

Completion and Learning Review

Chile

FY11-FY16 Country Partnership Framework

March 4, 2022

Ratings

	CLR Rating	CLRR (IEG) Rating
Development Outcome:	Satisfactory	Moderately Satisfactory
WBG Performance:	Good	Good

I. Executive Summary

- i. **This review of the World Bank Group’s (WBG) Completion and Learning Review (CLR) covers the FY11-FY16 Country Partnership Strategy (CPS) and its adjustments through the FY15 Performance and Learning Review (PLR).**
- ii. **The WBG-supported program was broadly consistent with the government’s strategy and addressed major development challenges.** It was based on public sector modernization (focus area 1), job creation and improving equity (focus area 2), and promoting sustainable investment (focus area 3), and at PLR stage strengthened work on tax reform and tertiary education. The program implemented during the CPF period was broadly aligned with the WBG’s twin corporate goals. Work done under focus area 2 on job creation and equity directly addressed issues of poverty and shared prosperity. The education objectives explicitly addressed the need for improved quality of and access to education for the poor, as well as accountability of government-sponsored tertiary education institutions. In addition, objective 6 aimed to increase the access to social services for the poor, and objective 7 contained efforts to connect lagging regions and increase inclusion.
- iii. **IEG rates the CPS development outcome as Moderately Satisfactory.** Of the 11 objectives four were Achieved, four Mostly Achieved, and three Partially Achieved. Under focus area 1, the public sector was further modernized despite some delays in improving information systems, and citizens gained more access to information. Public sector financial management was enhanced less than expected due to software implementation delays, and

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an insurance supervision reform was launched, but the supervisor did not adopt a risk-based supervision framework. The work on focus area II (job creation and equity) achieved good results on higher education and helped strengthen social protection. The government established by law fifteen technical training centers to expand access to affordable tertiary education for low- and middle-income students; enhanced the accountability of tertiary education through a performance-based system; improved its social protection system; and facilitated access to finance for micro, small, and medium enterprises (MSMEs). The first five state-sponsored regional technical centers started operations only in 2018. There is still limited evidence of actual improvements in the educational quality of state universities. The access of the rural population to basic public services improved, but the increased use of quality and sustainable electricity services was not measured. Under focus area III, the country promoted sustainable investment through institutional improvements to engage the private sector in public infrastructure development; strengthened water management and land management institutions; and diversified its energy supply.

- iv. **World Bank Group performance was Good.** There was good collaboration within WBG, with the WB and IFC working together on strategy and dividing up labor according to comparative advantage. IFC's support was prominent in developing energy supply from renewable resources and supporting MSMEs. The program naturally built on previous WBG work, with follow-up analytical or lending projects the result of government demand on a core set of policy priorities. WBG advisory services and analytical (ASA) activities were well integrated with lending activities carried out in education, inclusion for shared prosperity, and water management. The few WB lending activities (US\$181 million) focused on areas where financing was needed to implement reforms, such as education and social sector support. WB ASA activities underpinned virtually all objectives and focused on filling knowledge gaps and providing technical advice to implement technical or institutional reforms. Given the importance of education for Chile's reform agenda, there was insufficient effort to measure improvements in educational quality from interventions under the WBG program. The PLR was prepared about 6 months after the new administration of President Bachelet took over in 2014, and the reorientation of the program at that time took into account new government priorities on tax reform and tertiary education. There was generally a significant level of government ownership and appropriate project implementation (see Box 1 on the Joint Studies Program, JSP, which governed ASAs).
- v. **Overall, the WBG provided good support to Chile's development priorities.** Most of the financing in this program came from IFC (US\$816 million), catalyzing private investment, investing in renewable energy, and promoting access to finance. Continuing government co-financing of the JSP indicates value and relevance of WBG work in the country:
- WBG work on education was considered by the government as key to enabling lower-income students to participate more effectively in the labor market.
 - The WBG helped Chile improve its social protection system, which increased participation in education and health programs by the poor.

- Chile diversified its energy supply with support from significant IFC investments across the spectrum of renewable energy sources.
- vi. **There has been no CPF approved since this CPS lapsed in FY16, and addressing the country’s development challenges has gained greater urgency.** The Joint Studies Program has continued—together with some WB lending—with a focus on areas broadly supported under the FY11-FY16 CPF. IFC made five investments after FY16, primarily in the financial sector. MIGA, for its part, issued two guarantees for a commercial bank. The development progress of Chile was challenged by the social protests against economic inequality at the end of 2019, and the COVID-19 outbreak in 2020. GDP contracted by 5.8 percent in 2020 and poverty increased for the first time in decades (from 8.3 percent of the population in 2017 to 10.8 percent in 2020). The COVID-19 outbreak was managed well by the government, but the social discontent with public services, particularly health and education, indicates that major challenges in these areas still must be addressed. As a consequence of the 2019 protests, a Constitutional Convention was convened to draft a new Constitution by July 2022. In December 2021, a new President was elected. Thus, there is a risk that there may be a departure from the policy continuity referred to in this CLR Review in the future. It is against this backdrop that the preparation of the next CPF will take place, with urgency on delivering quality health and education, and recovering from the Covid-19 pandemic. The Congress-approved depletion of private retirement accounts to deal with the Covid-19 shock represents a major challenge for Chile’s social security system, thus far considered one of the most advanced in Latin America. In December 2017, the WBG opened an office in Santiago jointly with the government to strengthen relations and serve as a knowledge hub (Regional Center for Research and Development).
- vii. **IEG broadly agrees with the CLR’s lessons,** particularly on the convenience of revising the objectives of a knowledge-oriented program as needed at PLR stage to reflect changing client demands. IEG notes that a lesson from the Knowledge-Based Country Programs IEG evaluation (February 2014) may be relevant to the preparation of the next CPF: Stay engaged and responsive in the implementation phases of advisory activities through instruments that help clients translate recommendations from analysis into actions that fit local political and administrative constraints. The WBG’s program results framework was overly concentrated on outputs from interventions, and an additional lesson from the CLR review is that WB close tracking of results and impact of lending operations, rather than focusing the tracking on outputs, will serve better the country’s public policies.

II. Strategic Focus

Relevance of the CPF

1. **Country Context.** Chile—an OECD member—is a high-income, commodity-dependent economy with market-oriented economic policies, monetary and fiscal discipline, and strong institutions relative to Latin American peers. Inequality declined during the program period but remains high with a Gini coefficient of 44.4 in 2017 compared with 46 in 2011. Poverty (measured using the headcount ratio at national poverty lines) declined from 22.2 percent of the

population in 2011 to 11.7 percent in 2016. Chile’s average GNI per capita during the program period of US\$21,135 (PPP – current international \$) is significantly higher than the average for Latin America of US\$14,838. Annual GDP growth averaged 3.5 percent in 2011-16, significantly higher than the 1.8 percent average for Latin America, despite a 50 percent decline in the price of copper, Chile’s main export. Chile, like other Latin American countries, has some regions that are poor and underdeveloped, primarily inhabited by indigenous populations, with more remote areas lacking basic services, such as water and electricity. Other major development challenges are: (i) to ensure that the public sector does not constrain private sector competitiveness and productivity; (ii) to create quality jobs that contribute to equity improvements; and (iii) to improve the quality of public education, health care, and the adequacy of pensions.

2. **Government Strategy.** The FY11-FY16 CPF straddled two Presidential administrations. The Piñera administration of 2010-14 launched an ambitious agenda in *Chile País Desarrollado* (“Chile: Developed Country”) with the overarching goal of eliminating extreme poverty by 2014, with three strategic policy areas: (i) achieving greater competitiveness, including public sector modernization; (ii) improving job creation and job quality; and (iii) promoting investment. In 2014, Ms. Bachelet became President with an agenda to foster social inclusion through improvements in the quality and equity of the education system complemented by tax reform aimed at increasing revenue and reducing inequality.

3. **CPF Relevance of Design.** The WBG program was broadly consistent with the government’s strategy, addressed major development challenges, and was based on three focus areas: (i) public sector modernization; (ii) job creation and improving equity; and (iii) promoting sustainable investment. The PLR maintained the three focus areas, and strengthened work in tertiary education, social protection, and reforming taxation, areas of interest to the Bachelet administration. The WBG program was built around substantial IFC financing for renewable energy and MSME access to finance, and significant ASA activities, with WB lending deployed very selectively to priority reform areas. WB ASA was centered on activities under the Joint Studies Program (JSP) supported by the WB and the government (see Box 1), and Reimbursable Advisory Services (RAS) and non-fee-based ASA, including for a poverty assessment. There were only three new WB loans during the program period, one on education, one supporting water infrastructure development, and a development policy loan (DPL) on inclusion. These loans addressed major development constraints identified in the government program and the SCD, and complemented well the ASA provided. The WB program was based on ASA interventions (“knowledge based”), and there were a few select WB lending operations in those areas in need of more reform, such as education and inclusion. IFC focused on increasing MSMEs’ access to finance and developing renewable energy sources, areas that were priorities for the CPF.

Results Framework

4. **An initially more qualitative results framework, was streamlined and made more quantifiable at PLR stage.** The initial results framework contained primarily a set of qualitative indicators with very few quantitative indicators, and in some objectives a large number of indicators – objective one had seven indicators, for example. The framework was streamlined at

the PLR stage and better structured. The revised framework aligned the WBG program with priorities of the Bachelet administration. On education, the scope was broadened from quality, financing, and access, to include objectives about broadening options for higher education services and increasing accountability to the government for performance of the tertiary education system. The original objective on supporting private sector investment became more focused on diversifying energy supply to allow for electricity cost reduction. The results indicators were generally measurable, with baseline, target, and target date, but some outcome indicators—e.g., under objectives 10 and 11—were inadequate to capture the achievement of objectives or were not fully relevant to the objectives. The indicator under objective 6 (increase access of social services for the poor) cannot measure the increase in access to social services by the poor, and under objective 10 (sustainable and efficient management of natural resources), land management was not captured by the indicator. In some cases, the indicators were not relevant to the objective; for example, it is unclear why a jobs indicator falls under an access to finance objective (objective 8). Under objective 11, the indicator was about generation capacity, which is a very indirect representation of a lower electricity cost due to a diversification of energy resources (the objective). A more direct measure of cost would have been a preferable indicator. Indicators generally emphasized outputs over outcomes. For example, given that the emphasis in objectives 4 and 5 was on quality education outcomes, there could have been more effort to spell out the timetable for the eventual measured improvement in learning outcomes.

Alignment

5. The program implemented during the CPS period was broadly aligned with the WBG's twin corporate goals. Focus area II (job creation and equity improvement) directly addressed issues of poverty and shared prosperity. The education objectives explicitly addressed the need for improved quality of and access to education for the poor, as well as accountability of government-sponsored tertiary education institutions. In addition, objective 6 aimed to increase the access to social services for the poor, and objective 7 contained efforts to connect lagging regions and increase inclusion.

