



Corporate Evaluation

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

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Management's Implementation of OVE

Recommendations: Group's Evaluation Recommendation Tracking System

Office of Evaluation and Oversight



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Acronyms and Abbreviations

CPE	Country Program Evaluation
FI	Financial intermediary
IDB	Inter-American Development Bank
IDBG	Inter-American Development Bank Group
IIC	IDB Invest, formerly the Inter-American Investment Corporation
OVE	Office of Evaluation and Oversight
PPP	Public-private partnership
ReTS	Recommendation Tracking System for OVE Evaluations
SCF	Structured and Corporate Finance Department
SMEs	Small and medium enterprises
SPD	Office of Strategic Planning and Development Effectiveness (IDB)
TC	Technical cooperation
XSR	Expanded Supervision Report

Executive Summary

This is OVE's third full validation of the IDB Group's Evaluation Recommendation Tracking System (ReTS) but the first self-standing report. Assessing whether recommendations have been addressed is essential for institutional accountability and learning. After the Board considers OVE's recommendations and endorses them (95% of 249 recommendations issued by OVE since the ReTs was launched in 2013 have been endorsed), Management prepares an action plan. OVE initially reviews the relevance and evaluability of draft plans, Management updates them and begins implementation, and each year OVE then reviews implementation progress and adoption of the recommendations.

There have been significant improvements since the first pilot validation in 2014. Management has improved the ReTS templates and IT system. During this validation period, Management has made over 200 changes to milestones in active action plans, improving the relevance of several plans with initial deficiencies. Increased interaction with OVE from an early stage has also helped to improve the quality of the action plans, including those of IDB Invest, which since 2016 have increasingly also been captured in the ReTS.

The relevance of action plans has significantly improved, with 91% now having high relevance and the vast majority of those with partial relevance (10 of 13) relating to older evaluations. Evaluability has also improved significantly over the past two years.

The implementation progress of action plans shows a more mixed picture. While more action plans are now on track, the percentage of action plans with high implementation ratings has decreased to 79% and over a third of evaluations had at least one recommendation that was not on track. Most of the problems related to insufficient information or means of verification, followed by milestones not achieved, but factors beyond IDB Group's control also hindered implementation.

The share of recommendations retired as adopted, meaning those that had high relevance and implementation ratings, increased significantly, to 83% (19 of 23 recommendations) in 2018. The

remaining areas of weaknesses were mainly lower relevance of older action plans, plans addressing only part of the recommendation, and some implementation issues.

Because a more thorough assessment of relevance, implementation and adoption of recommendations that also assesses the outcomes of action plans can only take place in the context of new evaluations, in all future country program evaluations OVE will systematically assess to what extent recommendations have been addressed.

Acknowledging significant advances in the ReTS processes, OVE offers two recommendations for further improvement:

Recommendation 1 for IDB: Systematically document the reasons for changing milestones in action plans. While OVE welcomes the fact that in many cases Management changed milestones to improve the relevance and evaluability of action plans, doing so makes it much more difficult to assess whether an action plan maintained its relevance and evaluability and was on track. Systematically documenting the reasons for changes in milestones would enhance accountability and simplify the review process.

Recommendation 2 for IDB Invest: Continue to strengthen IDB Invest's processes for recommendation implementation and reporting. While IDB Invest increasingly uses the ReTS, at the time of OVE's validation not all of its action plans had yet been captured in the system, so that at times it was more difficult to obtain the necessary information. While IDB Invest recently uploaded the information, systematically capturing all information in the ReTS (or an equivalent system for IDB Invest) would enhance accountability and visibility.



01

Introduction

- 1.1 This report presents the results of OVE's 2018 validation of Management actions in response to Board-endorsed recommendations. Following up on such recommendations is essential for both learning and accountability, and it helps to ensure that IDB and IDB Invest take the recommendations into account with the goal of continuously improving performance and results.
- 1.2 OVE previously reported on the Evaluation Recommendation Tracking System (ReTS), but this is the first self-standing report on it. Previous reports were a section of the OVE Annual Report.¹ This is OVE's third full validation exercise, following full validations in 2016 and 2017 and a pilot validation conducted in 2014. Delinking the ReTS validation timeline from OVE's Annual Report allowed an extension of the timeline for Management actions to cover all of 2018 (whereas an October cutoff was necessary in previous years), which better fits the annual cycle of actions.
- 1.3 By endorsing a recommendation, the Boards of both IDB and IDB Invest instruct their Management to fully implement all actions necessary to adopt the recommendation. Management prepares an action plan for each recommendation and updates progress annually. The action plan and its implementation status are recorded in the ReTS. OVE validates both the relevance of the action plan and the extent of its implementation, using information made available in the ReTS and through other channels. Although the validation does not assess the outcome of Management actions – only a new evaluation could do that – it does provide the Boards with a measure of accountability, in terms of how well IDB and IDB Invest apply Board decisions on evaluation matters. For these reasons, validation of Management actions is current good practice among multilateral development banks.²
- 1.4 There have been significant improvements in the ReTS in recent years. IDB has been using the ReTS since 2013.³ In 2017, OVE began reviewing draft action plans before they were finalized, and this increased level of engagement has proven effective in improving the quality of the action plans. In 2016, Management (through IDB's Office of Strategic Planning and Development Effectiveness, or SPD) introduced a new, more user-friendly

1 See OVE's 2016 and 2017 Annual Reports (RE-511 and RE-524-2). OVE's 2018 Annual Report (RE-537) was presented in February 2019 and included only a summary of the ReTS process.

2 With some variations, other development institutions have created similar monitoring systems to track actions in response to the recommendations issued by their independent evaluation offices, typically also with annual validations of Management's progress by the independent office. See [Final Report: ECG Working Group on Evaluation Recommendations, Management Responses and Feedback Loops \(January 2019\)](#).

3 A description of the ReTS can be found in the ReTS Protocol (GN-2707-5) and IDB AM-140-1 *Procedures to Review, Respond and Follow-Up on Evaluations*.

IT system – the ReTS Portal – which in 2017 was enhanced to allow capturing means of verifying whether actions have been implemented. In 2018, an activity log was developed to capture changes to action plans, and in 2019 a dashboard to improve the visibility of the status of action plans was introduced. Management also updated the action plan template and developed improved guidance materials, which helped to further improve action plans. Moreover, coordination and engagement between OVE and SPD has improved over time, making the validation process more collaborative and productive.

- 1.5 IDB Invest began a similar process in 2016, but only more recently started to use the ReTS. Since 2016, for recommendations directed at IDB Invest alone and endorsed by its Board, IDB Invest prepares action plans to be validated by OVE. Although these actions were initially managed outside the ReTS platform, IDB Invest has made important efforts in recent years to adapt its reporting progressively to the approach used by the IDB (e.g. similar templates). However, at the time of the validation not all IDB Invest actions had been captured in the ReTS – but this has been rectified since then. Also, while IDB Invest follows processes similar to IDB’s (adapted to its own governance), it does not yet have similar documented guidance materials on its processes.



02

Methodology

- 2.1 The validation consists of assessing Management’s action plans in terms of relevance, evaluability, implementation, and adoption. The unit of analysis is the recommendation itself, as each Board-endorsed recommendation requires a Management action plan describing how and by when Management intends to implement it. Action plans contain one or several actions that, once implemented, should lead to the adoption of the recommendation.⁴ OVE monitors recommendations for up to four years, or until the date Management has set for completion of the corresponding action plan. Figure 2.1 describes the validation cycle for recommendations and their corresponding action plans while they remain active in the ReTS. The validations are based on information provided up to May 2019.
- 2.2 To ensure comparability, OVE followed the same methodology used in previous validations. OVE assessed the relevance and implementation progress of each action and derived a measure of adoption (both relevant and implemented) from these assessments. These dimensions are rated using a four-point scale (*full, substantial, partial, and negligible*). In addition, OVE assesses the evaluability⁵ of the action plan on a three point-scale (Annex I provides more information on methodology, and Box 2.1 explains the advantages and limitations of this methodology.)
- 2.3 Building on lessons learned from past validation exercises, in 2018 OVE consolidated earlier progress and further refined the validation process. First, to avoid the implementation of non-relevant actions, in late 2017 OVE agreed with Management to assess the relevance and evaluability of proposed new actions at the time the action plan is prepared, rather than at the end of the year. To this end, Management submits a draft action plan on which OVE provides written comments. If necessary, OVE meets with Management to discuss the comments before Management finalizes the action plan and OVE formally rates its relevance and evaluability (see Figure 2.1 and Annex II). Second, Management revised some action plans that OVE had deemed partially or not relevant in earlier exercises, and OVE reviewed them again,⁶ along with some revised actions for 2018. Third, OVE provided informal feedback to Management teams modifying existing plans, allowing Management the opportunity to improve relevance ratings before they became final. Actions

4 For example, IDB Invest’s responses to recommendation 1 of the evaluation on Direct Support to SMEs by the IIC and on OVE’s 2016 validation of PCRs and XSRs were not captured in the ReTS.

5 Evaluability in this report considers these questions: (i) Does the action plan include well-defined actions? (ii) Does the action plan include output targets for all actions? (iii) Are output targets measurable? (iv) Does the action plan include deadlines for completion (with intermediate milestones)?

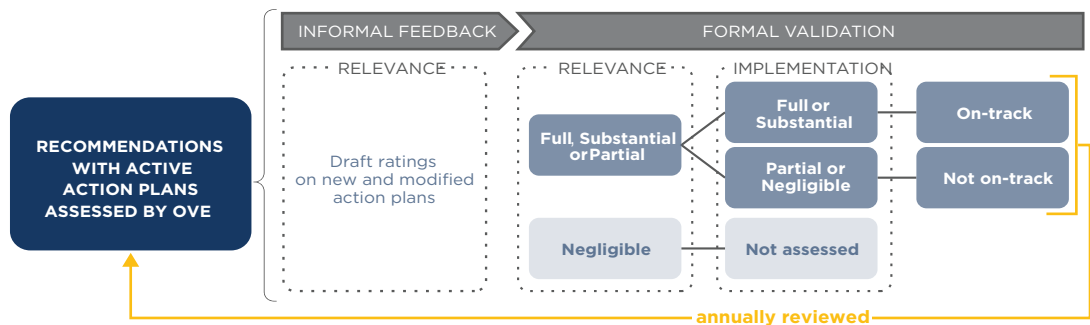
6 In the 2017 validation exercise, OVE and Management agreed to revise relevance assessments, particularly in the first years of active action plans.

still undergoing informal feedback review were excluded from the 2018 validation exercise (Annex IV). Finally, starting in 2019, OVE now often discusses the recommendations with Management in detail before finalizing the evaluation, a practice that has helped to sharpen the recommendations and allows Management to begin considering an appropriate action plan at an early stage.

2.4 While improvements in action plans are desirable, a significant number of changes to milestones resulted in OVE having to reassess many action plans. Between January and May 2019, there were over 200 changes in milestones.⁷ Particularly since the reasons for changes in milestones were not always well documented, this required OVE to repeatedly review these action plans. While in many cases the changes improved the action plans, there were also many minor changes and a few that negatively affected OVE’s assessment. Better documentation of the rationale for making changes to milestones would enhance both the efficiency of the review and accountability.

Figure 2.1
Annual validation cycle of action plans

Source: OVE.



Box 2.1. Advantages and limitations of ReTS validations

What does OVE validate, and why is this important? Through the ReTS, OVE validates action plans prepared by Management in response to Board-endorsed recommendations. OVE assesses their relevance, evaluability, degree of implementation, and adoption. Tracking action plans serves accountability purposes, as the information on the relevance and implementation ratings provides indicators of Management’s intention and actions to address the recommendations. Each validation exercise annually analyzes 100% of active action plans – more than 100 each year. The following case illustrates how the ReTS allows keeping track of the IDB work in the direction of a recommendation.

IDB’s Impact Evaluations: Production, Use, and Influence (2017; RE-512-1): OVE recommended more strategic selection of impact evaluations (IEs) (recommendation 1) and revision of the DEM to reduce the incentives to over-propose IEs (recommendation 3). In response, Management revised the DEM

7 The initial log list even indicated about 600 changes. While it turned out that over half of them were wrongly indicated as changes by the system, it still required OVE to review these action plans for changes.

template (as one of the actions tracked in the ReTS), which was approved in 2018 (OP-1696-3), and included criteria to carry out IEs more strategically. Also, the DEM's score distribution was calibrated to reduce the incentives to propose unnecessary IEs. Thus the ReTS provided an indication of Management's intention to improve the strategic selection of IEs, but it cannot assess whether the changes were effective in achieving this goal.

What is the scope of OVE's validation, and what are its limitations? OVE's validations focus on action plans, tracking whether their outputs have been achieved. However, validations cannot assess whether the recommendation itself has been fully addressed. This would require a new evaluation that looks also at the outcomes (e.g., whether the problem that led to the recommendation has been corrected) and also at other factors, such as additional actions undertaken outside the scope of the action plan or external factors. To different extents, some recent Country Program Evaluations (CPEs) have incorporated an analysis of previous recommendations, illustrating the differences between a ReTS validation and a new evaluation.

CPE Chile 2011-2013 (RE-465-1): For recommendation 1, about framing the country strategy around realistic objectives that are within the Bank's capacity to achieve, the ReTS validation result was that the action plan had negligible relevance. The action plan contained two actions: (i) development of new guidelines for preparing country strategies and programming, and (ii) implementation of innovative mechanisms in the design of the strategy and of operations. The negligible rating was due to a lack of clarity regarding how these two actions would help define realistic country strategy objectives (implementation was not rated). However, the subsequent CPE Chile 2014-2018 (RE-526-1) analyzed the country strategy and found that, regardless of the action plan, Management had addressed the recommendation effectively, defining a realistic strategy in terms of both financial envelope and strategic objectives.

