



# **MOPAN 2015-16 Assessments**

**Inter-American Development Bank (IDB)**  
Institutional Assessment Report



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# Preface

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## ABOUT MOPAN

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The Multilateral Organisation Performance Assessment Network (MOPAN) is a network of donor countries with a common interest in assessing the effectiveness of multilateral organisations. Today, MOPAN is made up of 18 donor countries: Australia, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Luxembourg, the Netherlands, Norway, Korea, Spain, Sweden, Switzerland, the United States of America and the United Kingdom. Together, they provide 95% of development funding to multilateral organisations.

The mission of MOPAN is to support its members in assessing the effectiveness of the multilateral organisations that receive development and humanitarian funding. The Network's assessments are primarily intended to foster learning, and to identify strengths and areas for improvement in the multilateral organisations. Ultimately, the aim is to improve the organisations' contribution to overall greater development and humanitarian results. To that end, MOPAN generates, collects, analyses and presents relevant information on the organisational and development effectiveness of multilateral organisations. The purpose of this knowledge base is to contribute to organisational learning within and among multilateral organisations, their direct clients, partners, and other stakeholders. MOPAN members use the findings for discussions with the organisations and with their partners, and as ways to further build the organisations' capacity to be effective. Network members also use the findings of MOPAN assessments as an input for strategic decision-making about their ways of engaging with the organisations, and as an information source when undertaking individual reviews. One of MOPAN's goals is to reduce the need for bilateral assessments and lighten the burden for multilateral organisations. To that end, MOPAN members are closely involved in identifying which organisations to assess and in designing the scope and methodology of the assessments to ensure critical information needs are met.

## MOPAN 3.0 — A reshaped assessment approach

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MOPAN carries out assessments of multilateral organisations based on criteria agreed by MOPAN members. Its approach has evolved over the years. The 2015-16 cycle of assessments uses a new methodology, MOPAN 3.0. The assessments are based on a review of documents of multilateral organisations, a survey of clients and partners in-country, and interviews and consultations at organisation headquarters and in regional offices. The assessments provide a snapshot of four dimensions of organisational effectiveness (strategic management, operational management, relationship management and performance management), and also cover a fifth aspect, development effectiveness (results). Under MOPAN 3.0, the Network is assessing more organisations concurrently than previously, collecting data from more partner countries, and widening the range of organisations assessed. Due to the diversity of the organisations' mandates and structures, MOPAN does not compare or rank them.

MOPAN assessed 12 multilateral organisations in the 2015-16 cycle. They are the African Development Bank (AfDB); Gavi; the Global Fund to Fight Aids, Tuberculosis and Malaria (The Global Fund); the Inter-American Development Bank (IDB); the International Labour Organization (ILO); the Joint United Nations Programme on HIV/AIDS (UNAIDS); the United Nations Development Programme (UNDP); the United Nations Environment Programme (UNEP); UN-Habitat; the United Nations Children's Fund (UNICEF); the United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA); and the World Bank.

## **Acknowledgements**

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We would like to thank all participants in the MOPAN 2015-16 assessment of the Inter-American Development Bank. IDB's senior management and staff made valuable contributions throughout the assessment, in particular in relation to the document review and headquarters interview processes, and they provided lists of their direct partners and co-sponsors to be surveyed. Survey respondents contributed useful insights and time to respond to the survey. The MOPAN Institutional Lead, Canada, represented MOPAN in this assessment, liaising with IDB throughout the assessment and reporting process. MOPAN members provided the MOPAN Country Facilitators who oversaw the process in the partner countries where the survey took place.

## **Roles of authors and the MOPAN Secretariat**

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The MOPAN Secretariat, led by Björn Gillsäter (until early May 2016) and Chantal Verger (since then), worked in close co-operation with the MOPAN Technical Working Group and IOD PARC on all methodological aspects. Together they developed the Key Performance Indicators (KPIs) and micro-indicators (MIs), designed the survey and its methodology, and defined the approach to the document review. The MOPAN Secretariat drew up lists of survey respondents with the help of MOPAN members and the multilateral organisations being assessed, and approved the final survey questionnaire. IOD PARC carried out the survey in partnership with Ipsos mori. IOD PARC also analysed the survey, carried out the document reviews, conducted the interviews, analysed the data and drafted the reports. The MOPAN Secretariat oversaw the design, structure, tone and content of the reports, liaising with MOPAN's Institutional Leads and the focal points of the multilateral organisations. Katie Vanhala from the MOPAN Secretariat provided the oversight for this IDB report.

IOD PARC is an independent consultancy company specialising in performance assessment and managing change in the field of international development. Through this blended expertise IOD PARC helps organisations, partnerships and networks identify the needs, chart the journey and deliver improved performance to achieve greater impact.

Website: <http://www.iodparc.com>

For more information on MOPAN and to access previous MOPAN reports, please visit the MOPAN website: [www.mopanonline.org](http://www.mopanonline.org).

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## Acronyms and abbreviations

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AUG	Office of the Executive Auditor
CPE	Country programme evaluation
CRF	Corporate Results Framework
ESC	Environmental and Social Safeguards unit
GAAP	Generally accepted accounting principles
GAP	Gender Action Plan
IATI	International Aid Transparency Initiative
IDB	Inter-American Development Bank (the Bank)
IIA	Institute of Internal Auditors
IIC	Inter-American Investment Corporation
INGO	International nongovernmental organisation
KPI	Key Performance Indicator
LAC	Latin American countries
MDB	Multilateral development bank
MI	Micro-indicator
MIF	Multilateral Investment Fund
MOPAN	Multilateral Organisation Performance Assessment Network
NGO	Non-governmental organisation
NSG	Non-sovereign guaranteed
ORMF	Operational Risk Management Framework
ORP	Office of Outreach and Partnerships
OVE	Office of Evaluation and Oversight
PBL	Policy-based lending
PCR	Project Completion Report
QCPR	Quadrennial Comprehensive Policy Review
RBB	Results-based budgeting
ReTS	Evaluation Recommendation Tracking System
SDG	Sustainable Development Goal
SFD	Sector Framework Documents
TC	Technical co-operation
UN	United Nations

## Executive summary

This institutional assessment of the Inter-American Development Bank (IDB) covers the period from 2014 to mid-2016. Applying the MOPAN 3.0 methodology, the assessment considers organisational systems, practices and behaviours, as well as the results IDB achieves. The assessment considers five performance areas: four relate to organisational effectiveness (strategic management, operational management, relationship management and performance management) and the fifth relates to development effectiveness (results). It assesses IDB's performance against a framework of key indicators and associated micro-indicators that comprise the standards that characterise an effective multilateral organisation, and gives an overall view on its performance trajectory. The IDB was assessed by MOPAN in 2011.

### Context

#### THE INTER-AMERICAN DEVELOPMENT BANK

- It is the main source of multilateral financing for economic, social, and institutional development in Latin America and the Caribbean
- It is mandated to invest its capital and funds raised in financial markets in member countries; help member states orient their development policies towards better resource utilisation; and provide them with technical assistance
- It is governed at the highest level by a Board of Governors, which meets annually and comprises representatives from all 48 member countries and by a Board of Executive Directors comprising representatives from 14 member countries who meet weekly
- It has increased its capital by USD 70 billion to USD 171 billion under the Ninth General Capital Increase (IDB-9, 2012-21) allowing it to provide around USD 12 billion a year in financing
- It has implemented extensive organisational and operational reforms under IDB-9 to strengthen its financial base, increase operational efficiency, and enhance its relevance and development effectiveness in the region

#### Organisation at a glance

- Established: 1959
- Lending \$11.3 billion (2015)
- Active in 26 countries
- Over 2000 staff
- Operates through:
  - Washington, DC Headquarters
  - 26 country offices

### Overall performance

The 2016 MOPAN 3.0 assessment finds that the IDB meets the requirements of an effective multilateral organisation and is fit for purpose. The IDB has a strong client focus, deep understanding of the regional context and commitment to development effectiveness, and exercises leadership on critical issues in the region such as sustainable cities and climate change. The IDB's structures and processes are in the main closely aligned with its mandate and strategy, and its financing and grant operations support the achievement of substantive results.

Organisational systems are cost- and value-conscious and the IDB's financial management systems have a high degree of transparency and accountability. Its operational structures and programmes support the delivery of its strategic objectives, although systems to enable new ways of working are still being introduced. Leverage and partnerships are one of the six operational guiding principles in the IDB institutional strategy. The IDB has a track record of using partnerships to strengthen the impact of its interventions. IDB's organisational structure and systems support its strategic push to expand the breadth of its partnerships for the achievement of development results.

The IDB is clearly committed to being a learning organisation as a key part of maintaining its relevance. It has also demonstrated an appetite to publicly learn from failure as well as success. The strengthening of the IDB's approach to development effectiveness has seen a concomitant increase in performance information corporately. Nevertheless, realising the operational value of this information faces challenges on the supply side, in terms of making the right information available at the right point in the process, and equally on the demand side in terms of the organisational incentives to use and integrate lessons.

### Key strengths and areas for improvement

#### Key strengths

- **The IDB's focus on results and development effectiveness** has continued to deepen and evolve since the last MOPAN assessment in 2011
- The continued strengthening of the Bank's value proposition to clients is the main driver behind a significant **programme of organisational management reforms**
- **Financial management systems and capabilities** are a significant strength of the organisation, enhancing its capacity to meet the needs of all its clients going forward and underpinned by transparent rules and mechanisms and an impressive system for results-based budgeting
- **The staff's technical expertise, proximity and deep local knowledge, are key assets** enabling the Bank to engage credibly in policy dialogue with country clients at national and regional levels
- **The IDB has institutional credibility as a key convenor across government, private and civil society sectors**, based on its standing as an international financial institution, its regional locus and development expertise

#### Areas for improvement

- **Streamlining the IDB's operating procedures remains a concern for external stakeholders.** Experience elsewhere suggests clients' expectations are only likely to rise, while the Bank's focus on development effectiveness may, in the short term, actually work against streamlining ambitions
- While corporate reporting on the IDB's development effectiveness has been strengthened significantly, **extracting value in terms of actionable improvements for operations management** should be a key objective for the Bank's results-based management system
- **Important aspects of its operating model may merit attention:** annual rather than multi-year budgeting and the cap on the permanent staffing structure, with an associated heavy reliance on consultants, pose risks to the efficiency of IDB operations in many ways
- While steps are being taken, **mainstreaming cross-cutting agendas** such as gender equity and sustainability and cross-sectoral working remains a work in progress
- **Continue building upon the potential for partnership working.** Mainstreaming partnerships as a general practice within the IDB Group is an important strategic challenge for the next few years. The Bank has set ambitious targets for mobilizing resources through a diverse set of partners, but recognises that it needs to create operational incentives and tools to support staff to mobilise co-financing and work in partnership



# INTRODUCTION



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## 1.1 THE INTER-AMERICAN DEVELOPMENT BANK

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### **Mission and mandate**

The Inter-American Development Bank (IDB or 'the Bank') is the main source of multilateral financing for economic, social and institutional development in Latin America and the Caribbean. The Agreement establishing the Inter-American Development Bank has been amended several times since it became effective in 1959. It states that the purpose of the Bank shall be to contribute to the acceleration of the process of economic and social development of the regional developing member countries, individually and collectively.

The agreement also sets out the Bank's key functions, which include promoting the investment of public and private capital for development purposes; using its own capital, alongside funds raised in financial markets and other available resources, to finance the development of member countries; helping members states orient their development policies towards better resource utilisation; and providing them with technical assistance for development plans and projects.

### **Governance**

There are 48 member countries of the IDB. Each country has a Governor, normally its minister of finance or central bank president, on the Board of Governors. The Board provides the highest level of oversight. Governors' relative voting power corresponds to the proportion to their country's capital investment in the IDB. The Board meets annually to review the Bank's operations and make operational decisions, leading to the Approved Resolutions of the Board of Governors.

The Board of Executive Directors oversees the operations of the Bank. It comprises 14 Executive Directors from among the 48 member countries and 14 alternates who can act in the absence of their principals. The Board of Executive Directors meets weekly to make operational decisions related to loans, policies, country strategies and the Bank's administrative budget. Five Standing Committees review and discuss documents for the Board's approval.

### **Organisational structure**

The IDB has around 2 000 employees. Its headquarters is in Washington, DC, and it has offices in all 26 borrowing member countries in Latin America and the Caribbean as well as liaison offices in Tokyo and Madrid.

The IDB Group comprises the Inter-American Development Bank (IDB), the Inter-American Investment Corporation (IIC) and the Multilateral Investment Fund (MIF), which is administered by the IDB. This review focused primarily on the IDB.

### **Strategy and services**

The IDB's institutional strategy provides the overarching vision for the organisation. The current strategy covers the period 2010 to 2020. The IDB conducted a mid-term review in 2015, and updated the strategy and revised its corporate results framework accordingly. Country strategies have different durations and start dates that generally coincide with the country's political cycle. The *Update to the Institutional Strategy 2016-2019* sets out the Bank's current focus areas. These include the development challenges social inclusion and inequality; productivity and innovation; and lack of regional economic integration. Also included are three cross-cutting issues: gender equality and diversity; climate change and environmental sustainability; and institutional capacity and the rule of law.

Additionally the Update to the Institutional Strategy defines six operational guiding principles that allow the Bank to support countries while leveraging its comparative advantages. These are responsiveness; multi-sectorality; effectiveness and efficiency; leverage and partnerships; innovation and knowledge; and strategic alignment. It also presents the IDB's valued added as its strong client focus, its development effectiveness and its catalytic role.

IDB has 26 borrowing members in Latin America and the Caribbean. Its clients include central governments, provinces, municipalities, private firms and NGOs. It is the main source of multilateral financing for economic, social and institutional development in the region. As of January 2016, the Inter-American Investment Corporation offers the full array of private sector products and services previously offered across the IDB Group, while the Multilateral Investment Fund promotes private sector growth through grants and investments. In 2015, 38% of the Bank's lending went to the infrastructure and environment sectors, 32% to institutional support for development, 22% to social sector programmes, and 8% to integration and trade programmes.

### **Finances**

The 48 member states of the IDB provide capital that is leveraged to raise funds in international capital markets. The IDB also manages more than 50 Trust Funds on behalf of sovereign and non-sovereign donors.

The Board of Governors agreed the Ninth General Capital Increase (IDB-9) in 2010. It set out terms for the proposed increase of the Bank's ordinary capital to USD 171 billion, following a sharp increase in demand for IDB resources. This was an increase of USD 70 billion from IDB-8. After being authorised by contributing member states, IDB-9 came into effect in 2012 and is being implemented through to 2021.

In 2015, the Bank approved a programme of 171 projects, with a total value of USD 11.3 billion. Of these, 151 (worth USD 7.6 billion) were investment operations; 88 of them are non-sovereign guaranteed (NSG) operations (USD 2.2 billion). Five operations, totalling USD 190 million, were approved under an IDB grant facility.

### **Organisational change initiatives**

A process of institutional reforms, known as the Agenda for a Better Bank, accompanied the Ninth General Capital Increase (IDB-9) in 2010. The focus of the Agenda and subsequent mid-term review of the institutional strategy was on making the Bank more transparent, accountable, results-focused and aligned with normative frameworks in individual sectors and across its results frameworks.

For example, the Agenda for a Better Bank strengthened the Bank's presence in the field, with the aim of ensuring the effective use of technical knowledge while increasing the focus on specific country needs. Areas of reform have included capacity building of country offices, greater responsibilities for field offices and more technical staff. The IDB's 2012 decentralisation action plan set out an action plan to finalise the decentralisation process initiated in 2007.

Other notable organisational change initiatives are the streamlining of the IDB's project cycle; consolidation and merge out of the IDB Group's private sector operations; and formation of a new department specialising in climate change and sustainable development.

## 1.2 The assessment process

### Assessment framework

This MOPAN 3.0 assessment covers the period from 2014 to mid-2016. It addresses organisational systems, practices and behaviours, as well as results achieved. The assessment focuses on five performance areas. The first four performance areas, relating to organisational effectiveness, each have two Key Performance Indicators (KPI). The fifth performance area (results), relating to development and humanitarian effectiveness, is comprised of four KPIs.

Each KPI is based on a set of micro-indicators that, when combined, enable assessment against the relevant KPI. The full set of KPIs and MIs is available in Annex 1.

**Table 1: Performance areas and Key Performance Indicators**

Performance Area	KPI
Strategic Management	<b>KPI 1:</b> Organisational architecture and financial framework enable mandate implementation and achievement of expected results
	<b>KPI 2:</b> Structures and mechanisms in place and applied to support the implementation of global frameworks for cross-cutting issues at all levels
Operational Management	<b>KPI 3:</b> Operating model and human/financial resources support relevance and agility
	<b>KPI 4:</b> Organisational systems are cost- and value-conscious and enable financial transparency/ accountability
Relationship Management	<b>KPI 5:</b> Operational planning and intervention design tools support relevance and agility (within partnerships)
	<b>KPI 6:</b> Works in coherent partnerships directed at leveraging and/or ensuring relevance and catalytic use of resources
Performance Management	<b>KPI 7:</b> Strong and transparent results focus, explicitly geared to function
	<b>KPI 8:</b> Evidence-based planning and programming applied
Results	<b>KPI 9:</b> Achievement of development and humanitarian objectives and results e.g. at the institutional/corporate-wide and regional/country level, with results contributing to normative and cross-cutting goals
	<b>KPI 10:</b> Relevance of interventions to the needs and priorities of partner countries and beneficiaries
	<b>KPI 11:</b> Results delivered efficiently
	<b>KPI 12:</b> Sustainability of results

### Lines of evidence

Four lines of evidence have been used in the assessment: a document review, a survey, interviews and consultations. These evidence lines have been collected and analysed in a sequenced approach, with each layer of evidence generated through the sequential assessment process, informed by and building on, the previous one. See Annex 2 for a list of documents analysed as part of the IDB assessment and Annex 3 for process map of the assessment.

The full methodology for the MOPAN 3.0 assessment process is available at <http://www.mopanonline.org/ourwork/ourapproachmopan30/>

The following sequence was applied:

- The assessment began with the collection and analysis of 96 documents, including 15 independent evaluations of the IDB. An interim version of the document review was shared with IDB. It set out the data extracted against the indicator framework and recorded an assessment of confidence in the evidence for each of the MIs. The IDB provided feedback and further documentation to enable finalisation of the document review in October 2016.
- An online survey was conducted to gather both perception data and an understanding of practice from a diverse set of well-informed partners of the IDB. The survey's target countries were Brazil, Colombia and Haiti, and it covered donor and national government representatives, UN agencies and INGOs/NGOs. The survey generated 35 responses. Annex 4 presents results of the Partner Survey. However, within the overall assessment process these results were - where they aligned - also augmented by the results of the IDB's own comprehensive partner survey.
- Interviews and consultations were carried out at the IDB headquarters in Washington, DC, with 38 IDB staff members, ensuring coverage of all of the main parts of the organisation. The interviews were carried out in a semi-structured way, guided by the findings and the evidence confidence assessments of the interim document review.
- Discussions were held with the Institutional Leads of the MOPAN 3.0 IDB assessment to gather insights on current priorities for the institution from the perspective of MOPAN member countries.

Analysis took place against the MOPAN 3.0 scoring and rating system, which assessed data from all evidence lines combined. These scores and ratings and the evidence that underpins them form the basis for this report. Annex 1 presents the detailed scoring and rating system as applied to the IDB.

There are no significant limitations in the assessment report. The limited coverage of countries of relevance to the IDB by the MOPAN partner survey was partly addressed by use of the IDB's own survey of external stakeholders. This assessment report represents a snapshot view of the IDB at a particular moment in time.

### **1.3 Structure of the report**

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This report has three sections. Section 1 introduces the IDB and the MOPAN 3.0 assessment process. Section 2 presents the main findings of the assessment in relation to each performance area. Section 3 presents the conclusions of the assessment.

The Inter-American Development Bank, IDB and the Bank are used interchangeably in this report.



## 2. ASSESSMENT OF PERFORMANCE

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## 2.1 Organisational effectiveness

### PERFORMANCE AREA: STRATEGIC MANAGEMENT

*Clear strategic direction geared to key functions, intended results and integration of relevant cross-cutting priorities*

**Strategic management:** The IDB has set a clear strategic direction in its revised institutional strategy and performs well overall in relation to strategic management. The Bank's organisational and financial architecture, in the main, supports implementation of its strategy. Recent reforms to the Bank's financial structure and management have positively impacted liquidity, enabling the Bank to continue to respond to member countries' demands in challenging times. An ongoing shift to a more decentralised operating model is bringing the Bank closer to its members. However, some challenges exist in operationalising the new strategic direction with respect to cross-sectoral, integrated approaches and in mainstreaming important cross-cutting issues.

#### SCORING COLOUR CODES

<b>Highly unsatisfactory</b> (0.00 – 1.00)	<b>Unsatisfactory</b> (1.01 – 2.00)	<b>Satisfactory</b> (2.01 – 3.00)	<b>Highly satisfactory</b> (3.01 – 4.00)
<b>KPI 1: Organisational architecture and financial framework to enable mandate implementation and achieve expected results</b>			
<b>KPI 2: Structures and mechanisms in place and applied to support the implementation of global frameworks for cross-cutting issues</b>			

### **KPI 1: Organisational architecture and financial framework enable mandate implementation and achievement of expected results**

IDB's performance against this KPI is rated as **highly satisfactory**.

**An institutional strategy that sets out a clear vision for the IDB's role in the region:** The *Institutional Strategy 2010-2020*, the product of extensive internal and external consultation, sets out the Bank's vision for the region and how it will contribute. It has been promoted heavily among staff, who work to a closely monitored Corporate Results Framework (CRF) that is reviewed every four years. The strategy was updated for the period 2016-19 following a mid-term review in 2015. While it provides the broad operating framework for IDB's vision, it allows extensive choice at the country level. The IDB conducts a comprehensive analysis, the Country Development Challenges assessment, at the country level, which is central in determining country-level priorities.

**Comparative advantage based upon a strong understanding of its member countries:** The strategy outlines the IDB's perceived comparative advantage, which is based on its regional presence and a detailed understanding of member circumstances. A set of guiding principles inform the Bank's approach, and are intended to ensure it remains competitive in light of increasing regional sources of finance. The Bank's comparative advantage is largely equated with greater client focus and a more attractive offer. However it is not clear whether the Bank, in choosing the development challenges in which it would specialise, considered the relative strengths of its competitors.

**Organisational restructure to bring the IDB closer to its members:** The IDB's organisational architecture, which is aligned to the Strategy, has been restructured. IDB has decentralised its operations to increase its country-level presence, and is piloting new country-driven programming approaches in Bolivia, Jamaica, Colombia and Brazil. It is also establishing a Climate Change and Sustainability Department.

**Recent merge out of the IDB's private sector windows to maximise efficient work with the private sector:** The Bank is merging out its private sector windows (Structured and Corporate Finance Department and the Opportunities for the Majority sector) into its private sector arm, the Inter-American Investment Corporation (IIC) enabling the consolidated entity to provide the full range of private sector products and services. It is anticipated that the merge-out will bring greater efficiency and effectiveness. But this will depend on whether unnecessary duplication of expertise across the two organisations can be avoided, and on ensuring an efficient handover where investments involve both public/community and private interests. Effective systems are required to manage the risks. IDB recognises the challenge and that it will require ongoing attention.

**Multi-sectoral collaboration across the organisation remains a work in progress:** In keeping with its ambition to offer more integrated services to clients, the IDB is encouraging cross-sectoral collaboration across the organisation. It is also trying to facilitate better multi-sectoral approaches by piloting new internal management accounting systems and new lines of credit that facilitate more co-ordinated assistance at the country level. These efforts face a number of challenges. In particular, client and staff buy-in to multi-sectoral working is required to reinforce the collaboration, as are internal incentives. Furthermore, the challenge of integrated working extends beyond multi-sectoral approaches, to multi-country and regional approaches, if economies of scale are to be fully realised.

**Shift to decentralised structure:** Management accountability within the IDB is clearly defined, but the shift to a country-driven model has created some uncertainty with respect to division of responsibilities among sector teams. This is somewhat inevitable within a change process, but will need to be managed given the role of the sector teams as subject matter experts and repositories of learning.

**Cross-cutting issues embedded in IDB policy:** The IDB enshrines international development standards within its policies. A number of policies are in place covering gender equality; working with indigenous peoples, environmental compliance, involuntary resettlement and disaster risk management. A policy covering the use of country systems is in place, and IDB's approach compares favourably with other multilateral development banks (MDBs). IDB expressed the view that it is the only MDB to have presented to its Board of Governors a resolution to increase climate change finance, which resulted in the decision to establish the Climate Change and Sustainability Department. While the Sustainable Development Goals (SDGs) *per se* do not drive the IDB's priorities, the Bank has mapped them to its Corporate Results Framework.

**Reforms to financial structure and management for a "better Bank":** The IDB has implemented a number of reforms and innovations to its financial structuring and management in recent years. These include balance sheet optimisation; an exposure exchange with the World Bank and the African Development Bank to better manage risk; and a capital adequacy mandate and income management model that enables better long-term management of lending while defending the Bank's AAA status, an approach that the IDB believes compares favourably with practice in any other multilateral development bank. The Bank also reformed its pension funds. These reforms positively impacted the Bank's capital position and liquidity in the last three years, enabling the Bank to respond to countries' needs in more challenging times.

The IDB has spending commitments to climate change and social/poverty programmes. These targets are treated seriously and continue to be met. However, in part at least, this may reflect changes in accounting as well as behavioural practices in the Bank. The IDB has a single integrated budgetary framework with no off budget accounts and/or operations. Scrutiny of the financial framework is strict. Although there is a risk of Board micro-management, the clear rule-based approach means there is little scope for discretionary adjustments. IDB donors and members have agreed their contributions under IDB-9. Realisation of these commitments is monitored for any problems.

## **KPI 2: Structures and mechanisms in place and applied to support the implementation of global frameworks for cross-cutting issues**

IDB's performance against this KPI is rated as **satisfactory**.

The IDB recognises the importance of cross-cutting issues in its work. A number of these issues are embedded in its policies and safeguards. Systems have been strengthened to track the proportion of finance directed at key cross-cutting objectives and the revised Corporate Results Framework will in future report on achievements in terms of particular cross-cutting results. Operationalising cross-cutting issue is more challenging. The intervention design process encourages consideration of key cross-cutting issues where appropriate but with the exception of climate change, the requirement for inclusion is not mandatory. Tracking the treatment of cross-cutting issues varies, reflecting capacity and accountability challenges as well as definitional challenges. Partners of IDB report favourably on how the Bank promotes cross-cutting issues (see figure 1).

**Focus on Gender Equality, with efforts to provide accountability across operational divisions.** The Bank has an Operational Policy on Gender Equality in Development, a Bank-wide Gender Action Plan (GAP) for Operations 2014-16, implementation guidelines for the policy, and several sector-specific technical notes that provide guidance on how to integrate the policy into Bank interventions. The Gender Policy includes monitoring indicators and the requirement to report to the Board of Directors on progress implementing the Policy every three years. In addition, the GAP 2014-16 introduced a results matrix with specific targets for each year of implementation. The achievement of these targets is tracked annually (spearheaded by the Gender and Diversity Unit (GDI) and supported by the Bank's Inter-departmental Gender Policy Working Group (IPWG)) to allow for course corrections. Final results for GAP 2014-16 will be reported to the IDB Board of Directors in the April 2017.

Each of IDB's operational divisions sets its own gender indicators with assistance from the Gender and Diversity Unit (GDI) as necessary to contribute to the Gender Policy monitoring indicator "financial operations that include gender-related results" at the beginning of the year. GDI tracks the number and % of sovereign guarantee loans annually that include gender related results, as well as loans and TA that directly promote gender equality, and country strategies that include gender results. While gender mainstreaming is a focus for the IDB, there remain challenges. An intervention is only monitored for gender if it identifies one or more gender related results in its result matrix (i.e. if it 'opts in'). This increases the risk that opportunities are missed in sectors that historically are not gender-sensitive or have found gender equality inclusion challenging - such as transportation and infrastructure; validation checking on this process at the country level varies. Indeed, the proportion in 2015 of (sovereign guaranteed) operations with at least one gender-related result was still less than half (up from 36% in 2014 to 47% in 2015), while six out of ten approved country strategies in 2014-2015 included gender-related results. There is also currently no single, Bank-wide monitoring system to track performance against the GAP.

Efforts to identify and address the barriers to mainstreaming gender in IDB operations are being actively pursued across the organisation. IDB's GAP advocates an active 'opt out' approach that would require explicit justification for why new interventions do not address gender issues. This has yet to be adopted. A process is underway to identify common gender indicators as well as to apply Bank-wide screening of gender inclusion in operations. The recently revised Corporate Results Framework includes some gender-specific measures (to be reported on in coming years), while inclusion of specific gender indicators and results features in the most recent country strategies. The Bank has commissioned an external evaluation of the GAP, 2014-16 that will be completed in the first trimester of 2017 and that will help inform the preparation of the new GAP, 2017-2019.

The Bank has increased resources to promote gender equality: IDB sovereign guarantee loans with gender-related results increased fourfold from 11% in 2011 to 47% in 2015; and the total dollar amount of Technical Cooperation grants and Multilateral Investment Fund projects directly investing in gender equality and women's empowerment rose from \$7.3 million in the Gender Policy baselines year of 2006-2010 to \$42 million in 2011-2013 to \$48 million for 2014 and 2015 combined. Gender is reflected in the staff evaluation process, and the bank recently implemented a women's leadership programme. Training in gender equality and the empowerment of women is provided corporately for all staff (HQ and country offices) but only partially for the consultant cadre, which account for around half of staff.

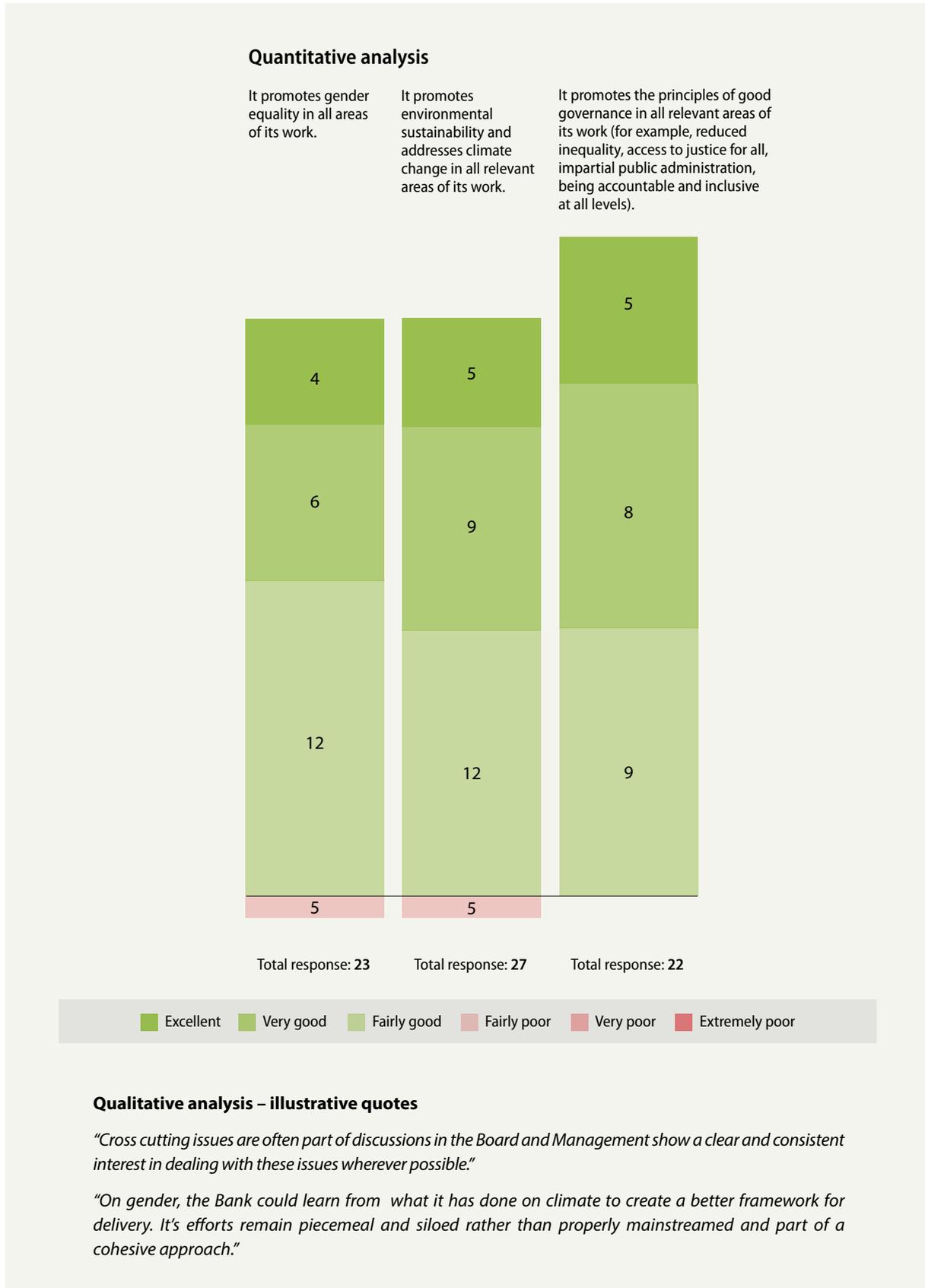
***Areas for Climate Change intervention are defined, but mechanisms and specific targets remain a work in progress.*** The IDB's Integrated Strategy for Climate Change Adaptation and Mitigation, and Sustainable and Renewable Energy, approved in 2011, aims to promote the use of public and private sector financial and non-financial instruments to strengthen capacity to address climate change challenges. The strategy includes establishing a system for tracking and monitoring improvements in climate change mitigation and adaptation within IDB operations, although this is still work in progress. Not all interventions are required to address contribution to climate change goals as part of their alignment to strategy development objectives. This includes mitigation, adaptation and sustainable practice interventions. However, there do not appear to be oversight mechanisms to ensure interventions are relevant to addressing climate change.

The sector framework document does not include numeric targets but prioritises areas of intervention on climate change. The Bank has institutional commitments to ensure that 30% of all approved operations represent climate finance and 25% of operations relate to climate change, environmental sustainability and sustainable energy by the end of 2020. In 2015, the Bank reported 16% of all approved operations were considered climate finance and 35% related to climate change, environmental sustainability and sustainable energy objectives.

The Bank is still defining sustainability in order to identify appropriate indicators and targets. It has committed to track and publish data on its climate change goals, but these are not yet integrated into regular reporting. The new Climate Change and Sustainability Department will be central to this, but has limited incentives for co-operation between sectors and it is not yet clear how it will mainstream the policy. There is also a commitment to integrate climate risk and resilience into the country strategies and incorporate these aspects into Project Completion Report assessments. In late 2014, the Office of Evaluation and Oversight analysed IDB climate change-related interventions and made recommendations to improve the IDB's climate change mitigation and adaptation results. Training and capacity development programmes on environmental sustainability and climate change are run for all staff, but only for part of the consultant cadre.

