



Corporate Evaluation

Review of Knowledge Generation and Dissemination in the Inter-American Development Bank

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Office of Evaluation and Oversight



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Acronyms and Abbreviations

AfDB	African Development Bank
ADB	Asian Development Bank
AKS	Fee-based Advisory and Knowledge Services
BRIK	Bank [IDB] Repository of Institutional Knowledge
CAF	Development Bank of Latin America
CAN	Andean Region
CCB	Caribbean Region
CDC	Country Development Challenges
CIP	Corporate input products
CS	Client Support
DEF	Development Effectiveness Framework
DIA	Development in the Americas
EBRD	European Bank for Reconstruction and Development
ECLAC	Economic Commission for Latin America and the Caribbean
ESW	Economic and sector work
EXT	Office of External Relations
GDM	Grants and Co-financing Management Unit
IDB (G)	Inter-American Development Bank (Group)
IDB-9	IDB's 9th General Capital Increase
IIC	Inter-American Investment Corporation (now BID-Invest)
IE	Impact evaluation

KNL	Knowledge and Learning Sector
LAC	Latin America and the Caribbean
M&E	Monitoring and evaluation
MDB	Multilateral development bank
MIF	Multilateral Investment Fund
MOOCs	Massive Open Online Courses
OC	Ordinary capital
OVE	Office of Evaluation and Oversight
OS	Operational Support
PCR	Project Completion Report
RD	Research and Dissemination
REA	Regional Economic Advisor
RES	Research Department
SEA	Sector Economic Advisor
SDS	Sustainable Development Department
SFD	Sector Framework Document
SPC	Studies and Publications Committee
SPD	Office of Strategic Planning and Development Effectiveness
TC	Technical cooperation operation
UIS	Update to the Institutional Strategy
VPC	Vice-Presidency for Countries
VPS	Vice-Presidency for Sectors and Knowledge
WB	World Bank

Executive Summary

Support for knowledge production and training—particularly through the provision of technical assistance—has been a distinctive feature of IDB since its inception. During the discussions leading to the creation of the IDB, the Governors gave the Bank two distinct mandates—to provide technical assistance to support knowledge and capacity building in the region, and to fund social projects. In recent decades the IDB has made a substantial effort to increase the resources, and improve the institutional capacity and arrangements, to deliver knowledge products.

A series of institutional reforms since 1990 allowed to increase the Bank's capacity to deliver knowledge. The 2007 realignment of the Bank, in particular, increased the capacity to generate and disseminate knowledge and to fully integrate knowledge production as part of the Bank's core business under the vision that that today's knowledge work paves the way for tomorrow's operations and policy dialogues. The realignment organized IDB into four Vice-presidencies, two of which—the Vice Presidency for Sectors and Knowledge (VPS) and the Vice Presidency for Countries (VPC)—are to play key roles in knowledge generation. In VPS, the IDB Research Department and the sector departments and divisions are responsible for producing sector knowledge to close regional knowledge gaps, inform country dialogue and program design, and serve country needs. VPC country departments are responsible for producing country-specific knowledge products and influencing VPS knowledge work, channeling country demand, and using sector knowledge in country dialogue and lending portfolio origination. The realignment also created a dedicated knowledge department (KNL) under VPS to develop the Bank's knowledge and learning strategies, with an important focus on capturing and disseminating knowledge.

To implement the Realignment's vision, the Bank reallocated resources to invest more systematically in knowledge work; strengthened the office of the Chief Economist and the roles of Regional Economic Advisors (REAs) and Sector Economic Advisors (SEAs); strengthened technical expertise by refocusing recruitment efforts and investing in training and other learning opportunities for personnel; and invested in technologies that support knowledge generation, learning and dissemination. The Bank also strengthened its capacity to share knowledge as a valuable public good for the region and the international development community; to do so,

it created and formalized the Studies and Publication Committee (SPC); introduced a protocol that defined a taxonomy of knowledge products, quality controls and standards for publication (which later became a formal Bank policy); and strengthened and expanded its knowledge sharing efforts with the region through regional policy dialogues, MOOCs and other mechanisms. The Bank has also committed to open its knowledge products and has taken steps to ensure high and evolving standards of openness for publications, data, MOOCs and, more recently, software or digital tools.

IDB private sector windows have also been restructured recently, but it is too early to assess the role of these new private sector windows in knowledge activities. BID-Invest, created in 2017, is playing a role in knowledge generation activities through its involvement in the preparation of Country Strategies and its background role, and it envisions a more ambitious knowledge agenda for the future. The IDB Multilateral Investment Fund is revisiting its role regarding knowledge activities after its third replenishment in 2017.

This report reviews the IDB's institutional arrangements, financing, and performance in generating and delivering knowledge activities. For a multilateral development bank like the IDBG, the knowledge it generates, acquires, and disseminates should aim to improve the design of development interventions (policies and programs) that are supported directly by the institution or implemented by Bank clients. From various IDB strategic documents, OVE identified several objectives associated with the “knowledge Bank” agenda of financing, producing, and sharing knowledge: (i) improving the effectiveness of IDB's lending program and policy dialogue, (ii) responding to specific client demands, (iii) filling knowledge gaps and identifying emerging development challenges in the LAC region, (iv) fostering a culture of learning in the institution, and (v) disseminating lessons and best practices. The current state of IDBG's budget and tracking systems inhibits OVE's ability to fully assess IDB's performance on each one of these “knowledge objectives,” but the findings in this evaluation provide insight and suggest areas for more in-depth work in the future.

Between 2010 and 2016, through funding from its administrative budget and technical cooperation (TC) grant financing, IDB mobilized US\$1,097 million to finance knowledge activities—an average of US\$156.8 million each year or approximately 48% of the total financed TCs that mainly supported knowledge generation activities at the regional and country levels (as per OVE's analysis of the TC objectives). Expenditure on knowledge activities in 2016 was 24% greater (in nominal terms) than such spending in 2010. These resources were complemented with funds from loan proceeds that supported knowledge activities in countries—an amount that is difficult to quantify. OVE's *Evaluation on the Production, Use, and*

Influence of Impact Evaluations found that between 2006 and 2016 around US\$152 million from loan budgets was used to finance impact evaluations alone.

OVE's budget analysis shows that funding for knowledge activities varies significantly by sector and country. Trade received the highest allocation of funding from the administrative budget (for economic and sector work, or ESW), while environment and natural disasters received the highest allocation of TC funding for knowledge activities. The alignment between lending and knowledge funding also varies significantly by sector. Excluding gender and diversity, which has very few loan operations, environment and natural disasters and science and technology received the most knowledge TC funding per million loan dollars approved (US\$28.6 and US\$27.1, respectively). Transport, financial markets, health and social investment receive less than US\$4 of knowledge TC funding per million approved in loans. By country, Brazil and Ecuador receive the most TC funding for knowledge activities, while Guyana and Bolivia receive the most TC funding per million dollars approved.

Increased resource allocation for knowledge activities has translated into an increase in IDB knowledge production, which—judging by the amount of published work—has surpassed that of other comparable institutions. The use of IDB publications has also increased. Citation and use analysis of peer reviewed articles from IDB affiliated authors and IDB publications shows that globally IDB ranks in the middle among comparators in terms of citation impact and just below WB-LAC in terms of usage. The internal citation of IDB knowledge products in loan proposals is low, but it has increased substantially since 2009. OVE interviews with IDB staff, however, revealed a much wider use of IDB knowledge products in loan preparation.

At the region level, according to the Bank's 2016 Global Perceptions Survey, IDB knowledge products are recognized and well perceived by IDB stakeholders, even though most stakeholders rank the IDB production of knowledge as an activity of relatively less value for them (compared with financial support and technical assistance). Most IDB stakeholders surveyed are familiar with IDB's knowledge products and consider that the IDB promotes knowledge sharing and best practices in the region and that IDB staff have the knowledge to solve development challenges. Survey respondents also believe that among comparable institutions the IDB is the most effective multilateral in generating and sharing relevant knowledge for the region. Perceptions of the value of IDB knowledge products as reported in the survey improved between 2013 and 2016.

Internally, the most used IDB knowledge products are specific studies (such as working papers, technical notes, and evaluation reports), followed by Country Strategies, country sector notes, and

Country Development Challenges documents. OVE's interviews with managers and division chiefs and the results of surveys of IDB staff and stakeholders show a widespread belief that generating of knowledge is an essential part of the Bank's work. According to OVE's interviews, IDB knowledge products provide the basis for a richer country dialogue and programming process and help improve operational design and support the origination of future operations. Interviews suggest that in a time when many of the Bank's clients have access to alternative sources of funding, knowledge can give the Bank a comparative advantage. In most IDB departments knowledge generation also helps specialized technical staff to keep up to date with developments in their areas of expertise.

The positive perceptions of external stakeholders and IDB staff and the use and citations of IDB knowledge products suggests that there are important benefits from IDB knowledge production. To assess the effectiveness of IDB knowledge activities, these benefits should be carefully weighed against the costs to IDB of producing and enabling knowledge-sharing in the region. The intangibility and noncommercial nature of the knowledge produced by the IDB and the shortfalls in the Bank's budget systems make it difficult to carefully assess the cost-benefit ratio of knowledge production. This review found high variety in the use of IDB knowledge products (based on citation and download analysis), which suggests that there may be differences in the cost-benefit ratios of individual products.

This review finds that it is difficult to carefully assess the degree to which IDB knowledge activities are aligned with the IDB's strategic objectives, given that knowledge production in the Bank tends to be decentralized and the prioritization of topics, generation, approval process, quality at entry, and monitoring vary with the originating unit and the funding mechanism. IDB produces knowledge activities through three main funding mechanisms: knowledge sector and country work (which finances multiple knowledge activities, including publications, events, and country diagnostics); learning and collaborative management work (which focuses on training and internal knowledge sharing, among others); and grant funding (for knowledge activities that are part of the Bank's TC work). On the origination side, knowledge activities are guided by different instruments with varied levels of guidance (Bank Sector Strategies, Bank Sector Framework Documents, Country Strategies, Country Development Challenges Documents, and, for TC funding, Strategic Development Programs) and by the priorities of the particular department and vice-presidency.

Quality controls vary, especially at entry. Quality controls at entry for VPS knowledge activities financed through the administrative budget (for ESW) are rather high, while quality controls at entry for knowledge activities financed through TCs are more variable and

depend on the internal quality controls systems of the responsible division and managers. Quality control for final published knowledge products, independent of their financing instrument, is regulated by the Bank's new publications protocol (AM-331). The update of the publications protocol introduced a much-needed Bankwide definition, quality control, and typology of final knowledge products.

The findings from this review suggest that knowledge work in the IDB is subject to tensions in at least four dimensions: (i) between centralized prioritization (top-down) and spontaneous bottom-up origination of knowledge activities; (ii) between the sources of demand for knowledge activities—country demand versus priorities from sector specialists and managers; (iii) between the incentives to capture knowledge products as a resource for preinvestment and those to generate pure knowledge on public goods (which may or may not lead to investment programs); and (iv) between producing knowledge internally and producing it through or in collaboration with specialized outside institutions.

Some level of tension may be unavoidable and even desirable for a “knowledge Bank.” However, to shed light on how these tensions are currently at play and to minimize the negative consequences of such tensions, the Bank needs to keep strengthening the arrangements for originating, tracking, delivering, disseminating and measuring the use of its knowledge activities.

IDB needs to ensure there are resources and incentives for staff to extract lessons and learn from operational successes and failures. This implies not only continuing to strengthen the delivery of Project Completion Reports, but also aggregating lessons learned from the execution and results of individual projects, and further strengthening the mechanisms for internal sharing and learning.

From this review, OVE has identified some immediate recommendations to help improve the effectiveness of IDB knowledge activities.

- 1. Keep improving the organization and tracking of knowledge activities, resource and dissemination efforts, and usage.** For this purpose, an option is to organize knowledge activities and track resource efforts and results around unified agendas and bundles of products (organized thematically, by subregion, and or by country), independent of the funding source (administrative budget lines, TC, or loans) and the originating unit. This system can allow for clear links between resource efforts, knowledge products, and research agendas.
- 2. Improve the prioritization process by strengthening both the identification of knowledge gaps and guidance to staff for knowledge production at the sector and country levels.**

Strategies, SFDs, OC-SDP frameworks, Country Strategies, and CDCs, which should play a key role in guiding knowledge activities, vary substantially in how well they identify regional and country knowledge gaps and priorities for knowledge agendas and activities between and within sectors. To improve prioritization and alignment with stakeholder's priorities for the set of knowledge products that aim to respond to specific client needs (financed mostly with TC funding), one option is to use (or pilot) mechanisms that reveal demand (such as co-financing or notional budget envelopes for total resources available in knowledge grants at the country level).

- 3. Explore and or pilot mechanisms to improve the quality controls at entry for the approval of some operational instruments (TC, CIP, and others financed by the administrative budget) that finance knowledge products, balancing alignment with the Bank's broader knowledge agendas, quality, flexibility, and timeliness in the approval process.** Controls may vary according to the final purpose of the knowledge agendas or the bundle of products that they are financing (e.g., close regional knowledge gaps, serve country and client needs, or inform programming and operational design).
- 4. Explore mechanisms and evaluate the allocation of more resources and the revision of current Bank dissemination policies if considered appropriate, to improve the Bank's internal and external dissemination efforts, adapting knowledge products for different audiences** (internal, ministers and policymakers, civil society, academia, and the public). Broadening the efforts to define the expected results and expected audiences of knowledge products at entry may be instrumental to facilitate dissemination efforts when the products are completed.



01

Introduction

- 1.1 Support for knowledge production and training—particularly through the provision of technical assistance—has been a distinctive feature of the Inter-American Development Bank (IDB, or the Bank) since its inception. During the discussions leading to the creation of the IDB, the Governors gave the Bank two distinct mandates—to provide technical assistance to support knowledge and capacity building in the region, and to fund social projects. During the Bank’s first decade, knowledge was produced in-house through a dedicated research unit. With the creation of the technical cooperation (TC) policy in 1974, knowledge and capacity building were increasingly financed through technical assistance operations. Starting in 1990, the Bank increased its emphasis on knowledge. First, a program to support a Latin American Research Network (Red de Centros) was created. Following the 8th capital increase (1994), the role of knowledge activities in the IDB was enhanced with the creation of the Office of the Chief Economist, the Inter-American Institute for Economic and Social Development, and the Sustainable Development Department (SDS).
- 1.2 The Realignment of the Bank in 2007 introduced important organizational and staffing changes to increase the Bank’s capacity to generate and disseminate knowledge and to fully integrate knowledge production as part of its core business under the vision that today’s knowledge work paves the way for tomorrow’s operations and policy dialogues. The Bank eliminated the SDS and gathered together all sector experts (most working in the pre-Realignment regional departments) under the newly created Vice-Presidency for Sectors and Knowledge (VPS). The Research Department (RES) also became part of VPS. VPS divisions support the Vice-Presidency for Countries (VPC) by preparing loans and technical assistance for clients, generating sector knowledge, and designing the Bank’s agenda for research. VPC produces country-specific knowledge as well as knowledge products in support of IDB programming and country strategy work. A dedicated knowledge department, the Knowledge and Learning Sector (KNL), was also created under VPS to develop the Bank’s knowledge and learning strategies, with an important focus on capturing and disseminating knowledge.
- 1.3 To implement the Realignment’s vision, in the last decade the Bank has restructured its organization to promote both sector and country knowledge generation and knowledge sharing. This has implied reallocating resources to invest more systematically in knowledge work; strengthening the office of the Chief Economist and the roles of Regional Economic Advisors (REAs) and Sector Economic Advisors (SEAs); strengthening technical expertise by refocusing recruitment

efforts and investing in training and other learning opportunities for personnel; and investing in technologies that support knowledge generation, learning and dissemination. The Bank has also strengthened its capacity to share knowledge as a valuable public good for the region and the international development community; to do so, it created and formalized the Studies and Publication Committee (SPC); introduced a protocol that defined a taxonomy of knowledge products, quality controls and standards for publication (which later became policy through AM-331); and strengthened and expanded its knowledge sharing efforts with the region through regional policy dialogues, MOOCs and other mechanisms. The Bank has also committed to open its knowledge products and took (and continues to take) steps to ensure high and evolving standards of openness for publications, data, MOOCs and, more recently, software or digital tools.

- 1.4 The IDB-9 Agreement and the new Institutional Strategy also reaffirmed the vision to make knowledge and capacity-building products part of IDB's core business. The IDB-9 mandate for such products aimed to (i) improve their funding strategy and their operational and accountability arrangements; (ii) include in the Bank's menu of products a fee-based services funding option for cost recovery; and (iii) enhance the IDB's role as a vehicle for delivering products financed through nonreimbursable multidonor funds (AB-2764, p. 20-21). As part of the objectives of the IDB private sector windows merge-out, BID-Invest also included embracing "change and innovation and constantly increas[ing] its capacity to create and disseminate knowledge." BID-Invest knowledge will be aimed primarily at identifying market failures and designing financial and knowledge instruments to address them. Given BID-Invest's size and comparative advantages, it is working to be able to deliver knowledge products with a multiplier effect. (Box 1.1 highlights references to the role of knowledge in the Bank's Institutional Strategy.)

Box 1.1. References to knowledge in the Bank's Institutional Strategy 2010-2020

"The IDB places innovation and knowledge at the center of its work to accelerate development. [...] This not only requires that the IDB continues to generate relevant technical knowledge and apply it with rigor, but also that it try, test, and reiterate innovative approaches and adapt them to country realities to solve development problems."