CPE Brazil 2011-2014 (RE-482-1): For recommendation 4, about seeking ways to work with Brazilian authorities to help strengthen regulatory frameworks for public-private partnerships (PPPs), the ReTS validation results were that the action plan was fully relevant and fully implemented. The action plan contained three actions: (i) conduct PPP events with emphasis on strengthening regulatory frameworks, (ii) provide technical support to states to strengthen regulatory frameworks, and (iii) approve technical cooperation (TC) related to transparency in PPP processes. However, the subsequent CPE Brazil 2015-2018 (RE-534-1) found that, although the action plan was fully implemented, no effective changes in regulatory frameworks for PPPs had occurred.

CPE Honduras 2011-2014 (RE-469-3) recommended strengthening the design of operations and devoting greater efforts to building management capacity in the institutions responsible for project execution (recommendations 3 and 4). The recent CPE (CPE Honduras 2015-2018; RE-528-1) highlighted some measures that contributed to improving the design and execution of operations, but also analyzed the outcomes of the action plan. It found that although disbursement rates had improved (an indication of previously identified bottlenecks having been addressed to some extent) institutional weakness in most executing agencies continued to be an issue.

The first example demonstrates that Management may address a recommendation outside the stated action plan, while the second illustrates that implementing an action plan may not by itself solve the underlying issue that led to the recommendation, as factors outside the Bank's control can also affect the underlying problem. The third exemplifies a case in which findings from the new CPE are aligned with those of the ReTS, but an outcome level analysis in the context of a new evaluation finds that underlying issues have not been fully resolved. Although the scope of analysis of a new evaluation is clearly broader and deeper, conducting one annually would not be feasible for all recommendations covered in the ReTS.

How can the tracking of recommendations be strengthened? Given that ReTS validations focus on action plans, the system could be strengthened by complementing ReTS validations with a final assessment of the execution of recommendations, whenever feasible. Given that OVE systematically conducts CPEs for all regional member countries, the analysis of previous recommendations is feasible within the scope of such evaluations. This, however, is not the case for corporate or sector evaluations, for which OVE does not always conduct periodic assessments on the same topic.



03

Portfolio Overview

- 3.1 OVE has issued a total of 249 recommendations since the ReTS was launched in 2013, 95% of which have been fully endorsed by the Board. Of the total 249, 48% stemmed from CPEs, 22% from corporate evaluations, 20% from sector and thematic evaluations, and the remaining 10% from project evaluations.⁸ The Board has endorsed 238 recommendations (236 fully⁹ and two partially) and did not endorse 11.¹⁰ Of the total, 40 recommendations originated from evaluations delivered to the Board in 2018.
- 3.2 OVE's 2018 validation exercise assessed action plans for 138 recommendations currently tracked in the ReTS.¹¹ Of the 238 endorsed recommendations, one hundred were excluded from the 2018 assessment because they had either been retired following previous validations (69) or they were awaiting an action plan (31).¹²
- 3.3 Of all the recommendations tracked in the ReTS, more than 50% refer to issues related to IDBG organization, results measurement, and client engagement.¹³ Using the categories OVE developed in earlier years, with a few updates,¹⁴ OVE classified all Board-endorsed recommendations, as shown in Figure 3.1 (see Annex V for more detail). Similarly, evaluations completed by OVE in 2018, for which action plans were already validated in this exercise, featured many recommendations on IDBG organization (31%).¹⁵

8 While a CPE always provides recommendations, not all other OVE evaluations (corporate, sector and thematic, and project evaluations) include recommendations that require the Board's endorsement.

9 This figure includes recommendation 1 of the Evaluation of Direct Support to SMEs by the IIC (CII/RE-23-3). This recommendation was not endorsed in 2017, when the evaluation was presented to the Board, but rather in 2018 (see CII/GN-364-1 and Minutes CII/DEA/18/06).

10 Annex III lists the recommendations not or partially endorsed by the Board to date.

11 Four of these recommendations did not have an associated standard action plan. However, OVE assessed the relevance and degree of implementation (not evaluability) of actions taken by Management to address them. Specifically: recommendation 1 of OVE's Evaluation of Direct Support to SMEs by the IIC (now IDB invest) (CII/RE-23-3), and recommendations 1-3 to IDB Invest of OVE's Validation of Management Self-Evaluations (PCRs/XPSRs) 2016 (RE-520). All were retired as fully adopted in 2018, except for recommendation 3 to IDB Invest of the PCRs/XPSRs 2016, which was retired without a grade because it was superseded by a recommendation in the PCRs/XPSRs 2017 evaluation (RE-530-2).

12 See Annex IV for details on pending action plans.

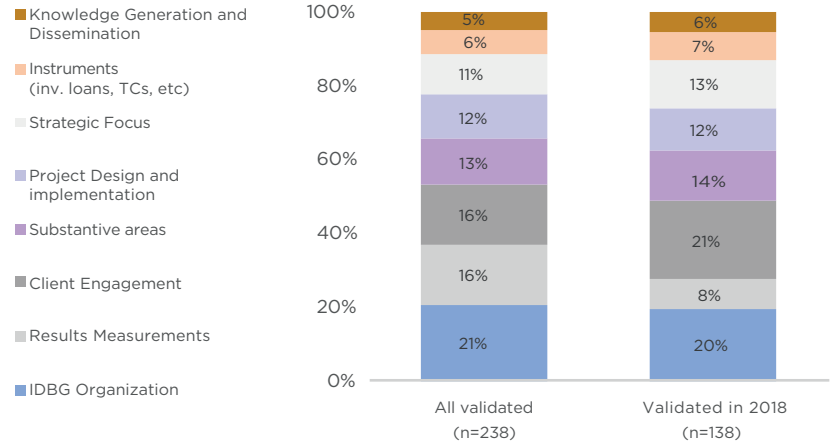
13 The remaining validated recommendations refer mostly to substantive areas, project design and implementation, and strategic focus (11-13% each). Most recommendations validated in 2018 also related to client engagement and IDBG organization.

14 OVE has developed more precise definitions for the types of recommendations (see Annex V).

15 These include, for example, recommendations from the CPE Chile 2014-2018 (RE-526-1, to promote coordination between the public and private sector windows), and CPE Barbados 2014-2018 (RE-525-1, to develop a strategy on how the IDBG institutions will work together to address constraints to private sector investment).

Figure 3.1
Distribution of validated recommendations, by type

Source: OVE.

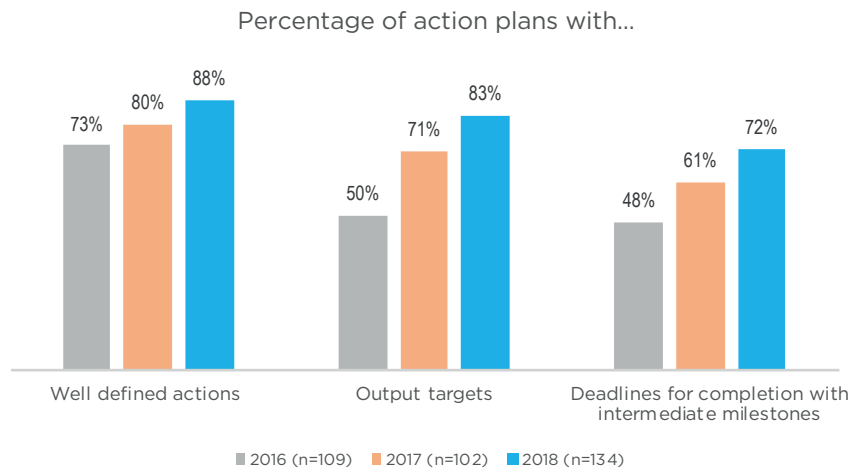


Note: The graph is based on Board-endorsed recommendations.

3.4 The quality and evaluability of action plans have improved compared to earlier years (Figure 3.2). In the action plans reviewed in 2018, actions were better defined, and more action plans had adequate output targets and intermediate milestones than in previous validation years. The quality of action plans improved, from 73% with well-defined actions in 2016 to 88% in 2018. Therefore, OVE was better able to validate progress achieved. This reflects, in part, the continued engagement between OVE and Management from the onset and throughout the process, as well as to SPD’s continuous improvement of templates and systems to better capture Management actions and progress in implementation.¹⁶

Figure 3.2
Evaluability of action plans from 2016 to 2018

Source: OVE.*



Note: Figure accounts for adequate output targets and adequate deadlines for completion and milestones.

*The count excludes one recommendation from the Direct Support to SMEs by the IIC evaluation and three from the PCR/XSR 2016 exercise, for which evaluability was not assessed, since the action plans did not follow the standard format.

¹⁶ For example, since the 2017 validation, all actions must include intermediate milestones and means of verification to report progress; also, Management introduced a new system and dashboard to track ReTS progress.



04

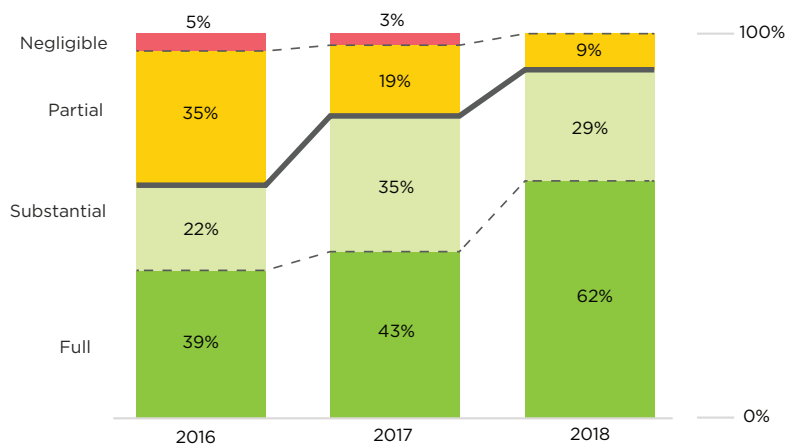
Validation Results

A. Relevance

4.1 Most action plans assessed in the 2018 validation exercise were relevant. Relevance considers the extent to which *the proposed action or group of actions are oriented toward, and (if well-implemented) likely to fix, the main underlying issues or to achieve a desired goal identified by the evaluation in the recommendation* (see also Annex I). Of the 138 action plans assessed by OVE in 2018, 91% were considered to have high relevance (rated *fully* or *substantially relevant*) to address the recommendation, while only 9% (13 action plans) had low relevance (rated *partially* relevant; none had *negligible* relevance). Of these 13 action plans, only 3 related to evaluations completed in 2017 or 2018, implying that low relevance is exceedingly rare for new action plans. Most of the low-relevance action plans thus relate to evaluations that did not benefit from the improvements described earlier. See Figure 4.1 and Annex VII for ratings by recommendation.

Figure 4.1
Relevance of
action plans from
2016 to 2018

Source: OVE.



4.2 Of the 13 action plans that were rated partially relevant, 4 will be retired following this validation exercise,¹⁷ 4 in 2019, and 5 later. There is time to improve the relevance of the five that will be retired later. Management could modify the action plan to seek a better relevance rating in the next validation exercises.¹⁸ The main reasons behind partial relevance ratings were that (i) actions are aligned with the recommendation but are insufficient to address it, or they tackle only part of the recommendation, leaving significant elements unaddressed (8 cases); (ii) actions are too general, making it difficult to determine whether they will lead to the specific, intended

¹⁷ The four recommendations correspond to CPEs; for three of them (except Haiti), new CPEs were already conducted in 2019. See also Section C of this chapter for adoption.

¹⁸ OVE and Management agreed in 2018 (2017 validation exercise) to revise action plans to increase their relevance, particularly in their first years.

result (2 cases); and (iii) actions are essentially a continuation of existing Bank practices preceding the recommendation (3 cases). For the four recommendations to be retired in 2019, there is little time to improve their relevance (Table 4.1).

Table 4.1. Action plans with *partial* relevance, validated in 2018

Status of action plan	Evaluation	Recommendation #
To be retired in 2020 or after	CPE: Suriname 2011-2015	2
	CPE: Peru 2012-2016	3
	Public-private partnership (PPP) in infrastructure	3.3
	IDB's Impact Evaluations: Production, Use, and Influence	7
	Knowledge Generation and Dissemination in the IDBG	3
To be retired in 2019	Evaluation of the Results of the Realignment	3
		3
	CPE: Panama 2010-2014	4
		5
Retired now	CPE: Costa Rica 2011-2014	2
	CPE: Haiti 2011-2015	1
	CPE: Honduras 2011-2014	4
	CPE: Paraguay 2011-2013	4

Source: OVE

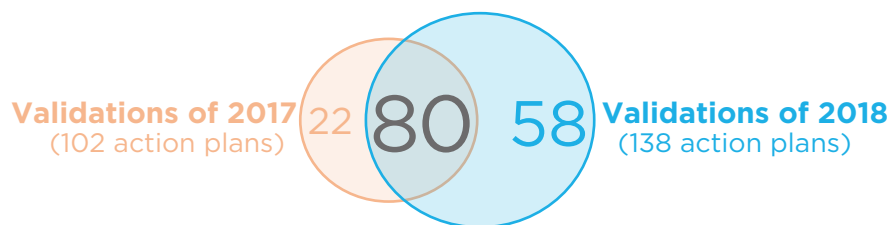
4.3 Of the 138 action plans assessed in 2018, 80 had also been validated in 2017. For six of them, the changes were substantial enough to upgrade the relevance rating from the previous year (Figure 4.2). In light of Management changes to earlier action plans, OVE also reviewed the relevance of action plans from 2017. Management changed 27 action plans, and in 6 of them the changes were substantial enough to upgrade the rating, while in one case (IDB Group's Work through Financial Intermediaries, RE-486-2) OVE downgraded the relevance rating from fully to **substantially** because important milestones were eliminated.¹⁹ Since only six action plans had their relevance rating upgraded, the important increase in the relevance of action plans between 2017 and 2018 validation rounds is mostly due to the higher relevance of new action plans.

