strategy and does not propose how to prioritize the Bank's analytical work. KNL's Strategy does not elaborate on the characteristics of the Bank's knowledge strategy but provides general guidelines to plan knowledge and learning activities.
- 5.4 **The KCPs' Strategy does not specify the strategic objectives that the Bank seeks to achieve with the investment on KCPs, nor does it specify the guiding principles for the development of those objectives.** The document limits to state that KCPs contribute to *advance the development agendas of countries in LAC* without providing a further discussion about the connections between the different types of KCPs and the countries' development problems. For instance, it is not explained what goals the Bank expects to achieve with the production of research papers (within the *Research and Development* category) as opposed to providing support to strengthen *Policy and Capacity Development*, nor does it explain the likely complementarities between the production of studies and the dissemination activities (categorized within *Outreach and Dissemination*).

- 5.5 **An additional strategic aspect only partially addressed is related to the opportunities for partnership in the area of knowledge. It is not clear how the Bank will take into consideration the knowledge strategies of other development actors.** It is argued that because the supply of KCPs is limited and funding for KCPs has been decreasing, the Bank *should be prepared to fill this growing gap*. (GN-2549 , Pars. 3.4, 3.5, 3.7) However, there is no mention of how to collaborate or share knowledge with partners. It is unknown for example, whether the Bank plans to only cover the knowledge gaps or to produce knowledge in the same areas where other actors are already working. Also, the funding and cost-recovery discussion does not adequately identify the regional (or global) public good nature of KCPs, and the fact that the inability of individual countries to fully appropriate its benefits will likely result in sub-optimal financing of KCPs if individual countries are required to cover a substantial part of its costs. (GN-2549 , Par. 3.10)
- 5.6 The document mentions that multilaterals and other development agencies do not invest enough resources on KCPs in the LAC region without providing enough evidence. It is stated that the amount spent over the period 2000-2006 by the World Bank on economic and sector work (ESW) and technical assistance (TA) is *not only moderate in absolute terms – around US\$13 million per year compared to an equivalent US\$15 million at the IDB in 2007 – but also small in relative terms, as it amounts to only 11 percent of the estimated US\$900 million actually spent between 2000 and 2006*. (GN-2549 , Par 3.4) First, it is not straightforward that the amount is small only because it is the 11% of total expenditures when the World Bank supports other regions. Second, to assess the effectiveness of the ESW and TA programs, other characteristics of the program have to be taken into account such as the number of products delivered, their quality level and the results of their utilization.
- 5.7 The document also suggests that countries do not have the capacity to conduct research without providing supporting evidence. It is mentioned that *the activities of the most conventional actors of knowledge and capacity building in the region, such as universities and research centers, is – at the most – stagnant. To meet the expanding demand for higher education in the region, LAC universities are giving more attention to teaching than research. Think tanks are relatively few and the most influential ones date back to the 1980s. There has also been a considerable “brain drain” of highly educated professionals from the LAC region, further debilitating the countries knowledge and institutional capital*. (GN-2549 , Par. 3.6) However, indicators of Science and Technology published by the World Bank seem to contradict this claim. For example, the number of scientific and technical journal articles has been increasing for the last ten years in several countries of the region which implies an increasing capacity to do analytical work.
- 5.8 **Given the Bank’s efforts to enhance client orientation by strengthening Field Offices, an important aspect not discussed in the document is related to the new role of the Bank’s staff in the Field Offices.** A significant part of KCPs’ generation and transfer (from identification of needs, to preparation and