“This powerful combination of learning and innovation will catalyze the IDB’s work to improve lives. [...] Having an innovative culture is about redefining the rationale of the Bank from scalable efficiency to scalable learning that can be directly applied to the Bank’s operational work, and contribute to broadening and refining its portfolio of interventions and knowledge products. This approach to innovation must continue to provide avenues for exploring new ways to address challenges, enhance knowledge exchange and management systems, and build knowledge networks with other development agencies and international organizations.”

“To promote the adaptation of successful development approaches, it is important to strengthen the Bank’s capacity to learn and to disseminate what it has learned. This calls for increasing the efforts to generate knowledge of what works and what does not, based on rigorous evidence—which, in turn, requires continuing to evaluate projects throughout their life cycle. Furthermore, so that innovation can permeate throughout the institution, the IDB needs to create a new culture where collaboration, diversity, experimentation, and practice are the main ingredients, resulting in better solutions, processes, and products. This effort should not occur only within the Bank: much of the systemic impact of the Bank comes from its knowledge being used by our counterparts to adapt or scale up successful Bank financed projects and to change and improve policy. For this reason, the Bank will continue strengthening its strategic communication capabilities at all levels.”

Source: IDB Update to Institutional Strategy 2010-2020, paras 4.21-4.23.

- 1.5 A substantial resource effort has accompanied the institutional changes to improve the Bank’s capacity to deliver knowledge generation and dissemination activities. OVE estimates that during the present decade the Bank has spent and mobilized more than US\$1 billion to fund knowledge activities and has gradually increased its in-house production of knowledge products.
- 1.6 This report reviews the IDB’s institutional arrangements, financing, and performance in generating and delivering knowledge activities. For a multilateral development bank (MDB) like the IDB, the knowledge it generates, acquires, and disseminates should be instrumental to improve the design of development interventions (policies and programs) that are supported directly by the institution or implemented by Bank clients. From various IDB, IIC, and MIF strategic documents, OVE identified several objectives associated with the “knowledge Bank” agenda of financing, producing, and sharing knowledge: (i) improving the effectiveness of IDB’s lending program and policy dialogue, (ii) responding to specific client demands, (iii) filling knowledge gaps and identifying emerging development

challenges in the Latin America and Caribbean (LAC) region, (iv) fostering a culture of learning in the institution, and (v) disseminating lessons and best practices.¹

- 1.7 This is the second OVE assessment of knowledge production in the IDB. In 2006 OVE evaluated the production and dissemination of studies at the IDB (RE-323) and found that programming had generally been weak, quality control had been sporadic, storage and dissemination needed attention, and production incentives had been *ad-hoc*. More recent evaluations have also covered aspects of knowledge at the IDB, but there has not been a comprehensive assessment since 2006.
- 1.8 To prepare this report OVE used a combination of complementary methods and approaches: desk review of IDB strategic documents and reports; analysis of IDB disaggregated budget data; analysis of the Bank's knowledge repository; structured interviews with IDB managers, division chiefs, and a sample of Country Representatives; focus groups and interviews with IDB staff; and a survey of the use and production of knowledge products for IDB staff that gathered input from 221 staff and 208 consultants.² To gather information on the use of knowledge products OVE commissioned an analysis of citations and use of the most important IDB knowledge products versus those of IDB main comparators: the World Bank's Latin America and Caribbean Region (WB-LAC), Development Bank of Latin America (CAF), Economic Commission for Latin America and the Caribbean (ECLAC), Asian Development Bank (ADB), and

1 The Realignment and the IDB-9 Agreement called on the Bank to include knowledge and capacity building in its operations (IDB-9 report AB-2764, Annex 1, p. 2; and *Realignment of the Bank to take on its strategic challenges*, GA-232, p. 24). These documents also called on the Bank to provide client-specific services, including the option of fee-based services. The IDB-9 Agreement asked the Bank to fill knowledge gaps by "becom[ing] a point of reference in the policy debates on key development issues important to the region" (IDB-9 report AB-2764, Annex 1, pp. 21). Knowledge generation is also an important part of the vision for the new IIC, as one of the overarching objectives is to develop a private sector culture that "constantly increases its capacity to create and disseminate knowledge" (*Delivering the Renewed Vision: Organizational and Capitalization Proposal for the IDG Group Private Sector Merge-Out*, CA-556, CII/CA-165). This vision includes the use of knowledge products, services, and activities to help develop a systemic approach and have impact beyond that of an individual project. Knowledge products should also increase the effectiveness of interventions by helping identify market failures and design instruments to address them. For MIF, learning and dissemination of lessons is embedded on its mission to test, extract lessons, and scale up interventions to increase access to finance and markets and the capabilities of small businesses.

2 The Knowledge Survey was an electronic poll sent by OVE to 412 randomly selected IDB staff between grades 2 and 6 and 451 IDB defined-term contractuales between October 17 and November 1, 2017. The final response rate was 54% for staff and 46% for defined-term contractuales. 62.4% of staff respondents were from VPS, 19.5% from VPC, 5.9% from OPR, 5.4% from SPD. For DTCs, 48.6% were from VPS, 18.8% from VPC, 3.9% from SPD, 3.4% from ORP, 1.0% from EXR, and the remaining 24.5% from other vice-presidencies. The survey was designed with Qualtrics software and included up to 31 closed questions, organized in two modules: "Internal Knowledge Use" and "Knowledge Production." In addition, it had one open-ended question in case respondents had additional comments or suggestions. OVE used the IDB telephone directory (<http://teldir/>) to find the e-mail addresses, units, and positions of all IDB staff working in VPS and VPC. For the purpose of this evaluation only staff responses were taken into account, but DTC responses are consistent with the results from staff responses.

African Development Bank (AfDB). For perceptions and use of IDB knowledge products OVE used information from the Office of Strategic Planning and Development Effectiveness (SPD) General Perceptions Survey, which gathers data from 3,878 IDB stakeholders in the public and private sectors, knowledge-producing institutions, and civil society and charities in all the region's countries. This evaluation also takes advantage of the findings of previous relevant OVE evaluations, including the *IDB-9 Mid-term Evaluation, Results of the Realignment, Special Programs Financed by Ordinary Capital, IDB Budget Trends, and the Production, Use, and Influence of IDB's Impact Evaluations*.

- 1.9 This report focuses on IDB knowledge delivered between 2010 and 2016 and financed through IDB's administrative budget, ordinary capital (OC) Strategic Development Programs (SDPs), and trust funds. The knowledge acquired and delivered by an institution like the Bank is very wide in scope and can be presented in numerous forms.³ There are explicit knowledge products whose aim is producing and disseminating knowledge and learning. These products include flagship reports, country notes, working papers, technical notes, databases and datasets, evaluation reports, blogs, MOOCs, training and learning courses and events, conferences, among others. Additionally, there are operational knowledge products which help guide the Bank in its operations such as country strategies, CDCs PCR/XSRs, sector framework documents, among others. Finally, there are intangible knowledge related to the Bank's staff country and sector expertise. This review will focus on measuring the resource efforts to generate and disseminate knowledge in the Bank using its budget systems. The analysis of the selection and prioritization and usage of knowledge products narrows the scope to focus on publications and to a lesser degree events. The review is guided by five evaluation questions that are derived from the Bank's knowledge objectives: To what extent does IDB's knowledge production improve the effectiveness of its lending program and policy dialogue? To what extent does IDB's knowledge production and dissemination respond to specific client demands? To what extent does IDB's knowledge production and dissemination contribute to filling knowledge gaps and identifying emerging development challenges in the LAC region? To what extent does IDB foster a culture of learning? And how effectively are IDB knowledge products disseminating lessons and best practices? The current state of the Bank's budget and

³ See Annex I Table 2 for further description of IDB knowledge products included in the BRIK repository. See Annex I, Table 4 for examples of IDB's knowledge products included in the BRIK repository. See Annex 1, Table 6 for further information on the IDB's active blogs. See p. 2.4 for further information on MOOCs.

tracking systems, the intangibility and non-commercial nature of the knowledge produced by the bank, and the scope of this review inhibits OVE's ability to fully answer these questions; but the findings aim to provide insights on them and suggest areas for more in-depth work in the future.

1.10 After this introduction, Chapter II presents a picture of IDB knowledge production and costs, and the institutional arrangements for the delivery of knowledge products, and Chapter III reviews the Bank's arrangements for the selection and prioritization of knowledge activities. Chapter IV analyzes the usefulness of IDB knowledge products and activities. Finally, Chapter V concludes and presents some challenges and recommendations for IDB going forward.



02

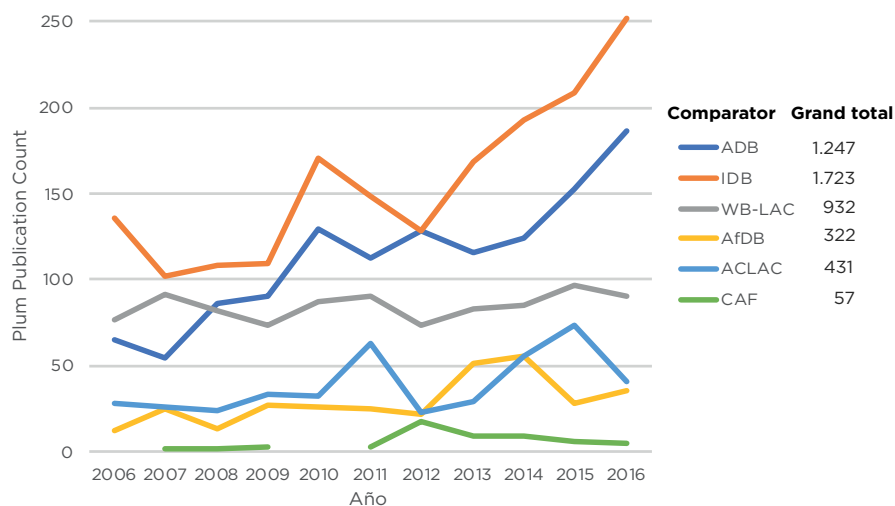
IDB Knowledge
Production

2.1 In recent years, compared to other MDBs and international organizations, the Bank has substantially increased the number of its publications (institutional publications and those of IDB affiliated authors in peer reviewed publications), becoming a leader in terms of publication output. Figure 2.1, using data from Elsevier (the world’s leading institution on publication analytics) and OVE (using Microsoft Academic), illustrates that among comparable MDBs the IDB has shown the most growth in publications during 2006-2016, with the highest growth between 2014 and 2016. (See Annex IV.) ejemplos de cada tipo de producto de conocimiento y en el Cuadro 5 una lista de los productos de conocimiento más importantes por sector en años recientes).

Figure 2.1

Publication trends (IDB and comparators affiliated authors and institutional publications)

Source: OVE based on Microsoft Academic and Scopus (Elsevier).



2.2 Internally, the main instrument for organizing and sharing IDB’s publications is BRIK, the Bank Repository of Institutional Knowledge. BRIK was created in 2011, in response to an OVE recommendation,⁴ to enhance “the visibility and accessibility of Bank knowledge products, both within the Bank and among external audiences.”⁵ By December 2017 BRIK registered a cumulative stock of 761 books, 1,970 working papers, 2,826 technical notes, 2,083 discussion papers, and 365 annual reports, among other publications produced by the IDB (Annex I presents more detailed information about BRIK: see Table 2 for a taxonomy of BRIK products, Table 3 for the stock of knowledge products in BRIK, Table 4 for a description and examples of each type of knowledge product, and Table 5 for a list of the most important knowledge products by sector in recent years).

4 See OVE’s evaluation of the IDB’s Studies (RE-323).

5 *Effective implementation of the BRIK*, KNL, July 2011 (SC-174).

2.3 Figures 2.2 and 2.3 depict the breakdown of IDB’s publications in BRIK from 2010 to 2016. Overall, more publications were produced in 2015 and 2016 than in previous years, though the composition of products varies by year. Of BRIK’s entire inventory of public access knowledge publications produced since 1967, VPS is responsible for 93% and VPC for 7%.⁶ Of VPS products, RES accounts for most publications (30%), followed by INTAL (17%), and Integration and Trade (INT) (15%).

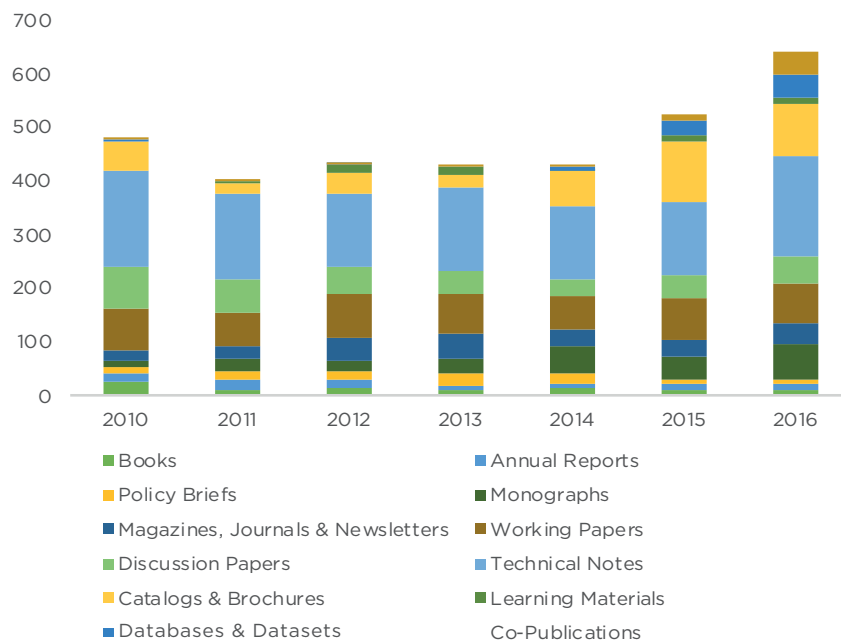
2.4 During this decade the Bank has started producing blogs, videos, and Massive Open Online Courses (MOOCs). IDB blogs started appearing in 2011, and as of 2017 the Bank has 25 active blogs with a total of 7.3 million visitors and 6,821 blog entries; 20 are managed by VPS divisions, two by VPC, and one each by SPD, Office of External Relations (EXR), and BID-Invest (Annex I, Table 6, lists the blogs). MOOCs were created in 2012; as of 2017 there are a total of 65 MOOCs, with an average of 5,440 participants from 161 countries.⁷

Figure 2.2

IDB’s public access knowledge products (2010-2016)

Source: Bank Repository of Institutional Knowledge, IDB, as of December 13, 2017.

Note: Some products may be recorded/classified by the BRIK in more than one category.



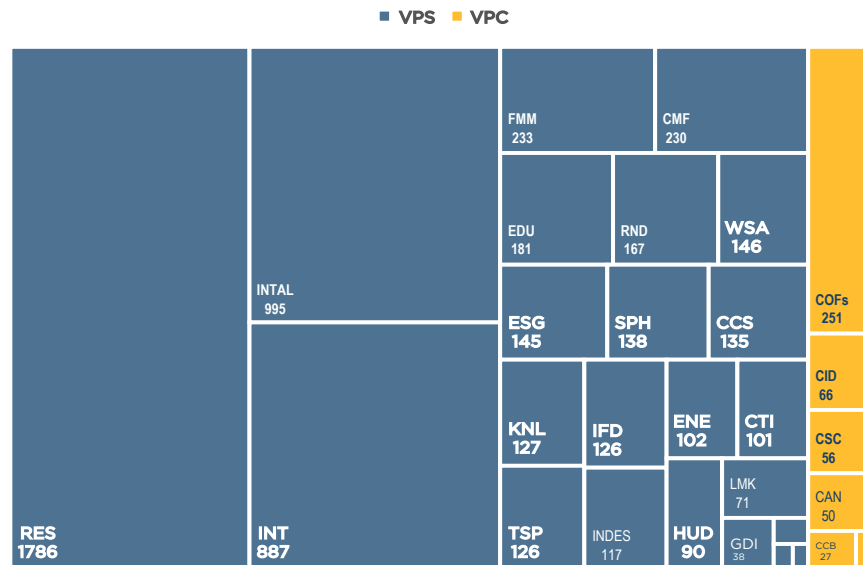
6 The BRIK repository and thus this percentage excludes confidential reports such as Macroeconomic Assessments (IMAC), and Country Development Challenges documents as well as Country Strategy Documents, produced by VPC.

7 IDB Knowledge analytics, as of December 14, 2017. Examples of MOOCs are: ‘*Agua en América Latina*’ (VPN/INE/WSA/Univ. De los Andes), ‘*Project Management Techniques for Development Professionals*’ (VPN/KNL.SDI), ‘*Políticas Efectivas de Desarrollo Infantil Temprano*’ (VPS/SCL/SPH), ‘*Nuevas Tendencias en tratados comerciales en América Latina*’ (VPS/INT), etc.

Figure 2.3**Composition of public access knowledge products in BRIK (number of publications) (1967-2017)**

Source: Bank Repository of Institutional Knowledge, IDB, as of December 13, 2017.

Note: Some products may be recorded/classified by the BRIK in more than one category.



Note: Classification of knowledge products was done according to BRIK's "Department" classification. Includes publications from VPS and VPC, and excludes MIF, SDS, Integration and Trade (before 2007 Realignment) and ICS. Squares with missing data include data (i) from VPS: GDI (38 publications), VPS (front office) (13 publications), ICS (seven publications), INE (six publications); (ii) from VPC: CCB (27 publications) and VPC (front office) (seven publications).