¹⁹ In the case of the evaluation of IDBG's work through FIs, three important milestones (related to one recommendation) due in 2019 were no longer included in this year's validation (an action plan on how to further develop the diagnostics on FIs, a possible follow-up action plan to refine criteria for SG and NSG FI-interventions, and a follow-up report outlining the activities, achievements and agreements undertaken as part of the SG-NSG collaboration).

Figure 4.2

Overlap between
2017 and 2018
validation
exercises

Source: OVE.

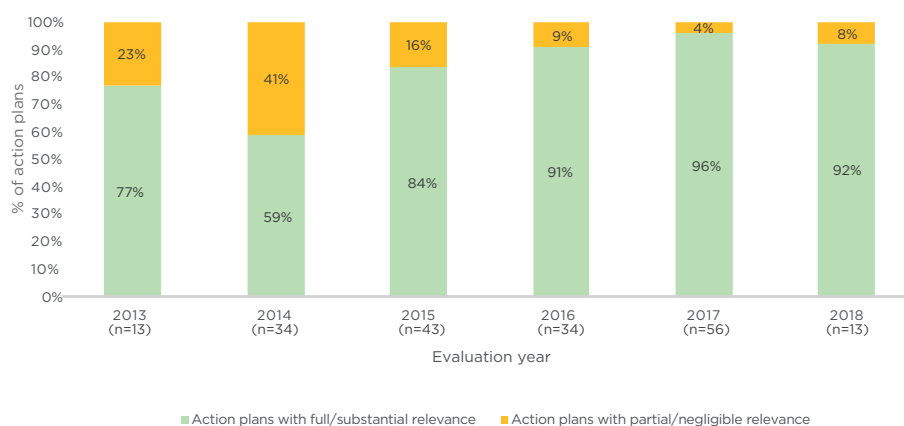


4.4 The relevance of action plans has been high over the last three years. Since 2016 (when the full annual validation exercise began), the share of new action plans with high relevance (either *full* or *substantial*) has always been more than 90% (Figure 4.3).

Figure 4.3

Relevance of
action plans by
year of evaluation

Source: OVE.



Note: Last relevance rating (i.e., rating from 2018 validations unless recommendations were retired earlier, in which case the last rating was used). The graph includes 193 action plans that have ever been assigned a relevance rating.

4.5 Looking at relevance by type of recommendation, small numbers limit the inferences that can be drawn (Table 4.2). For recommendations related to project design and implementation, only 4 (of 16) action plans were *partially* relevant either because the actions represented the same level of effort as before (i.e., essentially continued existing Bank practices, 3 cases) or because part of the recommendation was unaddressed by the action plan (1 case). On the other hand, all eight actions to address recommendations related to knowledge generation and dissemination were relevant. Similarly, most action plans to address recommendations related to strategic focus, client engagement, results measurement, and instruments were relevant. However, as the total number of recommendations is limited, the relevance score is highly sensitive to the introduction of new action plans and the retirement of recommendations.

Table 4.2. Share of action plans with high relevance in 2018, by type

Type of recommendation	2017		2018	
	Total APs	% high relevance*	Total APs	% high relevance
Project design and implementation	18	11 (61%)	16	12 (75%)
Substantive areas	12	10 (83%)	19	17 (89%)
Instruments	11	9 (82%)	10	9 (90%)
Results measurement	4	3 (75%)	11	10 (91%)
Client engagement	20	18 (90%)	29	27 (93%)
IDBG organization	17	13 (76%)	27	25 (93%)
Strategic focus	16	12 (75%)	18	17 (94%)
Knowledge generation and dissemination	4	4 (100%)	8	8 (100%)
Total	102	80 (78%)**	138	125 (91%)

*These percentages reflect the updated classification explained in paragraph 3.3.

**Scores below 80%.

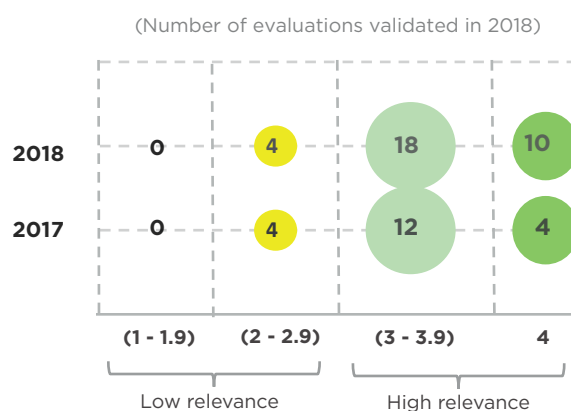
Source: OVE

4.6 Consistent with the high proportion of individual relevant action plans, most evaluations have a high average rating, and all new evaluations have high average ratings. OVE calculated a relevance score for each evaluation validated in 2018 by averaging the individual relevance ratings of the action plans for the recommendations in that evaluation, with 1 representing *not relevant* and 4 representing *fully relevant*. Most evaluations (28 out of 32) have a high average rating (a score of 3 or more, Figure 4.4); and of the four cases below a score of 3, all relate to older evaluations (2014 and 2015) and three of these have improved. Overall, six evaluations improved their average ratings, while one decreased²⁰ (see Annex VI for the full list and details).

Figure 4.4

Relevance of evaluations validated in 2018*

Source: OVE.



*Includes all 32 evaluations validated in 2018. Figure accounts for all recommendations (active and retired).

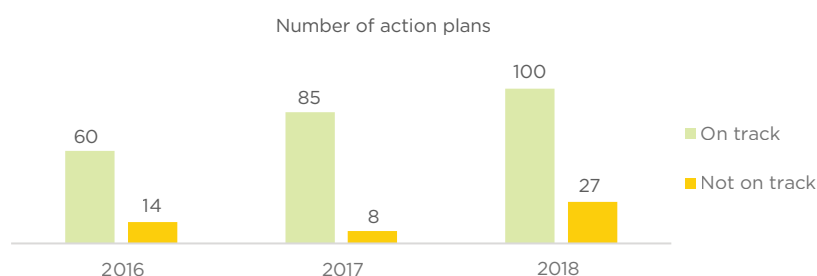
20 The evaluation of the IDB Group's work through FIs, already described above.

B. Implementation

4.7 More action plans were *on track*, although the percentage *on track* was lower than in previous years. OVE validated the extent of implementation of 127 of the 138 action plans in the 2018 validation exercise; 11 were excluded because they were in early phases of the ReTS cycle and were hence only assessed in terms of relevance (7) or had no actions due in 2018 (4). For the first time since 2016, no action plans were excluded because they were not relevant to address the recommendation. Of the 127 action plans, implementation as of December 2018 was on track for 100, or 79% (Figure 4.5),²¹ compared to 91% in 2017.

Figure 4.5
Action plan implementation status from 2016 to 2018

Source: OVE.



Note: 2018 excludes 11 action plans without 2018 milestones.

4.8 No unique reason explains the lower implementation rates, but some patterns emerge. Of the 27 action plans with low implementation ratings, 14 were new action plans validated for the first time in 2018, and 13 were previously rated.

- (i) Among new action plans, half were rated not on track in 2018, because of lack of information to assess progress – either no updates were provided, or updates were not supported by adequate means of verification or information.²² For the other half, not all milestones were achieved as expected.²³

²¹ Only three not-on-track action plans were rated only partially relevant (see Annex VII).

²² These include CPE The Bahamas 2010-2017 (RE-516-4), recommendations 3 and 4; IDB's Impact Evaluations: Production, Use, and Influence (RE-512-1), recommendations 2, 5-7; and IDB and IIC Project Performance: OVE's Review of 2016 PCR-XSR (RE-520), recommendation IDB-1. Means of verification (MOV) are considered adequate when they provide sufficient, relevant and accessible evidence of the level of implementation of all aspects of the proposed milestone(s). The format can vary, but the most common MOV is documentation.

²³ Evaluation of the Bank's Support for Gender and Diversity (RE-518-2), recommendation 1; CPE The Bahamas 2010-2017 (RE-516-4), recommendation 2; CPE Guyana 2012-2016 (RE-502-3), recommendations 2 and 5; IDB and IIC Project Performance: OVE's Review of 2016 PCR-XSR (RE-520), recommendation IDB-2; and Review of Bank Support to Tax Policy and Administration 2007-2016 (RE-509-1), recommendations 1 and 3.

- (ii) For older action plans, 11 decreased their implementation ratings from 2017, and 2 maintained low implementation ratings.²⁴ For three action plans,²⁵ 2019 is expected to be the last year of implementation (and hence the last opportunity to upgrade their rating). For these plans, as for new action plans, milestones not achieved and inadequate progress reporting affected implementation ratings.
- (iii) Among new and old action plans, OVE was able to identify at least four cases in which implementation progress was halted for reasons external to the Bank. For instance, in Guatemala milestones related to loan execution have been delayed because operations are awaiting legislative ratification.²⁶

4.9 Implementation of action plans by type: small numbers limit inferences that can be drawn. Among action plans with high relevance, all eight related to improving specific instruments or their use were on track after the 2018 validation exercise. Implementation was above average for recommendations related to instruments, knowledge generation and dissemination, project design and implementation, and IDBG organization. External factors contributed to below-average scores for substantive areas, client engagement, and strategic focus, while lack of adequate information affected all types of recommendations (except instruments). Of recommendations aimed at improving the monitoring and evaluation of IDBG activities, only six of nine high-relevance action plans received high implementation ratings; the other three had made slower progress than expected.

4.10 At the evaluation level, implementation results were generally positive, but at least a third of evaluations had action plans that were not on track. OVE established a yearly implementation score for the 30 evaluations with actions expected to make progress in 2018.²⁷ Figure 4.6a and Annex IX show 2017 and 2018 average implementation scores. In 2018, all evaluations received scores of 2 or more. However, 10 out of 30 had scores lower

24 CPE Peru 2012-2016 (RE-498-1), recommendation 3, and CPE Barbados 2010-2013 (RE-460-1), recommendation 2.

25 CPE Argentina 2009-2015 (RE-491-1), recommendation 3; and Evaluation of IDB Group's Work through FIs (RE-486-2), recommendations 1 and 2.

26 Action plan for recommendation 1 of CPE Guatemala 2012-2016 (RE-503-1). Other cases of implementation halted for reasons external to the Bank are CPE Guyana 2012-2016 (RE-502-3), recommendations 2 and 5; and CPE Haiti 2011-2015 (RE-494-1), recommendation 2. This list might not be exhaustive because the ReTS in its current form does not require detailed explanations accompanying implementation reports, only to what extent the action has been implemented.

27 This score is obtained by averaging ratings for individual action plans (that is, those corresponding to each recommendation) within each evaluation. For each year in 2016-2017, OVE considered all recommendations pertaining to an evaluation, including those that were retired in 2016 and 2017, assigned numeric values to the latest available implementation score (1 = not implemented, 4 = fully implemented) and averaged them by evaluation. Annex IX reports the resulting scores for the evaluations with at least one active action plan in 2018.

than 3, meaning that they have at least one action plan that is not on track. Another four evaluations with scores above 3 also had at least one action that was not on track. Three evaluations obtained the highest 2018 implementation score.²⁸ In all three cases, implementation was validated for the first time during the 2018 exercise. The weakest implementation scores went to action plans for which OVE did not receive updates regarding most of the actions expected during the last validation exercise.²⁹ In line with recommendation-level results (see paragraph 4.8), for the 18 evaluations with implementation scores in both 2018 and 2017, the score dropped for 9, did not change for 5 and increased for 4 (Figure 4.6b and Annex IX).³⁰

Figure 4.6a

Average annual implementation scores, by evaluation*

*Includes only evaluations with implementation validated in 2018 (n=30).

Source: OVE.

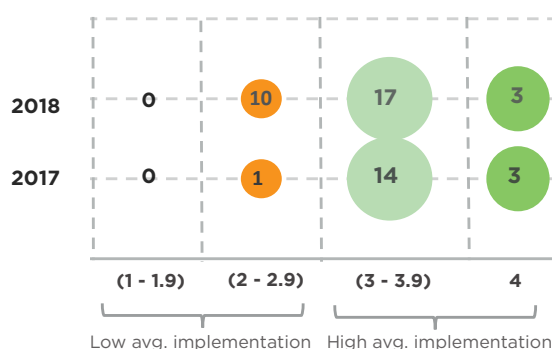
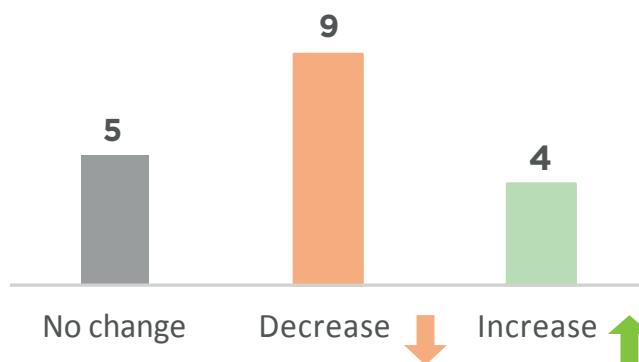


Figure 4.6b

Changes (2018 vs 2017) in average annual implementation scores, by evaluation

*Includes only evaluations with implementation validated in both years, 2018 and 2017 (n=18).

Source: OVE.



28 When considering only actions with milestones expected to be completed in 2018, the ones corresponding to the Paraguay 2009-2013 (RE-452-3) and Uruguay 2010-2015 (RE-484-1) CPEs also delivered all their expected products.