III. CPF Description and Performance Data

Advisory Services and Analytics

6. The World Bank program was primarily knowledge-based, with the Joint Studies Program (JSP—see Box 1) at the core of ASA activities that supported virtually all objectives. There were 48 ASA activities under the FY11-FY16 CPF, of which 19 were financed through the JSP. The rest were Reimbursable Advisory Services (RAS) (19), and non-fee-based ASA (10). There were principally three types of activities financed by the JSP or RAS: (a) the WBG as a sounding board and policy dialogue, (b) filling a knowledge gap, and (c) technical advice to implement systems and reforms. The non-fee based ASA was used for a poverty assessment and evaluation of public policies.

Box 1: Government of Chile-WB Joint Studies Program (JSP)	
Amount and Cost Sharing	The bulk of the World Bank knowledge work was delivered through studies structured around a Joint Studies Program funded by the Bank (US\$400,000 per year) and the Government of Chile (up to US\$800,000 annually), ¹ with the possibility of additional assistance through fee-for-service ASA (RAS).
Time-frame	Typically, an agreement was signed for 2 years, with annual programming responding to emerging government priorities and timely input to government policy decisions. In 2015, the Bachelet administration signed a framework agreement for four years (FY15-18).
WB Role and Sequencing	Launched in 2008, most of the JSP activities fill a gap where the government is interested in outside input into the discussion of a certain topic. In most discussion areas, the WB is one of a number of voices in the discussion rather than an exclusive government interlocutor. The projects are decided jointly between the WB team and the government (DIPRES ²) year by year, with some as one-off activities and others having follow-up activities. In some cases, such as tertiary education, the initial advice was followed-up by technical support to strengthen the quality assurance system in the education sector, and additional support to increase options for higher education services through public technical institutions.
Agenda	For FY11-FY16 the JSP covered public sector management incentives, decentralization, tertiary education, tax reform, insurance sector, health sector financing, monitoring and evaluation of social programs, social protection, student loan program, water resources assessment, food and forestry, and concessions.
Main Counterparts	DIPRES in the Ministry of Finance is the main WB counterpart, in charge of prioritizing and vetting demand from line ministries, and monitoring JSP results. The ASA program co-financed by the JSP generally supports CPF objectives, but some of the activities requested by DIPRES may be <i>ad hoc</i> depending on the need for outside advice.
Profile	Generally low profile. Even in areas where the WB has made significant contributions, such as decentralization, the WB does not seem to be part of the public or parliamentary debate. In cases such as the tertiary education reform, the government envisaged possible positive results from a higher WBG profile, and the WBG was more engaged in the public debate. Dissemination through seminars and conferences is often conducted in the case of studies that seek to inform policy debates.

7. WBG as sounding board: These are studies that explored issues related to an important development challenge on which the government had not necessarily taken a position but was interested in the WBG’s expertise and assessment. An example is the work done on decentralization. The WBG provided options to improve incentives and management capacities at the municipal level, with a view to improve the delivery of education and health services. It included the review and lessons from experiences in other countries, such as Spain and France. Its dissemination inside and outside the government brought attention to the need for policies toward “extreme zones” —country’s most remote regions—in Chile. In another example, the

¹ Current amounts and sharing. JSP funding and its sharing by WBG and the government has varied in the past.

² Dirección de Presupuestos (Budget Directorate).

analysis of the 2014 tax reform assessed the distributional effects of tax changes and compared Chile's income distribution and aspects of its tax system with other countries.

8. Filling a knowledge gap in an area where the government needed to take action: Relevance, timeliness, and actionable recommendations (“how to” as opposed to “what to do”) were key in this case. The WBG provided evidence on international best practices on access to tertiary education, water resources management, land management, and social services reform. A number of these activities were followed up by concrete technical assistance to implement the respective reforms. The activities became ex-post programs in tertiary education, water resources management, and social services reform because the government requested technical assistance for implementation. WBG ASA conveyed information on best international practice on the public modernization effort but did not refer enough to local Chilean processes to be of practical implementation value according to IEG (see Knowledge-based Country Programs Evaluation).³ The WBG provided helpful international evidence on the accountability of state tertiary education institutions to the government.

9. Technical advice to implement institutional or technical reforms: This was work done on reforming institutions (setting up agencies or reforming existing agencies), or providing concrete advice to set up systems (including software to implement reforms and improve information systems). In the water sector, the WBG helped the government improve the workings of the General Water Directorate and strengthen the water sector institutional framework. The WBG also supported the government to set up the *Dirección General de Concesiones* (division of concessions within the Ministry of Public Works) to facilitate private sector participation in the development of public infrastructure. It also contributed to improve citizens' access to information by strengthening the main agency in charge. The WBG remained engaged in the implementation of several education reform initiatives, in a sector where it has a record of successful engagement. This was also an area where there has been a good division of labor with the Inter-American Development Bank (IDB), with the WBG concentrating on higher education and the IDB on early childhood education. The WBG supported the government in implementing information systems at the central and municipal level to improve budget reporting and other activities, and in improving the social protection system by consolidating existing programs into an integrated social protection information system.

10. WB ASA activities were well integrated with lending activities in education, inclusion for shared prosperity, and water management. This was a program where the small number of WB lending activities focused on selected areas where financing was needed to implement reforms, and WB ASA activities underpinned virtually all objectives and focused on filling knowledge gaps and providing technical advice to implement technical or institutional reforms.

11. There were no active IFC advisory services during the CPS period.

12. JSP-financed and other ASA continued after the CPS period focusing on areas supported under the FY11-FY16 CPS: implementation of public sector international accounting standards

³ Knowledge-Based Country Programs: An Evaluation of the World Bank Group Experience, IEG, February 2014.

and public expenditure review; regional development and subnational public investment; social protection, gender violence, and jobs; and environment and natural resources.

Lending and Investments

13. At the start of the CPF period, outstanding commitments amounted to US\$135 million, consisting of seven operations approved during FY04-FY10. They comprised TA loans on social protection and infrastructure for territorial development (focus area II), public expenditure management (focus area I), innovation and competitiveness, urban transport, and for institutional strengthening of the Ministry of Public Works. The latter two did not correspond to any of the FY11-16 focus areas.

14. The government engaged with the WB primarily on the analytical agenda and the areas where it would use WB ASA, and then was selective in choosing areas for which it would borrow. This reflected a demand for knowledge and low demand for lending given Chile's good access to international capital markets. Chile limited its borrowing from the WB to areas that needed funding to address major development constraints, particularly under focus area II (jobs and equity). During the CPS period, new IBRD commitments totaled US\$181 million, concentrated on focus area II (jobs and equity). Loans were extended for tertiary education (US\$40 million), water infrastructure development (US\$41 million) and a Inclusion for Shared Prosperity DPF (US\$100 million), which focused on improving access to and quality of education, and the targeting of social programs.⁴ The wide-ranging WB ASA program served as a base for borrowing from the WB. As an example, the JSP's analytical work on tertiary education, distributional effects of tax reform, and social protection underpinned reforms supported by the aforementioned DPF. DPF prior actions also built on WB Reimbursable Advisory Service operations (Tertiary Education Quality Assurance and Social Information System Redesign) as well as the Third Tertiary Education Finance for Results Project (US\$40 million, FY12). Eighteen trust-funded activities (including 5 in the pipeline at the start of the program) concentrated on environment-related issues, climate mitigation instruments, and gender equality. The overall trust-fund program was small (US\$36 million, including the US\$13 million at the start of the program), primarily recipient-executed, and activities on climate change aimed to help the government meet international commitments.

15. During the CPS period, a total of six operations were closed, all of which IEG reviewed and performed well. Performance at exit, measured by outcomes rated Moderately Satisfactory or better,⁵ was better (100 percent) than the Latin American Region (70.9 percent of projects, and 82.6 percent weighted by commitments) and World Bank (69.8 percent of projects and 81 percent weighted by commitments) averages. There were no projects at risk during the program, which compares with 25 percent for the Latin American Region and 23 percent for the World Bank as a whole.

⁴ The DPL on inclusion and shared prosperity focused on: promoting equal opportunities in education; improving the conditions to enhance the quality of tertiary education; and strengthening institutions for poverty measurement and enhancing targeting mechanisms of social programs.

⁵ Half of which were rated Satisfactory (3 were rated Satisfactory, 2 rated Moderately Satisfactory, and one Not Rated).

16. **In support of the CPS, IFC focused on a few areas where it could serve as a catalyzer of private financing, such as in sustainable energy (focus area III) and in access to finance for job-rich MSMEs (focus area II).** It made US\$816 million in net long-term investment commitments in 23 projects, the bulk of which went to financial markets and sustainable infrastructure. Financial markets accounted for 62 percent or US\$505 million, of which US\$390 million went to 10 financial institutions focused on increasing access to finance for the job-creating MSME sector and US\$115 million to 2 banks projects to support renewable energy lending. IFC's investments to increase access to finance contributed to the creation of 32 thousand jobs. In the infrastructure sector, a total of US\$233 million helped finance 5 renewable energy projects. Here, the objective was to create additional energy supply from non-traditional sources, which would diversify the sourcing of energy while moving towards Chile's objectives on renewable energy supply. IFC also helped facilitate an additional US\$466 million long-term financing from other sources through core mobilization. At the end of the CPS period, IFC's long-term finance committed, and outstanding portfolio stood at US\$786 million, more than double the US\$327 million portfolio at the start of the CPS period. In addition to long-term finance, IFC made US\$197 million short-term finance commitments in 3 banks by way of the Global Trade Finance Program (GTFP). The CPS results framework reflected well the overall contributions of IFC investments on jobs, MSMEs' access to finance, and sustainable energy infrastructure.

17. **Development Outcomes of IFC investments during the CPS period were mixed.** Three projects were self-evaluated by IFC through the Expanded Project Supervision Reports (XPSR) framework, and independently validated by IEG. The projects were in financial markets, energy, and agribusiness. One evaluated project, which helped increase access to finance, had a good (mostly successful or better) development outcome largely due to the sponsor's strong commitment and focus on MSMEs. The two other projects did not have a good development outcome primarily because of poor execution and weak sponsor performance. In addition to XPSRs, IFC tracks the development outcomes of its portfolio companies through its internal Development Outcome Tracking System (DOTS). Based on DOTS data at the end of the CPS period, in FY16, half of the rated companies had Mostly Successful or better development outcomes.

