

Guidelines for Advisory Services (AS) Project Completion Reports (AS- PCR)

These guidelines can also be used for evaluating AS for other purposes, e.g. in project supervision reports (PSRs).

AS Project Completion Reports (PCRs) should be concise and the use of bullet points is recommended for the rationales to support the evaluative judgments (ratings) and lessons.

PCR Eligibility

Project completion reports must be completed for all advisory services projects with the exception of feasibility studies conducted to support an IFC investment. The results of these studies will be captured in supervision and evaluation reports on the investment projects.. *I think (LM) we need a comment on “what is a project”. From an evaluative point of view, components of a large project should be combined into one PCR, but from a fiscal point of view, each anything that has a project # needs to be closed. I will defer to Geeta on this section! We discussed the example of the project # assigned to add a consultant to a project.*

I. PCR Dimensions¹

AS projects are rated on six dimensions: (1) strategic relevance; (2) output achievement; (3) outcome achievement; (4) impact achievement; (5) efficiency; and (6) IFC additionality.² Ratings on the first five dimensions are synthesized into an overall rating of Development Effectiveness. The following sections provide detailed guidance on how to make rating judgments.

Development Effectiveness

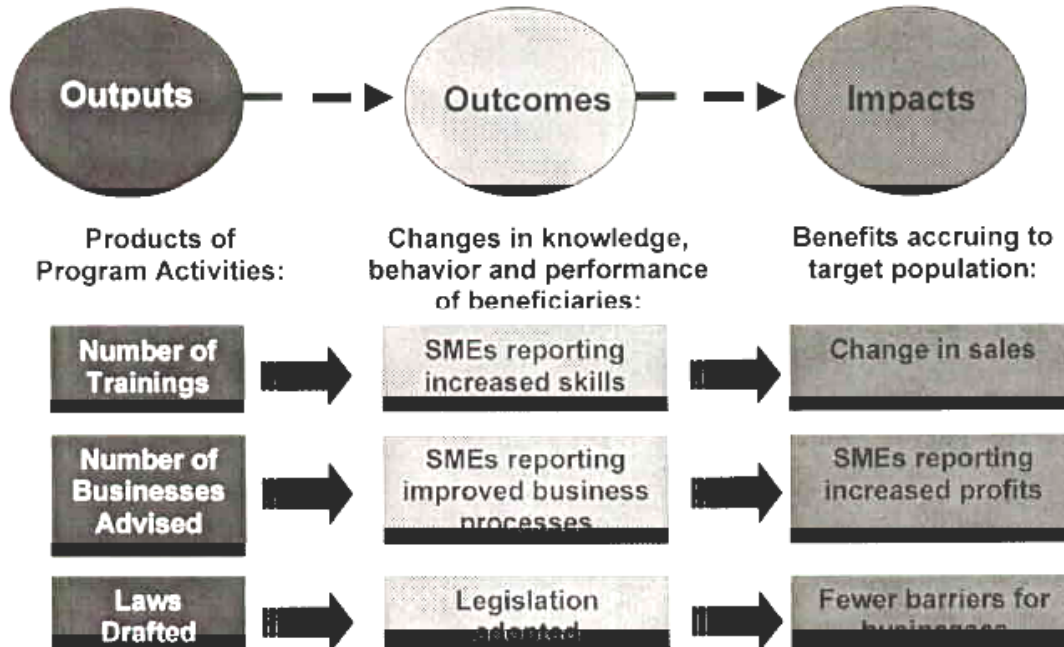
This development effectiveness dimension is based on a synthesis of ratings of project strategic relevance, results (outputs, outcomes and impacts), and efficiency. Desired results for IFC AS projects are specified ex ante in at-approval documents in the form of objectives with monitorable output, outcome, and impact indicators and specified targets for the indicators. Baseline data on the indicators are collected. Progress on the indicators towards reaching the targets is then monitored during the life of the project through Project Supervision Reports (PSRs). At project completion, intended results are compared to achieved results in a Project Completion Report (PCR). Some results – medium-term outcomes and longer-term impacts – may be unknown at project completion, but can be examined post-completion. Results of an advisory services project may be intended or unintended and positive or negative. Outputs are the products, capital goods and services that result from a development intervention. They are the immediate deliverables of the advisory services intervention. Unlike Outcomes, one can budget Outputs. This may help distinguish between Outputs and Outcomes.. Outcomes are the positive and negative, intended or unintended short-term and medium-term effects of the advisory service. Impacts are the positive and negative, often longer-term effects produced by a advisory services intervention – directly or indi-