29 Note that, two action plans overlapped during the 2018 exercise for Barbados. No updates were provided in this validation regarding actions associated with the 2010-2013 CPE period (because Management had considered them completed in 2017, while OVE indicated otherwise), which affected its implementation score in 2018 (see Table 4.4). However, the recommendations were retired with an overall implementation rating that is higher than that reflected in this analysis because implementation in earlier years was stronger (see next section). Informed by the ReTS, the Barbados CPE 2014-2018 makes an explicit reference to Management’s progress in implementing the previous CPE’s recommendations.

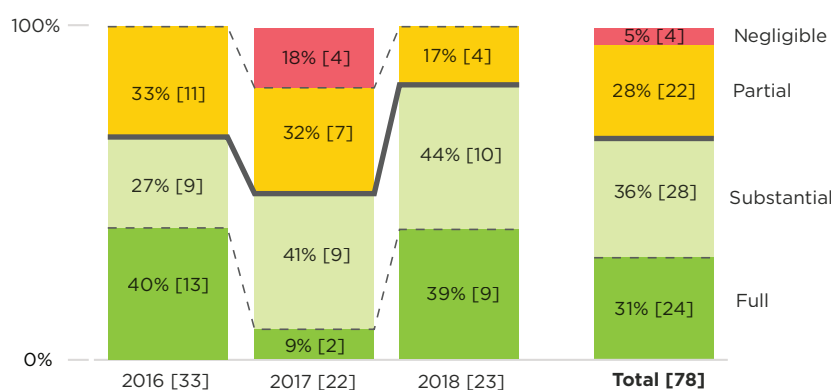
30 Score changes from 2017 to 2018 are not correlated with the evaluation’s relative performance in terms of 2017 scores.

C. Overall adoption of OVE's recommendations

4.11 The share of recommendations retired as *adopted* increased significantly to 83% in 2018, from 66% in 2016 and 50% in 2017. Adopted recommendations are those that have both high relevance and high overall implementation ratings.³¹ OVE assessed the overall level of adoption of 23 recommendations that reached either their Management-set due date, or four years of ReTS monitoring in 2018 (Figure 4.7 and Annex X).³² OVE found that 19 (83%) have been *fully* (9) or *substantially* (10) adopted by Management. These recommendations will be retired as adopted. The remaining four (17%), considered to be *partially* adopted because of gaps in relevance and/or overall implementation,³³ will be retired as not adopted. During the 2018 exercise, no recommendations were retired with a *negligible* level of adoption.

Figure 4.7
Overall adoption of recommendations retired as of 2018

Source: OVE.



4.12 The low relevance of action plans has been a more important factor for non-adoption than weak implementation, considering all retired recommendations since 2016. If a recommendation is to be considered *adopted*, both the relevance and implementation ratings of the action plan must be *substantial* or more.³⁴

31 To be considered (i) *fully adopted*, both relevance and implementation must be rated *fully*; (ii) *substantially* adopted, both relevance and implementation must be rated at least *substantially*; (iii) *partially* adopted, both relevance and implementation must be rated at least *partially*; and (iv) *negligible*, either relevance or implementation was rated *negligible*.

32 In addition, OVE will retire one recommendation from OVE's Validation of Management Self-Evaluations (PCRs/XPSRs) 2016 (RE-520) without an adoption rating because the recommendation was superseded by a later evaluation and its implementation is being tracked through a new action plan.

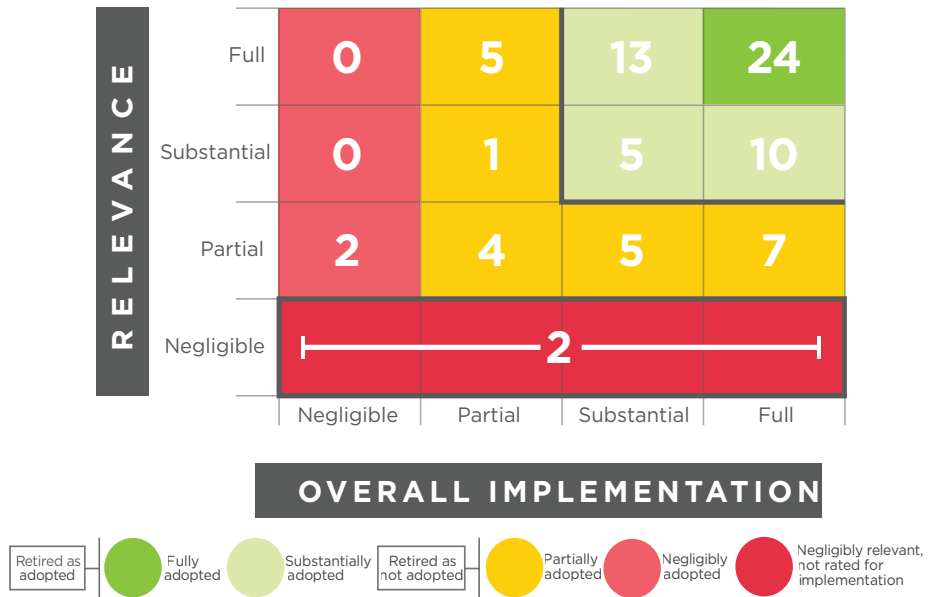
33 As Annex X shows, the four recommendations retired as *partially* adopted are recommendation 2 of CPE Barbados 2010-2013 (RE-460-1), recommendation 2 of CPE Costa Rica 2011-2014 (RE-472-3), recommendation 4 of CPE Honduras 2011-2014 (RE-469-3), and recommendation 4 of CPE Paraguay 2009-2013 (RE-452-3). For Barbados, the action plan was *fully* relevant but only *partially* implemented; for the other three countries the actions were implemented but only *partially* relevant.

34 One recommendation (CPE Haiti 2011-2015, recommendation 1), retired this year as *substantially* adopted, had *substantial* implementation but *partial* relevance. The *substantial* adoption rating was exceptionally given to recognize the important

Recommendations that are not adopted have low relevance, low implementation, or both. A greater proportion of not-adopted recommendations is related to relevance problems (Figure 4.8): 14 recommendations (18%) were not adopted just because of low relevance,³⁵ 6 (8%) just because of low implementation, and 6 (8%) because of problems in both relevance and implementation.

Figure 4.8
Overall adoption of recommendations retired as of 2018

Source: OVE.



Note: Recommendations with negligible relevance are not rated on implementation.

4.13 For recommendations that were only partially adopted because of low relevance ratings, often part of the recommendation was left unaddressed. For the 12 recommendations whose *partial* adoption related exclusively to relevance problems (i.e., they had high implementation ratings), the rating can be explained by several reasons (Annex XI): (i) leaving part of the recommendation unaddressed (seven cases, 58%), (ii) vertical logic problems (2, 17%), (iii) action plans aligned but insufficient to address the recommendation (one case), (iv) action plans were too general (1 case), and (v) action plans did not involve effective changes to current practices (one case). However, this problem should decrease with time since the relevance of action plans has continued to increase and many of the partial adoption ratings due to low relevance relate to older evaluations. Below is one example of the most frequent reason:

progress achieved by Management regarding Haiti's country strategy.

³⁵ Including two recommendations with *negligible* relevance (for which implementation was not rated).

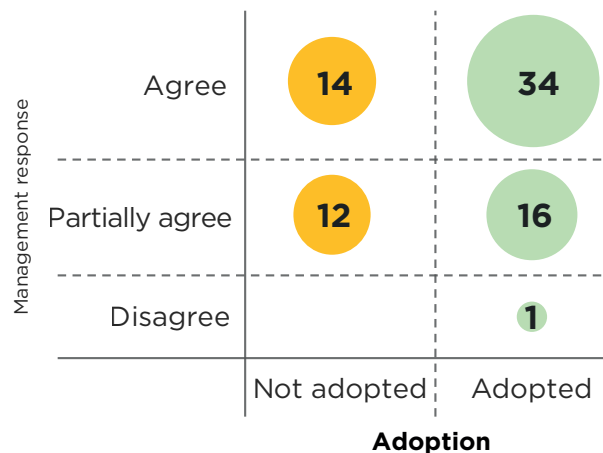
- (i) Costa Rica CPE 2011-2014 (RE-472-3): Recommendation 2 was to support the country in developing a concrete PPP project that would serve as a model for future private sector participation. The action plan proposed actions regarding specific knowledge generation and dissemination, as well as approving at least one TC to design and apply PPPs and identifying viable projects. This addressed part of the recommendation (related to the lack of knowledge within the Bank and in government). However, it fell short of proposing a way forward as to how to work with the private sector and only proposed to prepare a TC in support of an eventual project.

4.14 Recommendations whose partial adoption has been due to low implementation ratings also exhibit several problems. For the six recommendations whose partial adoption is due exclusively to implementation problems (i.e., they had high relevance ratings), the ratings can be explained by three reasons (Annex XII): (i) non-completion of all planned actions (3 cases), (ii) evaluability problems of the action plan, with either nonexistent or unclear output targets (2 cases), and (iii) implemented actions fell short (1 case).

4.15 Agreed recommendations were more frequently adopted (Figure 4.9). Among 77 retired recommendations, Management “agreed” in 48 cases, “partially agreed” in 28, and “disagreed” in one case. 34 of the 48 agreed recommendations were adopted (71%) while 17 of the 29 partially agreed or disagreed were adopted (59%).

Figure 4.9
Adoption of retired recommendations and Management’s responses

Source: OVE.



Note: The figure is based on 77 of the 78 recommendations retired as of 2018. One was excluded because Management’s answer was unclear (CPE: Barbados 2009-2013, Recommendation 3).

4.16 The share of adopted recommendations varies with the type of evaluation. To date, almost all retired recommendations from corporate and project or impact evaluations have been adopted. Although the number of retired recommendations

is still too low to identify a robust trend for some types of evaluation, some patterns are emerging (Figure 4.10). However, CPEs and sector evaluations have had different results: an increasing share of CPEs (which had the greatest number of retired recommendations) has been adopted, while for sector evaluations (with 19 retired recommendations) the adoption share decreased between 2016 and 2017 (no sector recommendations were retired in 2018).

Figure 4.10
Adoption of recommendations by type of evaluation
 Source: OVE.



4.17 All action plans for five evaluations were completed and retired in 2018, and three of them had high adoption averages. OVE calculated an overall score for each of these five evaluations (Table 4.3) by averaging the individual scores of the action plans under each evaluation.³⁶ As in earlier years, there has been some degree of adoption in all cases, but in no case has there been full adoption of OVE’s recommendations.

Table 4.3. Average adoption scores for evaluations with completed action plans

Evaluation name	Overall score
CPE: Brazil 2011-2014	3.6
CPE: Honduras 2011-2014	3.4
CPE: Barbados 2010-2013	3.0
CPE: Costa Rica 2011-2014	2.7*
CPE: Paraguay 2009-2013	2.2*

*Scores below 3.
 Source: OVE

³⁶ Average used 1 for *not adopted* and 4 for *fully adopted*. For recommendations that were retired earlier, OVE used the rating from the year in which they were retired.



05

Conclusions and Recommendations

- 5.1 The 2018 validation exercise showed further significant improvements in the relevance and evaluability of action plans. Action plans with high relevance increased, from 61% in 2016 and 78% in 2017, to 91% in 2018, and no action plan had *negligible* relevance. Evaluability also improved in all areas. Four factors help explain this change: (i) an action plan template introduced by Management in 2017 (and improved in 2018) now requires intermediate milestones and means of verification to be specified; (ii) Management improved six action plans carried over from 2017, leading to a higher relevance rating in 2018; (iii) several action plans with low relevance in the last validation cycle were retired in 2017; and (iv) most recently, increased interactions between OVE and Management on the elaboration of recommendations and action plans.
- 5.2 The picture on implementation in 2018 was more mixed than that in previous years. More action plans are captured in the system, and more were on track in absolute numbers. However, in percentage terms, only 79% were on track, compared to 81% in 2016 and 91% in 2017. Among the main reasons action plans were not on track was the lack of adequate information to assess progress, but in some cases external factors also contributed.
- 5.3 The adoption of retired recommendations improved. In 2018, 83% of recommendations were retired as adopted—a significant improvement over 2017, when only 50% of recommendations were adopted. Additionally, while 2017 included four recommendations (18%) with *negligible* adoption, no recommendations fell into this category in 2018.
- 5.4 Learning from experience, in all future CPEs OVE will systematically assess the extent to which the recommendations of the previous CPE were addressed. A more thorough assessment of the relevance and implementation of the action plan and the adoption of the recommendation is possible in the context of a CPE than in the ReTS. OVE has already been doing this to some extent, but it will systematize this approach for all future CPEs. This practice will also eliminate instances of simultaneously tracking two action plans for the same country in the ReTS.
- 5.5 Acknowledging significant advances in the ReTS processes, OVE offers two recommendations for further improvement:
- **Recommendation 1 for IDB: Systematically document the reasons for changing milestones in action plans.** While OVE welcomes the fact that in many cases Management changed milestones to improve the relevance and evaluability of action plans, doing so makes it much more difficult to assess whether an action plan maintained its relevance and evaluability and was

on track. Systematically documenting the reasons for changes in milestones would enhance accountability and simplify the review process.

- **Recommendation 2 for IDB Invest: Continue to strengthen IDB Invest's processes for recommendation implementation and reporting.** While IDB Invest increasingly uses the ReTS, at the time of OVE's validation not all of its action plans had yet been captured in the system, so that at times it was more difficult to obtain the necessary information. While IDB Invest recently uploaded the information, systematically capturing all information in the ReTS (or an equivalent system for IDB Invest) would enhance accountability and visibility.