- 2.5 As part of its knowledge activities the Bank provides training and capacity-building activities to strengthen the technical competencies of IDB staff and strategic partners in the region. Beyond organizing cross-sectoral training activities, KNL assists IDB units in assessing training needs, identifying objectives, establishing techniques for delivering training, and allocating resources (although financial resources are allocated to units, KNL manages the budgets). KNL also develops training methods, prepares training materials, and evaluates the effectiveness of trainings. This review will not look in depth at the breath and effectiveness of training and capacity building activities in the Bank, but it will include them as part of the analysis of budget resources allocated to knowledge activities.
- 2.6 Over the past years the Bank has made investments in results measurement and reporting architecture to strengthen its platforms to capture and learn from its operational knowledge. The main objective of that work was to collect the necessary information to produce Project Completion Reports (PCRs) to help ensure accountability and contribute to institutional learning within the IDB. PCRs were expected to be a key mechanism for reporting on project-level results, and therefore an important knowledge piece for the Bank.

A. Budget allocation for IDB knowledge production

2.7 The increase in IDB's production of knowledge activities has entailed a significant resource effort. The Bank finances its knowledge activities using its administrative budget, non-reimbursable TC financed with income from its OC and trust funds, loan budgets, Project Specific Grants, and Fee-based Advisory and Knowledge Services (AKS) operations. There is no one-to-one relation between financing source and type of final knowledge product or knowledge-sharing activity. IDB budget and tracking systems do not allow easy tracking of the cost of most final knowledge products. IDB knowledge activities⁸ financed under the administrative budget are grouped into activities for sector and country knowledge work and learning and collaborative knowledge management work.⁹

1. Through **sector and country knowledge work**, the Bank delivers economic studies, macroeconomic assessments (including Independent Assessments of Macroeconomic Conditions), country-specific analytical work (including integrated diagnostics of Country Development Challenges, or CDCs), impact evaluations, databases, conferences, and diverse types of publications.¹⁰ Several of these activities are often grouped together under one **economic and sector work (ESW)** product, aiming to address a common need with a common budgeting code and a set of related deliverables, mostly intermediate knowledge products.
2. Through **learning and collaborative knowledge management work**, the IDB delivers, among other things, sector strategies, action plans, sector framework documents, staff training (including project management for results training), and knowledge-oriented **corporate input products (CIPs)**. CIPs include staff learning and training events, operational and non-operational diagnostic reports, library and knowledge management services, sector knowledge weeks, internal

8 Formally, the Bank defines knowledge products as “documents and other media, whether in electronic (including on Bank websites) and/or hard copy format, that share relevant information and knowledge produced by the Bank, and whose copyright belongs to the Bank and are considered Bank property or for which the Bank has secured rights for use and distribution.” Source: Procedures for the Publication of Knowledge Products (AM-331)

9 Table 4 in Annex I provides a detailed list of funding mechanisms for knowledge products.

10 Publications include annual reports; books (commercial and non-commercial); catalogs and brochures; databases and datasets; discussion papers; learning materials; magazines, journals, and newsletters; monographs; policy briefs; technical notes; and working papers.

reports and reviews, open knowledge (dissemination strategies and blogs) and data, search engines, knowledge portals, studies and evaluations, and country briefings.¹¹

- 2.8 Funding for knowledge activities from the administrative budget is complemented with grant TC financing. TCs, which are originated by VPS and VPC, play a role in funding complementary or more costly activities (such as data collection) that are linked to existing research lines started through ESWs or that address specific client countries' knowledge gaps. The most important source for knowledge activities to fill knowledge gaps is **Research and Dissemination (RD) TCs**, which support knowledge products and dissemination activities originated by the Bank. **Operational Support (OS) TCs** contribute to the preparation, execution, or evaluation of a loan or guarantee, and may support knowledge activities with this purpose. OS TC needs to be linked to a loan, guarantee, or grant product. Many **Client Support (CS) TCs** support knowledge activities in a specific country and are originated and requested by the borrowing member country or private sector client. CS TCs include demand-driven stand-alone products that provide capacity for a short-term government need or a medium-term policy development. They also include non-fee "sector knowledge, or outreach and dissemination, capacity building and training, and community development projects" as well as "feasibility and other upstream project studies" (GN-2629-1).
- 2.9 TC categories have not been conceived as discrete compartments but rather as continuous labels in which the origination (demand-driven or Bank-driven), the purpose (operational or research-oriented), the funding (mixture of OC, donor trust fund, and other sources) and the beneficiaries (public and private sector in borrowing member countries, or external audiences and the Bank itself) gradually change and fall into one category or another (GN-2629-1, p. 5). The natural overlaps in purpose make it difficult to quantify the amount of resources that are allocated to knowledge activities. For this report OVE has approximated the total amount of TC funding allocated to the production and dissemination of knowledge products by identifying CS and OS TCs that mainly support knowledge activities based on their objectives. The total approved amount of these reclassified TCs was added to the total approvals for RD TCs, to estimate TC

¹¹ 2015 Annual Business Review, footnotes 40; and OVE's Administrative Spending Evaluation, footnote 50.

grant funding for knowledge activities (as reported in table 2.1). Bank personnel costs to originate and execute these TCs are included as part of Operational Knowledge Work in table 2.1).¹²

Table 2.1 IDB Knowledge financing (total 2010-2016)

Funding source	Concept	(US\$ million)	%
Grant Funding ^c	Knowledge TCs (OC)	271.6	25
	Knowledge TCs (trust funds)	256.5	23
Administrative budget	Sector & country knowledge work	270.1	25
	ESW (non-personnel cost)	82.9	8
	ESW (personnel cost)	57.9	5
	Operational knowledge work ^a	129.3	12
	Learning & collaborative knowledge mgmt. work	299.1	27
	CIP (non-personnel cost)	45.9	4
	CIP (personnel cost)	179.4	16
	Corporate knowledge work ^b	73.8	7
TOTAL		1,097.30	100

a: Comprises expenses filed under Main Business Function A in the following categories: knowledge development, country knowledge, macroeconomic assessments, sector knowledge, and support to knowledge TCs. See Annex 1, Tables 7 and 11 for more information.

b: Comprises expenses, not included in CIPs, filed under Main Business Function B, in the following categories: learning and collaborative knowledge management, staff and regional training, communication training, management of knowledge products, knowledge dissemination, social media, and digital, and internal knowledge sharing. See Annex 1, Tables 7 and 11 for more information.

c: See Annex 1 table 2 and 3 for TCs disaggregated grant funding

Note: Does not include Advisory and Knowledge Services provided by the Bank
Source: OVE/OVEDA.

2.10 OVE estimates that, between 2010 and 2016, the IDB spent and mobilized around US\$1,097 million to finance knowledge activities through TC grant funding and administrative budget resources (Table 2.1). Approximately 48% of that amount financed knowledge TCs through both OC and trust funds.¹³ The remaining 52%¹⁴ was spent through the administrative budget in the following way: 20% on CIPs, 13% on ESW, 12% on operational knowledge production (subregional and country-specific knowledge products), and 7% on corporate knowledge production (internal knowledge sharing and training). On average, for 2010-2016, US\$156.8 million was used for knowledge activities each year. Knowledge expenditure in 2016 was 24%

12 For this classification OVE used the OVEDA dataset and ORP's data on historic approval of TCs (https://orpreports:543/EDW_Reports/GCM-Approval-Report-History.aspx). The classification excludes MIF-financed operations, cancelled operations, and 17 TCs for more than US\$4 million.

13 This includes RD TC-specific data and data from 421 knowledge TCs identified by OVE.

14 Which represents 14.8% of the total IDB administrative budget between 2010 and 2016.

greater than that in 2010 (Figure 2.4). Knowledge financing has also increased relative to loan approvals (Figure 2.5). These resources were complemented with funds from loan proceeds that support knowledge activities in countries.

Figure 2.4

IDB knowledge financing 2010-2016 (US\$ million)

Source: OVE/OVEDA

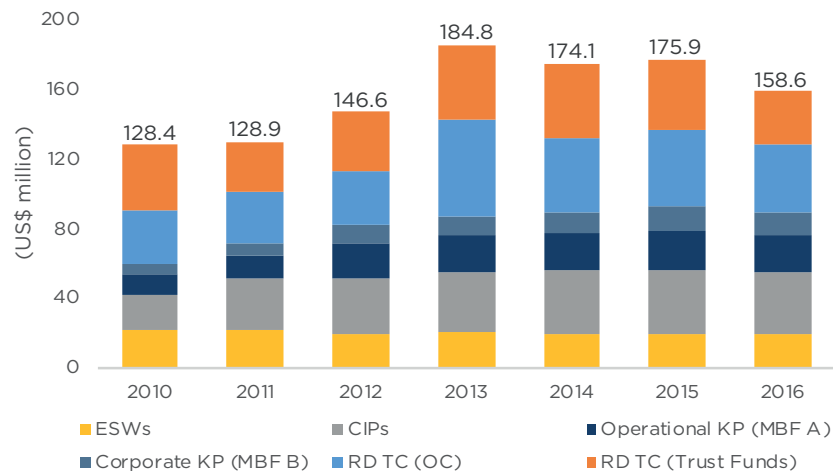
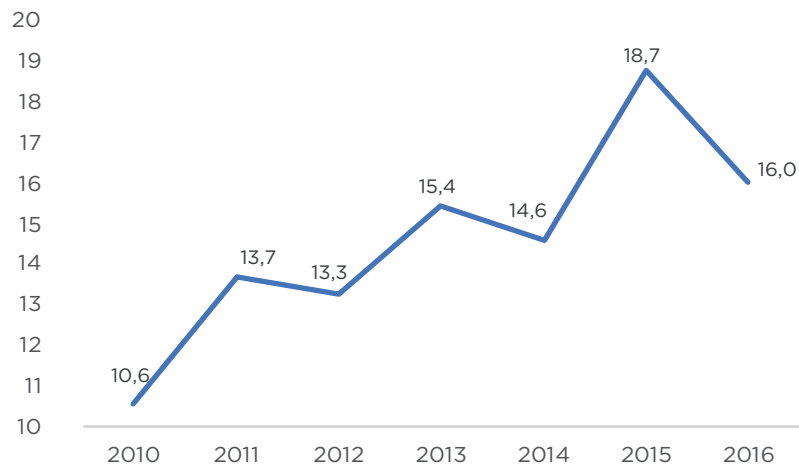


Figure 2.5

US\$ knowledge financing (thousands) per US\$ million approved in loans*

Source: OVE/OVEDA

*Includes active and approved investment loans, PBLs and loans classified as "other", excludes private sector loans, small projects, reimbursable TCs, and cancelled loans.



1. Sector and country knowledge work

2.11 Budget for sector and country knowledge work finances ESWs, origination and execution of knowledge TCs, and country knowledge work. ESW spending totaled US\$140.8 million between 2010 and 2016, an average of US\$20.1 million per year (Figure 2.6). About 26% (US\$36 million) was spent by INT, 25% by RES, 17% by Social (SCL), and 15% by Institutions for Development (IFD). About 36% of the ESW knowledge

production is associated with three sectors: Trade and Integration, Modernization of the State, and Education (See Annex III, Figure 13).¹⁵

2.12 Operational knowledge expenditure (region and country knowledge work and knowledge TC origination and execution) totaled US\$129.3 million between 2010 and 2016, an average of US\$10.8 million per year.¹⁶ Of this expenditure, 59% is classified as regional knowledge production, 25% as country- or region-specific, and 16% as Bank-specific knowledge. Brazil, Mexico, and Colombia were the countries with relatively more presence in country-specific operational knowledge production in the last six years, with an expenditure of US\$2.5 million for Brazil and Mexico and US\$2.0 million for Colombia. In nominal terms, overall expenditure on operational knowledge increased by 87%, from US\$11.4 million to US\$21.4 million.

Figure 2.6

ESW spending (US\$ million)

Source: OVE/OVEDA

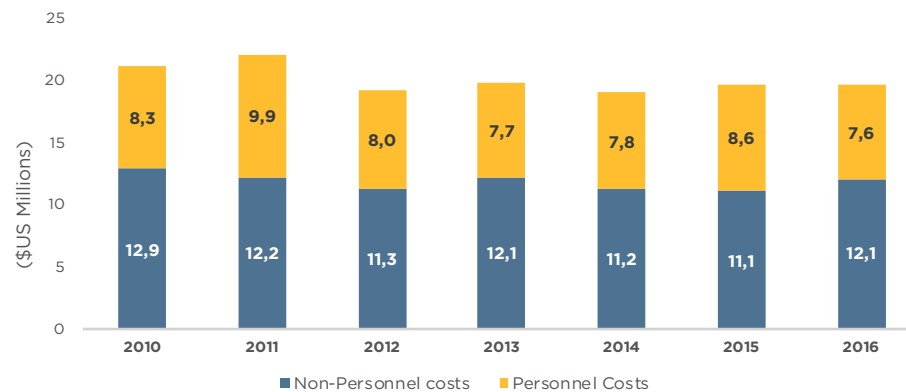
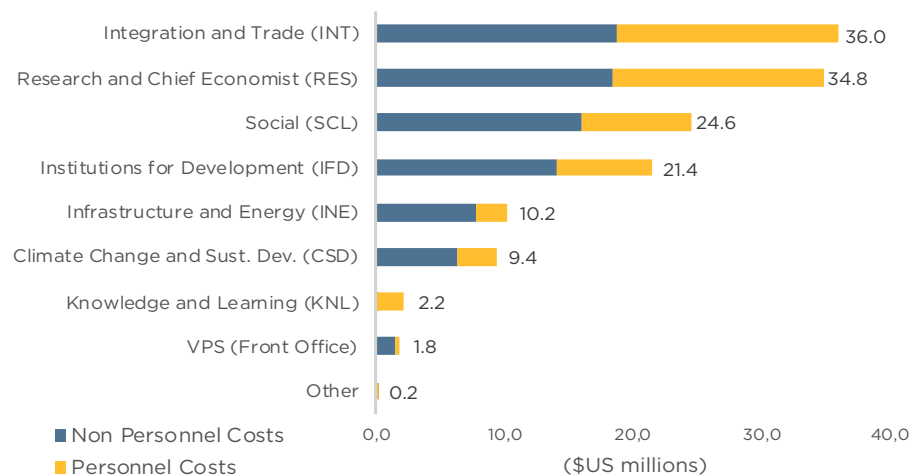


Figure 2.7

ESW spending by responsible department (2010-2016)

Source: OVE/OVEDA

Note: Costs are attributed to the ESW's originating the knowledge product, however some of the costs may have been carried out by other Bank units.



15 These figures exclude US\$13.7 million (2010-2016) classified under ESW (Main Business Function A030201), but not tied to any specific ESW. This expenditure is accounted for as Operational Knowledge Expenditure (see paragraph 3.3).

16 Note: TCs origination and execution funding includes RD TC-specific data and data from 421 TCs reclassified from OS and CS TCs to RD, but excludes the personnel costs of 54 OS and CS TCs, reclassified as knowledge TCs, for which no information was found in OVEDA. It also excludes ESWs, CIPs, and Fee-based AKS already accounted as separate categories.

2.13 Among VPS departments, CSD accounted for most of the operational knowledge expenditure between 2010 and 2016, followed by IFD. VPS does most operational knowledge expenditure (69% of the total). VPC and country offices spend US\$18.6 million (14%) and US\$6.3 million (5%), respectively (Figure 2.9).

Figure 2.8
Operational knowledge spending, by type (2010-2016)

Source: OVE/OVEDA

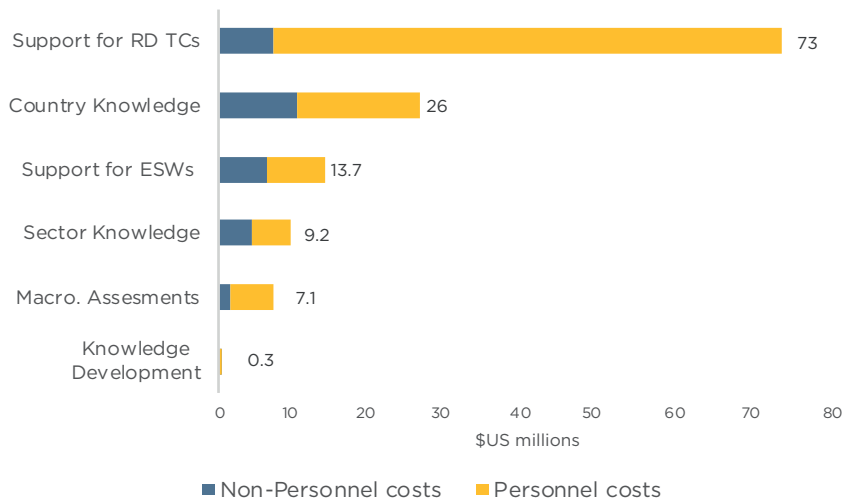
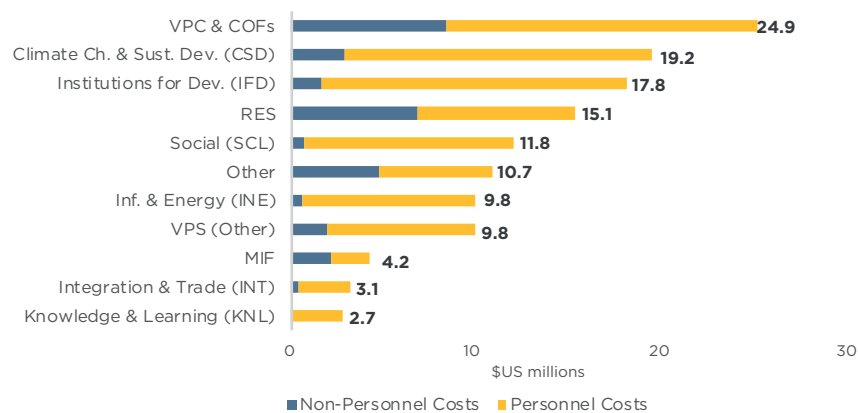


Figure 2.9
Operational knowledge spending, by responsible department (2010-2016)

Source: OVE/OVEDA



2. Learning and collaborative knowledge management work

2.14 Budget for learning and collaborative knowledge management work finances CIPs and corporate knowledge management. Between 2010 and 2016 the IDB spent US\$225.7 million to finance CIPs (on average US\$32.2 million per year). Most CIP funding is used to cover corporate expenses related to staff and regional trainings (55%), followed by knowledge dissemination activities (34%). The amount spent in 2016 (US\$35.1 million) was 70% higher (in nominal terms) than that spent in 2010, with increased allocations for training and dissemination activities—average annual amounts of US\$17.8 and US\$10.9 million, respectively, in the last six years.

