

# '21 ANNUAL REPORT

Office of Evaluation and Oversight



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# '21 ANNUAL REPORT

**Office of Evaluation and Oversight**



# OFFICE OF EVALUATION AND OVERSIGHT — OVE

Established in 1999 as an independent evaluation office, OVE evaluates the performance and development effectiveness of the activities of the Inter-American Development Bank Group (IDB Group). These evaluations seek to strengthen the IDB Group through learning, accountability and transparency.

OVE evaluations are disclosed to the public in accordance with IDB Group policies to share lessons learned with the region and the development community at large.

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# PREFACE



This annual report provides an overview of the evaluation work of the Office of Evaluation and Oversight (OVE) in 2021. It summarizes the evaluations completed during the year, highlights lessons learned, and describes our work to enhance evaluation capacity in the LAC (Latin America and the Caribbean) region. The report also presents OVE's 2022–2023 work program approved by the Boards of Executive Directors of the Inter-American Development Bank (IDB) and IDB Invest. The development of the work program took into account the IDB Group's priorities and its response to the impacts of the COVID-19 epidemic on the region, as well as Management's priorities and OVE's role as an active and committed partner in the international evaluation community.

OVE undertook an ambitious work program in 2021. We completed two corporate evaluations in 2021: the Evaluation of the Independent Consultation and Investigation Mechanism (MICI, for its Spanish acronym) and the Evaluation of IDB Lab. We presented the MICI evaluation to the Boards of Executive Directors as a new MICI director joined the IDB Group. The IDB Lab evaluation was conducted in two phases. The first focused on IDB Lab's mandates and corporate arrangements and was presented in June, in time to support the Donors Committee discussions concerning IDB Lab's future. The second phase focused on IDB Lab's operations and knowledge generation and was presented in December.

Our work program included piloting two new products aimed at assessing Bank performance at the country level: the Extended Country Program Evaluation (XCPE), which covers two Country Strategies (CSs), and the Independent Country Program Review (ICPR), which focuses on the relevance of the CS and on providing aggregate information about the implementation of the IDB Group's program in a country. In this context, we completed the XCPE for the Dominican Republic and ICPRs for Trinidad and Tobago, Guatemala, Suriname, and Belize. Based on lessons from these experiences, we have updated our Country Program Evaluation (CPE) Protocol and will be presenting it to IDB Group Boards in 2022.

Finally, we made substantial progress on several evaluations that are due for presentation to the Board in early 2022, including the Evaluation of IDB Governance, the Evaluation of the Grant Facility for Haiti, the Evaluation of the Bank's Support to Citizen Security and Justice, and the Evaluation of IDB Support to Strengthen Public Sector Transparency in Latin America and the Caribbean.

Our team also worked on strengthening the learning component of our two annual oversight exercises: the validation of Management's Implementation of OVE Recommendations through IDB's Recommendation Tracking System (ReTS) and the validation of project self-evaluations from IDB and IDB Invest (respectively, Project Completion Reports, or PCRs, and Expanded Supervision Reports, or XSRs). In addition to assessing Management's progress during the year, our 2021 ReTS report included a multiyear analysis of Management's actions to address OVE recommendations concerning institutional strengthening of borrower countries and private-sector clients. Our analysis revealed that while 80% of action plans designed to address these recommendations have been relevant, fewer than two thirds of them (61%) were on track in their implementation by the end of 2020. With respect to the validation of PCRs and XSRs, our assessment found, among other, that 52% of IDB operations (37) and 61% of IDB Invest operations (23) had an overall development outcome rating of partly successful or higher. For both IDB and IDB Invest, relevance was the highest-rated core criterion and effectiveness the lowest. Operations with low effectiveness ratings showed to have failed to reach expected results, had poor quality monitoring and evaluation, cancellations, project design weaknesses or the extension of disbursement periods.

In addition to its core evaluation function, OVE has a mandate to support the strengthening of evaluation systems and capacities in the LAC region. In 2021, OVE partnered with 15 Brazilian development banks and agencies at the national and subnational levels to create a network of evaluation offices in Brazil, the Rede de Desenvolvimento de Capacidades de Avaliação (ReDeCA). ReDeCA seeks to provide a forum for discussion and learning about evaluation among peers. The network was formally launched in August 2021 in a virtual event with more than 150 participants from the LAC region. The event offered an opportunity for network members to exchange experiences and learn from one another. We expect the network to continue growing in Brazil and to expand its activities to other countries in the region in the future.

OVE also engaged in other outreach and dissemination activities during the year, including events to present our work. For example, for the MICI evaluation we organized an internal IDB Group panel discussion with the participation of an Executive Director and representatives of IDB and IDB Invest. We also participated in a conversation with civil-society organizations interested in learning about the results of our evaluation. In addition, we hosted the presentation of evaluations led by others, such as the evaluation conducted by the Ministry of Planning and Economic Policy of Costa Rica to assess the effectiveness of non-reimbursable international cooperation on biodiversity and climate change during the period 2010–2018.

These OVE results were made possible by a steadfast commitment to delivering timely and high-quality products, by flexibility in adjusting to the special circumstances of the ongoing pandemic, and by a continued embrace of the virtual dynamic inherited from 2020. As described

in this Annual Report, OVE's 2021 products sought to support the multiple needs and requests of the IDB Group's Boards of Executive Directors, and to provide them with reliable information for strategic discussions on the role and future of the IDB Group. We believe evaluation is essential for evidence-based, transformative decision making and is key to sustainable growth and equity in the LAC region.

A handwritten signature in blue ink that reads "I. Yong Prötzel". The signature is written in a cursive style with a horizontal line underneath the name.

**Ivory Yong Prötzel**  
Director



# ACRONYMS AND ABBREVIATIONS



<b>AP</b>	action plan
<b>CCB</b>	Country Department Caribbean Group
<b>CID</b>	Country Department for Central America, Haiti, Mexico, Panama, and the Dominican Republic
<b>CLEAR</b>	Centers for Learning on Evaluation and Results
<b>CPE</b>	Country Program Evaluation
<b>CS</b>	Country Strategy
<b>DAC</b>	Development Assistance Committee
<b>GEI</b>	Global Evaluation Initiative
<b>FI</b>	financial institution
<b>ICPR</b>	Independent Country Program Review
<b>IDB</b>	Inter-American Development Bank
<b>LAC</b>	Latin America and the Caribbean
<b>M&amp;E</b>	monitoring and evaluation
<b>MDB</b>	multilateral development bank
<b>MICI</b>	Independent Consultation and Investigation Mechanism (for its Spanish acronym)
<b>MIF</b>	Multilateral Investment Fund (currently IDB Lab)
<b>NSG</b>	non-sovereign-guaranteed
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>OVE</b>	Office of Evaluation and Oversight
<b>PCR</b>	Project Completion Report
<b>ReDeCA</b>	Rede de Desenvolvimento de Capacidades de Avaliação

**ReTS** Recommendation Tracking System  
**SG** sovereign-guaranteed  
**SME** small and medium enterprise  
**XCPE** Extended Country Program Evaluation  
**XSR** Expanded Supervision Report

# EVALUATIONS BY CATEGORY

The Office of Evaluation and Oversight (OVE) conducts four broad types of evaluations: project, corporate, country program, and sector and thematic. These categories are complementary and provide a unique perspective on the Inter-American Development Bank (IDB) Group’s performance and development effectiveness.<sup>1</sup> In developing its work program—approved by the Boards of Executive Directors of IDB and IDB Invest, which together make up the IDB Group—OVE considers topics of strategic and operational interest for the Group, the timing of key corporate decisions, and OVE’s mandate and resources.