¹ Definitions of terms used are consistent with those generally used in the development community as reflected in the OECD Development Assistance Committee Glossary of Key Terms.

² The Independent Evaluation Group (IEG-IFC) also assesses three additional dimensions: IFC work quality; consultant(s)’ work quality; and the work quality of partners who were critical to the project’s achievement of results.

rectly and intended or unintended. Impacts reflect the extent to which the project purpose was realized by the intervention.

The Indicators are organized into Outputs, Outcomes, and Impacts, as shown below:



All advisory services projects are eligible for a development effectiveness synthesis rating, but not all projects will be rated on all five dimensions. Some advisory services projects are studies that result in free-standing specific advisory services projects that in turn can be individually rated under this AS rating framework. The output in these cases would be the study and the outcome would be a new advisory services project, as evidenced by a PDS-TA. *[Other studies will have value in that based on their findings and recommendations a potential investment operation or advisory services project is not undertaken, but this impact cannot be measured.] [Is this required given that feasibility studies are being excluded? I suggest dropping this sentence (LM)]*

When individual ratings have been made on the five dimensions (strategic relevance, output achievement, outcome achievement, impact achievement, and efficiency) making up Development Effectiveness, the ratings are synthesized into an overall rating of Development Effectiveness. This is not a mechanical average, but a judgmental synthesis of the project's results-on-the-ground and its contribution to IFC's purpose and mission. When individual ratings on outcomes AND impacts can not be assigned due to the absence of ANY available data needed to determine both ratings at the time of project completion, the overall development effectiveness rating should not be completed. If any outcomes or impacts have been achieved at project completion, the development effectiveness rating should be assigned at project completion, but the rating should be based on reasonableness of outcome and impact attainment at completion. A note should be made if this is a preliminary estimate and impact evaluation should be revisited at a later time.

As a result, the Development Effectiveness rating may change over time as medium-term outcomes and longer-term impacts may not be apparent at project completion. Therefore, it is important to indicate the status of the outcome and impact ratings assigned.

Each of the results dimensions is discussed in turn below.

(1) Strategic Relevance- *Did we do the right project at the right time?*

Did we do the right project at the right time? Strategic relevance measures in retrospect the importance of the AS project to achieving country strategic objectives, its appropriateness at initiation and completion given conditions at the time, and whether TA was the appropriate instrument for the work. For this rating, judgment is made of the “window of receptiveness” to the TA in terms of the economic or political situation, and the TA’s centrality to the country priorities and IFC’s country strategy.

Based on IFC’s Article I Purpose, one important consideration is the extent to which the project is focused on addressing shortcomings in the investment climate, or helping to build in-country ‘business infrastructure’ capacity. “Investment Climate” specifically refers to country conditions, including legal, regulatory and judicial framework, rule of law, institutional capacity, investment incentives and barriers, peace and order situation, level of corruption and access to cost-effective labor, domestic finance, and business support services.

Principal indicators of an advisory services project’s relevance are its focus on the investment climate and/or its centrality to a designated CAS and IFC country strategy high priority issue, relevance to the direct client as indicated, for example, by cost recovery through client fees, and potential high impact. A paid partial client fee provides an indication that the service has relevance to the intended recipient.