18. There were no **MIGA activities** during the CPS period.

19. **All three WBG institutions remained engaged in Chile beyond the CPS period in areas that were consistent with the CPS priorities.** There were two WB lending projects for strengthening Chile's state universities (focus area II) and strengthening the health system. During FY17-FY21 IFC's interventions continued to support focus area II (jobs and equity) with investment commitments of US\$221.4 million in four financial sector projects and one agribusiness project. Two thirds of these commitments—amounting to US\$150 million—went to a commercial bank facility aimed at increasing access to climate finance, supporting SMEs, and creating employment. The agribusiness investment commitment—over 10 percent of the commitments during this period—supported a company that provides financing to small and medium farmers to cover their pre-harvesting working capital needs for inputs and services. MIGA also supported focus area II with two guarantees with a combined gross coverage of

US\$1.9 billion and a net exposure of US\$300 million. The guarantees were in favor of a commercial bank that is increasing its support for SMEs. One of these guarantees which was issued in FY19 for a coverage of UD\$1.5 billion (equivalent to a net exposure of US\$250 million) was prematurely cancelled after less than six months following an upgrade of Chile’s sovereign risk rating in March 2019, negating the client’s need for this coverage at that time.

IV. Development Outcome

A. Overall Assessment and Rating

20. **IEG rates the CPS development outcome as Moderately Satisfactory.** Of the 11 objectives four were Achieved, four Mostly Achieved, and three Partially Achieved. Under focus area I, the public sector was modernized despite some delays in improving information systems, and citizens gained more access to public information. Public sector financial management was improved less than expected due to software implementation delays, and an insurance supervision reform was launched, but the supervisor has not yet adopted a risk-based supervision framework. The work on focus area II (job creation and equity) achieved good results on higher education and helped strengthen social protection. The government established by law fifteen technical training centers to expand access to affordable tertiary education for low- and middle-income students; enhanced the accountability of the tertiary education through a performance-based system; improved its social protection system; and facilitated the access to finance for MSMEs. The operations of the first five state-sponsored regional technical centers started only in 2018. There is still limited evidence of actual broad improvements in the educational quality of state universities. The access of the rural population to basic public services improved, but the increased use of quality and sustainable electricity services was not measured. Under focus area III (promoting sustainable investment), the country promoted sustainable investment through institutional improvements to engage the private sector in public infrastructure development; strengthened water management and land management institutions; and diversified its energy supply.

Objectives	CLR Rating	CLRR (IEG) Rating
Focus Area I: Public Sector Modernization	N/A	Moderately Satisfactory
Objective 1: Improve the availability of timely information on budgetary outcomes	Mostly Achieved	Mostly Achieved
Objective 2: Improve access to information for citizens regarding legislation, national budget, and overall public sector information	Achieved	Achieved
Objective 3: Strengthen the insurance market regulation	Achieved	Partially Achieved
Focus Area II: Job Creation and Equity Improvement	N/A	Moderately Satisfactory
Objective 4: Improve the availability of quality options for higher education services	Mostly Achieved	Partially Achieved

Objective 5: Enhance the accountability of tertiary education system by broadening performance-based funding	Achieved	Mostly Achieved
Objective 6: Increase access to social services for the poor	Achieved	Mostly Achieved
Objective 7: Improve access of the rural population to basic public services and markets	Achieved	Partially Achieved
Objective 8: Increase access for MSMEs innovative, short-term financing products to overcome working capital limitations	Mostly Achieved	Mostly Achieved
Focus Area III: Promoting sustainable investment	N/A	Satisfactory
Objective 9: Improve the institutional design for engaging the private sector in public infrastructure development	Achieved	Achieved
Objective 10: Enhance the institutional basis for sustainable and efficient management of natural resources (soil, water, forests)	Achieved	Achieved
Objective 11: Diversify the energy resources matrix to allow for electricity cost reduction	Achieved	Achieved

B. Assessment by Focus Area/Objective

Focus Area I: Public Sector Modernization

21. Focus Area I supported the government’s vision of a modern, more efficient, effective and accountable public sector capable of facilitating increased competitiveness and poverty reduction. The WBG provided value added, primarily through studies and grant financing.

22. **Objective 1: Improve the availability of timely information on budgetary outcomes.** The main WBG contributions were through the Second Public Expenditure Management project (FY08) to increase the efficiency of financial management operations, budget formulation, and budget execution, and the transparency of public expenditure management; and the ASA Public Policies Evaluation System (FY14) to prepare a comparative analysis on relevant experiences about institutions for public policies and program evaluation to identify good practices and lessons that may help Chile to strengthen its current evaluation system.

23. The assessment of performance on each of the indicators is as follows:

Indicator	Baseline (Year)	Target (Year)	IEG Validated Result (Year)	IEG Rating
Financial and expenditure information at the subnational level is available through the municipal financial management system	0 (2009)	100 municipalities (2014)	100 municipalities (2014); by 2016, 104 municipalities and 4 municipal corporations	Achieved

Central government entities use an upgraded SIGFE (Central Government Financial Administration System)	0 (2009)	90 percent (2014)	49.7 percent (2014); 75 percent by 2016	Partially Achieved
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24. *Mostly Achieved.* Chile advanced its public sector financial management system substantially and enhanced its efficiency through the development and roll out of the SIGFE II (*Sistema Para Gestión Financiera del Estado* – Central Government Financial Administration System) and the SIFIM (*Sistema de Información Financiera Municipal* – Municipal Financial Administration System) systems. The SIGFE is a platform that allows government institutions to execute payments, and process and inform budget execution based on appropriate accounting. In 2014, about half of central government entities—86 out of the 173 targeted—were using the SIGFE II, whose implementation was delayed due to software performance difficulties. By 2016, 104 municipalities (out of 345) and 4 municipal corporations were using the SIFIM, which has improved the quality and timeliness of municipal financial information.

25. **Objective 2: Improve access to information for citizens regarding legislation, national budget, and overall public sector information.** The main WBG intervention was the Strengthening Chile’s Council for Transparency or Improved Transparency and Accountability project (FY10).

26. The assessment of performance on the indicators is as follows:

Indicator	Baseline (Year)	Target (Year)	IEG Validated Result (Year)	IEG Rating
Raise information requests responses through the municipal information management system	0 (2009)	100 (2012)	4,300 (2012); 366,911 cumulative through 2017.	Achieved

27. *Achieved.* Chile has made significant progress in increasing transparency through improved citizen access to public information. Since April 2013 the Portal for the Transparency of the State of Chile has been operational, with access to virtually all public sector organizations and institutions. According to the Institutional Memory of the Council for Transparency (2017 report), 152,132 requests for information were received in 2017, and these have totaled 366,911 since the portal became operational.

28. **Objective 3: Strengthen insurance market regulation.** The main WBG intervention were ASA on Financial Sector Assessment Program (FY11, joint with the IMF); Insurance Sector Review (FY11); and Risk-Based Capital (RBC) Model for Insurance Companies (FY12).

29. The assessment of performance on each of the indicators is as follows:

Indicator	Baseline (Year)	Target (Year)	IEG Validated Result (Year)	IEG Rating
Bring regulatory practices in line with	No regulation for risk-based	Draft bill for risk-based supervision submitted for	Draft bill submitted to Congress (2011) and approved (2012). The bill is in the Senate since then. The insurance supervisor has published a draft methodology for	Not Achieved

international standards in the insurance sector	supervision (2011)	public consultation (2014)	determining risk-based capital levels, which insurers have used to conduct exercises for capital calculations. But the risk-based capital framework for supervision is not in place yet.	
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30. *Partially Achieved.* Based on recommendations made by the Financial Sector Assessment Program (FSAP) update (FY11) the Securities and Insurance Superintendence (SIS) and the Ministry of Finance prepared a regulatory reform that included a risk-based approach to supervise the insurance sector. A key objective of the reform was to better align capital obligations to the economic merits of business decisions, thus creating incentives for insurers to better manage the risk of their operations. The new system has not been implemented. The December 2021 Financial Sector Stability Assessment⁶ recommended adoption of a modern risk-based capital (RBC) framework because the current leverage limit and the simple minimum solvency requirement are not adequate for proper insurance sector supervision.

31. **IEG rates the outcome of WBG support under Focus Area I as Moderately Satisfactory** based on the assessment of objectives 1, 2, and 3 above.

Focus Area II: Job Creation and Equity Improvement

32. Focus area II supported the government’s objective of reducing economic and social inequality through promoting human capital development and enabling the emergence of economic opportunities in high value-added activities.

33. **Objective 4: Improve the availability of quality options for higher education services.** The objective was supported by the Monitoring and Evaluation Strategy for Higher Education Reform (FY16) to contribute to the design of a monitoring and evaluation strategy of the objectives proposed by the Higher Education Reform. There were three Reimbursable Advisory Services analyzing the international experience for calculating costs in undergraduate education, quality assurance standards for higher education, and on-demand advice and student aid. These topics were covered by the Determining the Cost of Public Financing of Higher Education Institutions (FY15), the Higher Education Quality Assurance: Definition, and Institutional Arrangement Design (FY16), and Chile (Fee-based Service Tertiary Education (FY13). The DPF on inclusion and shared prosperity had a strong focus on education; of the three pillars, one pillar focused on promoting equal opportunities in education and another pillar focused on improving the conditions to enhance the quality of tertiary education.

34. The assessment of performance on each of the indicators is as follows:

Indicator	Baseline (Year)	Target (Year)	IEG Validated Result (Year)	IEG Rating
Number of new public technical higher education	0 (2014)	5 institutions (2016)	In 2016, law 20,910 was approved creating 15 State Technical Training Centers throughout the country, in order to strengthen the quality of	Partially Achieved

⁶ Chile: Financial Sector Stability Assessment, IMF, Washington D.C., December 2021.

institutions in operation			Higher-Level Technical education. But the first five (Araucania, Maule, Tarapaca, Los Lagos, and Coquimbo) started operations only in 2018.	
Higher education institutions (HEIs) apply new teaching and research cost methodology	0 (2014)	5 institutions (2016)	RAS recommended adoption of funding formula based on cost of training and research activities in 2015. Lack of adequate accounting and monitoring capacities in a large number of HEIs hampered implementation.	Partially Achieved
New quality assurance standards applied successfully in tertiary education programs	0 (2014)	5 programs (2016)	WBG provided advice on this issue but did not monitor the indicator. In December 2019 the Ministry of education produced new quality assurance standards, but IEG has no evidence on how they are being applied.	Not Verified

35. *Partially Achieved.* The WBG produced significant work on higher education, but there is not enough information about the quality of the technical training centers or the application of the new quality assurance standards. Fifteen State Technical Training Centers were approved by law in 2016, but the first five to be in operation started only in 2018. They have expanded the access to affordable technical and professional education for low- and middle-income students, but there is not enough information to determine if they consistently provide the quality of education required by Chile’s labor market. The new teaching and research cost methodology for higher education institutions could not be implemented due to inadequate accounting and monitoring capabilities of a large number of the institutions. New quality assurance standards were developed by the Ministry of Education (MOE).⁷ The MOE document contains a number of commitments related to quality standards to be implemented through 2022 by State Universities, but IEG has no evidence on whether these commitments have been delivered. Therefore, while the objective of more options for higher education services was achieved, the objective of quality was not. Indeed, indicators are quite poor to measure the quality aspect of the objective.