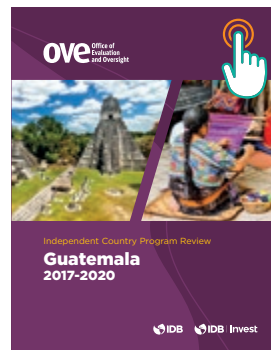
In 2021, OVE presented several products: Independent Country Program Reviews (ICPRs) for Trinidad and Tobago, Guatemala, Suriname, and Belize, and an Extended Country Program Evaluation (XCPE) for the Dominican Republic; corporate evaluations for the Independent Consultation and Investigation Mechanism (MICI, for its Spanish acronym), a two-phase evaluation of IDB Lab, and annual reviews of OVE’s Recommendation Tracking System (ReTS) and of the results of OVE’s validation of IDB and IDB Invest’s project self-evaluations—the Project Completion Reports (PCRs) and Expanded Supervision Reports (XSRs).

This report summarizes these evaluations. Each evaluation report includes Management’s response, which can be found on OVE’s website: <https://www.iadb.org/evaluation>

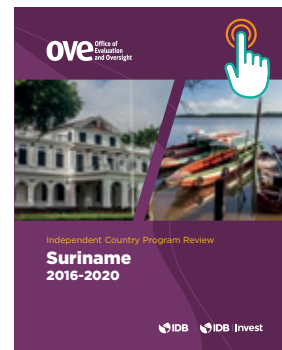
## 5 Country Program Assessments



ICPR Trinidad and Tobago  
2016-2020



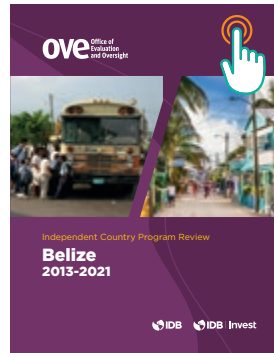
ICPR Guatemala 2017-2020



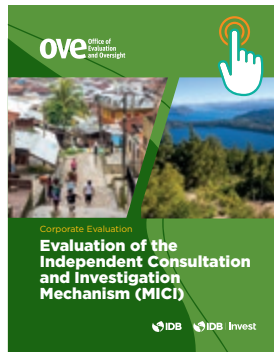
ICPR Suriname 2016-2020

1 Annex I includes a list of OVE evaluations from 2011–21, by type of evaluation.

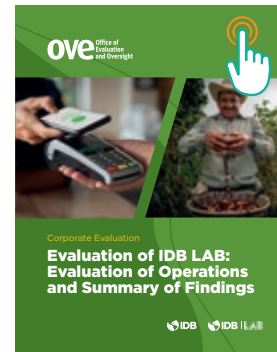
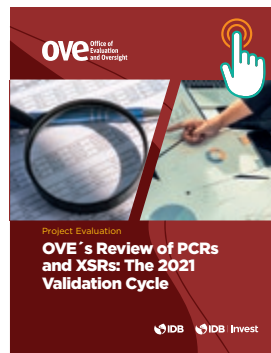
**5**  
Corporate  
Evaluations and  
Products



ICPR Belize 2013-2021

XCPE Dominican Republic  
2013-2020

Evaluation of the MICI

Evaluation of IDB Lab:  
Strategic RelevanceEvaluation of IDB Lab:  
Evaluation of Operations  
and Summary of FindingsIDB Group's Evaluation  
Recommendations  
Tracking System 2020OVE's Review of PCRs  
and XSRs: The 2021  
Validation Cycle

## Country program reviews and evaluations

These products focus on IDB Group support to individual borrowing countries. In 2021, OVE produced two types of country-focused products: the ICPR and the XCPE. ICPRs cover a single strategy period, focusing on the relevance of the Country Strategy (CS) and on providing aggregate information on program implementation. XCPEs cover two strategy periods, providing a longer-term view of the results of IDB Group's engagement in a country. Both country products are part of a pilot to improve OVE's country program assessments. Their lessons are the basis for updating OVE's current protocol for Country Program Evaluations, or CPEs (Box 1).

### **Box 1.** **OVE's CPE Protocol Update**

OVE has undertaken a review of its CPE Protocol with a view to enhance the relevance of its country assessments and strike a better balance between their cost and their value to the institution. As Management introduced adjustments in the way it develops CSs, it seemed appropriate for OVE to review its country assessments as well. The two new products being piloted, the ICPR and the XCPE,

used methodological guidelines developed by OVE. The idea is to prepare ICPRs and XCPEs in alternating sequence in every country, allowing for both accountability in the short term and in-depth assessment of results in the medium term. The XCPE and the ICPRs conducted in 2021 have generated important lessons that are being used as inputs to update OVE's CPE Protocol.

In 2021, OVE delivered ICPRs for Trinidad and Tobago, Guatemala, Suriname, and Belize, and an XCPE for the Dominican Republic. The following sections summarize the key findings and main lessons learned.



## Independent Country Program Review: Trinidad and Tobago

**Relevance of CS objectives.** The 2016–2020 CS with Trinidad and Tobago set 13 strategic objectives organized under three broad pillars: (i) public-sector institutions and governance, (ii) private-sector development, and (iii) human development. The CS set climate change and gender as crosscutting themes and envisioned supporting country systems. CS objectives were aligned with national and IDB Group institutional priorities, the country's development challenges, and the IDB Group's experience within the broader donor landscape. However, CS objectives lacked strategic focus and were insufficiently selective, even though OVE's last CPE had urged selectivity. **Evaluability.** The CS results matrix was of broadly

adequate quality, but the lack of updated data and limited availability of updated information on indicators undermined evaluability. **Implementation.** IDB Group efforts during the period focused on improving implementation by attempting to gradually resolve existing problems with procurement, government commitment, and project executing unit staffing. Despite these efforts, implementation problems and delayed results were the norm rather than the exception during the 2016–2020 CS period. Projects that remained active by the end of 2020 were significantly over-aged compared with the Country Department Caribbean Group (CCB) average, and there were several delays in the initial stages of project disbursement, attributable to persistent procurement problems, government changes, and turnover in project executing unit staff. **Aggregate reporting on results.** Based on available information, the program achieved negligible progress toward the objectives under the strategic pillar of strengthening public-sector institutions and governance, modest contributions toward the objectives under the strategic pillar of promoting private-sector development, and some progress (notably in housing) toward the objectives under the strategic pillar of fostering human development, though in some areas (such as water and sanitation), the sustainability of this progress is questionable. The country program addressed the crosscutting CS themes of gender and climate change, but generally through isolated operations rather than through mainstreaming across the portfolio as planned. Finally, the program made virtually no progress in the use of country systems. In sum, owing to both insufficient selectivity and continued difficulties in implementation, achievement of objectives was at best partial.

## Independent Country Program Review: Guatemala

**Relevance of CS objectives.** The 2017–2020 CS with Guatemala identified nine strategic objectives in the following three priority areas: (i) improving public management and transparency, (ii) reducing poverty and inequality, and (iii) private-sector development. It also identified three crosscutting areas: incorporating local considerations, gender equality, and climate change into design work. In general, the 2017–2020 strategic objectives were relevant in view of the country’s challenges and comparative advantages stemming from the Bank’s previous work. Although the country strategy appropriately took the country’s priorities and the IDB Group’s institutional objectives into account, the relevance of the objective related

to promoting electricity generation with natural gas was weaker, and it was not addressed in the Bank’s diagnostic assessments. **Evaluability.** The strategy’s evaluability was low, and most indicators included in the results matrix could not be measured. **Implementation.** The implemented program was partially aligned with the CS objectives. The inherited portfolio covered the areas of improving public management and transparency and reducing poverty and inequality, while new operations focused on private sector development. The strategy for regularizing the legacy portfolio improved portfolio performance as most operations that experienced delays were closed. However, challenges to project implementation remain and will require continued monitoring to ensure appropriate execution of new operations. **Aggregate reporting on results.** Based on available information, despite swifter execution, the program achieved limited progress toward the objectives related to improving public management and transparency and to reducing poverty and inequality. The country program addressed private sector development objectives through road infrastructure projects, and through the work of IDB Invest with FIs to facilitate SME access to finance, though it is too early to assess the results of these operations.