- dissemination of studies) is executed there. It is argued that because of the different levels of absorptive capacity in the countries, the effectiveness of the KCPs will be higher in the most developed countries, without explaining how this distinction will shape the Bank's knowledge production strategy (GN-2549, Par. 4.3) For instance, it is not clear whether the Bank seeks to focus on only disseminating knowledge to its clients or on producing KCPs in a way that builds their capacity to generate knowledge
- 5.9 **It is not explained how the KCPs will be selected and prioritized in general and also within each of the four categories.** For instance, in the case of the first category, *Advisory Services*, the document states that adequate country focus should be ensured. In the case of the *Research and Development* products, a similar general condition is mentioned, that country demand or needs will determine the products' selection. (GN-2549, Pars. 3.40, 3.41)
- 5.10 **The KNL's Strategy recognizes that the generation of knowledge has not followed a corporate knowledge strategy and mentions that the strategy should be aligned with the Bank's business strategic areas.** Although the document discusses in more detail the importance of defining a corporate strategy, it does not elaborate on the specific development objectives that the institution should seek to achieve with the different kinds of knowledge products. It is mentioned that *accumulation has been unsystematic. It has not responded to explicit policies under an institutional strategy based on rules and incentives that promote the acquisition, creation, exchange, and use of that knowledge, or of knowledge generated by other sources, for discussion of the region's development agenda or the implementation of its operations* (GN-2479, page 10). Consequently, it is argued that the Bank's corporate knowledge strategy needs to be built on the principle that *each action should be closely linked to the bank's core mandates to support the development of its borrowing member countries* (GN-2479, page 10) by focusing on the strategic areas proposed in the realignment. (Figure 1)
- 5.11 **The document concentrates on explaining the role of KNL towards supporting learning activities and developing staff competencies. However, it is not clear how analytical work will be prioritized.** KNL proposes that the units prepare the knowledge and learning activities plan and the managers make the final decision on what to produce. However, no selection guidelines are provided for the managers. It is unknown how they will prioritize the activities in terms of, for example, the time needed to carry them out, their links to the work already done by other institutions and clients, and the competencies that the staff need to acquire to perform them.
- B. Processes**
- 5.12 The final goal of doing analytical work in the Bank is to contribute to the solution of the countries' development challenges. To ensure its effectiveness it is necessary to make sure that the intermediate processes for the generation and transfer of analytical work are well designed and implemented.

- 5.13 The main concerns of the KCPs' Strategy are issues related to funding and leave operational aspects out of the discussion. The method of funding KCPs is seen as the main cause for important weaknesses of the Bank's non-lending program: *The multiplicity of programs and access points for KCPs that has derived from the overlapping of funding sources over time not only creates transaction costs, but also distorts the decision-making processes in the Bank, since there are strong incentives to lock in funding from earmarked sources and staff may be pressured to change their products to suit donor or funding arrangements.* (GN-2549 , Par. 3.1) Although the dispersion of funds and mechanisms through which the KCPs are currently funded are likely to be a problem, the links between these issues and the production processes are not explained. Therefore, it is not clear to what extent the way of funding KCPs affect their quality and utilization and ultimately their effectiveness. Moreover, the Strategy claims that the lack of a comprehensive view of the extent of this work can be attributed to the fragmentation of resources when it is more likely that this problem has also originated from inadequate management (OPUS), budget (OPERA), and information systems (Knowledge Repository).

1. Programming

- 5.14 To ensure the successful implementation of the Bank's knowledge strategy, the Bank would need to plan its analytical work in each unit, division, and department. This process has to take into account the resources available and the strategic goals of each entity. Adequate planning provides the structure to guide the whole process of production and dissemination of this work and facilitates collaboration across departments and staff.
- 5.15 The KCPs' Strategy does not offer a discussion about how the Bank's analytical work should be planned.
- 5.16 **KNL proposes a guide for the units about how to program knowledge and learning activities; however, the guidelines are not specific about the role of the managers who will select the activities.** KNL's website provides a guide for the elaboration of the *2010 Knowledge and Learning Plans*. During the initial stages, the organizational unit has to identify the knowledge and learning needed to be addressed to achieve the unit's strategic goals. Also, it has to indicate how the acquired knowledge will contribute to the work of the other units of the Bank. Then, the products/activities are described and prioritized, taking into account costs and external factors that might compromise their effectiveness. Finally, the managers review, select and approve the knowledge and learning activities of the unit's plan.

2. Quality Control Processes

- 5.17 Although the Bank has concentrated on offering lending products to its member countries, the countries also value the Bank's expertise in economic and social development topics. Lately, the demand for this kind of products has increased; therefore, to maintain its reputation, the Bank would need to guarantee the high quality of its analytical work, for which quality control mechanisms should be put in place across all intermediate processes of production.