- Should the work have been undertaken at all?
 - Did it make sense given the conditions, needs, or problems to which it was intended to respond?
 - How well aligned was the work to the CAS and to IFC TA Country Strategy/or sector or program-specific strategy? Are the project’s objectives consistent with the region and country current development priorities, IFC/Bank region/country strategic objectives for advisory services?
 - What was the client interest/receptivity (e.g. willingness to pay a fee)?
 - How appropriate was the work given economic, political situation, or donor cycle at the time the work was initiated?
- Was the TA the appropriate instrument for the work? Was the use of a subsidy appropriate? What was the extent of planned and actual cost recovery?
- Was the project intended to have broad impact at the regional or national level?

Evaluation Standard:

All AS projects have been deemed relevant at approval in order to receive funding. If they were not deemed relevant, they would not have been funded. They generally relate to a broad CAS or IFC strategic priority given that they are “promoting private sector development” or “fostering small-and medium-sized enterprises”.. As every project should address a priority CAS issue, if not an IFC strategic priority, a rating of “Excellent” should be reserved only for

those projects that additionally have truly outstanding aspects, e.g.. where there is strong potential for impact on a large scale. If it was aimed at impacting the regional or national level, it likely was highly strategically relevant, although projects at a municipal or provincial level may also sometimes have high relevance. Client feedback about the necessity of the AS intervention for attainment of primary objectives may also be considered under this dimension. Note that not every part of the standard for each rating needs to be met to assign the rating, however, most of the standard should apply to receive the applicable rating.

Excellent: Assistance addressed one or more major CAS and/or IFC strategic priority issues;
Assistance was aimed appropriately at the right level(s);
Assistance at initiation and completion was highly appropriate for conditions with all necessary support (government, other donors, sponsor, etc.) secured and strong;
Assistance was appropriately costed;
Assistance had strong potential for large impact at the national, regional, or subnational levels, but above the direct recipient or local community levels;

Satisfactory Assistance addressed major CAS and/or IFC strategic priority issues to a large extent;
Assistance was generally aimed at the appropriate levels ;
Assistance was generally appropriate for conditions at initiation and completion with necessary support (government, other donors, sponsor, etc.) generally secured;;
Assistance generally was costed appropriately;
Assistance had potential for substantial impact on the direct recipient and/or local community or moderate impact at the national, regional, or subnational levels;

Partly unsatisfactory Assistance overlooked some priority issues;
Assistance at initiation was appropriate but conditions changed that could not have been anticipated;
Assistance was not at the right level for a major project component;
Assistance was in part or somewhat inappropriate for conditions given lack of support from one necessary source;
Assistance was not appropriately costed for some project components;
One major project component did not have potential for at least substantial impact.

Unsatisfactory Assistance addresses low priority issues;
Assistance was not appropriate given conditions at initiation;
Project was not generally costed appropriately;
Assistance was generally at the wrong level.
Assistance had little potential for substantial impact.

Examples: [to be completed]

(2) Output Achievement - *Were the products, capital goods, and services delivered?*

Expected outputs should have been specified in the AS-PDS., with indicators and targets, as well as baseline data, as appropriate. This section reviews the extent to which they have been achieved. Outputs should be evident during the project timeframe. Outputs are the products, capital goods and services that result from a development intervention. They are the immediate deliverables of the advisory services intervention, for example, the diagnostic or analytical report produced and delivered, the training manuals produced and distributed, the legislation drafted, the recommendations made, the survey conducted, the 300 managers trained, the 25 women-owned micro enterprises developed, the number of workshops held, or the developed business plan. Output indicators, and associated targets, should have been specified for each project in the PDS-AS and this section refers back to them and indicates the extent to which they have been achieved.

Note that the word “major” is used in looking at output achievement. The issue is not whether every output specified has been achieved, but rather the extent to which the key one or ones have been achieved. If the project has more than one component,, the outputs for each component should be reviewed and discussed.

If outputs have been modified, the reviewer should take into consideration those outputs originally committed to as these were the basis for the funding. Shortcomings in output achievement may have to do with either the number of major outputs achieved and/or the extent to which one or more were not achieved.

