Executive Summary of Evaluation

Name of Evaluation | A Review of Recently Completed IFC Corporate Governance Advisory Services Project, Their Results and Lessons Learned
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Background

In emerging markets strengthening corporate governance (CG) is important for promoting sustainable private sector growth and investment. It can facilitate better performance by individual companies, improve access to capital, and strengthen the overall investment climate. IFC recently commissioned a review of corporate governance programs completed between 2006 and 2012. This review focused on 44 projects with a total investment of $31.4 million. This selection included all CG advisory projects of more than $100,000 and making a major contribution to key results. It included those undertaken by Regional Advisory Services, the CG Unit and the Global Corporate Governance Forum (GCGF).

Objectives

The review serves as a status check of the IFC CG advisory services portfolio. It especially focused on results and lessons as they relate to results measurement, cost efficiency measures, collaboration with IFC Investment Services (IS) and exit strategies. The review built upon a 2006 evaluation of IFC’s ECA CG projects, which had been undertaken as a forward-looking exercise to improve the design of measurement methods for future Advisory Services (AS) projects.

IFC works closely with clients and stakeholders to improve corporate governance practices and standards, specifically to provide CG tools, advisory services and training to improve the CG framework, build sustainable institutional capacity and improve firm level governance practices. In addition, IFC plays a leading role in global policy dialogue on corporate governance, through supporting international gatherings and publications on good CG practices.

Analysis

The review found significant diversity in the projects being undertaken. This included variations in project size, client mix, and spread of national, regional and global coverage. The diversity in projects is
greater than found in the 2006 evaluation which focused only on ECA projects. There were many examples of a comprehensive approach to CG AS, with large numbers of interventions possessing private good and public good components. There had been substantial collaborations between Regional AS, the CG Unit and GCGF, and between these units and others in IFC and the WB. There has been extensive knowledge platform activity centered on networking, capacity building and production and dissemination of leading-edge best practice materials. The review found the projects performed well. 82% were rated as ‘highly successful’, ‘successful’ or ‘mostly successful’ on the Development Effectiveness (DE) synthesis rating. 77% were rated either ‘excellent’ or ‘satisfactory’ for Outcome Achievement and 55% for Impact Achievement. However one third of all projects were scored ‘not yet achieved’ on the latter criterion. The projects also performed well in efficiency terms.

Conclusions and Recommendations

LESSONS FOR FUTURE OPERATIONS

The review primarily focused on lessons for strengthening IFC project design, systems and procedures rather than seeking to draw more direct CG related lessons from the 44 projects [1].

Strengthening Tail-End Monitoring and Evaluation - The review found that M&E processes had improved. However, monitoring of the end of the project cycle, especially post-completion, needed to be strengthened. It suggested more attention should be given to updating indicators/capturing results in the Advisory Services Operational Portal for closed projects based on post-completion M&E. The review noted that the inability to change PCR ratings based on later evidence leads to important feedback being lost and a reduced incentive for staff to focus on this. It also recommends ear-marked M&E funding to ensure this is undertaken.

Consolidating IFC M&E guidance – It was difficult for TLs to follow a standard M&E framework consistently due to incomplete and not particularly user-friendly M&E guidance. The review recommended updating and synthesizing the guidance. This might include more details on the use of standard Output, Outcome and Impact indicators; how to allocate budget to each stage of project, in particular post implementation; how to include stories and cases to complement quantitative results measures; documenting relevant evidence; and different project examples.

Helping project experience inform future practice - Whilst there are a good range of mechanisms for documenting lessons learned, it was unclear how readily available this is to TLs during project design/implementation. As well as ensuring all TLs can access lessons, the review suggested ensuring project duration is sufficient for impact achievement, and that enabling environment work is conducted with client work in order to promote comprehensive improvements in governance practices in the markets.

Finding appropriate measures of performance and impact - The requirement to measure project achievement in terms of financing facilitated (a key standard indicator of impact) is inadequate for capturing public good aspects including capacity building of intermediaries. Too much focus on
financing facilitated risks under-reporting of other program achievements. Measurement of project performance should include local context, challenges and resources.

**Developing a single program level strategic framework** - During the review period, there was no single program-level strategic framework guiding CG work. As such some projects were not compatible with the use of a standardized project log frame and unitary M&E framework. The review suggests that such a single program-level strategic framework is needed.

**RELATED LESSONS**

**Diversity lies at the root of IFC’s competitive advantage** - CG needs worldwide are varied (and often changeable). The means for addressing them are multiple and logically the AS offering should be many-stranded. IFC is well placed to respond to this diversity.

**Building a Narrative about Development Results** - The review suggested there has been some success to setting out a high level narrative about the need for and impact of CG interventions. This is useful in building support across a high-level and broad audience.

**Strengthening the AS/IS Interface** - On the collaboration between AS and IS the review found that there have been instances of AS projects leading to identification of potential IS clients, as well as cases in which new IS procedures requiring assessment of a potential client’s CG practices have spurred interest in AS product offerings.

**Managing Exit and Ensuring Sustainability** – Some of the exit options presented in PCRs were narrowly focused on creating a new entity or body. Other projects followed a multiple partner, multi-faceted approach. These issues have to be addressed at the design stage. For many partner intermediaries, sustainability is often related to financial stability and pricing for services.

[1] The report contains lessons for project design (pp40-41), sustainability (pp 42-43), and the AS/IS interface (p44).