- 5.18 **The KCPs' Strategy does not properly address the quality problem. It indicates that there is an issue of low quality of the studies produced at the Bank and points out the absence of a quality control system; however, it does not propose how to develop that system.** It is mentioned that *until now there has been no systematic quality control or even a good information system to track the Bank's work. External review of studies indicated low quality, which led to the establishment of the Country Studies Committee in 2006 to provide a quality-at-entry review process.* (GN-2549 , Par. 2.14) In addition, there are no comments about the lessons learned derived from the implementation of the quality control systems put in place by the Country Studies Committee.
- 5.19 **The KNL's Strategy acknowledges that it is necessary to develop a quality control system for the studies, but does not elaborate on the details.** The document does not discuss the problem of quality of analytical work but claims that *it will be necessary to monitor the completion and quality of the knowledge and learning activities and products through project monitoring and evaluation systems and performance evaluations.*

3. Information Systems and Storage

Is research not utilized because policy-makers don't want it or because they aren't able to get it?

Knott and Wildavsky (1980)

- 5.20 Having adequate information systems to monitor the production of studies across all production stages and a unique and user-friendly storage system facilitates their dissemination and utilization.
- 5.21 Both strategies recognize the importance of having an adequate storage system for knowledge products, but none of them elaborate on the design aspects of this system or describe the progress made towards the implementation of the Bank's Knowledge Repository. It is not discussed how to modify the institutional systems to incorporate the studies prepared (under the supervision of staff at the Field Offices) during the project cycle, an important point considering that a significant part of the analytical work associated with the work of the Bank is conducted as part of project preparation and implementation. Nor it is discussed how to adapt the search engines to facilitate access and utilization of these studies.

4. Dissemination

Knowledge is not simply another commodity. On the contrary. Knowledge is never used up. It increases by diffusion and grows by dispersion.

Daniel J. Boorstin

- 5.22 Analytical work should be done with a clear and specific objective. This objective is not achieved until the results are disseminated to make possible its application. The Bank would need to define a dissemination agenda for its analytical work. In the case of a study, this process should begin with specifying the dissemination strategy when the proposal is prepared.

- 5.23 **The KCPs' Strategy misses the opportunity to argue for a KCP structured activity that adequately integrates both production and dissemination as key outputs of a knowledge generation strategy that will facilitate the utilization of all KCPs.** It assigns different categories of KCPs to research papers classified as *Research and development* and dissemination products classified as *Outreach and dissemination*. Dissemination is only a step in the knowledge generation process; it is not a type of knowledge. Such a categorization suggests that only some products will be disseminated.
- 5.24 **The dissemination of knowledge and learning activities will be the responsibility of KNL.** It is mentioned that KNL activities will aim to facilitate and consolidate the conditions for implementing the bank's knowledge and learning strategy (GN-2479, Page 13). These activities will be the responsibility of the Knowledge Management Division (KNM), the Inter-American Institute for Economic and Social Development (INDES) and the Felipe Herrera Library (FHL). The functions of these units include the design and implementation of knowledge-management programs, the promotion of knowledge utilization initiatives, the dissemination of lessons learned the identification of research needs, the design and implementation of learning and training programs, the dissemination of publications, establish and strengthen knowledge partnerships with academic and professional networks, etc.

C. Quality

Do we know anything worth transmitting or would we do less harm by taking a vow of silence?

Knott and Wildavsky (1980)

- 5.25 High quality of information is crucial to help the Bank's staff make well informed decisions on how to better design and implement programs and identify future development challenges. Currently, the Bank carries on different types of analytical work that serve different purposes, such as for establishing the know-how to address a country's development problem, identifying the priorities for Bank action on specific sectors, providing policy advice on a particular issue, preparing documents on lessons learned to support the formulation of new strategies and loan projects, and evaluating the effectiveness of various Bank activities. Because the quality of analytical work varies, it is imperative for the Bank to control for quality before its dissemination.
- 5.26 **The KCPs' Strategy proposes to approve the production of KCPs and to evaluate their effectiveness on the basis of their quality; nevertheless, the concept is not defined for each of the four categories of products defined in the document.** It is only mentioned that *evaluations will be done at the aggregate, category and program level, on the basis of the objectives and expected development results of each of them. Evaluations under each category should be focused on their distinct purpose. The main criteria for the evaluation of advisory services will be timeliness, pertinence, and quality; and those for policy and capacity development KCPs at the national level will be quality,*

relevance for policy dialogue and design, and consistency with the country strategy or program. Outreach and dissemination KCPs will be evaluated based on their usefulness for clients and the Bank, quality, reach, influence, and usage; and research and development KCPs will be assessed according to their quality, policy relevance, and promotion of partnerships and innovation. (GN-2549, Par. 3.39).