Client satisfaction measures are typically comments on the quality of outputs. Client satisfaction with the advisory services is not in itself an outcome measure. (The outcome is that the client changed behavior or performance as desired per a project objective.) Note that client satisfaction is just one indicator of output quality.

Similarly, increased knowledge from training programs is generally an output measure. There is not necessarily any changed behavior or workplace performance because of the increase in knowledge. A change in behavior or performance due to training is an outcome.

It is important to support each statement with either qualitative or quantitative evidence. Statements to the effect that “all results were achieved” should be substantiated with evidence.

Evaluation Standard:

Excellent All major output targets achieved and some exceeded with excellent quality. At least some of the targets could be considered “stretch” targets; no targets are understated.

Satisfactory All major output targets achieved with satisfactory quality and some with excellent quality. Targets are realistic.

Partly unsatisfactory Either at least one major output target is partially or not achieved or at least one major output is achieved with less than satisfactory quality. Targets set are minimum

Unsatisfactory Few, or none, of the major output targets achieved or several major outputs achieved are of less than satisfactory quality Targets for outputs are low.

Examples: [to be completed]

(3) Outcome Achievement- *Were the intended short- and medium-term effects of the intervention achieved?*

Expected outcomes, with associated indicators and targets, should also have been indicated in the results-based framework set at approval for the AS project. Outcomes are the positive and negative, intended or unintended short-term and medium-term effects of the advisory services. Client action taken because of the advisory services is one common type of outcome measure. It reflects client acceptance of recommendations. (Development and delivery of the recommendations to the client, in this case, as well as client satisfaction with the advisory services, could be output objectives.)

Outcome ratings are determined by the extent to which they have been achieved as well as by the appropriate address of Environmental and Social issues, as appropriate. If the project or program clearly has E&S implications that were not addressed, it should not receive a rating higher than Partly Satisfactory on this dimension. Similarly, this factor would be weighed heavily in assigning the Development Effectiveness rating.

- Extent to which short- and intermediate outcomes were achieved, e.g. implementation of recommendations to change behavior, practices or legislation.
- Appropriate addressing of Environmental & Social issues.

Outcomes, however, require the PCR author to consider whether the observed effects, or how much of the observed effects, can be attributed to the project as an intervention. This must involve consideration of a *counterfactual* or a comparison of current performance to what would likely have happened in the absence of the program. So, for example, if a major project objective is the creation of 100 jobs, it is important to estimate the difference between the current number of new jobs and what would have been the case without the project. Having a baseline pre-intervention number is usually a critical starting point. Then the task is to make a plausible case that it was the intervention that made the difference between the baseline and the outcome measure. For many projects, the argument will be based on client or expert judgments of attribution. For some projects, large in volume and/or particularly important, quasi-experimental or experimental designs may be possible. In any event, the case with and without the intervention and before and after the intervention should be considered.

Outcomes are the short- and medium-term effects of producing the outputs. These may be implementation of passed legislation, changes in management techniques due to business consultations, new corporate governance policies or practices due to increased awareness through training, environmental management systems due to advice given, or changes in plant layout due to consultations. They may reflect engagement in new activities which are attributable to information or knowledge gained from IFC advisory services, such as consulting firms advising SMEs in a new area, or banks lending to a new segment, like SMEs thanks to new assessment tools provided by the IFC advisory service. For linkages projects it might be supplier companies adopting new or different technologies (as recommended by the advisory project) to improve quality or volume of production, it might also be agreement between

various parties on a price for supplier goods sold which had been brokered or facilitated by the advisory project. In some instances, an unanticipated positive or negative outcome may be seen at project completion. When this occurs, it should be noted in the outcome rating rationale. Some outcomes or project effects will be evident at project completion. Others may take longer to be seen and need follow-up.

Outcome indicators should be specified in measurable terms at the AS-PDS approval stage with indicators and targets.. Thus the outcome indicator for a demonstration project, for example, might be stated as follows: *As a result of this demonstration project, three additional leasing firms will be operating in-country within three years.*

IFC's policy requires that "all its operations are carried out in an environmentally and socially responsible manner," and this is a necessary condition for sustainable development—IFC's Mission. While IFC currently lacks a uniform policy for AS projects, country policies and guidelines should generally be considered against results on the ground for AS projects. For some AS efforts, environmental, social, health and safety (ESHS) effects will not be relevant.