36. **Objective 5: Enhance the accountability of the tertiary education system by broadening performance-based funding.** The objective was supported by the Tertiary Education Finance for Results Project III (FY12) which sought to improve the quality and relevance of education for tertiary education students by strengthening the link between public funding of institutions and accountability for their performance. The DPF on inclusion and shared prosperity had a pillar improving the conditions to enhance the quality of tertiary education.

37. The assessment of performance on each of the indicators is as follows:

⁷ Estándares de Calidad para Programas y Servicios Estudiantiles en Universidades Estatales, Ministry of Education, Santiago, Chile, December 2019.

Indicator	Baseline (Year)	Target (Year)	IEG Validated Result (Year)	IEG Rating
Number of signed performance agreements between the government and tertiary education institutions	0 (2010)	Performance agreements: 1. Teacher training: 18 2. Academic innovation: 19 3. Technical and Professional: 15 4. Small projects: 38 (2016)	1. Teacher training: 19 2. Academic innovation: 24 3. Tech/Professional: 17 4. Small projects: 119 (December 2015)	Achieved
Retention rate: first year undergraduate students that remain at the institution in the second year	68.4 percent (2010)	72 percent (2016)	71.3 percent (2016)	Mostly Achieved

38. *Mostly Achieved.* The WBG approach to enhance the accountability of state tertiary institutions to the government was adequate, and the educational results from such an approach, encouraging. Retention rates increased and teaching credentials (PhD holders in faculty) have improved. However, according to the ICRR for the Tertiary Education Finance project (FY12) there is limited evidence of actual broader improvements in educational quality. There has not been an impact assessment comparing students from these tertiary institutions with students that did not have access to these education services. In addition, the output orientation of the indicators does not provide a proper assessment of the actual enhancement of accountability for results in tertiary education.

39. **Objective 6: Increase access to social services for the poor.** The objective was supported by the Social Protection Technical Assistance Loan (FY04) and its additional financing (FY10) which aimed at laying the base for a national system of social protection. In addition, there was a Social Assistance for Shared Prosperity DPF (FY16) for education reform and enhancing the targeting mechanisms of social programs. ASA also supported this objective, with activities on Poverty (FY14), Social Information System JIT (FY15), and Redesigning Integrated Social Information Systems for the New Mode Selection of Social Protection Beneficiaries (FY16).

40. The assessment of performance on each of the indicators is as follows:

Indicator	Baseline (Year)	Target (Year)	IEG Validated Result (Year)	IEG Rating
Consolidated existing programs into an integrated social protection information system	System not Integrated (2014)	New social protection system implemented (2016)	The Integrated Social Information System was implemented in 2016.	Mostly Achieved

41. *Mostly Achieved.* The WBG helped Chile improve its social protection system, and there is evidence of improved participation of the poor in education and health programs, and of poor people's awareness of social services. With WBG support, the government created the Social Household Registry (SHR) in 2015, which combines in a single database household self-reported information with information from administrative databases. The SHR was launched

in January 2016 with data from 12.3 million people grouped in 4.2 million households, covering approximately 70 percent of the population. The ICRR for the Social Protection Technical Assistance (FY04) indicates that 650,000 eligible families were invited to participate in Chile Solidario,⁸ and 585,000 chose to participate and receive cash transfers. In principle the new Integrated Social Information System should help identify the poor and the extreme poor, but the indicator presents insufficient coverage of the objective to measure the increase in access to social services by the poor. The WBG project helped move the safety net from a set of isolated interventions towards a harmonized national system of social protection, but based on the available evidence it is difficult to assess by how much coverage of the poor increased. The ICRR also notes that there is little information available about results, such as a change in the quality of life of indigent families, although such outcomes are of a longer-term nature.

42. **Objective 7: Improve access of the rural population to basic public services and markets.** The objective was supported by the Infrastructure for Territorial Development project (FY05) which sought to increase the effective and productive use of sustainable infrastructure services by poor rural communities in Territories of the Eligible Regions.⁹

43. The assessment of performance on each of the indicators is as follows:

Indicator	Baseline (Year)	Target (Year)	IEG Validated Result (Year)	IEG Rating
Increase the use of quality and sustainable water and sanitation services in selected territories	0 (2005)	90 percent of the population benefitting from the project-supported Territorial Development Framework Plans (PMDTs) (2012)	90 percent of the population benefitting from the project-supported PMDTs (2011)	Achieved
Increased use of quality and sustainable electricity services in selected territories	0 (2005)	90 percent of the population benefitting from the project PMDTs (2012)	Indicator was not measured.	Not Verified

44. *Partially Achieved.* The objective refers to underdeveloped regions with a majority of indigenous populations, and results on the improvement of access of the rural population to basic public services and markets were mixed. Sustainable infrastructure services¹⁰ were delivered under the WBG project serving about 320,000 people in the participating poor rural communities. Ninety percent of the regions' populations benefitted from Territorial

⁸ Chile Solidario promotes the incorporation of families and people in extreme poverty into social protection programs.

⁹ Coquimbo, Maule, BioBio, Araucania, and Los Lagos, which are underdeveloped regions with substantial indigenous populations.

¹⁰ Rehabilitation of rural roads, and construction, rehabilitation and expansion of rural water, sanitation, electricity and ICT infrastructure.

Development Framework Plans (PMDTs),¹¹ with sustained access and effective use of services provided by the WB project, primarily water and sanitation services. The indicator for increased use of electricity was not measured. The WB did not ensure that the implementing agency carried out the Territorial Development project’s monitoring and evaluation system or prepare an impact assessment on a timely basis as intended by the project.¹²

45. **Objective 8: Increase access for MSMEs to innovative, short-term financing products to overcome working capital limitations.** The objective was supported by IFC investments of US\$251.9 million net long-term finance commitments to four financial institutions (BCI Chile, BC Internacional, Tanner, and Corpbanca) that are focused on increasing MSMEs’ access to finance.

46. The assessment of performance on each indicator is as follows:

Indicator	Baseline (Year)	Target (Year)	IEG Validated Result (Year)	IEG Rating
Total jobs (percent of which female) supported by IFC projects	19,127 (43 %) (2011)	33,000 (45%) (2016)	31,697 (43%) (2016)	Mostly Achieved
MSMEs reached by IFC projects	87,000 loans, US\$10.7 billion (2011)	150,000 loans, US\$33 billion (2016)	230,000 loans, US\$14 billion (2016)	Mostly Achieved

47. *Mostly Achieved.* There was increased access to finance for MSMEs facilitated by IFC investments in four financial institutions, although it is unclear to what extent the loan products used were innovative and designed to overcome working capital limitations. Neither the CLR nor IFC’s internal database tracks the size and number of working capital loans provided by IFC-supported companies. The total number of loans was higher than targeted, but the average loan amount was lower. The number of jobs increased during the program period, but jobs do not directly measure this objective on increasing access to finance for working capital. The rationale for the focus on working capital is unclear; it is not explained in the CPF, PLR, or CLR.

IEG rates the outcome of WBG support under Focus Area II as Moderately Satisfactory based on the assessment of objectives 4 through 8.

Focus Area III: Promoting Sustainable Investment

¹¹ The PMDTs were investment plans approved by the Regional Governments with agreed standards that included: (i) evidence of community, indigenous and gender participation, (ii) sign-off of communities for the identified investments, and (iii) adequate consideration of social and environmental standards for the investments.

¹² The implementing agency was in charge of the monitoring and evaluation (M&E) system, which had only been partially implemented at project closure. The agency was supposed to assess the gradual impacts of the infrastructure components of the PMDTs on the communities in the selected territories and on the related productive activities. But a low priority given to the M&E system during the early years of project implementation delayed the performance of a full impact assessment that would measure the project impact on incomes. Such effort only began towards the end of the project and was in its initial stage at project closure.

48. Focus area III supported the government’s objective of facilitating investments in the productive sectors and improving regulations in the use of natural resources, particularly water.

49. **Objective 9: Improve the institutional design for engaging the private sector in public infrastructure development.** The objective was supported by the Ministry of Public Works Institutional Strengthening (FY07) and a Technical Assistance Loan to assist the government in achieving a sustainable and integrated approach to infrastructure planning. Also supporting the objective were ASAs on Concession Study (FY13) and Institutional Strengthening PPP Unit (FY15).

50. The assessment of performance on the indicators is:

Indicator	Baseline (Year)	Target (Year)	IEG Validated Result (Year)	IEG Rating
Enhanced concession’s regulatory framework to increase incentives for further infrastructure investments	No agency in place (2014)	Concession Agency Implemented (2016)	Dirección General de Concesiones was approved by Law 21044 issued on November 17, 2017	Achieved

51. *Achieved.* The new institutional design helped engage the private sector in public infrastructure development. Two instruments led to this result. First, a new methodology was developed at the Ministry of Public Works for infrastructure investment planning that integrates regional needs and infrastructure investments within a development program. Second, a new entity (*Dirección General de Concesiones*; General Directorate of Concessions) centralizes the engagement with the private sector in public infrastructure development. In 2018—its first year of operations—the agency committed a total of US\$22.6 billion through the concession system. At the end of that year there were 71 active contracts; 12 under construction, 51 in operation, and 8 that were simultaneously under construction and operation.¹³

52. **Objective 10: Enhance the institutional basis for sustainable and efficient management of natural resources (soil, water, and forests).** The objective was supported by the ASA Water Resources Assessment (FY11), which prepared a diagnostic of Water Resource Management; a Reimbursable Advisory Service (RAS) on Strengthening the Legal Framework for Water Resource Management, an Institutional Reform Plan for Water Resources Management (FY14) and a RAS on Institutional Framework of the Water Sector. In addition, the WBG supported land management development through the Sustainable Land Management project (FY13). The WBG prepared a diagnostic of the water sector, and followed up with technical support, including through RAS projects, to enhance the institutional capacity of the General Water Directorate. Moreover, it provided technical advice to identify the needs for improvement of the legal framework for water resources management based on international best practices.

¹³ Informe Trimestral de Concesiones, October-December 2018, Dirección General de Concesiones, Ministerio de Obras Públicas.