- 5.27 Similarly, the KNL's Strategy does not define quality or explains how to develop a quality control system for these products. (GN-2479, page 20) Moreover, all statements related to the quality of these products seem to apply more to learning activities than to analytical work products such as country studies.

D. Utilization

Any piece of knowledge I acquire today has a value at this moment exactly proportioned to my skill to deal with it. Tomorrow, when I know more, I recall that piece of knowledge and use it better.

Mark Van Doren

- 5.28 *The use of research evidence in government agencies is based on the idea that informing decisions with research findings is likely to help eliminate inefficient uses of resources or wrong decisions (Landry et. al., 2003).* However, there is not an agreement yet on the definition of the concept of utilization when research evidence is used in policymaking. Regardless of the definition of utilization the Bank finally establishes, producing and disseminating studies is not enough; the Bank needs to integrate analytical work into its day-to-day activities and decisions to contribute more effectively to the development of its member countries.
- 5.29 To track the utilization of studies, the KCP's Strategy proposes a number of mechanisms through which to measure it, such as citation indexes, client feedback surveys and counting downloads from the web. Nevertheless, the limitations of the use of these mechanisms should be kept in mind, because the Bank documents (Project Loans, Strategies, Policies and Guidelines) make very limited use of references, citations and footnotes.
- 5.30 According to the KNL's Strategy, one of the actions they will support is the promotion of knowledge utilization, however, it is not discussed whether KNL intends to track the utilization of knowledge products or propose a monitoring system for this task.

E. Incentives

Local routines – whether tacit knowledge, codes or procedures – are the product of not only a cognitive process, whereby individuals learn about how things are done, but also an incentive-related process, whereby individuals learn what kinds of behaviors are likely to be rewarded.

Kaplan and Henderson (2005)

- 5.31 Currently the Bank is structured to provide financial products and consequently, incentive mechanisms are set to promote the preparation and approval of loans. To respond effectively to the intention of the Bank to strengthen its contribution to countries' development through knowledge and capacity building products, it is necessary to change its incentive structure to motivate its employees to improve the production of non-lending products.
- 5.32 Given that the Bank is planning to transform the generation of knowledge into one of its core activities but at the same time keep offering financial products, the institution will become what is called an “ambidextrous” organization, that is, part of it will continue to operate in the same line of business while simultaneously supporting activities to create new opportunities. According to a recent paper by Kaplan and Henderson (2005), in which they develop a framework to analyze incentives, these organizations face three core problems when implementing a new structure of incentives. *First, interests are context dependent, so as the market changes even employees may be unclear about their interests in the new situation. Second, neither employers nor employees have full knowledge of the kinds of behaviors that are likely to be effective in a new arena or of the measures that might signal that these behaviors have occurred. Third, even if managers can develop new measures, they may find it difficult to develop new relational contracts. The new measures are likely to be noisier, creating problems in committing to appropriate behavior. This problem is often compounded by the fact that the firm has no history of rewarding people who behave in the desired new ways, leaving managers and their employees without a familiar—and hence effective—relational contract. In addition, moving to the use of new measures and establishing a new relational contract may be viewed as a violation of the existing relational contract, making it difficult to manage the established part of enterprise.*
- 5.33 Although the KCP's Strategy recognizes that a new staff incentive system needs to be put in place, it does not provide detailed recommendations about how to structure it. Indeed, the importance of designing a new incentive system is pointed out: *there is a lack of an appropriate staff incentive system to work on non-lending activities. This indicates that no matter how much the Bank wishes to invest in KCPs, the ability to make these wishes materialize largely depends on the ability to sign the priority of this area of work: that is, how such priority translates into bank procedures and systems and how clear the incentives are to staff.* However, the document only discusses the general characteristics of this system such as that *staff should have adequate time to develop and supervise KCPs, that they should be encouraged to further develop their own skills in strategic niche areas* and that rewards should be tied to results achievement. (GN-2549, Pars. 2.9, 4.2)
- 5.34 The KNL's Strategy discusses in more detail the consequences of having an inadequate incentive system. However, similar to what was argued in the KCPs' Strategy, KNL proposes to incorporate incentives that *promote the use of time and effort in knowledge and learning activities* without explaining the specific mechanisms that will be used for that. KNL's comments include: *knowledge-related activities have been viewed as tasks added to the daily workload,*

competing for the time of professional and administrative staff. Each business unit has focused on maximizing the achievement of its own objectives, which has led units to keep information and knowledge to themselves, with little incentive to share it or receive contributions from other units and departments, or to build multisector approaches (GN-2479, page 11).