***A clear focus on Good Governance.*** The IDB supports a governance agenda promoting reform and modernisation of the state and a clear commitment to the rule of law. There is no specific governance policy or strategy but relevant aspects are included in other Sector Framework Documents (for example, Sector Strategy Institutions for Growth and Social Welfare, Citizen Security and Justice, the Decentralization and Subnational Governments). The Institutions for Development Sector department focuses on governance (including anti-corruption and transparency), together with public sector strengthening and reform, decentralisation, fiscal and economic issues. The department is well-resourced with a sizeable cadre of experts. It is involved in discussions around the country development challenges and country strategy development and responds to requests for support from country teams on particular issues. As part of intervention design, contextual risks are considered including issues of state effectiveness, assessment of national conditions, conflict, corruption, fragility and other political context issues. Notwithstanding the decentralised approach, the department faces challenges mainstreaming governance across the IDB through multi-sectoral working with other areas. It has its own projects to implement and may tend to work more closely with certain sectors (such as energy) and at present, there is no corporate staff training or capacity development programme for good governance.

**Figure 1: Partner Survey Analysis – Strategic Management**  
 An illustration of aggregated partner views from across the countries



**PERFORMANCE AREA: OPERATIONAL MANAGEMENT**

*Assets and capacities organised behind strategic direction and intended results to ensure relevance, agility and accountability*

**Operational management:** Overall, the IDB demonstrates strong capabilities in this regard. Structures and staffing are well aligned to the Bank’s strategic ambitions. A decentralised organisation is a key element of this and remains a strong commitment. The Bank’s financial management systems are rigorous and transparent, with a well-established and developing approach to results-based budgeting in place. Risk and audit arrangements are similarly well developed, although there may be a case for greater integration of the different forms of risk assessment that take place at different levels and stages within the Bank. There are issues around staffing and budgeting structures that in turn may pose challenges for the Bank going forward.

## SCORING COLOUR CODES

<b>Highly unsatisfactory</b> (0.00 – 1.00)	<b>Unsatisfactory</b> (1.01 – 2.00)	<b>Satisfactory</b> (2.01 – 3.00)	<b>Highly satisfactory</b> (3.01 – 4.00)
<b>KPI 3: Operating model and human/financial resources support relevance and agility</b>			
<b>KPI 4: Organisational systems are cost- and value-conscious and enable financial transparency/accountability</b>			

**KPI 3: Operating model and human/financial resources support relevance and agility**

IDB’s performance against this KPI is rated as **highly satisfactory**.

**Creation of new departments to align organisational structure to corporate vision:** The Bank’s organisational structure has been restructured to ensure alignment with its vision. The most significant changes include the creation of the Climate Change and Sustainable Development department; the Inter-American Investment Corporation merge-out, and the on-going devolution to country level (following the decentralisation of staff to country offices previously). The profile of staff has also changed, with greater emphasis on technical skills and a higher proportion of newer recruits; around 36% of personnel joined the Bank within the last five years. The need for staff who can work in an interdisciplinary manner across technical boundaries remains important given the ambitions around integrated working. Country representatives previously had a primarily fiduciary management role, but now lead the strategic dialogue with country partners.

The IDB’s allocation of resources is aligned to these operational priorities, although the organisation faces risks in the future. The cap on staffing means around half the workforce are contractors, who cannot be retained on continuously renewable contracts. While the use of contractors increases agility, it poses risks for institutional learning/knowledge management and corporate identity given that contractors do not, for example, benefit from all corporate capacity development and training initiatives. The IDB believes the recent below-comparator salary increase – undertaken as part of Bank-wide efficiency cuts associated with the decision to raise lending fees – poses a significant risk to the competitiveness of the Bank in attracting and retaining skilled staff.

The mismatch between multi-year strategies and the IDB's annual budget envelopes poses another potential risk, in that it may create perverse incentives for staff to fund lower-priority projects rather than lose access to loan funds in a given year. In the larger countries with greater capacity the risk is minor. But this may be an issue in smaller countries, which may encounter difficulties ensuring a stable pipeline of high-priority projects.

***Decentralised operational structure for greater decision-making at country level:*** The IDB's system of regulations establishes the delegation of decision making authority. The decentralisation sector framework and an action plan also outline how programmes should respond to country needs. At the country level there is increased capacity and expertise. Country-level staff have appropriate levels of delegated authority to re-allocate resources in response to changes on the ground. Partner survey responses were positive on this aspect (see Figure 2). Projects are reviewed biannually and mechanisms are in place to facilitate resource reallocation throughout the year, as well as rapid responses to emergencies in borrowing countries as and when they arise. The previous target within the decentralisation strategy for physically relocating staff (based on a target proportion of the workforce) has now been replaced with the IDB instead ensuring that appropriate decision-making authority exists at the country level.

***Clear and transparent performance assessment system for IDB staff:*** There is a clear and transparent performance assessment system that requires an annual review of all staff. A mid-year review is encouraged. The assessments cover work undertaken (60%) and competencies (40%), and are directly related to promotion and salary increases. The process defines expectations and individual career paths. Small financial incentives are linked to organisational objectives (e.g. collaboration), but these may not be sufficient to affect behaviour. Informal systems of staff assessment also exist alongside the formal process, but there is no strong evidence to suggest this is perceived negatively. A conflict resolution mechanism exists for those wishing to contest assessment results. The assessment system applies only to permanent staff, not consultants.

#### **KPI 4: Organisational systems are cost- and value-conscious and enable financial transparency/ accountability**

IDB's performance against this KPI is rated as **highly satisfactory**.

***Lending priorities clearly defined in IDB strategies:*** A number of corporate documents describe IDB operations and lending target criteria: IDB-9 lists lending targets for initiatives addressing small and vulnerable countries, poverty reduction, climate change and sustainable energy, and regional cooperation and integration. The capital adequacy mandate and income management model together provide the basis for financial projections, lending capacity and loan charges. The Proposal for Allocation of Resources is published annually and sets out criteria and allocations for eligible countries.

***Policies and mechanisms enable agility and responsiveness to country demand:*** The IDB's approach to resource allocation is guided by a number of policies and mechanisms, which are transparent and subject to regular review and adjustment. Translating the Bank's strategic frameworks into operations involves aligning the top-down institutional strategy with bottom-up country demand, moderated through the Country Development Challenges assessment. A more integrated approach to country strategies was piloted in 2015 and is now being rolled out. This is intended to strengthen congruence between multi-year strategies and annual work plans, among other things. The extent to which this approach strengthens strategic alignment is still to be determined.

At an aggregate level, actual budget outturn against plan for 2015, for all the Bank's main business functions and operations support, was 95%. Targets for priority sectors and concessional support to small and vulnerable countries were exceeded. Target grant disbursement in Haiti is on track, which is significant given existing constraints. At the country level, long-term interventions limit the degree of variation between budget and disbursements — disbursements are determined by the maturity and stage of individual loans and countries' annual fiscal restrictions. For individual operations, the IDB budget process is flexible and can accommodate allocations to unexpected demands, and can also re-allocate unexpected under-spends.

**Results-based budgeting consistently applied:** IDB has used results-based budgeting since 2010 for increased accountability and to provide clear costing against results. The system is well developed based on target- and objectives-linked budgets for which Vice Presidents are accountable. The staff performance management system is also linked to budgets and targets. The 2016 budget was reduced by 4.3% as a corollary to the increase in loan charges. The Bank used results-based budgeting and a new management information system to assess different scenarios for the impact of the increase on results. The Bank showed that it could maintain core results.

The IDB is continuously improving the way it implements results-based budgeting. Recent enhancements include a stronger evaluation component to inform the re-allocation of resources and adjust budget policies; greater integration with staff time reporting and the performance appraisal system; and alignment of the results-based budgeting system with the Corporate Results Framework, which is a work in progress. Planned improvements include enhancing the capital budget process by establishing results-based budgeting indicators for performance of capital projects. Challenges remain, but the Bank acknowledges these, in particular the cultural change required for effective results-based budgeting. Effective communication, change management and robust information systems are key elements in the Bank's approach to addressing this culture change.

**Audits comply with international standards:** KPMG, a global provider of audit services, undertakes independent external audits of the Bank. These are performed in accordance with Public Company Accounting Oversight Board (US) standards, and state whether the financial statements meet generally accepted accounting principles (GAAP). The integrated audit results for fiscal year 2015 confirmed that no material weakness or significant deficiencies in IDB's internal controls relating to financial reporting were identified. Projects have guidelines covering contracting of external auditors.

The Office of the Executive Auditor (AUG) conducts internal audits consistent with the authority and responsibilities established by the AUG Charter. The AUG reports directly to the IDB President and the Board's Audit Committee. It works to an annual plan, which includes a continuous risk assessment process and is discussed with senior management and approved by the Board. Internal audit functions are undertaken in accordance with the International Professional Practices Framework of the Institute of Internal Auditors (IIA). This includes a requirement for an expert, external quality assessment of the internal audit function at least once every five years. Two external quality assessments, in 2010 and 2013, concluded that the AUG conforms to IIA standards. The 2013 assessment commented that the AUG was ahead of many other organisations. In 2014, the AUG completed implementation of improvements recommended in the 2013 assessment.

The IDB has clear policies and procedures covering internal integrity, compliance and oversight. The AUG reports twice-yearly to the Audit Committee on management's implementation of previous internal audit recommendations, and raises issues of relevance for the current year. Similarly, the Office of Risk

Management reports annually to a Board subcommittee on the effectiveness of the Bank's internal controls. This enables management to identify any material weaknesses or significant deficiencies in financial reporting processes. The Office of Institutional Integrity and Sanctions and the Office of Ethics also report annually to the Audit Committee.

**Effective risk, fraud and anti-corruption practices in place:** The Bank's environmental and social safeguards unit (ESG) has risk management and quality assurance systems in place to monitor safeguard performance issues. Projects likely to cause significant or moderate negative environmental and associated social impacts are supported by environmental and/or social safeguard specialists. ESG reports on the implementation of risk mitigation measures for all projects rated "high risk" in its annual Sustainability Report and in the Corporate Results Framework. Risk is defined in terms of risk to success and "high risk" projects in 2015 included all projects categorised as 'significant (adverse) impact' and around 40% of 'moderate impact' projects. Senior management reviews most internal scrutiny reports and as warranted, follow-up actions decided and monitored. Each area has its own system for tracking these actions. There does not appear to be any material weakness in the system of internal controls, but there may be merit in the IDB developing a more integrated approach to processing any recommendations from the various oversight bodies to ensure a coherent and efficient response. The IDB has recently revamped the Evaluation & Audit Committee (one of Management's internal advisory committees) to play a more coordinating role, though this is predominantly focused on reports from the Office of Evaluation and Oversight (OVE).

The IDB Group has clear policies and guidelines on standards and reporting of fraud and corruption, and procurement practice, all of which are available on its website, and it has strengthened them in recent years. It participates in the international financial institutions' Anti-corruption Task Force and has adopted the Uniform Framework for Preventing and Combating Fraud and Corruption. The IDB and the IIC have a clear whistle-blower policy – also accessible on the website. Where sanctions are imposed, these are recorded and publicly available. The Office of Institutional Integrity and other offices of the sanctions systems produce an aggregate annual report for the Audit Committee of the IDB Board of Directors and the Committee of the Board of Directors of the IIC, but this does not include details on individual case judgements. The Independent Consultation and Investigation Mechanism is a last resort alternative open to adversely affected individuals or communities who wish to raise concerns about IDB actions. The Independent Consultation and Investigation Mechanism was recently restructured, which has improved its performance. It operates a website and reports on substantiated cases. It operates a two-phase approach to complaints handling, with only those not resolved at phase 1 examined in more detail. The risk that incentives to resolve complaints at phase 1 may prevent the deeper lesson-learning that would be possible from phase 2 investigations exists but is considered largely hypothetical.

**Figure 2: Partner Survey Analysis – Operational Management**

An illustration of aggregated partner views from across the countries



## PERFORMANCE AREA: RELATIONSHIP MANAGEMENT

*Engaging in inclusive partnerships to support relevance, leverage effective solutions and maximise results (in line with the Busan Partnership commitments)*

**Relationship management:** As a demand-driven organisation, the IDB is highly responsive to the interests, and priorities of its member countries who are the IDB's key partners. It knows its members and is structurally and culturally aligned to support country-level decision making. Its country strategies are premised upon extensive contextual analysis and close dialogue with country partners, with an emphasis on building partners' institutional capacity and using country systems. In addition, the IDB actively pursues partnerships with a wide range of multilateral, private, and philanthropic organisations led by the Office of Outreach and Partnerships which oversees partnership working for the whole of the IDB Group.

The Bank is generally rated highly in terms of what it brings to the partnerships, but expectations regarding the timeliness of the IDB's processes remain high and challenging to meet. Partnerships are supported by IDB's important role as a convenor of policy dialogue and its generally useful knowledge projects. In the case of partnerships with other development bodies, public and private, the Bank is guided by a strategic thrust to diversify its partners to leverage resources for development results. As a partner, the Bank is flexible, responsive and able to act as opportunities for effective partnering arise. IDB's comparative advantage within the region is articulated in its partner strategy and further defined in its corporate and sector strategies and regional contexts. Contextual analysis considers cross-cutting issues to varying degrees, and the IDB has robust systems for addressing risk which are well integrated into the project cycle and into its systems for developing partnerships.

### SCORING COLOUR CODES

Highly unsatisfactory  
(0.00 – 1.00)

Unsatisfactory  
(1.01 – 2.00)

Satisfactory  
(2.01 – 3.00)

Highly satisfactory  
(3.01 – 4.00)

KPI 5: Operational planning and intervention design tools support relevance and agility (within partnerships)

KPI 6: Works in coherent partnerships directed at leveraging and/or ensuring relevance and catalytic use of resources

### KPI 5: Operational planning and intervention design tools support relevance and agility

IDB's performance against this KPI is rated as **highly satisfactory**.

**Partnerships guided by close alignment to member country priorities:** The IDB's primary partnerships are with its member countries and it is strongly driven by their needs and interests. IDB's interventions are guided by country strategy documents that are developed in consultation with member governments and through ongoing policy dialogue with national authorities to respond to client demands and address institutional and developmental challenges. The country strategies are aligned to national development strategies and a long-term development vision, jointly developed by the IDB and its partners.

The IDB knows its partners. Its longstanding presence at the country level, which recently was expanded, as well as its close working relationship with partners, gives it a firm grasp on the cultural and contextual

context of the region and its member countries. The IDB is most favourably rated for its understanding of a country's priorities in its survey for sovereign loan operations, and was rated as "fairly good" or better in ensuring interventions are designed and implemented to fit with national programmes and intended results (see Figure 3).

Technical staff are responsible for the design of all loan operations and are the focal point for sector dialogue with client countries. According to the IDB, their latest figures suggest 90% of the portfolio is led from specialists in the country offices. Nevertheless, some concerns were expressed during our review that the greater emphasis on country-driven approaches has led to reduced scope for technical specialists to influence choices around projects early on in the decision-making process.

**Strategic focus on private sector partnerships:** In recognition of the prominence of the private sector as an agent of international development, IDB is also extensively expanding partnerships with private and philanthropic organisations. IDB seeks to use its comparative advantage within the region to engage with a wide range of partners, using a diverse and innovative range of funding instruments that allow flexibility for donors and lenders. With the Office of Outreach and Partnerships (ORP) as the sole window for partnerships and resource mobilization, the department is able to track and respond efficiently to opportunities and changes in the development financing ecosystem. ORP's customer relationship management system allows constant monitoring of the status and the results achieved through partnerships and allow course-correction and action to be taken when issues arise.

**Variable integration of cross-cutting issues:** Contextual analysis is formalised in the Bank's planning processes and cross-cutting issues are embedded in this to varying degrees. Intervention design considers gender and environmental and political economy context issues, where appropriate. This occurs as part of the problem diagnosis and proposed solutions in the Development Effectiveness Matrix. However, consideration of cross-cutting issues is encouraged, but is not required, with the exception of climate change. Monitoring of cross-cutting issues is varied and depends on the selection of indicators in the project results matrix. There is greater emphasis on end-of-project assessment. The Bank's Corporate Results Framework (CRF) facilitates monitoring of three cross-cutting issues: climate change; gender equality and diversity; and institutional capacity and rule of law. Indicators that are geared towards monitoring these are signposted in the current CRF, and their monitoring is part of IDB's results monitoring plan.

**Institutional capacity assessment an integral part of planning processes:** As part of its strategic push to support institutional capacity and use country systems, the Bank has revised and adjusted its capacity assessments. Capacity analysis is done at the design stage and project risk management conducted throughout the life cycle of an intervention; the Bank identifies and assesses institutional capacity challenges and sets out strategies to overcome these challenges through deployment of technical support and knowledge. At the sector level, the IDB works with member countries to reinforce the capacities of executing units and of the public sector in general, so that projects are executed as planned and on schedule. It also carries out institutional capacity analysis with other donors as appropriate. The IDB's current results and monitoring guide includes assessment of technical or sectorial capacity in the planning of interventions. However there is no formal requirement to jointly develop a capacity analysis statement with partners.

**IDB considered a risk-averse institution:** Stakeholders perceive the IDB as a risk-averse institution (see Figure 3). With the update to the institutional strategy, the Bank developed and introduced additional risk management tools and expanded its concept of risk. It also undertakes a detailed risk assessment that serves as a compliance checklist. Through this process, multiple dimensions of risk are considered and

mitigation strategies are defined. The IDB's Operational Risk Management Framework, updated in 2016, aims to improve the co-ordination of the management of operational risks across the Bank. Its system for designing interventions also includes an assessment of the extent to which the interventions rely on country systems. This assessment covers a country's fiduciary and non-fiduciary systems, the level of risk, and the need for IDB support to country systems. Risk mitigation actions are documented in the country strategy documents, which are monitored periodically through regular reporting to the Bank.

***Safeguards and sustainability key considerations:*** The IDB is committed to maximising the positive environmental and social outcomes of its work and minimising risks and negative impacts to people and natural capital. The Environmental and Social Safeguards Unit (ESG) is currently restructuring to expand its capacity and cover more interventions. Although sustainability has not been fully defined across the IDB's portfolio, the Bank has put in place strategies and priorities to guide its support and lending portfolio, along with a system of robust social and environmental safeguards to help protect against social and environmental harm. In addition, the Bank tracks measurable results, adherence to lending targets and the effectiveness of its safeguards. It also emphasises knowledge and capacity building, which are essential components to ensure sustainability. Through its sustainability programmes, the Bank has demonstrated an increasing commitment to incorporate sustainability concerns into the design and execution of loans and grants.

***Timeliness of IDB operations a mixed picture:*** IDB country and sector disbursement profiles for 2015 show that full disbursement of sovereign guaranteed loan investment projects to nearly all countries and sectors took twice as long as planned. In 2015, the IDB did not reach timeliness targets for its country strategy cycles, loan disbursement periods or loan preparation time. Speed of implementation has been negatively affected by delays in project execution, most often after approval but before the project is underway. The failure to meet expected output targets has also been attributed to having large (often infrastructure) projects with longer-than-expected loan preparation periods and with timeframes that are too short to generate results. The IDB's external feedback system identifies reducing bureaucratic procedures as an area for improvement. Timeliness of the IDB's procedures also elicited the most negative responses – comparatively speaking – from the Partner Survey (see Figure 3), with one-fifth of respondents rating the IDB as “fairly poor” or worse.

However, an OVE corporate evaluation in 2014 found the Bank had improved reaction times for key processes during project execution and the IDB management response to that evaluation also points to reduced time between legal effectiveness of loans and eligibility for disbursements. IDB is also rated highly for its timeliness of answers to partner inquiries. Stakeholders report that they are highly satisfied with the timeliness of IDB staff in providing responses, while satisfaction with the actual time in giving non-objections regarding procurement and in approving the loans is somewhat lower. The timeliness for approval of country strategies is rated very positively.

IDB's management has introduced a series of reforms to improve the Bank's timeliness in the project cycle including 'Convergence', an IT business solution to improve efficiency in delivering services. The IDB also introduced improved procedures for processing sovereign guaranteed operations and corporately it has taken other streamlining initiatives. These include significantly reducing the length of the budgeting process. At the same time, new procedures to strengthen development effectiveness may risk working against efforts to streamline operations.

### **KPI 6: Works in coherent partnerships directed at leveraging and/or ensuring relevance and catalytic use of resources**

IDB's performance against this KPI is rated as **highly satisfactory**.

***Institutional commitment to working in partnership:*** Leverage and partnerships are one of the six operational guiding principles enshrined in the Update to the Institutional Strategy. At the strategic level, this orientation requires the Bank to engage more with a range of public and private sector partners to design and implement development solutions.

The Office of Outreach and Partnerships (ORP) is the sole window for partnerships and resource mobilization for the IDB Group. It is responsible for strengthening the Bank's dialogue and alliances with other development community constituencies including trust fund donors, co-financing counterparties and private sector. While taking a flexible and opportunistic approach to partnering, ORP pursues strategic alliances and partnerships that will advance the strategic goals of the IDB and lead to development results for the region. IDB aims to be the preferred channel of ODA in the region and the "best-in-class mobilizer of development finance in LAC" through both its ambitious resource mobilization targets and pursuing innovative financing mechanisms for donors and lenders.

The IDB has a clear perception of its comparative advantage. Interviews indicate that the Bank aims to be increasingly recognized for its highly skilled staff and country and sector expertise rather than simply as a source of funding. Sector framework documents demonstrate a considered understanding of the IDB's added value as a convenor of regional dialogue. IDB draws upon its strong comparative expert knowledge of the region in pursuit of strategic sector partnerships with multilateral, private, and philanthropic organisations.

***Effective coordination with development partners:*** IDB works effectively with a number of MDBs and bilateral organisations. According to OECD data, in the period 2011-2014, IDB mobilized 66% of all ODA resources to the region channelled through MDBs and 23.8% of all resources channelled through international organizations (including UN agencies), the largest individual mobilizer. It is the top partner for the bilateral organisations from Korea, Japan, Switzerland and others. Nevertheless, challenges to joint working remain – particularly when differing internal rules make joint financing difficult. Unlike grant financing (as in the case of Haiti for example), loan financing is more competitive and there are fewer natural incentives to work with others. In addition, the IDB's own governance arrangements and internal rules can make it difficult to commit to partnering in advance of the Bank's due diligence work. In such cases, the IDB has worked with partners through parallel, coordinated interventions. The rate of joint projects with other multilateral banks and bilateral donors across the portfolio (excluding Haiti) is around 5%.

***Challenges in co-ordination with partners:*** Challenges to joint working remain. Unlike grant financing (as in the case of Haiti for example), loan financing is more competitive and there are fewer natural incentives to work with others. In addition, the IDB's own governance arrangements and internal rules can make it difficult to commit to partnering in advance of the Bank's due diligence work. As a consequence, the rate of joint projects with other multilateral banks and bilateral donors across the portfolio (excluding Haiti) is around 5%.

The IDB's External Feedback System is a tool for assessing a wide range of partners' perceptions of the Bank's products and services, and is a guide to improving its performance. The most recent survey, 2015, found 90% or higher satisfaction ratings for all IDB loan and TC operations while 97% of respondents stated they would recommend the IDB as a development partner.

***Use of country systems and adherence to the Busan Partnership constitute an area of strength in policies and practice:*** The IDB is a signatory of the Paris Declaration on Aid Effectiveness and the Busan Partnership. In the Update to the Institutional Strategy, the Bank restated its commitment and established clear procedures and policies for using country systems, which include its Strategy for Strengthening and Use of Country Systems. The IDB believes its approach to implementing this commitment — based on a periodic, systems-wide assessment rather than case-by-case appraisal for each intervention — compares favourably with those of other multilateral development banks. Other aspects of the Bank’s work that are relevant to the Busan Partnership include its decentralisation strategy and concomitant efforts to increase country capacity; its annual validation exercise to assess country systems; its use of national development goals and policy dialogue to drive its country strategies; and the demand-led nature of its country engagement.

***A knowledge leader and convenor of policy dialogue with partners:*** As a learning organisation, the IDB recognizes the importance of co-ordinating efforts with partners, particularly in its work to share knowledge and information across the region. The IDB takes advantage of synergies and complementarities as a necessary condition for it to be effective in its ambition as a knowledge leader. The IDB is positioned to continue to build on its systematic work to identify synergies by ensuring alignment of its country strategies with its sector framework documents. IDB’s Regional Policy Dialogues serve an important role in bringing together policy makers on issues of strategic relevance to the region. There are 17 policy dialogue networks that come together to find solutions to regional challenges working toward solutions to shared challenges and issues for the region.

Through the Progress Monitoring Report system and the regular dialogue processes established at the country level and through the Office of Outreach and Partnerships, partners (including country governments and executing agencies) are participating in the IDB’s periodic reviews of performance. IDB’s partnership agreements include regular meetings with partners to assess results.

Increasingly the Bank is trying to identify and draw upon synergies. For example the Connect America initiative seeks to engage a range of public and private partners in promotion of trade, competitiveness, tax revenue and growth. In addition the IDB’s climate change sector framework acknowledges the need to leverage greater resources and the need for innovative mechanisms and stakeholder dialogue on climate actions if the region’s needs are to be met. In its mobilisation of resources operational policy, the IDB aims to act as a catalyst to mobilise additional funds from external sources to complement IDB financing. Further, the IDB’s sub-regional financial institutions policy promotes beneficial co-operation between the IDB and these bodies in terms of achieving greater operational efficiency.

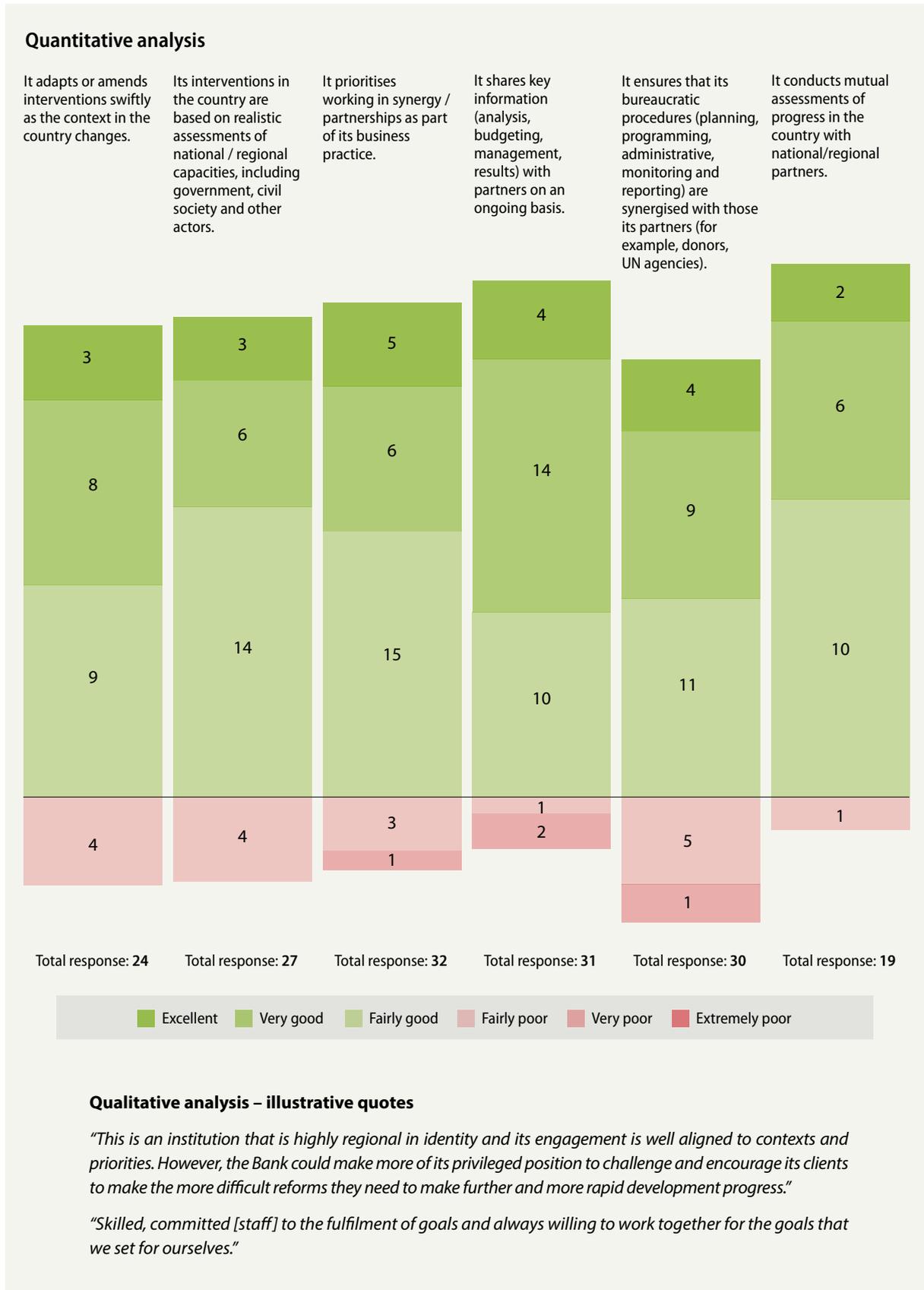
***No formal procedures for accountability to beneficiaries:*** The IDB does not have an explicit statement available on standards and procedures for accountability to beneficiary populations. Nor does it operate explicit arrangements to ensure accountability. However, the Bank is committed to producing tangible and positive results in the lives of beneficiaries and has a number of mechanisms that serve to promote a culture of accountability to beneficiaries. This includes an extensive programme of engagement with civil society organisations in the region which provides a channel for civil society perspectives to inform the Bank’s discussions with partner governments and obtain feedback on its work. The Bank also has in place an Independent Consultation and Investigation Mechanism, which investigates – reactively – complaints of harm caused by projects financed by the IDB Group. To support a more proactive approach, the Bank has introduced guidelines to promote better public consultations. The IDB’s Gender and Diversity Sector Framework establishes lines of action and operational activities for working with indigenous and Afro-descendants and women, as well as guidelines for environmental and social safeguards. Environmental

and Social Impact Assessments are prepared for projects with potential substantial environmental and social impacts. The borrower makes these assessments available to affected populations and local nongovernmental organisations before the Bank conducts its analysis/due diligence mission. Additionally the Bank has resettlement guidelines and indigenous peoples' guidelines.

For approval purposes, interventions are not required to demonstrate how they will be accountable to beneficiaries although DEM guidelines states that projects should define the development problems that motivate the project and define intended beneficiaries. Current project management templates includes an optional line for disaggregating data by sex and ethnic group where project teams consider appropriate, to enable monitoring of the differential impact that an intervention is having on different beneficiary groups.

**Knowledge strategy:** The IDB deploys its knowledge base in support of policy dialogue and advocacy as a convenor, and through deployment of technical and dialogue capacity. Stakeholders are generally positive about the quality and utility of the IDB's knowledge products (see Figure 3). However the IDB's External Feedback System found that stakeholders identified an opportunity for the IDB to benefit from being more proactive in its knowledge sharing in order to drive stakeholder awareness and increase familiarity with the IDB's project offerings. The IDB is responding to this through a comprehensive strategy of disseminating its knowledge products using several new instruments and products.

**Figure 3: Partner Survey Analysis – Relationship Management**  
 An illustration of aggregated partner views from across the countries



**PERFORMANCE AREA: PERFORMANCE MANAGEMENT**

*Systems geared to managing and accounting for development and humanitarian results, as well as the use of performance information including evaluation and lesson learning*

**Performance management:** There is genuine and sustained corporate commitment to achieving results and improving development effectiveness, which is visibly led from the top of the organisation. Measurement systems are in place and subject to ongoing development and/or refinement, although there appears scope to acknowledge more clearly unavoidable limitations in measures. The reforms undertaken are generally recognized as both necessary and welcome, but given their scope the IDB necessarily faces challenges going forward to ensure the utility (and hence cost effectiveness) of performance management systems. The IDB is generating more performance information, but ensuring that this information is used to support continuous improvement is a knowledge management challenge which the IDB shares with many development agencies. Strategic targeting to meet identified knowledge needs is necessary alongside broader efforts to generate and improve accessibility of evidence.

## SCORING COLOUR CODES

**KPI 7: Strong and transparent results focus explicitly geared to function**

IDB's performance against this KPI is rated as **highly satisfactory**.

**Clear orientation toward results-based management and improving development effectiveness:**

There is genuine and sustained corporate commitment to achieving results and improving development effectiveness, as well as a strong focus on changing the IDB's internal culture, with clear messages from the top. Extensive staff training is conducted to ensure personnel have the new skills they need. Examples of this commitment include a 2015 branding exercise that generated the Bank's core purpose of "improving lives"; extensive orientation on the institutional strategy, ensuring that all staff understand how they contribute to the IDB's objectives; and the inclusion of a new section in the IDB's Development Effectiveness Overview called "learning from failure". There is inevitably some tension between the objectives of a bank and those of a development agency, but the IDB is clear on the requirements of the latter through its Development Effectiveness Matrix. In practice, the high demand for IDB's services means the Bank can maintain both lending objectives and its development focus.

A results-based management approach is in place for loans and technical co-operation support (20% of disbursements during 2015) is being reformed to ensure a greater results focus. There is no evidence to suggest the system is under-resourced; the results-based management approach has been approved by the Board and management is required to link costs to new approaches. Most operational staff and consultants are trained in IDB's results-based management approach. Coverage of non-operational staff

(in aspects of the Results Based Budgeting system) is partial but plans are underway to provide on-line training tools. Responses from partners are positive towards the Banks results focus (see figure 4).

**Limitations in measuring results on some dimensions of institutional performance:** Some intended results in the Corporate Results Framework are by nature not easily measurable. These include sustainability, efficiency and innovation. Auxiliary measures included in the annex to the Corporate Results Framework augment the headline indicators, and definitions can be found on the IDB's website. Nevertheless, risks associated with measurement limitations should be acknowledged. For example, a revision of the headline measure of efficiency is reasonable, but it replaces measures that suggested the IDB was underperforming in efficiency terms. While the new measure may be an improvement, it too reflects improvements that are not wholly down to the IDB's efficiency. Clearer disclosure of data quality risks and/or limitations and key factors behind changes in key indicators would mitigate this risk. Baselines are not mandatory in country strategies but the Development Effectiveness Matrix does require quantifiable baselines. Results targets are regularly reviewed and adjusted when needed. More generally, the IDB is adopting a more pragmatic approach to targets to enable a (sensible) degree of flexibility in pursuing overall objectives.

Sector framework documents, which guide the planning and design of interventions in key sectors, identify targets and dimensions to ensure IDB support delivers greatest value. However, these targets and dimensions are not formulated in a way that readily supports assessment/monitoring.

The IDB has committed to improving its results-based management approach, and has recently introduced changes to strengthen quality management at appraisal (the Development Effectiveness Matrix) during implementation (progress monitoring reports), and at completion (project completion reports). Quality assurance systems are in place including formal systems within the Office of Evaluation and Oversight, input from the Office of Strategic Planning and Development Effectiveness (SPD) to oversee progress monitoring reports, and ad hoc advisory support for (decentralised) impact evaluations.

