Enhancing development practice and research with evaluation data:

The I.nteractive D.atabase E.valuation a.nd L.earning IDEaL

3D Seminar

Jochen Kluve KfW Development Bank and Humboldt University Berlin 27 July 2023





Enhancing development *practice* through institutional learning

- —Systematic Institutional Learning is a key objective in many institutions and at various levels
- -Enables evidence-based decision making
- —Two ingredients:
 - (1) <u>Knowledge / Evidence</u> needs to be available => ideally in a <u>systematically</u> generated or collected form
 - (2) <u>"Evidence-to-practice"</u> => knowledge needs to be prepared in a way that can be effectively and easily used for Institutional Learning





— Traditional "Knowledge App":



-Also in electronic form not necessarily more easily usable

—Key features of a knowledge app: focused on contents and on the needs of the user = easily accessible and comprehensible; searchable and filterable





Developing IDEaL

—Starting point late 2019: Around 1,100 project evaluations since 2007, which systematically evaluate projects using the OECD-DAC criteria => key ingredient (1) systematic evidence base

—Hardcopy versions of these project evaluations were coded into a database, combined with project info from the KfW project management database and country context data, then programmed into an App == <u>key ingredient (2) evidence-to-practice</u>

—Designed for both intra-institutional learning (internal App live since 2021) and interinstitutional knowledge transfer and transparency – web-based App live since June 2023

IDEaL. Interactive Database for Evaluation and Learning

		Your search retur	ned 1143 results		
Search for projects					
Search IDEaL	Q	Sear	ch and filter		Overall rating: 2.7
Region Africa Subsahara, As Country	6 🗸				 2.1 Relevance 2.2 Coherence 1 2.6 Effectiveness 2.6 Effectiveness
Enter search term	~				2.6 Efficiency 2.9 Impact
Sector			V V 3	ेट	2.8 Sustainability
Enter search term BMZ Priority area	•			+	For more information about o rating process, please visit <u>th</u> <u>link</u> .
Enter search term	\checkmark				
Type of implementing par	tner	Results per page	e Sort by		
Enter search term	~	25 🗸	Latest evaluation first	\checkmark	
Overall rating:					
		Albania 20	Rating: 3		
Min	Max	Municip	al Infrastructure P	rogramm	e II (soft Ioan)
1	6	Project d	escription		
		acceptable pri	o provide a reliable, hygienically saf ces and to ensure acceptable sanita ne efficient use of water as a resour	ation through prop	er wastewater disposal. This was t

the sector by professionalizing the utilities (UKs).

living, working and health conditions of the population. The aim was to have a structure-building effect on

https://www.kfwentwicklungsbank.de/ideal/ #/enViewDefault

× Clear filters

IDEaL. Interactive Databa

Search for projects

Search IDEaL

Region



 \sim

 \sim

Country
Enter search term
Sector
Enter search term



Type of implementing partner

Enter search term

Overall rating:



X Clear filters

Latest evaluation first \checkmark 25

Sort by

Albania 2022 Rating: 3

Results per page

Municipal Infrastructure Programme II (soft loan)

Project description

The aim was to provide a reliable, hygienically safe water supply at cost-covering and socially acceptable prices and to ensure acceptable sanitation through proper wastewater disposal. This was to contribute to the efficient use of water as a resource, to environmental protection and to improving the living, working and health conditions of the population. The aim was to have a structure-building effect on the sector by professionalizing the utilities (UKs).

Lessons Learnt

- Local utilities services providers had to qualify to finance the investments by achieving profitability metrics (milestone approach). In addition to the actual improvements, according to several executing agencies, this has also led to increased awarness of the cost-covering design of the supply.
- · Consistent measures to reduce losses are also expedient in regions with a sufficient supply of water, as they improve the economic situation of utilities and thus contribute to the sustainability of the supply.

> Details



Get key lessons learnt

Choose degree of detail

Albania 2022 Rating: 3

Environmental Protection Lake Ohrid/Sewerage Progradec III

Project description

The project builds on previous investments in the wastewater sector (Phase I and II) and includes expansion of treatment plant capacity and future phosphorus elimination.