2.15 Corporate knowledge management spending totaled US\$73.8 million (7% of IDB’s knowledge expenditure) between 2010 and 2016 (around US\$10.5 million per year). By disaggregated main business function, more than half of this amount was spent on internal knowledge-sharing activities (such as brown bag lunches, internal communications, and internal meetings), knowledge dissemination, and staff and regional trainings. Most of the expenditures (70%) represented IDB-general activities and were not associated with a specific unit.

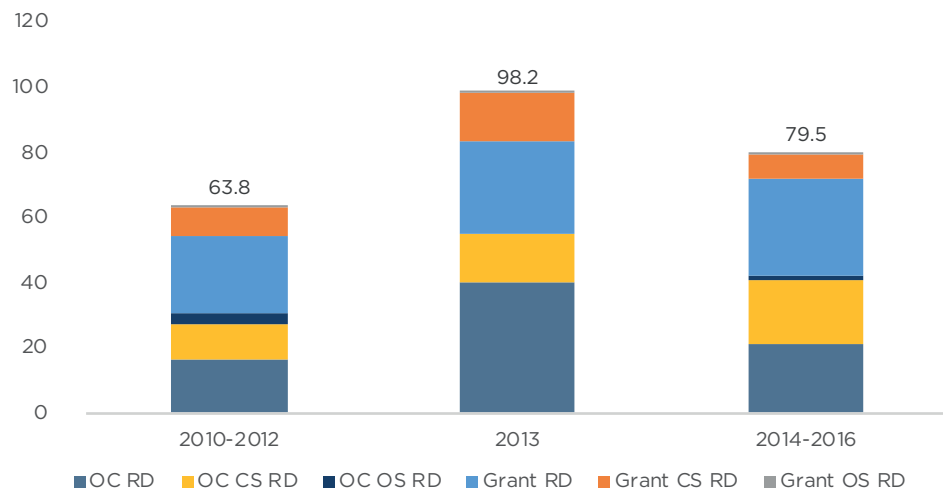
3. Grant financing

2.16 Between 2010 and 2016 the IDB approved US\$1,305.5 million in TCs, of which US\$528.1 million (40.4%) were destined for TCs whose objectives were mostly linked to knowledge generation and dissemination (US\$271.6 million from OC funds and US\$256.5 million from donor trust funds, around 40.5% of total TC approval amounts, and US\$75.4 million on average per year (See Annex III, Table 2 and 3 for specific fund breakdown). TC financing for knowledge activities has increased in recent years: average annual approvals rose from US\$63.8 million between 2010 and 2012 to US\$79.5 million between 2014 and 2016 (overall average TC approvals remained almost constant around 182 million between the two periods. The most important source of knowledge activities funded through TC is RD TCs funded from donor trust funds (‘Grant RD’), followed by RD TCs funded with OC (‘OC RD’), and by CS TCs funded though OC (‘OC CS RD’) (see Figure 2.10).

Figure 2.10

Knowledge TC funding (average annual approvals by TC taxonomy and source) (US\$ million)

Source: OVE/OVEDA and OVE TC reclassification.



2.17 The financing of knowledge activities with the administrative budget and TC grants is complemented with loan resources, Project Specific Grants, and fee-based services. The share of loan financing that is allocated to knowledge activities is difficult to quantify. OVE’s *Evaluation on the Production, Use, and Influence*

of Impact Evaluations estimates that most impact evaluations (68%) were financed by loans and notes that a large heterogeneity across impact evaluation (IE) budgets can be explained by the type of data used. OVE found that between 2006 and 2016 around US\$152 million from loan budgets was used to finance IEs. Estimates (that do not include staff time) are that 57% of IEs have budgets below US\$250,000, but 9% are above US\$1 million. Among the loans, the average amount allocated to IE vis-à-vis the total amount approved for operations (2006-2016) that include at least one IE is less than 0.5%. Beginning in 2014, the Bank started approving AKS operations (also known as fee-for-services) to support knowledge generation and dissemination in the region.¹⁷ Although client countries do not use AKS operations extensively, the Bank approved 10 fee-based AKS operations for US\$3.4 million¹⁸ between 2014 and 2016.¹⁹ Bolivia, Chile, Colombia, Mexico, and Peru were the only countries that used the instrument in that period. Education, Trade & Investment, and Institutional Capacity of the State are the units that have used this instrument the most. An example of a fee-based AKS was the 2016 provision of technical support to the Chilean Ministry of Education, to help them develop an analysis for the design of the school financing system (Operation CH-R1024).

B. Resource allocation by sectors and countries

2.18 The 2010-2016 resource allocation for knowledge activities varied significantly by sector and country. Trade and Integration, Modernization of the State, and Education received the highest amount of ESW resources (21.7%, 6.7%, and 5.6%, respectively), while Labor, Gender and Diversity, and Early Childhood Development received the lowest amount of ESW funding (1.5%, 1.3%, and 1.3%, respectively)²⁰. Environment and Natural Disasters, Reform and Modernization of the State, Urban Development and Housing, and Regional Integration and Trade received the highest amounts of TC funding (15.6%, 14.2%, 8.3%, and 7.5% of total knowledge TC funding, respectively). Agriculture, Private Firms and SME development, and

17 Fee-based AKS are analytical, technical and advisory activities not linked to the Bank's lending operations requested by national governments and public sector entities, subnational governments, state-owned entities, private sector entities, NGOs or nonprofit entities, and multilateral institutions and regional organizations.

18 Source OVE/OVEDA, Convergence and IDBDocs. This figure includes financial information for operations BO-R1001, CH-R1001, CH-R1002, CH-R1004, CO-R1001, ME-R1001, ME-R1002, ME-R1003 and PE-R1001. There is no information on the Bank's systems for the following Fee-Based AKS operations: EC-R0001.

19 Three were requested by Chile and another three by Mexico, with Bolivia, Colombia, Ecuador and Peru requesting one each. Five were prepared in 2016, suggesting that the demand for AKS may grow with time. Among the Bank's sectors, IFD leads the provision of fee-based services, with five operations in three different countries. SCL leads for two, and INE, CSD, and INT for one each.

20 US\$26.5 million (18.8%) of ESWs are not classified by sector.

Sustainable Tourism together received only 3.6% of total knowledge TC funding (see Annex III, Figure 14). Regional Integration and Trade, Financial Markets, and Science and Technology received relatively higher funding from trust funds, while Agriculture and Labor received more funding from OC (see Annex III, Figure 16).

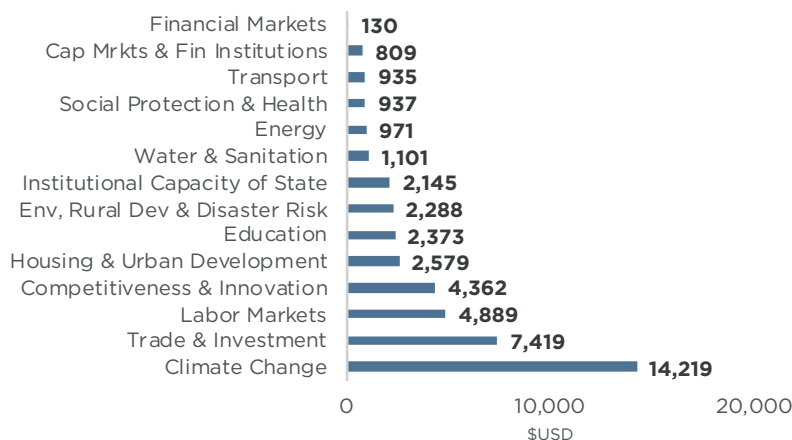
2.19 At the country level, while most knowledge TC funding is channeled through Regional TCs (69.3% of the total), the portion that is allocated to specific countries also varied substantially between 2010 and 2016 (see Annex III, Figure 15). The top receiving countries were Brazil, Ecuador, Mexico, and Colombia (with 8.7%, 7.8%, 7.5%, and 5.8% of the knowledge TC funding that was allocated to specific countries). Bahamas, Trinidad and Tobago, Belize and Suriname received the lowest level of knowledge TC funding (4.4% altogether). El Salvador, Guyana, Barbados, and Guatemala received relatively higher knowledge TC funding from trust funds, while Venezuela, Dominican Republic, Argentina, and Ecuador received relatively higher knowledge TC funding from OC (see Annex III, Figure 16).

2.20 The relationship between 2010-2016 knowledge spending and loan approvals varies by responsible unit (for administrative spending), sector, and country (for TC funding). By responsible unit, Climate Change, Trade, and Labor Markets are the units with the highest ratios of administrative budget knowledge spending versus loan approvals, while Financial Markets, Capital Markets and Financial Institutions, and Transport show the lowest (see Figure 2.11). By sectors, Environment and Natural Disasters, Science and Technology, and Regional Integration and Trade have the highest ratios of knowledge TC funding to loan approvals, while Transport, Financial Markets, and Health have the smallest (see Figure 2.12). By country, Guyana, Bolivia and Bahamas have the highest ratios of knowledge TC funding to loan approvals, while Argentina, Mexico, and Nicaragua have the lowest (see Figure 2.13).

Figure 2.11

US\$ knowledge spending per US\$ million approved in loans, by responsible unit (2010-2016)

Source: OVE/OVEDA

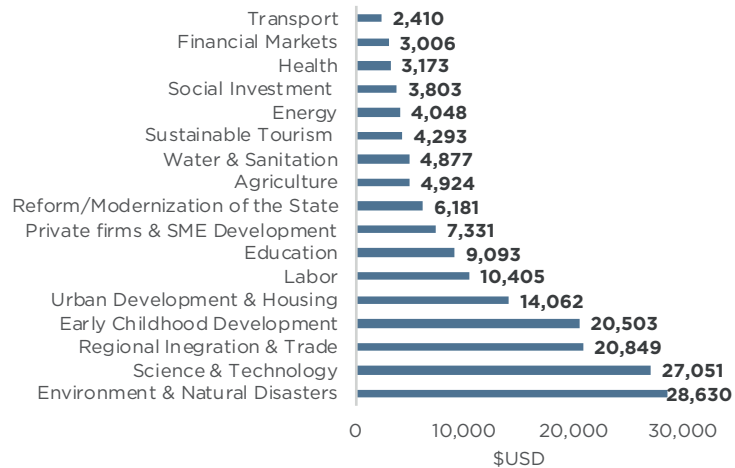


Note: Includes expenditure in ESWs, CIPs, Operational Knowledge, and Corporate Knowledge. Excludes Gender & Diversity sector (ratio 144,039) and non-operational departments such as KNL and RES. IDB loan approval classification doesn't consider double booking, which may affect the ratios for divisions with high collaboration rates.

Figure 2.12

US\$ knowledge TC funding per US\$ million approved in loans, by sector (2010-2016)

Source: OVE/OVEDA



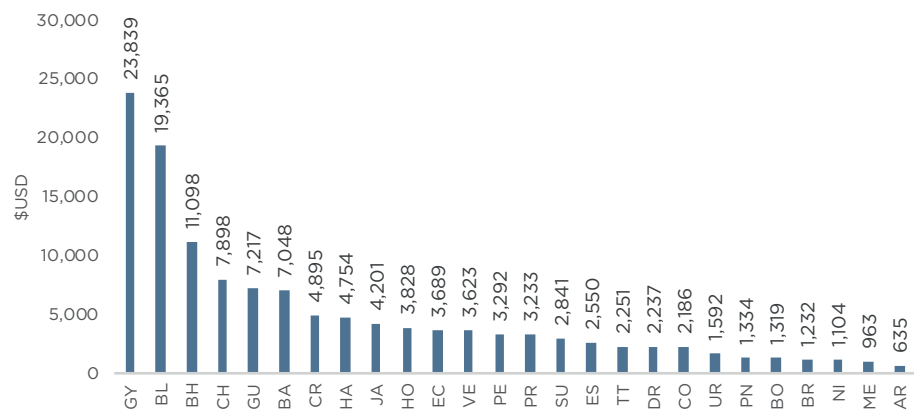
Note: Excludes Gender & Diversity (ratio 199,570). Includes active and completed investment loans, PBLs, and loans classified as “other” from 2010-2016. IDB loan approval classification doesn't consider double booking which may affect the ratios for divisions with high collaboration rates.

Figure 2.13

US\$ Knowledge TC funding per US\$ million approved in loans by country (2010-2016)

Fuente: OVE/OVEDA

Note: Excludes Regional TCs. Source: OVE/OVEDA



C. Institutional processes for the delivery of knowledge activities

2.21 The prioritization of topics, generation, approval process, quality at entry and monitoring vary by operational instrument and originating unit. Quality at entry controls for ESW are rather high, while quality controls at entry for knowledge activities financed through TCs are more variable and depend on the internal quality control systems of the responsible division and manager.

2.22 ESW is the main instrument VPS sector divisions use for sector knowledge activities financed from the administrative budget. According to most division chiefs interviewed by OVE, ESW is the main channel for knowledge activities to close regional knowledge gaps. ESW tasks are prioritized annually and selected by division

chiefs and the Vice President of Sectors with inputs from staff. On average, VPS has been funding 70 ESWs per year. ESWs must be aligned with one of the institutional priorities of IDB-9.

2.23 Over the years VPS has increased its monitoring of quality at entry of ESW. All ESWs require a technical proposal describing the state of the art in the research area on which they will focus, and justifying the Bank's involvement in the area. A subset of ESW proposals, chosen by the Vice President of Sectors, are reviewed by the Studies and Publications Committee (SPC).²¹ New ESWs now require a starting technical workshop with external experts on the research area. ESW publication deliverables also require a peer review process.

2.24 VPC departments deliver knowledge activities through the work of the offices of their Regional Economic Advisors (REAs), Bank representatives, and front offices. These activities include an active role as "brokers" of knowledge between clients in LAC and VPS and coordinating the preparation of Country Strategies and CDCs, which are knowledge products in themselves. Along with VPS specialists in country offices, VPC departments also play a key role in internal knowledge management, extracting lessons from the execution of Bank operations. Lastly, VPC departments and country offices deliver various knowledge products, including subregional and country-specific books, databases, publications, and blogs (VPC publications account for around 7.4% of all IDB publications).²² Most VPC knowledge activities are selected by country managers and REAs and funded through the administrative budget and funds from country representations.

2.25 Quality control for final IDB publications, independent of their financing instrument, is regulated by the Bank's new publications protocol (AM-331). The Bankwide policy, approved as SC-173 in August of 2011 introduced much-needed clarity about knowledge products. The main improvements of this new policy were (i) a new governance structure for producing and disseminating knowledge products, (ii) a Bankwide definition of knowledge products, (iii) clear roles and responsibilities for all stakeholders,²³ (iv) institutional ownership of all knowledge products produced with the Bank's resources, including the time of IDB staff, and (v) a Bankwide typology for knowledge

21 The SPC is coordinated by the RES Manager and comprises the REAs of the VPC departments, the Sector Economic Advisors (SEAs) or a technical equivalent designated by the VPS departments' managers, an Advisor designated by the Vice-Presidency for the Private Sector and Non-Sovereign Guaranteed Operations, a representative of SPD, and an editor designated by the RES Manager.

22 Source: BRIK.

23 Among redefined responsibilities, the update to AM-331 determined that some of the knowledge products (those that fell under the new categories of Working Papers, Books, and Databases) would undergo a review by the SPC.

products. With the new policy, the whole Bank has begun to speak the same language concerning knowledge products and has established a minimum quality check for publications. In the new protocol, commercial books and working papers have strict procedures for publication that require a peer review process, while other products (such as technical notes and discussion papers) have more flexible arrangements.²⁴

24 AM-331 details the procedures for publishing a broad range of knowledge products (including Annual Reports; Books (Commercial and Non-Commercial); Catalogs & Brochures; Databases & Datasets; Discussion Papers; Learning Materials; Magazines, Journals & Newsletters; Monographs; Policy Briefs; Technical Notes; and Working Papers). Knowledge products have different levels of quality control for publication. OVE's interviews with Bank staff revealed different levels of internal quality control from division chiefs and managers for approval of technical notes and discussion papers. Not all divisions had internal peer review processes in place, and the involvement of REAs and SEAs also varied.



03

Selection and
prioritization
of Knowledge
Activities

- 3.1 In the last 10 years the Bank, through its Institutional Strategies, has reiterated its emphasis on knowledge generation and dissemination. According to the Update to the Institutional Strategy (UIS), the Bank seeks to “identify, mobilize, and leverage knowledge,” “improve its knowledge management,” and “look at development challenges from an inter-disciplinary perspective” (paragraph 1.7), recognizing that one of the institution’s key advantages is its ability to blend financing with knowledge to serve its clients. The UIS included six guiding principles – “responsiveness; multisectorality; effectiveness and efficiency; leverage and partnerships; innovation and knowledge; and alignment” (paragraph 1.8).
- 3.2 In the IDB’s strategic framework, the selection and prioritization of knowledge activities should be guided by sector strategies, Sector Framework Documents (SFDs), Country Strategies and CDCs, and SDPs for knowledge TC financing. This section analyzes the role of these instruments in guiding the prioritization of IDB knowledge activities to close knowledge gaps, influence operations and programming, and serve client needs. The review of these instruments is complemented with staff opinions gathered through interviews and surveys on the prioritization processes for knowledge activities programming.