**Use of performance information for decision making:** The IDB uses performance information for decision making – extensively in the case of the results-based budgeting system. Project designs are required to provide supporting evidence for both problem diagnosis and proposed solutions (based on the results of previous evaluations). Performance of ongoing projects is monitored biannually through progress monitoring reports. However, the extensive changes introduced to the performance quality assurance and management systems pose a number of risks: that the system becomes too geared to providing information to the corporate centre and is of much less value operationally; that with the steady addition of requirements, a tick box culture is created; and that the performance information is primarily about grading/scoring rather than informing and enabling managers. There is general recognition that these reforms are both necessary and welcome but implementation is necessarily throwing up new challenges to ensure utility (and hence cost effectiveness). For this reason, it will be important going forward to ensure there is careful tracking – for example of front-line staff's experience with the new quality management systems – and preparedness to further refine the approach to maximise value.

#### **KPI 8: Evidence-based planning and programming applied**

IDB's performance against this KPI is rated as **satisfactory**.

**Evaluation function is independent and effective but no specific evaluation policy:** The head of the Office of Evaluation and Oversight (OVE) reports to the Board, and the Board approves its work plan. This does not appear to materially affect the OVE's independence. Evaluations are funded through core funds and have a

separate budget. Reports are submitted to the appropriate level in the Bank to inform decision making. There is no evidence to suggest that evaluators experience any interference during evaluation implementation.

The IDB does not have a formal, specific evaluation policy, but does have evaluation guidance on the different levels of evaluation undertaken by the OVE. Although the OVE does not have formal targets in terms of evaluation coverage, staff believe evaluations cover the full range of Bank operations and interventions over time. The OVE undertakes 12-18 major evaluations annually in four broad categories: project evaluations, sector and thematic evaluations, country programme evaluations, and corporate evaluations. These inform multiple stakeholders including the Board and Governors of the IDB, Bank management and staff, and officials in client countries. IDB sector staff conduct the decentralised impact evaluations so they are not technically independent. But with over 300 different studies in process they are a significant investment. Central staff are available to provide guidance but quality is dependent on sector staff expertise given the highly technical nature of most of the studies.

OVE evaluations demonstrate appropriate methodologies and the sample reviewed were of good quality, aside from one that did not include an adequate methodological explanation. More generally, OVE evaluations would benefit from more discussion about the implications of any data limitations. The preferred methodological paradigm for decentralised impact assessments is experimental or quasi-experimental techniques. However, there is limited discussion of the limitations of these methods or of alternative, qualitative and rigorous approaches to examining causality. There appears a risk that the choice of methodology may be driven more by the desire to publish in technical journals rather than assessment of organisational need.

**Systematic reflection on lesson learning across IDB interventions:** The Bank has systems to promote evidence-based programming. Sector framework documents set out lessons from the IDB's experience to guide work in key sectors. Development of Country Strategies includes consideration of lessons from Country Programme Evaluations (conducted by OVE). Planned interventions must provide a problem analysis and a proposed solution based on available evidence (including previous evaluations). While this information is not mandatory, there is an incentive to include it as part of the Development Effectiveness Matrix score, as this informs the award decision. The Corporate Results Framework reports annually on the percentage of new projects that attain satisfactory evaluability scores. This includes whether new designs demonstrate lesson learning. Corporately, the annual Development Effectiveness Outlook provides a synthesis of lessons from project completion reports. However, there are still challenges ensuring ownership of lessons learned in country offices and application of lessons during critical points in the investment appraisal process. Sector staff also highlighted risks associated with the poor application of knowledge and expertise in the design process. The IDB – led by its Knowledge and Learning Sector Department - has planned a range of actions to raise the lesson-learning agenda including periodic briefings to the Board on project completion report findings and recommendations; publishing findings on relevant Bank websites; developing searchable databases of IDB project learnings; disseminating relevant project completion report information to country stakeholders; ensuring that team leaders of any new project receive relevant project completion reports; and training and events to discuss findings and best practices.

**Monitoring systems target poorly performing projects:** The IDB has systems to manage poorly performing projects. The Progress Monitoring Report examines physical and financial progress twice a year, which enables projects to be classified annually as either satisfactory, alert or problem projects. Country-level staff address difficulties through increased monitoring and the priority allocation of supervision resources. The IDB's new management information system, Convergence, also enhances

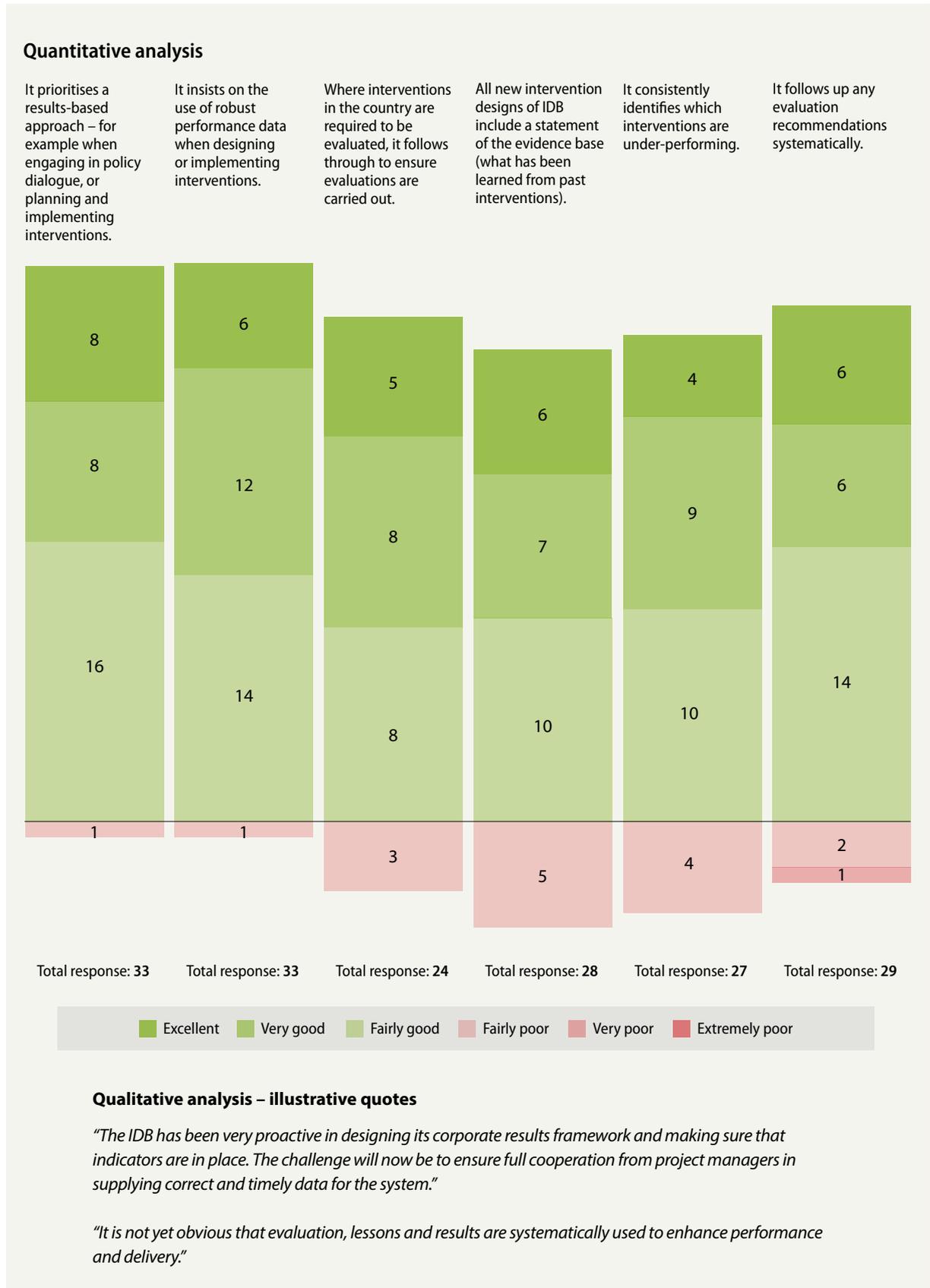
sector and portfolio managers' capability to analyse problematic projects. The project monitoring guide includes a "delays in achievements" reporting requirement for users to account for causes of problems in intervention performance. Overall, the risk of under-reporting of poor performance appears low. However, technical co-operation projects (TCs) may not have sufficiently clear objectives to enable effective monitoring. In the case of TCs, a new Monitoring and Reporting System was introduced in 2016. It is also not clear whether patterns of performance across individual projects are analysed to inform management at a country level.

**System in place to track and respond to evaluation recommendations:** OVE evaluation recommendations and the management response are discussed at Board level. The OVE's annual report includes a summary of recommendations from published evaluations, a management response and the Board's endorsement. The full management response and the action plan to implement recommendations are not published. The Evaluation Recommendation Tracking System (ReTS), launched by the Bank in 2013 to facilitate monitoring of recommendations from the OVE's evaluations, requires management to develop concrete action plans to implement and track the progress of formal recommendations that the Board of Executive Directors instructs management to implement. The IDB has been piloting the ReTS. The system will be updated at least twice a year and will involve the OVE reporting annually on progress. However, the IDB has experienced some implementation challenges. Since the start of the system in 2013, 94 recommendations have been tracked. Of those, 23% have been implemented, 68% are in-progress and 9% are overdue (Annual Business Review Q2, 2016).

OVE evaluations are stored and searchable on its website. Summaries of findings are included in its published annual report, and lessons from project completion reports are published on the web in the annual Development Effectiveness Overview. The relative newness of the project completion report system means the quality of lessons can be variable, and while newsletters and other products for internal and external audiences are produced, there are still gaps in using these as points of reflection. The Bank's 400+ impact evaluations are not centrally stored or easily accessible. Plans to produce working papers are recognised as inadequate in terms of harnessing the potential value of these papers, and the IDB is exploring more accessible web-based options for access and analysis. There are also plans to disseminate evaluation lessons more effectively internally and externally.

**Institutional commitment to transparency and accessibility of information:** The IDB has an Access to Information Policy, and publishes an annual report on the implementation of its Access to Information policy and a newsletter. It joined the International Aid Transparency Initiative (IATI) in 2011 and publishes detailed project information in its IATI datasets quarterly, in addition to making similar information available through other resources, such as its projects website ([www.iadb.org/projects](http://www.iadb.org/projects)), open data website ([data.iadb.org](http://data.iadb.org)) and the AidFlows initiative. The IDB ranked 7<sup>th</sup> out of 46 in the 2016 Aid Transparency Index, and was placed among the organisations deemed to have fully met the Busan Partnership aid transparency commitment.

**Figure 4: Partner Survey Analysis – Performance Management**  
 An illustration of aggregated partner views from across the countries



## Organisational Effectiveness scoring summary

### SCORING COLOUR CODES

Highly unsatisfactory (0.00 – 1.00)	Unsatisfactory (1.01 – 2.00)	Satisfactory (2.01 – 3.00)	Highly satisfactory (3.01 – 4.00)
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### PERFORMANCE AREA: STRATEGIC MANAGEMENT

Clear strategic direction geared to key functions, intended results and integration of relevant cross-cutting priorities

KPI 1: Organisational architecture and financial framework	MI 1.1	MI 1.2	MI 1.3	MI 1.4
KPI 2: Implementation of cross-cutting issues	MI 2.1	MI 2.2	MI 2.3	

### PERFORMANCE AREA: OPERATIONAL MANAGEMENT

Assets and capacities organised behind strategic direction and intended results, to ensure relevance, agility and accountability

KPI 3: Operating model and human/financial resources	MI 3.1	MI 3.2	MI 3.3	MI 3.4		
KPI 4: Financial transparency/accountability	MI 4.1	MI 4.2	MI 4.3	MI 4.4	MI 4.5	MI 4.6

### PERFORMANCE AREA: RELATIONSHIP MANAGEMENT

Engaging in inclusive partnerships to support relevance, to leverage effective solutions and to maximise results (in line with Busan Partnerships commitments)

KPI 5: Planning and tools support relevance and agility	MI 5.1	MI 5.2	MI 5.3	MI 5.4	MI 5.5	MI 5.6	MI 5.7		
KPI 6: Leveraging/ensuring catalytic use of resources	MI 6.1	MI 6.2	MI 6.3	MI 6.4	MI 6.5	MI 6.6	MI 6.7	MI 6.8	MI 6.9

### PERFORMANCE AREA: PERFORMANCE MANAGEMENT

Systems geared to managing and accounting for development and humanitarian results and the use of performance information, including evaluation and lesson-learning

KPI 7: Strong and transparent results focus	MI 7.1	MI 7.2	MI 7.3	MI 7.4	MI 7.5		
KPI 8: Evidence-based planning and programming	MI 8.1	MI 8.2	MI 8.3	MI 8.4	MI 8.5	MI 8.6	MI 8.7

## 2.2 Development effectiveness

### PERFORMANCE AREA: RESULTS

*Achievement of relevant, inclusive and sustainable contributions to humanitarian and development results in an efficient way*

**Results:** The IDB's performance in achieving development results is of a good standard, and has been achieved against the background of significant structural and operational reforms aimed at making the IDB more efficient and effective. Its alignment with country development priorities and ability to respond to member country needs are particularly strong. Country development strategies prioritise institutional capacity building as a way of supporting long-term results and good governance across the region. Attention to cross-cutting issues in project design and implementation is variable. While there has been significant progress in climate change programming and in addressing issues of gender equality, there is still work to be done. The Bank needs to more fully define how it will address and measure sustainability across its portfolio. The IDB can improve its targeting to better assess people-level results and design interventions that are fit for purpose for those people it aims to reach. The IDB's efficiency and timeliness need continued attention, and could be addressed by reducing delays in project implementation and building more realistic timeframes for its large-scale (often infrastructure) projects.

#### SCORING COLOUR CODES

Highly unsatisfactory (0.00 – 1.00)	Unsatisfactory (1.01 – 2.00)	Satisfactory (2.01 – 3.00)	Highly satisfactory (3.01 – 4.00)
KPI 9: Achievement of development and humanitarian objectives and results			
KPI 10: Relevance of interventions to needs and priorities of partner countries and beneficiaries			
KPI 11: Results delivered efficiently			
KPI 12: Sustainability of results			

### KPI 9: Achievement of development and humanitarian objectives and results

IDB's performance against this KPI is rated as **satisfactory**.

**Reaching development objective:** Evaluations undertaken by the Office of Evaluation and Oversight (OVE) show that the IDB succeeds in achieving development objectives through different funding instruments and thematic areas. This broadly concurs with the IDB's internal assessment, which found that 89% of sovereign guaranteed operations completing in 2015 were rated as achieving their development objectives as expressed in the Corporate Results Framework. This is comparable to 2014 achievements.

**Variability in how contributing to a systemic change:** Country programme evaluations (CPEs) noted that an area of strength is the relevance of the Bank's strategies to countries' development needs. While

there have been challenges in delivering country programmes due to institutional weaknesses, noted particularly in the evaluations of small country programmes, the Bank's strength lies in its ability to draw on its regional experience in different country interventions. CPEs also note the IDB's commitment to building capacity for government institutions through country programmes, and they conclude that the IDB has contributed to national programmes and reforms, noting the Bank's co-ordination with country governments to realise national development goals.

The Office of Evaluation and Oversight (OVE), in its evaluation of the reforms introduced through IDB-9 commitments, commends the IDB for introducing changes that have brought the IDB "closer to the client". However, the evaluation raises concerns about lingering institutional fragmentation and whether sector strategies are sufficiently aligned with country needs.

In 2015, the IDB's extensive review of its policy-based lending (PBL) stressed the Bank's orientation to improving national capacity and institutional reform, as demonstrated by all countries having received at least one policy-based loan. However, there is an ongoing debate about the effectiveness of PBLs in weaker governance environments and the review suggests the Bank's use of PBLs is not systematically related to the governance context.

Corporate evaluations undertaken in 2013-15 suggest that the Bank has not maximised opportunities for integrating public and private partnerships. This is an area where the Bank has responded with significant structural changes in the way that it works with the private sector

**Challenges in targeting and responding to priority beneficiaries:** The Office of Evaluation and Oversight's 2013 Second Independent Evaluation of the Multilateral Investment Fund (MIF) found that the MIF has been successful at strengthening partnerships and leveraging resources. However, the evaluation highlights the challenges that the MIF has faced in developing a model through which it can address poverty in order to effectively meet the needs of target groups. Although addressing poverty is a strategic priority, only 16% of MIF projects had poor populations as direct beneficiaries.

Independent project evaluations show mixed performance in the way the Bank has responded to the needs and priorities of target groups. Comparative project evaluations undertaken in 2013-15 emphasized the need for the IDB to develop strategies that respond to national context, develop solutions that understand the root cause of the problem they are trying to solve, and account for the institutional capacity of member countries. Thematic comparative case studies reported limited results due to institutional weaknesses.

**Need for systematic disaggregation by sex and ethnicity:** Across IDB's portfolio, a lack of data is a key challenge in assessing the extent that the Bank has delivered results to target groups. Project design does not yet systematically include people-level indicators disaggregated by sex and ethnicity. This is an area that has been highlighted in the Gender Action Plan and earmarked for attention in the 2015 Development Effectiveness Overview. The IDB's review of its support to cash transfer programmes highlights the need for the Bank to continue its support in assessment of poverty conditions, targeting design and registry of beneficiaries of Bank interventions.

The 2015 annual Development Effectiveness Overview reported against the previous Corporate Results Framework (CRF). Previously, this did not include explicit targets for gender equality measures and only reported gender-disaggregated data for a limited number of indicators at the beneficiary level. The results are indicative of mixed performance: over the period 2012-15, 68% of beneficiaries of programmes to

promote labour productivity were women; 49% of persons incorporated into a civil/identification registry were women; 29% of trainees in trade and investment programmes were women; and 19% of farmers given access to improved agricultural services were women. Consideration of the gender dimensions of results is positioned to have a greater focus going forward with the inclusion of a number of gender sensitive indicators in the new CRF.

The evidence from evaluations is also limited in terms of impact on gender equality and the empowerment of women. Some targeted interventions seem to have been effective, for example in relation to the registration of property titles. However, the overall picture is that gender mainstreaming is recognised to still be work in progress, and continued attention is needed to ensure gender considerations are integrated into country programmes fully. The IDB appears to be taking this challenge seriously. The Bank is currently conducting a number of impact evaluations across eight or more countries to strengthen the evidence base of what works to promote gender equality. The revised Corporate Results Framework (2016-19) now includes indicators that will be reported on in the future. These include the proportion of lending/technical co-operation aligned with the Bank's gender equality and diversity theme; loans with gender-related results at entry; and loans with satisfactory achievement of gender-related results at completion.

***Progress noted on climate change mainstreaming, although “still a work in progress”:*** Evaluations provide evidence of progress on climate change mainstreaming and that projects and interventions are contributing to environmental sustainability and addressing climate change, either through explicit climate change objectives or initiatives that deliver implicit mitigation and adaptation benefits. IDB projects in energy and transportation have contributed to reduced greenhouse gas emissions. More climate change-focused projects are underway, as more countries now have planning capacity for climate change mitigation and adaptation. However, OVE's thematic evaluation highlights key challenges with respect to climate change projects. Weak monitoring systems make it difficult to assess contribution to addressing climate change. The evaluation points to a lack of guidelines for measuring and mitigating greenhouse gas emissions and a lack of baseline data. Without such data, trade-offs that may arise between environmental services (e.g. renewable energy installation vs. habitat disruption) are harder to assess. The evaluation also highlights the need for effective cooperation with the private and public sector for the Bank to increase climate resilience in the region. Overall, the Development Effectiveness Overview reports strong performance on environmental sustainability both in terms of inclusion of projects to address climate change and in satisfactory ratings for projects with high environmental and social risks.

***Good governance a cross-cutting theme:*** Governance, in terms of institutional capacity and rule of law, is a cross-cutting theme of IDB's work. IDB measures governance results through regional context indicators of government effectiveness; and country development results (percent of GDP collected in taxes, capacity in management of natural capital, regional integration initiatives, and support to subnational governments for citizen security and public service programmes). Individual operations may also contribute to good governance objectives depending on their focus. The Corporate Results Framework for 2015 reports that most of the targets for IDB outputs contributing to regional goals in the governance sphere have been achieved. Nevertheless, evaluations have highlighted the need to ensure initiatives take account of the institutional capacity of countries. Recent strengthening of institutional capacity assessments and macroeconomic analyses in the Bank is designed to address these concerns.

### KPI 10: Relevance of interventions to needs and priorities of partner countries and beneficiaries

IDB's performance against this KPI is rated as **satisfactory**.

The IDB is a demand-driven organisation, accountable to its member borrowing countries. Responsiveness is one of six guiding principles in the Bank's updated institutional strategy, and an Independent Consultation and Investigation Mechanism deals with community complaints regarding harm caused to them by IDB-financed projects that have not complied with one or more of the Bank's operating policies.

**Country strategies seen to be relevant to country development priorities:** The Bank is demand-driven by its clients. The majority of its external partners – as reported in the Corporate Results Framework – express satisfaction with results in terms of country strategies (73% satisfaction in 2012-15; in terms of the delivery of loans (91% satisfaction in 2015); and delivery of technical co-operation (90% satisfaction in 2015). IDB interventions are seen to contribute to the realisation of national development goals, and good alignment was found in country programme evaluations for Haiti, Colombia and Brazil. The 2015 Development Effectiveness Overview reported that all country strategies recorded satisfactory results that could be validated for sector outcomes and financial outcomes, with 73% recording satisfactory progress in building/using country systems. The evaluation of IDB-9 alignment also shows that country strategies and IDB priorities are aligned. Intended (ultimate) beneficiaries are typically identified at the project level.

**A need to tailor interventions to each country:** The Office of Evaluation and Oversight (OVE) has identified as an ongoing challenge for the Bank ensuring that its interventions are well matched to the institutional context of each country. The thematic evaluations undertaken by OVE in 2013-14 emphasize the need for IDB to better understand the context in which it operates and to tailor interventions accordingly. The Bank goes to great lengths to ensure its country development strategies are aligned to national development goals but it appears that the challenge lies in designing a thematic or sector-specific intervention that adequately addresses the root causes of a problem for more effective solutions.

### KPI 11: Results delivered efficiently

IDB's performance against this KPI is rated as **satisfactory**.

**Efficiency indicators reflect challenges in cost effectiveness and timeliness of operations:** Efficient management of costs and resources appears to be an organisational priority for the IDB. There is evidence of positive performance in relation to the 2012-15 Corporate Results Framework (CRF) and the scoring of cost efficiency in social protection and poverty framework documents. However, only four of ten of the Bank's publicly reported CRF efficiency targets were on track.

Close inspection of the CRF indicators suggests that not all relate to the concept of efficiency and that some show positive movement but are below target. This raises potential questions about the realism of the targets themselves. Other indicators may in fact have underperformed as a result of changes introduced to improve development effectiveness, which highlights the potential trade-offs for a multilateral development bank between a bank operation's efficiency and a development agency's effectiveness. The Corporate Results Framework (2016-19) includes revised measures of efficiency that are a better match. Given the limitations of efficiency indicators, the Bank should ensure the new indicators are fully explained to members along with any limitations that might affect how results are interpreted.

**Efforts being made to address efficiency challenges:** Evaluations provide some evidence of positive performance, for example on cost effectiveness. Evaluation documents also suggest areas where improvements could be made. These include ensuring improvements in institutional efficiency, and addressing funding concerns and cost overruns.

Bank documents suggest that it does focus on ensuring that implementation and results are achieved on time. The Bank also recognises the importance of collecting monitoring information and using learning to improve intervention design. Evaluations outline the Bank's efforts to ensure timely implementation; where this is not achieved, initiatives are redesigned to make them more time efficient. However, evaluations highlight several examples of significant delays in implementation, caused either by flaws in project design or the challenging implementation environment. The IDB is aware of this and is working to address bureaucratic delays to implementation. A 2014 OVE review also found no conclusive evidence of efficiency improvements in administrative spending but this finding has been disputed by IDB management.

### **KPI 12: Sustainability of results**

IDB's performance against this KPI is rated as **satisfactory**.

**Impact evaluations seek to assess the long-term effectiveness and sustainability of results:** The 2015 sustainability report and the Development Effectiveness Overview both describe how the IDB is working to assess sustainability through impact evaluations. However, the Bank's portfolio is extremely diverse and defining what is meant by sustainability across a huge mix of results is challenging.

**Consideration of social and environmental safeguards:** The Bank monitors implementation of safeguard mitigation measures for the relatively small number of projects categorised as "high risk" of failure for environmental and social reasons. All of the highest risk projects – "significant impact" - and around 40% of "moderate impact" projects are monitored. Positive scores on this measure are presented as a proxy of improved sustainability outcomes for affected populations. In 2015 around 90% of high-risk projects were rated satisfactory in this respect. The sustainability of all projects is also assessed as part of the project completion report but recent revisions to the methodology make it difficult to examine trends in performance. Of the ten project completion reports approved in 2015 using the previous methodology, six rated sustainability as satisfactory or better, one as "probable", one as "low probability" and one as "unsatisfactory".

**Effectively builds institutional and community capacity:** Evaluations record positive performance of IDB initiatives to build institutional and community capacity, and note the Bank's intent to expand these contributions. Projects stemming from Japanese Trust Funds, for example, scored highly for expected sustainability. Evaluations also recognised some positive results in community buy-in, and instances of good collaboration between governments and NGOs. All Office of Evaluation and Oversight evaluations between 2013 and 2015 reference the IDB's use of country systems and its institutional capacity building work, with generally favourable findings. However, the IDB's ability to contribute to capacity building depends on whether countries are willing to use their own institutional structures for implementation; some countries prefer to use Bank systems.

Evaluations have highlighted areas of concern in specific contexts such as initiatives under the Multilateral Investment Fund (technical assistance to the private sector); the financial sustainability of urban transport projects; delays in programme execution; and lack of ownership and co-ordination among agencies.

***Gaps in evidence that interventions contribute to enabling environment for development:*** There was limited evidence to show that IDB interventions had contributed to strengthening the enabling environment for development. The Bank's sector strategy for regional integration notes its intent to ensure that interventions do contribute to the enabling environment, and one evaluation also notes positive performance for Inter-American Investment Corporation interventions. However, particular weaknesses were identified: Macroeconomic Sustainability Assessments (MSAs) had gaps and lacked analytical depth, and evidence-gathering to measure project impact was weak; and results were poorly documented more generally. The IDB appears to have acted on these concerns. For example, a new unified report, the Independent Assessment of Macroeconomic Conditions (IAMC), has replaced the Macroeconomic Sustainability Assessments and seeks to strengthen the frequency and depth of assessment. However results have yet to be clearly demonstrated in monitoring and evaluation reports.

## Development Effectiveness scoring summary

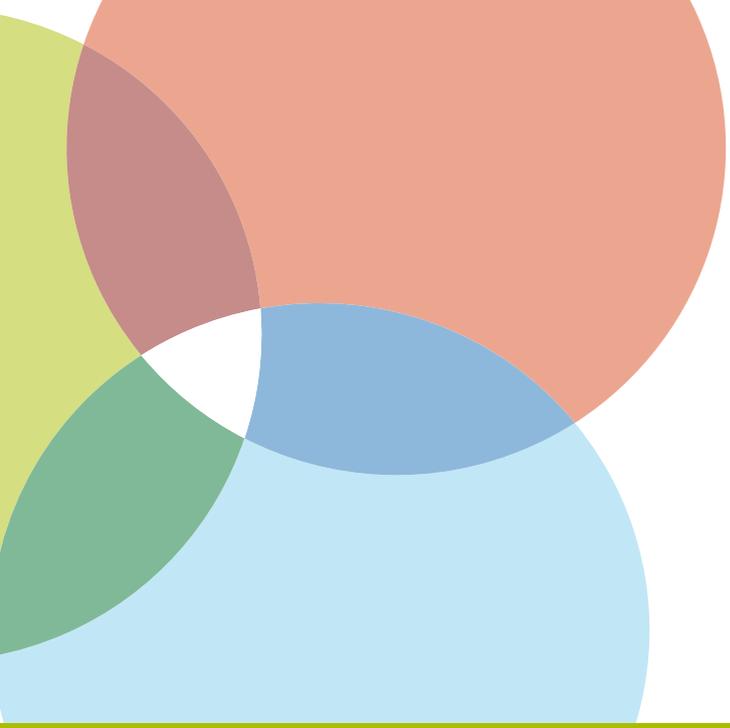
### SCORING COLOUR CODES

<b>Highly unsatisfactory</b> (0.00 – 1.00)	<b>Unsatisfactory</b> (1.01 – 2.00)	<b>Satisfactory</b> (2.01 – 3.00)	<b>Highly satisfactory</b> (3.01 – 4.00)
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### PERFORMANCE AREA: RESULTS

Achievement of relevant, inclusive and sustainable contributions to humanitarian and development results in an efficient way

KPI 9: Achievement of results	MI 9.1	MI 9.2	MI 9.3	MI 9.4	MI 9.5	MI 9.6
KPI 10: Relevance of interventions	MI 10.1	MI 10.2	MI 10.3			
KPI 11: Results delivered efficiently	MI 11.1	MI 11.2				
KPI 12: Sustainability of results	MI 12.1	MI 12.2	MI 12.3			



## 3. CONCLUSIONS



### 3.1 CURRENT STANDING OF THE ORGANISATION AGAINST REQUIREMENTS OF AN EFFECTIVE MULTILATERAL ORGANISATION

This section brings together the findings of the analysis against the Micro-Indicators (MIs) and Key Performance Indicators (KPIs) of the MOPAN assessment methodology to report against MOPAN's understanding of the current requirements of an effective multilateral organisation. These are reflected in four framing questions corresponding to relevance, efficiency, effectiveness and impact/sustainability.

#### Illustrative Quotes from Partner Survey on overall performance

*"The IDB combined respect in financial markets and an AAA credit rating, with respect in the region as a source of development finance and expertise. So it has the potential to bring together borrowing countries, donors, financial markets, business and civil society to lead development in the region."*

*"The contribution of [the IDB's] knowledge and experience through concrete projects that provide measureable results — when you are in high public management, that constitutes an invaluable collaboration."*

*"The IDB is a big and complex organisation which needs to work on its effectiveness and efficiency."*

*"The IDB needs to focus its efforts and to streamline its processes in order to deliver what borrowing members need in an efficient way."*

#### RELEVANCE

Does the IDB have sufficient understanding of the needs and demands it faces in the present, and may face in the future?

The IDB's overall relevance is demonstrated by the members' support for the development agenda and associated capital increase approved under IDB-9. The IDB's status as a preferred creditor among member countries in times of fiscal crisis reinforces this conclusion, as does the members' willingness to for example accept increases in loan fees as part of the Bank's defence of its AAA credit rating.

A number of factors demonstrate the Bank's relevance. It is client-focused and demand-driven in its orientation. Relationships with country partners are premised upon close, iterative dialogue with country governments that are facilitated by the Bank's longstanding work in and knowledge of the region, and by its proximity to partners, through staffed field offices. It is also perceived as a credible, expert body and the skills of its staff are highly valued. Internationally, the IDB maintains its understanding of broader practice through active participation in numerous working groups and other fora established by multilateral development banks.

The Bank has introduced a number of significant changes to its financial structure and management approach. These strengthen its capacity to continue to meet the diverse needs of its different client groups in the future. It has also demonstrated its capability to anticipate and champion likely future needs in the region with its sustainable cities initiative and, more recently, its efforts to engage partner countries on the climate change and sustainability agenda. More generally, the revised institutional strategy, updated after the mid-term review of IDB-9, clearly states the steps IDB should take to maintain and enhance its attractiveness to clients such as greater emphasis on country-driven programming approaches, continued decentralisation and a more integrated, coherent offer to clients.

Increasingly the Bank is trying to leverage its impact through partnerships and resource mobilisation of additional funds from external sources, with a particular focus on the private sector. IDB's partnership work is designed to be efficient, strategic, and pragmatic, led solely by the Office of Outreach and Partnerships. The role of partnerships in enhancing the Bank's strategic relevance in the region, is being pursued through a strong assertion of the Banks' comparative advantage in the region and ambitious targets for partnership growth, diversification of IDB's partner portfolio and resource mobilization.

The IDB also has a clear commitment to be a learning organisation, as a key part of maintaining its relevance. It has demonstrated an appetite to publicly "learn from failure". However, the IDB faces some challenges with respect to this agenda. In part these reflect implementation challenges around its reform agenda. One such challenge, for example, is how to ensure that the new country-driven approaches are informed at critical points by sufficient sectoral expertise and learning from the Bank's wider experience such as the processing and feeding back of the findings and lessons from Project Completion Reports and the 300+ Impact Evaluations currently underway. In part, these reflect common knowledge management challenges faced by many development agencies, with experience elsewhere suggesting that demand rather than supply is frequently the constraint on learning efforts. A more strategic targeting of areas for attention may assist the IDB with its ambitions in this area.

## EFFICIENCY

Is the IDB using its assets and comparative advantages to maximum effect in the present, and is it prepared for the future?

It is beyond the scope of the MOPAN assessment to undertake a full efficiency review of the IDB. However, it was clear from the assessment that the Bank is committed to cost and resource efficiency as an important part of maintaining its competitive edge and attractiveness to clients. The IDB has well-established and effective system of internal controls and risk management, including fiduciary risk management, to support this.

The Bank's approach is underpinned by an established results-based budgeting system that is subject to a process of continuous improvement and development. The results-based budgeting system was recently a key tool in managing the Bank's response to the first-ever real reduction (4.3%) in its base budget without significantly impacting on performance, notwithstanding the longer-term staffing risk associated with modest salary increases. Specific interventions aimed at improving operational efficiency have included changes to pension funds, streamlining budget processes, a shift from annual to three-year plans for the Bank's own IT and fixed assets expenditure, centralisation of back office functions for procurement and travel, and efforts to reduce its footprint by rationalising office space utilisation and records management. The IDB is currently undergoing a comprehensive analysis of its cost structure to determine where further savings are possible, within the overall constraints on pure profit-maximisation imposed by its development mandate.

Convergence is a significant IT system reform designed to free up staff and partner time with more coherent, user-friendly systems. This has faced challenges and is now being rolled out. At this relatively early stage, and not surprisingly, more complaints than compliments were encountered during this assessment. However, there is widespread recognition of the need for the changes and the expectation that Convergence will in time be valuable.

Within the scope of this review, the following areas are identified for attention from the perspective of efficiency risk:

- The value of the results-based management system is recognised but it is not a cost-free process. The efficiency of the investment will depend on the Bank's ability to refine the system through use, and ultimately through the realisation of expected benefits. To this end, the Bank should monitor system implementation and benefit realisation directly (though proportionately).
- The potential role of partnerships as a tool to enhance overall Bank efficiency – e.g. as a vehicle to mobilise additional skills or pool/share expertise – appears to be an area that merits further attention.
- Multi-sectoral working at a country level is recognised as important in maximising the value of the Bank's offer to clients. However, the IDB may also need to explicitly strike the right balance between the obvious advantages of shifting to more country-driven approaches, with the opportunities for scale efficiencies provided by regional/multi-country approaches.
- Any single indicator of organisation-wide efficiency inevitably has limitations. While the IDB has looked to develop best-fit efficiency indicators, the implications of what they do and do not measure should be communicated clearly. It is also important that the headline measures are not perceived as entirely separate from day-to-day operations. This requires not only understanding the operational drivers behind the efficiency measures but ensuring that there is a clear line of sight from these measures, through the Bank's systems and incentives, to influence desired behaviours on the ground.