VI. FINDINGS

A. Evaluation of the Initiative

General Findings

- 6.1 With respect to the results of the implementation of the Initiative: a) there is no evidence of the Initiative Studies being strategically chosen; b) the Initiative made some progress in terms of the studies being peer-reviewed at the proposal level for quality standards and adequately stored and disseminated; however, there is no evidence of progress regarding the collaboration among researchers within the Bank or the studies being adequately budgeted; c) although the quality of the Initiative Studies is higher than that for a comparison group of Non-Initiative Studies, it can be improved; d) there is no evidence of the studies, Initiative and Non-Initiative, being utilized inside the Bank or outside, and e) incentives are not strategically set to signal the employees that the production of studies is a priority of the Bank's departments other than RES.
- 6.2 This report did not find an adequate progress towards the implementation of OVE's recommendations.

Specific Findings

Relevance

- 6.3 There is no evidence of the CEP following a formal process to select studies; therefore, it is unknown whether the Initiative Studies were strategically chosen. In particular, it is not possible to establish the strategic criteria used by the CEP to approve their financing in terms of their relevance for the activities of the Bank.
- 6.4 It remains unclear what mechanism countries use to influence the production of studies. Although Team Leaders expect their studies to be relevant to country governments, client country requests are rarely the main reason for producing studies.

Processes: Programming

- 6.5 The work of the CEP brought to light the importance of defining standards even for the basic procedures such as the format of a study proposal. The information contained in the proposals is essential to plan a study and later monitor its production.
- 6.6 The studies are not being adequately budgeted. There is a large amount of missing information on the costs of studies in the systems of the Bank.

Processes: Quality Control Processes

- 6.7 There is some progress in terms of the design of the Initiative quality control mechanisms; however, there is no evidence of them being fully functional.
- 6.8 The proposals of the Initiative Studies present several quality problems. One third of the studies do not identify the question the study seeks to address. Around half of them do not mention the use of data to support their conclusions, do not contain an evidence-based methodology and do not specify the intention of the study or how the results could be utilized. Finally, more than two thirds do not indicate the planned dissemination strategy.
- 6.9 It is not possible to assess the effectiveness of the peer review process for completed studies put in place by CEP because of the lack of information.

Processes: Information Systems and Storage

- 6.10 The CEP made some progress in terms of collecting the information needed to monitor the process from proposal to completion of a study. However, this information is only partially captured in the information systems of the Bank.
- 6.11 A large proportion of the documents associated to NFPs and PRGs cannot be found in the systems of the Bank and a large proportion of the Bank's completed studies are not available to the public.

Processes: Dissemination

- 6.12 The most common channel of dissemination for IDB studies are the presentations and the least common is publication. However, a higher proportion of the Initiative Studies were disseminated via postings or publication in a journal or a book as opposed to the Non-Initiative Studies.

Quality

- 6.13 A considerable proportion of the studies produced at the Bank present serious problems of low quality. An important proportion of the studies are only descriptions and do not present any further analysis, more than one third do not identify the question they seek to answer. Also, 15% of the studies do not use qualitative or quantitative data to support their conclusions and less than half of them provide policy implications that are consistent with the analysis presented.
- 6.14 Although the overall quality of the studies remains a problem, the Initiative contributed to their improvement in terms of the definition of the question of interest and the methodology. While 78% of the Initiative Studies provide a specific question, only 48% of the Non-Initiative Studies specify a question. A higher proportion of the Initiative Studies presented an evidence-based methodology in comparison with Non-Initiative Studies, 74% versus 60%.

Utilization

- 6.15 There is little evidence of both Initiative and Non-Initiative Studies being utilized inside the Bank or in journals.

- 6.16 The demand for analytical work by the visitors of the IDB website has decreased from 2008 to 2009.
- 6.17 It is difficult to find evidence of the utilization of studies inside the Bank, mainly because of the absence of a culture of citation.
- 6.18 Relative to other development banks, published IDB studies are less cited.
- 6.19 An important proportion of TLs do not follow-up on the utilization of their studies, and therefore, it is not clear to what extent the Bank's studies are being produced to influence country governments' strategies or policies.