## Independent Country Program Review: Suriname

**Relevance of CS objectives.** The 2016–2020 CS with Suriname established nine strategic objectives in three priority areas: (i) modernization of the public sector, (ii) private-sector development, and (iii) human capital strengthening. In addition, three crosscutting issues were



identified: resilience to climate change, gender and culture, and strengthening the country's institutional capacity. The strategic objectives addressed key development challenges and were aligned with government priorities and with IDB Group's Institutional Strategy. However, strategic focus did not improve compared with the previous period. **Evaluability.** Two-fifths of the outcome indicators included in the CS results matrix did not have proper baselines, or were not suited for monitoring, reflecting Suriname's data and information systems' limitations. **Implementation.** The implemented program was partially aligned with the CS objectives as it failed to fully address the objectives related to coverage of education and reduction of the government's wage bill. At least three sovereign-guaranteed (SG) loans were not aligned with any expected result. The structural challenges affecting implementation of investment projects, carried over from the previous period, impacted portfolio execution and were further exacerbated by the effects of the COVID-19 pandemic. **Aggregate reporting on results.** Based on available information, the program did not substantially contribute to the strategic objectives related to modernization of the public sector. Concerning private-sector development and strengthening of human capital, the program's contribution was limited. These results were due to slow disbursements and delays in implementation of new operations, as well as to the lack of operations supporting some of the strategic objectives.

## Independent Country Program Review: Belize

**Relevance of CS objectives.** The 2013–2017 CS with Belize established six strategic objectives in four priority sectors: (i) education, (ii) tourism, (iii) transport, and (iv) trade and taxation policy. A 2020–2021 strategy update added three additional objectives in two more sectors: (v) climate change and disaster-risk management and (vi) citizen security. The CS also included crosscutting issues such as climate change, disaster-risk management, and environment; diversity; and gender. The strategic objectives addressed important country development challenges and were aligned with government priorities and IDB Group's Institutional Strategy. However, the inclusion of citizen security and climate change and disaster-risk management weakened the focus and thus hindered the relevance of the CS. **Evaluability.** Several issues affected evaluability, including: a few indicators were set at the output level without outcome-level indicators, several values were updated without identifying the source of the information, some updated indicators were

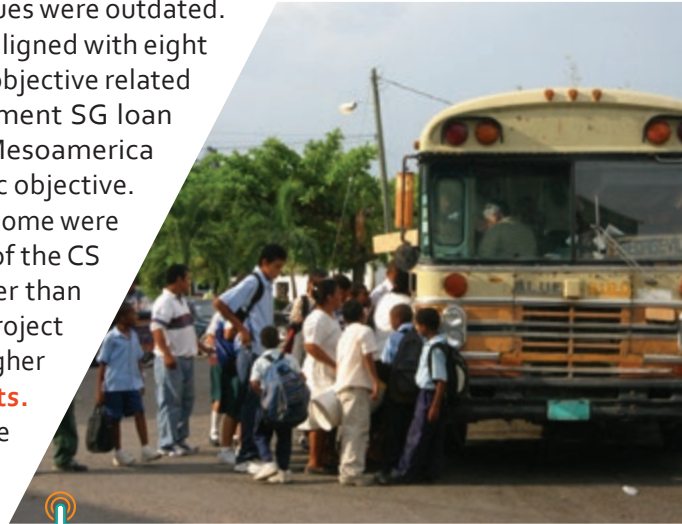


different than the baseline indicators, and some values were outdated.

**Implementation.** The implemented program was aligned with eight of the nine strategic objectives, failing to cover the objective related to improving citizen security. One land management SG loan and two regional investment grants under the Mesoamerica Health Initiative were not aligned with any strategic objective. Macroeconomic risk mitigation actions fell short, as some were poorly implemented or completed only at the end of the CS period. Preparation and execution times were faster than the average for the CID Country Department while project preparation and execution costs were substantially higher than CID averages. **Aggregate reporting on results.**

The implemented program contributed to most of the strategic objectives in key sectors, though to varying degrees. The Bank substantially contributed to improving governance and quality of education,

but its contribution was limited in the transport sector. In the tourism and the climate change and disaster-risk management areas, IDB Group contributions were modest. IDB Group's program did not contribute to the strategic objectives related to trade, taxation policy, and citizen security. While health was included in the CS only as a dialogue area, the program delivered important results in this area during the strategic period through the three-phase Mesoamerica Health Initiative. Challenges to the achievement of results included the slow start of implementation of some operations, and the lack of operations to address the strategic objective related to citizen security. In addition, some operations are at an early stage of implementation and therefore have not yet reported results.



## Extended Country Program Evaluation: The Dominican Republic 2013–2020

OVE conducted a pilot XCPE of the IDB Group program with the Dominican Republic for the years 2013–2020, covering two CSs (2013–2016 and 2017–2020). The two CSs set 19 strategic objectives in three priority areas: fiscal, social, and productive. These objectives were relevant to the country's needs and its development plan but in practice proved to be poorly focused (covering a wide range of needs) and overly ambitious (involving objectives which the program did not succeed in advancing as expected). The evaluability of the CSs also presented weaknesses in the definition of the indicators to monitor the progress of their expected results; and some of the planned evaluations meant to assess the expected results of key parts of the program ended up not being done.



The implemented program comprised 157 operations and was well aligned with most strategic objectives and expected results, but its contribution to them was weakened by cancellations and implementation delays. Moreover, 66% of total disbursements over the period were channeled through policy-based loans, but the reforms they promoted were not deep enough to achieve the expected objectives. Finally, except for some work through financial intermediaries, IDB Invest's presence accounted for only about 4% of IDB Group's program.

The program's contribution to the strategic objectives was generally limited. In areas where most progress was made, IDB Group contributed through continuous support of reforms, participation in the country's long-term investment plans, and support of information systems critical to achieving the strategic objectives.

In contrast, progress was limited when a significant part of the program was canceled and when the size of the implemented program was not commensurate with the development problem it intended to tackle, among other factors.

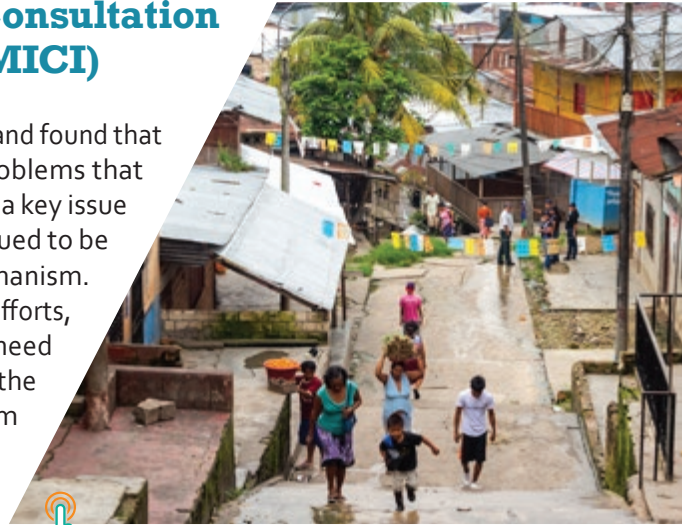
Based on the lessons derived from the analysis, the XCPE formulated four recommendations: (i) focus the new CS on key country challenges for which the IDB Group has amassed experience and is able to provide continuity toward their resolution; (ii) given the access of the country to market financing, boost the role of knowledge products in supporting the country to resolve key issues for its development, like it was done for example when IDB supported a comprehensive survey of the country's infrastructure needs; (iii) recover IDB Invest's participation in supporting a majority of the priority areas identified in the country strategy; and (iv) improve the evaluability of the new country strategy, ensuring that it is monitored in a timely fashion and the planned evaluations are conducted.

## Corporate evaluations and oversight reports

Corporate evaluations and oversight reports assess the quality of the IDB Group's policies, tools, and internal processes with a view to strengthen the Group's performance.

