Applying quality standards to improve credibility and use of evaluations (OCDE-DAC)

Experience of CABLE in Central America: Evaluating effectiveness on Development and Alignment with National Agendas (CABLE-ODE)

Dr. José Efraín Deras
Chief, Independent Evaluation Office, CABLE www.bcie.org
To go

• The evaluation quality and evaluating effectiveness have been consistently linked to capacities, methods, utility, among other technical issues we will discuss, but it is important to talk about “tone at the top”: the direct support of the Boards and Managements and the cost/benefit the evaluation provides for decision making.

• The quality of the evaluation in sub regional banks has progressed, although there are still some challenges in the “adaptation of best practices” which is important to discuss.

• CABEI, as a sub regional bank considers evaluation as a necessary process to achieve its mandates in terms of development and integration in which the alignment with national agendas and regional priorities is a matter of relevance.
The evaluation quality and evaluating effectiveness is a cornerstone for evaluation offices around the World in order to contribute to the decision making and its analysis is important for the improvements we are looking forward in the evaluation community.
Presentation

• CABEI’s Evaluation Policy
  • Project level
  • Country and sectoral level
  • Corporate level

• Development Banks and Country Priorities

• Final remarks
CABEI’s Evaluation Policy

Periodic Independent External Opinion

Levels

Article 2
Constitutive Agreement
"Corporate Strategy"

Country and Sectorial Strategies
Bank performance
Country performance
Sectoral and Country Behavior

Project Evaluation
[Development interventions]
"Project Cycle Evaluation"

Top-down and bottom-up evaluations process
Development Banks and Country Priorities

Corporate Strategies

Country needs
Regional Integration
Sustainability
Agendas

Mid-term and short-term plan
Financial and non financial additionality
Project studies
Implementation

Strategic Framework

Relevance
Efficiency
Effectiveness
Sustainability
Impact

Country Strategies
CABEI Project Cycle

Elegibility → Preparation → Analysis → Approval → Signing → Implementation → Closure

Evaluation Questions → Ex-Ante Evaluation → Parallels

- Client Management
- Money Laundering and Terrorist Fin. Prevention
- Fees Management
- Terms and Conditions Management
- Amendment Management

Evaluation
- Recovery
- Supervision
- Credit Monitoring

PMR and Ex-Post Evaluation → Impact Evaluation

2019 Asian Evaluation Week
Quality Evaluation for Better Results: Local, Rational, Regional Perspectives
2-6 September 2019 | Kunming, People's Republic of China
## Project Evaluation

### Data Examples 2010 - 2018

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Results</th>
<th>Ex Ante</th>
<th>MR &amp; Ex Post</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment</td>
<td></td>
<td>633,430</td>
<td>59,936</td>
</tr>
<tr>
<td>Roads Kms</td>
<td></td>
<td>2,864.1</td>
<td>1,071.0</td>
</tr>
<tr>
<td>Energy MWs</td>
<td></td>
<td>3,001.6</td>
<td>967.4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Focus Area</th>
<th>Beneficiaries</th>
<th>Ex Ante</th>
<th>MR &amp; Ex Post</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure</td>
<td></td>
<td>1,416,398</td>
<td>209,937</td>
</tr>
<tr>
<td>Energy</td>
<td></td>
<td>5,435,556</td>
<td>2,569,672</td>
</tr>
<tr>
<td>Human Development</td>
<td></td>
<td>8,416,887</td>
<td>6,863,825</td>
</tr>
<tr>
<td>Finance for development SMEs</td>
<td></td>
<td>172,850</td>
<td>172,850</td>
</tr>
<tr>
<td>Rural Development</td>
<td></td>
<td>3,418,121</td>
<td>237,143</td>
</tr>
</tbody>
</table>

Legend: MR & Ex Post Evaluation US$ millions
- 0.0 - 15.0
- 15.1 - 33.0
- 33.1 - 71.0
- 71.1 - 180.0
- 180.1 - 280.0

Multidimensional Poverty Intensity
- 0.09 - 0.13
- 0.14 - 0.30
- 0.31 - 0.42
- 0.43 - 0.48
- 0.47 - 0.49
- Administrative Division

Central America Projects approved by CABI (US$ Millions) (2010 - 2018 Period)
## Country Evaluation

### Data Examples 2010 - 2018

<table>
<thead>
<tr>
<th>Beneficiaries per focus area</th>
<th>Guatemala</th>
<th>El Salvador</th>
<th>Honduras</th>
<th>Nicaragua</th>
<th>Costa Rica</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approvals (US$ millions)</td>
<td>2,200.8</td>
<td>2,448.3</td>
<td>2,304.5</td>
<td>2,664.2</td>
<td>3,343.7</td>
</tr>
<tr>
<td>Disbursement (US millions)</td>
<td>1,651.8</td>
<td>2,497.7</td>
<td>2,136.0</td>
<td>1,692.7</td>
<td>3,698.0</td>
</tr>
<tr>
<td>Relevance (multilateral share)</td>
<td>40.1%</td>
<td>40%</td>
<td>49.7%</td>
<td>47.4%</td>
<td>47.7%</td>
</tr>
</tbody>
</table>