Annex I

Methodology

1. The tracking and validation cycle.

The Evaluation Recommendation Tracking System (ReTS) is a tool that facilitates annual follow-up on Management's adoption of OVE's recommendations. The stages of the cycle are as follows:

(i) Management prepares an action plan. After an evaluation is discussed at the Board, Management prepares an action plan to respond to those recommendations that the Executive Directors endorse. Action plans are recorded in the ReTS, with a few exceptions for IDB Invest.¹

(ii) OVE assesses the relevance of action plans. In a first stage, OVE provides informal feedback to Management on each draft action plan. During each annual validation exercise, relevance is reassessed if Management has changed the action plans. Relevance is rated using a four-point scale of *full*, *substantial*, *partial*, or *negligible* (see criteria in Table I.1), in both the informal feedback and validation exercise.

(iii) OVE analyzes and rates the evaluability of action plans, in addition to assessing whether the action plan has changed compared to the previous year.

(iv) Management implements action plans, and OVE rates progress. Management updates and reports to OVE on the implementation of action plans. For each validation cycle, OVE assesses the degree of implementation of those actions with at least partial relevance, monitoring them for at most four years, unless Management has set an earlier date for completing the corresponding action plan.² OVE does not assess the implementation of action plans with negligible relevance. OVE rates degree of implementation with the same four-point scale used for relevance: full, substantial, partial, or negligible (see criteria in Table I.1). For action plans

1 IDB Invest has made important efforts in recent years to adapt its reporting progressively and more formally to the methodology used by the IDB (i.e., similar templates). However, not all IDB Invest actions are currently captured in the ReTS, and some of the action plans were delayed compared to the timelines in the ReTS protocol.

2 If the actions have not been completed by the earlier date, the monitoring may continue until the four-year limit.

that reach the end of the ReTS tracking period, OVE provides two implementation ratings: one reflecting implementation progress in that particular year; and another reflecting overall implementation progress across all the years that the action plan was active.

(v) ***OVE provides an adoption rating*** that assesses the level of adoption for each recommendation with an action plan that reached the end of the ReTS tracking period. This rating combines the individual ratings for relevance and the overall degree of implementation of action plans (see criteria in Table I.1).

(vi) ***OVE retires recommendations from the ReTS*** following each validation exercise, once their action plans reach Management’s completion date or have been under ReTS monitoring for four years. Recommendations can be retired as adopted (those with a rating of full or substantial adoption), or as not adopted (those with a rating of partial or negligible adoption; see criteria in Table I.1).

2. Criteria for OVE ratings

OVE provides ratings in three areas: relevance, implementation (for each year and overall, when applicable), and adoption, using a four-point scale (Table I.1).

Table I.1. OVE’s criteria and four-point rating scale

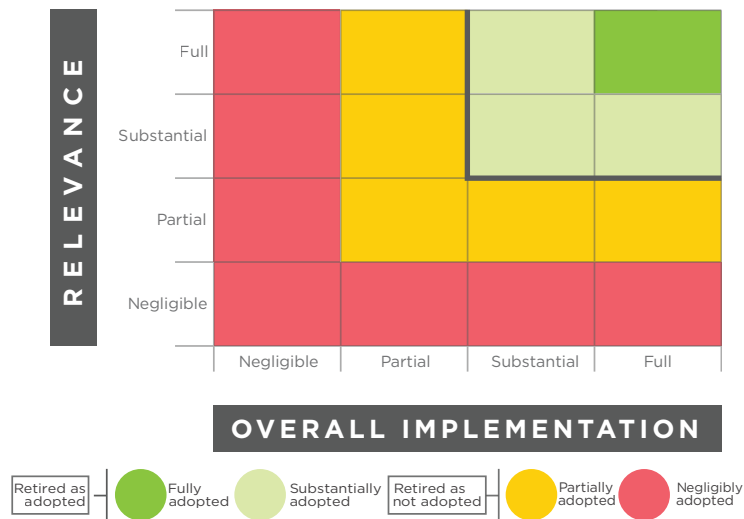
CRITERION	WHAT IS EXAMINED	FULL	SUBSTANTIAL	PARTIAL	NEGLIGIBLE
Relevance of action plan	Extent to which action plan addresses the recommendation	Action plan addresses the recommendation completely	Action plan addresses the recommendation with minor shortcomings	Action plan has considerable shortcomings in addressing the recommendation	Action plan largely fails to address the recommendation
Degree of implementation of action plan	Extent to which actions due or expected to make progress in that year were implemented as planned	All actions were completed as planned	Most actions were completed as planned	Few / minor actions were completed as planned	Virtually no actions were completed as planned
Level of adoption of recommendation	Extent to which IDBG has adopted the recommendation	Action plan was fully relevant AND fully implemented	Action plan was at least substantially relevant AND at least substantially implemented	Action plan was at least partially relevant AND at least partially implemented	Either relevance of action plan OR level of implementation was negligible

Note: For adoption, the overall implementation rating (over all years the action plan was active) is used.
Source: OVE.

These criteria are defined as follows:

- **Relevance:** The relevance rating is assigned considering the extent to which the action plan is likely to address the underlying issues that triggered OVE’s recommendation. Since each OVE evaluation provides the evidence and conclusions that led to the recommendation, a fully relevant action plan is one that implies a clear theory of change between the proposed actions and addressing the issues which led to the recommendation. The scope of the action plan should be aligned with the that of the recommendation, providing enough details to allow this assessment.
- **Implementation:** Each year’s implementation rating is based on whether there is evidence that the planned milestones for each action have been completed. The means of verification provided by Management are crucial for this assessment, as they allow the validation of progress. The overall implementation rating considers whether the overall action was implemented, taking into account whether the defined targets have been achieved, in addition to assessing the completion of planned milestones throughout all the years in which the action plan was active.
- **Adoption:** The adoption rating combines the relevance and overall implementation ratings to assess whether Management has adopted a recommendation. The adoption rating is the result of the minimum rating between relevance and overall implementation, leading to recommendations being retired as adopted or not adopted (Figure I.1).

Figure I.1
Level of adoption of recommendations
 Source: OVE.



In addition to the ratings on relevance, implementation, and adoption, OVE analyzes the evaluability of action plans, using a standardized questionnaire (Table I.2) with a three point-scale (yes/partially/no).

Table I.2. Questions related to evaluability in OVE’s template

Does the action plan include well-defined actions?
Does the action plan include output targets for all actions?
Are output targets measurable?
Does the action plan include deadlines for completion (with intermediate milestones)?

Source: OVE.

3. OVE’s interaction with Management, and timeline

OVE validated Management’s progress on the basis of evidence available as of the end of December 2018. The sources of information are the action plans provided in February 2019 by SPD and IDB Invest,³ means of verification available on the ReTS Platform, and other relevant documentation that could be found on institutional systems (e.g., Convergence, ezShare, and Maestro). OVE shared preliminary validations with Management for review and comments in April 2019. In some cases, Management provided additional information and modified action plans. OVE subsequently finalized the validation notes and ratings in May 2019.

4. OVE’s internal validation processes

Each OVE evaluation team leader was asked to validate the action plans, including the means of verification pertaining to their evaluations, and a team of three OVE evaluators reviewed the validations to ensure consistency. As necessary, OVE contacted action plan team leaders to obtain missing information. Each validation was then reviewed by OVE’s lead for the ReTS, followed by discussion with the evaluation team leader and the ReTS team evaluators, as needed.

³ For some recommendations directed at IDB Invest alone and endorsed by its Board, IDB Invest prepared action plans outside the ReTS platform and submitted them to OVE for validation.

Annex II

Informal Feedback Process (2018)

OVE's informal feedback covered the review of Management drafts of new action plans and any revisions introduced by Management to plans presented in 2017. The feedback consisted mostly of written comments indicating issues to be addressed by Management, as well as OVE's likely relevance rating. OVE then usually met with the teams to discuss ways to address the comments. Following the meetings, Management had the opportunity to introduce additional changes before submitting the plans to OVE for a formal relevance rating.

In 2018, at least 15 evaluations benefitted from informal feedback, which SPD requires before uploading them into the system:

- CPE: Brazil 2011-2014 (RE-482-1).
- CPE: Trinidad and Tobago 2011-2015 (RE-495-3).
- CPE: Dominican Republic 2013-2016 (RE-505-1).
- CPE: Barbados 2014-2018 (RE-525-1).
- CPE: Chile 2014-2018 (RE-526-1).
- CPE: Guyana 2012-2016 (RE-502-3).
- CPE: The Bahamas 2010-2017 (RE-516-4).
- CPE: Ecuador 2011-2017 (RE-514-1).
- Review of Bank Support to Tax Policy and Administration 2007-2016 (RE-509-1).
- Review of the Implementation to Date of the Private Sector Merge-Out (RE-513-3).
- Evaluation of the Bank's Support for Gender and Diversity (RE-518-2).
- IDB's Impact Evaluations: Production, Use, and Influence (RE-512-1).
- Review of Knowledge Generation and Dissemination in the IDB (RE-517-2).
- IDB and IIC Project Performance: OVE's Review of 2016 PCR-XSR (RE-520).
- Evaluation of Public-Private Partnership (PPP) in Infrastructure (RE-504-4).

Annex III

Recommendations not endorsed or partially endorsed¹ by the board between the launching of the ReTS in 2013 and 2018

¹*Partially endorsed* means that the Board endorsed part of the recommendation.

Evaluation	Recommendation not endorsed	Date
CPE: Guatemala 2012-2016	Recommendation 4. To approve only operations with simple designs and more thorough analyses, to help minimize design problems in the current portfolio.	Nov-16
CPE: Brazil 2011-2014	Recommendation 1. To define a limited set of strategic thematic priorities to structure and integrate the Bank's program.	Oct-15
Evaluation of Special Programs Financed by Ordinary Capital²	Recommendation 1. To decide how much Ordinary Capital (OC) should be allocated for grant funding for Special Programs, clearly weighing the trade-offs.	Dec-14
	Recommendation 2. To limit such funding to three purposes: (i) seed funding to support the introduction of new business areas, (ii) transnational work, and (iii) client activities needed for project preparation, implementation, and capacity building.	
	Recommendation 3. To adjust the administrative budget as needed to fund Bank upstream work and other activities that are the Bank's responsibility and are currently funded by OC Special Programs.	
Evaluation of the Results of the Realignment	Recommendation 5. To promote effectiveness and efficiency, fill a significantly higher share of Management positions through transparent competitive processes.	Feb-13
Mid-term Evaluation of IDB-9	Recommendation 6. To refocus the Haiti program intensively on sustainable poverty reduction and economic growth, moderating short-term pressures for loan approvals and disbursements to take into account the country's absorptive capacity, and providing space for critical yet smaller or slower-disbursing activities.	Jan-13
CPE: Dominican Republic 2009-2013	Recommendation 1. To redefine the programmatic approach for sector support, maintaining a medium-term perspective but approving new loans only once all components of loans under execution have been substantially disbursed.	Oct-13
	Recommendation 4. To approve non-sovereign-guaranteed infrastructure loans in the country once the fiscal risks and implications have been analyzed jointly by the relevant units in VPC, VPS, and VPP, and discussed with the Ministry of Finance.	
Review of IDB Support to Secondary Education: Improving Access, Quality, and Institutions, 1995-2012	Recommendation 2. To focus Bank support more centrally on upper secondary, especially among vulnerable and disadvantaged populations.	Oct-13
CPE: Guyana 2012-2016	Recommendation 1. To prioritize the implementation of the active portfolio over new approvals. The new CS should minimize new approvals until the current projects are more advanced and on track for completion. [The Board expressed support for prioritizing the implementation of the IDB's active portfolio in Guyana].	Jun-17
Evaluation	Recommendation partially endorsed	Date
CPE: Suriname 2011-2015	Recommendation 2. a. (not endorsed by the Board) To complete the policy-based programs already in progress and do fewer PBPs going forward. Once current PBPs are completed, limit the number of programmatic policy-based loans to at most two at any time. [Recommendations 2.b and 2.c were endorsed by the Board.]	Jul-16
CPE: Guatemala 2012-2016	Recommendation 3.a (not endorsed by the Board) To structure the final tranches of PBLs with policy conditions (in the policy matrix) focused on achieving results (rather than actions focused on processes or policies) that encourage the implementation of reforms and measures begun in the early tranche of the PBLs. [Recommendation 3. b was endorsed by the Board.]	Nov-16

Source: OVE.

² Although the Board did not support the implementation of OVE's recommendations in the terms presented, there was agreement among the Committee members on the findings and principles of the evaluation. Thus the Committee agreed that Management should submit an action plan taking into account the considerations expressed by the Directors. The proposed action plan was submitted in 2015 (GN-2819), but is not being tracked in the ReTS since the recommendation was not formally endorsed

Annex IV

Active Recommendations awaiting action plans in the ReTS

Management typically has 90 working days after the Board Committee considers the evaluation to draft, finalize, and post action plans in the ReTS (IDB Regulation AM-140-1, paragraph 3.5.1). In special circumstances, OVE has agreed with Management to extend the deadline, as was the case in IDB’s Emerging and Sustainable Cities (due to the fact that the initiative was discontinued, which resulted in some recommendations no longer being relevant, whereas for others the action plans had to be adapted to the changed circumstances) and in the case of the Nicaragua CPE, on account of country-specific circumstances, which have also led to the postponement of the new country strategy.

Evaluation Name	Recommendation #	Board date
Evaluation of IDB’s Emerging and Sustainable Cities Initiative.	1, 2, 3, and 4 (OVE tracks Recs. 2 and 4 only).	October 4, 2016 ^(a)
CPE: Nicaragua 2013-2017	1, 2, 3, 4, and 5	May 3, 2018 ^(b)
Lessons from IDB Group’s Problem Projects	1 and 2	August 28, 2018 ^(c)
Environmental and Social Safeguards Evaluation	IDB: 1, 2, 3, 4, and 5 IDB Invest: 1, 2, 3, and 4	October 11, 2018 ^(d)
CPE: Honduras 2015-2018	1, 2, and 3	October 19, 2018 ^(e)
OVE’s Review of 2017 PCRs and XSRs	IDB: 1, 2, 3, and 4 IDB Invest: 1, 2, 3, and 4	November 5, 2018 ^(f)

(a) Recommendations 1 and 3 retired as no longer relevant. In 2019, OVE provided informal feedback and final ratings on the action plans for recommendations 2 and 4, which were considered fully and fully relevant, respectively.