## Evaluation of the Independent Consultation and Investigation Mechanism (MICI)

OVE assessed the MICI policy and its implementation and found that the policy adopted in 2014 addressed important problems that had been identified in the 2012 evaluation. However, a key issue remained pending: the legal exclusion, which continued to be a factor limiting the effective functioning of the mechanism. With respect to access, OVE found that despite MICI's efforts, requesters still faced difficulties associated with the need to contact IDB Group Management before accessing the mechanism. These difficulties stemmed mostly from the lack of a grievance management system within the IDB Group where potential requesters could address their concerns and have them processed in an efficient and effective manner. The legal exclusion was another factor limiting the access to the MICI. The exclusion eliminated core issues from the complaints, leaving potential environmental and social liabilities unaddressed and creating a reputational risk for the IDB Group.



Of the two MICI phases—consultation and compliance review—the compliance review phase was found to present greater challenges related to practices by Management, the Board, and even MICI that compromise the independence of the mechanism. The agreements facilitated by MICI in the consultation phase, despite some delays, have produced results for the requesters. Meanwhile, the investigations in the compliance phase have not yet yielded meaningful results for the requesters, despite MICI's findings of noncompliance and associated harm. In addition to factors specific to the IDB Group, there are systemic factors shared by all multilateral development banks (MDB) nonjudicial accountability mechanisms that limit these mechanisms' capacity to result in the adoption of corrective measures—for example, when projects end up not being financed by the MDB or the loan is prepaid despite leaving potential environmental and social liabilities. MICI has also generated lessons that Management has been able to incorporate in its practices and in the new environmental and social policies of IDB and IDB Invest.

OVE's recommendations were addressed to Management, to the Boards of Executive Directors of both IDB and IDB Invest, and to MICI. They included: (i) implement an IDB Group system for managing environmental and social grievances that is coordinated with MICI, (ii) leave without effect the legal exclusion, (iii) reinforce the independence of MICI, (iv) ensure the adoption of corrective measures when there are findings of noncompliance with IDB Group's relevant policies

and associated harm, and (v) strengthen the internal capacities of MICI. The Boards of IDB and IDB Invest endorsed all five recommendations. OVE will monitor their implementation through the ReTS system.



## Evaluation of IDB Lab (Phase I and Phase II)

In response to a request by IDB Lab’s Donors Committee, OVE conducted an evaluation of IDB Lab (formerly the MIF, or Multilateral Investment Fund) in 2021 so that its findings could inform ongoing discussions about the Lab’s future and funding model. The evaluation, which was OVE’s third of the MIF, was conducted in two overlapping phases. This allowed OVE to advance findings on IDB Lab’s strategic relevance, mandates, and focus before evaluating IDB Lab’s project portfolio in a second phase. The evaluation covered the period since mid-2016, which is when the strategic focus in place under IDB Lab’s most recent recapitalization (MIF III) was approved.

OVE found that IDB Lab’s main purpose according to MIF III—supporting private-sector innovation and creating opportunities for poor and vulnerable populations—continues to be relevant because the LAC region still exhibits suboptimal levels of investment in innovative activity. However, the MIF III mandates as a whole are vague and present tensions, such as the extent to which IDB Lab’s role as a lab that takes high risks and experiments in early stages is compatible with calls for increased financial sustainability and expectations to show development results at scale. The strategic focus adopted by Management does not resolve these tensions and is—while aligned to the mandates—very broad considering IDB Lab’s limited funding capacity, and unspecific as to how it responds to the heterogeneity in needs within the LAC region. While the projects approved during the MIF III period cover only a part of IDB Lab’s thematic focus, they encompass so many different activities that a clear picture of business lines with critical mass for iterative learning and impact does not emerge. Overall, the evaluation portfolio is aligned with IDB Lab’s mandates in that almost all of its projects support private-sector innovation—mostly in the form of introducing existing solutions into new countries or environments—and in that a majority intend to benefit poor and vulnerable populations directly or indirectly.

IDB Lab is currently not set up to systematically track the results of its operations. A considerable share of the evaluated projects has established indicators that are not fully adequate for measuring

the achievement of project objectives, and results data are not consistently tracked. Based on information provided by IDB Lab and executing agencies,<sup>2</sup> a bit more than two-thirds of IDB Lab projects seem to have achieved their expected results, or to be on track to achieving them. IDB Lab's systems and processes do not allow it to easily understand its portfolio, as their grouping and aggregation capacities are limited. Given the insufficient quality and consistency of project-level data, improving systems is, however, not enough to enable IDB Lab to learn effectively from its activities, as even the best systems can only present what is available at the project level.

Only about one-third of IDB Lab projects are implemented on time, whereas there is little data on the evolution of project costs. Further analysis is merited to explore potential improvements to the efficiency of IDB Lab's governance structure, particularly its large Donors Committee, which is resource-intensive and more involved in day-to-day approvals than the governing bodies of peers. IDB Lab has significantly increased collaboration with the rest of the IDB Group, but not all collaboration efforts are perceived as equally efficient and effective. During the MIF III period, IDB Lab has shown limited progress on the recommendations issued by OVE's previous evaluation of the MIF.

OVE made the following recommendations: To donors—(i) clarify IDB Lab's mandates, acknowledging trade-offs between them, and (ii) seek avenues to further improve the efficiency of the Donors Committee. To IDB Lab Management—(i) further focus, clarify, and communicate IDB Lab's strategic priorities; (ii) strengthen IDB Lab's ability to track and report results and to learn from its activities; and (iii) improve IDB Lab's ability to better understand how supported solutions evolve after project completion.

## **Validation of Management's Implementation of OVE Recommendations in 2020 Using the Recommendations Tracking System (ReTS)**

The objective of this validation report is to inform the Boards of IDB Group about the extent to which Management has implemented relevant action plans (APs) to address the recommendations issued by OVE and endorsed by the Boards.

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2 Collecting evidence from sources external to IDB Lab or the projects was not possible without field missions or extensive research.



In 2021, OVE reviewed 153 Management APs associated with 36 evaluations. While most plans (96%) included relevant actions to address the recommendations, only 79% were on track in their implementation by the end of 2020 (compared with 84% in 2019). OVE retired 51 recommendations from the ReTS, as they had reached the four years of required monitoring. Of these, 39 (76%) were retired as fully or substantially adopted.

The report also includes a medium-term analysis (2013–2020) of Management actions to address OVE's recommendations on institutional strengthening present in 20 OVE evaluations. Most (80%) of the APs designed to address these recommendations have been relevant, but only 61% had been implemented as planned by the end of 2020.



## Validation of PCRs and XSRs

Under the Evaluation Policy Framework of the IDB Group, IDB and IDB Invest are responsible for reporting project results through PCRs and XSRs, respectively; OVE, as an independent office, is responsible for validating them on an annual basis to ensure the system's credibility. OVE ratings of PCRs and XSRs are final and used for corporate reporting in the Development Effectiveness Overview. The results of OVE's latest validation exercise are included in [OVE's Review of Project Completion Reports and Expanded Supervision Reports: The 2021 Validation Cycle](#), presented to the Board in November 2021. Box 2 presents a summary of the 2021 Validation Cycle.