A. Strategies and SFDs

- 3.3 There is no in-depth guidance and prioritization on knowledge activities from the Bank’s sector strategies in the five priority areas defined in the Institutional Strategies: Social Policy for Equity and Productivity; Institutions for Growth and Social Welfare; Competitive Regional and Global International Integration; Environment, Climate Change, Renewable Energy and Food Security (approved in 2011); and Sustainable Infrastructure for Competitiveness and Inclusive Growth (approved in 2013). Even though these strategies do not identify and prioritize sector knowledge gaps, they strongly advocate for knowledge generation as one of the main strategic lines for Bank action. Most sector strategies propose ambitious knowledge priorities in each sector, but provide little guidance on specific research topics and on prioritizing among them.²⁵

²⁵ There are some exceptions to this—for example, the section on Early Childhood Development in the Strategy on Social Policy for Equity and Productivity, states: “There are deep knowledge gaps about the extent to which there are deficits in different dimensions of development in early childhood (language, cognitive, socio-emotional, and motor) in the Region, who is affected by these deficits, at what ages, and what interventions can effectively improve outcomes among vulnerable children. Building up the knowledge base on these topics is critical for the design of sound, cost-effective and culturally appropriate policies, and for the Bank to engage effectively in operations with borrowing countries.” (paragraph 44, GN-2588-4).

3.4 Following the approval of the sector strategies, the Bank began producing and updating SFDs, which take stock of what is known to be effective and what needs to be learned, and provide principles and guidance to operational staff. SFDs themselves are important Bank knowledge products, and they are key instruments for the strategic selection of knowledge production in the future. SFDs are structured in five sections and are supposed to highlight sector knowledge gaps, existing evidence on successful programs and policies, lessons learned, and lines of action for activities in the sector, including knowledge generation (see Box 3.1). Up to September 2017, the Bank has approved SFDs in 20 sectors.

Box 3.1. SFD Structure

All SFDs must have the same structure: five sections, each providing specific information.

- **The SFD in the context of the Bank’s regulations and its institutional strategy.** This section discusses how the SFD fits into the Bank’s regulations and institutional strategy (2010-2020) and identifies the interconnection with other sectors of the Bank in areas of possible overlap.
- **International evidence in the sector.** Mentions the results of programs, policies, and studies done in the sector internationally and/or in the LAC region. Highlights knowledge gaps in different areas in the sector.
- **Main achievements in the sector in the region, and challenges that the Bank seeks to address in the sector in LAC.** This section presents a diagnosis of the sector in the LAC region, mostly with indicative statistics that point out the main problems and challenges the region faces, sometimes providing disaggregated information by country and subregions.
- **Lessons learned from the Bank’s interventions and the Bank’s comparative advantages in the sector.** This section notes the findings of the Office of Evaluation and Oversight (OVE) in evaluations related to the sector; lessons learned from completion reports; results from Development Effectiveness Matrix outcomes; and lessons learned from the experience of Bank operations and disbursements. It also discusses the Bank’s comparative advantages in the sector in LAC, as well as projects and knowledge products the Bank has completed in the sector.
- **Targets (goals), principles, dimensions of success, and lines of action that will guide the sector’s activities in the following years.** This section provides guidance to staff on what to look for when designing future operations (e.g., economic return, environmental measures, measurable objectives, consideration of specific conditions prevailing in each country); it then points out several dimensions of success that define key targets of the sector^a along with the lines of action and operation and knowledge activities required to achieve them.

a. For example, in the Tourism SFD, targets are defined as “tourism-generated economic benefit increase over time”; and the Labor SFD has “workers have greater access to sustainable social insurance systems that foster formal employment.”

3.5 OVE carried out a desk review of SFDs to assess to what extent they identified knowledge gaps and provided guidance on priorities for knowledge activities (see Table 3.1).²⁶ OVE found that SFDs discuss knowledge gaps in practically all cases, but to a varying extent. While all SFDs present a literature review of existing evidence in the sector, not all of them clearly and explicitly highlight that there are knowledge gaps in specific areas and/or subregions in the sector (by using the words “knowledge gap” or similar phrases, such as “there is a need for more evidence”). While most of the sector diagnostics present region- or country-specific data, most knowledge gaps are identified broadly (for the entire LAC region). Finally, even if knowledge gaps are not clear in the literature review or challenges sections of the SFD, most of the documents refer to knowledge activities previously performed by the Bank and include future knowledge activities among their dimensions of success.

Table 3.1. Knowledge gaps and activities in Sector Framework Documents*

Sector	Publication Year	Identifies knowledge gaps in Literature Review section	Identifies knowledge gaps in Challenges section	Identifies knowledge activities previously performed by the Bank	Identifies knowledge activities as part of the Dimensions of Success
Agriculture & Natural Resources Management	2016	Yes	Yes	No	No
	2013	Yes	Yes	No	No
Citizen Security & Justice	2017	No	No	No	No
	2014	No	No	No	No
Climate Change	2015	No	No	Yes	No
Decentralization of Subnational Government	2015	Yes	Yes	No	No
Education & Early Childhood Development	2016	Yes	No	No	No
	2013	Yes	Yes	No	No
Energy	2015	Yes	No	No	No
Environment & Biodiversity	2015	Yes	Yes	No	No
Fiscal Policy & Management	2015	No	Yes	No	No
Food security	2015	Yes	Yes	Yes	Yes
Gender & Diversity	2015	No	No	No	No
Health & Nutrition	2016	Yes	Yes	No	No
	2013	Yes	Yes	No	Yes
Labor	2016	No	Yes	No	No
	2013	No	Yes	No	No
Innovation, Science & Technology	2014	Yes	Yes	No	No

26 This analysis excludes the first two SFDs and the most recent one published, which was not available at the time of the analysis.

Integration & Trade	2016				
	2013				
Social Protection & Poverty	2017				
	2014				
Support to SMEs & Financial Access	2017				
	2014				
Tourism	2017				
	2014				
Transportation	2016				
	2014				
Urban Development	2016				
	2013				
Water & Sanitation	2014				

Note: The analysis includes SFDs published before September 2017. However, in late 2017 updated SFDs were published for the sectors of Innovation, Science and Technology, Gender and Diversity, and Water and Sanitation

- Systematic efforts to identify knowledge gaps. Explicit knowledge gaps identified.
- No systematic efforts to identify knowledge gaps. Some knowledge gaps identified, many times not clear or explicit.
- No knowledge gaps identified.

Source: Revisión documental de OVE de los documentos de marco sectorial.

3.6 RD TC's alignment with knowledge gaps and activities identified in SFDs varies among sectors. In the interviews and the survey, staff pointed out the high importance of SFDs for the sector's operational and research agenda. OVE analyzed the alignment of RD TCs with the activities identified in the relevant SFD.²⁷ The review found that sectors like education, agriculture, and labor have high correlations between the knowledge gaps identified in the SFD and their RD TCs, but the alignment was lower in other sectors. Overall, more than half of the RD TCs approved from 2013 to 2016 are aligned with knowledge gaps identified in the SFDs.

B. Country Strategies and CDCs

3.7 The main IDB instrument with the potential to identify knowledge gaps and provide strategic guidance for country knowledge work and TC activities is the Country Strategy. Following the IDB-9 mandate, the Bank approved new Country Strategy Guidelines in 2015, in which the main meaningful change was the introduction of the CDC—a self-standing document that serves as analytical input to the Country Strategy. According to the 2015 guidelines, “economic and sector work is considered an integral part of the country program to be

²⁷ The analysis was done for TCs approved from 2013 to 2016, after SFDs were implemented. The analysis excludes TCs for which the corresponding sector was “Other” and Intraregional TC operations.

implemented throughout the strategy period.” OVE reviewed the four Country Strategies that had been approved under the new guidelines (Argentina, Peru, Suriname, and Trinidad & Tobago) and the four Country Strategies that piloted those guidelines before they formally entered into effect (Bolivia, Brazil, Colombia, and Jamaica). OVE also conducted several semi-structured interviews with IDBG staff involved in the design and preparation of Country Strategies and CDCs.

- 3.8 CDCs are helping identify and address knowledge gaps and, in some cases, putting in place efforts to fill them—although these efforts have not been systematic so far. Among the eight CDCs completed so far, only Bolivia, Trinidad and Tobago, and Suriname identified data deficiencies as a key area of work that could be an input for the corresponding Country Strategy; the CDC for Suriname is notable for having devoted an entire section to reviewing data weaknesses (see Annex I, Table 8). Not surprisingly, CDCs of countries with greater institutional capacity typically made only indirect references to knowledge gaps or mentioned the lack of adequate statistics only in specific sectors. This was the case, for instance, with Argentina’s CDC regarding official crime statistics and Colombia’s CDC regarding internationally comparable data on judiciary performance. In some regions, such as the Caribbean and Andean (CAN) countries, the Bank is increasingly working to produce data that serve as an input to the country diagnostic and country dialogue. For example, the CDCs in CAN are helping to bridge knowledge gaps on the determinants of productivity, and there are plans to compile and consolidate findings across countries in a CAN flagship report.
- 3.9 However, Country Strategies are not consistent in their treatment of information gaps, and they rarely propose analytical work that is consistent with closing the information gaps identified in the CDC. Country Strategies usually refer to the Bank’s role in supporting evidence generation and closing informational gaps; however, these references are often general and unsystematic (see Annex I, Table 8). For instance, although the Suriname CDC recommends strengthening the production, sharing, and use of data, the Country Strategy does not systematically take up the implementation of these recommendations. Similarly, the Trinidad and Tobago CDC discusses data gaps quite systematically, but not all of them are taken up in the Country Strategy.
- 3.10 The potential of CDCs as public good knowledge products has remained underexploited. Although the CDC is a distinct product that encapsulates valuable knowledge about the country, the Bank has not fully capitalized on its public good

knowledge properties. Despite some usefulness in improving the quality of Country Strategy discussions with country authorities, the CDC has actually been treated as little more than an in-house input to the Country Strategy. In most cases, the CDC has been disclosed following approval (and disclosure) of the Country Strategy document, although in some cases the country authorities have requested its continued confidentiality. Nevertheless, little effort has been devoted to packaging and disseminating CDCs as an IDB flagship product. In this regard, there is widespread recognition that in its current form, the CDC is not a very readable knowledge product. Two lines of action could help make better use of the CDC's knowledge attributes: (i) preparing "bite-sized" CDC derivative products showcasing particular findings (these are already being used to some extent, albeit not systematically);²⁸ and (ii) reworking the CDC into a shorter, less jargon-ridden and more tactfully phrased flagship product (perhaps with the support of EXR or KNL). VPC is currently working towards this with KNL and RES.

C. SDP and grant funding

3.11 IDB TCs have historically been funded with the Bank's own resources and donor trust funds. Since 2005 the Bank has gradually created a series of Special Programs (SPs) to fund TC with OC income resources in the form of thematically focused funds. The SPs were accompanied by eight parallel multi donor trust funds that complemented OC resources but provided little guidance about what to achieve, leading SPs to be created on a case-by-case basis (OVE 2014). SPs were later clustered in five big categories that followed the Bank's core business (see Annex I, Figure 1). As OVE's evaluation of Special Programs noted, while most MDBs provide TC as part of their mandate, the earmarking of OC resources for TC grant funding through numerous sector/thematic focused funds is an approach distinct to the IDB (see Box 3.2).

3.12 After the approval of IDB-9, IDB updated its TC Guidelines, setting the current TC taxonomy of the Bank (OS TC, CS TC, and RD TC), and establishing the criteria for Strategic Thematic Funds and new rules for the planning, processing, and monitoring and evaluation (M&E) of TCs. The changes in M&E include the requirement for a TC completion report and selective evaluations. To help planning, management would be

28 For example, small derivative products of this kind have been prepared in Paraguay for use in different ways, including to position the IDB on certain issues and help shape views going into the country's election cycle. In Argentina, policy notes on specific issues based on the CDC analysis were prepared and shared with the Government to facilitate dialogue.

provided with a notional amount of resource availability for TCs at least twice a year. Planning was set to be done annually and to be reflected in each Country Program Document for OS and CS TCs, and in the results-based budget for RD TCs. The approval process was streamlined into one two-stage process for all TCs and QRRs' peer review, with a checklist approach.

Box 3.2. TC financing across MDBs

Most institutions providing knowledge and capacity building combine their own funds and donor trust funds to finance technical assistance. AfDB, ADB, the European Bank for Reconstruction and Development (EBRD), and the International Development Association use their own resources to fund grant programs but have experienced a reduction in OC funding in proportion to the increase of donor trust funds; the AfDB, for instance, has shifted from using its own resources to practically relying on donor trust funds. CAF combines its own operations budget and TC funds to finance what it calls “sector knowledge,” which means knowledge and advisory services related to the lending agenda (OVE, 2014).

In prioritizing resources, however, institutions take different approaches. The EBRD and the ADB have evolving strategic priorities to allocate TC funds, and the WB has created five specific “grant-making facilities” that provide ongoing support to research and technical assistance activities as well as a few country-specific trust funds. In CAF the allocation of TC funds tends to respond to client demands, with no more systematized mechanism^a In a 2014 evaluation OVE found that, even if all major MDBs included the provision of technical assistance in their charters, only the IDB funded TCs through sector/thematic earmarking of OC-SPs resources (OVE, 2014, p. 12). As explained in OVE's *Best Practices in Financing Knowledge* (RE-512-1, Annex D), the multiple internal funds that MDBs use to finance knowledge and capacity building hinder flexibility and simplicity in the prioritization process but might appeal more to donors who like to see a certain level of control over the destination of their contribution.

a. Interview with CAF's Director of Economic and Social Research, June 19, 2017.

3.13 In 2016 the administration consolidated the OC SPs into six OC Strategic Development Programs (OC-SPDs)²⁹ and introduced changes in governance and in the monitoring and evaluation of results. The new structure established six SDPs or Core Funds that support the Bank's main business lines and remain active in the long term (there can be earmarking to specific thematic programs to maintain the resource mobilization that combines donor funds). All OC-SPDs are required to make explicit their alignment with the Bank's UIS (see Annex I, Figure 2). The

²⁹ Including programs for countries, infrastructure, institutions, integration, social development, and sustainability.

reform also created *Seed or Transitory Funds* that introduce new business and intervention areas of emerging importance (to be proposed by management to the Board “as the need arises” and to remain active for three-five years, with a possibility of extension to two extra years; they must include a plan for mainstreaming into the Bank’s regular work program after this period).

- 3.14 The new OC-SDP framework emphasizes knowledge generation through TCs, but the level of strategic guidance on knowledge activities and the emphasis on them varies across funds. Although most OC-SDP Results Frameworks put forward knowledge-specific items, not all objectives, activities, and outcomes consider them (Table 3.2). One of their main purposes is to match countries’ supply and demand of knowledge about good practices in development, but some OC-SDPs are more explicit than others about knowledge priorities and gaps (see Annex I, Box 1). There is no strong alignment between SDP frameworks and SFDs on knowledge priorities.
- 3.15 Despite the recent implementation of the new M&E arrangements for TCs, there is still room for improvement, specially at the SDP level for knowledge generation activities. Reports on TC results took some time to take off, partly because of IT system changes.³⁰ With the launching of Convergence, all TCs are monitored and managed through the Bank’s TC Monitoring and Reporting System, which has adopted a new TC Results Matrix as well as OC-SDP fund-specific results frameworks. The TC Results Matrix aggregates the output results of individual TCs into a performance indicator. The results frameworks of OC-SPDs have allowed standardization across OC funds and the development of clearly defined objectives and outputs for each OC-SDP. This said, the knowledge-related outcomes in all six OC-SDP results frameworks are not SMART (Specific, Measurable, Achievable, Realistic, and Timebound) and relate more to the aspirational objectives of the funds than to concrete end-products. An analysis of each of the OC-SDPs objectives, activities, and outcomes shows that the outcomes are unmeasurable, with no reference to a baseline or quantification of the desired improvements (Table 3.2).

³⁰ Interview with ORP/GCM, November 20, 2017.

Table 3.2. OC-SDP funds and knowledge-related objectives, activities, and outcomes

Program	Objectives	Activities	Outcomes
OC-SDP for Countries	Expand access to intraregional experiences and advance the exchange of cooperative know-how among all borrowing member countries	Widening and improving country-specific knowledge for solutions to development challenges.	Country-specific knowledge for innovative solutions widened and improved
OC-SDP for Infrastructure	Improve the design and monitoring of public policies and the transmission of lessons learned in the infrastructure sector Generate and deepen sector knowledge on good infrastructure practices	Collecting data, generating innovative knowledge products and solutions relevant for infrastructure projects, and disseminating results throughout LAC	Sector knowledge for innovation solutions widened and improved
OC-SDP for Institutions	No specific knowledge objectives	Developing cutting-edge knowledge products in institutions-relevant areas	No knowledge outcomes specified
OC-SDP for Integration	Promote collective action and South-South cooperation in LAC to address collective development challenges and opportunities Deepen knowledge in global and regional integration	Supporting joint regional actions and functional cooperation through the generation of regional public goods Engaging public and private stakeholders for integration, trade, and investment promotion activities	Consensus on how to sustainably operate and fund regional knowledge and capacity-building instruments augmented
OC-SDP for Social Development	No specific knowledge objectives	Generating innovative solutions for improving the quality of social services and increasing equality through experimentation, evaluation, dissemination, and adaptation Deepening sector knowledge in social areas related to development policies, programs, and projects	Generation and utilization of sector knowledge in development policies, programs and projects widened and improved
OC-SDP for Sustainability	Expand the knowledge base on climate change mitigation and adaptation and on sustainable energy geared toward leveraging climate investment	Strengthening the climate knowledge base	Knowledge products, data, and operational inputs generated

Source: GN-2819-1, 2016.