At project completion, most outcomes should be discernable but it may be too early to expect achievement of others. If one or more outcomes have been achieved, this should be indicated and a rating on Outcome Achievement should be given. Additionally, however, it should be noted in the ratings narrative that achievement of some major outcomes is not yet known. The narrative should indicate when achievement of those outcomes could be expected. If the likelihood of achieving major outcomes is low, this should be noted in the narrative with explanation of the reasons why. If further major outcome is expected, the follow-on box for further monitoring and evaluation recommended must be checked.

Evaluation Standard:

<i>Excellent</i>	All major outcomes achieved; One or more of ESHS suggested improvements made and/or project serves as a model for positive environmental & social effects; Client attributes changes in behavior and performance to the AS.
<i>Satisfactory</i>	Most of the major outcomes achieved; ESHS areas for improvement have been communicated to client with some improvements ongoing/made. Clients indicate the AS contributed to major changes in behavior and performance.
<i>Partly unsatisfactory</i>	Some major outcomes achieved; Client acknowledges AS contribution, but attributes relatively minor influence; ESHS recommendations made to client but little or no client response
<i>Unsatisfactory</i>	Few, or none, of the major outcomes achieved; No screening of ESHS issues although that was appropriate;

Client attributes little or no behavior or performance change to the AS, or AS had perverse effects.

Examples [to be completed]

(4) Impact Achievement- *Were the intended longer-term effects of the intervention achieved?*

Impacts are the consequences, often but not always longer term effects, resulting from an intervention. They generally reflect the purpose or goal of the project, rather than the specific objectives. For example, they may include the intended or unintended effect of a new legislation, say leasing, on the volume of leasing in the market and economic benefits of enhanced access to finance for SMEs (lower cost to access finance, or first time to participate in the formal financial system). Another example might include the demonstration impact of firms receiving assistance in improving corporate governance policies and practices. It is the ultimate reason for engaging in the endeavor—not to benefit one firm but to provide a demonstration effect and have other firms improve their corporate governance.. (Outcomes for the demonstration firm might include increased investment attractiveness (more investment or on better terms had the improvements not taken place), improved company reputation, or reduced disputes between management and shareholders.

An issue that must be addressed in determining impact achievement, as with outcome achievement, is what would have likely happened in the absence of the AS (the counterfactual). Assessing impacts requires netting out the extraneous factors that affect results such as specific events, related actions of others, or long-term trends in industries, regions, or countries. This is generally accomplished through post-completion period looks at what happened because of this project; the value-added in the longer-term. At a minimum, project staff completing the AS-PCR need to indicate the counterfactual and the rationale for attributing effects to the AS intervention. In IFC, we often will not be able to demonstrate causality with scientific certainty, but only make a plausible argument for contribution.

Traditionally, there are four methods for evaluating program impacts.³ One, and the strongest, is an experimental design with random assignment to treatment and control groups; the second is quasi-experimental design where a comparison group exists, but is not necessarily randomly assigned (e.g. constructed after the fact). The third is called a reflexive design, also known as a before- and after- comparison. It can be a weak design if there is no “with and without” comparison as well. The fourth, perhaps the most common method, is participant judgment and expert opinion. This latter method will most frequently be used for the AS projects.