### Box 2.

## OVE's review of PCRs and XSRs: The 2021 validation cycle

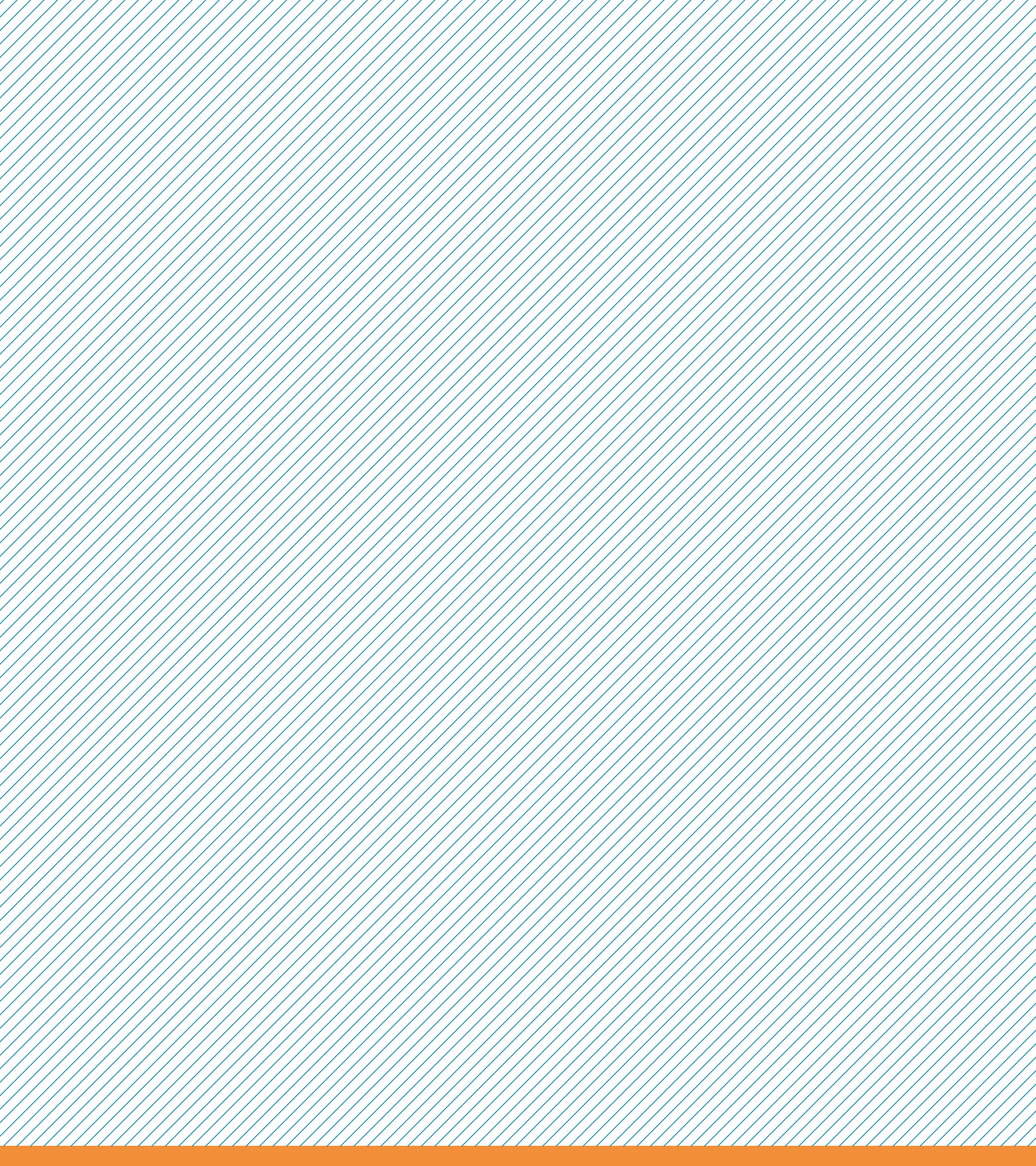
**Scope.** The report summarizes OVE's 2021 validation results for 71 IDB operations and for 38 IDB Invest operations.

**Findings.** Thirty-seven IDB operations (52%) reached an overall development outcome rating of "partly successful" or higher, and 23 IDB Invest operations (61%) fell in this category.

Over the past few years, low development outcome ratings were driven by low effectiveness ratings. In other words, many of the operations with negative development outcome ratings were not able to demonstrate achievement of their development objectives, either because of underachievement or due to shortcomings in design or implementation of their monitoring and evaluation frameworks. Design shortcomings were correlated with low effectiveness ratings for both IDB and IDB Invest operations. Cancellations and extensions were also correlated with low effectiveness of IDB operations. Sustainability of project results was uncertain for more than 40% of IDB operations validated in 2021. A little over half the operations with negative sustainability ratings closed, and environmental and social

safeguard issues, including resettlement, were still pending.

**OVE Recommendations:** For IDB Management, OVE recommended the following: (i) systematically document in PCRs how environmental and social safeguard issues were addressed and what their final status was at project closure, (ii) strengthen reporting on cancellations, and (iii) strengthen the measurement of project performance. For IDB Invest Management, OVE recommended the following: (i) continue strengthening the system to identify projects subject to an XSR each year, and (ii) strengthen the evidence base for measuring project effectiveness. The Boards of IDB and IDB Invest endorsed all recommendations.





# DISSEMINATION AND KNOWLEDGE MANAGEMENT

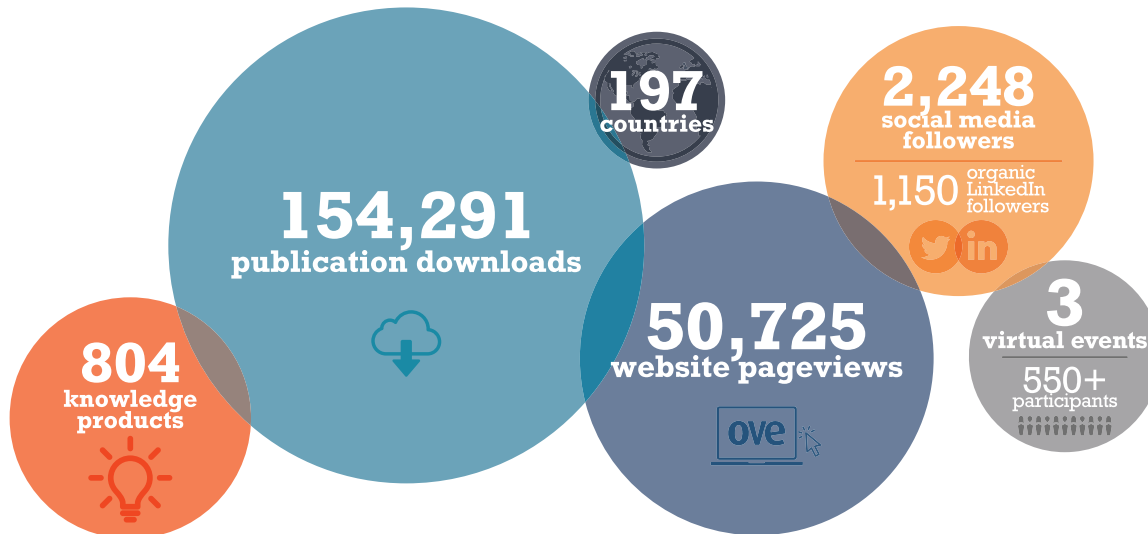
In 2021, OVE dedicated substantial effort toward strengthening the dissemination of its evaluative work as a way to promote learning. Based on its communications strategy, OVE reached internal and external audiences through various outreach tools—newsletters, email distribution lists, Twitter, and LinkedIn—and developed a series of one-minute videos featuring OVE specialists presenting recent evaluations and highlights from OVE-sponsored events.

During the year, OVE also organized high-level events via webinars. As part of the gLOCAL Evaluation Week in June, OVE hosted a panel discussion titled “[Beyond Beneficiary Counting: Innovative Approaches to Understand Impact Better](#).” The panel brought together representatives from the [Global Innovation Fund](#), [60 Decibels](#), and [Luminate](#) to discuss opportunities and challenges of estimating the depth, collecting the voices of end beneficiaries, and using the results to inform future strategies and investment decisions. For the dissemination of the [MICI evaluation](#), OVE hosted an internal event for IDB Group staff, in which a member of IDB’s Board of Directors and representatives from IDB and IDB Invest shared their reactions to the evaluation’s findings and informed about the actions underway to address the evaluation’s recommendations. In addition, MICI organized a discussion with civil society organizations and invited OVE to participate and present the MICI evaluation’s key findings and recommendations. Finally, in December, OVE hosted a presentation by the Ministry of National Planning and Economic Policy of Costa Rica of the evaluation the ministry conducted to assess the effectiveness of non-reimbursable international cooperation on biodiversity and climate change between 2010 and 2018. This evaluation represents the first time a recipient country has evaluated the effects of international cooperation on a given area. The event included the participation of the chief evaluation officer and deputy director of the Independent Evaluation Office (IEO) of the Global Environmental Facility (GEF), and the team leader of OVE’s evaluation “[Climate Change at the IDB: Building Resilience and Reducing Emissions](#)” (2014).