D. Selection and prioritization of knowledge activities in IDB

- 3.16 OVE’s interviews with Bank division chiefs, advisors, and managers, and results from OVE’s survey of team leaders on knowledge products, suggest that the Bank combines top-down and bottom-up approaches to select knowledge activities. These approaches, combined with the heterogeneous strategic guidance from SFDs, SDP frameworks, and other institutional documents and the way that the Bank’s matrix approach applies to knowledge work also suggest a mixed degree of strategic selectivity and prioritization of knowledge activities, especially for knowledge products financed through TC.
- 3.17 Staff that led or co-led knowledge generation activities reported that most knowledge activities were selected as part of the division/sector strategy to fill a knowledge gap identified by the Bank outside the context of a specific project. Almost one-third of staff who led or co-led a knowledge activity reported that the topic of the product was selected as an initiative of the team leader. Only 16.2% of the staff who led or co-led the product reported that the product was used for operational support or programming (see Table 3.3.a). Most staff who led or co-led knowledge products that respond to knowledge gaps outside the context of specific projects reported that staff expertise identified the gap. Asked how the gap was identified, 21.8% said during country dialogue, 12.7% said during a regional policy dialogue, and 9.1% said in the SFD. Most staff who led or co-led knowledge activities reported that their division has a strategy to generate (84.8%) and disseminate (79.1%) knowledge. Team leaders also reported that they are aware of which other areas of the Bank are working on similar knowledge products and that they collaborate with them (see tables 3.3.a and 3.3.b).

Table 3.3.a Selection and purpose of knowledge products

How was topic & timing defined?	%	What was the purpose of the product?	%
Part of the division sector strategy	44.8	Fill a knowledge gap outside the context of a project	38.1
Initiative of the team leader	29.5	Respond to a perceived need by staff in its area of expertise	27.6
Decided and assigned by supervisor	8.6	Operational support or programming	16.2
Requested by a client	8.6	Client request outside the context of a project	7.6
Other	8.6	Other	10.5

Table 3.3.b Collaboration on knowledge production

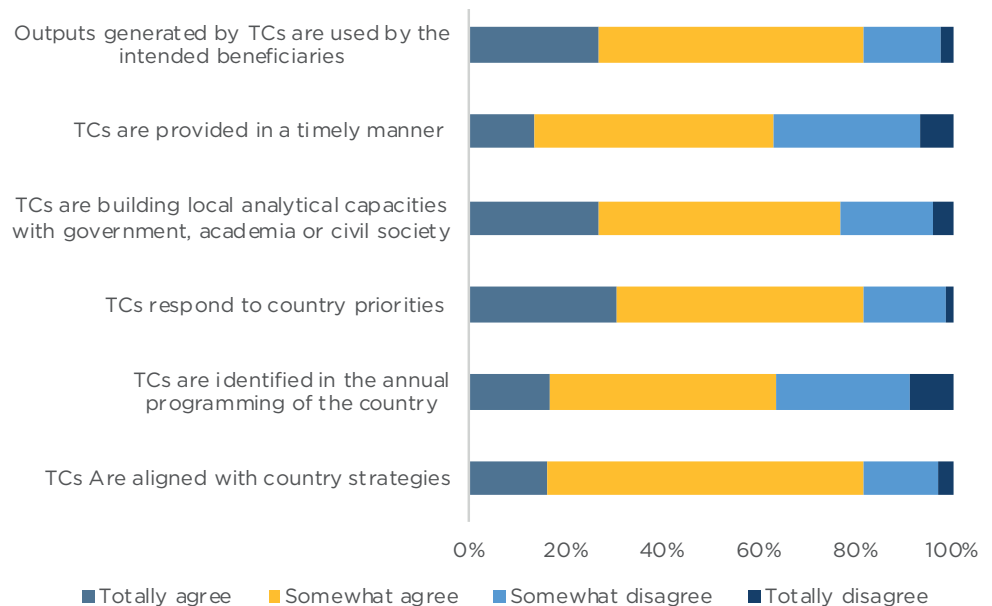
Do you know about other areas at the Bank that are working on similar topics or products?	%	Do you collaborate with other divisions of the Bank that you know are working on similar topics or products?	%
Yes	40	Yes	63.6
Sometimes	42.9	Sometimes	31.8
No	16.2	No	4.5

Source: OVE’s Internal Knowledge Generation and Dissemination Survey, October 2017.

3.18 OVE’s IDB-9 Staff Survey found positive perceptions of the effectiveness and strategic alignment of knowledge generated through TCs. As part of the evaluation of the IDB-9 commitments and knowledge generation and dissemination in the IDB, OVE surveyed Bank staff. When asked about TCs specifically, most respondents agreed (totally or somewhat) that TCs are normally aligned with Country Strategies; help build local capacities within government, academia, or civil society; and, to a lesser extent, are identified in the annual programming of the country and provided in a timely manner. Staff also tend to consider TCs to be responsive to country priorities and effectively used by the intended beneficiaries (see Figure 3.1).

Figure 3.1
Perceptions of TCs’ use and alignment according to IDB staff

Source: OVE IDB-9 Survey, 2017



3.19 In OVE interviews, division chiefs mentioned the need to consider the trade-offs between ESW and TC funding when deciding which mechanism to use to finance knowledge generation activities. For ESWs, interviewees noted that higher and more rigorous standards can result in higher-quality products but also delay the research. For TCs, interviewees valued their ability to

respond in a timely manner to client requests, their flexibility to fund trips for consultants when required, and their multiyear funding, although they recognized TCs' lack of institutionalized quality standards.

3.20 IDB staff value highly the Bank's role in producing knowledge. Regarding the Bank's efforts to position knowledge production as part of its core business, IDB staff demonstrated a high regard for knowledge, placing it among respondents' most frequent ideas when asked about what they considered to be the greatest strength of the IDB. The importance attributed to knowledge and capacity building is probably higher since many of the answers refer to them by using phrases like "the exchange of best practices," "regional dialogues," or "technical assistance and institutional strengthening."



04

Are IDB
Knowledge
Activities
Useful for
Stakeholders?

4.1 To be useful, IDB knowledge activities should be relevant and of good quality, and should be disseminated properly. Although the broad scope of the knowledge produced by the IDB makes it difficult to assess its overall quality rigorously, this section attempts to shed light on the usefulness of knowledge activities by reviewing (i) the arrangements to disseminate knowledge products, (ii) the use of published knowledge in terms of citations and downloads, (iii) the perceptions of external IDB stakeholders and IDB staff on the usefulness of knowledge activities, (iv) the internal use of knowledge products, and (v) the value of internal operational learning tools such as the PCRs.

A. Dissemination of knowledge products in IDB

4.2 For knowledge products to be useful, they need to be disseminated properly to the Bank's multiple audiences (e.g., government officials, LAC institutions, operation counterparts, and the academic and development communities), including IDB staff. The Bank centers its dissemination efforts around Knowledge Dissemination Strategies, which are jointly prepared by Bank departments/units, KNL and EXR. Described as "a systematic approach to reflecting upon and deciding how to best spread the Bank's knowledge on a specific topic to its most relevant audiences," Knowledge Dissemination Strategies are the means by which KNL brings together relevant stakeholders from business units (including leaders, topic specialists, and communicators) and EXR, and facilitates the discussion about dissemination mechanisms. The tangible products of this process are (i) a primary message, (ii) audience-specific knowledge narratives and secondary messages; and (iii) an action plan.

4.3 The Knowledge & Learning strategy has evolved, introducing some important changes to foster its mandate. Between 2008 and 2015, two main institutional strategies have guided the work of the Knowledge and Learning Sector (see Table x in Annex I). The first one (2008 - 2010) was closely tied to the ambitions of the realignment and set itself to the creation and development of a knowledge management and dissemination culture and system within the Bank (GN-2479 2008). The second one (2012 - 2015) was meant to consolidate the organizational culture of continuous learning and strengthen the capacities in the region. The changes in the second strategy were based on recommendations of the Independent Review

Panel; the report of the Multilateral Organization Performance Assessment Network; and OVE's RE-401 on Training Activities for IDB Operational Staff³¹ (GN-2479-2 2012).

- 4.4 KNL strategies are presented as organizational, meaning that sources and responsibilities for managing knowledge are decentralized and shared by all the Bank's units. Effective knowledge management and dissemination requires cooperation and coordination of the managerial and supervisory levels of all Bank units. Thus, the strategy addresses those units where knowledge is originated and produced primarily but not exclusively, portraying KNL's role as that of a 'strategic partner', manager and overseer in a wider institutional effort (GN-2479-2 2012, 3). This effort includes Bank's staff, Departments, and Divisions, "Technical Families", the Information Technology Department, the Office of External Relations (EXR) and the Human Resources Department³².
- 4.5 The criteria to select topics for Knowledge Dissemination Strategies consider both knowledge and operational factors. Topics can be selected both because there is a significant body of knowledge to share or because there is potential to develop a portfolio of projects. In either case, business units must assign personnel resources to support the design and implementation of the Knowledge Dissemination Strategies. Through interviews with division chiefs OVE has found a certain degree of informality and lack of institutionalization of the process through which Knowledge Dissemination Strategies are set.
- 4.6 Recently, KNL and EXR have made efforts to improve the monitoring of dissemination. The Bank has introduced the monitoring of alternative impact metrics, adopting the specialized software AltMetric and its Altmetric Attention Score.³³ Besides measuring publication downloads, the software allows IDB knowledge producers to understand who is sharing IDB knowledge products (authors, media, governments, etc.) and measure the conversation IDB knowledge products generate. KNL has developed an Analytics platform, and together with EXR, it is able to measure the impact of e-mail campaigns and

31 The gaps identified in the first KNL strategy are mainly: in organizing evaluation results-based knowledge arose by Bank Management, OVE and countries; in learning opportunities for staff at the Headquarters and at Country Offices; in the perception and quantitative reports of the Bank's investment in its staff training and capacities; and in dissemination and knowledge circulation.

32 HRD is thought to have a key role, both through recruiting individuals with intellectual capital and sharing predisposition, as well as appreciation of efforts in training, knowledge generation and management; and through the recognition of time, workload and career development changes required for staff to invest in knowledge, learning and dissemination (GN-2479-2 2012).

33 Access to Altmetric and monitoring of results is done by EXR.

publish quarterly sector reports on the dissemination results. The Felipe Herrera library measures the citations of the registered IDB authors using the free-access Google Scholar.³⁴

- 4.7 There is a degree of overlap between KNL's external sphere of work and EXR's communication functions. Considering them "differentiated but complementary areas," KNL's strategic document explains that the sector has both internal and external spheres of work. The internal sphere includes collective and individual capacities as well as knowledge generation (including strategies, quality control, evaluations, and operation design), and the external focuses on the flow of knowledge between the Bank and the region, and the process of sharing knowledge with external actors (GN-2479-2, 2012, p. 9). Even if formally KNL is meant to have a more strategic role in dissemination (facilitating decisions on the main action lines and topics) and EXR should focus its own work on the means through which knowledge products reach external audiences (managing messages, social media, e-mail campaigns, and monitoring of results), the practice has allowed for a considerable amount of overlap. Often, there is no clear way in which the relations between the two areas and business units takes place, with interviewees describing it as *ad hoc*.
- 4.8 The ongoing fusion of managerial authorities in KNL and EXR provides an opportunity for improvement. Staff views on Knowledge Dissemination Strategies are mixed: although staff generally value the work of both EXR and KNL, and although there is a widespread recognition of the results of dissemination strategies, OVE's interviews, focus groups, and survey results suggest that effective dissemination remains a big challenge in knowledge production. Interviewees have manifested positive expectations regarding the future of the area, with the possibility of redefining roles and institutionalizing relationships with business units as a way of clarifying the dissemination process.
- 4.9 Because of a lack of clear incentives and conflicting demands on staff and knowledge products team leaders, some knowledge products associated with impact evaluations are not accessible to IDB external audiences. OVE's IE evaluation found that among 84 completed IEs, 29% were published in a journal, 29% were published as an IDB working paper (only 9 evaluations were published as both) and 69% percent went to a per-review process. Some of them were not even easily accessible internally through IDB DOCs or BRIK.

³⁴ The Bank does not subscribe to any of the global databases of peer-reviewed research or their impact measures.

4.10 OVE's interviews and staff survey revealed a perception of low incentives and resources for dissemination. IDB staff of all divisions and sectors have signaled that the current Bank regulation, *Attendance by Bank Staff representing IDB at Conferences and Meetings* (AM-130) acts as a disincentive to knowledge dissemination. IDB staff recognize the importance of these events for sharing not only finished but, primarily, ongoing research and improving knowledge products through feedback from specialized audiences. They understand conferences as the way of learning about top-quality and up-to-date research in their areas of operational and knowledge-related work, and they believe that obstacles to attending such events hinder both incentives for knowledge production and the Bank's positioning among recognized knowledge institutions. Some of the problems mentioned by interviewees have to do with the requirement of a non-objection by the Senior Management Committee, the provisions prohibiting contractual employees from representing the Bank, and attendance at events with a registration fee.

B. External use of IDB knowledge products

4.11 OVE's review of the external use of the most important IDB publications and those of IDB affiliated authors in peer reviewed literature includes analysis of citations, usage, and media impact of publications by external users based on ELSEVIER metrics and analysis (see Annex IV). This analysis is biased towards use and citations from the developed world (although ELSEVIER's list of indexed publications includes 800 journals from Latin America), however this bias was almost unavoidable to make comparisons with other regional Banks. To gain more regional perspective, this analysis was complemented with evidence from perceptions of regional stakeholders of usefulness of IDB Knowledge products from the Bank's Global Stakeholders Perception Survey (see next section).

4.12 ELSEVIER analytics suggests that the global external use of IDB publications is satisfactory. IDB ranks in the middle among comparators in terms of citation impact and just below WB-LAC in terms of usage, but many of its publications have never been used or cited. External use was measured using citations of indexed publications and usage metrics (views, clicks, and downloads)³⁵ of all publications. IDB seems to perform well in terms of attracting high usage both overall and at the level

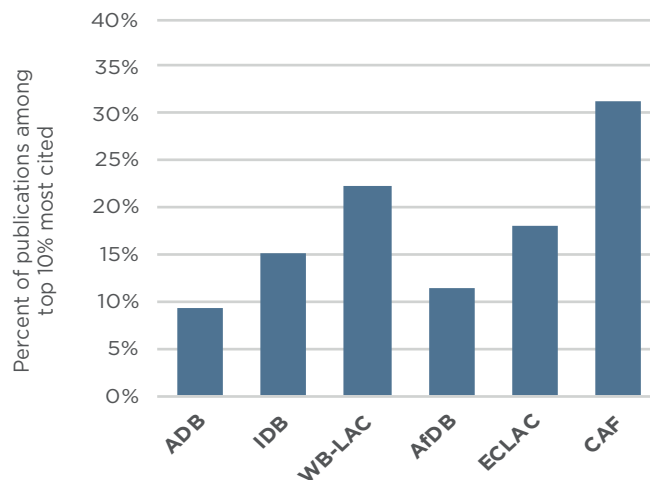
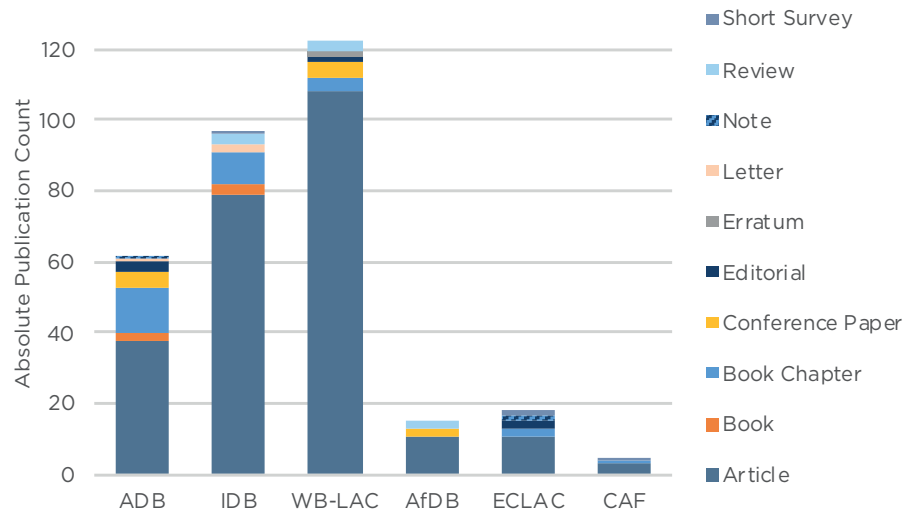
³⁵ PlumAnalytics uses the following sources to capture citations, mentions, captures, and usage (in terms of views, clicks, and downloads) of all research output: SSRN, Scopus, SciELO, RePEc, CrossRef, Policy Citations, PubMed, EBSCO, SlideShare, Vimeo, YouTube, SoundCloud, Reddit, Goodreads, Google Plus, Facebook, Amazon, Twitter, and a list of curated blogs, among others.

of individual publications, with only the WB-LAC surpassing IDB’s metrics.³⁶ The IDB has nearly tripled its Scopus-indexed publication count since 2006, and 15% of these publications are among the top 10% most cited articles worldwide (just below the WB-LAC with 22%, Figures 4.1 and 4.2³⁷). At the same time, almost 25% of IDB’s publications indexed in Scopus have never been cited, while 37% of all its publications have not been viewed, clicked on, or downloaded (Tables 4.1 and 4.2). WB-LAC performs better than the Bank (with a non-usage average of approximately 27%), but IDB outperforms other knowledge organizations such as ECLAC (whose non-usage average reaches 43.7%).