### Efficiency and Effectiveness

| Approvals and disburs. accuracy (amount) | 98% | 100% | 100% | 100% | 100% |
| Time (approve - first disbursement) [months] | 17.0 | 24.2 | 19.8 | 17   | 14.7 |

### Beneficiaries

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy (users)</td>
<td>466,408</td>
<td>15,000</td>
<td>107,116</td>
<td>64,583</td>
<td>207,634</td>
<td>31,377</td>
<td>535,240</td>
<td>66,604</td>
<td>100,000</td>
<td>32,373</td>
</tr>
<tr>
<td>Financial Intermediation (SMEs)</td>
<td>318,930</td>
<td>174,036</td>
<td>1,919,768</td>
<td>302,040</td>
<td>2,124,734</td>
<td>1,049,634</td>
<td>538,846</td>
<td>342,906</td>
<td>533,278</td>
<td>701,056</td>
</tr>
<tr>
<td>Human Development</td>
<td>61,313</td>
<td>24,816</td>
<td>15,028</td>
<td>69,047</td>
<td>2,646</td>
<td>2,646</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rural Development</td>
<td>4,057,290</td>
<td>1,526,487</td>
<td>704,150</td>
<td>1,100,000</td>
<td>1,470,100</td>
<td>1,300,000</td>
<td>511,180</td>
<td>1,501,728</td>
<td>1,674,167</td>
<td>1,435,610</td>
</tr>
</tbody>
</table>
Sectorial Evaluation
Final beneficiaries of programs through financial intermediaries
Data Examples 2014 - 2016

<table>
<thead>
<tr>
<th></th>
<th>Population</th>
<th>Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Countries</td>
<td>9</td>
<td>5</td>
</tr>
<tr>
<td>Disbursement (millions)</td>
<td>2,147.2</td>
<td>200.0</td>
</tr>
<tr>
<td>Beneficiaries/Control group</td>
<td>70,150</td>
<td>1,447</td>
</tr>
</tbody>
</table>

- Econometric evidence: CABEI’s SME Programmes, probability that income will increase by $\Delta^+ 9.7\%$, housing quality by $\Delta^+ 2.0\%$, while the diet by $\Delta^+ 7.0\%$. 

Central America
- Beneficiaries
- Comparison group

Development Human Index
- 0.00 - 0.54
- 0.55 - 0.63
- 0.63 - 0.68
- 0.68 - 0.74
- 0.75 - 0.87

Country Boundary

Scale 1:6,000,000
0 30 60 90 120 150 180 210 240 Kilometers
<table>
<thead>
<tr>
<th>Strategic objective</th>
<th>Indicator</th>
<th>Results 2015-2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Clients and Beneficiaries</strong></td>
<td>CABEI impact on development (<em>ex ante index</em>).</td>
<td>Above 70%</td>
</tr>
<tr>
<td></td>
<td>Annual portfolio increase (percentage variation)</td>
<td>8%</td>
</tr>
<tr>
<td></td>
<td>Minimum net flows to the public sector in founding countries (US$ million)</td>
<td>i.e. US$ 273.59 (2018)</td>
</tr>
<tr>
<td><strong>Finance</strong></td>
<td>New partners (number).</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Profit before valuation of financial instruments, derivatives and debt (US$ million)*.</td>
<td>i.e. US$ 230.86 (2018)</td>
</tr>
<tr>
<td></td>
<td>Portfolio quality (index)*.</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Structure and processes</strong></td>
<td>Time and customer service achievements (ANS in Spanish) (percentage of advances of compliance).</td>
<td>94%</td>
</tr>
<tr>
<td><strong>Service Quality</strong></td>
<td>Index of administrative expense</td>
<td>i.e. 0.53% (2018)</td>
</tr>
<tr>
<td></td>
<td>Improved efficiency in operations based on the project cycle (percentage of compliance).</td>
<td>i.e. 100%</td>
</tr>
<tr>
<td><strong>Operational Efficiency</strong></td>
<td>COSO Internal control indicator</td>
<td>i.e. positive opinion</td>
</tr>
<tr>
<td><strong>Internal Control</strong></td>
<td>Key personnel individual-growth- plans average compliance (leaders: managers and middle managers; high potential).</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Human Capital</strong></td>
<td>Improvement in 360° assessment on leadership competencies and performance management (percentage).</td>
<td>100%</td>
</tr>
</tbody>
</table>
Final remarks

• Theory of Change (ToC) foundations, results chain, methods, data accuracy, qualitative and quantitative analysis, among others are key at any evaluation level.

• To improve effectiveness and efficiency is very important (also) to understand the institutional Project Cycle to support the achievement of results.

• Finally, the quality (but also the use) of evaluation is the cornerstone for the evolution towards better planning schemes.
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