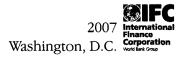




Independent Evaluation of IFC's Development Results 2007

Lessons and Implications from 10 Years of Experience





Contents

- vii Abbreviations
- ix Acknowledgments
- xi Foreword
- xiii Avant-propos
- xv Prólogo
- xvii Executive Summary
- xxi Résumé analytique
- xxvii Resumen

1

15

xxxiii IFC Management Response to IEG-IFC

xxxix Chairperson's Summary: Committee on Development Effectiveness (CODE)

1 Development Results of IFC-Supported Projects, 1996–2006

- 1 Substantial Increases in IFC Investment and Advisory Services Activities
- 3 Most IFC-Supported Projects Achieved High Development Ratings
- 8 Further Improvement Is Anticipated
- 10 No Trade-off between Development Results and IFC Investment Returns
- 11 Comprehensive Evaluation of IFC's Development Effectiveness Remains a Major Challenge

2 Lessons from 10 Years of Private Sector Development Evaluation

- 15 Development Results Are Driven by Five Factors
- 15 A. Changes in the Quality of a Country's Business Climate Following Project Approval
- 17 B. Type of Industry Sector
- 18 C. Quality of the Sponsor
- 20 D. Level of Product Market, Client Company, and Project Type Risks
- 20 E. IFC Work Quality
- 24 Type of Financing Has Implications for Development Performance
- 25 Nature of Linkages between Investment and Advisory Services Activities Is Also Important
- 25 Evaluation Provides a Basis for Better IFC Results

iii

INDEPENDENT EVALUATION OF IFC'S DEVELOPMENT RESULTS 2007

29

43

Strategic Implications for IFC

- 29 IFC Is Pursuing an Ambitious Growth Plan While Further Decentralizing
- 30 Stakeholder and Client Perspective: Need to Adopt a Deeper Country Focus and Emphasize Distributional Issues
- 35 Internal Process Perspective: New Incentives and Mechanisms for IFC–World Bank Cooperation Required
- 37 Human Capital Perspective: Ensure Robust Work Quality as IFC Decentralizes
- 40 Financial and Measurement Perspective: Prepare for the Next Major Market Correction and Improve Development Impact Measurement

4 Recommendations

- 43 Meeting Stakeholder and Client Needs
- 44 Developing More Seamless World Bank Group Processes
- 44 Addressing Learning and Growth Needs
- 44 Financial and Measurement Issues

47 Appendixes

3

- 49 A: Evaluation Methodology
- 53 B: Performance of IFC-Supported Projects and the Profitability of IFC Investment Operations: Further Analysis
- 63 C: Definitions of Evaluation Terms

65 Endnotes

71 References