## EFFECTIVENESS

Are IDB's systems, planning and operations fit for purpose? Are they geared in terms of operations to deliver on their mandate?

The IDB has structures, systems and planning processes that are appropriately geared to the delivery of its organisational results and, by extension, the delivery of its mandate. It has undertaken specific organisational changes to ensure that operations, structure and functions are aligned with its updated institutional strategy. However, these changes are relatively recent and much has to be done to embed them operationally. For example, the shift to a more decentralised model is recognised as key to delivering the Bank's mandate, but co-ordination between countries and sectors is still to be fully clarified. The merge-out of the Inter-American Investment Corporation (IIC) is aimed at improving efficiencies, but the division of roles and responsibilities, accountability and co-ordination mechanisms between the IIC and IDB are still the subject of ongoing work. In response to a need at the country level, the Bank has developed a far more integrated offer. But practically this depends on Bank staff and country partners working in a multi-sectoral way, and this approach appeared to be meeting with some resistance. It is also not clear how this was being incentivised.

Importantly, cross-cutting issues such as gender, climate change and good governance are explicitly included in the updated institutional strategy and in the revised Corporate Results Framework. The establishment of the Climate Change and Sustainable Development department signals the Bank's recognition of the importance of this issue currently and into the future. However, continued work is needed to define how practically departments will engage across the organisation and mainstream cross-cutting issues into day-to-day operations.

The Bank has a number of tools as well as analytical processes that aim to enhance effectiveness. These include revised macro-economic assessments, country level development challenges assessments, as

well as capacity assessments of partner institutions responsible for implementation. This process is part of the Bank's demonstrated commitment to Busan, along with its strategy on the use of country systems which details specific expected results for the period 2014-2018.

The Bank's staff are highly skilled and recognised as one of its key strengths. The Bank's capability in this regard has been further strengthened through targeted recruitment over the last four years. A staff performance appraisal system is in place and operates, involving at least annual but usually twice yearly individual assessments. Nevertheless, the Bank is heavily reliant on contract consultants – in part the result of a cap on the size of its permanent staff structure. While this can assist flexibility, agility and up-skilling, it has implications and risks for institutional knowledge management, continuity and identity.

The Bank has strong financial management capability, notably demonstrated in its results-based budgeting system. The Bank has used the results-based budgeting and the new management information systems to estimate the impact of different responses following the recent reduction in its base budget. The budget execution process is flexible and can accommodate allocations to unexpected demands. There are potential risks to effectiveness associated with the Bank's annual budgeting cycle – as opposed to multi-year budgeting – particularly in smaller countries with less widespread institutional capacity.

The Bank's results-based management system has been further strengthened over the period reviewed. There is clear and serious commitment to this agenda and, notwithstanding the limitations of any indicators, the Corporate Results Framework is an important tool to the Bank and one that is actively refined through use. Nevertheless, there are risks associated with implementation of these results-based management reforms. Care is required to ensure that the tools and requirements deliver value at all levels of the organisation and do not become perceived as simply 'hoops' to jump through. Similarly, processing and feedback of findings and lessons from the results-based management system into operations will also be important. Adequate monitoring of roll-out and uptake of the results-based management reforms will be important in this regard.

Evaluation is important to the IDB. The Office of Evaluation and Oversight plays an important role in the organisation and there is clear evidence that its work is responded to and referenced. Similarly, the Bank has over 300 impact evaluations in process currently. However, optimal use of information from evaluations to inform operations and intervention designs is still an area for attention. Implementation of the Recommendations Tracking System has been underway for some time and is now starting to report. However, recommendations from other evaluative processes (project completion reports) do not yet have an equivalent processing and monitoring system. Also, it is unclear whether the range and type of impact evaluations reflects adequate strategic direction to maximise the value to Bank operations, and whether the incentives for conducting them – higher Development Effectiveness Matrix score, journal publications – are aligned with operational priorities.

## **IMPACT/SUSTAINABILITY**

Is the IDB delivering and demonstrating relevant and sustainable results in a cost-efficient way?

This assessment suggests that the IDB is an effective organisation that achieves results. A review of the Corporate Results Framework reported in the Development Effectiveness Overview provides a range of examples of its performance. The Bank met 67% of its targets for contributions to regional goals, 100% of country strategies were deemed to be delivering satisfactory results, 78% of loan and technical co-operation projects were assessed as effective, and 60% of the measures of partner satisfaction were

fully met. The results of Office of Evaluation and Oversight evaluations broadly endorse this picture. The Bank's push in recent years, through the Development Effectiveness Matrix, to improve the evaluability of IDB projects is also likely on average to enhance prospects for achieving impact, notwithstanding the marginal risk of discouraging important but hard to measure interventions.

However, beyond the largely self-assessment process captured in the Corporate Results Framework, there is no (independent) corporate evaluation report that seeks to weigh overall performance of the Bank such as an annual review of development effectiveness. The Development Effectiveness Overview does not fulfil that function, and the Office of Evaluation and Oversight's annual report does not attempt to provide an overall summative assessment of the Bank's impact. Whether this changes when the Office of Evaluation and Oversight becomes solely responsible for project completion report scores, as planned, remains to be seen. Similarly, it remains to be seen whether the raft of impact evaluations have been designed in a way to inform aggregate judgements on IDB's impact.

Sustainability – environmental and social – has become an increasingly prominent issue in the Bank. The IDB has initiated actions to build sustainability in social as well as environmental areas. Notable actions include the establishment of the Climate Change and Sustainable Development Department to develop a more focused response to climate change issues, and the revised and adjusted approach to institutional capacity assessment at the outset of projects.

A further series of organisational initiatives that are likely to increase prospects for sustainability include a greater emphasis on country-driven programming; revised approaches to country strategy development that aim to improve levels of local ownership and buy-in; and the Bank's system of environmental and social safeguards to guide implementation of high-risk activities. Greater emphasis on substantive policy dialogue outside of individual investments and strengthened analysis within the macroeconomic assessments have the prospect of enhancing sustainability through engagement on the enabling environment for IDB-supported investments.

Against this predominantly positive assessment remain the challenges of defining exactly what sustainability means in the context of the IDB's interventions, and how to realise mainstreaming of environmental and gender ambitions.

### **3.2 THE PERFORMANCE JOURNEY OF THE ORGANISATION**

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The overall conclusion of the 2016 MOPAN assessment is that the IDB meets the requirements of an effective multilateral organisation and is fit for purpose. The IDB has a strong client focus, deep understanding of the regional context and commitment to development effectiveness, and it exercises leadership on critical issues in the region such as sustainable cities and climate change. The IDB's structures and processes are closely aligned with its mandate and strategy, and its financing and grant operations support the achievement of substantive results.

Organisational systems are cost- and value-conscious and the IDB's financial management systems have a high degree of transparency and accountability. The IDB's operational structures and programmes support the delivery of its strategic objectives, although systems to enable new ways of working are still being introduced. Leverage and partnerships are one of the six operational guiding principles in the IDB's institutional strategy. While it can point to successes in this respect, the Bank could achieve a higher impact across its portfolio if it developed, and shared, a more strategic approach to partnerships.

The Bank aims to be a learning organisation and, laudably, has publicly committed itself to learning from failure as well as success. The IDB generates and uses performance data effectively, a result of its focus on development effectiveness. However, there is room to improve the operational value of the data its systems generate, and to ensure there are incentives for the organisation to use and integrate lessons.

The MOPAN 3.0 methodology has significantly evolved since IDB's last MOPAN assessment in 2011. It is not therefore appropriate to provide a direct comparison. Nonetheless, it is possible to draw on that analysis to see where strengths of the organisation have been retained and to identify the progress made by the Bank on areas marked for improvement in 2011 (see Table 2).

**Table 2: Summary of strengths and areas for improvement from the MOPAN 2011 assessment**

Strengths
<ul style="list-style-type: none"> <li>● Achieved an improved focus on results and increased efforts to measure its development effectiveness under IDB-9</li> </ul>
<ul style="list-style-type: none"> <li>● Solid practices for financial management and accountability with associated high levels of stakeholder confidence in the fiduciary risk management systems</li> </ul>
<ul style="list-style-type: none"> <li>● Notable progress in its programme of reforms to operational management practices</li> </ul>
<ul style="list-style-type: none"> <li>● Effective integration of private sector development as a thematic priority</li> </ul>
<ul style="list-style-type: none"> <li>● Expert technical staff who are seen as one of the Bank's greatest assets</li> </ul>
Areas for improvement and/or attention identified in 2011
<ul style="list-style-type: none"> <li>● Gender mainstreaming; reinforcing through stronger accountability mechanisms</li> </ul>
<ul style="list-style-type: none"> <li>● IDB's operating procedures could be strengthened in terms of timeliness, clarity and flexibility and in greater use of country procurement and public financial management systems</li> </ul>
<ul style="list-style-type: none"> <li>● Maximising the use of performance information</li> </ul>

This 2016 MOPAN assessment finds clear evidence of positive progress in terms of performance. Overall the findings indicate that the IDB is meeting the requirements of an effective multilateral organisation and is fit for purpose. Nevertheless, the risk to performance is evident in a number of areas. Table 3 presents strengths identified in this 2016 assessment and Table 4 shows areas identified as needing improvement and/or attention.

**Table 3: Strengths identified in 2016****Strengths**

- **The IDB's focus on results and development effectiveness** highlighted in 2011 has continued to deepen and evolve. This is evident from the real and practical commitment shown by senior management and the serious approach taken to review and refinement of key tools at the corporate, country and project level.
- **Financial management systems and capabilities** continue to be a significant strength of the organisation. A range of reforms introduced in recent years have increased the Bank's ability to meet the needs of all its clients going forward, while at the same time fulfilling the Board's direction to maintain its AAA status with credit rating agencies. The processes established are characterised by a high degree of transparency and consistency. Internally, the IDB continues to develop its approach to results-based budgeting to an impressive degree.
- **Ongoing organisational management reforms** are a key feature of the IDB in 2016, as they were in 2011. Commitment to align the Bank's operating structures and practices with mission and, in particular, to strengthen its value proposition to clients, is driving the changes. Prominent on the agenda are creation of new organisational structures in line with stated priorities; the merge-out of the Inter-American Investment Corporation (IIC) to further strengthen the Bank's engagement with the private sector; decentralisation and increasing country-driven programming; greater integration of the Bank's services and multi-sectoral working; and enhanced systems to ensure quality at entry, implementation and completion at project level. However, as the 2011 assessment noted, effective implementation of such a significant reform agenda entails its own challenges (see point in Table 4).
- **Clients continue to value the quality of the IDB's human resources and its convening power.** The expertise of staff combined with their proximity and local knowledge is viewed as a key asset enabling the Bank to engage effectively in policy dialogue at national and regional levels as well as in project implementation issues on the ground. Recruitment by the Bank of staff with skills aligned to its ambitions has been a feature since 2011. The Bank has also maintained its institutional credibility as a key convenor for development in the region based on its standing as an international financial institution, its regional locus and development expertise. These enable it to engage across government, private and civil society sectors.

**Table 4: Areas identified for improvement/attention in 2016****Areas for improvement/attention**

- **While the period of greatest organisational change is coming to an end, the challenge of benefit realisation is starting.** Management of a significant raft of reforms has largely been the responsibility of lead departments. Overall, this approach has been effective to date but this 2016 assessment highlights (as did the 2011 MOPAN assessment), the significant task ahead to embed these reforms in business-as-usual. This will require work to ensure that responsibilities and accountabilities clearly support new structures and intended ways of working, and that organisational incentives reinforce these ambitions and adequate review mechanisms are in place to ensure appropriate refinement.
- **Overall the Bank is fit for purpose but important aspects of its operating model may merit attention.** The cap on levels of permanent staffing means the Bank is heavily reliant on contracted consultants. While this can enable agility and up-skilling, it also carries risks for institutional knowledge management, culture and identity. Combined with the recent below-competitor salary increase, it may also adversely affect the Bank's ability to attract and retain talent. An additional issue is the IDB's system of predominantly annual budgeting rather than multi-year budgeting on an accruals basis. While the risks associated with this approach appear to be generally managed, it may not be well suited to the demands on the Bank going forward. There may be merit in reviewing options for both the staffing cap and budget cycle, and exploring the efficiency implications of potential changes.
- **Mainstreaming cross-cutting agendas remains a work in progress.** The findings of the 2011 assessment with respect to the need to strengthen gender mainstreaming still resonate in 2016. With the intent expressed in the new Gender Action Plan and revisions to the Corporate Results Framework, the IDB is in a stronger position to take this agenda forward, but implementation will require follow through to the system of responsibilities and accountabilities that will drive practice. The same can be said about the Bank's commitment to mainstream climate change and sustainability, although this is still a relatively new initiative. Nevertheless, work will be required to translate the Bank's ambitions into processes that are strategically relevant and operationally practicable.
- **Despite gains, streamlining the IDB's operating procedures remains a concern among external stakeholders.** The Bank is client-oriented and a number of initiatives have been taken to address procedural concerns. For example a greater emphasis on country-driven programming supported by appropriate delegations of authority is expected to improve flexibility and responsiveness; the roll-out of new IT systems (Convergence), although delayed, is expected to improve transparency and efficiency for partners working with the Bank; and progress in building and using partner-country systems has continued. Nevertheless, experience elsewhere suggests clients' expectations are only likely to rise. It will be important that the Bank continue to monitor closely its performance in this regard – not least because a number of reforms to strengthen development effectiveness may, at least in the short term, work against the ambitions for more streamlined provision of services.
- **Ensure the full potential of partnership working is realised.** Partnership and leverage are central to IDB's institutional strategy. Country partners are central to the Bank's operations and increasingly the Bank is working to enhance its work with strategic public and private partners. IDB's partnership strategy has set out mechanisms that will allow for better bilateral and multilateral coordination with other donor agencies. However, the Bank recognises there is scope for expansion; the Bank's ambitious targets for resource mobilization and leveraging support from a diverse set of partners requires greater integration of operational divisions. To do this, the Bank needs to provide operational incentives, tools, and support to engage and incentivize staff to pursue the Bank's partnership goals.
- **Maximise the value of performance information.** This, and the related issue of knowledge management, is an ongoing challenge for all large, knowledge-based organisations. In 2011, the MOPAN assessment flagged the absence of a formal system for tracking actions in response to evaluation recommendations. This system is still awaited, and the 2016 assessment additionally highlights the risks and potential efficiency losses associated with inadequate management of a much broader range of performance information being generated by the IDB. A critical task for the Bank in the next few years will be processing the findings of project-level quality assessments and the large number of Impact Evaluations underway, as well as extracting value in terms of learning and actionable guidance for management, rather than simply corporate reporting purposes.



## 4. ANNEXES

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1. Detailed scoring and rating on KPIs and MIs for IDB
2. List of documents analysed for IDB
3. Process map of the MOPAN 3.0 assessment of IDB
4. Results of the MOPAN survey of IDB Partners

## Annex 1: Detailed scoring and rating on KPIs and MIs for IDB

The Scoring and Rating was agreed by MOPAN members in May 2016.

### Scoring

**For KPIs 1-8:** The approach **scores** each Micro Indicator per element, on the basis of the extent to which an organisation implements the element, on a range of 1-4. Thus:

Score per element	Descriptor
0	Element is not present
1	Element is present, but not implemented/implemented in zero cases
2	Element is partially implemented/implemented in some cases
3	Element is substantially implemented/implemented in majority of cases
4	Element is fully implemented/implemented in all cases

**For KPIs 9-12:** An adapted version of the scoring system for the OECD DAC's Development Effectiveness Review is applied. This also **scores** each Micro Indicator on a range of 0-4. Specific descriptors are applied per score.

Score per element	Descriptor
0	Not addressed
1	Highly unsatisfactory
2	Unsatisfactory
3	Satisfactory
4	Highly satisfactory

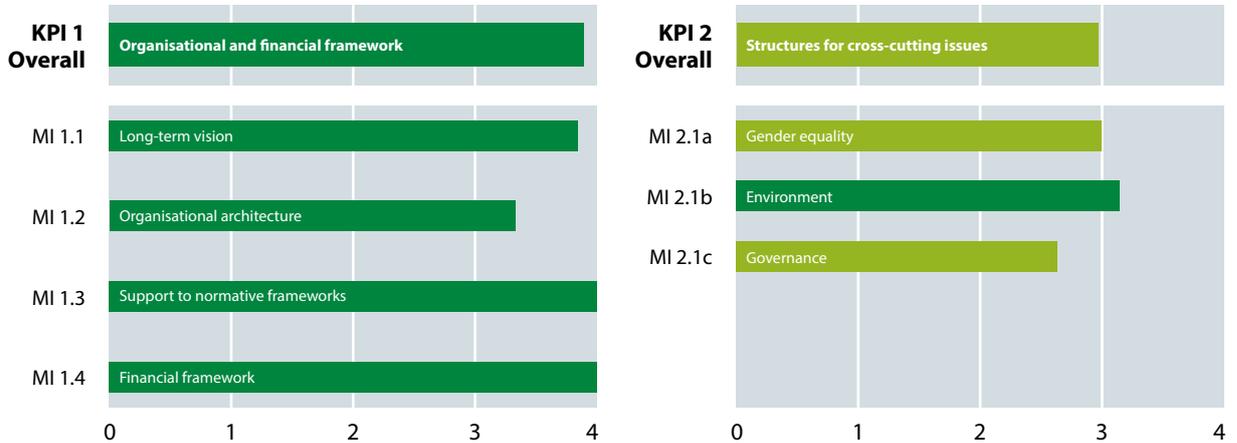
### Rating

- Taking the average of the constituent scores per element, an overall **rating** is then calculated per MI/KPI. The ratings scale applied is as follows:

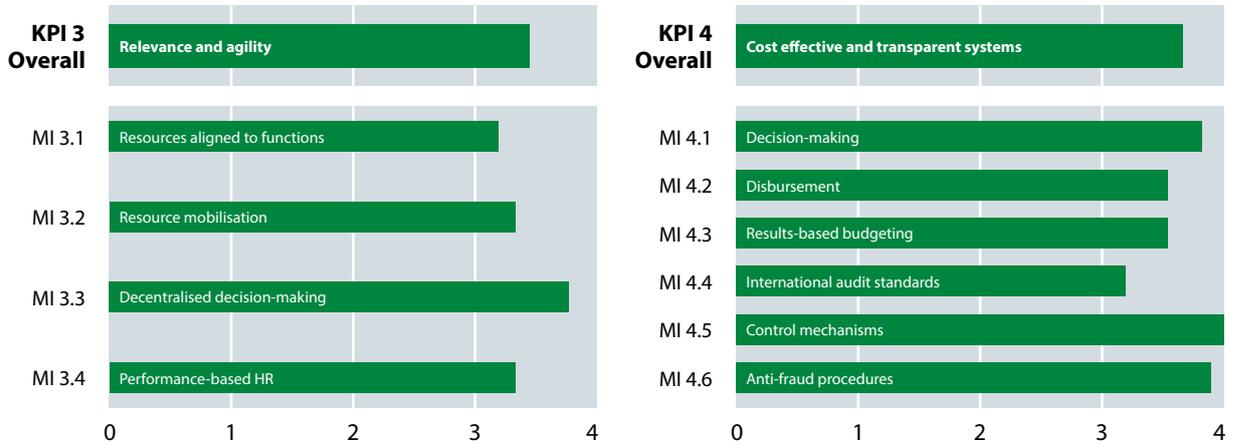
Rating	Descriptor
3.01-4	Highly satisfactory
2.01-3	Satisfactory
1.01-2	Unsatisfactory
0-1	Highly unsatisfactory

## MOPAN scoring summary

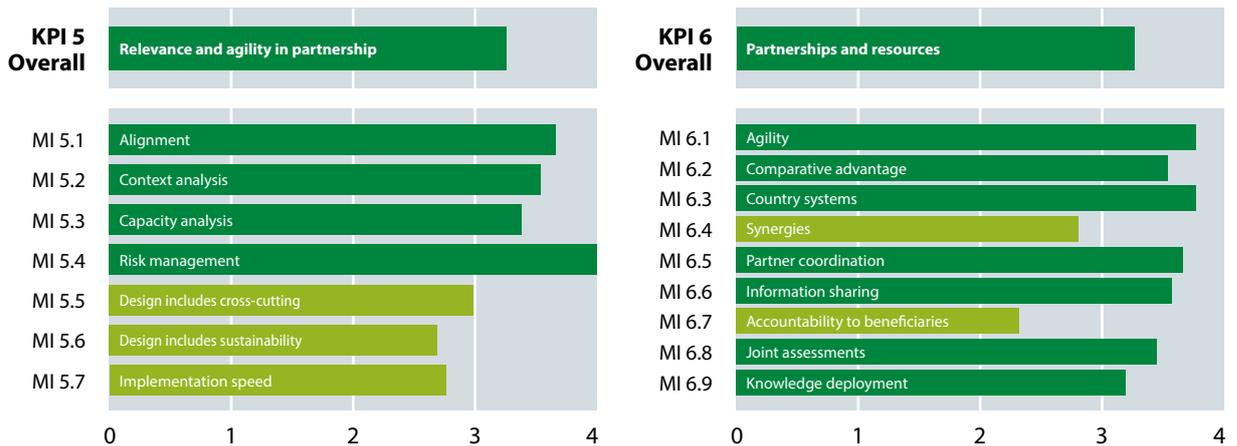
### PERFORMANCE AREA: STRATEGIC MANAGEMENT



### PERFORMANCE AREA: OPERATIONAL MANAGEMENT

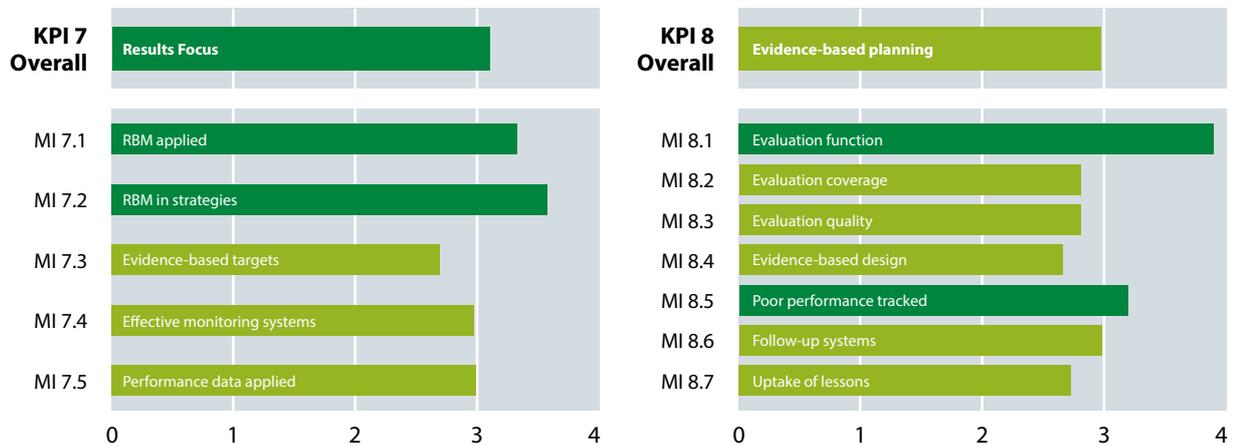


### PERFORMANCE AREA: RELATIONSHIP MANAGEMENT



## MOPAN scoring summary

### PERFORMANCE AREA: PERFORMANCE MANAGEMENT



### PERFORMANCE AREA: RESULTS



#### SCORING COLOUR CODES

Highly unsatisfactory  
(0.00 – 1.00)

Unsatisfactory  
(1.01 – 2.00)

Satisfactory  
(2.01 – 3.00)

Highly satisfactory  
(3.01 – 4.00)

## Performance Area: Strategic Management

*Clear strategic direction geared to key functions, intended results and integration of relevant cross-cutting priorities*

**KPI 1:** Organisational architecture and financial framework enable mandate implementation and achievement of expected results

<b>Overall KPI Score</b>	<b>3.79</b>	<b>Overall KPI Rating</b>	<b>Highly satisfactory</b>
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*MI 1.1: Strategic plan and intended results based on a clear long term vision and analysis of comparative advantage*

Element	Score	Narrative	Source Documents
Element 1: The Strategic Plan (or equivalent) contains a long term vision	4	The IDB's Institutional Strategy (2010-20) sets out the Bank's vision for the region and how it will contribute. This document builds on the strategic direction established by the Board under IDB-9. It represents the product of significant consultation both internally and externally and has been promoted heavily among IDB staff in recent years. The re-election of the IDB's President confirms the continued commitment to the vision expressed in it.	1, 2, 4, 5, 6, 7, 8, 9, 11,16, 17, 19, 23, 26, 28, 30, 31, 37, 38, 39, 40, 41, 55, 56
Element 2: The vision is based on a clear analysis and articulation of comparative advantage	3	The IDB's perceived comparative advantage is set out in the Institutional Strategy. Consideration of comparative advantage is also reflected in the IDB's Sector Framework documents for its sector-specific work. The Update to the Institutional Strategy responds, in part, to OVE's finding in 2014 that the Strategy has not made an effort to analyse the Bank's comparative advantage in a meaningful way. The IDB has a strong interest in remaining competitive in the region, given the increasing range of alternative sources of finance open to	

<p>Element 3: A strategic plan operationalizes the vision, including defining intended results</p>	<p>4</p>	<p>members. Much of IDB’s comparative advantage is based its proximity to members (presence in the region) and the detailed understanding of their circumstances which that enables. The Institutional Strategy sets out a set of guiding principles that are designed to realise the Bank’s comparative advantage. Comparative advantage is largely equated with attractiveness to clients – greater client focus and a more attractive offer – reflecting the competitive environment that IDB operates in. From a more conventional perspective on comparative advantage, how the Bank’s choices of focus/specialist areas are informed by analysis of the relative strengths of the competitors is less clear.</p>	
<p>Element 4: The Strategic Plan is reviewed regularly to ensure continued relevance</p>	<p>4</p>	<p>By its nature, the Institutional Strategy is a high level, strategic document. As such, while it does operationalise the IDB’s vision at a broad level, it offers less grip on issues of selectivity at a country level. In practice, the Country Development Challenges assessment is key in this regard. This does not meant that activities outside the Institutional Strategy are pursued, but that the Strategy itself does not impose much constraint on choice.</p>	
<p><b>Overall Score:</b></p>	<p>3.75</p>	<p>The Institutional Strategy is accompanied by a Corporate Results Framework (CRF) which itself is subject to review/refresh at least every 4 years.</p>	
<p><b>Overall Rating:</b></p>	<p>Highly Satisfactory</p>	<p>Implementation of the Institutional Strategy is monitored closely with the CRF and the Strategy has been updated recently following the mid-term review of IDB-9.</p>	<p>High confidence</p>

*MI 1.2: Organisational architecture congruent with a clear long term vision and associated operating model*

Element	Score	Narrative	Source Documents
Element 1: The organisational architecture is congruent with the strategic plan	4	<p>There is a high degree of organisational alignment with the Institutional Strategy with significant architectural changes undertaken recently in order to further align:</p> <ul style="list-style-type: none"> <li>• establishment of the new climate change and sustainability department</li> <li>• merge out exit of the IIC</li> <li>• major decentralisation strategy that has seen significant increase in IDB presence in countries. Associated with this, new country strategy guidelines (approved November 2015 for piloting first in Bolivia, Jamaica, Colombia and Brazil) support more country-driven programming processes</li> </ul>	19, 21, 24, 26, 32, 35, 36, 37, 60, 56, 62, 68
Element 2: The operating model supports implementation of the strategic plan	3	<p>The details of coordination arrangements between the IDB and IIC in particular sectors are still being worked out and there are risks to realising the anticipated gains in efficiency and effectiveness. For example, there is a KM challenge: IDB does not want to duplicate sector specialist teams in the IIC but rather draw upon the same resource. There seems currently to be ample goodwill, based on personal relationships, to ensure the process of clarification proceeds effectively but it will require systematization given inevitable turnover in staff over time.</p> <p>In keeping with the ambition to offer more integrated expertise to clients, the IDB is also piloting new mechanisms to encourage multi- / cross-sector working within IDB. This includes a new 'double-booking' approach to time-recording and a new conditional line of credit that works at a country level and enables support to multiple, connected components. But while IDB's ambition is real in this regard, it is still very much work-in-progress to establish the operating model to realise this ambition. In doing so, it faces a number of challenges:</p>	
Element 3: The operating model is reviewed regularly to ensure continued relevance	4	<ul style="list-style-type: none"> <li>• Externally, face hurdles particular among clients who are organised in silos – they are not set up to work multi-sectorally.</li> <li>• Internally still a cultural thing esp among long-standing members of staff. While peer respect may be an important motivation in this respect, organisational incentives for staff to work in silos remain relatively strong. The success of the piloting exercise is under review. Resolving this challenge remains work in progress.</li> </ul>	

<p>Element 4: The operating model allows for strong cooperation across the organisation and with other agencies</p>	<p>3</p>	<ul style="list-style-type: none"> <li>• There remains an input focused culture - if they can't see themselves clearly in the country strategy (e.g. for infrastructure, how many kms of pipes to build) then may not see the relevance of the strategy to their work.</li> <li>• The approach needs to ensure proper sharing of recognition and of budget in the project cycle... to extend beyond approval and into supervision phases.</li> <li>• There is work to be done to develop a clearer understanding of the linkages between sectors... sometimes can seem like multisector working is 'a good thing' for its own sake....at times not everyone needs to be involved in supervision activities.</li> <li>• Challenge of integrated approach is not just sectoral but regional, if IDB is to realise economies of scale.</li> </ul>	
<p>Element 5: The operating model clearly delineates responsibilities for results</p>	<p>3</p>	<p>Externally, there is a Partnerships Unit (Office of Outreach and Partnerships) to assist with external relations. Some sectors/ units / mechanisms more inclined (e.g. energy needs to bring the private sector on board, MIF (Multilateral Investment Fund) links large corporations to small farmers). IDB undertakes many successful large-scale projects with other multilateral agencies, However, partnering with other MDBs and development agencies can be challenging given differences in governance arrangements/ requirements and ultimately IDB cannot be held accountable for what it will not deliver. However, there is sufficient evidence to demonstrate feasibility.</p>	
<p><b>Overall Score:</b></p>	<p>3.4</p>	<p>Accountabilities are clearly defined through the organisation as in principle are responsibilities. However, the shift to more country driven approaches has created some uncertainty within sectors regarding their role in the development of country programs. While this is to some extent inevitable, it is an important issue given the role of the sector teams as repositories of expertise and learning. Sector Framework Documents (publicly available versions) do not specify responsibilities for implementation and oversight.</p>	
<p><b>Overall Rating</b></p>	<p>Highly Satisfactory</p>	<p>In the case of Gender, there are limitations in respect of the effectiveness of operationalising and holding staff to account. However this issue is considered under KPI 2.</p>	<p>High confidence</p>

*MI 1.3: Strategic plan supports the implementation of wider normative frameworks and associated results (i.e. the quadrennial comprehensive policy review (QCPR), replenishment commitments, or other resource and results reviews)*

Element	Score	Narrative	Source Documents
Element 1: The strategic plan is aligned to wider normative frameworks and associated results	4	<p>The IDB does not have a normative-setting function, in the same way some UN bodies do. However the IDB takes internationally held views on development standards seriously. It has a number of safeguards policies, including gender equality, operational policy on indigenous peoples, environmental and safeguards compliance policy, policy on involuntary resettlement and the disaster risk management policy. The IDB has a policy/strategy for use of country systems and its approach is considered to compare favourably with other MDBs. Similarly, on the environment and climate change agenda, it was apparently the only MDB to take the resolution on climate finance to its Board of Executive Directors and later to its Governors for resolution and it involved the Board in the decision to establish the Climate Change and Sustainability Department, thus ensuring it has a clear mandate to pursue these issues.</p> <p>The IDB monitors its implementation of these different policies. Accountabilities for ensuring compliance with these policies appear clear.</p> <p>The IDB scores well on information disclosure measures (Busan commitment) and participates in the MDB Managing for Development Results network. While the SDGs are not driving the focus of the Bank, it has mapped these on to its Corporate Results Framework.</p>	1, 3, 6, 7, 8,9, 11, 26, 27, 30, 37, 56, 58, 68
Element 2: The strategic plan includes clear results for normative frameworks	4		
Element 3: A system to track results is in place and being applied	4		
Element 4: Clear accountability is established for achievement of normative results	4		
Element 5: Progress on implementation on an aggregated level is published at least annually	4		
<b>Overall Score:</b>	4.0		
<b>Overall Rating:</b>	Highly Satisfactory		High confidence

*MI 1.4: Financial Framework (e.g. division between core and non-core resources) supports mandate implementation*

Element	Score	Narrative	Source Documents
Element 1: Financial and budgetary planning ensures that all priority areas have adequate funding in the short term or are at least given clear priority in cases where funding is very limited	4	<p>The IDB has implemented a number of important reforms/innovations in recent years that have strengthened its capacity to pursue its mandate and ensure expectations regarding support for member countries continue to be met. These include:</p> <ul style="list-style-type: none"> <li>• Capital adequacy mandate and Income management model – according to IDB, no other MDB has such a disciplined, structured, transparent approach in place to match income to costs and enable long-term financial projections managing lending capacity while defending the Bank’s AAA status.</li> <li>• Also undertook important reforms to pension funds.</li> <li>• Exposure exchange arrangement with WB and AfDB (Dec 2015) to shore up capital adequacy/risk management.</li> <li>• They are moving the special concessional fund (FSO) back into ordinary capital – but will continue to exist... will prevent it running out and will strengthen the IDB’s balance sheet. (balance sheet optimisation project).</li> </ul> <p>These reforms have had significant positive impacts on capital in last 2-3 years (\$20-30 bn increase) and alongside improvements in liquidity policy means well-placed to respond to countries’ needs in more challenging times.</p> <p>Institutional commitments – e.g. funding shares to climate change, to social/poverty needs – continue to be met. To some degree, the method of apportioning share of spend to these objectives may reflect accounting rather than behavioural changes in the Bank, but overall the commitments are treated seriously and funded.</p> <p>As far as we are aware, the IDB operates a single integrated budgetary framework and does not, for example, have ‘off budget’ accounts/operations. Scrutiny of the financial framework is strict. In many respects, the transparency can risk micro-management on the part of the Board, but on the other hand the clear rule-based approach means there is little scope for discretionary adjustments to the overall financial management strategy.</p>	5, 6, 16, 19, 23, 26, 30, 32, 34, 57, 76
Element 2: A single integrated budgetary framework ensures transparency	4		
Element 3: The financial framework is reviewed regularly by the governing bodies	4		
Element 4: Funding windows or other incentives in place to encourage donors to provide more flexible/un-earmarked funding at global and country levels	4		
Element 5: Policies/measures are in place to ensure that earmarked funds are targeted at priority areas	4		
<b>Overall Score:</b>	4.0		
<b>Overall Rating:</b>	Highly Satisfactory	IDB donors/members have agreed their contributions under IDB-9. Monitoring of realisation of those commitments suggests no material problems (element 4).	High confidence

