

The Methodology and Limitations of This Evaluation

The evaluation comprised two levels: the individual advisory project level and the Private Enterprise Partnership in Eastern Europe and Central Asia (PEP-ECA) program level. As such, this evaluation conducted independent project evaluations, as well as an analysis of PEP-ECA management structure and support functions, that is, human resource management and monitoring and evaluation (M&E).

Project-level evaluations. All together, 44 projects were evaluated, comprising the building blocks of the PEP-ECA evaluation, in 34 project evaluation reports (PERs) (see table A.1). Several projects that were extensions or subsequent phases of a project were combined in one evaluation report. Similarly, advisory operations with two or more donors that resulted in multiple assignments were combined in one evaluation report.

Table A1. Overview of Projects Evaluated by IEG-IFC
(number)

	Projects approved FY01–05	FY01–05 projects completed by end FY06	FY01–05 projects evaluated	PERs for FY01–05 projects evaluated	Projects approved before FY01 evaluated	PERs for evaluated projects approved before FY01	Total projects evaluated in this study	Total PERs
Armenia	0	0	0	0	1	1	1	1
Azerbaijan	3	1	0	0	0	0	0	0
Belarus	2	1	1	1	1	1	2	2
Central Asia ^a	2	2	2	2	0	0	2	2
Georgia	1	1	1	1	0	0	1	1
Kazakhstan	1	1	1	1	0	0	1	1
Mongolia	1	0	0	0	0	0	0	0
Regional	1	1	1	0	0	0	0	0
Russian Federation	25	19	15	12	4	3	19	15
Tajikistan ^a	4	3	3	2	0	0	3	2
Ukraine	12	7	6	4	6	3	12	7
Uzbekistan ^a	5	4	3	3	0	0	3	3
Total	57	40	32	26	12	8	44	34

Source: IFC data.

a. Multi-country projects in the Kyrgyz Republic, Tajikistan, and Uzbekistan.

A comprehensive evaluation of all 32 PEP-ECA advisory projects initiated from FY 2001 and completed by the end of December 2005 was conducted for this study. The following, because they were studies, were not included in this evaluation: Azerbaijan Technical Assistance Diagnostic project, IFC Leasing Best Practice Manual, Russia Private Sector Higher Education Study, Russia Waste Gas Utilization Feasibility Study, Energy Efficiency Investment Study, Russia Banking Sector Corporate Governance Study, Ukraine Banking Sector Corporate

Governance Study, Uzbekistan Dairy Sector Supply Chain Study (phase 1). The 32 projects were evaluated in 26 PERs.

In addition, IEG-IFC evaluated a sample of 12 pre-FY 2001 advisory activities (in eight corresponding PERs) in the CIS region, which largely comprised the first generation of PEP-ECA projects in the formal product lines, were ongoing at the time of the creation of PEP-ECA in May 2000, and were at least partly managed under PEP. Pre-FY 2001 PEP-ECA projects were chosen based on their potential to (a) reveal lessons relevant for IFC Advisory Services strategy, delivery, and implementation in the future and (b) shed light on PEP-ECA projects' long-term impact.

PERs piloted by IEG-IFC for this evaluation expand on advisory project completion reports that IFC has recently rolled out for all advisory projects and programs. An IFC working group advised by IEG-IFC developed the evaluation framework. This framework, based on Development Assistance Committee (Organization for Economic Cooperation and Development) principles, takes into consideration distinct project dimensions, which are rated according to (a) strategic relevance, (b) output delivery, (c) outcome achievement, (d) impact achievement, and (e) efficiency. A development effectiveness synthesis rating of these five dimensions is assigned, as well as a separate rating on IFC's role and contribution. In addition to these core dimensions, which form the basis of IFC's project completion reports, IEG's evaluation prototype rates the work quality of IFC staff, consultants, and other partners.