Figures 4.1 and 4.2

Number and percentage of publications among top 10% most cited

Source: Scopus and PlumAnalytics (Elsevier), see Anex IV.



36 Citations and usage of all research artifacts (Scopus-indexed and non-Scopus-indexed).

37 Note that CAF estimations are based on a very limited number of publications (5).

Table 4.1. Percentage of all publications that were never used for IDB and comparators

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Promedio
IDB	39	29.4	32.4	24.8	34.5	35.1	38.3	38.7	50.3	51	37.3
ADB	41.5	23.6	26.7	35.2	43.8	25.7	27.3	22.4	28.2	45.1	32
WB-LAC	29.9	19.6	25.6	31.1	23	18.7	27	25.3	30.6	38.1	26.9
AfDB	25	44	14.3	14.8	34.6	24	31.8	43.1	51.8	35.7	31.9
ECLAC	28.6	30.8	58.3	41.2	27.3	49.2	34.8	55.2	53.6	58.1	43.7
CAF	-	50	100	66.7	-	33.3	94.4	77.8	77.8	66.7	70.8

Source: PlumAnalytics (Elsevier).

Table 4.2. Percentage of Scopus-indexed publications that were never cited for IDB and comparators

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Promedio
IDB	33.3	30.4	28.1	25.5	15.6	26.1	21.3	7	22.6	35.4	24.53
ADB	33.4	45.9	32.7	45.5	40.8	39.1	46.9	32.9	31.1	54.5	40.43
WB-LAC	30.9	11.8	13.5	7.3	8.9	9.4	26.9	6.8	11.8	26.7	15.4
AfDB	12.5	16.7	0	20	0	11.1	9.1	19	10.5	46.2	14.51
ECLAC	28.6	25	0	0	26.7	16.7	50	25	22.2	21.4	21.56
CAF	N/D	N/D	N/D	0	N/D	0	0	50	0	100	25

Source: Scopus (Elsevier).

4.13 Looking at usage by type of knowledge product, IDB's related articles are used less than its books. Author affiliated articles represent the largest percentage—36-53%—of each institution's research portfolio output. OVE compared the performance of IDB affiliated articles (including papers and book chapters) and books with those of other institutions, and found that the Bank's articles are used considerably less than those of the WB-LAC despite a much bigger total production; but the Bank is still average when including other comparators' usage. Interestingly, the use of IDB books falls behind both ECLAC and ADB, but outperforms the WB (Figure 4.3).

4.14 On average, IDB indexed publications are viewed in Scopus as frequently as those of other institutions, but about one-fourth of them are viewed less than would be expected given their type, topic, and year of publication (this calculation excludes publications that were never viewed). Using ELSEVIER's Field

Weighted Views Index (FWCI)³⁸, OVE tracked the performance of IDB’s publications for 2006-2016. Using this performance indicator 75% of IDB’s publications are at or above the baseline reference.

Figure 4.3
Totals and usage ratio per publication type

Fuente: Elsevier.

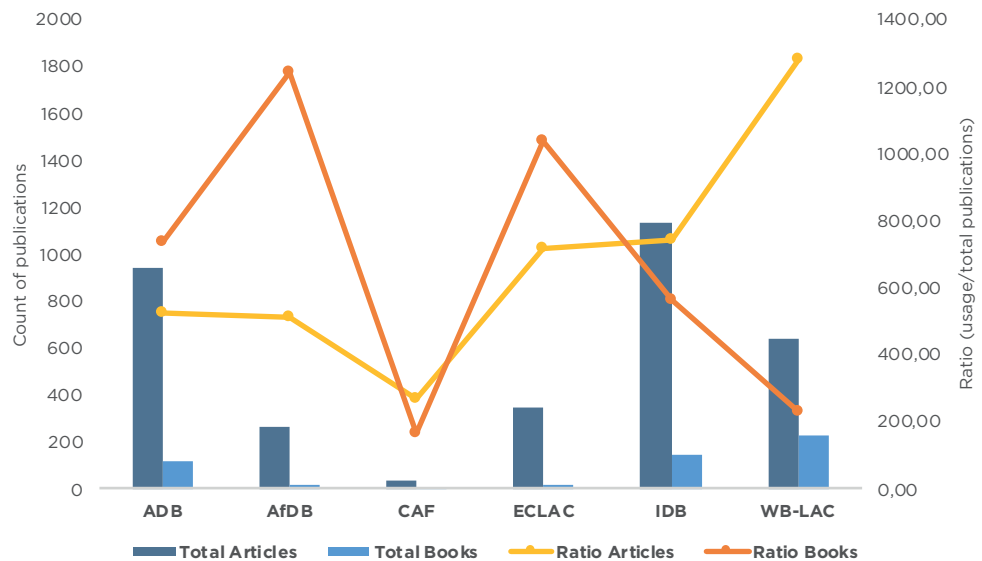
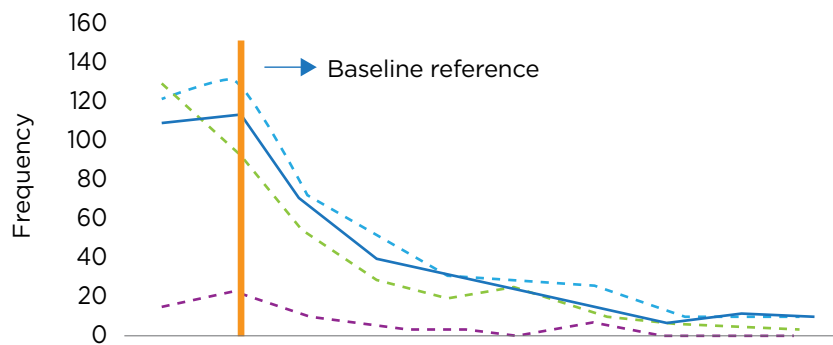


Figure 4.4
Field Weighted View Index (FWCI, 1 is expected) for IDB publications and comparators

Source: Scopus (Elsevier.)



Note: Publications with that have never been viewed (FWVI<0 and >5 are not shown in chart.

4.15 Citation and usage analysis of publications can provide only one imperfect approximation of the overall quality and usage of a knowledge product. A more complete analysis of quality would entail an independent review of the different types of publications by qualified experts—a review that was

³⁸ This indicator helps to estimate the impact of publications by comparing the actual number of views received by an article with the expected number of citations for articles of the same document type (article, book, or conference proceeding paper), publication year, and subject field. The indicator is always defined with reference to a global baseline of 1.0. A score <1 implies the publication is underperforming and a score >1 implies the publication is overperforming. Publications that have never been viewed or that have a score <5 are not shown.

beyond the scope of this paper. However, OVE's IE evaluation measured the quality of 86 completed IDB impact evaluations (a subset of IDB knowledge activities), concluding that 55% of completed evaluations had an overall satisfactory or partly satisfactory quality (the rest being unsatisfactory or partly satisfactory). The evaluation also found that the quality of IDB's impact evaluations has been increasing over time. Quality was measured by considering international standards of relevance of the evaluation question, appropriateness of data used, rigor of the method, and robustness of the analysis.

4.16 Further alternative metrics analysis suggests that the IDB could improve its dissemination efforts, particularly those directed at the region's public, and that it can do so through multiple channels. Both WB-LAC and ADB's publications are mentioned³⁹ more than IDB's, but, interestingly, while articles remain the main source of mentions for the WB-LAC, for ADB it is videos that makes the difference. Through interviews with EXR and KNL staff, OVE found out about existing initiatives within the Bank (such as BID Videos and social media campaigns) that work in this direction. When looking at references to IDB articles and books in social media, both WB-LAC and ADB outperform the IDB, while other comparators seem nearly absent from the reviewed outlets.

C. External stakeholders' perceptions of IDB knowledge products

4.17 According to SPD's 2016 General Perception Survey, most IDB stakeholders rank knowledge production as an activity of relatively less value for the IDB. Only 10% of the survey respondents ranked knowledge production as the IDB's "activity of greatest value," while 64% ranked financial support as the IDB's "activity of greatest value." Only 11% of respondents considered that the IDB should offer more knowledge products. Knowledge generation was ranked the IDB's "activity of second greatest value" by 21% of respondents, while 33% ranked the provision of technical assistance as the IDB's "activity of second greatest value." Among countries, the highest percentages of respondents that considered knowledge production as the IDB's "activity of greatest value" were from Bolivia, Chile, Mexico, and Peru. The lowest percentage of respondents that considered knowledge production as the IDB's "activity of greatest value" were from Barbados, Dominican Republic, Guatemala, Guyana, and Nicaragua.

³⁹ Mentions measure activities such as news articles or blog posts about research. They indicate how much people outside the research sphere are engaging with the research.

- 4.18 Even though IDB stakeholders mainly know and value the Bank as a financial institution, most are familiar with IDB's knowledge products. Familiarity and usage seem to have decreased slightly among IDB stakeholders in recent years: 65% of respondents of SPD's 2016 General Perception Survey reported that they are "very familiar" or "somewhat familiar" with IDB's knowledge products, compared with 69% in 2013 (Table 4.3 shows knowledge product usage by type of product in 2013 and 2016). Central Bank staff and respondents from knowledge-producing institutions are the most familiar with knowledge products (88% and 85% of respondents), while respondents from the private sector and public enterprises are the least familiar (55% and 53% of respondents). The perception survey also reveals that a high percentage of stakeholders consider that the IDBG promotes knowledge sharing and best practices in the region (63%) and that IDBG staff have the knowledge to solve development challenges (66%). Among comparable institutions the IDB is also perceived as the most effective multilateral in generating and sharing relevant knowledge (see Table 4.4).
- 4.19 Perceptions of IDB knowledge products improved between 2013 and 2016. Most IDBG stakeholders also consider that IDB knowledge products are a valuable source of knowledge (77%), easy to understand (77%), focused on important development challenges (69%), and easy to obtain (61%). OVE's evaluation found mixed views about the usefulness of IEs: half of the IDB clients interviewed stated that the IE had influenced or was expected to influence policymaking. Only two of the 25 clients interviewed for the evaluation expressed highly negative opinions, and, in general, they were more likely to perceive the IE as useful when the government had been directly involved in the design of the evaluation. In relation to this, the evaluation points out that only 14% of IEs financed as part of a loan and 20% financed as part of a TC were client-driven.⁴⁰ OVE's evaluation also found that capacity building and increased interest in integrating IEs into the government's M&E systems were positive externalities of the Bank's IEs.

Table 4.3. IDBG products used by stakeholders in the past two years

Product	2013 (%)	2016 (%)
Discussion papers/Technical notes	50	67
Training events/Workshops	n.a.	56
Databases/Datasets	23	26
Books	27	22
Other	5	3
Didn't use IDB Group Knowledge Products	13	15

Source: SPD's 2016 and 2013 General Perception Survey.

⁴⁰ See OVE's Evaluation of Impact Evaluations, Figures 2.6 and 2.7.

Table 4.4. Effectiveness of multilateral institutions in generating and sharing relevant knowledge

Institutions	2013 (%)	2017 (%)
Inter-American Development Bank (IDB)	71	76
World Bank	60	67
Multilateral Investment Fund (MIF)	n.a.	58
Inter-American Investment Corporation (IIC)	n.a.	44
Development Bank of Latin America (CAF)	37	43
The International Financial Corporation (IFC)	41	39
Central American Bank for Economic Integration (CABEI)	28	36
Caribbean Development Bank (CDB)	33	31

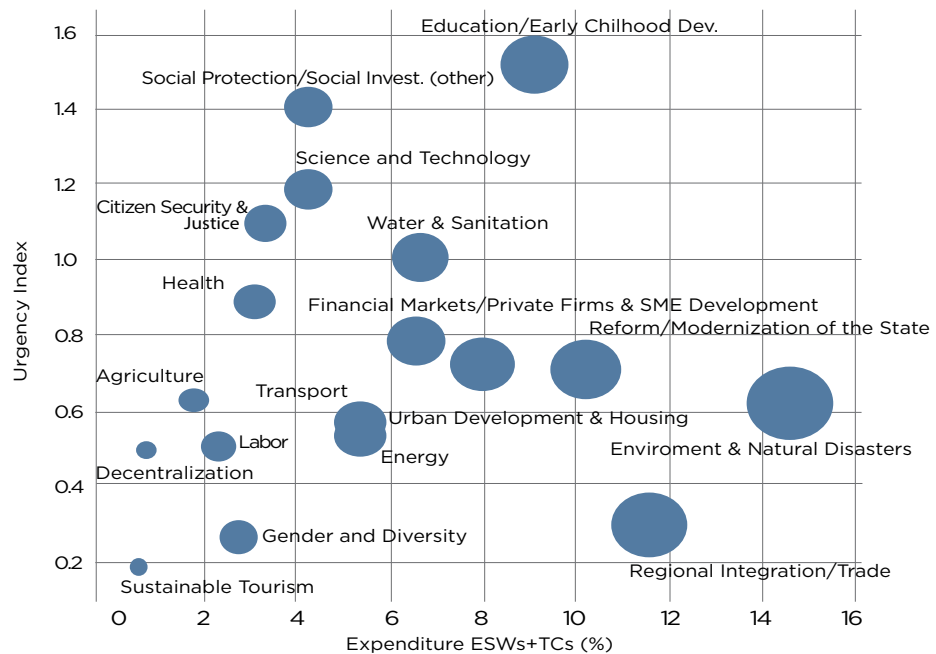
Note: Respondents familiar with institutions that rated institutions “very effective” and “effective.”
Source: SPD’s 2016 and 2013 General Perception Survey.

4.20 The allocation of funds for knowledge activities is not aligned with Bank stakeholders’ perceptions of pressing development issues in the region, which include education and early childhood development, citizen security and justice, social protection, and poverty as top priorities (see Figure 4.5 and Annex 1, Table 9). It is important to note, however, that in recent years the Bank has combined TC from OC funding with ESW funds (including staff time) and other resources to increase its level of production of knowledge products in these stakeholder priority areas. Except for government officials, most stakeholders highlighted corruption as an area that deserved more attention from the Bank.

Figure 4.5

Prioritization of cross-cutting themes and perceived IDBG contribution among IDB stakeholders

Source: SPD 2016 General Perception Survey and OVE/OVEDA.



Note: The Urgency Index ranks topics according to survey respondents’ perception of the importance of the development challenges (defined across sectors); higher values of the index (vertical axis) correspond to more urgent development challenges. Spending (horizontal axis) excludes TCs classified as “Other” (US\$22.3 million) and ESWs without sector classification (US\$26.5 million) and as “Other” (US\$9.5 million).

D. Internal use of IDB knowledge products

4.21 Internally, the most used IDB knowledge products are specific studies (such as working papers, technical notes, and evaluation reports), followed by Country Strategies, country sector notes, and CDCs (see Figure 4.6 and Table 4.5). The most important uses of knowledge products are to keep up with specialized knowledge, prepare operations, and prepare other knowledge products. The top use for SFD and country specific knowledge products is to prepare Bank operations, and the top uses for specific studies and flagships are to keep up with specialized knowledge and prepare other knowledge products. Only 11.2% of flagship reports users report using them to prepare operations, loans, or grants. Most staff surveyed did not use knowledge products, either because they are “not relevant for their work” or “they are difficult to find.”

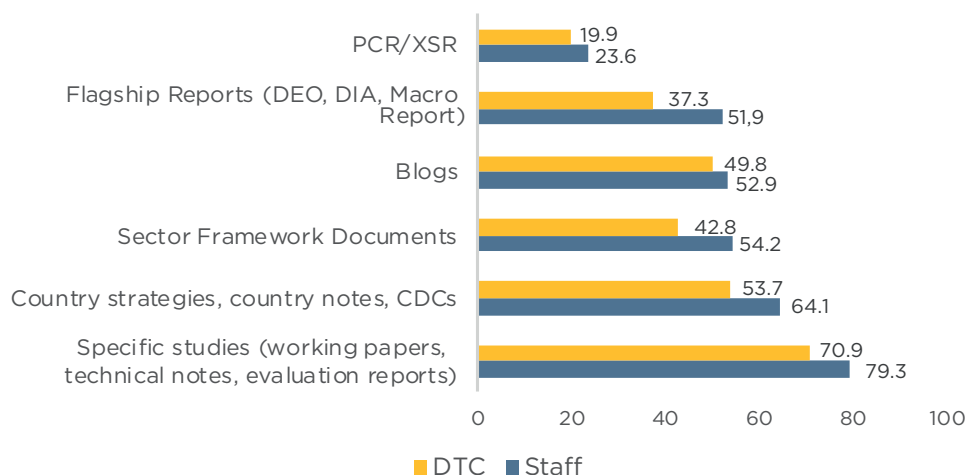
Table 4.5. Top uses of IDB knowledge products among IDB staff

Knowledge Product	Use (Top two for each product)	%
Specific studies (working papers, technical notes, evaluation reports)	Keep up with specialized knowledge	23.5
	Prepare other knowledge products	19.5
Country strategies, country notes, CDCs	Prepare operations	31.1
	Inform policy dialogue and strategies	24.6
Sector Framework Documents	Prepare operations	26.6
	Prepare strategies or other SFD	16
Blogs	Keep up with specialized knowledge	42.9
	Learn lessons from Bank operations	17.9
Flagship Reports (DEO, DIA, Macro Report)	Prepare other knowledge products	20.9
	Keep up with specialized knowledge	20.2
PCR/XSR	Learn lessons from Bank operations	33.7
	Prepare operations	18.1

Figure 4.6*

Internal use of selected IDB knowledge products

Source: OVE's IDB Staff Survey on IDB knowledge products



*Percentage of staff and defined-term contractuels that responded that they used the knowledge products "often" or "sometimes" in OVE's IDB staff knowledge survey.