(b) Postponement agreed due to country specific circumstances.

(c) Action plan was finalized in the meanwhile and is fully relevant and evaluable.

(d) Action plan was not due in 2018, but Management provided presentations to the Board. OVE has received a draft of the formal action plan in the meanwhile and provided informal feedback.

(e) Action plan was not due in 2018, but it was finalized in the meanwhile as fully relevant.

(f) Draft action plan received by OVE and informal feedback provided.

Source: OVE.

Annex V

Classification of Recommendations by category

For the 2018 validation exercise, OVE has developed more precise definitions for the types of recommendations, modifying two recommendation types: (i) the type “Instruments” replaces the previous type “lending instruments,” with the aim of grouping all recommendations about lending and nonlending instruments (e.g., policy-based loans and programs, investment loans, guarantees, equity investment, grants, technical cooperation, fee for services); and (ii) the type “knowledge generation and dissemination” replaces the previous type “knowledge and technical cooperation instruments,” with the aim of keeping recommendations related to knowledge separate from those regarding technical cooperation, which may or may not refer to knowledge. To ensure consistency with the definitions and new recommendation types, OVE reviewed the classification of all recommendations and reclassified 18 recommendations that were reported in previous exercises. See OVE’s 2016 and 2017 Annual Reports (RE-511 and RE-524-2) for comparison.

Table V.1. Definitions and examples of OVE recommendations by category

Definition and examples from OVE evaluations
Strategic focus
<p>Definition: Recommendations that promote selectivity in the work of the IDB Group. Selectivity means providing clear criteria, based on a diagnostic, to prioritize work across sectors, projects, topics, or initiatives.</p> <p>Example: CPE Trinidad and Tobago 2011-2015. Recommendation 1: Rethink the engagement strategy with Trinidad and Tobago and work with country counterparts to design a country program that is commensurate with the country’s institutional capacity and provides technical and financial support on a scale the country is able to use.</p> <ul style="list-style-type: none"> (i) Be more selective and consider less complicated and more strategically focused loans and grants that provide a lower-risk entry point into difficult reform areas. (ii) Invest in wide consultation to strengthen program ownership and ensure that all operations are aligned with the national and sector policy frameworks. (iii) Conduct more robust risk analysis as part of program design.
Client engagement
<p>Definition: Recommendations that highlight client-specific relationships to be considered and fostered through the IDB Group’s work. Diverse issues can be included in such collaborations, from specific sectors to policy dialogue areas. These recommendations can also point to working with a specific type of client (such as a subnational government or the private sector).</p> <p>Example: CPE Bahamas 2010-2017. Recommendation 3: Engage in an in-depth dialogue with the Government to help diagnose the factors underlying the country’s weak institutional capacity and define an action plan to strengthen it.</p>
IDBG organization
<p>Definition: Recommendations that point to the internal functioning of the IDB Group. These recommendations seek to improve processes, corporate systems, guidelines, protocols, tools, and incentives, among other things.</p> <p>Example: CPE Guyana 2012-2016. Recommendation 3: Ensure an adequate level of IDBG staff support in each area of the program to enhance project implementation and achievement of results. IDBG staff support is currently spread too thin, given the breadth and size of the program; either staff support needs to be increased (through in-country assignments or an increased number of missions by sector specialists), or the program needs to be narrowed.</p>

Definition and examples from OVE evaluations

Instruments

Definition: Recommendations about improvements in a type or types of specific instruments (including lending instruments, guarantees, equity investment, grants, technical cooperation, fee for services, etc.), as well as high level guidance for their use. These recommendations may mention instruments that already exist or have existed in the past, or they may suggest new ones; they may also discuss the mix of instruments.

Example: Public-private partnership (PPP) in infrastructure. Recommendation 3.2: Operational level: (ii) Explore the use and development of new financial and advisory products tailored to countries' specific needs. Options to explore include, for example, local currency financing, advisory services, specific instruments to support subnational governments, and project preparation facilities.

Knowledge generation and dissemination

Definition: Recommendations regarding the Bank's knowledge management, including aspects such as building a knowledge agenda; identifying knowledge gaps; generating, disseminating, and applying knowledge; and improving the systems to manage the knowledge generated.

Example: IDB's Impact Evaluations: Production, Use, and Influence. Recommendation 2: Ensure that SFDs [Sector Framework Documents] identify knowledge gaps to help guide the Bank's IE work. SFDs have done this to varying extents to date, and OVE recommends that they do so more consistently and thoroughly going forward.

Project design and/or implementation

Definition: Recommendations that focus on project-level features, aiming to improve their development effectiveness throughout the project cycle (i.e., from project design to implementation and closure). These recommendations generally identify a concrete avenue to improve projects and might also include a proposal of specific actions to be taken. (Note: Recommendations for which the main focus is on generating knowledge – which, of course, ultimately should be applied to projects – would fall under the type “knowledge generation and dissemination.”)

Example: CPE Dominican Republic 2013-2016. Recommendation 3: Increase emphasis on components aiming to make public spending more efficient and improve quality in operations to support human capital accumulation and the provision of basic services. The Dominican Republic's public social spending remains relatively low, particularly in the health sector. This makes the need to improve spending efficiency and management more pressing, particularly as regards human resources. Likewise, in social protection there is still a high percentage of social assistance delivered without official targeting mechanisms that could be optimized. In education, extending the school day has created an opportunity for the extra hours to help boost educational performance.

Results measurement

Definition: Recommendations aimed at improving the monitoring and evaluation of IDB Group activities. The scope of these recommendations is not limited to a specific level; they can refer to country strategies, programs, or projects.

Example: Evaluation of the Bank's Support for Gender and Diversity. Recommendation 1: Increase the evidence base on the effectiveness of support for gender and diversity, particularly at the operational level, by ensuring there are adequate incentives for team leaders to monitor implementation and evaluate results. The GAP [Gender Action Plan] and SFD have been good instruments to understand gender and diversity gaps better and to narrow the focus of priority areas for the Bank's lines of action in gender and diversity. While the Bank has generated some evidence in its knowledge products and recently completed operations, it is important for the Bank to further strengthen its knowledge at the operational level on what works in the prioritized areas.

Focus on particular substantive areas

Definition: Recommendations that highlight specific areas, sectors, or topics where the work of the IDB Group would be particularly important.

Example: Review of Bank Support to Tax Policy and Administration (2007-2016). Recommendation 1: Continue to work towards understanding and addressing trade-offs in fiscal reforms. Since LAC continues to be the most unequal region in the world, the Bank's knowledge products and policy dialogue in the fiscal area should systematically strive to address equity as well as efficiency and revenue needs, whether through tax or expenditure policies. Moreover, whenever possible, Bank projects should recognize the implications on equity and efficiency of the supported tax reforms.

Source: OVE.

Table V.2. Classification of recommendations validated by OVE in 2018

Evaluation name	Recommendation #	Recommendation type
CPE: Argentina 2009-2015	1	Client engagement
	2	Client engagement
	3	Project design and implementation
	4	Project design and implementation
	5	IDBG organization
CPE: Bahamas 2010-2017	1	Client engagement
	2	IDBG organization
	3	Client engagement
	4	Substantive areas
CPE: Barbados 2010-2013	1	Project design and implementation
	2	Client engagement
CPE: Barbados 2014-2018	1	Substantive areas
	2	Substantive areas
	3	IDBG organization
CPE: Bolivia 2011-2015	1	Client engagement
	2	Client engagement
	3	Project design and implementation
	4	Client engagement
CPE: Brazil 2011-2014	2	Client engagement
	3	Substantive areas
	4	Substantive areas
	5	IDBG organization
	6	Results measurement
CPE: Chile 2014-2018	1	Instruments
	2	Knowledge generation and dissemination
	3	IDBG organization
CPE: Costa Rica 2011-2014	1	Client engagement
	2	Substantive areas
	3	Substantive areas
CPE: Dominican Republic 2013-2016	1	Substantive areas
	2	Instruments
	3	Project design and implementation
	4	Client engagement
CPE: Ecuador 2012-2017	1	Substantive areas
	2	Substantive areas
	3	Client engagement
CPE: El Salvador 2009-2014	1	Strategic focus
	2	Client engagement
	3	Client engagement
	4	Strategic focus
	5	Project design and implementation

CPE: Guatemala 2012-2016	1	Strategic focus
	2	Client engagement
	3	Instruments
	5	Instruments
	6	Strategic focus
CPE: Guyana 2012-2016	2	Client engagement
	3	IDBG organization
	4	Project design and implementation
	5	Substantive areas
CPE: Haiti 2011-2015	1	Strategic focus
	2	Client engagement
	3	Client engagement
	4	Client engagement
	5	Substantive areas
CPE: Honduras 2011-2014	1	Substantive areas
	3	Project design and implementation
	4	Project design and implementation
CPE: Panama 2010-2014	1	Strategic focus
	2	Substantive areas
	3	Project design and implementation
	4	Project design and implementation
	5	Project design and implementation
CPE: Paraguay 2009-2013	2	Instruments
	4	Substantive areas
CPE: Peru 2012-2016	1	Strategic focus
	2	Substantive areas
	3	Client engagement
	4	IDBG organization
CPE: Suriname 2011-2015	1	Strategic focus
	2	Instruments
	3	Client engagement
	4	Substantive areas
CPE: Trinidad and Tobago 2011-2015	1	Strategic focus
	2	Project design and implementation
	3	Project design and implementation
	4	Client engagement
	5	Client engagement
	6	Substantive areas
CPE: Uruguay 2010-2015	1	Strategic focus
	2	Instruments
	3	Project design and implementation
	4	Knowledge generation and dissemination
	6	IDBG organization

Direct Support to SMEs by the IIC	1	Strategic focus
	2	IDBG organization
	3	Instruments
Evaluation of IDB Group's Work through Financial Intermediaries	1	Strategic focus
	2	Strategic focus
	3	Instruments
	4	Results measurement
	5	Project design and implementation
Evaluation of the Bank's Support for Gender and Diversity	1	Results measurement
	2	Client engagement
	3	Strategic focus
Evaluation of the Results of The Realignment	3	IDBG organization
IDB's Impact Evaluations: Production, Use and Influence	1	Strategic focus
	2	Knowledge generation and dissemination
	3	Results measurement
	4	Results measurement
	5	IDBG organization
	6	IDBG organization
	7	Client engagement
Independent Assessment of Macroeconomic Conditions (IAMCs) 2017	1	IDBG organization
	2	IDBG organization
	3	IDBG organization
	4	IDBG organization
	5	Client engagement
Knowledge Generation and Dissemination in the IDBG	1	IDBG organization
	2	Strategic focus
	3	IDBG organization
	4	Knowledge generation and dissemination
OVE Validation of Management Self-Evaluations (PCRs/XPSRs) 2016	IDB-1	Results measurement
	IDB-2	Results measurement
	IDB-3	Knowledge generation and dissemination
	IDB-4	Results measurement
	IIC-1	Results measurement
	IIC-2	Knowledge generation and dissemination
	IIC-3	Results measurement

Public-private partnership (PPP) in infrastructure	1.1	Strategic focus
	1.2	Strategic focus
	2.1	IDBG organization
	2.3	IDBG organization
	2.3	IDBG organization
	3.1	Client engagement
	3.2	Instruments
	3.3	Results measurement
	3.4	Knowledge generation and dissemination
	3.5	Knowledge generation and dissemination
Review of Bank Support to Tax Policy and Administration (2007-2016)	1	Substantive areas
	2	IDBG organization
	3	Client engagement
	4	Client engagement
	5	IDBG organization
Review of the Implementation of the Private Sector Merge-out	1	IDBG organization
	2	IDBG organization
	3	IDBG organization
	4	IDBG organization

Source: OVE.

Annex VI

Relevance of Action Plans by Evaluation*

* Includes all evaluations validated in 2018. Figure accounts for all recommendations (active and retired).
NA: not applicable (not validated in that year).

Evaluation name	Average		Change
	2017	2018	
CPE: Chile 2014-2018	NA	4.0	NA
CPE: Ecuador 2012-2017	NA	4.0	NA
CPE: Guyana 2012-2016	NA	4.0	NA
Evaluation of the Bank's Support for Gender and Diversity	NA	4.0	NA
OVE Validation of Management Self-Evaluations (PCRs/XPS-Rs) 2016	NA	4.0	NA
Review of Bank Support to Tax Policy and Administration (2007-2016)	NA	4.0	NA
Review of the Implementation of the Private Sector Merge-out	NA	4.0	NA
CPE: Barbados 2010-2013	4.0	4.0	-
Direct Support to SMEs by the IIC	4.0	4.0	-
Independent Assessment of Macroeconomic Conditions (IAMCs) 2017	4.0	4.0	-
CPE: Uruguay 2010-2015	3.8	3.8	-
CPE: Brazil 2011-2014	3.4	3.8	↑
CPE: The Bahamas 2010-2017	NA	3.8	NA
Public-private partnership (PPP) in infrastructure	3.4	3.7	↑
CPE: Barbados 2014-2018	NA	3.7	NA
CPE: Guatemala 2012-2016	3.6	3.6	-
CPE: Honduras 2011-2014	3.6	3.6	-
CPE: Dominican Republic 2013-2016	NA	3.5	NA
CPE: Suriname 2011-2015	3.5	3.5	-
IDB's Impact Evaluations: Production, Use, and Influence	NA	3.4	NA
CPE: Trinidad and Tobago 2011-2015	NA	3.3	NA
CPE: Bolivia 2011-2015	3.0	3.3	↑
Evaluation of IDB Group's Work through Financial Intermediaries	3.4	3.2	↓
CPE: El Salvador 2009-2014	3.2	3.2	-
Knowledge Generation and Dissemination in the IDBG	NA	3.0	NA
CPE: Argentina 2009-2015	3.0	3.0	-
CPE: Haiti 2011-2015	3.0	3.0	-
CPE: Peru 2012-2016	3.0	3.0	-
CPE: Panama 2010-2014	2.6	2.8	↑
CPE: Costa Rica 2011-2014	2.3	2.7	↑
Evaluation of the Results of the Realignment	2.5	2.5	-
CPE: Paraguay 2009-2013	2.2	2.4	↑

NA: Not applicable (not validated in that year).
Source: OVE.