Program participants can be asked to estimate the extent to which performance (sales and profits, health, etc.) has changed since the beginning of the project and to what they attribute those changes. Program participants should not be asked directly if the performance was enhanced as a result of the project, as this is a leading question.. If participants attribute at least some effect to the IFC project, then they should be asked to estimate the *net* effect—to com-

³ There are many books on research design and evaluation that cover these four methods, and their strengths and weaknesses, in detail. For a briefer reference, see “Assessing the Poverty Impact of Small Enterprise Initiatives,” prepared for the Working Group for Impact Measurement and Performance, Committee of Donor Agencies for Small Enterprise Development, by Nexus Associates, Inc. 8 September 2003.

pare what happened with what would have happened in the absence of the project. Program participants or clients, who indicate their behavior changed at least in part because of the IFC project, can be asked, for example, to estimate the extent to which their behavior changed as a result of the project or the extent to which they made changes because of the program (outcome) and the impact (on sales and profits, on household income, increased investments, on health indicators, etcetera) that this had. As a last case resort, the investment or project officer may also use their expert opinion to make these estimates. This approach has many problems and is considered weak, but it may be the only option in some cases. At a minimum, the investment or project officer must discuss the counterfactual in the rationale for the rating.

At project completion, while one or more impacts should be evaluable, it may be too soon to expect others to be achieved. In such cases, this should be indicated, a rating of the dimension should be made, based on impacts achieved to date, and follow-up evaluation may be recommended. If the likelihood of achieving remaining major impacts is low, this should be noted in the narrative with explanation of the reasons why.

Evaluation Standard:

<i>Excellent</i>	Exceptional benefits achieved with strong attribution to the project backed by evidence from a solid methodology; Benefits should extend beyond the direct recipient(s) or clients; Impact recognized as best practice and project recommended for replication.
<i>Satisfactory</i>	Some evidence of some exceptional benefits but attribution and/or evidence is not strong; Major intended impacts on the direct recipients or clients achieved; Some impact achieved beyond the direct recipient(s).
<i>Partly unsatisfactory</i>	Intended impacts partially achieved; Intended impacts mostly achieved, but some negative impact.
<i>Unsatisfactory</i>	Intended impacts not achieved; Negative impacts.

Examples: [to be developed]

(5) Efficiency - *Were the costs reasonable in relation to the potential results?*

A project is efficient to the extent that its costs are reasonable in relation to the potential results—in other words, that the “buck” is consistent with the expected “bang” or the cost-benefit ratio is positive. Even where the project has a positive cost-benefit ratio, however, a second important dimension of efficiency is how economically resources were used. A project may reap benefits in relation to its costs, but it may have been highly efficient or inefficient in its use of available funds or other resources. Similarly, there might or might not have been more efficient ways of achieving the same objectives—a third aspect of efficiency. This dimension takes into account all three measures of efficiency.

- How reasonable were the costs in relation to the potential results? (cost-benefit or “bang-for-the-buck” dimension)
- How economically (funds, expertise, time) were resources used? (common definition)
- Were there alternative ways to achieve the objectives that might have been less costly? (cost effectiveness)

Evaluation Standard

<i>Excellent</i>	Assistance has a high positive cost-benefit ratio; Resources used to provide assistance were expended highly economically; Assistance was far less costly than the alternative(s)
<i>Satisfactory</i>	Assistance has a positive cost-benefit ratio; Resources used to provide assistance were expended economically; Resources used were reasonable in relation to alternatives
<i>Partly unsatisfactory</i>	Assistance has a negative cost-benefit ratio; Resources used to provide assistance could sometimes have been expended more economically; More reasonable alternatives were available that could have been used
<i>Unsatisfactory</i>	Assistance has a highly negative cost-benefit ratio; Resources used to provide assistance could generally have been expended more economically; Much more reasonable alternatives were available that could have been used

Examples: [to be developed]

Development Effectiveness Rating

This rating is a judgmental synthesis of the ratings on the five dimensions. Each of the five ratings should be considered carefully. The development effectiveness (DE) rating is a bottom-line assessment of the project’s overall results on-the-ground, given expectations. It is not an “average” of the five ratings. If both the outcome and impact dimensions are not rated (or rated “too soon to tell”) a DE rating should not be assigned.

Evaluation Standard:

Highly Successful: A project with overwhelming positive development results, with virtually no flaws. It indicates the type of project IFC should use publicly to illustrate the contribution of IFC AS and the type of project that should be considered for broad replication.