4.22 Internal citation of IDB knowledge products in loan proposals is low, but it has increased substantially since 2009 (Figure 4.7). Between 2006 and 2016, 141 loan proposals main documents (12% of the total) referenced an IDB working paper, technical note, or discussion paper.⁴¹ The amount of IDB knowledge products referenced by the loan proposals grew exponentially from 2008—two were referenced in 2006 and 29 in 2012. Between 2006 and 2016 OVE identified 80 IDB loan proposals referencing knowledge products of other MDBs or research institutions (e.g., universities and think-tanks), both from the LAC region and from the rest of the world). Country Strategies and CDCs cite IDB knowledge products more frequently, with 46% of documents (16 out of 35) referencing the Bank's working papers, discussion papers, or technical notes.

4.23 Only 2% of all analyzed loan proposals between 2006 and 2010 included references to the 100 "most popular" IDB authors.⁴² Most of the references are clustered in the loan proposals approved after 2010 (20 of 23). No Country Strategies and only two CDCs reference IDB authors. Regarding IDB flagship publications, the Development in the Americas (DIA) series was most frequently referenced, with 14 references among loan proposals (1.2%) and

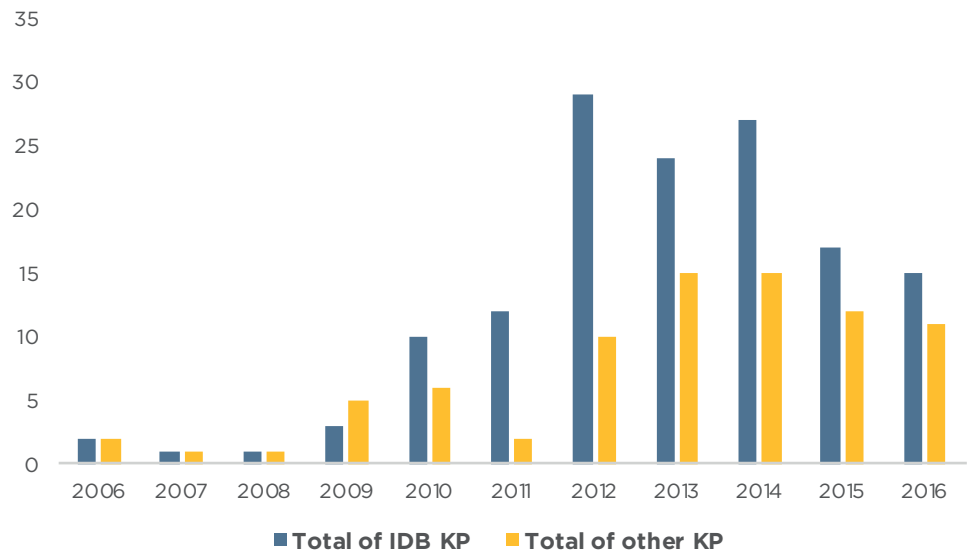
41 OVE carried out a lexical analysis of the official English version of loan proposals for all sovereign-guaranteed loans approved between 2006 and 2016 and of all Country Strategies/CDCs available by November 17, 2017. In total, 1174 documents were analyzed in this manner: 1,139 loan proposals and 35 Country Strategies/CDCs. It was run using the software MAXQDA. OVE used key words for identifying IDB working papers, discussion papers, and technical notes and titles of IDB flagship publications.

42 Retrieved from BRIK 160 download-based Most Popular Authors of the IDB entire repository; available at https://publications.iadb.org/most-popular/author_9/15/2017.

four among CDCs between 2010 and 2016.⁴³ The Development Effectiveness Overview was referenced only twice, and no other flagships were mentioned in the analyzed documents.

Figure 4.7
References to knowledge products in loan proposals (2006-2016)

Source: OVE lexicographical analysis.



4.24 To complement the lexical analysis of loan proposals, OVE carried out follow-up interviews with the team leaders of 79 IDB-financed projects approved in 2016 (see Annex I, Box 4).⁴⁴ These interviews revealed a much wider (almost universal) use of IDB knowledge products in loan preparation. Only 6% of the team leaders interviewed said they had not used any Bank knowledge product during the preparation of the operation. The main IDB documents used, besides SFDs and Country Strategies, were IDB technical notes and working papers, and, to a lesser extent, other internal presentations, documents, and previous loans. These results are consistent with the findings of the Knowledge Production and Dissemination Survey. The interviews offered several explanations for the discrepancy with OVE's lexical analysis. Most team leaders pointed out that there are strong disincentives to include citations in loan documents because of the strict limitation in the number of words allowed in documents that are submitted to the Board of Executive Directors. Sometimes full citations are replaced with partial citations or bibliographical annexes in the interest of economizing space.⁴⁵ In several instances, staff said that one

⁴³ The DIA referenced most frequently is "More than Revenue: Taxation as a Development Tool," mentioned by four CDCs and 11 loan proposals between 2006 and 2010.

⁴⁴ Includes all loans approved from IDB's own funds. For logistical reasons, OVE was able to interview 50 (63%) of all team leaders. Because the sources of attrition are linked to operational causes (e.g., unavailability due to travel in the interview week), they are unlikely to bias the findings in any way.

⁴⁵ The annex approach mimics the requirement, in recent project profiles, to include bibliographical annexes. Unfortunately, these documents are not yet homogeneous, and a myriad of different knowledge products used (and planned as a part of the operation) are included—ranging from published academic papers to pre-investment

reason for missing citations was lack of knowledge of Bank publications, citing difficulties in accessing knowledge products through the existing knowledge repositories. Finally, in many cases, the nature of the knowledge product used made citing difficult (e.g., draft documents, informal versions, databases, or PowerPoint presentations).

E. Learning from operations

4.25 Despite KNL efforts to manage the Bank's implicit knowledge, OVE's interviews and survey results suggest that the systematization and sharing of operational learnings continues to be a concern among IDB staff. The 2012 KNL strategy takes responsibility for sharing, systematizing, and organizing knowledge that emerges from the Bank's operational and corporate experience. When recalling gaps in the previous strategy, the document points out, "The importance of this [implicit] knowledge has been one of the less well understood aspects of the knowledge management agenda" (GN-2479-2, 2012, p. 3). In response, KNL has made strong efforts to capture the lessons learned from operations, establishing a team to be in charge of going through Progress Monitoring Reports and PCRs. Still, the staff interviewed have manifested a certain degree of frustration in this regard. The main challenges KNL has encountered are related to missing reports and a lack of quality in Progress Monitoring Reports, and persistent political constraints to sharing the knowledge acquired through PCRs. Looking forward, both the need to provide bigger incentives to report lessons and the introduction of new formats (such as videos or internal means of sharing delicate lessons) are deemed possible strategies.

4.26 The update of KNL's strategy considers the IDB investment in knowledge management insufficient in comparison with that of comparable organizations. The strategy states that the Bank needs to make larger investments to foster an organization of learning and a mature knowledge management system. According to the document, "while the IDB allocates 1.38% of its administrative budget to the development and delivery of learning activities, including training and knowledge management, the World Bank allocates 4% to the first item alone" (GN-2479-2, 2012, p. 20).

4.27 As part of the Development Effectiveness Framework (DEF) approved in 2009, a new PCR system began to be designed in 2013 to foster internal learning from operations. Under the

studies for the operation to sector notes.

DEF, the production of PCRs was supposed to be improved and the results of PCRs would begin to be validated. OVE's last assessment of the PCRs (including all 21 produced under the new guidelines between 2014 and 2016) reveals considerable improvement in the quality of the reports. This finding corroborates OVE's assessment of the 2013 pilot, suggesting that management has been strongly committed to producing more evidence-based reports. More importantly, OVE's last assessment recognizes that, despite the needs for improvement in the system, the new PCRs "distill a range of important lessons which can help inform future project design."

- 4.28 It is too soon to evaluate the actual use of the small number of improved PCRs that have been produced to date. The results from an electronic survey conducted by OVE (in the context of the IDB-9 evaluation) suggest that more staff have been directly involved in the production of PCRs, compared to the widespread practice in the past of delegating the production of PCRs to external consultants (today only 19% are produced by external consultants) (RE-520). This is already an opportunity to internally absorb the lessons learned from the project. Indeed, three-quarters of the respondents of the survey highly or somewhat agreed that preparing the PCR provides an opportunity to learn from the project. Currently there is no centralized repository for PCRs and the PCRs themselves are not stored through Convergence. A first step to facilitate staff use of PCRs is to put in place a systematic way to store and tag PCR files in Bank systems.



05

Conclusions and recomendaciones

- 5.1 The IDB has made a substantial effort to increase the resources, and improve the institutional capacity and arrangements, to deliver knowledge products. Since 1990 a series of institutional reforms have increased the Bank's capacity to deliver knowledge. The Realignment of the Bank in 2007 introduced important organizational and staffing changes to increase the Bank's capacity to generate and disseminate knowledge and to fully integrate knowledge production as part of its core business under the vision that that today's knowledge work paves the way for tomorrow's operations and policy dialogues. Between 2010 and 2016, through funding from its administrative budget and TC grant financing, IDB has mobilized US\$1,097 million to finance knowledge activities—an average of US\$156.8 million per year. Approximately 48% of the total financed knowledge TCs. Expenditure on knowledge activities in 2016 was 24% higher in nominal terms than the expenditure in 2010. These resources were complemented with funds from loan proceeds that support knowledge activities in countries—a resource effort that is difficult to quantify. OVE's *Evaluation on the Production, Use, and Influence of Impact Evaluations* found that between 2006 and 2016 around US\$152 million from loan budgets was used to finance IEs.
- 5.2 Increased resource allocation for knowledge activities has translated into a dramatic increase in IDB knowledge production, which—judging by the amount of published work—has surpassed that of comparable institutions. The use of IDB publications has also increased. IDB ranks in the middle among comparators in terms of citation impact and just below WB-LAC in terms of usage; however, some of its publications have never been used or cited. The internal citation of IDB knowledge products in loan proposals is low, but it has increased substantially since 2009. According to SPD's 2016 General Perceptions Survey, IDB knowledge products are recognized and well perceived by IDB stakeholders, even though most stakeholders rank the production of knowledge as an activity of relatively less value for the IDB. Survey respondents also believe that among comparable institutions the IDB is the most effective multilateral in generating and sharing relevant knowledge for the region. Perceptions of IDB knowledge products improved between 2013 and 2016. Internally, the most used IDB knowledge products are specific studies (such as working papers, technical notes, and evaluation reports), followed by Country Strategies, country sector notes, and CDCs.
- 5.3 OVE's interviews with managers and division chiefs and the results of a survey of IDB staff and stakeholders show a widespread belief that knowledge generation is an essential part of the Bank's work. According to OVE's interviews, IDB

knowledge products provide the basis for a richer country dialogue and programming process and help improve operational design and support the origination of future operations. In a time when many of the Bank's clients have access to alternative sources of funding, knowledge gives the Bank a comparative advantage. In most IDB departments, knowledge generation also helps specialized technical staff to keep up to date with developments in their specialties.

- 5.4 The positive perceptions of external stakeholders and IDB staff, and the use and citations of IDB knowledge products, suggest that there are important benefits from IDB knowledge production. To assess the effectiveness of IDB knowledge activities, these benefits should be carefully weighed against the costs to IDB of producing and enabling knowledge-sharing in the region. The intangibility and noncommercial nature of the knowledge produced by the IDB and the shortfalls in the Bank's budget systems make it difficult to carefully assess the cost-benefit ratio of knowledge production. This review found high variety in the use of IDB knowledge products (based on citation and download analysis), which suggests that there may be differences in the cost-benefit ratios of individual products.
- 5.5 Because knowledge production in the Bank tends to be decentralized and the prioritization of topics, generation, approval process, quality at entry, and monitoring vary with the originating unit and the funding mechanism, it is difficult to carefully assess the degree to which IDB's knowledge activities are aligned with its strategic objectives. IDB produces knowledge activities through three main funding mechanisms: knowledge sector and country work (which finances multiple knowledge activities, including publications, events, and country diagnostics); learning and collaborative management work (which focuses on training and internal knowledge sharing, among others); and grant funding (for knowledge activities included as part of the Bank's TC work). On the origination side, knowledge activities are guided by different instruments with varied levels of guidance (Bank Sector Strategies, Bank SFDs, Country Strategies, and CDCs; and, for TC funding, SDPs) and by the priorities of the particular department and vice-presidency.
- 5.6 Quality controls vary, especially at entry. At entry quality controls for VPS knowledge activities financed through the administrative budget (for ESW) are rather high, while quality controls at entry for knowledge activities financed through TCs are more flexible and depend on the internal quality controls of the responsible division and managers. Quality control for final published knowledge products, independent of their financing instrument, is regulated by the Bank's new publications protocol

(AM-331). The update of the publications protocol introduced a much-needed Bankwide definition, quality control, and typology of final knowledge products.

- 5.7 OVE findings suggest that knowledge work in the IDB is subject to tensions in at least four dimensions: (i) between centralized prioritization (top-down) and spontaneous bottom-up origination of knowledge activities; (ii) between the sources of demand for knowledge activities—country demand versus priorities from sector specialists and managers; (iii) between the incentives to capture knowledge products as a resource for preinvestment and those to generate pure knowledge on public goods (which may or may not lead to investment programs); and (iv) between producing knowledge internally and producing it through or in collaboration with specialized outside institutions.
- 5.8 Some level of tension may be unavoidable and even desirable for a “knowledge Bank.” However, to shed light on how these tensions are currently at play and to minimize the negative consequences of such tensions, the Bank needs to keep strengthening the arrangements for originating, tracking, delivering, disseminating and measuring the use of its knowledge activities.
- 5.9 Continuing efforts to increase the coordination between VPS and VPC in the programming of knowledge activities, especially at the country level, will also help manage some of the tensions described above. Recent improvements point in the right direction; however, its implementation will have to be evaluated in the future. At the TC level, the new guidelines for the composition of ESC for OC-SDP funds call for the participation of VPS and VPC at the eligibility level, promoting coordination at early stages of all TC programming activities. In addition, the participation of both REAs and SEAs at the SPC allow for a coordinated programming of high visibility knowledge products (such as books). VPC also participates at QRR for SFDs.
- 5.10 To fully become a knowledge Bank the IDB needs to honestly examine incentives, staffing needs, trade-offs, and the roles of Bank staff, divisions, and departments regarding knowledge activities. In-house knowledge production can strengthen the technical capacity of Bank staff and is a natural complement to operational work that can give a comparative advantage to stand alone lending products. But given the IDB’s staff size and its comparative advantages, in-house knowledge production can be complemented with a wider Bank role to enable and support knowledge production and sharing from LAC countries and institutions. Current Bank tracking systems don’t allow to measure how intensely is the Bank playing this role. Many LAC

countries have strong governments, universities, and think tanks that can play a bigger role in generating and sharing knowledge in partnership with the Bank.

- 5.11 IDB needs to increase the resources and incentives for staff to extract lessons and learn from operations' successes and failures. This implies not only continuing to strengthen the delivery of PCRs, but also aggregating lessons learned from the execution and results of individual projects, and further strengthening the mechanisms for internal sharing and learning.
- 5.12 From this review, OVE has identified some immediate recommendations to help improve the effectiveness of IDB knowledge activities.

1. Keep improving the organization and tracking of knowledge activities, resource and dissemination efforts, and usage. For this purpose, an option is to organize knowledge activities and track resource efforts and results around unified agendas and bundles of products (organized thematically, by subregion, and or by country), independent of the funding source (administrative budget lines, TC, or loans) and the originating unit. This system can allow for clear links between resource efforts, knowledge products, and research agendas.

2. Improve the prioritization process by strengthening both the identification of knowledge gaps and guidance to staff for knowledge production at the sector and country levels. Strategies, SFDs, OC-SDP frameworks, Country Strategies, and CDCs, which should play a key role in guiding knowledge activities, vary substantially in how well they identify regional and country knowledge gaps and priorities for knowledge agendas and activities between and within sectors. To improve prioritization and alignment with stakeholders' priorities for the set of knowledge products that aim to respond to specific client needs (financed mostly with TC funding), one option is to use (or pilot) mechanisms that reveal demand (such as co-financing or notional budget envelopes for total resources available in knowledge grants at the country level).

3. Explore and or pilot mechanisms to improve the quality controls at entry for the approval of some operational instruments (TC, CIP, and others financed by the administrative budget) that finance knowledge products, balancing alignment with bank broader knowledge agendas, quality, flexibility, and timeliness in the approval process. Controls may vary according to the final purpose of the knowledge agendas or the bundle of products that

they are financing (e.g., close regional knowledge gaps, serve country and client needs, or inform programming and operational design).

- 4. Explore mechanisms and evaluate the allocation of more resources and the revision of current Bank dissemination policies if considered appropriate, to improve the Bank's internal and external dissemination efforts, adapting knowledge products for different audiences (internal, ministers and policymakers, civil society, academia, and the public).** Broadening the efforts to define the expected results and expected audiences of knowledge products at entry may be instrumental to facilitate dissemination efforts when the products are completed.


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