Annex VII Action Plan Ratings by Relevance and Status of Implementation

Recommendation	Relevance	Implementation
CPE: Argentina 2009-2015		
Recommendation #1	Substantially	On track
Recommendation #2	Substantially	On track
Recommendation #3	Substantially	Not on track
Recommendation #4	Substantially	On track
Recommendation #5	Substantially	On track
CPE: The Bahamas 2010-2017		
Recommendation #1	Substantially	On track
Recommendation #2	Fully	Not on track
Recommendation #3	Fully	Not on track
Recommendation #4	Fully	Not on track
CPE: Barbados 2010-2013		
Recommendation #1	Fully	Not on track
Recommendation #2	Fully	Not on track
CPE: Barbados 2014-2018		
Recommendation #1	Fully	On track
Recommendation #2	Substantially	NA
Recommendation #3	Fully	NA
CPE: Bolivia 2011-2015		
Recommendation #1	Fully	On track
Recommendation #2	Substantially	On track
Recommendation #3	Substantially	On track
Recommendation #4	Substantially	On track
CPE: Brazil 2011-2014		
Recommendation #2	Substantially	On track
Recommendation #3	Fully	On track
Recommendation #4	Fully	On track
Recommendation #5	Fully	On track
Recommendation #6	Fully	On track
CPE: Chile 2014-2018		
Recommendation #1	Fully	NA
Recommendation #2	Fully	NA
Recommendation #3	Fully	NA
CPE: Costa Rica 2011-2014		
Recommendation #1	Substantially	On track
Recommendation #2	Partially	On track
Recommendation #3	Substantially	On track
CPE: Dominican Republic 2013-2016		
Recommendation #1	Fully	On track
Recommendation #2	Substantially	On track
Recommendation #3	Substantially	On track
Recommendation #4	Fully	On track

Recommendations	Relevance	Implementation
CPE: Ecuador 2012-2017		
Recommendation #1	Fully	On track
Recommendation #2	Fully	On track
Recommendation #3	Fully	On track
CPE: El Salvador 2009-2014		
Recommendation #1	Substantially	On track
Recommendation #2	Substantially	On track
Recommendation #3	Substantially	On track
Recommendation #4	Fully	On track
Recommendation #5	Substantially	On track
CPE: Guatemala 2012-2016		
Recommendation #1	Fully	Not on track
Recommendation #2	Substantially	On track
Recommendation #3	Fully	On track
Recommendation #5	Substantially	On track
Recommendation #6	Fully	On track
CPE: Guyana 2012-2015		
Recommendation #2	Fully	Not on track
Recommendation #3	Substantially	Not on track
Recommendation #4	Substantially	On track
Recommendation #5	Substantially	Not on track
Recommendation #1	Partially	On track
CPE: Honduras 2011-2014		
Recommendation #1	Fully	On track
Recommendation #2	Fully	On track
Recommendation #4	Partially	On track
CPE: Panama 2010-2014		
Recommendation #1	Fully	On track
Recommendation #2	Fully	On track
Recommendation #3	Partially	On track
Recommendation #4	Partially	On track
Recommendation #5	Partially	On track
CPE: Paraguay 2009-2013		
Recommendation #2	Fully	On track
Recommendation #4	Partially	On track
CPE: Peru 2012-2016		
Recommendation #1	Substantially	Not on track
Recommendation #2	Fully	On track
Recommendation #3	Partially	Not on track
Recommendation #4	Substantially	Not on track

Recommendation	Relevance	Implementation
CPE: Suriname 2011-2015		
Recommendation #1	Fully	On track
Recommendation #2	Partially	On track
Recommendation #3	Fully	On track
Recommendation #4	Fully	On track
CPE: Trinidad and Tobago		
Recommendation #1	Substantially	On track
Recommendation #2	Fully	On track
Recommendation #3	Substantially	On track
Recommendation #4	Fully	On track
Recommendation #5	Substantially	On track
Recommendation #6	Substantially	On track
CPE: Uruguay 2010-2015		
Recommendation #1	Fully	On track
Recommendation #2	Fully	On track
Recommendation #3	Fully	On track
Recommendation #4	Fully	On track
Recommendation #6	Substantially	On track
Direct Support to SMEs by the IIC		
Recommendation #1	Fully	On track
Recommendation #2	Fully	On track
Recommendation #3	Fully	On track
Evaluation of IDB Group's Work through Financial Intermediaries		
Recommendation #1	Substantially	Not on track
Recommendation #2	Fully	Not on track
Recommendation #3	Substantially	On track
Recommendation #4	Substantially	On track
Recommendation #5	Substantially	On track
Evaluation of the Bank's Support for Gender and Diversity		
Recommendation #1	Fully	Not on track
Recommendation #2	Fully	On track
Recommendation #4	Fully	On track
Evaluation of the Results of the Realignment		
Recommendation #3	Partially	On track
IDB's Impact Evaluations: Production, Use and Influence		
Recommendation #1	Fully	On track
Recommendation #2	Fully	Not on track
Recommendation #3	Fully	On track
Recommendation #4	Substantially	NA
Recommendation #5	Substantially	Not on track
Recommendation #6	Fully	Not on track
Recommendation #7	Partially	Not on track

Recommendation	Relevance	Implementation
Independent Assessment of Macroeconomic Conditions (IAMCs) 2017		
Recommendation #3	Fully	On track
Recommendation #1	Fully	On track
Recommendation #2	Fully	On track
Recommendation #4	Fully	On track
Recommendation #5	Fully	On track
Knowledge Generation and Dissemination in the IDBG		
Recommendation #1	Substantially	NA
Recommendation #2	Substantially	NA
Recommendation #3	Partially	NA
Recommendation #4	Fully	NA
OVE Validation of Management Self-Evaluations (PCRs/XPSRs) 2016		
Recommendation #IDB-1	Fully	Not on track
Recommendation #IDB-2	Fully	Not on track
Recommendation #IDB-3	Fully	On track
Recommendation #IDB-4	Fully	On track
Recommendation #IIC-1	Fully	On track
Recommendation #IIC-2	Fully	On track
Recommendation #IIC-3	Fully	On track
Public-private partnership (PPP) in infrastructure		
Recommendation #1.1	Fully	On track
Recommendation #1.2	Fully	On track
Recommendation #2.1	Fully	On track
Recommendation #2.2	Fully	On track
Recommendation #2.3	Fully	On track
Recommendation #3.1	Substantially	On track
Recommendation #3.2	Fully	On track
Recommendation #3.3	Partially	Not on track
Recommendation #3.4	Fully	On track
Recommendation #3.5	Fully	On track
Review of Bank Support to Tax Policy and Administration (2007-2016)		
Recommendation #1	Fully	Not on track
Recommendation #2	Fully	On track
Recommendation #3	Fully	Not on track
Recommendation #4	Fully	NA
Recommendation #5	Fully	On track
Review of the Implementation of the Private Sector Merge-out		
Recommendation #1	Fully	On track
Recommendation #2	Fully	On track
Recommendation #3	Fully	On track
Recommendation #4	Fully	On track

Annex VIII Action Plans on Track but with Partial Relevance

Recommendation	Action plan completion due date	Reason for partial relevance
<p>CPE: Paraguay 2009-2013 <u>Recommendation 4.</u> Strengthen natural resource management capacity.</p>	12/31/2018	Aligned but insufficient
<p>Evaluation of the Results of the Realignment <u>Recommendation 3.</u> To enhance development effectiveness, strengthen mechanisms for quality control of Bank operational products.</p>	<u>Recommendation 3:</u> 01/31/2019b	Part of recommendation left unaddressed
<p>CPE: Honduras 2011-2014. <u>Recommendation 4.</u> Devote greater efforts to building management capacity in the institutions responsible for projects in execution and consider making disbursements for future PBL operations contingent on effective changes in the management capacity of key institutions and in the institutional framework of their respective sectors in order to improve their governance.</p>	12/31/2018	Same level of effort as before
<p>CPE: Costa Rica 2011-2014 <u>Recommendation 2.</u> Support the country in seeking alternatives for attracting private investment through public-private partnerships, particularly in infrastructure.</p>	<u>Recommendation 2:</u> 12/31/2018	Part of recommendation left unaddressed
<p>CPE: Panama 2010-2014 <u>Recommendation 3.</u> In the context of the overall strengthening of country systems and project management capacity, continue to support the client with strong institutional components.</p>	<u>Recommendation 3:</u> 12/31/2019	Same level of effort as before
<p><u>Recommendation 4.</u> Strengthen the design, monitoring, and completion of future PBP [Policy based program] series to avoid interruptions in the Bank's comprehensive support for priority sectors and to ensure the achievement of durable policy reform. When a PBP series is interrupted, it is recommended that the remaining operations be removed from the lending pipeline and a project completion report be prepared for the truncated series.</p>	<u>Recommendation 4:</u> 12/31/2019	Part of recommendation left unaddressed
<p><u>Recommendation 5.</u> Strengthen risk analysis during project design and periodically reevaluate and reprioritize the lending program based on dialogue between the Bank and the Government of Panama, with a view to lowering the cost of projects prepared but later removed from the pipeline or canceled. Major deviations in the scope or focus of the country program from that envisioned in the CS [Country Strategy] should be justified and reported to the Board.</p>	<u>Recommendation 5:</u> 12/31/2019	Same level of effort as before
<p>CPE: Suriname 2011-2015 <u>Recommendation 2.</u> Adopt a more effective instrument mix that combines policy reforms with implementation support.</p>	12/31/2020	Aligned but insufficient
<p>CPE: Haiti 2011-2015 <u>Recommendation 1.</u> Set the next country strategy in realistic terms, focusing on building the country's long-term institutional capacity.</p>	12/31/2017	Too general
<p>CPE: Suriname 2011-2015 <u>Recommendation 2.</u> Adopt a more effective instrument mix that combines policy reforms with implementation support.</p>	12/31/2020	Aligned but insufficient
<p>CPE: Haiti 2011-2015 <u>Recommendation 1.</u> Set the next country strategy in realistic terms, focusing on building the country's long-term institutional capacity.</p>	12/31/2017	Too general

^b Original due date: 12/31/2016
Source: OVE.

Annex IX Annual Progress in Implementation by Evaluation¹

¹Includes all recommendations (active and retired).

Evaluation name	2017	2018	Direction of change
CPE: Dominican Republic 2013-2016	NA	4	NA
Independent Assessment of Macroeconomic Conditions (IAMCs) 2017	NA	4	NA
CPE: Barbados 2014-2018	NA	4	NA
CPE: Honduras 2011-2014	3.8	3.8	-
CPE: Costa Rica 2011-2014	3.7	3.7	-
Direct Support to SMEs by the IIC ¹	4	3.7	↓
CPE: Uruguay 2010-2015	3.5	3.7	↑
CPE: Brazil 2011-2014	4	3.6	↓
CPE: Panama 2010-2014	3.5	3.6	↑
CPE: Guatemala 2012-2016	3	3.6	↑
CPE: El Salvador 2009-2014	3.3	3.6	↑
Review of the Implementation of the Private Sector Merge-out	NA	3.5	NA
Public-private partnership (PPP) in infrastructure	3.9	3.4	↓
CPE: Ecuador 2012-2017	NA	3.3	NA
OVE Validation of Management Self-Evaluations (PCRs/XPSRs) 2016	NA	3.3	NA
CPE: Suriname 2011-2015	4	3.3	↓
Evaluation of the Results of the Realignment	3.3	3.3	-
CPE: Trinidad and Tobago 2011-2015	NA	3.2	NA
CPE: Argentina 2009-2015	3.2	3	↓
CPE: Bolivia 2011-2015	3	3	-
CPE: Paraguay 2009-2013	2.8	2.8	-
Review of Bank Support to Tax Policy and Administration (2007-2016)	NA	2.8	NA
CPE: Guyana 2012-2016	NA	2.8	NA
Evaluation of the Bank's Support for Gender and Diversity	NA	2.7	NA
CPE: Haiti 2011-2015	3.8	2.6	↓
Evaluation of IDB Group's Work through Financial Intermediaries	3	2.6	↓
CPE: The Bahamas 2010-2017	NA	2.5	NA
CPE: Peru 2012-2016	3.3	2.3	↓
IDB's Impact Evaluations: Production, Use, and Influence	NA	2.2	NA
CPE: Barbados 2010-2013	3.3	2	↓

Note: NA: Not applicable.

¹ The 2017 score comprises two recommendations, the 2018 score, three (one recommendation was only endorsed in 2018).

Source: OVE.