53. The assessment of performance on the indicator is:

Indicator	Baseline (Year)	Target (Year)	IEG Validated Result (Year)	IEG Rating
Comprehensive water regulatory framework	N.A. (2014)	Comprehensive Water Code submitted to Congress for approval (2016)	Water Code was submitted to Congress in January 2012, and Law 21064 enacting the code was passed in January 2018	Achieved

54. *Achieved.* The institutional basis for water management was strengthened, and sustainable land management frameworks are being developed. Chile has adopted the following frameworks: a national-level advisory group on natural resource management, monitoring and evaluation systems for sustainable land management to combat land degradation, mainstreaming biodiversity into national policies, and protecting forest carbon assets. WBG work on land management was not captured by the indicator.

55. **Objective 11: Diversify the energy resources matrix to allow for electricity cost reduction.** The objective was supported by IFC investments in infrastructure and financial markets. IFC made US\$233 million long-term finance investment commitments in 5 renewable energy projects in addition to its US\$45 million existing investment commitment in another project in the sector. In the financial markets area, IFC supported 2 commercial banks to expand their lending in renewable energy through a combined US\$115 million net long-term investment commitments.

56. The assessment of performance on each indicator is:

Indicator	Baseline (Year)	Target (Year)	IEG Validated Result (Year)	IEG Rating
New capacity for renewable energy	0 (2011)	460 GwH (2016)	IFC-financed projects produced 5,371 GwH from renewable energy sources during the CPS period, equivalent to more than 10 times the CPS target for renewable energy production. (2016)	Achieved
Development of carbon market mechanisms, and market registry and verification system in the energy sector	N.A. (2011)	Purchase mechanism of carbon emission reductions in place (2016)	The Monitoring, Reporting and Verification (MRV) framework and registry was established on August 31, 2019. Carbon pricing instruments and associated infrastructure recommended to the government in August 2019.	Achieved

Achieved. The WBG helped Chile diversify the energy supply through significant investments across the spectrum of renewable energy sources. IFC supported two hydropower projects (total of 686 MW) and four solar projects (total of 321 MW, one of which was the largest photovoltaic project in Latin America at the time). While IEG has no direct evidence on the contribution of IFC projects to energy cost reduction, there was an energy generation cost reduction during the program period, and part of that reduction can be attributed to renewable energy producers.¹⁴

57. **IEG rates the outcome of WBG support under Focus Area III as Satisfactory** based on the assessment of objectives 9 through 11 above.

V. WBG Performance

Ownership, Learning, and Adaptation

58. **The government showed commitment to the WBG program, and the WBG showed learning ability and adaptation during the program's implementation.** By design, through the JSP, the government participated in planning the way the WB would support government reform efforts. This led to government ownership of the reforms undertaken. In turn, the WB used the national procurement system (ChileCompra)¹⁵ for most contracts (up to US\$300,000 for consulting services, and up to US\$350,000 for goods and non-consulting services) in Bank-financed projects. The program built on previous WB work, as follow-up analytical or lending projects were the result of government demand on a core set of policy priorities. The CPF adapted well to changing circumstances, as the PLR was prepared about 6 months after the new administration of President Bachelet took over, and the revised program took into account new government priorities on tax reform and tertiary education.

59. **The most important lessons learned from the previous CPF and applied in this one were the need to respond flexibly to government needs, and to find ways to share Chile's development experience.** The former was done by continuing and deepening the use of the Joint Studies program in support of the WBG program, and the latter by sharing knowledge in operational workshops and technical seminars in at least six countries. In addition, Chile hosted regional and global conferences on productivity and growth, and implementation of carbon instruments.

Risk Identification and Mitigation

60. **Risks for the WBG program were perceived as low, and no ex-ante mitigation measures were considered.** Risks related to the following were foreseen: (i) political and social upheaval due to continued levels of inequality and the discontent of the small indigenous population, (ii) natural disasters to which Chile is prone, particularly earthquakes and tsunamis, and (iii) financial external shocks, such as the global financial crisis or an abrupt decline of copper prices. The WBG program did not consider explicit ex-ante mitigation

¹⁴ El Cronista—Energía Estratégica, *Como hizo Chile para reducir el costo de generación energética en 60 por ciento*. Santiago, Chile, February 20, 2017.

¹⁵ This is an efficient and transparent procurement system which is largely equivalent to Bank's procedures and practices.

measures to these risks in light of the strong economic and institutional frameworks in Chile. On (i), President Piñera outlined plans to address the challenges in his statement to Parliament of May 2010, focusing on the creation of good jobs, improvements in the quality of education, health, social security, and housing, and on developing infrastructure in less developed regions with prevalence of indigenous populations. On (ii), the risks of natural disasters, the CPS mentioned that the recent experience with a damaging earthquake in 2010 left a number of lessons on the logistics of rapid response that was being incorporated in the government's contingency strategy to respond fast to the needs of affected and vulnerable populations. On (iii), external financial shocks, Chile is resilient because of substantial international reserve buffers, and the government's agenda to increase productivity and diversification addresses this risk over the medium term by reducing the dependence on commodity exports. At the project level, there was some concern in the WBG and the government about slow public take-up of education sector reforms (for example, under the DPF), and this was effectively mitigated through a wide national consultation with academics, teacher unions, the private sector, and student groups.

WBG Collaboration

61. **WBG institutions collaborated reasonably well, particularly in developing the CPF strategy.** IFC is appropriately represented in two of the 11 CPF objectives, where its contributions were concentrated. More than three quarters of IFC investment interventions were aimed at MSME finance and renewable energy.

Partnerships and Development Partner Coordination

62. **There is evidence of partner coordination with regional multilateral development banks.** For example, the Bank coordinated with the Inter-American Development Bank (IADB) while preparing the DPF on inclusion and shared prosperity. The IDB agreed to work on early childhood education, and the Bank on tertiary education. The WB consulted with the United Nations Development Program (UNDP), the Human Development Report Office (HDRO), and with the United Nations Economic Commission for Latin America and the Caribbean (UN ECLAC) regarding new methodologies for poverty measurement. The WB worked with the IMF on the Financial Sector Assessment Program.

Safeguards and Fiduciary Issues

63. **Safeguards compliance was fully achieved during the CPS, and all operations yielded positive outcomes to indigenous peoples' communities.** Six projects were closed and validated during the CPS in the trade, transport, governance, poverty and the social protection sectors. Five projects triggered at least one environmental and social safeguards policy. The CLR reports no safeguards issues and the projects' ICRs and ICRRs underscore the successful implementation of all environmental and social safeguards requirements with significant improvements of indigenous peoples' livelihoods. No Inspection Panel cases were registered during the CPS.

64. **There were no fiduciary issues under the WBG program.** Technical assistance was provided on procurement to all Project Implementation Units on a regular basis.

Overall Assessment and Rating

65. Overall, IEG rates World Bank Group performance as Good.

Design

66. Program design was adequate. The CPS took lessons from the previous CLR, and the PLR introduced changes in the results matrix in response to new government policy priorities in tax reforms and tertiary education. The suite of WBG interventions was capable of achieving the CPF objectives. WBG ASA activities were well integrated with the lending activities carried out in education, inclusion for shared prosperity, and water management. The few WB lending activities focused on areas where financing was needed to implement reforms, such as education and social sector support, while WB ASA activities underpinned virtually all objectives and focused on filling knowledge gaps and providing technical advice to implement technical or institutional reforms. Objectives were realistic. The quality of the results indicators was inadequate, especially for a country like Chile. Not all aspects of the objectives were covered by results indicators, outputs were often over-emphasized relative to outcomes, and some indicators were not monitored. Given the importance of education to Chile's reform agenda, there was surprisingly little effort to measure improvements in educational quality. There could have been more effort to spell out the timetable and causal links between the measures taken under the DPF and eventual measured improvement in learning outcomes. Similarly, the output orientation of indicators under objective 5 (accountability of tertiary education) does not help to give a proper assessment of the actual enhancement of accountability for results in tertiary education. Risks for the WBG program were appropriately perceived as low and ex-ante risk identification was adequate.

Implementation

67. There was good collaboration within the WBG. The CPF reflected an effective WB and IFC collaboration at the strategy level, and a good division of labor between the two. The CPF adapted well to changing circumstances, with the PLR prepared about 6 months after the new administration of President Bachelet took over, and the reorientation of the program at that time took into account new government priorities on tax reform and tertiary education. Based on the PLR, the WB provided analytical support to tax reform implementation and helped enhance the accountability of tertiary education. The Bank worked closely with the Inter-American Development Bank (IADB) with the IDB focusing on early childhood education, and the Bank on tertiary education. Program implementation was adequate, and at the project level (especially WB ASAs) the activities were generally requested by the government through the JSP program, which by and large guaranteed a significant level of government ownership and appropriate project implementation. In cases where there was some concern in the WB and the government about a slow public take-up of reforms (for example, education reforms under the DPF), there was effective mitigation of the risk through a wide national consultation with academics, teacher unions, the private sector, and student groups. There were no safeguard or fiduciary issues. However, the WBG did not follow up on the monitoring of all indicators, for example objective 7 on improving access of the rural population to basic public services and markets.

VI. Assessment of CLR

68. **The CLR provided generally good evidence to assess the achievement of WBG program objectives.** The packages of WBG interventions under the objectives were well described, but there were a number of indicators on which the evidence is insufficient or was not available. The CLR generally explained pathways to the achievement of objectives, but did not discuss well collaboration within WBG or with development partners in the achievement of objectives. For example, the WBG collaborated with the IADB on the education objectives, but the CLR does not discuss it. In addition, the CLR had only a cursory discussion of learning and adaptation. Although this was a program where the WBG learned as it went along and adapted well, the issue is not developed in sufficient detail in the CLR.

VII. Lessons

69. **IEG broadly agrees with the CLR's lessons,** particularly on the convenience of revising the objectives of a knowledge-oriented program as needed at PLR stage to reflect changing client demands. IEG notes that a lesson from the Knowledge-Based Country Programs IEG evaluation (February 2014) may be relevant to the preparation of the next CPF: Stay engaged and responsive in the implementation phases of advisory activities through instruments that help clients translate recommendations from analysis into actions that fit local political and administrative constraints. The WBG's program results framework was overly concentrated on outputs from interventions, and an additional lesson from the CLR review is that WB close tracking of results and impact of lending operations, rather than focusing the tracking on outputs, will serve better the country's public policies.