Incentives

- 6.20 The problem of the lack of an adequate incentive system that promotes the generation and utilization of knowledge remains unsolved.
- 6.21 The opportunity to be promoted at the Bank is not seen as one of the reasons that motivate Team Leaders to participate in the production of studies.
- 6.22 According to Team Leaders' reports, the most relevant reason for IDB staff members not participating in the production of studies is that the production of studies is not a priority of departments/units other than RES.

B. The Bank's Knowledge Strategy

General Findings

- 6.23 None of the recent knowledge proposals presented to the Board builds on the work done by the CEP or provides any comment about the lessons learned of the Initiative's implementation.
- 6.24 The KCPs' Strategy is promising and timely but incomplete since it only proposes a platform with new definitions of these products; and new funding and organizational arrangements, leaving strategic and operational aspects out of the discussion. The KCPs' proposal is potentially helpful for organizing the funds for KCPs, but does not provide evidence to demonstrate how the Bank will be structured to produce KCPs more effectively nor provides a discussion about the progress made towards this restructuring. According to the "Report on the Ninth General Increase in the Resources of the Inter-American Development Bank", (document GN-2518-37) the Bank plans to spend a similar amount (US\$1000 million) on KCPs over a period of ten years as the amount spent by the World Bank (US\$900) during the period 2000-2006. However, the KCPs' Strategy does not present the evidence to support that the Bank will be able to replicate the World Bank's performance of producing and delivering at least the 4,000 products that this institution delivered with that amount of resources.
- 6.25 Correspondingly, it does not provide enough information to argue whether its application is likely to lead to the development of an effective non-lending program.

- 6.26 The KNL's Strategy does not elaborate on the characteristics of the Bank's knowledge strategy. However, as suggested in the document, KNL is not responsible for defining the strategy, but for implementing it. The document concentrates on explaining the role of KNL towards supporting learning activities and developing staff competencies.

Specific Findings

Relevance

- 6.27 The KCPs' Strategy does not define the Bank's corporate knowledge strategy or explain how the Bank pretends to prioritize the Bank's analytical work in general or within the different categories of KCPs.
- 6.28 The KNL's Strategy discusses the importance of defining an institutional knowledge strategy but does not define one. Nevertheless, as suggested in the document, KNL is only responsible for its adequate implementation. Although there is some progress in terms of defining guidelines for planning knowledge and learning activities and identifying dissemination channels, the guidelines are not specific and the objectives of the sector seem to concentrate more on learning activities than on analytical work.

Processes

- 6.29 The KCPs' Strategy acknowledges that there are problems with the way analytical work is produced and disseminated. However, it does not offer a comprehensive solution to the problems or provides a discussion *about the* progress made towards their solution when four years have already passed since past evaluations pointed out these issues.
- 6.30 Regarding the process of dissemination, it is not clear why the document proposes to classify only some KCPs under the category of *Outreach and Dissemination* products when all types of KCPs should be disseminated. By assigning different categories of KCPs to analytical papers classified as *Research and development* and dissemination products classified as *Outreach and dissemination*, the KCPs' Strategy misses the opportunity to argue for a KCP structured activity that adequately integrates both production and dissemination as key outputs of a knowledge generation strategy that will facilitate the utilization of all KCPs.
- 6.31 The KCPs' Strategy points out the absence of a quality control system; however, it does not propose how to develop that system. Moreover, it does not comment on the CEP's implementation of a quality-at-entry review process for studies' proposals and a quality peer review process for completed studies.
- 6.32 The KNL's Strategy is more focused on the operational aspects of the knowledge strategy. It does not elaborate on the causes of the problems with the production and dissemination processes, but proposes a guide to plan the knowledge and learning activities and lists a series of possible dissemination actions. However, the guidelines for programming the knowledge and learning activities are not specific, especially regarding managers' participation. Also, the dissemination actions are more related to learning activities than to analytical work.

- 6.33 KNL is already planning how to disseminate the Bank’s knowledge and learning activities. The functions of KNL’s units include the promotion of knowledge utilization initiatives, the dissemination of lessons learned, the design and implementation of learning and training programs, the dissemination of publications, and the establishment knowledge partnerships with academic and professional networks.

Quality

- 6.34 The KCPs’ Strategy indicates that there is a problem of low quality of the studies produced at the Bank and proposes to approve the production of KCPs and to evaluate their effectiveness on the basis of their quality; nevertheless, the concept of quality is not defined for each of the four categories of products defined in the document.
- 6.35 The KNL’s Strategy acknowledges that it is necessary to control for the quality of studies, but does not elaborate on the details.