**KPI 2:** Structures and mechanisms in place and applied to support the implementation of global frameworks for cross-cutting issues at all levels

<b>Overall KPI Rating</b>	<b>2.95</b>	<b>Overall KPI</b>	<b>Satisfactory</b>
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*MI 2.1: Corporate/sectoral and country strategies respond to and/or reflect the intended results of normative frameworks for cross-cutting issues.*

*a) Gender equality and the empowerment of women*

Element	Score	Narrative	Source Documents
Element 1: Dedicated policy statement on gender equality available and showing evidence of use	4	The bank has an Operation Policy on Gender Equality in Development (approved Nov. 2010) which seeks equal conditions and opportunities for both men and women. There is also a bank-wide Gender Action Plan for Operations 2014-2016 (GAP) that contains specific actions to effectively jumpstart the implementation and monitoring of the policy and an Implementation Guidelines for the Operational Policy on Gender Equality in Development and several technical Notes which provides staff with guidance on how to integrate Operational policy into bank interventions.	1, 3, 4, 9, 10, 15, 16, 18, 26, 30, 31, 32, 34, 40, 41, 56, 86
Element 2: Gender equality indicators and targets fully integrated into the organisation's strategic plan and corporate objectives	3	2015 figures indicate 47% of Sovereign Guaranteed operations included gender-related results in their results matrixes (up from 36% in 2014 and exceeding the target set in the Gender Action Plan). There has also been an increase in the number of loans with indicators disaggregated by sex and those loans that were flagged as promoting IDB gender equality. In addition, all country strategies approved in 2015 included one or more gender (or diversity) related indicator in their results matrix. Looking forward, the revised Corporate Results Framework (2016-19) now includes specific indicators relating to alignment with gender equity objectives and performance against gender-related targets (if included in the results matrix for an operation). These will be reported on next year.	
Element 3: Accountability systems (including corporate reporting and evaluation) reflect gender equality indicators and targets	2	Gender-related results are reportedly monitored through the Progress Monitoring Report (PMR) system, which tracks indicators during project implementation and are reported on in the most recent Project Completion Reports (PCR). Additionally, the Development Effectiveness Matrix (DEM) for sovereign guarantee loans includes a Gender Additionality Box. Currently each	

Element 4: Gender screening checklists or similar tools used for all new intervention	3	<p>section sets out its own gender indicators at the beginning of the year.</p> <p>The Gender Action Plan states that GDI is tasked with working with project teams to help improve the quality of the project logic that leads to gender-related results during project design and execution by reviewing each loan proposal for results. The intention is for these projects' gender-related results to be monitored throughout the project cycle: initially, in the project's results matrix and Development Effectiveness Matrix (DEM), and subsequently, in Progress Monitoring Reports (PMR) and Project Closing Reports (PCRs) to ensure that gender activities and results are achieved. The new PMR system, launched in 2014, includes a gender "flag" functionality, which will allow project teams and SPD divisions to monitor both gender-related results and sex-disaggregated indicators. However, this is an area for improvement as gender indicators need not be included in programmes, and expected results often don't have gender targets. As such, these programmes are not monitoring for gender impact. These increases the risk that gender is left out in sectors historically less gender sensitive such as transportation and infrastructure. A proposal to identify common gender indicators was reportedly underway at the time of this report.</p>	High confidence
Element 5: Human and financial resources (exceeding benchmarks) are available to address gender issues	3	<p>The IDB is in the process of developing checklists and common gender indicators, as well as across the board screening of gender diversity, however, although the CRF includes more specific country level indicators, application to date varies at the country level. The Bank has increased the amount of resources invested to promote gender equality. As of 2014 IDB loans with gender related results had increased fourfold having increased from 9% in 2010 to 37% in 2013. The bank also reported significant improvements in the total dollar amount of Technical Cooperation grants and Multilateral Investment Fund projects directly investing in gender equality and women's empowerment from \$8.2 million in 2010 up to 19.4 million in 2013. Just less than half respondents to the MOPAN survey indicated they had a fair or better understanding of the IDB's gender strategy at the country level. An evaluation of the IDB's approach to gender-related issues is being considered for 2017.</p>	
Element 6: Capacity development of staff on gender is underway or has been conducted	3	<p>Gender is reflected in the staff evaluation process, and the bank has an emerging women leadership programme. Training in gender equality and the empowerment of women is provided corporately for all staff (HQ and country offices) but only partially for the consultant cadre, which account for around half of staff.</p>	
<b>Overall Score</b>	3.0		
<b>Overall Rating:</b>	Satisfactory		

*b) Environmental Sustainability and Climate Change*

Element	Score	Narrative	Source Documents
Element 1: Dedicated policy statement on environmental sustainability and climate change available and showing evidence of use	3	The IDB approved on March 2011 the IDB Integrated Strategy for Climate Change Adaptation and Mitigation, and Sustainable and Renewable Energy which aims to promote the development and use of a range of public and private sector financial and nonfinancial instruments for strengthening the institutional, technical, and financial capacity to address climate change challenges, and which aimed to set up a system for tracking and monitoring improvements in climate change mitigation and adaptation within IDB operations, including financial indicators and GHG accounting and reporting. The strategy identifies the bank's comparative advantages.	1, 2, 4, 6, 8, 9, 11, 15, 16, 17, 18, 28, 30, 31, 32, 38, 40, 41, 42, 46, 48, 49, 51, 53, 56, 58, 86
Element 2: Environmental sustainability and climate change indicators and targets fully integrated into the organisation's strategic plan and corporate objectives	3	The sector framework includes focus areas on climate change and there is an overall target reported of a minimum of 25 percent of total Bank lending supports operations in climate change, environmental sustainability, and sustainable energy. Alignment with objectives regarding spend on climate change issues will be monitored but the revised CRF does not include explicit targets/indicators regarding sustainability. The bank is still in the process of defining sustainability, which will be key in order to identify indicators and targets.	
Element 3: Accountability systems (including corporate reporting and evaluation) reflect environmental sustainability and climate change indicators and targets	3	As part of its commitment to this agenda, the Bank took the resolution on climate finance to its Board and it involved the Board in the decision to establish the Climate Change and Sustainability Department, thus ensuring it has a clear mandate to pursue these issues. There is a corporate target to ensure 30% of all operations represent climate finance by 2020. However, how this department will mainstream the policy is still work in progress. Currently the bank has expressed commitment to track and publish data on climate change goals for the IDB and the IIC, as reflected in the CRF, at the time of the report this was still not integrated into regular reporting. There is also a commitment to evaluate all relevant projects for climate risk and resilience by integrating it into the country strategies. Currently PCRs have to account for and screen for impact on climate change, OVE undertook an analysis of climate change at the IDB in late 2014, and produced a series of recommendations to strengthen the sector going forward, where it already highlighted the need to strengthen the bank's ability to track and incentivise towards climate change mitigation and adaptation results. Just over half of respondents to the MOPAN survey indicated they had fair or	
Element 4: Environmental screening checklists or similar tools used for all new intervention	3		
Element 5: Human and financial resources (exceeding benchmarks) are available to address environmental sustainability and climate change issues	4		

Element 6: Capacity development of staff on environmental sustainability and climate change is underway or has been conducted	3	<p>better knowledge of the IDB's strategy on climate change/environmental sustainability at the country level.</p> <p>Training/capacity development programs on environmental sustainability and climate change are run for all staff but only partially among the consultant cadre.</p>	
<b>Overall Score:</b>	3.17		
<b>Overall Rating:</b>	Highly Satisfactory		High confidence

c) *Good governance (peaceful and inclusive societies for sustainable development, reduced inequality, provide access to justice for all and build effective, accountable and inclusive institutions at all levels)*

Element	Score	Narrative	Source Documents
Element 1: Dedicated policy statement on good governance available and showing evidence of use	3	Good governance, in terms of institutional capacity and the rule of law is one of the three cross-cutting themes identified in the Updated Institutional Strategy. IDB's corporate strategy is centred around strengthening governance and institutions to address national and regional challenges. IDB does not have an overarching governance policy or strategy but good governance is embedded in IDB's five sector priorities as approved in IDB-9: (1) social policy for equity and productivity; (2) infrastructure for competitiveness and social welfare; (3) institutions for growth and social welfare; (4) competitive regional and global international integration; and (5) protecting the environment, responding to climate change, promoting renewable energy, and enhancing food security. Corporate knowledge products relating to good governance issues for specific areas of IDB's work (e.g. state-owned WASH companies; public-private alliance councils) are available.	3, 9, 19, 26, 31, 40, 41, 45, 49, 51, 63, 81
Element 2: Good governance indicators and targets fully integrated into the organisation's strategic plan and corporate objectives	3	As part of IDB's strategic reforms, the Bank has worked to bring good governance, transparency and anti-corruption into its policies and practices. The Bank is structured in support of governance and anti-corruption practices through its sanctions systems, its conflict resolution system and ethics and standards for employees. Governance issues are integrated into the IDB's regional policy dialogue practices, and its country strategies which are designed to promote good governance and strengthening the institutional capacity of its members and executing agencies.	
Element 3: Accountability systems (including corporate reporting and evaluation) reflect good governance indicators and targets	2	For Institutional Capacity and Rule of Law - the extent of alignment (% spend allocated) is included in the IDB's revised corporate results framework, though given the breadth of activities covered by these topics, it is unclear how much operational significance this indicator will have. The revised CRF also includes some auxiliary, governance related measures but treatment is not systematic and the responsibilities of staff outside of the Institutions for Development sector for this agenda are not clear. A little over half of respondents to the MOPAN survey indicated they had a reasonable or better understanding how the IDB promotes good governance in its strategy at the country level.	
Element 4: Good governance screening checklists or similar tools used for all new intervention	3	The Development Effectiveness Matrix for new operations requires that political economy / institutional factors are explicitly addressed in design and, insofar as these are proximate to the proposed project, in the proposed solution. However,	
Element 5: Human and financial resources (exceeding benchmarks) are available to address good governance issues	4		

Element 6: Capacity development of staff on good governance and climate change is underway or has been conducted	1	<p>this is one element in the overall validation process, which considers a large range of factors.</p> <p>The Bank's Institutions for Development sector has significant resources focused on mainstreaming governance, but it is not clear how this department will ensure this, particularly in light of challenges to multi-sector working discussed above. However, the Bank reports that it is working in a decentralised way, with main dialogues taking place at country level. Indicators and targets for governance are integrated into the CRF.</p> <p>A present, there is no corporate staff training/capacity development program for good governance but the topic is actively promoted among staff (e.g. lectures).</p>	
<b>Overall Score:</b>	2.67		
Overall Rating:	Satisfactory		High confidence

## Performance Area: Operational Management

*Assets and capacities organised behind strategic direction and intended results, to ensure relevance, agility and accountability*

**KPI 3:** Operating model and human/financial resources support relevance and agility

**Overall KPI Rating**

**3.45**

**Overall KPI**

**Highly satisfactory**

*MI 3.1: Organisational structures and staffing ensure that human and financial resources are continuously aligned and adjusted to key functions*

Element	Score	Narrative	Source Documents
Element 1: Organisational structure is aligned with, or being reorganized to fit the requirements of, the current Strategic Plan	4	<p>The bank's organisational structure has seen significant shifts in the last years in order to ensure alignment between the structure and the bank's vision. Some of the most significant changes include the creation of new departments (see KPI 2) as well as the merge out of the IIC and the decentralisation policy which has seen a shift of staff from headquarters to the field.</p> <p>There is also a significant shift in the profile of staff towards increased expertise, with many interviewed reporting that more than 40% of the staff has joined the bank in the last five years. The profile of country representatives has also shifted, before it had more of a fiduciary role, now they are expected to be able to sustain high level policy negotiations. The IDB's own external feedback system indicates that the knowledge and expertise of staff are highly valued. Quality of staff was also mentioned as a key strength by many of the respondents to the MOPAN survey.</p>	2, 4, 6, 14, 24, 26, 27, 30, 35, 37, 38, 39, 40, 42, 46, 48, 51, 59, 60, 61, 66, 80
Element 2: Staffing is aligned with, or being reorganized to, requirements set out in the current Strategic Plan,	3	<p>Decentralisation has been a major priority for the Bank, to respond better to country needs. This has been supported by an increase in the decentralization of personnel with a shift in the balance of sector specialists in HQ versus country offices and the deployment of sector specialists to lead on development solutions, and the representation of sector specialists in low-income and small countries.</p>	

<p>Element 3: Resource allocations across functions are aligned to current organisational priorities and goals, as set out in the current Strategic Plan</p>	<p>3</p>	<p>Staff mobility strategies are in place to provide clear mechanisms for supporting country functions and changing business needs of the Bank. The Bank's Career Development Regulations establish different instruments for career development of staff members according to the Bank's main business functions and the expected responsibilities and accountabilities for each role. Through this, it increases the Bank's flexibility in the management and deployment of talent across the Institution.</p> <p>As far as the team could ascertain, the bank's resource allocation in aligned with current goals and priorities. However, the Bank faces some risks as a result of a cap on the size of the permanent staff structure. Nearly half of the current workforce is on a consultant contract, requiring breaks in contracts with implications for their expectations and institutional retention and knowledge management. In addition, in the Bank's opinion, the recent modest pay increase (in comparison to competitors and in response to a cut in its base budget in real terms) also represents a risk for retention of and ability to attract the best candidates if sustained over time. Finally, a potential risk under this KPI arises from the mismatch between multi-year strategies and annual budget envelopes and the perverse incentives this may create for countries to finance lower priority projects rather than lose access to loan funds in a given year. In the larger countries, with greater capacity, the risk is likely to be minor but this may be an issue in smaller countries, who may encounter difficulties ensuring a stable pipeline of high-priority projects.</p>	
<p>Element 4: Internal restructuring exercises have a clear purpose and intent, aligned to the priorities of the current Strategic Plan</p>	<p>3</p>		
<p><b>Overall Score:</b></p>	<p>3.25</p>		
<p><b>Overall Rating:</b></p>	<p>Highly Satisfactory</p>	<p>The Human Capital Strategy continues to be updated (in 2016) to pursue alignment to the corporate strategy and human resourcing needs.</p>	<p>High confidence</p>

*MI 3.2: Resource mobilisation efforts consistent with the core mandate and strategic priorities*

Element	Score	Narrative	Source Documents
Element 1: Resource mobilization strategy/case for support explicitly aligned to current strategic plan	3	<p>The IDB is committed under IDB-9 to mobilise additional resources to benefit the region. The Update to the Institutional Strategy (2019-2019) states that its resource mobilization efforts will be concentrated on the Region’s most pressing development challenges.</p> <p>The IDB Group is guided by the aspiration to be “the best-in-class mobilizer of development finance in LAC” and is actively pursuing resource mobilization and leverage of resources with diverse array of partners and various financial instruments.</p>	1,2,3, 8, 10, 34, 35, 38, 48, 54
Element 2: Resource mobilization strategy/case for support reflects recognition of need to diversify the funding base, particularly in relation to the private sector;	4	<p>IDB works with partners that can help to magnify impact and channel resources that can fill gaps that fit donor needs and channel resources to the region. The Bank mobilizes funds from private, public and philanthropic organizations to address specific development and analytical needs in the region using the private sector as a vehicle for reducing poverty and creating opportunities and market-based solutions. The Resource Mobilization Strategy seeks to mobilize development finance through diverse partners: Public, Non-Profit-Academic Institutions, Corporate Actors and Institutional Investors and expand its share of non-reimbursable financing as well as innovative forms of ODA. The number of private and philanthropic partners is growing as well as the amount of finance leveraged through private partners. The Bank works to promote investment from the private sector based upon its experience-based knowledge that private investment underpins growth.</p>	
Element 3: Resource mobilization strategy/case for support seeks multi-year funding within mandate and strategic priorities.	2	<p>IDB’s Office of Outreach and Partnerships holds the reins for managing resource mobilization efforts as the sole channel for partnerships and resource mobilization. IDB’s 2015 Partnership report expresses its commitment to leveraging resources toward achieving the Sustainable Development Goals IDB’s mobilization of resources has grown in the period 2009-2015, in 2015; the IDB</p>	

<p>Element 4: Resource mobilization strategy/case for support prioritises the raising of domestic resources from partner countries/institutions, aligned to goals and objectives of the Strategic Plan/relevant country plan</p>	<p>4</p>	<p>mobilized \$3.78 billion in resources from \$1.5 million in 2008 – predominantly (93%) co-financing –and formalized collaborations through 40 institutional agreements. In 2015, co-financing as a share the regular lending programme exceeded the 30% target (32%) for the first time 2012-15. The same figure for trust funds was 2% (below the 3% target) and down on the share in 2014.</p> <p>The Bank also mobilises resources through Trust Funds, which constitute a significant, though somewhat decreased, proportion of the Bank’s portfolio. In 2015, there was a 5% decrease in donor trust funds finances in 2014. (IDB 2015 Annual Business Review).</p>	
<p>Element 5: Resource mobilization strategy/case for support contains clear targets, monitoring and reporting mechanisms geared to the Strategic Plan or equivalent</p>	<p>4</p>	<p>IDB’s core financing of development projects in its regional developing member countries come via loans, technical cooperation, assistance in obtaining additional external financing for project needs, and guarantees by the IDB for loans from other sources. IDB obtains its financial resources from its 48 member countries, borrowings on the financial markets and trust funds that it administers, and through co-financing ventures. In addition, IDB works with national governments to strengthen public-private partnerships to enable the mobilization of national private sector resources. The strategy looks to mobilize fund through. (Partnerships and Resource Mobilization Action Plan 2016-2020).</p>	
<p><b>Overall Score:</b></p>	<p>3.4</p>	<p>IDB’s Resource Mobilization plan is grounded by a results framework that established expected outcomes and results. The strategy sets targets for its donors, partners, internal talent pool, and average annual mobilization.</p>	
<p><b>Overall Rating:</b></p>	<p>Highly satisfactory</p>	<p>For 2016-2020 IDB has set targets for annual resource mobilization which is tempered by the potential market fluctuation (i.e. negative, moderate, positive) ranging from US\$2 billion per year to US \$ 3 billion.</p>	<p>High confidence</p>

*MI 3.3: Aid reallocation/programming decisions responsive to need and can be made at a decentralised level*

Element	Score	Narrative	Source Documents
Element 1: An organisation-wide policy or guidelines exist which describe the delegation of decision-making authorities at different levels within the organisation	4	The Ninth General Capital Increase allowed the IDB to significantly increase its sovereign lending volume on a permanent basis. The recent consolidation of IDB's non-sovereign lending activities in the Inter-American Investment Corporation was designed to allow the Bank to provide more comprehensive and agile services to private sector clients.	1, 2, 4, 17, 23, 34, 38, 39, 40, 61, 65, 82, 102
Element 2: <i>(If the first criterion is met)</i> The policy/guidelines or other documents provide evidence of a sufficient level of decision making autonomy available at the country level (or other decentralized level as appropriate) regarding aid reallocation/programming	4	The IDB's System of Regulations establishes, among other things, the delegation of decision-making authorities for different activities within the organization. There is also a decentralisation sector framework and action plan setting out the goal of responsiveness to country needs. Evidence indicates that at country level there is increased capacity and expertise as well as significant decision-making ability around reallocations based on changes on the ground – at the project level, through the biannual progress monitoring reviews. Mechanisms are automatically triggered in the case of emergencies. The initial emphasis within the decentralisation strategy on physically relocating staff (with a target proportion of the workforce to be country-based) is now being reviewed, and instead there is a greater attention to ensuring decision-making capabilities at country level.	
Element 3: Evaluations or other reports contain evidence that reallocation / programming decisions have been made to positive effect at country or other local level, as appropriate	3		
Element 4: The organisation has made efforts to improve or sustain the delegation of decision-making on aid allocation/programming to the country or other relevant levels	4	54% of respondents to the MOPAN survey rated IDB as “very good” or better in terms of the authority of staff to make decisions in country, with a further 29% rating the IDB as “fairly good”. Similarly, 61% rated IDB as “very good” or better in terms of the experience/seniority of staff in country. Finally, 71% of respondents rated the IDB positively for the flexibility of resources to meet needs at a country level, compared to 11% who rated the IDB as poor in this regard.	
<b>Overall Score:</b>	3.75	We came across no evidence in our document review or interviews to suggest that reallocation/programming decisions were inadequate.	
<b>Overall Rating:</b>	Highly Satisfactory		High confidence

*MI 3.4: HR systems and policies performance based and geared to the achievement of results*

Element	Score	Narrative	Source Documents
Element 1: A system is in place which requires the performance assessment of all staff, including senior staff	4	<p>There is a clear and transparent system in place which requires the performance assessment of all staff, including senior staff, at least once a year, although a mid-year review is encouraged. The staff evaluation assesses both the work undertaken (60%) as well as the staff's competencies (40%). Career path and expectations are clearly set out. Yearly revision includes small financial incentives linked to some to organisational objectives (for example, collaboration), although it is unclear if these are significant to affect behaviour. Evaluations and ratings are done against a performance distribution curve and are directly related to promotion and salary increase. However, there is some indication that there is an informal system of performance appraisal which can play a significant role in this process also.</p> <p>IDB carried out a study in 2016 of the Bank's total remuneration to assess the compensation and core benefits provided to staff. This will feed into directional guidance to the board in update to the total rewards framework to ensure that HR systems are sufficiently competitive, and oriented toward rewarding staff performance.</p> <p>There is a conflict resolution mechanism in place available to employees who wish to contest their performance evaluation (established in Staff Rule PE-323 and PE-1.03). These however apply to staff, given the high number of consultants who are outside the bank's career path, raises the questions as to how these systems apply to those outside the system.</p>	4, 6, 16, 23, 24, 26, 28, 30, 34, 37, 38, 39, 40, 41, 56, 65, 68.
Element 2: There is evidence that the performance assessment system is systematically and implemented by the organisation across all staff and to the required frequency	3		
Element 3: The performance assessment system is clearly linked to organisational improvement, particularly the achievement of corporate objectives, and to demonstrate ability to work with other agencies	3		
Element 4: The performance assessment of staff is applied in decision making relating to promotion, incentives, rewards, sanctions etc.	3		
Element 5: A clear process is in place to manage disagreement and complaints relating to staff performance assessments	4		
<b>Overall Score:</b>	3.4		
<b>Overall Rating:</b>	Highly Satisfactory		High confidence

**KPI 4: Organisational systems are cost- and value-conscious and enable financial transparency/accountability**

<b>Overall KPI Rating</b>	<b>3.63</b>	<b>Overall KPI</b>	<b>Highly satisfactory</b>
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*MI 4.1: Transparent decision-making for resource allocation, consistent with strategic priorities*

Element	Score	Narrative	Source Documents
Element 1: An explicit organisational statement or policy exists which clearly defines criteria for allocating resources to partners	4	<p>There are a number of corporate documents/mechanisms that define the IDB's approach in aggregate:</p> <ul style="list-style-type: none"> <li>IDB-9 sets out the strategic direction for the Bank, identifying the broad goals (2), priority sectors (5) and underlying themes (5). It included lending targets (sovereign- and non-sovereign-guaranteed) in four areas: (i) small and vulnerable countries (including specific target annual grants to Haiti); (ii) poverty reduction and equity enhancement; (iii) climate change, sustainable (including renewable) energy, and environmental sustainability; and (iv) regional cooperation and integration.</li> </ul>	11, 15, 30, 32, 39, 40, 41, 42, 44, 45, 84
Element 2: The criteria reflect targeting to the highest priority themes/countries/areas of intervention as set out in the current Strategic Plan	3	<ul style="list-style-type: none"> <li>Capital adequacy mandate and Income management model – considered leaders among MDBs and unusually transparent: together they provide the basis for determining long-term financial projections, lending capacity, what steps need to be taken to retain AAA status, what loan charges are necessary.</li> <li>The IDB's Institutional Strategy sets out a framework of priorities to guide how the IDB implements IDB-9.</li> </ul>	

Element 3: The organisational policy or statement is regularly reviewed and updated	4	<ul style="list-style-type: none"> <li>The Proposal for the Allocation of Resources is published annually (when approved) setting out the allocation of concessional lending to eligible countries according to relatively simple/accessible criteria. IDB's approach is considered unusually transparent in that available concessional resources are fully allocated to the eligible countries according to the formula, with no country caps or floors or adjustments by Management.</li> </ul>	
Element 4: The organisational statement or policy is publicly available	4	<p>80% of MOPAN survey respondents rated the IDB as “fairly good” or better in terms of transparency regarding financial allocations (compared with 11% who rated it “fairly poor” or worse).</p> <p>Translation of these overarching frameworks into operations on the ground involves in the main aligning the top-down direction set by the Institutional Strategy with bottom-up country demand, moderated through the Country Development Challenges assessment. The Institutional Strategy is broad and it was suggested in practice that it exerts only a limited degree of grip on the choices made at a country level though the revised approach to Country Strategies is intended to focus the Institutional Strategy at a country level. In response to weaknesses previously identified in country programming, IDB has been piloting a new, more integrated approach to country strategies. The extent to which this strengthens the strategic alignment remains to be seen.</p>	
<b>Overall Score:</b>	3.75		
<b>Overall Rating:</b>	Highly Satisfactory	All these tools are subject to regular review and adjustment as conditions change.	High confidence

*MI 4.2: Allocated resources disbursed as planned*

Element	Score	Narrative	Source Documents
Element 1: The institution sets clear targets for disbursement to partners	4	At an aggregate level, actual outturn against plan for 2015 for total operations (main business functions and operations support) was 95%. Minimum corporate targets for priority sectors and concessional support to small and vulnerable countries were exceeded. According to the IDB, target grant disbursement in Haiti is on-track – which represents a significant achievement given the volume of grants targeted and the institutional constraints.	18, 19, 30, 31, 34, 39, 40, 45, 51, 102
Element 2: Financial information indicates that planned disbursements were met within institutionally agreed margins	4	More generally, at a country level, the IDB reports that the multiple and long-term nature of its interventions in individual borrowing member countries tends limit the degree of variation between annual budget and disbursements; disbursement levels are mainly dictated by the maturity and stage of individual loans in execution as well as countries' annual fiscal restrictions. For individual operations, the budget process at IDB has flexibility to accommodate allocations to unexpected priorities / demands; likewise, it allows flexibility to reallocate unexpected underspends.	
Element 3 Clear explanations are available in relation to any variances	3	83% of respondents to the MOPAN survey were positive about the predictability of IDB funds (51% rated the IDB as “very good” or better in this regard), with 11% rating it poor in this respect.	
Element 4: Variances relate to external factors rather than internal procedural blockages	3	We did not encounter any evidence to suggest that variance in performance could systematically be attributed to internal procedural blockages. However, this is an area where the IDB's clients express relatively greater concern. Similarly, there is no evidence to suggest the reasons for variances are not understood, but the explanations provided in public reports are relatively limited.	
<b>Overall Score:</b>	3-5		
<b>Overall Rating:</b>	Highly Satisfactory		High confidence

*MI 4.3: Principles of results based budgeting applied*

Element	Score	Narrative	Source Documents
Element 1: The most recent organisational budget clearly aligns financial resources with strategic objectives/intended results of the current Strategic Plan	4	<p>IDB has been guided by the Bank's Result's Based Budgeting (RBB) Framework since 2011. The RBB Framework ensures that results-based budgeting is integrated into all stages of the budget cycle – promoting clarity on what administrative costs are being allocated to activities and what results are being achieved. They have a well-developed system in place:</p> <ul style="list-style-type: none"> <li>• Each VP has to build a budget proposal, with all staff, linked to personnel review system</li> <li>• Targets are linked to budgets... used to bring results and accountability discussions together during budgeting process.</li> <li>• Budget aligns resources with objectives and results are costed (albeit, not mechanically)</li> <li>• The reduction in base budget for 2016 (4.3% in real terms – a self-imposed cut in response to the need for the Bank to increase loan charges) used the RBB system and the new MIS to assess different scenarios e.g. keeping loan preparation and supervision constant and through RBB approach examine likely effect on results (not mechanical but basis for discussion). The approach enabled the Bank to demonstrate they could maintain core results</li> </ul>	3, 4, 11, 31, 34, 38, 39, 40, 48, 68, 70, 80,
Element 2: A budget document is available which provides clear costings for the achievement of each management result	4	<p>Continuous improvement is a feature of the approach, with the current RBB Action plan (2013-16) due to be replaced with the next one (2017-19). Over the last couple of years enhancements include:</p>	
Element 3: Systems are available and used to track costs from activity through to result (outcome)	3	<ul style="list-style-type: none"> <li>• Stronger evaluation component of the RBB framework aimed at reviewing RBB results and utilizing findings to re-allocate resources, adjust budget policies, and provide inputs to the next budget preparation cycle</li> <li>• Integrating the main business function dimension into the Bank's time reporting system as well as the Bank's employee work program and annual performance review system in order to align the way Bank and</li> </ul>	

<p>Element 4: There is evidence of improved costing of management and development results in budget documents reviewed over time (evidence of building a better system)</p>	<p>3</p>	<p>staff performance are measured</p> <ul style="list-style-type: none"> <li>Better alignment of the RBB system with the Bank's Updated Institutional Strategy as well as the Corporate Results Framework</li> </ul> <p>Planned improvements include: enhancement to the Capital Budget process, by establishing RBB indicators for results, outcomes, and performance driven measurements of capital projects to be presented together with the Medium-Term Capital Budget Plan that is submitted to the Board for approval every year.</p>	
<p><b>Overall Score:</b></p>	<p>3.5</p>	<p>Challenges remain, but the Bank acknowledges these and is not complacent. The RBB system is not yet completely aligned with CRF but working on that and looking to connect CRF to RBB and personnel management system better. They also recognise that cultural change associated with RBB still a challenge –there is increased discussion around results and budgets, but not yet reflected at Board level. Effective communication, change management and robust information systems are considered key to addressing this culture change.</p>	<p>High confidence</p>
<p><b>Overall Rating:</b></p>	<p>Highly Satisfactory</p>		

*MI 4.4: External audit or other external reviews certifies the meeting of international standards at all levels, including with respect to internal audit*

Element	Score	Narrative	Source Documents
Element 1: External audit conducted which complies with international standards	4	<p>The Bank is subject to external audits of financial statements and internal controls over financial reporting performed by an independent external audit firm (KPMG). The audits of the IDB financial statements and internal control over financial statements are performed in accordance with the standards of the Public Company Accounting Oversight Board (United States). The purpose of the financial statement audits is to express an opinion as to whether the financial statements are fairly stated in accordance with generally accepted accounting principles in the U.S.A. (GAAP). The purpose of the audits of internal controls is to express an opinion on the Bank's internal control over financial reporting. For projects there are procedures for contracting external auditors (Financial Management Guidelines for IDB-financed Projects –OP-273-6 (GN-2811) and Financial Management Toolkit, OF-200 Annex I).</p> <p>The most recent external audit expressed an unqualified opinion on the IDB's financial statements and also found no material weakness in on the Bank's system of internal controls over the Banks' financial reporting of ordinary capital. We have also received a copy of the IDB's response to the external auditor's Management Letter. Actions are detailed, though this falls somewhat short of a "clear action plan".</p> <p>Internal Audit Function is provided by the Office of the Executive Auditor (AUG), whose authority and responsibilities are established in the AUG Charter. AUG provides both assurance and advisory services to the IDB Group and reports directly to the IDB President and the Audit Committee of the Board of Directors. AUG carries out its responsibilities in accordance with the International Professional Practices Framework (IPPF) issued by The Institute of Internal Auditors (IIA). This includes the requirement that an expert, external quality assessment (EQA) of the internal audit work be conducted at least once every five years. Two EQAs were conducted on the AUG's practices, in 2010 and 2013, both resulting in the highest possible rating: "AUG generally conforms to</p>	16, 19, 23, 76
Element 2: Most recent external audit confirms compliance with international standards across functions	4		
Element 3: Management response is available to external audit	4		
Element 4: Management response provides clear action plan for addressing any gaps or weaknesses identified by external audit	3		
Element 5: Internal audit functions meet international standards, including for independence	4		

Element 6: Internal audit reports are publicly available	0	the IIA Standards.” The last assessment concluded that “...AUG generally conforms to the IIA Standards, is ahead of many other organizations on key Strongly Recommended Guidance – particularly Overall Opinions, and is positioned to enhance its impact in the IDB Group.” In 2014, AUG completed the implementation of all opportunities for improvement identified during the 2013 EQA review.	
<b>Overall Score:</b>	3.17	AUG elaborates an annual plan supported by a continuous risk assessment exercise carried out throughout the year. The plan is discussed with Senior Management before it is presented for the review and approval by the President, and to the Audit Committee for its review and recommendation that it be approved by the Board of Executive Directors of the IDB. AUG reports twice-yearly to the Board.	
<b>Overall Rating:</b>	Highly Satisfactory	Internal audit reports are not made public (though this is not unusual).	High confidence

*MI 4.5: Issues or concerns raised by internal audit mechanisms (operational and financial risk management, internal audit, safeguards etc.) adequately addressed*

Element	Score	Narrative	Source Documents
Element 1: A clear policy or organisational statement exists on how any issues identified through internal control mechanisms will be addressed	4	<p>The IDB has clear policies for the different strands of internal integrity, compliance, oversight that are being operated. Procedures are laid out and guidelines for staff provided.</p> <p>The Bank operates within a framework of financial and risk management policies, and follows established risk management decision-making processes. Financial risks are managed in accordance with policies approved by the Board of Governors, Board of Executive Directors, and the Finance Committee composed of members of Management. The Asset Liability Management Committee (ALCO) is the forum to consider risk and financial management issues, covering areas such as asset liability management, capital adequacy, financial products (lending, investment, funding, etc. and planning, treasury risk management, credit risk management, capital markets, liquidity management, and loan management.</p>	3, 10, 11, 14, 15, 17, 24, 33, 57, 75, 76, 84
Element 2: Management guidelines or rules provide clear guidance on the procedures for addressing any identified issues, including timelines	NE*	<p>In terms of Operational Risk, the IDB approved in 2011 the Operational Risk Management Framework (ORMF), which is aimed at improving the coordination of the management of operational risks across the Bank. The ORMF covers Risk and Control Self-Assessment (RCSA), incident data collection, risk indicators, Management's action plans, and the annual assessment of Internal Controls over Financial Reporting (ICFR) for the Bank's main funds (ORC, FSO, and IFF &amp; GRF) and sets out an internal control structure.</p>	
Element 3: Clear guidelines are available for staff on reporting any issues identified	4	<p>All oversight units report to the Audit Committee of the Board.</p> <p>The Office of the Executive Auditor (AUG) reports twice-yearly to the Audit Committee, on key practices followed and services rendered by the Office, provides an update on the degree to which Management is implementing agreed upon action plans to address observations included in internal audit reports, and</p>	