Figure 1 below shows OVE’s outreach data for 2021. There were 154,291 publication downloads from 197 countries and 50,725 website pageviews. OVE launched its LinkedIn page in March 2021,

closing the year with 1,150 organic<sup>3</sup> followers. In addition, OVE's social media accounts combined, Twitter and LinkedIn, accumulated 2,248 followers by the end of the year. OVE also organized 3 virtual events throughout the year that engaged more than 550 participants. Figure 2 shows OVE's outreach progress in 2021, compared to 2020. OVE's Twitter account followers increased by 50.6% (from 729 to 1,098); publication downloads from LAC went from 42% in 2020 to 55% of total downloads in 2021, an increase of 31% in the region. In 2021 OVE's website pageviews increased 47% compared to 2020, and new users increased 77% during the same period.

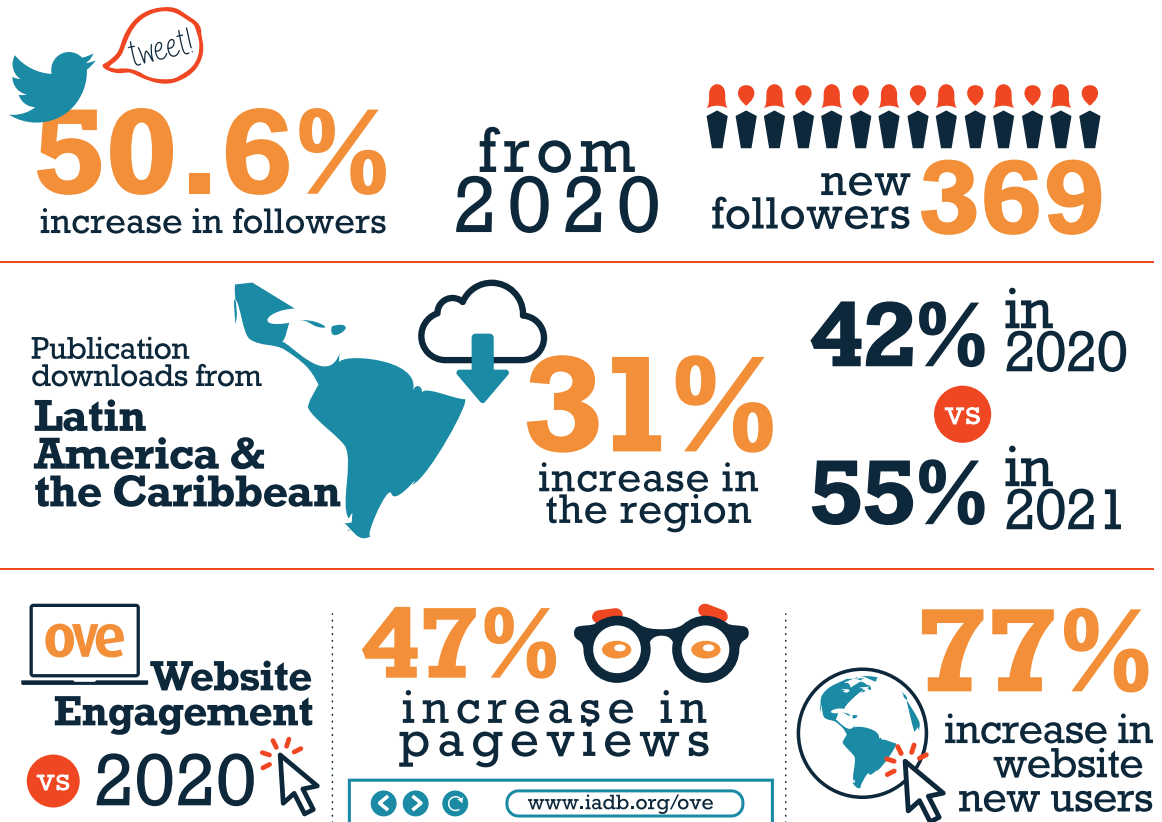
**Figure 1. OVE's outreach by the numbers in 2021**



Source: OVE

3 Organic reach is the number of people who see the page's content without having to pay for distribution.

Figure 2. OVE's dissemination and outreach results, 2021 versus 2020



Source: OVE

**Cooperation with other evaluation offices.** OVE maintained continuous engagement with the Evaluation Cooperation Group and other members of the development evaluation community in 2021. Among the topics discussed were the responses and evaluation approaches of MDBs to the COVID-19 crisis and whether there was a need for evaluation offices to adjust their evaluation methods. OVE staff continued to collaborate with other evaluation offices by participating in peer reviewing other offices' evaluation work. OVE also participated in the translation, adaptation, and dissemination of the new OECD/DAC evaluation criteria to ensure that evaluation practitioners in the LAC region were up to date on these changes.



# EVALUATION CAPACITY DEVELOPMENT

As part of the implementation of its Evaluation Capacity Development Strategy, in 2021 OVE worked with 15 Brazilian partner institutions, including national, regional, and state development banks and agencies, to create a network of evaluation offices within those institutions called ReDeCA, or *Rede de Desenvolvimento de Capacidades de Avaliação*. Formally launched in August 2021 in a virtual event with more than 150 participants from the region, ReDeCA is starting as a pilot in Brazil, with the goal to reach the rest of the LAC countries in the near future. ReDeCA has three main goals:

- i. foster strengthen the evaluation capacities of the participating institutions;
- ii. provide a forum for the exchange of ideas, knowledge, and good evaluation practices among peers; and
- iii. promote a culture of evaluation and expand the use of evaluation findings.

In addition to facilitating the creation of ReDeCA, OVE continued its support of and collaboration with the Global Evaluation Initiative (GEI), which became fully operational in early 2021. The GEI builds on the foundation established by its predecessor, the Centers for Learning on Evaluation and Results (CLEAR) initiative, through the six CLEAR centers located in different regions of the world, including two centers in LAC. As a global partnership<sup>4</sup>, GEI seeks to support countries in building sustainable and effective monitoring and evaluation (M&E) frameworks and capacities through four lines of work:

- i. developing a culture of evidence-informed decision making,
- ii. strengthening a cadre of evaluators and M&E specialists in developing countries,
- iii. generating and sharing M&E knowledge, and
- iv. optimizing partnerships and operations.

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4 GEI partners include the Federal Ministry for Economic Cooperation and Development, Germany; Global Affairs Canada; the Independent Office of Evaluation of the International Fund for Agricultural Development (IFAD); the Ministry of Foreign Affairs, Denmark; the Ministry of Foreign Affairs, Finland; the Ministry of Foreign Affairs, the Netherlands; the Swedish International Development Cooperation Authority (SIDA); the Swiss Agency for Development and Cooperation (SDC); the Independent Office of Evaluation of the United Nations Development Programme (UNDP); the World Bank's Independent Evaluation Group (IEG); and the OVE of the IDB Group.

# THE WORK AHEAD

## OVE's proposed work program 2022–2023

OVE's 2021–2022 work program was ambitious and followed a staggered approach so that part of the program was initiated toward the end of 2021, to be delivered in 2022. This approach was strategically chosen to incorporate a wider range of Board priorities in a context marked by the transition in leadership at the IDB Group, strategic discussions on the role and positioning of the Group, and the pandemic. As a result, an important part of OVE's 2022 work program is devoted to completing ongoing evaluations for presentation in 2022, including the Evaluation of IDB Governance, the Evaluation of the Grant Facility for Haiti, the Evaluation of IDB Invest, and the Evaluation of the Bank's Support to Citizen Security and Justice. OVE will also be presenting the proposed update to the CPE Protocol based on the lessons learned from the XCPE and ICPRs piloted during 2021.