Utilization

- 6.36 To track the utilization of studies, the KCP’s Strategy proposes a number of mechanisms through which to measure it such as citation indexes, client feedback surveys and counting downloads from the web. Nevertheless, the limitations of the use of these mechanisms should be kept in mind because the Bank’s documents (Project Loans, Strategies, Policies and Guidelines) make very limited use of references, citations and footnotes.
- 6.37 KNL does not propose how to track the utilization of knowledge products.

Incentives

- 6.38 The KCPs’ Strategy only discusses the general characteristics of the incentive system such as that *staff should have adequate time to develop and supervise KCPs, that they should be encouraged to further develop their own skills in strategic niche areas* and that rewards should be tied to results achievement.
- 6.39 KNL proposes to incorporate incentives that *promote the use of time and effort in knowledge and learning activities* without explaining the specific mechanisms that will be used for that.

VII. RECOMMENDATIONS

Organizations committed to sharing knowledge must also be committed to providing a learning environment and must earmark resources that allow and encourage conversation, informal and formal knowledge sharing sessions, and open communication must become a cultural norm. Knowledge is a set of multiple processes and has social dimensions within an organization, and it is very difficult to share without opportunities for people to work together. Special efforts may have to be made for virtual work groups or teams who must accomplish work together, but do not have natural mechanisms for building trust such as face to face conversations.

- 7.1 The Bank has recognized that enhancing its development impact requires improvements of its analytical work. It is reflected as a critical element of its current Institutional strategy, which emphasizes the need to have evidence to propose an intervention. Early efforts of the Bank to enhance its analytical capacity include the Country Studies Initiative, a three-year pilot project approved in 2006 that aimed at strengthening country analytical work. More recently, the Bank has been trying to improve its framework to deliver value added through non-financial products and therefore be able to provide the knowledge products that the countries are already demanding. Efforts in this area include the preparation of two knowledge strategy proposals, the “Strategy for knowledge and capacity building products at the IDB” and the “Knowledge and Learning Strategy proposal (2008-2010)”. This evaluation assessed the results of the implementation of the Initiative and reviewed the strategies within the same evaluative framework used by OVE in previous evaluations of the Bank’s studies.
- 7.2 The Bank still faces important challenges in its effort to improve the effectiveness of its analytical work. Little progress has been made towards the implementation of OVE’s recommendations of 2006 on how to improve the programming, quality, storage, dissemination and utilization of analytical work. The Initiative made some progress in designing mechanisms to plan the production of studies and monitor their quality. However, no evidence was found of these mechanisms having been replicated Bank-wide. The KCPs’ Strategy is potentially helpful to organizing the funds for KCPs, but does not offer a discussion about how to restructure the Bank to generate and transfer knowledge more effectively. KNL’s strategy concentrates on aspects related to the implementation of a knowledge strategy without an explicit link to the KCP Strategy (that was prepared after the KNL Strategy). A drawback of both strategies is that none of them explicitly incorporated the lessons learned from the implementation of the Initiative.
- 7.3 The general recommendations provided in “The evaluation of the New Lending Framework” (document RE-342-1) remain applicable.

First, the Bank needs to improve the connection between country development problems and the Bank’s analytical work. This is not a simple matter of “demand driven” versus “supply driven” approaches. The Bank has limited capacity across sectors to “supply” analytic work, and countries have differing (and changing) areas of “demand” for knowledge. The critical task is to identify optimal matches between supply and demand, so that the Bank works in areas where it has the capacity to make a contribution and the countries have an ability to absorb productively the knowledge produced. This in turn requires the systematic tracking of the utilization and citation of Bank analytical work.

Second, Analytical work is not a commodity; it is a relationship, a relationship built around solving development problems. Problems evolve over time, and today’s optimal solution is tomorrow’s outdated dogma. The Bank should seek long-term engagement with country problems, and use analytical work to propose new approaches and evaluate the results of these 105 experiments. This will

improve both the quality of the Bank's own work and the use of evidence in country decision-making.