<p>Element 4: A tracking system is available which records responses and actions taken to address any identified issues</p>	<p>4</p>	<p>offers AUG’s perspective on key topics that are likely to remain relevant in coming months. Issues or observations raised by the internal audit department are followed up until the issue is resolved or management accepts the related risks. The system used to monitor implementation is Teammate. On a semi-annual basis, the audit committee is informed of outstanding observations, on a quarterly basis senior management is informed of the outstanding observations in their area.</p>	
<p>Element 5: Governing Body or management documents indicate that relevant procedures have been followed/action taken in response to identified issues, including recommendations from audits (internal and external)</p>	<p>4</p>	<p>Similarly, the Office of Risk Management reports to relevant Board sub-Committee on the results of the annual assessment of the effectiveness of the Bank’s internal controls over financial reporting (ICFR) (document FN-586-39). The ICFR assessment is performed to provide Management with reasonable bases for its annual assessment as to whether any material weaknesses or significant deficiencies in ICFR exist for the period under review</p> <p>Both the Office of Institutional Integrity and Sanctions system and Office of Ethics report annually to the Board (Audit Committee).</p>	
<p>Element 6: Timelines for taking action follow guidelines/ensure the addressing of the issue within twelve months following its reporting.</p>	<p>NE*</p>	<p>The IDB tracks safeguard issues for ‘high risk’ projects and reports in its annual Sustainability Report and against the related indicator in the CRF (“Percent of projects with high environmental and social risks rated satisfactory in implementation of mitigation measures”). Risk is in defined terms of risk to success. High risk projects in 2015 included all projects categorised as ‘significant impact’ and around 40% of ‘moderate impact’ projects. Most internal scrutiny reports are reviewed by Senior Management and as warranted, follow-up actions decided and monitored. Each area has its own system for tracking these actions. From the information obtained, there does not appear to be any material weakness in the oversight system, but there may be merit in integrating the outputs from the various bodies overseeing the system of internal controls for the purpose of efficiency and coherence.</p>	
<p><b>Overall Score:</b></p>	<p>4.0</p>		
<p><b>Overall Rating:</b></p>	<p>Highly Satisfactory</p>	<p><b>NOTE: * the review did not cover an assessment of response timelines for actions required – either in the guidelines or in practice.</b></p>	<p>High confidence</p>

*MI 4.6: Policies and procedures effectively prevent, detect, investigate and sanction cases of fraud, corruption and other financial irregularities*

Element	Score	Narrative	Source Documents
Element 1 : A clear policy/guidelines on fraud, corruption and any other financial irregularities is available and made public	4	The IDB has clear policies and guidelines on standards and reporting of fraud and corruption and procurement practice available on its website. It participates in the IFI's Anti-corruption Task Force and has adopted the Uniform Framework for Preventing and Combating Fraud and Corruption. This is an area where the Bank has continued to strengthen its arrangements in recent years.	4, 17, 18, 28, 30, 34, 38, 40, 50,68, 76, 67
Element 2: The policy/guidelines clearly define the roles of management and staff in implementing/complying with the guidelines	4	Corporate training is provided to all staff and consultants on IDB's policies and procedures to prevent, detect, investigate and sanction cases of fraud, corruption and other financial irregularities.	
Element 3: Staff training/awareness-raising has been conducted in relation to the policy/guidelines	4	The Office of Institutional Integrity and Sanctions System (OII) and the Office of Ethics report annually to the Board.	
Element 4: There is evidence of policy/guidelines implementation, e.g. through regular monitoring and reporting to the Governing Body	4	The IDB has a clear whistle-blower policy – accessible on the website.	
Element 5: There are channels/mechanisms in place for reporting suspicion of misuse of funds (e.g. anonymous reporting channels and “whistle-blower” protection policy	4	The Independent Consultation and Investigation Mechanism (MICI) is a last resort alternative open to individuals or communities who may be adversely impacted by IDB financed operations due to the Bank's potential non-compliance with its own operational policies. It has been recently restructured, which is believed to have improved operational performance. It operates its own website and reports on substantiated cases. The potential risk that efforts to resolve the complaint at phase 1 may prevent deeper lesson-learning from phase 2 investigations are considered small.	
Element 6: Annual reporting on cases of fraud, corruption and other irregularities, including actions taken, ensures that they are made public	3	Where sanctions are imposed, these are recorded and publicly available. More generally OII produces an annual report which summarises its activities and its case load for the year but does not present details on individual cases where a judgement has been reached in the year.	
<b>Overall Score:</b>	3.83		
<b>Overall Rating:</b>	Highly Satisfactory		High confidence

## Performance Area: Relationship Management

*Engaging in inclusive partnerships to support relevance, to leverage effective solutions and to maximise results (in line with Busan Partnerships commitments)*

<b>KPI 5: Operational planning and intervention design tools support relevance and agility (within partnerships)</b>			
<b>Overall KPI Rating</b>	<b>3.28</b>	<b>Overall KPI</b>	<b>Highly Satisfactory</b>

*MI 5.1: Interventions aligned with national /regional priorities and intended national/regional results*

Element	Score	Narrative	Source Documents
<p>Element 1 : Reviewed country or regional strategies make reference to national/regional strategies or objectives</p>	<p>4</p>	<p>The IDB’s interventions at the national and regional level are guided by three year country strategy documents. These are developed on the basis of analytical work by the bank in consultation with country authorities to respond to client [borrower] demands and key national and regional priorities. Work in each country is aligned to national development strategies and a long-term development vision that is developed through policy dialogue with national authorities.</p> <p>The country strategies form the basis for national interventions. Strategies are necessarily general in order to have some flexibility to achieve results. The country strategies, which set the high level operating strategies, are complemented by sector specific frameworks. Interventions, which operate at the sector level, and [sector specific] staffing respond to country mandates.</p> <p>The Bank’s strategy is driven by country demand and country priorities. The Bank works with the country government to address major national development challenges. The extent to which the bank is highly responsive to demand and highly country driven could mean that there is a push-pull between Bank priorities and country demands.</p>	<p>1, 2, 3, 4, 7, 8, 9,10, 11, 13, 14, 15, 16, 17, 19, 26, 27, 31, 34, 36, 39, 40, 44, 48, 51, 52</p>
<p>Element 2: Reviewed country strategies or regional strategies link the results statements to national or regional goals</p>	<p>4</p>	<p>Regional strategies appear to be a more organic process as the bank does not operate through a specific regional body or institution. Regional strategies are shaped opportunistically where shared challenges can be effectively addressed through a shared approach. For example, in the Caribbean region there have been examples where there has been regional work on a specific area. There have been regional approaches to air transportation, diversifying tourism, youth unemployment providing regional technical cooperation.</p> <p>Stakeholders report favourably on IDB’s alignment with national results in IDB’s External Feedback System, IDB is most favourably rated for its understanding of a country’s priorities in its survey for sovereign loan operations, with 87% reporting satisfaction (40% of which are “Very satisfied”). 97% of respondents to the MOPAN survey rated the IDB as ‘fairly good’ or better in ensuring interventions are designed and implemented to fit with national programmes and intended results (66% rated IDB as ‘very good’ or better).</p> <p>Technical staff are responsible for the design of all loan operations and are the</p>	

<p>Element 3: Structures and incentives in place for technical staff that allow investment of time and effort in alignment process.</p>	<p>3</p>	<p>focal point for sector dialogue with client countries. According to the IDB, their latest figures suggest 90% of the portfolio is led from specialists in the country offices. Nevertheless, some concerns were expressed during our review that the greater emphasis on country-driven approaches has led to reduced scope for technical specialists to influence choices around projects early on in the decision-making process IDB's decentralized structure, and guidelines for decentralization has meant that there has been an increase in the number of technical staff based in country offices. The IDB's structure works to ensure that technical staff, from specific sectors, based at HQ are available to support work at the country level. IDB's Mobility Strategy is oriented to support staff career development, respond to the Bank's business needs, and to transfer knowledge, skills and experience to country offices, however, the mobility structure does not appear to provide clear incentives for staff to make lateral transfers to other duty posts.</p> <p>A major issue in considering this area is that very few of the IDB countries are MOPAN countries.</p>	
<p><b>Overall Score:</b></p>	<p>3.67</p>	<p>We found no evidence that structures or incentives are inadequate to ensure adequate time and effort is invested in alignment. The average cycle time for a country strategy (from inauguration to delivery of strategy to government) has consistently exceeded the corporate target over the last four years, if anything it has increased. However, this is considered more likely to reflect the greater attention on development effectiveness (and associated strengthening of analytical work) than inadequate IDB resources – not least because latest figures are still an improvement on baseline. The recent increase in cycle time may be reflected in the fall in the proportion of external partners satisfied with Bank delivery of services for country strategies – down to 65% in 2015 from a previous high-70's average. This is therefore an area to watch, not least with the introduction of a new approach to country strategies.</p>	
<p><b>Overall Rating:</b></p>	<p>Highly Satisfactory</p>		<p>High confidence</p>

*MI 5.2: Contextual analysis (shared where possible) applied to shape the intervention designs and implementation*

Element	Score	Narrative	Source Documents
Element 1: Intervention designs contain a clear statement that positions the intervention within the operating context.	4	<p>IDB's relationships with country partners are premised upon close, iterative dialogue with country governments which is facilitated by the Bank's longstanding work in the region and the presence of staff in field offices. The Bank has demonstrated that through its proximity to the countries, it 'knows' the distinct features and challenges that the countries experience and has country managers who are able to respond to these accordingly.</p> <p>For the design of all of its interventions, IDB must demonstrate alignment to the Country Program Document. The process it follows for each intervention is to first develop a Project Profile where the main problems and solutions are presented. Contextual considerations include alignment to county programming corporate priorities, diagnostic evidence of the problems being faced, and evidence on how effective the proposed solutions will be. IDB also ensures that its interventions demonstrate their contribution to Regional Development Goals.</p>	2, 3, 4, 6, 7, 9, 11, 14, 16, 17, 22, 30, 34, 38, 39, 40, 42, 44, 45, 47, 48, 51, 52, 84,
Element 2: Context statement has been developed jointly with partners	4	<p>Contextual analysis is formalized in the Bank's planning processes and crosscutting issues are embedded in this to varying degrees. Stakeholders are highly satisfied with IDB's understanding of country context, according to the IDB External Feedback System, with 90% satisfaction (and 41% being "Very Satisfied"). Stakeholders also report favourably on IDB's understanding of local context in IDB's External Feedback System, IDB is most favourably rated for its understanding of the country's development challenges, where 85% report satisfaction (with 43% being "Very satisfied").</p>	
Element 3: Context analysis contains reference to gender issues, where relevant	3	<p>Context statements are drawn from government development plans. The IDB and the country government jointly identify initiatives to be incorporated into the Bank's active pipeline. 89% of respondents to the MOPAN survey rated the IDB as 'fairly good' or better in terms of tailoring its interventions to the specific needs of local context (63% rated the IDB 'very good' or better).</p>	

<p>Element 4: Context analysis contains reference to environmental sustainability and climate change issues, where relevant</p>	<p>3</p>	<p>Intervention design considers gender, environmental and political economy issues, where appropriate, as part of the problem diagnosis and proposed solutions in the Development Effectiveness Matrix. The Bank establishes approval targets for cross cutting issues. (Gender equality is a specific marker but only if the intervention is believed to be supporting that objective or mitigating significant risks in that regard).</p> <p>Gender is included as one of the policy objectives identified in the current corporate strategy. IDB's Gender Action Plan commits the Bank to identifying interventions that work to reduce violence against women, empower women economically, reduce adolescent pregnancy, and promote voice and participation in decision making. Gender mainstreaming has been a focus in the design of interventions. The progress report to the Gender Action Plan notes that certain sectors have found it more challenging than others to design interventions that incorporate gender equality issues. For intervention design, project teams are instructed to mark where there is gender additionality from the project but contextual analysis is not carried out to tick this box and it relies on an embedded understanding of gender implications of a project.</p>	
<p>Element 5: Context analysis contains reference to governance issues, including conflict and fragility, where relevant</p>	<p>3</p>	<p>IDB policy is clear that all interventions are required to make the case that they contribute to climate change goals as part of the interventions' alignment to strategy development objectives. This includes mitigation, adaptation, and sustainable practice interventions. However, there do not appear to be oversight mechanisms to ensure how relevant the interventions are to addressing climate change.</p>	
<p>Element 6: Evidence of reflection points with partner(s) that take note of any significant changes in context.</p>	<p>4</p>	<p>Consideration of governance is not explicitly addressed in IDB policy, but there is clearly a reflection on issues of risk being considered in the context analysis. Governance is also considered from the perspective of state effectiveness and insofar as assessment of national conditions considers conflict, corruption, fragility, and other political context issues.</p>	
<p><b>Overall Score:</b></p>	<p>3.5</p>		
<p><b>Overall Rating:</b></p>	<p>Highly Satisfactory</p>	<p>IDB has regular dialogue with its partners that appear to respond to current challenges and contextual changes. Regional Policy Dialogue is one of the main mechanisms for knowledge sharing between the Bank and Government Officials. This high level knowledge sharing provides an opportunity for government officials from the region to share experience, ideas, and lessons on key development areas such as Water and Sanitation, Climate Change, Social Protection and Health, and Transport among others. Interventions are monitored twice-yearly. The implications of any significant changes in context are assessed then.</p>	<p>High confidence</p>

*MI 5.3 Capacity analysis informs intervention design and implementation, and strategies to address any weaknesses are employed*

Element	Score	Narrative	Source Documents
Element 1 : Intervention designs contain a clear statement of capacities of key national implementing partners	4	Institutional capacity is integral to IDB's corporate strategy. The bank has revised and adjusted its capacity analysis processes. It has recently introduced a new conceptual framework and tool to assess the institutional capacity of executing agencies for Bank financed projects to: i) to obtain higher-quality information; ii) to use this information to adjust the execution plan of the Operation, and iii) to design an action plan to correct identified shortcomings before or during project execution. IDB's system for designing interventions include the Development Effectiveness Matrix which assesses the extent to which the interventions rely on country systems. As part of this, the countries' fiduciary and non-fiduciary systems are assessed and the level of risk, and need for IDB support to country systems is assessed as part of this process. Identification and assessment of institutional capacity challenges and strategies to overcome them will be undertaken as part of the regional policy dialogue that the Bank engages with policy makers. Additionally, the Bank is working toward increasing deployment of innovative approaches to increase the quantity and quality of training and capacity building offered to the region to promote the use of knowledge relevant to the region's development challenges (IDB Update to the Institutional Strategy, 2015). Although implicit given the Bank's close working relationship with its partners, the extent that capacity analysis considers resources, culture, staff, processes, and structure and performance is not fully articulated. However, IDB's knowledge of its members has been identified as one of its strengths with 82% of respondents to the MOPAN survey rated the IDB as 'fairly good' or better in terms of its understanding of local capacities. However, comparatively fewer felt the Bank was 'very good' or better at this (32%).	4, 5, 7,8, 14, 16, 17, 23, 26, 37, 39, 42, 56
Element 2: Capacity analysis considers resources, strategy, culture, staff, systems and processes, structure and performance	3		
Element 3: Capacity analysis statement has been developed jointly where feasible	3		
Element 4: Capacity analysis statement includes clear strategies for addressing any weaknesses, with a view to sustainability	4	Within the country strategy development process, there is a joint capacity analysis and this informs the strategy for building capacity. However, there is no requirement to jointly develop a capacity analysis statement with partners.  At the sector level, IDB works with member countries to reinforce the capacities of executing units and of the public sector in general, so that projects are executed as planned and on schedule. IDB also carries out institutional capacity	

<p>Element 5: Evidence of regular and resourced reflection points with partner(s) that take note of any significant changes in the wider institutional setting that affect capacity</p>	<p>3</p>	<p>analysis with other donors as appropriate. For example, IDB's Haiti Strategy demonstrates extensive capacity analysis carried out with the Government of Haiti and other donors.</p> <p>IDB's approach to assessing capacity of local PFM systems is an integral part of its approach to building and using partner systems.</p> <p>IDB's current results and monitoring guide includes assessment of technical or sectorial capacity in the planning of interventions. This includes identifying and addressing where there may be low technical or sectorial capacity of those responsible for an intervention's strategic design and supervision which would inform the design of the project management needed in a project (Results Matrix and Project Monitoring Guide 2015).</p>	<p>High confidence</p>
<p><b>Overall Score:</b></p>	<p>3.4</p>		
<p><b>Overall Rating:</b></p>	<p>Highly Satisfactory</p>		<p>High confidence</p>

*MI 5.4: Detailed risk (strategic, political, reputational, operational) management strategies ensure the identification, mitigation, monitoring and reporting of risks*

Element	Score	Narrative	Source Documents
Element 1 : Intervention designs include detailed analysis of and mitigation strategies for operational risk	4	<p>86% of respondents to the MOPAN survey rated the IDB as ‘fairly good’ or better in terms of its approach to risk management (with 39% rating it ‘very good’ or better). But risk management is inherently a balancing act. According to the IDB’s own External Feedback System, stakeholders perceive the IDB as a risk adverse institution.</p> <p>IDB’s undertakes a detailed risk assessment which serves as a compliance checklist. Multiple dimensions of risk are considered and mitigation strategies for operational risk are defined through this process. IDB has a recently updated (2016) Operational Risk Management Framework which aims to improve the coordination of the management of operational risks across the Bank. This includes identifying roles and responsibilities for governance of risk and control activities for risk mitigation, and monitoring activities to control for risk.</p>	23, 4, 9, 10, 11, 12, 14, 15, 16, 17, 18, 22, 26,27, 30, 35, 39, 77
Element 2: Intervention designs include detailed analysis of and mitigation strategies for strategic risk	4	<p>The Development Effectiveness Matrix toolkit sets out a detailed framework for risk management in its intervention design validation process. This includes mitigation measures for major risks and indicators for tracking their implementation. Strategic risks are included in the Bank’s taxonomy of risks.</p>	
Element 3: Intervention designs include detailed analysis of and mitigation strategies for political risk	4	<p>Political risk is considered in the context analysis carried out in the intervention design although not explicitly mentioned in the development effectiveness matrix assessment of risk. IDB’s Private Sector Guarantees (Non-Sovereign Loans) offer guarantees for partial credit and political risk in private sector projects financed with private debt. The IDB offers several types of political risk guarantees for debt instruments: breach of contract guarantees, currency convertibility and transferability guarantees and guarantees for other political risks. Coverage needs are tailored for each project to cover specified risk events related to non-commercial factors. Coverage extends up to 50 percent of project costs or \$150 million, whichever is less.</p>	
Element 4: Intervention designs include detailed analysis of and mitigation strategies for reputational risk	4	<p>The Inter-American Investment Corporation (IIC) has adopted an integrity framework and integrity due diligence guidelines, which establish the obligation</p>	

Element 5: Risks are routinely monitored and reflected upon by the partnership	4	<p>to conduct integrity due diligence for all of its operations. Integrity due diligence is intended to identify, assess, and when possible, mitigate integrity risk and its reputation and other impact. OII oversees the implementation of the IIC integrity framework. IDB's Office of Institutional Integrity provides consultation on potential risk indicators on specific interventions.</p> <p>Regular monitoring of risk is the responsibility of the business units where the risks arise. The Bank's business units are responsible for assessing controlling and mitigating risks. Where these arise at the country level or within a partnership, the business unit would be responsible for resolving these. The Office of Outreach and Partnership (ORP) as the sole channel for institutional partnerships, is responsible for oversight and minimizing risks and potential conflicts of interest by proactively mitigating and addressing reputational risks.</p>	High confidence
Element 6: Risk mitigation actions taken by the partnership are documented and communicated	4	<p>IDB adopted the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework for financial reporting, and the audit and opinion on internal controls over financial reporting by the Bank's external auditor includes information and communication of risks. The COSO framework states that Information and Communication is a two-way channel. At the country level, risks for working with partner countries are set out in the country strategy documents are monitored periodically through regular reporting by the Bank.</p>	
<b>Overall Score:</b>	4.0		
<b>Overall Rating:</b>	Highly Satisfactory		

*MI 5.5: Intervention designs include the analysis of cross-cutting issues (as defined in KPI 2)*

Element	Score	Narrative	Source Documents
Element 1 : Intervention design documentation includes the requirement to analyse cross cutting issues	3	The requirement for IDB interventions to include crosscutting issues at the design phase is clear, as per IDB policies and its development effectiveness matrix.	13, 4, 10, 11, 27
Element 2: Guidelines are available for staff on the implementation of the relevant guidelines	3	The Bank carries out focused contextual analysis for interventions that touch on relevant cross-cutting issues, such as gender and climate change, reflected in the distinct sector frameworks, to deliver better programming. In its gender sector strategy the evidence demonstrates an expanded emphasis on its analytical work in gender and diversity to identify good practices in the area of integrated services to women and indigenous peoples, prevention of violence against women, and adolescent pregnancy prevention; carry out experiments to identify promising approaches to increasing women’s labour force participation and the quality of jobs women hold; identify etc. The focus of this analytical work is to either examine the impacts of important areas of Bank investment or identify promising approaches for future generations of Bank support to our client defined to respond to the region’s challenges, based on international evidence and best practices, significant progress made in the region, and lessons from the Bank’s operational and analytical work . With respect to its work on climate change, the policy states that country-level environmental analysis will be a principal tool to generate relevant information and to support the development of programming documents.	
Element 3: Approval procedures require the assessment of the extent to which cross-cutting issues have been integrated in the design	3		
Element 4: Intervention designs include the analysis of gender issues	3	As indicated earlier, intervention design considers gender, environmental and political economy issues, where appropriate, as part of the problem diagnosis and proposed solutions in the Development Effectiveness Matrix. Interventions get points for the inclusion of cross-cutting issues; considered by the IDB through the lens of ‘additionality’ – dimensions that deliver additional improvements of the intended beneficiaries and/or public sector entity. Clear guidelines are available for the Operational Policy on Gender Equality in Development. Guidelines for mainstreaming climate change mitigation and adaptation in IDB operations are in the pipeline.	
Element 5: Intervention designs include the analysis of environmental sustainability and climate change issues	3	Climate change is a lending priority, while gender is a specific marker but only if	

Element 6: Intervention designs include the analysis of good governance issues	3	<p>the intervention is believed to be directly supporting or mitigating risks. While it is likely that interventions will consider these cross-cutting issues, they are not mandatory for all interventions.</p> <p>Current guidelines recommend that IDB strengthen the treatment of cross-cutting issues in the initial analysis and not only at the Country Strategy level. As such, the relevant specialists will play a role during the preparation, implementation and monitoring. The guidelines state that division chiefs will be a part of mid-term monitoring to ensure that crosscutting issues are adequately addressed during the whole country strategy cycle. (Update to Country Guidelines 2015).</p>	High confidence
Element 7: Plans for intervention monitoring and evaluation include attention to cross cutting issues	3	<p>Monitoring of cross-cutting issues is disparate. There is greater emphasis on end-of-project assessment of the inclusion of cross-cutting issues than ongoing monitoring throughout. The Banks's CRF facilitates monitoring of the three cross-cutting themes. Indicators that are geared toward monitoring climate change, gender equality and diversity, and institutional capacity and rule of law are signposted in the current CRF and the monitoring of these is part of IDB's results monitoring plan.</p>	
<b>Overall Score:</b>	3.0		
<b>Overall Rating:</b>	Satisfactory		

*MI 5.6: Intervention designs include detailed and realistic measures to ensure sustainability as defined in KPI 12)*

Element	Score	Narrative	Source Documents
Element 1 : Intervention designs include statement of critical aspects of sustainability, including; institutional framework, resources and human capacity, social behaviour, technical developments and trade, as appropriate.	3	<p>IDB has not fully defined sustainability across its portfolio. However, the IDB’s mandate around sustainability commits the bank to maximizing positive environmental and social outcomes of our work while minimizing risks and negative impacts to people and natural capital. The IDB’s Sustainability Framework stems from its charter and funding mandate to reduce poverty and inequality and to achieve sustainable growth among its borrowing member countries in Latin America and the Caribbean. To meet these mandates, the Bank has put in place strategies and priorities to guide its support and lending portfolio, along with a robust safeguards system. In addition, the Bank tracks measurable results, adherence to lending targets, and the effectiveness of its safeguards. They also emphasize knowledge and capacity building—essential components to ensure sustainability. Through the Bank’s sustainability programs, it has demonstrated an increasing commitment to incorporate sustainability concerns into the design and execution of loans and grants. (IDB Sustainability Report 2015).</p> <p>At entry, proposals must identify the development challenge to be addressed by the project and provide an analytic diagnosis that leads to a proposed solution with a clear logic, as part of the Development Effectiveness Matrix. The focus in the DEM is on environmental sustainability, though capacity issues and broader country-specific characteristics are also considered. It can be argued that tests imposed by the DEM on program logic and the proposed solution are designed to increase the likelihood for sustainability of investments.</p> <p>Monitoring plans are typically constructed around intended outputs and outcomes and include a section on risks. Inasmuch as these address sustainability assumptions, element 3 will be fulfilled. However, consideration of sustainability assumptions is not explicitly required and the nature of the assumptions means this is unlikely to be routinely covered.</p>	4, 26, 30, 31, 32
Element 2: Key elements of the enabling policy and legal environment that are required to sustain expected benefits from a successful intervention are defined in the design	3		
Element 3: The critical assumptions that underpin sustainability form part of the approved monitoring and evaluation plan.	2		
Element 4: Where shifts in policy and legislation will be required these reform processes are addressed (within the intervention plan) directly and in a time sensitive manner.	NE		
<b>Overall Score:</b>	2.67	Our review did not enable us to form a view on element 4.	
<b>Overall Rating:</b>	Satisfactory		Medium confidence

*MI 5.7: Institutional procedures (including systems for engaging staff, procuring project inputs, disbursing payment, logistical arrangements etc.) positively support speed of implementation*

Element	Score	Narrative	Source Documents
Element 1 : Internal standards are set to track the speed of implementation	3	<p>IDB's corporate strategy seeks to improve the Bank's performance in terms of its speed of delivery (timeliness). The IDB's Corporate Results Framework includes indicators and targets on the timeliness of key processes. It does not benchmark externally. In 2015, timelines for three of the five indicators relating to cycle times did not meet the IDB's corporate targets. It appears however that these measures are no longer included in the revised CRF (2016-19).</p> <p>Reducing bureaucratic procedures is an area for improvement identified by the IDB's External Feedback System. A 2014 OVE review of realignment found that the Bank has made improvements in reaction times with regard to key processes during project execution. Nevertheless, challenges in tackling this are highlighted in the IDB's corporate documentation, including the latest Development Effectiveness Overview and the 2015 Business Review. External stakeholders reported through the External Feedback system that processes for disbursing loans were often slow. This finding is supported by the country and sector disbursement profiles for 2015 where disbursement for nearly all countries and sectors took at least twice as long as planned to fully disburse their SG investment projects. Similarly, the question in the MOPAN survey relating to the timeliness of the IDB's procedures elicited the most negative response comparatively speaking, with 20% of respondents rating the IDB as "fairly poor" or worse and 63% rating it as "fairly good" or better.</p>	2,3,4, 17, 18, 19, 26, 27, 34, 37, 77
Element 2: Organisation benchmarks (internally and externally) its performance on speed of implementation across different operating contexts	3		
Element 3: Evidence that procedural delays have not hindered speed of implementation across interventions reviewed	2		
Element 4: Evidence that any common institutional bottlenecks in speed of implementation identified and actions taken leading to an improvement	3		
<b>Overall Score:</b>	2.75		
<b>Overall Rating:</b>	Satisfactory	<p>IDB's management has introduced a series of reforms to improve IDB's efficiency in the project cycle including Convergence, a business solution to improve IDB's efficiency in delivering services through IT. The IDB also introduced improved procedures for processing sovereign guaranteed operations and corporately it has taken other streamlining initiatives e.g. significant reduction in the length of the budgeting process. At the same time, new procedures to strengthen development effectiveness may risk working against efforts to streamline operations.</p>	High confidence

**KPI 6:** Works in coherent partnerships directed at leveraging and/or ensuring relevance and catalytic use of resources

**Overall KPI Rating**

**3.36**

**Overall KPI**

**Highly satisfactory**

*MI 6.1: Planning, programming and approval procedures enable agility in partnerships when conditions change*

Element	Score	Narrative	Source Documents
Element 1 : Mechanisms in place to allow programmatic changes and adjustments when conditions change	4	IDB has a Partnership Strategy and Resource Mobilization Action Plan for 2016-2020 as well as guidelines for facilitated partnerships, procedures for the development of partnerships and annual business plans which establishes priorities and strategic objectives for the Department of Outreach and Partnerships (ORP) which is the sole window for institutional partnerships.	5, 32, 54, 74, 77, 79, 90
Element 2: Mechanisms in place to allow the flexible use of programming funds as conditions change (budget revision or similar)	4	ORP is set up to flex and respond to opportunities that emerge, within what the ORP Business Plan for 2015 refers to as the “ever-changing development financing eco-system”. It regularly monitors development finance trends and proactively tracks donor interest and trends as well as changes on the global development landscape. IDB has committed to expanding co-financing tools and modalities which will donors and allow effective and sustainable which will allow for donors, lenders, and borrowing countries to engage.	
Element 3: Institutional procedures for revisions permit changes to be made at country/regional/HQ level within a limited timeframe (less than three months)	3	Findings under KPI 3 –in particular MI 3.3 – with respect to flexibility to adjust to changing conditions on the ground are relevant here also.	
Element 4: Evidence that regular review points between partners support joint identification and interpretation of changes in conditions	4	71% of respondents to the MOPAN survey rated the IDB as ‘fairly good’ or better in terms of the flexibility of its finance resources to meet needs at the country level. However, this review is not aware of the timeframe normally required to enable changes (in particular whether it is less than 3 months).	
Element 5: Evidence that any common institutional bottlenecks in procedures identified and action taken leading to an improvement	4	ORP’s annual work plans are reviewed quarterly to account for results. Monitoring of interventions is conducted jointly with involved partners twice a year, enabling joint assessment of changing conditions. Agreements with partners are formalised by memoranda of understanding which establish opportunities for cooperation and strategic alliance; these are supported by action plans which establish strategic goals and annual review points for the Bank and its partners.	
<b>Overall Score:</b>	3.8		
<b>Overall Rating:</b>	Highly Satisfactory	ORP’s customer relationship management tool (CRM) is in place to manage, track, and analyse partnership information and to take action when issues arise.	High confidence

*MI 6.2: Partnerships based on an explicit statement of comparative advantage e.g. technical knowledge, convening power/partnerships, policy dialogue/advocacy*

Element	Score	Narrative	Source Documents
Element 1 : Corporate documentation contains clear and explicit statement on the comparative advantage that the organisation is intending to bring to a given partnership	4	IDB have a clear statement of their comparative advantage in their institutional strategy and that they want to bring it to their partnerships. They have an articulated their perceived value added.  In establishing partnerships, MOUs provide an opportunity for the IDB and partner to articulate areas for strategic cooperation. While ORP's current strategy notes progress in leveraging its comparative advantage with MDBs harmonization, it notes that there is still some work to be done in developing platforms for partnership matchmaking which foster IDB's comparative advantage.	44, 5, 7, 8, 14, 16, 17, 27, 30, 32, 36, 38, 39, 40, 43, 46, 49, 51, 74
Element 2: Statement of comparative advantage is linked to clear evidence of organisational capacities and competencies as it relates to the partnership	3	Within IDB's Sector Framework Documents (SFD), the Bank articulates its comparative advantage vis-à-vis expertise, technical experience, and knowledge. The SFD clearly demonstrate the IDB's experience in a given sector and state how the sector work draws upon the IDB's comparative advantage and how it will be brought to bear in the region.	
Element 3: Evidence that resources/ competencies needed for intervention area(s) are aligned to the perceived comparative advantage	3	Organizational capabilities, proven experience, knowledge development, and strategic position form part of the IDB's comparative advantage in a sector but how these relate to a given partnership is not clearly elaborated. However, the Bank's comparative advantage does not fully how the Bank compares with other development actors operating in the same geographic or thematic area.	
Element 4: Comparative advantage is reflected in the resources (people, information, knowledge, physical resources, networks) that each partner is able (and willing) to bring to the partnership	4	Country strategies have a limited analysis of development landscape in terms of other key development actors. The Country Strategy documents do not define, or fully justify how the Bank will structure its country program guided by its comparative advantage in the country. OVE picked up on the limited extent that the Bank defined its comparative advantage in the 2011-2014 Brazil Country strategy, for example. While the Bank is guided by its corporate comparative advantage, this is not articulated within the country context.	
<b>Overall Score:</b>	3.5	ORP's success from 2008 to 2015 in expanding both the breadth and diversity of its partner portfolio and the level of resources mobilized and matched with in-kind contributions from partners reflects a recognition of IDB's comparative advantage in the region as the "preferred channel for directing aid to LAC" for public and private donors and investors. ORP's pursuit of partnerships is guided by the institutional priorities of the corporate strategic plan. ORP states its intention to increase its focus on specific sectors where the Bank has a comparative advantage and where there is opportunity for enhanced resource mobilization.	
<b>Overall Rating:</b>	Highly Satisfactory		High confidence

*MI 6.3: Clear adherence to the commitment in the Busan Partnership for Effective Development Cooperation on the use of country systems*

Element	Score	Narrative	Source Documents
Element 1 : Clear statement on set of expectations for how the organisation will seek to deliver on the Busan commitment/QCPR statement (as appropriate) on use of country systems within a given time period	4	IDB is a signatory of the Paris Declaration as well as the Busan Partnership for Effective Development Cooperation. In the Update to the Institutional Strategy, the Bank restated its commitment. It has a policy and strategy for building and using partner country systems, which sets out expectations for progress over the period 2014-18 and which is monitored annually. In 2015, the proportion of country strategies able to report positive progress on this issue increased to 78% (compared with 70% in 2014).	3, 4, 11, 16, 17, 30, 34, 39, 40, 43, 44, 45, 49, 51
Element 2: Internal processes (in collaboration with partners) to diagnose the condition of country systems	4	Other steps that the bank has taken to ensure adherence to Busan commitments include: major decentralization strategy and efforts to increase country capacity; annual validation exercise to assess country systems; country strategies guided by National Development Goals and policy dialogue; and demand-led approach to country engagement.	
Element 3: Clear procedures for how organisation to respond to address (with partners) concerns identified in country systems	4	The IDB believes its approach to implementing its commitment to strengthen and use country systems compares favourably with other MDBs, by for example, adopting systemic rather than case-by-case assessments. 64% of respondents to the MOPAN survey rated the IDB as 'fairly good' or better in its commitment to using partner systems, while 75% rated it similarly for its approach to strengthening country system. Just 11% of respondents in each case rated the IDB as 'fairly poor'.	
Element 4: Reasons for non-use of country systems clearly and transparently communicated	NE	The IDB country systems guidelines adequately describe arrangements when country systems are assessed as insufficient (in terms of fiduciary and non-fiduciary risks) – element 4 – however, we did not review the communication approach as part of our review.	
Element 5: Internal structures and incentives supportive of greater use of country systems	4	We found no evidence of internal disincentives to the greater use of country systems, beyond the requirements imposed by the IDB's strategy and fiduciary risk management system.	
Element 6: Monitoring of the organisation trend on use of country systems and the associated scale of investments being made in strengthening country systems	3	Monitoring and reporting of progress is provided through the DEO. However, the indicator does not distinguish between strengthening and use of systems. As such it may be possible to demonstrate progress without any increase in actual use of partners' systems.	
<b>Overall Score:</b>	3.8		
<b>Overall Rating:</b>	Highly Satisfactory		High confidence