Annexes

Annex 1: Achievement of CPF Objectives (Results Framework)

Annex 2: Comments on Lending Portfolio

Annex 3: Comments on ASA Portfolio

Annex 4: Comments on Trust Fund Portfolio

Annex 5: IEG Ratings for Chile

Annex 6: Portfolio Status for Chile and Comparators, FY11-16

Annex 7: Comments on IFC Investments in Chile

Annex 8: Comments on IFC Advisory Services in Chile

Annex 9: Comments on MIGA Guarantees

Annex 10: Economic and Social Indicators

Annex 1: Summary of Achievements of CPS Objectives – Chile

CPS FY11-FY16: Focus Area I: Public Sector Modernization	Actual Results	IEG Comments
1. CPS Objective: Improve availability of timely information on budgetary outcomes		
<p>Indicator 1: Financial and expenditure information at subnational level is available through the municipal financial management system:</p> <p>Baseline: 0 (2009) Target: 100 municipalities (2014)</p>	<p>The IEG ICRR: MS of P103441 reports that financial information of at least 100 municipalities is included in the information system as of May 2014.</p> <p>The CLR reports that by 2016, the Municipal Financial System (Sistema Financiero Municipal, SIFIM) was fully operational in 104 municipalities.</p> <p>Achieved</p>	<p>The objective was supported by the Second Public Expenditure Management (P103441, FY08) and the ASA Chile Public Policies Evaluation System (P149027, FY14).</p> <p>At the PLR stage, the baseline, baseline year, and target year was added.</p>
<p>Indicator 2: Central Government Entities use an upgraded SIGFE:</p> <p>Baseline: 0 (2009) Target: 90% (2014)</p>	<p>The IEG ICRR: MS of P103441 reports that the SIGFE system was operationalized in 86 out of the 173 (49.7%) institutions as of June 2014.</p> <p>The CLR reports that by 2016, 75% of Central Government Entities (CGE) used the upgraded Integrated Financial Management System (Sistema de Información para la Gestión Financiera del Estado-SIGFE) from a total planned of 173 CGEs. IEG could not verify this information.</p> <p>Partially Achieved</p>	<p>The objective was supported by the Second Public Expenditure Management (P103441, FY08).</p> <p>At the PLR stage, the baseline, baseline year, and target year was added.</p>
2. CPS Objective: Improve access of information for citizens regarding legislation, national budget, and overall public sector information		
<p>Indicator 1: Raise information requests responses through the Municipal information management system:</p> <p>Baseline: Information requests not processed through an information management system (2009) Target: 100 information requests regarding legislation, national budget, and overall public sector processed through the Municipal information management system (2012)</p>	<p>The Implementation Completion and Results Memorandum of P117937 reports that by December 2012, 4,300 requests were received at the municipal level per annum. According to the Memoria Institucional Consejo para la Transparencia 2017, there are 10,647 employees and 66,890 people registered in the Portal, that 152,132 requests for information were received in 2017 and that since its entry into operation, these have totaled 366,911</p> <p>The CLR reports that there were 170,000 requests for information</p>	<p>The objective was supported by the Strengthening Chile's Council for Transparency for Improved Transparency and Accountability Grant (Institutional Development Fund, P117937, FY10).</p>

CPS FY11-FY16: Focus Area I: Public Sector Modernization	Actual Results	IEG Comments
	<p>monthly by December 2017 – a substantial increase from 150 requests monthly processed at end-2012. IEG could not verify this information.</p> <p>Achieved</p>	
3. CPS Objective: Strengthen the insurance market regulation		
<p>Indicator 1: Bring regulatory practices in line with the international standards in the insurance sector:</p> <p>Baseline: No regulation for risk-based supervision. (2011) Target: Draft bill for risk-based supervision submitted for public consultation (2014)</p>	<p>The ASA P119023 (Final Report) provided inputs to the draft bill submitted to congress for establishing a risk-based supervision system for insurance companies.</p> <p>The CLR reports that the draft bill submitted to Congress for establishing a risk-based supervision system for insurance companies in September 2011 (Bulletin 7958-05) and approved in 2012. The bill is currently in the Senate. The insurance super-intendent has published a draft methodology for determining risk-based capital levels, which insurers have used to conduct exercises for capital calculations. But the risk-based capital framework for supervision is not in place yet.</p> <p>Not Achieved</p>	<p>The objective was supported by the Insurance Sector Review (P119023, FY11), Risk Based Capital (RBC) model for Insurance Companies FBS (P125810, FY12)</p>
CPS FY11-FY18: Focus Area II: Job Creation and Equity Improvement	Actual Results	IEG Comments
4. CPS Objective: Improve the availability of quality options for higher education services		
<p>Indicator 1: Number of new public technical higher education institutions in operation:</p> <p>Baseline: 0 (2014) Target: 5 (2016)</p>	<p>The CLR reports the creation of 15 new technical higher education institutions (Centros de Formacion Tecnica). In 2016, law 20,910 was approved; it created 15 State Technical Training Centers throughout the country, in order to strengthen the quality of Higher Level Technical Education. But the first five (Araucania, Maule, Tarapaca, Los Lagos, and Coquimbo) started operations only in 2018.</p> <p>Partially Achieved</p>	<p>The objective was supported by the Design of a Monitoring & Evaluation Strategy for Higher Education Reform (P157268, FY16)</p>
<p>Indicator 2: Higher education institutions apply new teaching and research cost methodology:</p>	<p>P152095 analyzed international cases for the development of a model for the calculation of</p>	<p>The objective was supported by the Determining the Cost of Public Financing of Higher Education Institutions: (P152095, FY15)</p>

CPS FY11-FY18: Focus Area II: Job Creation and Equity Improvement	Actual Results	IEG Comments
<p>Baseline: 0 (2014) Target: 5 institutions (2016)</p>	<p>undergraduate teaching costs and research funding for the Chilean Higher Education system. P152095 did not monitor this indicator.</p> <p>The CLR reports that through a RAS with the MOE, the WBG recommended the adoption of a financing formula to allocate funding to Higher Education Institutions (HEIs) based on their cost of training and their research activities. While recommendations were well accepted by counterparts, its implementation was challenged by the lack of adequate accounting and monitoring capacities in a large number of HEIs. As such, the revision of financing frameworks for HEIs is still an ongoing process.</p> <p>Partially Achieved</p>	<p>Additional evidence: According to the DOTS internal database, IFC had invested in higher education technical institutions prior to the CPF period. The reach of IFC's investment in education institutions rose from 63,854 students in 2011 to 82,389 in 2016.</p>
<p>Indicator 3: New quality assurance standards applied successfully in tertiary education programs:</p> <p>Baseline: 0 (2014) Target: 5 programs (2016)</p>	<p>P133640 provided advice on the design and implementation of policy reforms in the field of tertiary education including quality assurance systems. P152353 provided comparative analysis of international models of Quality Assurance Systems and proposed standards and institutional arrangements based on good practices. P133640 and P152353 did not monitor the indicator.</p> <p>Not Verified</p>	<p>The objective was supported by the Higher Education Quality Assurance: Definition, and Institutional Arrangement Design (P152353, FY16) and Chile (FBS) Tertiary Education (P133640, FY13).</p>
<p>5. CPS Objective: Enhance accountability of tertiary education system by broadening performance-based funding</p>		
<p>Indicator 1: Number of signed performance agreements between the Government and tertiary education institutions:</p> <p>Baseline: N.A. (2010) Target: Performance agreements on Teacher training: 18; Academic Innovation: 19; Technical and Professional: 15; and, small projects: 38 (2016)</p>	<p>The IEG ICRR: MS of P111661 and the CLR report that there were 179 performance agreements signed as of December 2015:</p> <ul style="list-style-type: none"> • Teacher Training: 19 • Academic Innovation: 24 • Technical/Professional Training: 17 • Small Projects: 119 <p>Additional Evidence: The ICRR for P111661 reports that the number of full-time equivalent (44 hours/week or more) faculty members who hold PhDs increased from 5,109 in 2014 to 8,332 in 2016. Data on graduate</p>	<p>The objective was supported by the Tertiary Education Finance for Results Project III (P111661, FY12)</p>

CPS FY11-FY18: Focus Area II: Job Creation and Equity Improvement	Actual Results	IEG Comments
	<p>employment rates, while very limited, suggest improved employability of students, which reflects increased alignment between the curricula and labor market needs.</p> <p>Achieved</p>	
<p>Indicator 2: Retention Rate: first-year undergraduate students that remain at the institution in the second year.</p> <p>Baseline: 68.4% (2010) Target: 72% (2016)</p>	<p>The IEG ICRR: MS of P111661 reports that the retention rate for first-year undergraduate students was 71.3% in 2016.</p> <p>Mostly Achieved</p>	<p>The objective was supported by the Tertiary Education Finance for Results Project III (P111661, FY12)</p>
<p>6. CPS Objective: Increase access to social services for the poor</p>		
<p>Indicator 1: Consolidated existing programs into an integrated social protection information system.</p> <p>Baseline: N.A. (2014) Target: new social protection information system implemented (2016)</p>	<p>The Activity Completion Summary of the Social Information System Redesign (FY15), the Household's Social Registry (RSH) replaced the existing targeting tools for social benefits and services as of January 1st, 2016.</p> <p>The ICR of P154213 reports that the Integrated Social Information System (SIIS) served as the basis of the Social Household Registry (RSH) and that the RSH is more of a targeting system as opposed to an information system. The new system optimized the use of existing information in the public sector for household targeting, improving the efficiency and efficacy of the Government in providing access to social services for the poor.</p> <p>Additional Evidence: The ICRR for P082037 reports improved participation in education and health programs: (a) higher pre-school and school enrollments – 6 percentage points and 9 percentage points, respectively; and (b) increased enrollment in public health services (3 percentage points) and increased preventive health visits for children under 6 years old (6 percentage points) and women (7 percentage points).</p>	<p>The objective was supported by the Social Protection Technical Assistance 2013 (P082037, FY04) and its additional financing (P114774, FY10) and the ASA Redesigning Integrated Social Information System for the New Mode Selection of Social Protection Beneficiaries (P152289, FY16), Social Information System JIT (P152295, FY15), Poverty (P149038, FY14)</p> <p>Social Inclusion for Shared Prosperity DPF (P154213)</p> <p>P152295 provided support to improve the quality of social administrative data in order to enhance Chile's Social Information System (Activity Completion Summary).</p>