Lessons Learnt

• In general, it is recommended that the operator's voluntary self-monitoring of discharge values be supplemented by independent external monitoring.

cast and in particular quatringhis reduction of the chemical load and class of the sitrate

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Enhancing development research through meta analysis

- ---Research paper "Volume, risk, complexity: what makes development finance projects succeed or fail?"
- —Jointly with Yota Eilers, Jörg Langbein, Lennart Reiners
- —Augmented version of the IDEaL database: project characteristics clusters (i) financing, (ii) structure, (iii) complexity, (iv) risks, plus (v) evaluation and (vi) country context
- -N=5,608 project success ratings on a discrete 6–1 scale using OECD-DAC criteria
- —96 LMIC countries with projects implemented during 1990–2020

KFW

(9)

0.037

(0.029)

0.105

0.145

(0.118)

0.095**

(0.042)

-0.000

(0.000)

-0.000

(0.000)

0.137

(0.156) Yes

Yes

Yes

Yes

5458

0.23



	Dep. variable: Rating (Pooled)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Total volume (log)	0.049** (0.021)							0.029 (0.028)
-	Aid type (Base: Loan):								
	–Grant		0.052 (0.088)						0.093 (0.098)
	% counterpart contributions		()	0.241**					0.196*
Results:				(0.112)	o o T o dala				(0.117)
	Budget funds (log)				0.070** (0.029)				0.057 (0.037)
project ¹	% budget funds of ODA				(111-1)	0.000			-0.000
project ^l finance	% project funds of GDP					(0.000)	0.000 (0.000)		(0.000) -0.000 (0.000)
manee	Disbursement vs. commitment						()	0.169 (0.165)	0.178 (0.163)
	Full specification								
	Sector and region indicators	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Sub-rating indicators	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Other control variables	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

—Some evidence for larger projects with greater ownership faring better

5608

0.14

5608

0.15

5608

0.15

5608

0.14

5608

0.14

5608

0.14

5608

0.15

5608

0.15

Observations

Adjusted R^2

KFW

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_	Dep. variable: Rating (Pooled)	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Project duration (log)	-0.234***					-0.215***	-0.149**
		(0.069)					(0.073)	(0.075)
	Delay		-0.032				0.009	0.009
			(0.069)				(0.070)	(0.069)
	Revised ToC			-0.071			-0.060	-0.048
				(0.049)			(0.049)	(0.047)
	Years mandate to contract				-0.030		-0.026	-0.048*
					(0.024)		(0.023)	(0.027)
	Technical complexity					-0.117**	-0.083	-0.130**
						(0.055)	(0.056)	(0.055)
	Full specification							Yes
	Sector and region indicators	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Sub-rating indicators	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Other control variables	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Observations	5608	5608	5608	5598	5608	5598	5458
	Adjusted <i>R</i> ²	0.15	0.14	0.15	0.14	0.15	0.16	0.23

Results: project complexity

-Most dimensions of project complexity exert negative influence

Results: project risks

Dep. variable: Rating (Pooled)	(1)	(2)	(3)	(4)	(5)	(6)
Number ex-ante identified risks	-0.004				0.002	0.001
	(0.013)				(0.013)	(0.013)
% ex-ante identified risks occured		-0.504***			-0.464***	-0.486***
		(0.068)			(0.067)	(0.067)
Overall risk (base: low)						
-Medium			-0.251***		-0.185**	-0.203**
			(0.080)		(0.078)	(0.082)
-(Very) high			-0.460***		-0.326***	-0.352***
			(0.086)		(0.084)	(0.088)
-Not assigned			-0.285***		-0.159	-0.219*
			(0.109)		(0.116)	(0.116)
Overall risk control (base: low)						
-Medium				0.075	0.070	0.084
				(0.058)	(0.055)	(0.058)
-High				0.001	-0.065	-0.061
				(0.253)	(0.193)	(0.169)
-Not assigned				0.090	-	-
				(0.096)	(.)	(.)
Full specification						Yes
Sector and region indicators	Yes	Yes	Yes	Yes	Yes	Yes
Sub-rating indicators	Yes	Yes	Yes	Yes	Yes	Yes
Other control variables	Yes	Yes	Yes	Yes	Yes	Yes
Observations	5608	5608	5608	5608	5608	5458
Adjusted <i>R</i> ²	0.14	0.18	0.16	0.15	0.19	0.23

—Higher-risk projects – both ex ante and ex post – fare worse







Additional findings

- —Heterogeneous effects by region and sector
- —Detailed project-level characteristics show that design matters less than expected
- —Project manager turnover and success rating: marginally positive correlation
- —Key explanatory clusters are finance (positive correlation) and complexity & risks (negative correlation)
- —Evaluator- and evaluation-specific characteristics uncorrelated with assigned project success ratings
- -Empirical results robust to alternative models

>>> Thank you.

Jochen.Kluve@kfw.de