Successful: A project that broadly meets its objectives and has strong positive aspects that more than compensate for any minor shortfalls. It is a project without material shortcomings, that clearly meets expectations.

Mostly Successful: A project which has some shortcomings, but with achievement of major objectives. Positive aspects predominate.. A guiding principle should be: if all IFC AS projects were mostly successful, we can justify them to our donors as the main project objectives would be met..

Mostly Unsuccessful: Minor shortcomings across the board, or egregious shortcoming in one area which outweighs otherwise positive aspects.

Unsuccessful: A project with largely negative aspects, clearly outweighing positive aspects

Highly Unsuccessful: material negative development aspects, with no material redeeming positive aspects to make up for them.

Not Applicable: This rating should be selected in the following two cases:

- projects in which neither outcomes nor impacts have been achieved;
- projects that were not expected or intended to have any impact on development effectiveness (e.g. feasibility studies)

(6) IFC Additionality

What was IFC's role and contribution in engaging in this AS? This indicator asks to what extent IFC brought additionality or made a special contribution to the AS. Was IFC especially pioneering or innovative? Was it particularly catalytic in this case? Did it enter a crowded field and provide AS that others could have provided? Was IFC able to play a unique role not easily filled by others? Did it leverage key areas of expertise, draw on its credibility and global experience, or links to the World Bank Group? To what extent did IFC provide assistance and direction that yielded greater development results than would have been the case absent IFC's involvement? Where IFC delivered its usual role and contribution, it should be rated satisfactory. The Excellent rating should be reserved for those cases where IFC involvement clearly made a significant contribution outside the norm.

Principal indicators that should be considered involve the rationale for IFC's support and IFC's involvement in the project (at approval and ongoing). Consider what would likely have happened if IFC had not provided the AS.

- Would alternate funding for the AS have been likely?
- Would the company have found alternative financing (e.g. if a business development services project)?
- Could other providers have filled the gap and how likely is it that they might have?
- Did IFC maximize opportunities to add value?
- Did IFC add gender, poverty reduction, environmental or other similar focus as appropriate to increase the developmental focus?
- Was IFC particularly catalytic or innovative in its AS?
- Can the project serve as a model for others and be replicated/rolled out in other regions/countries?

If the concept was good, but the project design was flawed and likely to fail, the additionality rating should be below satisfactory.

Evaluation Standard:

Apply the following rating guidelines:

<i>Excellent</i>	IFC was essential <u>and</u> IFC made major contributions that made the project particularly catalytic, innovative, or developmental.
<i>Satisfactory</i>	IFC's role and contribution were in line with its operating principles, i.e. IFC had additionality.
<i>Partly unsatisfactory</i>	IFC's role or contribution fell short in a material area; Project design had weaknesses.
<i>Unsatisfactory</i>	IFC's role was not plausibly additional and IFC's expected contribution was not delivered; Project design was flawed.

Examples of Ratings [to be completed]

I suggest to delete section (7) IFC Work Quality; section 8 (Consultants work quality); and section 9 (partners' work quality) since those are not discussed in PCR. Perhaps they should be left but indicated as areas that IEG will rate if the project is selected for field review.

Where to discuss the 'flaws in project design'? Design problems were among the main reasons for project failure and, at the moment, there is no place to address this issue. See suggestions under additionality.

II. Lessons Learned

Lessons that might be helpful to others doing similar ADVISORY SERVICES projects should be identified. At least one lesson should be identified for any project.

Lessons should focus on how IFC can improve the Development Effectiveness and IFC Work Quality of its ADVISORY SERVICES projects. Good, well-written lessons: are specific but widely applicable; describe lessons learned rather than general principles; are derived directly and specifically from the experience of the operation and are self-contained. Lessons should be transparent, prescriptive, and operationally oriented with a view to providing guidance for improving future performance. They may be positive (things that worked and should be repeated) or negative (mistakes that should be avoided). Each lessons should be written in a three-part format:

- What did we expect to happen?
- What actually happened and why?
- Lesson for future TA