*MI 6.4: Strategies or designs identify synergies, to encourage leverage/catalytic use of resources and avoid fragmentation*

Element	Score	Narrative	Source Documents
Element 1 : Strategies or designs clearly recognise the importance of synergies and leverage	3	IDB recognizes the importance of multi-sector working and collaboration across institutions. IDB has undertaken a significant body of joint work internally to address multi-sector fragmentation evidenced by progress demonstrating progress made in terms of promoting joint work between sectors and private sector windows. IDB's corporate strategy reflects the Bank's commitment to enhancing the leverage and multiplier effect of its financing, technical assistance and knowledge across sectors and through the different types of partnerships the Bank pursues.	1, 3, 4, 7, 8, 13, 14, 17, 31, 32, 36, 39
Element 2: Strategies or designs contain clear statements of how duplication/fragmentation will be avoided based on realistic assessment of comparative advantages	3	In the IDB's specific sector policies and framework documents, there is clear effort to identify synergies, drawing on the IDB's comparative advantages and taking stock of opportunities to add value to wider change. For example in the climate change sector framework document, access to and use of resources for climate actions as well as the dialogue between stakeholders and the creation of synergies is highlighted. IDB's Knowledge and Learning Strategy includes a statement that recognizes the importance of coordination of efforts, taking advantage of synergies and complementarities as a necessary condition for the Bank to be an effective learning organization.	
Element 3: Strategies or designs contain clear statement of where an intervention will add the most value to a wider change.	3	In its mobilization of resources operational policy, the IDB considers that as a complement to the financing it provides out of its own resources and the funds it administers, it is called upon to act as a catalyst in the mobilization of additional funds from external sources for financing specific projects in its regional developing member countries. To this end the Bank encourages and cooperates with the borrowers in securing additional external financing from different sources. Further, in the sub regional financial institutions policy, areas would be identified in which action by the sub-regional bank would yield clear benefits for both institutions and their member countries, in the interests of achieving greater operational efficiency. However, it is not evident in IDB's country and sector strategies how IDB will work with other bilateral and multilateral partners	
Element 4: Strategies or designs contain a clear statement of how leverage will be ensured	2		

<p>Element 5: Strategies or designs contain a clear statement of how resources will be used catalytically to stimulate wider change</p>	<p>3</p>	<p>to leverage funds or technical assistance.</p> <p>Although leverage is a strategic priority for the IDB, how the IDB ensures leverage through its country and sector strategies is somewhat wooly. In the absence of a partnership strategy, guidelines or criteria for ensuring leverage are not articulated.</p> <p>IDB does not have a policy that explicitly tackles reducing fragmentation or duplication in its work. Additionally, an independent evaluation reports fragmentation across sectors. With weaker incentives for cross-collaboration than before the Realignment.</p>	
<p><b>Overall Score:</b></p>	<p>2.8</p>		
<p><b>Overall Rating:</b></p>	<p>Satisfactory</p>		<p>High confidence</p>

*MI 6.5: Key business practices (planning, design, implementation, monitoring and reporting) coordinated with other relevant partners (donors, UN agencies, etc.) as appropriate.*

Element	Score	Narrative	Source Documents
Element 1 : Evidence that the organisation has participated in joint planning exercises, such as the UNDAF	4	The IDB partners through various instruments including grants and loans, trust funds and other mechanisms. Most of the IDB's partnerships are with country governments with whom there are formal mechanisms for planning, designing interventions and working together. At the country level, the IDB coordinates closely with governments through the project cycle. The IDB Group's partnering strategy sets out mechanisms that will allow for better coordination and joint planning exercises. For bilateral development agencies, IDB has annual or periodic action plans and follow up which serve to articulate country and sector partnership programmes. Currently, IDB has Framework Agreements with the main cooperation agency or Ministries of Finance from the OECD/DAC and Non-DAC countries operating in the region, including Germany, France, Spain, Portugal, the UK, Canada, Switzerland, the EC, Korea, and China. Joint programming strategies were implemented since 2008 with the bilateral partners from China, Korea, Singapore, Japan, Spain, Finland, and Germany. Beyond this, joint programming with partners is carried out annually.	1, 3, 4, 8, 9, 12, 17, 23, 24, 37
Element 2: Evidence that the organisation has aligned its programme activities with joint planning instruments, such as UNDAF	4	Since 2008, IDB has developed joint programming mechanisms with UN agencies and MDGs to create new financial and non-financial products in key development areas. With this, ORP has participated in harmonization and knowledge sharing in co-financing and trust funds. (Resource Mobilization and Partnership Strategy 2016-2020).	
Element 3: Evidence that the organisation has participated in opportunities for joint programming where these exist	4	Sector frameworks documents provide a potential means for sharing lessons in operational experience, supporting evaluations of interventions in the region, and seeking opportunities for operational collaboration.	
Element 4: Evidence that the organisation has participated in joint monitoring and reporting processes with key partners (donor, UN etc.)	4	Dialogue processes by way of interagency and inter-ministerial coordination mechanisms are used to ensure the consistency of public policies and to involve experts in different disciplines who can promote and facilitate the dialogue conducive to achieving progress on cross-cutting action. Co-financing processes executed under the principle of shared responsibility on the activities related to monitoring and evaluation of operations, Borrowers have the main responsibility	
Element 5: Evidence of the identification of shared information gaps with partners and strategies developed to address these	3		

Element 6: Evidence of participation in the joint planning, management and delivery of evaluation activities	3	<p>of collecting the basic information required for the preparation of the PCR and ex-post evaluations. Such information is systematically gathered for all projects up to the level of outcomes.</p> <p>In the sample of Partner MOUs and Action Plans reviewed, there is reference to participation of partners in impact evaluations (e.g. UN Women’s role as an adviser on an impact evaluation of Transport Safety). Development of knowledge sharing products that assess the effect of joint work is also referenced in partner documentation (e.g. Telefonica data story of earthquake). There is no evidence of joint evaluations with OVE and other institutions.</p>	
<b>Overall Score:</b>	3.67		
<b>Overall Rating:</b>	Highly Satisfactory		High confidence

*MI 6.6: Key information (analysis, budgeting, management, results etc.) shared with strategic/implementation partners on an ongoing basis*

Element	Score	Narrative	Source Documents
Element 1 : Clear corporate statement on transparency of information	4	<p>IDB's corporate strategy commits the Bank to enhanced transparency of information and to being a knowledge leader for the region. The Bank's country-centred approach combined with its strategic thrust toward increased transparency and accountability lends itself to sharing information with partners on an ongoing basis.</p> <p>Through the Bank's Access to Information Policy, the Bank has continued to make progress on its data transparency initiatives and structures to share information with partners. (Access to Information Policy, 2014).</p> <p>Less than 10% of respondents to the MOPAN survey rated the IDB as 'poor' in sharing key information – with just over 51% rating it 'very good' or better.</p> <p>More than 8 out of 10 partners find IDB staff to be 'very responsive' in responding to partner queries. Multilateral Investment Fund specialists, Investment offices and portfolio management/supervision officers were all rated highly for their responsiveness to partner queries.</p> <p>71% of external stakeholders agree that IDB knowledge products are a valuable and high quality source of knowledge for their countries.</p> <p>Outside of country partners, IDB has a long-term commitment to harnessing knowledge for development, building knowledge platforms and programs to connect regional policymakers with the real-world experiences of technical experts and Bank partners and thus combining knowledge from more than 30 partners from the private sector, academia and non-governmental organisations.</p> <p>The development of information management systems such as Convergence are designed for information sharing. External stakeholders are generally positive quality of IDB's knowledge products.</p>	1, 4, 7, 9, 12, 16, 17, 24, 25, 27, 32, 52, 79
Element 2: The organisation has signed up to the International Aid Transparency Initiative	4		
Element 3: Information is available on analysis, budgeting, management in line with the guidance provided by the International Aid Transparency Initiative	3		
Element 4: Evidence that partner queries on analysis, budgeting, management and results are responded to in a timely fashion	4		
Element 5: Evidence that information shared is accurate and of good quality.	3		
<b>Overall Score:</b>	3.6		
<b>Overall Rating:</b>	Highly satisfactory		High confidence

*MI 6.7: Clear standards and procedures for accountability to beneficiaries implemented*

Element	Score	Narrative	Source Documents
Element 1 : Explicit statement available on standards and procedures for accountability to beneficiary populations e.g. Accountability to Affected Populations	3	The IDB does not have an explicit statement available on standards and procedures for accountability to beneficiary populations e.g. Accountability to Affected Populations but is committed to producing tangible and positive results in the lives of beneficiaries and address the most important development challenges facing our 26 borrowing members in Latin America and the Caribbean. The IDB has a number of mechanisms that to differing degrees promote a culture of accountability to beneficiaries but fall short of establishing formal accountability arrangements.	3, 4, 21 ,22, 28, 30, 31, 45, 47, 75, 105
Element 2: Guidance for staff is available on the implementation of the procedures for accountability to beneficiaries	3	<ul style="list-style-type: none"> <li>• The CRF includes people-level indicators, some disaggregated for indigenous and afro descendent groups.</li> <li>• The Development Effectiveness Matrix Toolkit states that the diagnosis of an IDB project should define the intended beneficiaries for a project to form the basis for the vertical logic of the intervention (and the adequacy of this is one of the factors that inform approval).</li> <li>• The IDB has a mandate to establish Civil Society consultation groups ("ConSoc") in each of the 26 borrowing countries. IDB's engagement with CSOs through this mechanism has 5 levels: information, dialogue, consultation, collaboration, and partnership and no doubt informs substantively the IDB's programming. Arising from this, there are of examples of direct engagement with beneficiaries and activities at the "partnership" engagement level are tracked by the VPC team. (Civil Society: Engagement Review 2014-2015). This no doubt encourages a sense of responsibility to beneficiary representatives, but 'accountability' is notably not one of the levels of engagement.</li> </ul>	
Element 3: Training has been conducted on the implementation of procedures for accountability to beneficiaries	NE	<ul style="list-style-type: none"> <li>• The IDB has a consultation process to support its environmental and social safeguards compliance systems.</li> <li>• The IDB also operates the MICI (the Independent Consultation and Investigation Mechanism) – an impartial and objective mechanism to handle complaints presented by groups of two or more persons (called Requesters) who believe that they are being adversely affected by projects financed by the Bank in which it is alleged that Bank Management has failed to observe the Relevant Operational Policies. In</li> </ul>	
Element 4: Programming tools explicitly contain the requirement to implement procedures for accountability to beneficiaries	2		

<p>Element 5: Approval mechanisms explicitly include the requirement to assess the extent to which procedures for accountability to beneficiaries will be addressed within the intervention</p>	<p>2</p>	<p>order to handle these complaints, once it has conducted an eligibility analysis, the MICI has two processes or phases: Consultation and Compliance Review. The Requesters must decide at the time of submitting their complaint whether they would like for it to be processed under both phases or just one. Although open to a broader group than 'beneficiaries', MICI has received requests from groups of affected residents, individuals, CSO, indigenous groups and companies dealing with the environment, human health, economic harm, involuntary resettlement, and rights of indigenous peoples, and harm to cultural heritage. Largely, these complaints have arisen where Bank activity has not been accompanied by relevant information or public consultation of the affected population. To support better public consultations, the Bank has prepared new guidelines to support Executing Agencies to be more effective and efficient in their public consultations.</p> <p>The Gender Action Plan has recommended that all interventions where there are people-level indicators be disaggregated by sex. Templates for project management reporting include a line for identifying where project monitoring data should be disaggregated *(by sex or by ethnicity). However, across the board, a relatively small number of interventions appear to have a baseline that is broken down by ethnic group that enables monitoring of the differential impact that an intervention is having on different beneficiary groups.</p>	
<p>Element 6: Monitoring and evaluation procedures explicitly include the requirement to assess the extent to which procedures for accountability to beneficiaries have been addressed within the intervention</p>	<p>2</p>		
<p><b>Overall Score:</b></p>	<p>2.4</p>		
<p><b>Overall Rating:</b></p>	<p>Satisfactory</p>		<p>High confidence</p>

*MI 6.8: Participation with national and other partners in mutual assessments of progress in implementing agreed commitments*

Element	Score	Narrative	Source Documents
Element 1 : Evidence of participation in joint performance reviews of interventions e.g. joint assessments	3	IDB carries out regular policy dialogue with donors and other multilateral banks to identify synergies and avoid duplication of efforts in the preparation of country strategies. In addition, annual performance reviews are carried out with partners.	3, 7, 9, 12, 17, 43
Element 2: Evidence of participation in multi-stakeholder dialogue around joint sectoral or normative commitments	4	IDB's progress monitoring reports and project completion reports are written jointly with partners. This translates to joint reporting at the country level with member governments.	
Element 3: Evidence of engagement in the production of joint progress statements in the implementation of commitments e.g. joint assessment reports	3	IDB's External Feedback System is the bank's tool for assessing a wide range of partners' perceptions of the Bank's products and services. It is an important engagement tool with partners and also provides a way of gauging IDB's performance and using the survey as a way of improving IDB's performance. The most recent survey, 2015, found 90% or higher satisfaction ratings for all IDB loan and TC operations while 97% of respondents stated they would recommend the IDB as a development partner.	
Element 4: Documentation arising from mutual progress assessments contains clear statement of the organisation's contribution, agreed by all partners	NE	IDB engages effectively with national and other partners in mutual assessments of progress in implementing agreed commitments. Coordination between the various ministries and levels of government is described in the IDB's sector strategies as part of defining responsibilities and separating policy, regulatory, and operational functions help to promote specialization and independent decision-making processes.	
Element 5: Surveys or other methods applied to assess partner perception of progress	4	Progress Monitoring and Project Completion Reports (PMRs and PCRs) also involve partners. In the PCR process, management prepares the PCR at the end of each project execution, including information on outputs and outcomes, and ratings on its performance, sustainability and probability of achieving development objectives that have been agreed jointly by partners. ORP creates action plans with its partners which provide a mechanism to measure and monitor the progress of partnerships. While the sample did not include joint-assessments of progress, the action plans point to documented progress assessments. We did not find any evidence of joint evaluations with OVE	
<b>Overall Score:</b>	3.5	Our review did not include assessment of documentation required under element 4.	Medium confidence
<b>Overall Rating:</b>	Highly Satisfactory		

*MI 6.9: Deployment of knowledge base to support programming adjustments, policy dialogue and/or advocacy*

Element	Score	Narrative	Source Documents
Element 1 : Statement in corporate documentation explicitly recognises the organisation's role in knowledge production	4	IDB's corporate strategy and sector frameworks emphasize the importance of knowledge generation and dissemination to enhance the results of the IDB's work; capitalizing on IDB's convening power, ability to disseminate good practices, and generate policy dialogue.	14, 5, 7, 8, 15, 16, 17, 21, 23 26, 27, 30, 32, 35, 39, 40, 48, 49, 52, 55, 79, 101. 105, 106
Element 2: Evidence of knowledge products produced and utilised by partners to inform action	3	IDB works with partners to mobilize knowledge and experience for development. This includes drawing on partner technical expertise for development solutions. Development of knowledge products is a key aspect of IDB's engagement with CSOs. In its 2014-2015 CSO engagement report, several success stories speak to the use of IDB's knowledge products for their action and information.	
Element 3: Knowledge products generated and applied to inform advocacy at country, regional or global level.	3	The IDB deploys its knowledge base in support of policy dialogue and advocacy as a convenor, and through deployment of technical and dialogue capacity. IDB plays a key role as a convenor for policy dialogue. IDB organizes highly successful regional policy dialogues on sector issues, convening public authorities and private sector stakeholders. These events are of vital importance and usefulness for the identification of priorities and sharing of experiences between countries of the region. The IDB has implemented a comprehensive dissemination strategy of its knowledge products using several new instruments and channels to deploy the knowledge produced by the Bank.	
Element 4: Evidence that knowledge products generated are timely/ perceived as timely by partners	3		
Element 5: Evidence that knowledge products are perceived as high quality by partners	3	The Bank's financial and technical contribution to the production of various tools and knowledge available to all countries have been key to the Bank's support to country systems.	
Element 6: Evidence that knowledge products are produced in a format that supports their utility to partners.	3	According to the IDB External Feedback System, concur that IDB's knowledge products are useful. A majority of stakeholders (87%) have used IDB knowledge products in the past two years and each type of product has been used by one-quarter of stakeholders or more. .Stakeholders most often obtain information from IDB through its website (68% of stakeholders)—which stakeholders feel very positively about—though direct contact with IDB staff is also common (53%). .The types of IDB knowledge products used and the channels used to obtain information vary by stakeholder organization type and region. Stakeholders are generally positive about the quality and usefulness of IDB knowledge products— 71% “totally agree” or “agree” that the products are a valuable source of knowledge for their countries.	
<b>Overall Score:</b>	3.17		
<b>Overall Rating:</b>	Highly Satisfactory	However, stakeholders also found that there is an opportunity for the IDB to benefit from being more proactive in its knowledge sharing, to drive awareness and increase familiarity with the IDB's project offerings.	High confidence

## Performance Area: Performance Management

*Systems geared to managing and accounting for development and humanitarian results and the use of performance information, including evaluation and lesson-learning*

<b>KPI 7: Strong and transparent results focus, explicitly geared to function</b>			
<b>Overall KPI Rating</b>	<b>3.14</b>	<b>Overall KPI</b>	<b>Highly Satisfactory</b>

*MI 7.1: Leadership ensures application of an organisation-wide RBM approach*

Element	Score	Narrative	Source Documents
Element 1 : Corporate commitment to a result culture is made clear in strategic planning documents	4	Since 2010 major implementation of reforms to strengthen the focus on development effectiveness...culture change... clear messages from the top and accompanied by much staff training. Genuine and sustained corporate commitment evident. (“compared to 2011, completely different organisation”...)	1, 3, 4, 6, 10, 12, 18, 19, 25, 26, 37, 34, 68,72
Element 2: Clear requirements/incentives in place for the use of an RBM approach in planning and programming	3	<ul style="list-style-type: none"> <li>• Branding exercise in 2015: bottom up.... generated the core purpose of “improving lives”...all about the end beneficiaries</li> <li>• strong leadership on the Updated Institutional Strategy (when current EVP started, v. few staff knew the institutional strategy</li> <li>• work through the budget planning process to encourage every member of staff to define how they contribute to the IDB’s objectives</li> </ul>	

Element 3: Guidance for setting results targets and develop indicators is clear and accessible to all staff	3	<ul style="list-style-type: none"> <li>EVP's idea to introduce a section in the annual report on "learning from failure"</li> </ul> <p>The Bank also has to manage the tension inherent in organisational culture given differences in objectives /motivations of a Bank vs. a development agency:</p> <ul style="list-style-type: none"> <li>In part seen as a generational thing among staff , with older staff more ingrained with 'bank' perspective, but seem to understand the risk and the changes introduced certainly weight at least the hoops to the Development side of things</li> <li>Perceived as low risk to selectivity (i.e. risk that finance low development impact activities because of demand) given that working in a situation where already excess demand for IDB's services... so not having to take anything to maintain the order book</li> </ul> <p>Elements 1-4 are in place for Sovereign Guarantee Loans but TC lines are being reformed to adopt more RBM approach.</p> <p>There are some issues around efficiency and effectiveness of the IDB's RBM system but these are discussed elsewhere in the MOPAN assessment framework.</p> <p>Element 5: no evidence to suggest the system is under-resourced. Much of this has been approved at Board level...and apparently IDB sets out the costs/implications of new requirements.</p> <p>All staff and consultants are trained in IDB's results-based management approach.</p>	High confidence
Element 4: Tools and methods for measuring and managing results are available	3		
Element 5: Adequate resources are allocated to the RBM system	3		
Element 6: All relevant staff are trained in RBM approaches and method	4		
<b>Overall Score:</b>	3.33		
<b>Overall Rating:</b>	Highly Satisfactory		

*MI 7.2: Corporate strategies, including country strategies, based on a sound RBM focus and logic*

Element	Score	Narrative	Source Documents
Element 1 : Organisation-wide plans and strategies include results frameworks	4	<p>Corporate and country strategies include results frameworks. Each project (excl. TC currently) has result matrix. Strategies are subject to revision.</p> <p>Piloting new approach to country strategies – more integrated working, more country-driven. However, still work in progress to realise the ambition of more multi-sectoral working.</p> <p>Corporate reporting is regular and RBM-focused. Levels within results frameworks are clear but clear line of sight/linkages between levels are not formally elaborated.</p>	1, 2, 3, 10, 11, 12, 16, 18, 22, 24, 25, 26, 30, 31, 34, 37, 38, 39, 40, 41, 48, 49, 51, 52, 86, 69, 102
Element 2: Clear linkages exist between the different layers of the results framework, from project through to country and corporate level	2	<p>Element 1: UIS and the revised CRF reinforcing trends that on-going not new: UIS problem diagnosis absolutely key for South America, but broad - increased flexibility means doesn't stress poverty and inequality as much as before (in the view of 1 respondent)</p> <p>Element 1 / 2: New approach to Country Strategies - trying to create integrated diagnostic (not sectors with own notes and advocating own issues)... OVE believes a good thing but will take time. In principle good but still work-in-progress.</p> <ul style="list-style-type: none"> <li>Country Strategy documents – written differently – more flexibility to adjust over time; previously just stitched together now more country ownership of the document.</li> <li>Revision to Country Strategy good idea but will take time to internalise a multi-sectoral approach: everyone agrees that necessary (e.g. ECED is not just education solution) but incentives still not sufficient to operationalise.</li> <li>Have issued guidelines to assist – piloted last year in 4 countries... experience suggests that entails greater energy and cost but “less burdensome than expected” (VPC).</li> </ul>	
Element 3: An annual report on performance is discussed with the governing bodies	4		

Element 4: Corporate strategies are updated regularly	4	<ul style="list-style-type: none"> <li>• (Social protection/health): questions whether many of the Country Strategies yet have very strategic perspective. Trying to operate more multi-sectorally -takes some time to deploy across IDB.</li> <li>• Externally, face hurdles particular among clients who are organised in silos – big challenge – they themselves are not set up to work multi-sectorally. Internally still a cultural thing esp. among those who’ve been around a while. Tools to support change being tested but still strong incentives to plough own field...double-booking not sufficient to overcome.</li> <li>• Working against an input focused culture - if can’t see themselves in the CS (e.g. for infrastructure how many kms of pipes to build) then don’t see relevance. Most sector staff are specialists and most are engineers [infrastructure].</li> <li>• Acknowledgments that need proper sharing of recognition and of budget in the project cycle... extend beyond approval to include supervision.</li> </ul> <p>Element 3: DEO and QBR part of a range of performance based managerial reporting tools which go to Board. Incl. + Annual Report + Agenda for a Better Bank progress report, etc.).</p> <p>Corporate strategies are updated regularly and reports show progress over time and notes areas of strong performance as well as deviations between planned and actual results.</p>	
Element 5: The annual corporate reports show progress over time and notes areas of strong performance as well as deviations between planned and actual results	4		
<b>Overall Score:</b>	3.6		
<b>Overall Rating:</b>	Highly Satisfactory		High confidence

*MI 7.3: Results targets based on a sound evidence base and logic*

Element	Score	Narrative	Source Documents
Element 1 : Targets and indicators are adequate to capture causal pathways between interventions and the outcomes that contribute to higher order objectives	2	Element 1 is inherently difficult to achieve – “indicators” are not typically well-suited to capturing causal pathways. Within the Development Effectiveness Matrix, projects specify indicators for different levels of effects. Similarly, within the CRF, different levels of effect are specified. Nevertheless, the narrative linking IDB outputs to its higher order objectives does not always explain the causal pathways.	1, 2, 4, 7, 8, 10, 12, 18, 22, 25, 30, 31, 37, 26, 28, 34, 38, 41, 42, 43, 44, 46, 48, 49, 51,
Element 2: Indicators are relevant to the expected result to enable measurement of the degree of goal achievement	3	For Element 2: some performance concepts in the Corporate Results Framework are necessarily challenging in terms of setting adequate indicators: sustainability, efficiency, innovation. There are also auxiliary measures, which complement these to some degree and detailed definitions of the indicators can be found on the IDB’s website. Nevertheless, the limitations of these indicators should be more clearly acknowledged in reports. For example, the revised efficiency measure (cost-income ratio) is presented as a better alternative to the other measures. However, it is noted that this new measure replaces indicators that suggested below target performance on efficiency. The argument for replacement – that previous measures were poor indicators of the Bank’s performance – is reasonable. But the new measure itself is not a direct, one-to-one measure of the IDB’s efficiency (e.g. recent improvements in the measure are not wholly down to performance by the IDB); and also note that the measure itself is not anchored at the operational level, so not particularly driving any behaviours.	
Element 3: Development of baselines are mandatory for new Interventions	3	Sector Framework Documents that guide intervention planning and design set out the key targets and dimensions of the IDB’s support to ensure it delivers most value. However, these are not formulated in a way that readily supports assessment/monitoring.	
Element 4: Results targets are regularly reviewed and adjusted when needed	3	Baselines are not <i>mandatory</i> but the Development Effectiveness Matrix does ask for quant data to inform baselines –and every indicator in the results matrix must have a baseline or ‘starting’ value.	
<b>Overall Score:</b>	2.75	Element 4: Results targets are regularly reviewed and adjusted when needed...based on its experience, IDB is shifting (loosening) its approach to targets to enable a (sensible) degree of flexibility in pursuing overall objectives.	
<b>Overall Rating:</b>	Satisfactory		High confidence

*MI 7.4: Monitoring systems generate high quality and useful performance data*

Element	Score	Narrative	Source Documents
Element 1 : The corporate monitoring system is adequately resourced	4	The nature of this MI – with its focus on quality and use – necessarily means it is less easily observable/harder to evidence that other MIs that relate to, for example, the presence or absence of policies or systems.	1, 2, 4, 7, 8, 10, 12, 18, 22, 25, 30, 31, 37, 26, 28, 34, 38, 41, 42, 43, 44, 46, 48, 49, 51, 68, 69, 73
Element 2: Monitoring systems generate data at output and outcome level of the results chain	3	The corporate monitoring system is adequately resourced. The Bank has been making significant changes recently to strengthen quality management at appraisal (DEM), during implementation (PMR) and at completion (PCRs). Interviews indicated that, notwithstanding any limitations, the changes were widely viewed as necessary given weaknesses in the approach previously taken.	
Element 3: Reporting structures are clear	3	Systems to adequately capture results of TC lines are still in development, with a new monitoring system introduced in 2016.	
Element 4: Reporting processes ensure timely data for key corporate reporting, and planning	3	There is general recognition that these steps are both necessary and welcome. However, concerns were voiced during interviews about the utility of the information being generated at the operational level, compared with the corporate level.	
Element 5: A system for ensuring data quality exists	3	Quality assurance systems are in place but the level depth varies: formal systems exist for OVE evaluation reports and the validation of PCRs and in oversight of PMRs. Quality assurance for (decentralised) impact evaluations is apparently more advisory/optional in nature.	
Element 6: Data adequately captures key corporate results	2	Element 6 is scored lower to reflect measurement challenges for key result areas – sustainability, innovation, efficiency – at project level and for TC lines. All these are areas where the IDB is making or has recently made changes to improve this going forward.	
<b>Overall Score:</b>	3.0	In short, there is an obvious commitment on the part of the IDB but implementation of some quite significant reforms in IDB’s performance assessment system are only now really underway, throwing up new challenges to ensure utility (and hence cost-effectiveness). For this reason, careful tracking combined with preparedness to further refine systems to maximise value will be important. In addition, for key performance measures, consideration could usefully be given to a assessing and disclosing data quality risks/limitations.	High confidence
<b>Overall Rating:</b>	Satisfactory		

*MI 7.5: Performance data transparently applied in planning and decision-making*

Element	Score	Narrative	Source Documents
Element 1 : Planning documents are clearly based on performance data	3	<p>The IDB utilises the performance information generated for corporate management purposes – From the budgeting perspective, definitely ...the RBB systems is quite developed.</p> <p>At project level, intervention designs are required to set out (“with empirical data”) the nature of the problem to be addressed and back up proposed solutions with evidence from evaluations and the like. Problems during implementation are identified at this level through the Progress Monitoring Report, which is completed 2 x per year.</p> <p>However, there is a risk that application/utilisation of the performance data has yet to catch up fully with the extensive changes introduced to the performance quality assurance and management systems.</p> <ul style="list-style-type: none"> <li>• Whole quality system is good intention but in reality quite challenging. There is a risk that it becomes a process that provides information that is useful to the corporate centre (e.g. for oversight, grading/scoring and external reporting) but is of much less value operationally. (Interviews suggestion that use of performance data by Country Offices is much less than by the centre)</li> <li>• Initial reforms have been seen as necessary but there are concerns that the IDB keeps “adding to the Christmas tree” – “Now 4 people prepare a proposal and 90 people give opinion”....there is a clear intention to increase design quality, widely recognised as important, but if the process becomes too complicated the risk is that it becomes a “salute to the flag”</li> </ul>	3, 6, 10, 16, 26, 31, 36, 43, 77, 98
Element 2: Proposed adjustments to interventions are clearly informed by performance data	3		
Element 3: At corporate level, management regularly reviews corporate performance data and makes adjustments as appropriate	3		
Element 4: Performance data support dialogue in partnerships at global, regional and country level	3		
<b>Overall Score:</b>	3.0		
<b>Overall Rating:</b>	Satisfactory		High confidence

**KPI 8: Evidence-based planning and programming applied**

<b>Overall KPI Rating</b>	<b>3</b>	<b>Overall KPI</b>	<b>Satisfactory</b>
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*MI 8.1: A corporate independent evaluation function exists*

Element	Score	Narrative	Source Documents
Element 1: The evaluation function is independent from other management functions such as planning and managing development assistance ( <i>operational independence</i> )	4	All elements substantively addressed. The only aspect rating less than fully in place is element 3, reflecting the fact that the IDB Board approves OVE's work plan. While this is not believed to materially (adversely) affect OVE's independence, it means OVE does not have full discretion in determining its work.  Reports are submitted to the appropriate level in the Bank to inform decision-making. There is no evidence to suggest that evaluators experience any interference during evaluation implementation.	3, 6, 10, 16, 26, 31, 33, 36, 43, 91
Element 2: The Head of evaluation reports directly to the Governing Body of the organisation ( <i>Structural independence</i> )	4		
Element 3: The evaluation office has full discretion in deciding the evaluation programme	3		
Element 4: A separate budget line (approved by the Governing Body) ensures <i>budgetary independence</i>	4		
Element 5: The central evaluation programme is fully funded by core funds	4		
Element 6: Evaluations are submitted directly for consideration at the appropriate level of decision-making pertaining to the subject of evaluation	4		
Element 7: Evaluators are able to conduct their work throughout the	4		

evaluation without undue interference by those involved in implementing the unit of analysis being evaluated. <i>(Behavioural independence)</i>			
<b>Overall Score:</b>	3.86		
<b>Overall Rating:</b>	Highly Satisfactory		High confidence

*MI 8.2: Consistent, independent evaluation of results (coverage)*

Element	Score	Narrative	Source Documents
Element 1 : An evaluation policy describes the principles to ensure coverage, quality and use of findings, including in decentralised evaluations	2	The IDB does not have a formal, corporate evaluation policy. OVE sets out the levels/types of evaluations that it conducts and the Development Effectiveness Matrix encourages all SG operations, potentially, to be subject to an impact assessment on completion.	6, 7, 12, 18, 31,33, 38, 40, 42, 43, 49
Element 2: The policy/an evaluation manual guides the implementation of the different categories of evaluations, such as strategic, thematic, corporate level evaluations, as well as decentralized evaluations	3	From the perspective of “independent” evaluation (i.e. those undertaken by Office of Evaluation and Oversight), elements 2-5 are substantively fulfilled.  Element 2 refers to decentralised evaluations – Impact Assessments These are not technically independent (IDB sector staff for example conduct them) but they are numerous (some 360 on the go at the moment). While central staff are on hand to advise, guidance for the impact assessments is relatively limited, given the highly technical nature of the designs that are encouraged (experimental and quasi-experimental).	
Element 3: A prioritized and funded evaluation plan covering the organisation’s planning and budgeting cycle is available	3	Each year the OVE undertakes 12-18 major evaluations, grouped into four broad categories: project evaluations, sector and thematic evaluations, country program evaluations, and corporate evaluations. This product mix is intended to serve multiple stakeholders – the Board and Governors of IDB, Bank management and staff, and officials in the Bank’s client countries. However, OVE has no formal targets/objectives with respect to covering IDB’s work.	
Element 4: The annual evaluation plan presents a systematic and periodic coverage of the organisations’ Interventions, reflecting key priorities	3	However, OVE’s work covers all aspects of IDB and IIC’s work, including individual projects, technical assistance, country strategies and programs, thematic and sector programs, corporate initiatives, Through its different types of evaluations OVE believes it has covered most areas of IDB’s work in the past 5 - 10 years.	
Element 5: Evidence from sample countries demonstrate that the policy is being implemented	3	It is hard to discern any prioritised plan in the in approach to decentralised impact assessments.	
<b>Overall Score:</b>	2.8		
<b>Overall Rating:</b>	Satisfactory		High confidence

*MI 8.3: Systems applied to ensure the quality of evaluations*

Element	Score	Narrative	Source Documents
Element 1: Evaluations are based on design, planning and implementation processes that are inherently quality oriented	3	<p>Overall, IDB takes evaluations seriously and that includes the quality. OVE in general produces high quality products though in our small sample of evaluations, we did encounter a country program evaluation that made no explicit reference to the detailed methodology (the summary methodology presented would be considered inadequate from a quality assurance perspective). We also found no explicit discussion of methodological limitations and their implications for the interpretation of findings in evaluations.</p> <p>Overall, methods are appropriate though for decentralised impact assessments the preferred methodological paradigm is experimental or quasi-experimental techniques. These are presented as the 'gold standard' in demonstrating causality but there is a) little appreciation of the risks and limitations of these methods – in practical application and in the type and value of lessons generated; or b) discussion of alternative, qualitative but rigorous approaches to examining causality. There appears a risk that the incentive to publish in particular technical journals may drive the choice of methodology, more than organisational needs and/or the questions of greatest value.</p> <p>Advisory support on the design of decentralised impact assessments is available but given the focus on experimental/quasi-experimental methods, which can be highly technical, there is a risk to quality without a formal, rigorous quality assurance process in place.</p>	7, 12, 28, 38, 42, 43, 44, 46, 47, 49, 50, 69
Element 2: Evaluations use appropriate methodologies for data-collection, analysis and interpretation	3		
Element 3: Evaluation reports present in a complete and balanced way the evidence, findings, conclusions, and where relevant, recommendations	3		
Element 4: The methodology presented includes the methodological limitations and concerns	2		
Element 5: A process exists to ensure the quality of all evaluations, including decentralized evaluations	3		
<b>Overall Score:</b>	2.8		
<b>Overall Rating:</b>	Satisfactory		High confidence

*MI 8.4: Mandatory demonstration of the evidence base to design new interventions*