Third, *Analytical work in pursuit of problem solving is not a Bank-centered process: it is both country-centered and problem-centered. As such, the Bank needs to define its role in relationship to, and ideally, in partnership with, other development actors. Clearly, the country authorities need to be closely involved in this partnership, but it can also extend to a variety of other actors. It is in this context that the financial resources provided by technical cooperation funding can play a catalytic role. The Bank's task is not to produce all the relevant knowledge, but to identify where knowledge gaps exist and help close them through its own work and through the support of other actors working on the same problem. (RE-342-1, Par. 4.107)*

- 7.4 To transform the production and transfer of knowledge into one of its core business activities, the Bank needs to develop a corporate strategy that identifies the immediate and long-term knowledge requirements for it to achieve its corporate goals. These requirements are related to both the institutional structures and the work environment. Additional recommendations are provided below regarding both aspects.
- 7.5 The KCPs' Strategy needs to be revisited. As concluded in this work, the KCPs' Strategy is promising and timely but incomplete, since it only proposes a platform with new definitions of these products and new funding and organizational arrangements, and leaves strategic and operational aspects out of the discussion. Key concerns include:
- i. A further discussion about the connections between the different types of KCPs and the countries development problems should be provided. In terms of its goals the strategy limits to state that KCPs contribute to advance the development agendas of countries in LAC.
 - ii. The proposed classification of KCPs should be revised. The four categories proposed are called Advisory services, Policy and capacity development, Outreach and dissemination, and Research and development. By assigning different KCP product categories to research papers and dissemination products, it misses the opportunity to argue for a KCP structured activity that adequately integrates both production and dissemination as key outputs of any knowledge product.
 - iii. Specific plans of action about how to solve the problems regarding the way analytical work is managed and produced should be provided. The strategy acknowledges the problems with the programming, quality, storage, dissemination and utilization of analytical work; however, no specifics are provided on how the strategy plans to deal with this.
 - iv. Quality control mechanisms should be designed. The strategy points out the absence of a quality control system but does not propose how to develop that system. It should incorporate the lessons learned derived from the

implementation of the quality control mechanisms implemented by the CEP under the Initiative.

- v. A discussion about the expected results of the implementation of the KCPS' Strategy should be provided. It is acknowledged that the effectiveness of KCPS should be measured by their utilization and a number of mechanisms through which to measure it are proposed. Nevertheless, the limitations of the use of these mechanisms should be kept in mind. For instance, in the case of the citations mechanism, recent evaluations have found that Bank documents (Project Loans, Strategies, Policies and Guidelines) make very limited use of references, citations and footnotes.
 - vi. The strategy should further elaborate on the funding and cost-recovery discussion. It does not adequately identify the regional (or global) public good nature of KCPS, and the consequence that the inability of individual countries to fully appropriate its benefits will likely result in sub-optimal financing of KCPS if individual countries are required to cover a substantial part of its costs.
- 7.6 KNL's Strategy should also be revisited. KNL has made some progress in terms of defining the guidelines for planning knowledge and learning activities, identifying channels of dissemination and making efforts to link the products to the budget. However, it needs to clarify how its efforts complement the efforts of other units of the Bank. It should explain how its efforts are linked to the KCPS' Strategy.
- 7.7 The more specific recommendations on how to manage and produce analytical work at the Bank stated in section VII of RE-323 also remain applicable. Those constitute a substantial unfinished agenda in this area. The Bank needs to define a comprehensive plan of action with specific targets, timelines and indicators to measure the progress of its efforts. As it does this, some dimensions should be prioritized:
- i. Quality control processes should be formalized to ensure that the knowledge generated is worth disseminating. The CEP put in place two mechanisms to control for quality, a quality-at-entry review mechanism for studies' proposals and a quality peer review mechanism for completed studies. The Bank should follow up on the results of these efforts, because while there is no evidence of the adequate implementation of these mechanisms, there is some progress in terms of their design.
 - ii. The role of the Field Offices should be explicitly addressed, considering that a significant part of the generation and transfer of knowledge products is executed there. Specific plans of action about how the Field Offices will be integrated to the knowledge generation and transfer processes should be provided. For instance, a repository that stores knowledge products of all Departments and Field Offices should be put in place.

- iii. The reasons for distinguishing between non-financial products that are produced as part of a financial product and those that are not should be clarified. The KCPs' Strategy emphasizes the importance of defining these products on the basis of their purpose rather than the funding source. The justification for distinguishing between the KCPs and the so-called "Operational Inputs" solely by the source of funding is not adequate.
- iv. The Bank should be concerned with providing the adequate incentives for engaging staff in the production and utilization of non-financial products. As recognized by the literature, collaboration between producers and users of knowledge is key to promoting knowledge utilization.

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