The evaluation framework, which provided the basis for interview guides, surveys, and focus groups, was adapted to specific product lines when IEG-IFC evaluators, comprising staff and external consultants, conducted phone interviews and visited nine countries: Armenia, Belarus, Georgia, Kazakhstan, Kyrgyz Republic, Russian Federation, Tajikistan, Ukraine, and Uzbekistan. Meetings and interviews were held with a broad cross-section of stakeholders, including government officials, Advisory Services clients, private sector representatives, multilateral and bilateral donors, World Bank Group staff, educational institutions, representatives from the media, and nongovernmental organizations. In total, IEG-IFC conducted roughly 400 stakeholder interviews and surveyed approximately 210 clients to complete project evaluations. IEG's team attempted to assign a fair and accurate synthesis rating for each project based on an analysis of information acquired on field visits and from stakeholder interviews, PEP-ECA project documents and reports, IEG-IFC surveys, and self-reported M&E data. The 34 PERs completed by IEG, which capture the results from 44 projects, were subject to external and peer review as well as feedback from PEP-ECA management and staff to confirm factual accuracy. Although the final text of PERs reflects valuable comments and review by PEP, the ratings are based strictly on IEG Advisory Services ratings guidelines and IEG-IFC judgment.

Limitations and caveats. Given the wide timeframe for evaluated projects, including pre-PEP-ECA projects (with the earliest start date of FY 1996 and earliest end date of FY 1999) and PEP-ECA projects (with the latest start date of FY 2003 and latest end date of FY 2005), the extent and quality of data captured, specificity of indicators relative to project objectives, and available documentation varies greatly. Although impact that is more widespread is directly correlated to the passage of time, the M&E frameworks on earlier projects are less robust. Because client and other stakeholder memories fade, findings based on interviews and survey results on older

projects are less reliable as well. Conversely, projects completed more recently are likely to have stronger attribution to PEP-ECA than older projects as a function of partner and participant memory. Likewise, M&E frameworks have been refined over time and indicators are more closely linked to project objectives; however, in some cases, insufficient time has passed for significant or widespread impact to occur.

Evaluations are also subject to limitations. First, time and resource constraints for conducting these evaluations limit the ability to capture all relevant information, despite attempts to access the most meaningful information to provide a fair assessment of all 44 projects in nine countries during the identified period. Second, PEP's financial accounting system, which tracked disbursement of donor funds, did not allow for easy tracking of expenditures by client or activity on a specific project. There are examples where not all project activities are accurately tracked. Thus, deriving an efficiency measure was difficult. Third, files from older IFC projects were not complete and the quality of records was uneven, including missing key dates for project proposals and final drafts. Also, some former clients refused to provide data.

In addition, attribution of outcomes to IFC presented a challenge, not only due to the passage of time and faded memory, but also because of the presence of other international donors and financial institutions, multiple stakeholders, nongovernmental organizations, and private enterprises active in the same areas. There are examples in which a sufficient number of stakeholders gave credit to IFC for development outcomes, including drafting and passage of legal and regulatory reforms or market growth. IFC often, however, got more credit for contributing to development outcomes than being the sole purveyor. Also, development impact on projects narrow in scope could be more easily attributed to PEP.

Program-level evaluation. IEG's evaluation team conducted stakeholder interviews, including meetings with current and former IFC and World Bank staff, to understand cross-cutting themes relevant to PEP-ECA program structure and evaluation of individual projects. The evaluation of PEP-ECA program structure drew on earlier evaluations of project development facilities, PEP-ECA strategy as approved by the Board, presentations and internal reports, IEG's country and thematic evaluations, World Bank Group evaluations, and internal IFC reviews.

Environmental and social implications. The PEP-ECA study reviewed the environmental and social implications of the PEP-ECA program, where relevant. This includes an exploration of how project-related environmental and social sustainability issues have been addressed in the PEP model, how these objectives were identified and formulated at appraisal, how they have been monitored and met, and what have been project-level and wider environmental and social impacts of PEP-ECA operations. Those projects that had a direct environmental impact, such as agriculture, forestry, and manufacturing supply chain linkages, were reviewed. In terms of social impact, the absence of indicators tracking development outcomes to women-owned SMEs as a result of PEP-ECA Advisory Services activities in leasing finance, for example, limited measurement.