CPS FY11-FY18: Focus Area II: Job Creation and Equity Improvement	Actual Results	IEG Comments
Mostly Achieved		
7. CPS Objective: Improve access of rural population to basic public services and markets		
<p>Indicator 1: Increased use of quality and sustainable water and sanitation services in selected territories:</p> <p>Baseline: 0 (2005) Target: 90% of population benefiting from project PMDTs (2012)</p>	<p>The IEG ICRR: S of P076807 reports that the target of 90% of population benefiting from project-supported PMDTs with sustained access and effective use of services provided by the project was met by project closing (December 2011). P076807's ICR reports that the achieved result was 100%.</p> <p>Achieved</p>	<p>The objective was supported by the Infrastructure for Territorial Development (P076807, FY05).</p> <p>At the PLR stage, the indicator was modified from the original: <i>Increased use of electricity and sustained access and effective use of water and sanitation services for economic activities in the area of influence of the Bank financed project.</i></p>
<p>Indicator 2: Increased use of quality and sustainable electricity services in selected territories:</p> <p>Baseline: 0 (2005) Target: 90% of population benefiting from project PMDTs (2012)</p>	<p>The IEG ICRR: S of P076807 reports that the indicator was not measured.</p> <p>Not Verified</p>	<p>The objective was supported by the Infrastructure for Territorial Development (P076807, FY05).</p> <p>At the PLR stage, the indicator was modified from the original: <i>Increased use of electricity and sustained access and effective use of water and sanitation services for economic activities in the area of influence of the Bank financed project.</i></p>
8. CPS Objective: Increase access for MSMEs innovative, short-term financing products to overcome working capital limitations		
<p>Indicator 1: Total jobs (% o/w female) supported by IFC projects:</p> <p>Baseline: 19,127 (43%) (2011) Target (2016): 33,000 (45%)</p>	<p>The IFC Reach database shows that 31,697 direct jobs (43 percent of which female) created by IFC-supported MSME projects in 2016.</p> <p>Mostly Achieved</p>	<p>The objective was supported by the IFC investment Bc International (IN: 636823) and the WB ASA Chile Corfo SME Finance (P151964, FY16).</p> <p>Additional evidence:</p> <ul style="list-style-type: none"> Based on IFC's Reach data base, direct jobs from IFC supported projects fluctuated over the CPS period, reaching a peak of 38,000 (of which 44% went to female employees).
<p>Indicator 2: MSMEs reached by IFC projects:</p> <p>Baseline: 87,000 loans, US\$10.7 billion (2011) Target: 150,000 loans, US\$33 billion (2016)</p>	<p>The IFC Reach database reports that in CY2016, there were 230,000 outstanding loans with a value of US\$ 14 billion.</p> <p>Mostly Achieved</p>	<p>The objective was supported by the IFC investments BCI Chile (IN: 517161), Bc International (IN: 636823), Tanner (IN: 518181), and Corpanca (IN: 806146)</p>

CPS FY11-FY18: Focus Area III: Promoting Sustainable Investment	Actual Results	IEG Comments
9. CPS Objective: Improve the institutional design for engaging the private sector in public infrastructure development		
<p>Indicator 1: Enhanced concession's regulatory framework to increase incentives for further infrastructure investments:</p> <p>Baseline: N/A. (2014) Target: concession agency implemented (2016)</p>	<p>The CLR reports that a draft bill that creates the General Concessions Agency (Direccion General de Concesiones de Obras Publicas – Boletin 10126-15) was submitted to Congress in June 2015, and after several discussion at Congress, Law 21044 was issued on November 17, 2017. The team provided information on the concession agency implementation.</p> <p>P102931 did not monitor this indicator.</p> <p>Achieved</p>	<p>The objective was supported by the Ministry of Public Works Institutional Strengthening (P102931, FY07) and the ASAs Institutional Strengthening PPP Unit (P152393, FY15), Concession Study (P128064, FY13),</p> <p>At the PLR stage, the indicator was modified from the original: <i>Improve regulatory and institutional framework for concessions.</i></p>
10. CPS Objective: Enhance the institutional basis for sustainable and efficient management of natural resources (soil, water, and forests)		
<p>Indicator 1: Comprehensive water regulatory framework:</p> <p>Baseline: N.A. (2011) Target: Comprehensive Water Code submitted to Congress for approval. (2016)</p>	<p>The CLR reports that the draft bill that modifies the Water Code related to the strengthening of the Directorate-General for Water (Direccion General de Aguas) in terms of auditing and sanctions (Boletín 8149-09) was submitted to Congress in January 2012.</p> <p>The Law 21064 was passed on January 2018.</p> <p>Achieved</p>	<p>The objective was supported by the ASA Water Resources Assessment (P123699, FY11), RAS Strengthening the Legal Framework for IWRM (P151686, FY15), Institutional Reform Plan for Water Resources Management (P150671, FY14), and RAS Institutional Framework of Water Sector in Chile (P143440, FY14),</p> <p>At the PLR stage, the indicator was modified from the original: <i>Inform policy debate on best strategy to address short-term and medium-term challenges on water resources management.</i></p>
11. CPS Objective: Diversify the energy resources matrix to allow for electricity cost reduction		
<p>Indicator 1: New capacity of renewable energy:</p> <p>Baseline: 0 (2011) Target: 460 GwH (2016)</p>	<p>IFC DOTS reports that 5,371.45 GWh of energy was produced from renewable sources in 2011-2016. This is equivalent to more than ten times the target for renewable energy production.</p> <p>The CLR reports that non-conventional renewable energy capacity increased at an average annual growth rate of 25.5 percent during the CPF period totaling 9,187 GWh produced in 2016.</p> <p>Achieved</p>	<p>The objective was supported by the IFC investments in Higuera B Loan(30488), Luz del Norte (34405), SunEdison CAP (33191), SunEdison MER (33456), Alto Maipo (31632), La Huayca II (33192), Norvind (26207), CTA (620320), La Confluencia (25472), and Hidromaule (568053)</p> <p>Additional evidence:</p> <ul style="list-style-type: none"> Based on IFC's internal database, IFC contributed diversifying energy resources by supporting 1,007 MW of new renewable energy capacity, comprising hydro (2 projects for 686MW) and solar (four proje for 321MW) energy. These projects which were responsible for achieving the target for new capaci for renewable energy, represent about 5 percent o Chile's installed power generation capacity in 2016

CPS FY11-FY18: Focus Area III: Promoting Sustainable Investment	Actual Results	IEG Comments
<p>Indicator 2: Development of carbon market mechanisms and market registry and verification system in the energy sector:</p> <p>Baseline: N.A. (2011) Target: Purchase mechanism of carbon emission reductions in place. (2016)</p>	<p>The February 2020 ICR of P130378 reports that the Monitoring, Reporting and Verification (MRV) framework and registry was established on August 31, 2019. In addition, one or more carbon pricing instruments and associated infrastructure have been recommended to the government as of August 2019.</p> <p>Achieved</p>	<p>The objective was supported by the Market Instruments for climate change mitigation in Chile (P130378, FY15)</p>

Annex 2: Comments on Lending Portfolio

IEG's review found no differences in lending portfolio data vs. what is presented in the CLR.

The following lending operations were approved after the end of the CPS period:

Project ID	Project name	Status	Approval FY	Practice	Lending Type	Approved IBRD Amount
P163437	Strengthening Chile's State Universities	Active	2018	EDU	IPF	50.126
P161018	Chile HESSP Project	Closed	2017	HNP	IPF	80
Total						130.126

Source: CPS and PLR, WB BI as of 01/05/2022

Annex 3: Comments on ASA Portfolio

IEG's review found the following ASAs that are not included in the CLR:

Proj ID	ASA	Country	Fiscal year	Product Line	RAS
P112532	CL National Energy Efficiency Program	FY11	TA	EAE	No
P122798	FSAP Update Chile	FY11	EW	FCI	No
P123299	CL M&E	FY12	TA	POV	No
P123298	CL HOI	FY12	TA	POV	No
P131829	Chile Country Engagement	FY13	TA	FCI	No
P149429	Prueba Inicia	FY15	TA	EDU	No
P155706	StAR - Chile Financial Disclosure Worksh	FY15	TA	FCI	No
P149218	Subnational DB in Chile Presentation	FY15	EW	N/A	No

Source: Standard Reports as of 11/2/2021

* ASA Fiscal Year Completion/Delivery

The following ASAs were conducted after the end of the CPS period:

Proj ID	Project Name	Fiscal year	Product Line	Practice	RAS
P169926	Extending Protection to the Middle Class	2021	ASA	Social Protection & Jobs	Y
P171712	Water Innovation	2021	ASA	Water	N
P172219	Financial protection for rare diseases	2021	ASA	Health, Nutrition & Population	N
P173130	Subnational Public Investment in Chile	2021	ASA	Governance	Y
P173794	Equity Criteria in Public Investment	2021	ASA	Governance	N
P174519	Integrated platform - Gender Violence	2021	ASA	Social Sustainability and Inclusion	N
P175576	Municipal MIS for child services	2021	ASA	Social Protection & Jobs	Y
P164517	Local Action for Chile's NDC Achievement	2020	ASA	Energy & Extractives	N
P170622	CL Evaluating implementation OLN	2020	ASA	Social Protection & Jobs	Y

P170983	Chile IPSAS/ISSAI implementation RAS IV	2020	ASA	Governance	Y
P171055	Chile Country Forest Note and Event	2020	ASA	Environment, Natural Resources & the Blue Economy	N
P171774	Chile Fiscal Decentralization - PRAS	2020	ASA	Macroeconomics, Trade and Investment	Y
P164273	Chile Population Ageing JSP	2019	ASA	Social Protection & Jobs	Y
P166011	Study on Hospital Concessions in Chile	2019	ASA	Health, Nutrition & Population	Y
P166563	Chile IPSAS/ISSAI implementation RAS III	2019	ASA	Governance	Y
P168936	CL RAS - SP Municipal One-Stop-Shop	2019	ASA	Social Protection & Jobs	Y
P169460	Chile Regional Development in Nuble RAS	2019	ASA	Finance, Competitiveness and Innovation	Y
P160716	Chile RAS IPSAS and ISSAI implementation	2018	TA	Governance	Y
P161077	Chile RAS Assess. SEZ	2018	ASA	Macroeconomics, Trade and Investment	Y
P164848	RAS Social Care System III Chile	2018	ASA	Social Protection & Jobs	Y
P156824	Chile RAS Study on the Insurance Model	2017	TA	Health, Nutrition & Population	Y
P158693	Chile RAS Public Expenditure Review	2017	ESW	Macroeconomics, Trade and Investment	Y
P159331	Chile RAS National Social Care System II	2017	TA	Social Protection & Jobs	Y

Source: CPS and PLR, WB BI as of 01/05/2022

Annex 4: Comments on Trust Fund Portfolio

IEG's review found the following trust-funded activities that are not included in the CLR:

Project ID	Project name	TF ID	Approval FY	Closing FY	Approved Amount (US\$, Million)
P108740	Integrating Biodiversity in Infrastructure Planning	TF 11309	2012	2013	0.9
P127298	Youth Work Insertion, Recycling and Reduction of Digital Gaps	TF 10111	2012	2014	0.0
P116995	Institutional Strengthening of Mining Sector for Indigenous Peoples Inclusion	TF 95813	2010	2014	0.3
P108880	Chile, Pollutant Release and Transfer Register as Information Exchange Mechanism for the Stockholm Convention on POPs	TF 56272	2006	2014	3.0
P081743	Chile Hornitos Project (Chacabuquito II)	TF 55226	2005	2014	3.4
P088547	Capacity Building for Legal Practitioners in Gender Equality	TF 50451	2002	2023	6.5