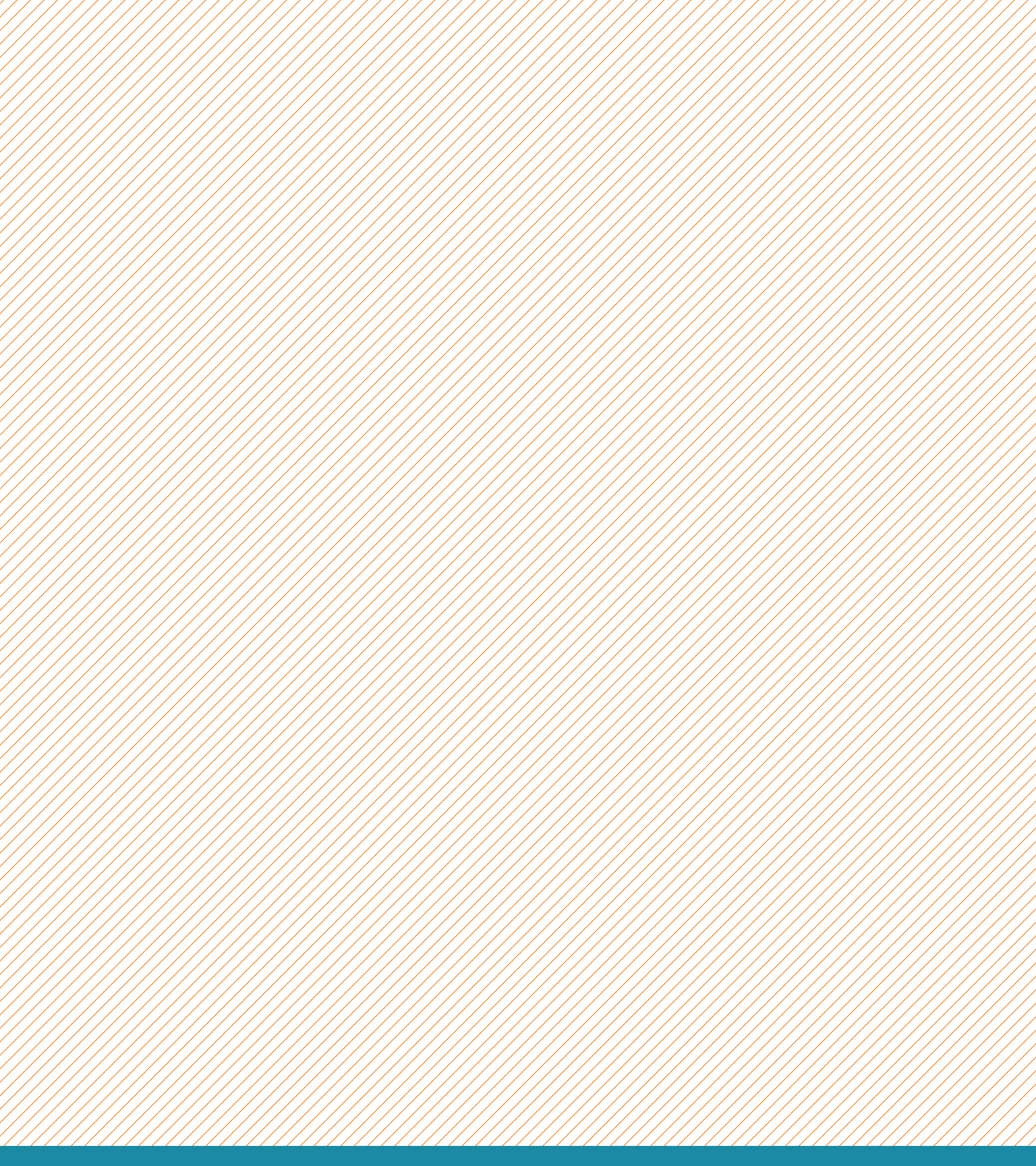
OVE's 2022 work program seeks to continue providing high-quality and timely evaluations to inform Board strategic decisions. Table 1 presents OVE's 2022–2023 work program as approved by the Boards of IDB and IDB Invest.

Table 1. OVE's 2022–2023 work program

EVALUATION OR WORK STREAM	STATUS
<b>CORPORATE EVALUATIONS</b>	
IDB Governance	Delivered
Grant Facility Haiti	To Be Distributed July 2022
IDB Invest	Ongoing – AP To Be Delivered Q3
Series on IDB Group's Instruments—Policy-Based Loans	Ongoing
Development Effectiveness Framework	Work Started Q2 2022

EVALUATION OR WORK STREAM	STATUS
<b>CORPORATE EVALUATIONS</b>	
Mobilization of Resources	Initial Stages
Response to COVID-19 (Phase 1)	About to start
Follow Up Implementation of OVE Recommendations (ReTS)	Continuous
<b>COUNTRY PROGRAM EVALUATIONS</b>	
New CPE Protocol	To Be Distributed July 2022
ICPR Ecuador	Delivered
ICPR Peru	Delivered
ICPR Chile	To Be Distributed July 2022
ICPR Guyana	To Be Distributed July 2022
ICPR Jamaica	To Be Distributed August/ September 2022
ICPR Honduras	To begin in 2022
<b>SECTOR AND THEMATIC EVALUATIONS</b>	
Citizen Security	To Be Distributed August/ September 2022
Transparency & Integrity	To Be Distributed August/ September 2022
Adaptation to Climate Change	To begin in 2022
Digital Agenda	To begin in 2022
<b>PROJECT EVALUATIONS AND VALIDATIONS</b>	
Validations of PCRs and XSRs	Continuous

Source: OVE





# ANNEX - OVER EVALUATIONS CONDUCTED FROM 2011 TO 2021, BY TYPE



## CORPORATE EVALUATIONS AND OVERSIGHT REPORTS

YEAR	REPORT
2021	ReTS 2020 ( <a href="#">RE-562</a> )
	Evaluation of IDB Lab: Strategic Relevance ( <a href="#">MIF/RE-5-6</a> )
	Evaluation of IDB Lab: Evaluation of Operations and Summary of Findings ( <a href="#">MIF/RE-6</a> )
2020	Series on instruments: Lending Instruments Stocktaking ( <a href="#">RE-549</a> )
	ReTS ( <a href="#">RE-550</a> )
	Evaluation of MICI (Approach Paper <a href="#">RE-542</a> )
2019	Review of Knowledge Generation & Dissemination ( <a href="#">RE-517-2</a> )
	Environmental & Social Safeguards ( <a href="#">RE-521-1</a> )
	ReTS ( <a href="#">RE-541</a> )
2018	Lessons from NSG Problem Projects ( <a href="#">CII/RE-32-1</a> )
	IDB-g update ( <a href="#">RE-515-6</a> )
	Impact Evaluations ( <a href="#">RE-512-1</a> )
	ReTS (Background Note: <a href="#">RE-524-2</a> )

YEAR	REPORT
2017	IAMCs (RE-508-1)
	Merge-out Review (RE-513-3)
	Direct Support to SMEs by the IIC ( <a href="#">CII/RE-23-3</a> )
	ReTS (Background Note: RE-511-1)
2016	Policy-based Lending (Technical Note <a href="#">RE-485-6</a> )
	Contingent lending ( <a href="#">RE-496-1</a> )
	Evolution of Administrative Spending in IDB (RE-499-1)
2011-15	Oversight Note: Credit Risk Management ( <a href="#">RE-386</a> )
	Knowledge & Learning Pillar ( <a href="#">RE-401</a> )
	IDB-8 ( <a href="#">RE-409-1</a> )
	Opportunities for the Majority ( <a href="#">RE-414</a> )
	MICI ( <a href="#">RE-416-1</a> , <a href="#">RE-463-1</a> )
	IDB9 Mid-term Evaluation ( <a href="#">RE-425</a> , <a href="#">RE-437-2</a> )
	Higher-Middle-Income Countries ( <a href="#">RE-447</a> )
	IDB Realignment ( <a href="#">RE-451-2</a> )
	Japanese Trust Fund ( <a href="#">RE-471</a> )
	IDB Special Programs ( <a href="#">RE-476-5</a> )
	MIF2 ( <a href="#">MIF/RE-2-4</a> )
	ReTS 2013-2014 ( <a href="#">RE-470-4</a> )
	Review of the Pilot Phase of the new ReTS ( <a href="#">GN-2707-4</a> )