Annex X

Level of adoption of Recommendation to be Retired Following 2018 Validation

Evaluation	Recommendation number	Overall rating (adoption)	Relevance of action plan	Implementation (2018)	Overall implementation
CPE: Barbados 2010-2013	1	Substantially	Fully	Negligible	Substantially
	2	Partially	Fully	Negligible	Partially
CPE: Brazil 2011-2014	2	Substantially	Substantially	Fully	Fully
	3	Fully	Fully	Fully	Fully
	4	Fully	Fully	Fully	Fully
	5	Substantially	Fully	Substantially	Substantially
	6	Fully	Fully	Substantially	Fully
	1	Substantially	Substantially	Fully	Fully
CPE: Costa Rica 2011-2014	2	Partially	Partially	Fully	Fully
	3	Substantially	Substantially	Substantially	Substantially
	1	Substantially	Partially	Fully	Fully
CPE: Haiti 2011-2015	1	Fully	Fully	Fully	Fully
CPE: Honduras 2011-2014	3	Substantially	Fully	Substantially	Substantially
	4	Partially	Partially	Fully	Substantially
	2	Substantially	Fully	Fully	Substantially
	4	Partially	Partially	Fully	Fully
CPE: Uruguay 2010-2015	6	Substantially	Substantially	Fully	Substantially
Direct Support to SMEs by the IIC	1	Fully	Fully	Fully	Fully
IDB's Impact Evaluations: Production, Use, and Influence	1	Fully	Fully	Fully	Fully
	3	Fully	Fully	Fully	Fully
	4 (IDB)	Substantially	Fully	Substantially	Substantially
OVE Validation of Management Self-Evaluations (PCRs/XPSRs) 2016	1 (IDB Invest)	Fully	Fully	Fully	Fully
	2 (IDB Invest)	Fully	Fully	Fully	Fully
	3 (IDB Invest)	NA (superseded and continues in different AP)	Fully	Fully	NA (superseded and continues in different AP)

Source: OVE.

Annex XI
Recommendations
Partially adopted
because of
Relevance
Problems. Includes
recommendations
retired in 2016,
2017, and 2018

Evaluation and recommendation	Retirement year	Reasons for low relevance
<p>CPE: Jamaica 2009-2014 <u>Recommendation 1:</u> Ensure the continuity of CSs and better justify lending envelopes. The Bank needs to avoid lapses in the validity of the strategic documents (CSs or CS updates) that frame its engagement in Jamaica, regardless of lending. Strategy documents—which could usefully scan a longer-term horizon, even if future revisions are likely—should thoroughly justify lending envelopes, whether changing a previously approved envelope or setting it anew, by analyzing scenarios and explaining how expected cash flows match Jamaica’s financing needs.</p>	2016	The action plan left part of the recommendation unaddressed . It proposed a new CS to be presented to the Board in December 2015, almost one year after the end of the 2013-2014 CS.
<p>CPE: Jamaica 2009-2014 <u>Recommendation 3:</u> Ensure appropriate sizing of new investment loans. The limited fiscal space over the next several years restricts the scope for new Bank investment lending. Any new investment lending that is undertaken should be structured in a way that is mindful of fiscal restrictions, possibly using multiphase loans or modular design, as the previous CPE suggested. As a general rule, it would also be good practice not to approve new operations in a sector in which existing operations are underperforming.</p>	2016	The action plan left part of the recommendation unaddressed . It did not include elements to ensure that the size of investment loans was in line with fiscal restrictions of the country. Moreover, it did not foresee considering the performance of individual loans as criteria to decide the relevance of new sector interventions.
<p>Evaluability Review of Bank Projects 2012 <u>Recommendation 2:</u> Revise the classification system for projects’ evaluability (as reported, among other places, in the Development Effectiveness Overview – DEO).</p>	2016	The action plan left part of the recommendation unaddressed . It proposed changing the ranges of the classification system, but not generating a more detailed scale, therefore partially responding to the recommendation.
<p>How is IDB Serving Higher-Middle-Income Countries? Borrowers’ Perspectives <u>Recommendation 3:</u> With regard to nonlending work, undertake further reforms to streamline resource allocation processes, allocate funds strategically, and strengthen results monitoring for technical cooperation and capacity-building work.</p>	2016	The action plan left part of the recommendation unaddressed . It did not include actions to ensure that TC allocation was strategic at the country level.
<p>Review of IDB Support to Secondary Education: Improving Access, Quality, and Institutions, 1995-2012 <u>Recommendation 3:</u> Put more emphasis on innovation and strengthen the knowledge repository to learn from and disseminate lessons of experience in secondary education, including on flexible delivery models for disenfranchised populations, alternative delivery models for harder-to-reach populations, cost-effective use of technology, and relevance and effectiveness of vocational education and training approaches.</p>	2016	The action plan left part of the recommendation unaddressed . It did not include specific actions to strengthen the Bank’s ability to capture and disseminate knowledge.
<p>CPE: Colombia 2011-2014 <u>Recommendation 3:</u> To lower the cost to the Bank of the program of technical cooperation operations, give priority to those linked to the Bank’s strategy and lending program and increase the proportion of new technical cooperation operations executed by the client. In providing technical assistance, “fee-for-service” instruments may be useful for meeting client demands that cannot be met using non-reimbursable technical cooperation operations.</p>	2017	The actions were too general , which did not allow an understanding of what concrete steps the Bank was going to take.

Evaluation and recommendation	Retirement year	Reasons for low relevance
<p>Evaluation of the Results of the Realignment <u>Recommendation 1:</u> To enhance country focus, further strengthen the country program management function in country offices. To that end, the Bank should consider, among other options: Decentralizing the country management function by (i) increasing the number of country managers (to facilitate their deeper engagement in individual countries), (ii) locating them in country offices (to bring authority closer to the client), and (iii) maintaining country representatives only in countries without a manager (to reduce managerial layers); and Strengthening the ability of country departments to allocate and monitor budgets used to deliver operational programs.</p>	2017	The action plan was aligned but insufficient . The measures proposed were in the right direction, but did not address the core of the recommendation, which was to ensure that country offices would be able to work as "single windows" to lead the strategy and programming dialogue, giving country managers more budgetary authority and locating them near the client.
<p>IDB's Response to Key Challenges in Citizen Security, 1998-2012 <u>Recommendation 1:</u> Select and focus on a narrower range of interventions to facilitate the development of in-house expertise and enhance the Bank's capacity to show results.</p>	2017	The action plan had vertical logic problems . The actions only indirectly supported the development of in-house expertise.
<p>IDB's Response to Key Challenges in Citizen Security, 1998-2012 <u>Recommendation 2:</u> Simplify project design, pace interventions, and enhance supervision to strengthen operational performance and implementation.</p>	2017	The action plan had vertical logic problems . Most actions were either not specific to citizen security projects or were insufficient to prepare good diagnostic studies and to define the proper scope and pace of projects.
<p>CPE: Costa Rica 2011-2014 <u>Recommendation 2:</u> Support the country in seeking alternatives for attracting private investment through public-private partnerships, particularly in infrastructure. Although the recent experience of concessions in Costa Rica has been uneven, the IDB Group has played a positive role in putting these processes back on track. OVE believes the IDB Group could draw on its experience to help overcome the poor reputation that concessions currently suffer from. This might involve piloting new private participation arrangements; or using agencies specialized in implementing public-private partnerships that are capable of having a demonstration effect.</p>	2018	The action plan left part of the recommendation unaddressed . It fell short regarding the work with the private sector.
<p>CPE: Honduras 2011-2014 <u>Recommendation 4:</u> Devote greater efforts to building management capacity (e.g., human resources, financial and budgetary management, procurement, etc.) in the institutions responsible for projects in execution (e.g. DEI, the Police, SEFIN, SESAL, SOPTRAVI, etc.) and consider making disbursements for future policy-based loan operations contingent on effective changes in the management capacity of key institutions and in the institutional framework of their respective sectors in order to improve their governance.</p>	2018	The action plan implied the same level of effort as before . Therefore, it was insufficient to solve the institutional weaknesses of executing units in the country. In addition, it did not address the part of making disbursements for future policy-based loan operations contingent on effective changes in the management capacity of key institutions.
<p>CPE: Paraguay 2009-2013 <u>Recommendation 4:</u> Strengthen natural resource management capacity. Given the crucial role that natural resources play in Paraguay's development, the Bank can add value by maintaining a line of action and forums for dialogue with the government for the implementation of effective environmental policies and a strategy to manage natural resources. Such a dialogue should encourage the strengthening of the various competent authorities' (e.g. Department of the Environment, MOPC) natural resource management and planning capacity.</p>	2018	The action plan left part of the recommendation unaddressed . The purposed actions seemed small, with isolated efforts.

Source: OVE.

Annex XII
Recommendations
Partially Adopted
because of
Implementation
Problems. Includes
recommendations
retired in 2016, 2017
and 2018

Evaluation and recommendation	Retirement year	Comments about overall implementation
<p>CPE: Dominican Republic 2009-2013 <u>Recommendation 3:</u> Promote a reactivation of the policy dialogue in the electricity sector, with the aim of promoting the reform agenda required as a complement to investment programs.</p>	2016	The low implementation rating is explained essentially by evaluability problems of the action plan. Of the six actions defined, four lacked output targets. Therefore, the validation was able to verify the effective implementation of only a few actions.
<p>CPE: Jamaica 2009-2014 <u>Recommendation 4:</u> Strengthen monitoring and evaluation. There should be more regular monitoring and stocktaking of how the Bank's overall program is contributing to the targeted CS outcomes. In addition, there should be greater emphasis on assessing how individual operations are contributing to the specific outcomes in their results frameworks.</p>	2016	The low implementation rating is because not all actions were completed.
<p>Measuring Project Performance at the IDB: Recent Developments in the PCR and XPSR System <u>Recommendation 1:</u> Revise the PCR guidelines to further harmonize them with those for the private sector and to address some shortcomings identified in this report.</p>	2016	The low implementation rating is because the actions implemented fell short on one critical aspect. Although the action of revising the PCR guidelines with respect to efficiency was fully relevant, the actual revision did not include an important element.
<p>CPE: Uruguay 2010-2015 <u>Recommendation 5:</u> Explore the use and development of new lending and financial instruments tailored to the country's specific needs that allow its debt strategy to be supported and that reduce the transaction costs for the Bank and the country. The options to explore include, for example: (i) deepening the use of programmatic lending instruments; (ii) a new results-based lending instrument; (iii) an "umbrella" lending instrument, for example, to support various institutions in a common thematic area (e.g., institution-strengthening); (iv) innovative financial instruments (e.g., swaps, insurance, local currency financing).</p>	2017	The low implementation rating is because not all actions were completed.
<p>Review of the Bank's Support to Agriculture, 2002-2014: Evidence from Key Thematic Areas <u>Recommendation 4:</u> Ensure adequate upstream diagnostic work to fine-tune project identification and design. Alternatively, begin with a pilot project that acts as a diagnosis phase. Thorough upstream analysis can help Bank staff and counterparts fully understand the nature and root causes of structural problems, and in turn steer the Bank's support toward a more sustainable focus on such root causes. If information is unavailable for such analysis, it may be worthwhile to conduct a pilot phase and evaluate it before engaging in a full-scale project.</p>	2017	The low implementation rating is related to evaluability problems , evidencing a misunderstanding between OVE and Management regarding the expected output target. The action plan referred to having clear rules for the design of agricultural projects, with high standards of evaluability and enforcement. OVE expected to see those clear rules. However, the implementation focused on having high DEM scores.
<p>CPE: Barbados 2010-2013 <u>Recommendation 2:</u> Strengthen the relevance and development effectiveness of the Bank's program in Barbados through a greater engagement with the private sector –in particular, making better use of MIF operations. Better factor into the Bank's private sector strategy the constraints of small open economies. Ensure that private sector operations have demonstrated financial additionality beyond what local institutions can offer, support the development objectives of the CS, and confirm that all risks are carefully assessed and mitigated.</p>	2017	The low implementation rating is because not all actions were completed.

Source: OVE.

Annex XIII

OVE ReTS Validation Format and 2018 Results Summary

Desk-Based Assessment of Management Progress in Implementing OVE Recommendations ¹						
Evaluation criteria		Rated high	Rated low		Not applicable	
1 RELEVANCE OF ACTION PLAN²						
b)	To what extent does the action plan address the recommendation?	Fully 62%	Substantially 29%	Partially 9%	Negligible 0%	NA 0%
2 EVALUABILITY						
a)	Does the action plan include well defined actions?		Yes 88%	Partially 11%	No 1%	NA 3%
b.1)	Does the action plan include output targets for all actions?		Yes 83%	Partially 14%	No 3%	NA 3%
b.2)	Are output targets measurable?		Yes 84%	Partially 16%	No 0%	NA 6%
c)	Does the action plan include deadlines for completion (with intermediate milestones)?		Yes 72%	Partially 28%	No 0%	NA 3%
3 DEGREE OF IMPLEMENTATION OF ACTION PLAN						
a)	To what extent have actions with expected progress in 2018 been implemented as planned?	Fully 45%	Substantially 34%	Partially 17%	Negligible 4%	NA 8%
b)	Is the action plan's implementation on track?		Yes 79%		No 21%	NA 8%
c)	For recommendations that will be retired following the 2018 validation exercise, what is the overall level of implementation? (<i>Otherwise NA</i>)	Fully 61%	Substantially 35%	Partially 4%	Negligible 0%	NA 83%
4 OVERALL ASSESMENT						
a)	To what extent has Management adopted OVE's recommendation? (Only for recommendations with action plans completed by December 31, 2018) (<i>Otherwise NA</i>)	Fully 39%	Substantially 44%	Partially 17%	Negligible 0%	NA 83%

¹ Percentages for rated categories exclude items that are not applicable (NA).

² This section also includes the following two questions:

1a) Does action plan include changes in relation to the 2017 version? (42% are not applicable (NA). Of the remaining, 34% are yes, and 66% are no) and;

1c) Did OVE's rating of the action plan change, in relation to 2017? (42% are not applicable (NA). Of the remaining, 11% are yes, and 89% are no).


Office of Evaluation and Oversight - OVE

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