Source: Client Connection as of 9/7/2021

Note: Trust Fund Projects are RETF

**IEG Validates REFT that are 5M and above

The following trust-funded activities were approved after the end of the CPS period:

Project ID	Project name	TF ID	Approval FY	Closing FY	Approved Amount (US\$, Million)
P160277	Chile REDD+ Emissions Reductions Program	TF B1593	2020	2026	1.30
P160277	Chile REDD+ Emissions Reductions Program	TF B1592	2020	2026	24.70
P124908	Chile FCPF Readiness Preparation Grant	TF A4915	2018	2021	5.00
P152820	CL Technical Assistance for Geothermal Development in Chile	TF A3726	2017	2022	1.78
Total					32.78

Annex 5: IEG Project Ratings

IEG Project Ratings for Chile, FY11-16

Exit FY	Proj ID	Project name	Total Evaluated (\$M) *	IEG Outcome	IEG Risk to DO
2017	P111661	CL Tertiary Edu. Fin. for Results III	40.0	MODERATELY SATISFACTORY	LOW
2017	P154213	CL Inclusion for Shared Prosperity DPL	100.0	SATISFACTORY	MODERATE
2014	P102931	CL-TAL Min of Public Works	8.2	MODERATELY SATISFACTORY	NEGLECTIBLE TO LOW
2014	P103441	CL Public Expenditure Management II	24.8	MODERATELY SATISFACTORY	MODERATE
2013	P082037	CL-Social Protection TA Loan	12.0	SATISFACTORY	NEGLECTIBLE TO LOW
2012	P076807	CL-Infrastructure for Territorial Dvlpmnt	50.3	SATISFACTORY	MODERATE
2012	P086689	CL-Santiago Urban Transport TAL	2.4	SATISFACTORY	NEGLECTIBLE TO LOW
2011	P082927	CL Promoting Innovation & Competitiveness	0.1	NOT RATED	NON-EVALUABLE
Total			237.8		

Note: IEG Risk to DO rating was dropped in July 2017 following the reform of the simplified ICRs but a narrative evaluation for Risk to Development Outcome was kept.

Source: Business Intelligence (BI) as of December 13, 2021

IEG Project Ratings for Chile and Comparators, FY11-16

Region	Total Evaluated (\$M)	Total Evaluated (No)	Outcome % Sat (\$)	Outcome % Sat (No)	RDO % Moderate or Lower Sat (\$)	RDO % Moderate or Lower Sat (No)
Chile	237.7	8	100.0	100.0	83.2	85.7
LCR	40,612.9	326	82.6	70.9	64.7	54.7
World	162,861.3	1,811	81.0	69.8	51.8	43.8

Source: Business Intelligence (BI) as of December 12, 2021 *IEG Calculation

Annex 6: Portfolio Status for Chile and Comparators, FY11-16

Fiscal year	2011	2012	2013	2014	2015	2016	Ave FY11-16
Chile							
# Proj	5	4	3	1	1	3	3
# Proj At Risk	0	0	0	0	0	0	0
% Proj At Risk	-	-	-	-	-	-	0
Net Comm Amt	105.3	90.2	76.5	40.0	40.0	180.9	88.8
Comm At Risk	-	-	-	-	-	-	-
% Commit at Risk	-	-	-	-	-	-	-
LCR							
# Proj	261	257	247	230	205	191	232
# Proj At Risk	55	60	59	57	58	53	57
% Proj At Risk	21.1	23.3	23.9	24.8	28.3	27.7	24.9
Net Comm Amt	31,952.1	32,733.3	30,274.8	28,612.9	27,002.9	28,766.1	29,890.4
Comm At Risk	3,138.9	4,356.4	5,871.4	6,207.7	5,699.9	5,419.3	5,115.6
% Commit at Risk	9.8	13.3	19.4	21.7	21.1	18.8	17.4
World							
# Proj	1,454	1,371	1,337	1,386	1,402	1,398	1391
# Proj At Risk	302	304	339	329	339	336	325
% Proj At Risk	20.8	22.2	25.4	23.7	24.2	24.0	23.4
Net Comm Amt	165,792.3	166,208.1	169,430.6	183,153.9	191,907.8	207,350.0	180,640.5
Comm At Risk	22,573.0	23,324.5	39,638.0	39,748.6	44,430.7	42,715.1	35,405.0
% Commit at Risk	13.6	14.0	23.4	21.7	23.2	20.6	19.4

Source: Business Intelligence (BI) as of July 24, 2020

Note: Only IBRD and IDA Agreement Type are included

Annex 7: Comments on IFC Investments in Chile (US\$, millions)

IEG's review found the following investments that are not included in the CLR:

Project ID	Project Short Name	Institution Number	Cmt FY	Project Status	Primary Sector Name	Orig Cmt-IFC Bal	Net Commitment (LN)	Net Commitment (EQ)	Total Net Commitment (LN+EQ)
36700	Itau Chile CL	806146	2016	Closed	Finance & Insurance	100.0	100.0	-	100.0
33272	Project Martina	636823	2014	Closed	Finance & Insurance	30.0	20.0	-	20.0
32307	Project Golf SME	517161	2013	Closed	Finance & Insurance	75.0	75.0	-	75.0
32316	Amalia	741040	2013	Active	Finance & Insurance	22.5	-	22.5	22.5

33103	Magallanes-RI 1	675746	2013	Closed	Finance & Insurance	0.3	-	0.3	0.3
33448	Amalia II	741040	2013	Active	Finance & Insurance	0.3	-	0.3	0.3
30411	Magallanes EQ	675746	2012	Closed	Finance & Insurance	10.0	-	10.0	10.0
28614	Otway	637064	2011	Closed	Oil, Gas and Mining	10.0	-	4.2	4.2

Annex 8: Comments on IFC Advisory Services in Chile (US\$, millions)

There are no IFC AS during the FY11-16 review period or after the period.

Annex 9: Comments on MIGA Guarantees

There are no MIGA Guarantees during FY11-16 review period.

The following guarantees were issued after the end of the CPS period:

Project ID	Project Title	Project Status	Fiscal Year	Sector	Investor Country	Max Gross Issuance
13240	Santander Central Bank Mandatory Reserves Coverage	Not Active	2019	Banking		1,500.0
14887	Santander Central Bank Mandatory Reserves Coverage	Active	2021	Banking		400.0
	Total					1,900.0

Annex 10: Economic and Social Indicators for Chile, FY11-16

Series Name							Chile	LCR	World
	2011	2012	2013	2014	2015	2016	Average 2011-2016		
Growth and Inflation									
GDP growth (annual %)	6.11	5.32	4.05	1.77	2.30	1.71	3.5	1.8	2.9
GDP per capita growth (annual %)	5.06	4.31	3.03	0.69	1.11	0.37	2.4	0.73	1.7
GNI per capita, PPP (current international \$)	19,110.0	20,490.0	21,300.0	21,910.0	22,000.0	22,000.0	21,135.0	14,838.9	15,131.2
GNI per capita, Atlas method (current US\$) (Millions)	12,340.0	14,350.0	15,160.0	14,940.0	14,130.0	13,370.0	14,048.3	9,179.4	10,628.3
Inflation, consumer prices (annual %)									
Composition of GDP (%)									
Agriculture, value added (% of GDP)	3.3	3.0	1.8	4.7	4.3	3.8	3.5	3.4	2.6
Industry, value added (% of GDP)	3.7	3.3	3.4	3.7	3.6	4.0	3.6	4.7	3.6
Services, etc., value added (% of GDP)	34.7	32.5	31.2	31.0	29.8	28.9	31.4	26.0	26.4
Gross fixed capital formation (% of GDP)	53.5	55.6	56.9	56.7	57.9	58.6	56.5	58.6	63.9
Gross domestic savings (% of GDP)	23.1	24.9	24.8	23.9	23.8	22.7	23.9	19.8	23.4
External Accounts									
Exports of goods and services (% of GDP)	37.8	34.1	32.2	33.1	29.4	28.1	32.5	20.9	29.8
Imports of goods and services (% of GDP)	34.4	34.1	32.8	32.2	29.6	27.5	31.8	22.4	29.1
Current account balance (% of GDP)	-1.62	-3.92	-4.04	-1.65	-2.32	-1.58	-2.5		
External debt stocks (% of GNI)	..	..	..	..	..	..
Total debt service (% of GNI)	..	..	..	..	..	..		4.5	
Total reserves in months of imports	4.6	4.5	4.5	4.8	5.3	5.8	4.9	9.4	12.8
Fiscal Accounts*									
General government revenue (% of GDP)									..
General government total expenditure (% of GDP)									..
General government net lending/borrowing (% of GDP)	1.422	0.681	-0.47	-1.49	-2.077	-2.649	-0.8	-4.5	..

Series Name							Chile	LCR	World
	2011	2012	2013	2014	2015	2016	Average 2011-2016		
General government gross debt (% of GDP)									..
Health									
Life expectancy at birth, total (years)	79.0	79.2	79.3	79.5	79.6	79.8	79.4	74.8	71.8
Immunization, DPT (% of children ages 12-23 months)	94.0	90.0	91.0	95.0	96.0	95.0	93.5	89.2	85.3
People using safely managed sanitation services (% of population)	65.3	67.4	69.5	71.6	73.6	75.6	70.5	39.6	41.6
People using safely managed drinking water services (% of population)	98.7	98.9	99.2	99.4	99.6	99.6	99.2	95.8	88.3
Mortality rate, infant (per 1,000 live births)	7.3	7.2	7.1	6.9	6.7	6.5	7.0	15.7	32.1
Education									
School enrollment, preprimary (% gross)	113.3	114.3	79.0	81.7	82.3	82.4	92.2	73.3	47.0
School enrollment, primary (% gross)	103.4	103.2	101.5	100.9	100.7	101.0	101.8	111.2	103.6
School enrollment, secondary (% gross)	90.5	89.5	99.6	100.7	101.8	101.8	97.3	93.5	74.6
Population									
Population, total	17,233,576.0	17,400,347.0	17,571,507.0	17,758,959.0	17,969,353.0	18,209,068.0	17,690,468.3	602,869,780	7,297,092,324
Population growth (annual %)	1.0	1.0	1.0	1.1	1.2	1.3	1.1	1.1	1.2
Urban population (% of total population)	87.1	87.2	87.2	87.3	87.4	87.4	87.3	79.7	53.7
Poverty									
Poverty headcount ratio at \$1.90 a day (2011 PPP) (% of pop)	0.6	..	0.4	..	0.3	..	0.4		11.9
Poverty headcount ratio at national poverty lines (% of pop)	22.2	..	14.4	..	11.7	..	16.1		
GINI index (World Bank estimate)	46.0	..	45.8	..	44.4	..	45.4		

Source: Worldbank DataBank as of July 24, 2020

*International Monetary Fund, World Economic Outlook Database, April 2020