## COUNTRY PROGRAM EVALUATIONS

YEAR	REPORT
2021	<ul style="list-style-type: none"> <li>Independent Country Program Review: Suriname, 2016–2020 (<a href="#">RE-561-2</a>)</li> <li>Independent Country Program Review: Trinidad and Tobago, 2016–2020 (<a href="#">RE-555-3</a>)</li> <li>Independent Country Program Review: Guatemala, 2017–2020 (<a href="#">RE557-2</a>)</li> </ul>
	<ul style="list-style-type: none"> <li>Independent Country Program Review: Belize, 2013–2021 (<a href="#">RE-561-4</a>)</li> </ul>
2020	<ul style="list-style-type: none"> <li>Panama (<a href="#">RE-547</a>)</li> <li>Argentina (<a href="#">RE-540-1</a>)</li> <li>Uruguay (<a href="#">RE-546-1</a>)</li> </ul>
	<ul style="list-style-type: none"> <li>El Salvador (<a href="#">RE-539-1</a>)</li> <li>Bolivia (<a href="#">RE-545-1</a>)</li> </ul>
	<ul style="list-style-type: none"> <li>Update of the Country Evaluation product (Presentation PP-1091)</li> </ul>
2019	<ul style="list-style-type: none"> <li>Colombia (<a href="#">RE-529-3</a>)</li> <li>Costa Rica (<a href="#">RE-535-4</a>)</li> <li>Mexico (<a href="#">RE-536-1</a>)</li> </ul>
	<ul style="list-style-type: none"> <li>Brazil (<a href="#">RE-534-1</a>)</li> </ul>
2018	<ul style="list-style-type: none"> <li>Nicaragua (<a href="#">RE-522-1</a>)</li> <li>Chile (<a href="#">RE-526-1</a>)</li> <li>Honduras (RE-528-1)</li> </ul>
	<ul style="list-style-type: none"> <li>Barbados (RE-525-1)</li> <li>Paraguay (<a href="#">RE-527-1</a>)</li> </ul>
2017	<ul style="list-style-type: none"> <li>Guyana (<a href="#">RE-502-3</a>)</li> <li>Dominican Republic (<a href="#">RE-505-1</a>)</li> <li>Bahamas (<a href="#">RE-516-4</a>)</li> </ul>
	<ul style="list-style-type: none"> <li>Ecuador (<a href="#">RE-514-1</a>)</li> </ul>
2016	<ul style="list-style-type: none"> <li>Argentina (<a href="#">RE-491-1</a>)</li> <li>Haiti (<a href="#">RE-494-1</a>)</li> <li>Peru (<a href="#">RE-498-1</a>)</li> </ul>
	<ul style="list-style-type: none"> <li>Suriname (<a href="#">RE-493-1</a>)</li> <li>Trinidad &amp; Tobago (<a href="#">RE-495-3</a>)</li> <li>Guatemala (<a href="#">RE-503-1</a>)</li> </ul>
2011-15	27 countries

## SECTOR AND THEMATIC EVALUATIONS

YEAR	REPORT
2020	Transparency and Integrity (in progress)
2019	N/A
2018	Gender & Diversity ( <a href="#">RE-518-2</a> )
2017	Productive Development Programs in Brazil ( <a href="#">RE-489-1</a> )
	Housing: Caribbean ( <a href="#">RE-500-1</a> )
	Infrastructure PPPs ( <a href="#">RE-504-4</a> )
	Tax policy and Administration ( <a href="#">RE-509-1</a> )
	Equity Investing in Development FIs ( <a href="#">CII/RE-20-2</a> )
2016	Rural Water ( <a href="#">RE-464-1</a> )
	IDB Group work through FIs ( <a href="#">RE-486-2</a> )
	Green Lending ( <a href="#">RE-487-2</a> )
	Urban Transport and Poverty ( <a href="#">RE-497-1</a> )
	Sustainable Cities ( <a href="#">RE-501-1</a> )
2011-15	Energy Sector ( <a href="#">RE-382</a> )
	Ex-post Evaluations: Environmental Mitigation Measures ( <a href="#">RE-383</a> , <a href="#">RE-385</a> )
	Resettlement Processes and Socioeconomic Impact: Colombia ( <a href="#">RE-387</a> )
	Watershed Management ( <a href="#">RE-399</a> )
	Regional Programs (Approach Paper RE-400)
	Subnational NSG lending ( <a href="#">RE-402</a> )
	Violence and Crime Prevention in LAC (Approach Paper <a href="#">RE-408</a> )
	Land Regularization and Administration ( <a href="#">RE-410-1</a> )

YEAR	REPORT
2011-15	<a href="#">Transnational Programs (RE-415)</a>
	<a href="#">Indigenous Peoples Policy (RE-419)</a>
	<a href="#">SME support programs Brazil (RE-450-1)</a>
	<a href="#">Urban Transport (RE-454-1)</a>
	<a href="#">Citizen Security (RE-455-1, RE-456)</a>
	<a href="#">Climate (RE-459, RE-459-1, RE-480)</a>
	<a href="#">Secondary Education (RE-461)</a>
	<a href="#">Agriculture &amp; food security (RE-467-1)</a>
	<a href="#">CCT programs: Central America (RE-473-1)</a>
	<a href="#">PROCIDADES: Brazil (RE-481-4)</a>
	<a href="#">Discussion Papers (IDB-DP-305, IDB-DP-306, IDB-DP-307, IDB-DP-308)</a>
	<a href="#">Working Papers (OVE/WP-01/12, OVE-WP-02/12, OVE/WP-02/14, IDB-WP-475)</a>

## PROJECT EVALUATIONS AND VALIDATIONS

YEAR	REPORT
2021	PCR/XSR Validations ( <a href="#">RE-565</a> )
2020	PCR/XSR Validations ( <a href="#">RE-552</a> )
2019	PCR/XSR Validations ( <a href="#">RE-544</a> )
2018	PCR/XSR Validations ( <a href="#">RE-530-2</a> )
2017	PCR/XSR Validations ( <a href="#">RE-520</a> )
2016	N/A
2011-15	Independent Evaluations of SCF's XPSRs Exercise ( <a href="#">RE-332-4</a> , <a href="#">RE-332-6</a> , <a href="#">RE-332-8</a> )
	Evaluability Review of Bank Projects ( <a href="#">RE-397-1</a> , <a href="#">RE-448-1</a> , RE-384)
	Review of the PCR System for SG Operations ( <a href="#">RE-417</a> )
	Measuring IDB project performance: PCR and XPSR Systems ( <a href="#">RE-488</a> )
	IIC Annual Independent Validation Reports (CII/RE-13, CII/RE-14, CII/RE-15, CII/RE-16)
	Independent Validations of MIF Investment Projects (MIF/RE-4)

**OTHER**

<b>YEAR</b>	<b>REPORT</b>
<b>2021</b>	2020 Annual Report ( <a href="#">RE-554</a> )
<b>2020</b>	2019 Annual Report ( <a href="#">RE-548</a> )
	Evaluation Policy Framework ( <a href="#">RE-538-5</a> )
<b>2019</b>	2018 Annual Report ( <a href="#">RE-537</a> )
	Follow-up to Independent Review Panel of the Evaluation Function (RE-531-4)
<b>2018</b>	2017 Annual Report ( <a href="#">RE-524-2</a> )
<b>2017</b>	2016 Annual Report ( <a href="#">RE-511</a> )
<b>2016</b>	2015 Annual Report (RE-485-8)
<b>2011-15</b>	2013-2014 Annual Report (RE-470-4)



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# '21 ANNUAL REPORT

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