Element	Score	Narrative	Source Documents
Element 1: A formal requirement exists to demonstrate how lessons from past interventions have been taken into account in the design of new interventions	3	In broad terms, IDB has put in place systems to promote more evidence-based programming. Planned interventions are required to provide a problem analysis and proposed solution based on available evidence (including previous evaluations) as part of the justification (Development Effectiveness Matrix), though this is not mandatory, in the sense that weaknesses in this regard may be offset by other elements of the DEM submission. The incentive, nevertheless, exists to include this information, as one of a number of elements contributing to the overall evaluability score in the DEM, on which the decision to proceed is based. Overall % of new projects attaining satisfactory evaluability scores is reported annually and publicly through the CRF. This includes these elements of learning mentioned above, but comprises much more than whether new designs demonstrate lesson learning.	12, 31, 35, 36, 38, 52, 68
Element 2: Clear feedback loops exist to feed lessons into new interventions design	2	Corporately, the annual Development Effectiveness Outlook (DEO) provides a synthesis of lessons from Project Completion Reports (PCRs), while Sector Framework Documents that help shape interventions in key sectors include reviews of international experience and lessons from the Bank's own work.	
Element 3: There is evidence that lessons from past interventions have informed new interventions.	3	In practice, however, like many development organisations, the IDB faces challenges in achieving effective feedback of lessons. Concerns were raised about limitations in the institutional consolidation and channelling of lessons during critical decision points in the investment appraisal process. With the shift to more country-driven operations, sector staff also highlighted risks associated with unsystematic application of their knowledge and expertise early enough in the design process. Similarly, the challenge of getting Country Offices to 'own' the lesson-learning agenda was also highlighted. In general, it seems IDB is aware of these risks and has a number of actions planned to raise the lesson-learning agenda:	
Element 4: Incentives exist to apply lessons learnt to new interventions	3	<ul style="list-style-type: none"> <li>• Conducting periodic briefs of PCR findings and recommendations to the Board as well as briefing the Board on selected themes on a semi-annual basis</li> <li>• Publishing findings on relevant Bank websites</li> </ul>	

Element 5: The number/share of new operations designs that draw on lessons from evaluative approaches is made public	2	<ul style="list-style-type: none"> <li>• Developing searchable databases to allow Bank staff and other users to easily access documented experiences from IDB projects</li> <li>• Circulating PCRs, their summaries, and short notes on findings among relevant ministries and other stakeholders in client countries</li> <li>• Automatically pushing-out relevant PCRs to project team leaders that are starting the preparation of new operations</li> <li>• Organizing annual or semi-annual events to discuss findings and best practices derived from PCRs, either by sector or type of project; Departments may also discuss these topics in staff retreats</li> </ul>	
<b>Overall Score:</b>	2.6		<b>High confidence</b>
<b>Overall Rating:</b>	Satisfactory		

*MI 8.5: Poorly performing interventions proactively identified, tracked and addressed*

Element	Score	Narrative	Source Documents
Element 1: A system exists to identify poorly performing interventions	4	<p>The IDB has systems to manage poorly performing projects. Using the Progress Monitoring Report (PMR), progress on projects is updated twice per year, with both physical and financial data. Based on this information projects are classified annually as: satisfactory, alert projects or problem projects. Projects experiencing difficulties are dealt with at the country level, with increased monitoring and priority allocation of supervision resources.</p> <p>The introduction of new IT systems (Convergence) is also believed to have enhanced sector and portfolio managers' capability to examine/analyse problematic projects.</p> <p>With the current result matrix and project monitoring guide, findings and recommendations are to be included in the 'delays in achievements' reporting where users must account for problems in intervention performance and account for the causes of these challenges.</p> <p>Potential risks associated with incentives to under-report poor performance are considered generally low.</p> <p>Potential caveats around this overall favourable assessment are</p> <ul style="list-style-type: none"> <li>• TC lines of assistance: it is acknowledged that these have had limitations in terms of clear objectives to enable effective monitoring – a new approach was introduced in 2016; and</li> <li>• More broadly the challenge of understanding and managing performance at a country level (beyond management of individual operations). While sectoral staff appear to be active users of the system to identify problematic operations, questions were raised over the depth of analysis on a country-wide level and the insights that might provide (by joining up the picture from individual operations).</li> </ul>	1, 31, 35, 69
Element 2: Regular reporting tracks the status and evolution of poorly performing interventions	3		
Element 3: A process for addressing the poor performance exists, with evidence of its use	3		
Element 4: The process clearly delineates the responsibility to take action	3		
<b>Overall Score:</b>	3.25		
<b>Overall Rating:</b>	Highly Satisfactory		High confidence

*MI 8.6: Clear accountability system ensures responses and follow-up to and use of evaluation recommendations*

Element	Score	Narrative	Source Documents
Element 1: Evaluation reports include a management response (or has one attached or associated with it)	3	<p>The following discussion relates only to OVE evaluations. Recommendations from PCRs or sectoral studies do not have the same system in place</p> <p>OVE evaluation recommendations are discussed at Board level, along with the Management Response – they are typically endorsed by the Board. OVE’s annual report includes a summary of all OVE recommendations from evaluations published in the year, management response and Board endorsement (or otherwise). However, the management response is not published alongside each evaluation.</p> <p>IDB’s policy is that an action plan should be drawn up – with guidance provided on good features – including a timetable and identification of the team leader from relevant department. Similarly, the action plan is not published alongside the evaluation either.</p> <p>The Evaluation Recommendation Tracking System (ReTS) was launched by the Bank in 2013 to facilitate the monitoring of recommendations from OVE’s evaluations. The system requires that Management develop concrete action plans to implement the recommendations and track their progress – for those formal recommendations that the Board of Executive Directors instructs Management to implement. A protocol governing the process and the system through which the implementation by Management of OVE’s recommendations is tracked was approved by the Board of Executive Directors in August of 2013 (GN-2607-2).</p> <p>The IDB has been piloting the ReTS. The system will be updated at least twice a year and will involve OVE reporting annually on progress. However, the IDB has experienced on-gong implementation challenges. Since the start of the system in 2013, 94 recommendations have been tracked. Of those, 23% have been implemented, 68% are in-progress and 9% are overdue (Annual Business Review Q2 August 2016). The report however does not discuss use of recommendations.</p>	3, 4, 12, 18, 22, 28, 68, 91
Element 2: Management responses include an action plan and /or agreement clearly stating responsibilities and accountabilities	3		
Element 3: A timeline for implementation of key recommendations is proposed	3		
Element 4: A system exists to regularly track status of implementation	3		
Element 5: An annual report on the status of use and implementation of evaluation recommendations is made public	3		
<b>Overall Score:</b>	3.0		
<b>Overall Rating:</b>	Satisfactory		High confidence

*MI 8.7: Uptake of lessons learned and best practices from evaluations*

Element	Score	Narrative	Source Documents
Element 1: A complete and current repository of evaluations and their recommendations is available for use	2	OVE evaluations are stored and searchable via OVE's website. Synthetic summaries of findings are included in OVE's annual report, which is published on the web. Lessons arising from the PCRs are also distilled and published in the annual DEO (see 8.4) which is also available on the web. Though it is noted that the relative newness of the PCR system has meant that to date the quality of lessons generated has been variable.	3, 4, 5, 7, 12, 15, 16, 17, 34, 35, 36, 39, 40, 50, 51
Element 2: A mechanism for distilling and disseminating lessons learned internally exists	2	Different sectors produce newsletters and other dissemination products for internal and external audiences. Nevertheless, the challenges identified in 8.4 above, relating to ensuring lessons are fed back into IDB operations effectively also apply here.	
Element 3: A dissemination mechanism to partners, peers and other stakeholders is available and employed	3	Moreover, ICB has 400+ Impact Evaluations (of which around 320 are on-going) which are currently not centrally stored or easily accessible. The expectation is that they will generate working papers, but this is recognised as inadequate in terms of harnessing their potential value. The aim is to launch a repository of impact evaluations, which in turn will feed into a findings and recommendations website. This more accessible system is expected to facilitate uptake by country managers. IDB is also working with the Impact Genome (Stanford) to explore whether analytical tools/algorithms can be used to extract key lessons from the available materials.	
Element 4: A system is available and used to track the uptake of lessons learned	2	The plans to disseminate lessons more effectively internally and externally (referred to in 8.4) are also relevant here.	
Element 5: An annual report on the status of use and implementation of evaluation recommendations is made public	3	Discussion in 8.6 on the Recommendations Tracking System (ReTS) is also relevant here	
Element 6: Evidence is available that lessons learned and good practices are being applied	3	IDB has an access to information policy, which includes publishing on AidFlows and IATI. It reports annually on implementation of the policy and publishes an Access to Information newsletter annually. IDB was ranked 7 <sup>th</sup> (out of 46) in the 2016 Aid Transparency Index produced by Publish What You Fund and placed among the organisations deemed to have fully met the Busan aid transparency commitment.	
Element 7: A corporate policy for Disclosure of information exists and is also applied to evaluations	4		
<b>Overall Score:</b>	2.71		
<b>Overall Rating:</b>	Satisfactory		High confidence

## Performance Area: Results

*Achievement of relevant, inclusive and sustainable contributions to humanitarian and development results in an efficient way*

**KPI 9:** Achievement of development and humanitarian objectives and results e.g. at the institutional/corporate-wide and regional/country level, with results contributing to normative and cross-cutting goals

<b>Overall KPI Score</b>	<b>n/a</b>	<b>Overall KPI Rating</b>	<b>Satisfactory</b>
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*MI 9.1: Interventions assessed as having achieved their stated development and/or humanitarian objectives and attain expected results*

Rating	Narrative	Source Documents
<p>Satisfactory</p> <p><i>Organisations either achieve at least a majority of stated output and outcome objectives (more than 50% if stated) or the most important of stated output and outcome objectives are achieved</i></p>	<p>IDB measures the progress achieved in its contribution to country development results as measured in the CRF within each of the five sector priorities. In 2015, IDB achieved its targets for the majority of its output indicators (18 of 27) which correspond to 66.7% of the indicators at this level. . Where CRF targets were unmet in 2015, this was due to lower than expected demand, unforeseen delays in project execution, time and resource constraints, and unfounded targets. (Development Effectiveness Overview, 2015).</p> <p>Evaluations undertaken by IDB's Office of Evaluation and Oversight (OVE) show success in achieving development objectives through different funding instruments and thematic areas. OVE's evaluation of the progress of realignment cites some areas of concern, which include the appropriateness of lending targets for guiding decision-making, institutional fragmentations and realignment, whether sector strategies address country needs as opposed to IDB-9 requirements, and implementation delays linked with project designs.</p> <p>Despite these challenges, 89% of Sovereign Guaranteed operations completed in 2015 were rated as achieving their development objectives (as expressed in the Corporate Results Framework – 2015 data for Non-Sovereign Guaranteed operations not available) which is comparable to 2014 achievements.</p>	<p>33, 34, 38, 39, 44, 48, 49, 50, 51, 102</p> <p>High confidence</p>

*MI 9.2: Interventions assessed as having realised the expected positive benefits for target group members*

Rating	Narrative	Source Documents
<p style="text-align: center;">Satisfactory</p> <p><i>Interventions have resulted in positive changes experienced by target group members (at the individual, household or community level). These benefits may include the avoidance or reduction of negative effects of a sudden onset or protracted emergency</i></p>	<p>Diversity is a strategic priority for the IDB and remains an area for growth for the Bank. IDB has a partnership with the Commitment to Equity project through which it is producing case studies to improve targeting and better serve marginalized populations. The project is analysing the impact of fiscal policy on closing ethno-racial gaps to determine if government policies close or wide existing inequalities.</p> <p>The Development Effectiveness Overview measures progress against targets for each sector of the Bank's interventions. In its work on Social Policy for Equity and Productivity, four out of six targets (for education, health services, and poverty reduction and productivity programs) were met.</p> <p>Social Policy for Equity and Productivity sector tracks people-level performance indicators disaggregated by ethnic group. In 2015, 4 out of 6 targets were on track. The indicators are not able to fully account for benefits achieved by marginalized groups (e.g. indigenous/afro descendants) for whom data is unavailable for several of the indicators Performance indicators for the Infrastructure for Competitiveness and Social Welfare sector, tracks people-level indicators disaggregated by ethnic groups; progress against targets for indigenous and afro descendent groups is behind for three of the four relevant performance indicators.</p> <p>OVE's evaluations report mixed findings with respect to realizing expected benefits for target groups. Evaluations identify a number of interventions in which IDB was successful in realising positive benefits for target groups (e.g. indigenous communities, youth, and rural populations). These positive results are based on successfully creating partnerships and demonstration effects as part of the Bank's projects, innovative projects, and project designs that have been improved over time to better target vulnerable populations. However, the evaluations also identify areas where improvements could be made in targeting benefit groups. In the evaluation sample reviewed, there is room for improvement in IDB's delivery of payments to beneficiaries, the level of attention to community buy-in and communication mechanisms, and the targeting of the poor through interventions.</p>	<p>31, 33, 38, 41,-42, 44, 46, 47, 49, 102</p> <p style="text-align: right; background-color: #0070C0; color: white; padding: 5px;">Medium confidence</p>

*MI 9.3: Interventions assessed as having contributed to significant changes in national development policies and programs (policy and capacity impacts), or needed system reforms*

Rating	Narrative	Source Documents
<p style="text-align: center;">Satisfactory</p> <p style="text-align: center;"><i>Interventions have made a substantial contribution to either re-orienting or sustaining effective national policies and programmes in a given sector or area of development disaster preparedness, emergency response or rehabilitation</i></p>	<p>IDB is strongly oriented toward supporting national development policy through national capacity and institutional reform. The OVE Annual Report stresses the Bank's orientation to improving national capacity and institutional reform. Country Strategies include a Country Systems Matrix, that sets out the Bank's intended use of (where necessary, strengthened) country systems. Few IDB loans are designed without a focus on strengthening institutional capacity (based on the finding of an institutional assessment completed during the preparation phase), with a preference where possible for implementation through beneficiary institutions, rather than creating a temporary project execution units.</p> <p>OVE's country program evaluations have found that the Bank's country programs are relevant to national development challenges and in line with national development policies. IDB's support to national development policy and programs comes in part through PBLs (Policy Based Loans) which are flexible support for institutional and policy changes on the sector or sub-sector level, through fast-disbursing funds. The Bank has a large portfolio of policy-based loans (approximately 30% of its portfolio; \$3.6b in 2015 for 20 operations). All LAC countries have received at least one PBL, though PBL use has differed greatly across countries in the region. The Bank has also expanded significantly participation in Regional Policy Dialogues over the last three years. The latest external feedback survey results indicate satisfaction levels of 75% for the Bank's PBLs and 77% satisfaction with the Bank's policy advice.</p> <p>Although OVE has not conducted an evaluation of the effectiveness of its policy dialogue, evaluations note positive contributions to national development programmes where IDB has improved the quality of subnational fiscal information; and increased subnational tax revenue in both rule and practice and provided support to institutional capacity for decision-making. In its evaluation of various Country Programs in 2013-14 and in 2015, OVE notes the close partnership IDB has with many of its member countries.</p> <p>Areas where the IDB has experienced challenges, according to OVE evaluations, include limited coordination between public and private actions and challenges due to political changes, complex execution mechanisms, insufficient experience of the executing agencies, and the lack of effort to quantify key indicators for the problems diagnosed.</p>	<p>33, 38, 41, 42, 44, 45, 46, 47, 48, 51, 102</p> <p style="text-align: center;">Medium confidence</p>

*MI 9.4: Interventions assessed as having helped improve gender equality and the empowerment of women*

Rating	Narrative	Source Documents
<p>Satisfactory</p> <p><i>Interventions achieve a majority (more than 50%) of their stated objectives</i></p>	<p>Gender equality is a cross-cutting theme of IDB’s work and is increasingly integrated into IDB’s interventions. However, at present, not all interventions disaggregate people-level indicators by sex, which is something that the Gender Action Plan has recommended. IDB notes a modest increase in the number of loans that are promoting gender equity. IDB’s Annual Business Report notes an increase in the approved SG operations with gender-related results in their results matrices (47% in 2015 and 36% in 2014, up from 27% in 2013) exceeding the Bank’s target set in the current Gender Action Plan. There has also been an increase in the number of loans with indicators disaggregated by sex (53% in 2015). All country strategies approved in 2015 included one or more gender or diversity related indicator in their matrix which is a 50% increase from 2014.</p> <p>OVE has not conducted an evaluation of IDB’s cross-cutting work on gender equality and women’s empowerment or on the progress of the gender policy, although one is planned for 2017. There is limited evidence in the sample of evaluations of interventions related to gender equality and the empowerment of women. A main concern is that gender mainstreaming is recognised to still be work in progress, and there is disparate integration of gender considerations in country programmes.</p> <p>Key issues of concern are set out in the evaluations with regard to the potential for delivery of results in terms of gender empowerment. Critically, mainstreaming of gender remains work in progress. OVE’s evaluation of the Development effectiveness Framework and Overview reflects that although women were considered in the design, a crucial issue for gender equality was neglected. The projects did not consider that many rural women lacked national identity documents (such as a social security card in the United States), particularly in indigenous areas. The same problem came up for women in other projects that involve titling, such as resettlement and housing services projects.</p> <p>The Bank is currently conducting a number of impact evaluations across 8 or more countries to strengthen the evidence base of what works and what does not to promote gender equality. The revised CRF (2016-2019) now includes a number of relevant performance indicators that will be reported on in the future: % of lending/technical cooperation aligned with its gender equality and diversity theme; % loans with gender-related results at entry; % loans with satisfactory achievement of gender-related results at completion. The Bank has also increased resources to promote gender equality: IDB loans with gender-related results increased fourfold from 11% in 2011 to 37% in 2015; and the total dollar amount of Technical Cooperation grants and Multilateral Investment Fund projects directly investing in gender equality and women’s empowerment rose from \$42 million in 2011-2013 to \$48 million in 2014-2015. There are also results indicators: the 2012-2015 CRF included two indicators focused on improving gender balance among IDB’s senior staff and leadership. The CRF 2016-2019 includes a significant number of people-level indicators to be reported on through IDBG-supported projects, including one focused exclusively on females (women beneficiaries of economic empowerment initiatives). Under the CRF 2016-2019, project teams are also strongly encouraged to collect disaggregated information wherever feasible, particularly related to gender and ethnicity. More details are available in the CRF Technical Guidance.</p>	<p>6, 10, 40, 41,-42, 48, 102, 103, 104</p> <p>Medium confidence</p>

*MI 9.5: Interventions assessed as having helped improve environmental sustainability/helped tackle the effects of climate change*

Rating	Narrative	Source Documents
<p style="text-align: center;">Satisfactory</p> <p style="text-align: center;"><i>Interventions include some planned activities and project design criteria to ensure environmental sustainability and help tackle climate change. These activities are implemented successfully and the results are environmentally sustainable and contribute to tackling the effects of climate change</i></p>	<p>IDB has increased its efforts to support the region in its development activities linked to improving environmental sustainability and address climate change across its portfolio. The DEO reports strong performance on sustainability work by the IDB through its inclusion of projects that address climate change the performance of its projects with high environmental and social risks.</p> <p>Climate change and environmental sustainability are a cross-cutting area of IDB’s work and a 2011 strategy established priorities for IDB’s work in this area. IDB’s target of 25% of its portfolio including sustainability initiatives was exceeded in 2016 by 10% points. In 2015, Climate change, sustainable energy (including renewable) and environmental sustainability initiatives reached 35% (\$3.8b) in 44 operations.</p> <p>IDB has made progress on achieving the objectives of its Climate Change Strategy although a thematic evaluation on climate change states that “there is still a long way to go.” Many of IDB’s projects are designed to reduce greenhouse gases; 41 of 125 transport projects include climate-related objectives. However, there are opportunities for IDB to enhance its efforts; for example, IDB’s mitigation related climate change portfolio in agriculture and natural resources is small (1% of the total portfolio) which is noteworthy considering the contribution of this sector to greenhouse gas emissions.</p> <p>OVE’s evaluation of IDB’s work to implement the climate change strategy since 2011 finds a number of areas where the IDB can build on its progress. First, the IDB has not yet defined its comparative advantage in the arena of environmental sustainability, Second, monitoring tools could be expanded to measure greenhouse gases in infrastructure activities; Third IDB’s organizational structure needs to support cross sector collaboration and Fourth, there are no systems in place to prioritise or assess needs in this area; Fifth, policy based loans do not reflect a long-term commitment of governments to promote policy reforms for climate change. And Sixth, there is a lack of private sector leverage.</p>	<p>30, 38, 40-43, 45, 46, 48, 49, 51, 102</p> <p style="text-align: center;">High confidence</p>

*MI 9.6: Interventions assessed as having helped improve good governance*

Rating	Narrative	Source Documents
<p style="text-align: center;">Satisfactory</p> <p style="text-align: center;"><i>Interventions include some planned activities and project design criteria to promote or ensure 'good governance'. These activities are implemented successfully and the results have promoted or ensured 'good governance'</i></p>	<p>Governance, in terms of institutional capacity and rule of law, is a cross-cutting theme of IDB's work. IDB measures governance results through its regional context indicators which assess government effectiveness; and country development results in terms of percent of GDP collected in taxes, capacity in management of natural capital, regional integration initiatives, and support to subnational governments for citizen security. In addition to the CRF indicators, the Bank measures governance outcomes through specific indicators included in the results matrices of both its country strategies and individual operations that have governance-related objectives. Against the indicators broadly assessing good governance, institutional capacity and rule of law, IDB in on track or has exceeded most of its targets for 2015. These indicators relate to contribution to institutions for growth and social welfare, competitive regional and global international integration as well as a number of cross-cutting indicators. Indicators of IDB's contribution of outputs to regional goals, reflecting IDB's work toward good governance have been achieved as follows:</p> <ul style="list-style-type: none"> <li>• 4 of 6 targets for social policy for equity and productivity have been met</li> <li>• 5 of 5 targets for institutions for growth and social welfare have been met</li> <li>• 4 of 5 targets for competitive regional and global international integration have been met</li> </ul>	<p>40, 41, 44, 45, 49, 102</p> <p style="text-align: center;">Medium confidence</p>

**KPI 10:** Relevance of interventions to the needs and priorities of partner countries and beneficiaries, and extent to which the organisation works towards results in areas within its mandate

<b>Overall KPI Score</b>	<b>n/a</b>	<b>Overall KPI Rating</b>	<b>Satisfactory</b>
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*MI 10.1: Interventions assessed as having responded to the needs/priorities of target groups*

Rating	Narrative	Source Documents
<p>Unsatisfactory</p> <p><i>No systematic analysis of target group needs and priorities took place during intervention design or an some evident mismatch exists between the intervention's activities and outputs and the needs and priorities of the target groups</i></p>	<p>Responsiveness is one of six guiding principles of the Bank's updated Institutional Strategy. With IDB-9, the Bank adopted a series of measures to become more responsive, efficient, transparent and accountable, that is, to become not just "a bigger Bank" but also "a better Bank". The updated CRF focuses on capturing beneficiary information from IDB interventions. The updated Country Strategy guidelines reflect the importance of recognizing the need for flexible country strategies to respond effectively to countries' evolving needs. This entails, among other things, a shift away from detailed operational information instead drawing on the systems that are most appropriate for the country. The Bank looks closely at the level of impact of its interventions on target groups looking at causal effects as well as drawing out counterfactuals.</p> <p>The DEM guidelines identify the intended beneficiary population which informs the vertical logic of an intervention. However, OVE evaluations reflect mixed performance related to responding to the needs and priorities of target groups. There are selected examples of positive performance, for instance in relation to the Urban Transport Project in Lima, and in Jamaica in terms of securing participation of communities. Nonetheless, the documents also highlight a number of areas of concern, for example in relation to ensuring project relevance for beneficiaries, and the levels of use and acceptance of urban transport initiatives. OVE's evaluation of secondary education found that although the Bank is a major player in education financing, fewer than half have achieved their outcome targets. Providing education, particularly in rural areas remains a challenge. OVE has recommended that IDB develop flexible delivery models to for harder to reach populations. The OVE evaluation of the Multilateral Investment analysed the degree to which MIF was reaching poor populations and found that projects in general reach low-income households, but they do not always benefit those living in poverty. Only 16% of projects had poor populations as direct beneficiaries, and most of them reflect efforts in recent years.</p>	<p>2, 3, 31, 40, 45, 47, 51, 86, 102</p> <p>High confidence</p>

*MI 10.2: Interventions assessed as having helped contribute to the realisation of national development goals and objectives*

Rating	Narrative	Source Documents
<p>Highly satisfactory</p> <p><i>Interventions are have played a major role in the achievement of specific national development goals or have contributed to meeting humanitarian relief and recovery objectives agreed to with the national government and/or humanitarian community</i></p>	<p>Previous Country Strategy guidelines (extant during our review) emphasised the importance of drawing upon an efficient country strategy preparation process and the need to improve the strategic use of the analytical work in the development of the country strategy. However, OVE found country strategies did not systematically respond to a strategic approach for the Bank in key sectors or discuss the implications of the macro-fiscal analysis on the role of IDB or the size of Bank lending allocations. They rarely meaningfully discussed past successes and failures of the Bank or the Bank’s comparative advantage. And they did not always build on relevant analytic work undertaken by Bank specialists. OVE’s 2013-14 Country Program Evaluations found that IDB’s programs were, on the whole, highly relevant to the [nine under evaluation] countries’ development needs.</p> <p>All of the country strategies approved in 2015 were validated in term of their strategic alignment, setting out objectives that are consistent with the countries’ development challenges and priorities. Satisfaction with the country strategic preparation process is high overall according to the External Feedback System with the IDB receiving its highest rating (90%) for understanding the country context, national priorities and development challenges.</p> <p>New guidelines for the preparation of Country Strategies (from 2016 onwards) include a review of past success and areas of improvement based on the implementation of past strategies. The resulting lessons learned are incorporated in the implementation of new strategy and guide the strategic dialogue with the country as to the areas of joint work, instruments and execution framework.</p>	<p>38, 39, 40, 42, 43, 46, 51, 86, 102</p> <p>Medium confidence</p>

*MI 10.3: Results assessed as having been delivered as part of a coherent response to an identified problem*

Rating	Narrative	Source Documents
<p style="text-align: center;">Satisfactory</p> <p><i>The organisation has improved the effectiveness of its partnership relationship with partners over time and improvements are noted in evaluations</i></p>	<p>Responsiveness is the first of the Bank's six operational guiding principles of the Bank's updated Institutional Strategy. The adoption of these principles is meant to guide decision making, planning and execution at all levels of operations.</p> <p>According to its institutional strategy, the Bank is fundamentally demand-driven, responding to problems and needs identified by its borrowing member countries. All of the country strategies approved in 2015 identified strategic objectives that respond to the challenges and opportunities identified in the corresponding sector diagnostics. In the External Feedback System Country Strategy survey, nearly all partners (83%) agree that IDB country strategies focus on priority areas that contribute to the achievement of their country's development challenges.</p> <p>OVE has found that a continuing challenge for the Bank is to match its interventions (e.g. citizen security programs) to the institutional context of each country. OVE has recommended enhancing project design to fit local contexts. OVE's evaluation of IDB's investment in secondary education, which found that fewer than half of IDB's projects achieved their outcome targets, recommended that IDB focus more on understanding the root causes of poor quality secondary education to better understand the problem in order to develop more effective solutions. Many of the evaluations undertaken by OVE in 2013-14, including those on citizen security and land regularization, emphasize the need for IDB to better understand the context where it is operating and tailor interventions accordingly. More positive results from the External Feedback Survey suggest a mixed picture.</p>	<p>2, 3, 31, 38, 39, 42, 44, 46, 47, 51, 66, 102</p> <p style="text-align: center;">Medium confidence</p>

KPI 11: Results delivered efficiently			
Overall KPI Score	n/a	Overall KPI Rating	Satisfactory

*MI 11.1: Interventions assessed as resource/cost efficient*

Rating	Narrative	Source Documents
<p>Satisfactory</p> <p><i>Results delivered when compared to the cost of activities and inputs are appropriate even when the program design process did not directly consider alternative program delivery methods and their associated costs</i></p>	<p>IDB's institutional reforms have focused on increasing the Bank's efficiency and effectiveness. IDB has been able to support a growing loan portfolio (SG and NSG) with limited increases in the administrative budget. In particular, between 2011 and 2014, the size of the portfolio in execution grew by 10%, while the administrative budget averaged real growth of only 6%.</p>	<p>3, 7, 14, 27, 37, 31, 38, 39, 40, 42, 43, 45, 48, 50, 55, 68, 102</p>
	<p>Current CRF efficiency indicators of total administrative expenses per million dollar approved and disbursed have decreased by 13% and 8% respectively since 2011, while the Bank has improved the quality of its interventions by: i) ensuring rigorous compliance with macroeconomic, social and environmental safeguards; ii) mainstreaming gender equality into Bank-supported operations; and iii) ensuring more rigorous standards for monitoring and evaluating their development results. Management's efforts to lower transaction costs for project preparation and implementation, reduce documentation requirements and decentralize decision making authority to Country Offices has translated to increased responsiveness to its partners.</p>	
	<p>All 4 of 4 lending program indicators were on track for 2015. Across the sample, there is attention to cost-efficiency. The IDB's Social Protection and Poverty Framework document demonstrates an effort to improve the cost-efficiency of the Bank's interventions, in order to evidence and make efficient use of bank resources for its programs.</p>	
	<p>The new indicators in the CRF 2016-19 that replaced the previously mentioned cost-efficiency indicators are the cost-to-income ratio, and the cost-to-development assets ratio. A more detailed description of each of these indicators can be found via the electronic links included as part of the CRF document.</p>	<p>High confidence</p>

*MI 11.2: Implementation and results assessed as having been achieved on time (given the context, in the case of humanitarian programming)*

Rating	Narrative	Source Documents
<p>Satisfactory</p> <p><i>More than half of intended objectives of interventions are achieved on time, and this level is appropriate to the context faced during implementation, particularly for humanitarian interventions.</i></p>	<p>The IDB does not have an aggregate assessment on timeliness. The CRF tracks timeliness in five indicators where with respect to disbursing funds on time, only 2 of the 5 indicators on timeliness are on track: cycle time for SG loan preparation time (profile to approval) and cycle time for NSG loan disbursement period (eligibility to first disbursement).</p> <p>According to the IDB External Feedback System, reducing bureaucratic procedures is an area where the IDB can improve performance in particularly with respect to the slowness of approving loans or technical cooperation. On the basis of independent assessments, it appears that although efficiency has improved on some measures, overall institutional efficiency remains a work in progress. Some positive indicators on project-specific disbursement rates and Bank response times are offset by the high costs of the realignment itself (including both direct and indirect costs) and the lack of any reductions in project preparation time, project implementation costs, or overall Bank costs per US\$ million lent. It is, however, noted that the full cost of realignment was paid by Management in six annual instalments, and hence had a zero net cost to shareholders with zero impact on Bank equity.</p> <p>However, IDB is rated highly for its timeliness of answers to partner inquiries. Stakeholders report that they are highly satisfied with the timeliness of IDB staff in providing responses, while satisfaction with the actual time in giving non-objections regarding procurement and in approving the loans is somewhat lower. The timeliness for approval of country strategies is rated very positively.</p> <p>Corporate strategy is oriented to ensure that implementation and results are achieved on time, with recognition of the importance of collecting monitoring information, for example, and drawing lessons from previous initiatives to design new ones. Evaluations also suggest that efforts are being made to ensure timely implementation of initiatives, and where this is not the case, delays are capitalised on for re-designing initiatives to make them more time-efficient. However, evaluations also highlight several examples where there have been significant delays in implementation. The causes for these delays are generally identified as being related to flaws in project design, or to the challenging context within which they are being implemented.</p> <p>OVE's 2013-14 Country Program Evaluations found that IDB's programs experienced significant delays in program implementation due often to slow legal processes and/or institutional weaknesses. IDB's Development Effectiveness Review emphasizes the importance of monitoring qualitative information for understanding the reasons behind schedule delays, cost overruns, or any lag in the achievement of results. Mapping the most recurrent reasons for delays or bottlenecks in implementation is helpful in formulating portfolio management strategies at both the individual project level and at the level of the whole portfolio of IDB projects.</p>	<p>18, 27, 31, 38, 39, 41, 42, 44, 45, 46, 49, 51, 55, 102</p> <p>High confidence</p>

**KPI 12: Sustainability of results**

<b>Overall KPI Score</b>	<b>n/a</b>	<b>Overall KPI Rating</b>	<b>Satisfactory</b>
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*MI 12.1: Benefits assessed as continuing or likely to continue after project or program completion or there are effective measures to link the humanitarian relief operations, to recover, resilience eventually, to longer-term developmental results*

Rating	Narrative	Source Documents
<p><b>Satisfactory</b></p> <p><i>Evaluations assess as likely that the intervention will result in continued benefits for the target group after completion. For humanitarian relief operations, the strategic and operational measures to link relief to rehabilitation, reconstruction</i></p>	<p>IDB measures its loan effectiveness by tracking those projects with a satisfactory rating on development results at completion for its SG operations and NSG Operations. On this measure, IDB has exceeded its target for both SG and NSG Operations, reaching 89% for SG Operations with steady improvements year-on-year since the 2006-2009 baseline measure. For its Technical Cooperation Effectiveness, there have also been steady improvements with 91% of completed TCs with results that can be validated in 2015.</p>	<p>38, 42, 45, 49, 68, 102</p>
	<p>IDB is serious about understanding the long-term development results of its interventions. To do this, IDB has significantly increased the number of impact evaluations it undertakes of its programs and has a stated commitment to develop a strategy to identify when longitudinal evaluations are needed. At present very few of the impact evaluations to date have included an end line or follow-up evaluation to assess whether benefits have continued.</p> <p>The Development Effectiveness Overview draws in data from external sources designed to measure long-term impact. There are positive trends around addressing key human development challenges (education, health) and growth in trade. There has been a dramatic increase in the number of countries with planning capacity in mitigation and adaptation of climate change (from 3 in 2009 to 18 in 2015). IDB is attempting to establish the causation of its work by including impact evaluations in the project design for nearly half of its interventions.</p>	

*MI 12.2: Interventions/activities assessed as having built sufficient institutional and/or community capacity for sustainability, or have been absorbed by government*

Rating	Narrative	Source Documents
<p style="text-align: center;">Satisfactory</p> <p style="text-align: center;"><i>Interventions may have contributed to strengthening institutional and/or community capacity but with limited success</i></p>	<p>IDB's strategic focus on building institutional capacity and its strategic commitment to sustainability extends logically to interventions designed to build institutional and community capacity. A number of IDB's initiatives are designed to promote technical and institutional capacity of governments which are linked to IDB's corporate results for supporting governments' capacity. The institutions for Growth and Social Welfare sector is on track to achieve all 5 of 5 of its targets for its output indicators which provide metrics that reflect institutional capacity for social sustainability.</p> <p>IDB is carrying out a number of initiatives, comprising financing of more than 6 billion dollars in relation to IDB activities and initiatives contributing to institutional and/ or community capacity. Independent evaluations note the Bank's intent to build on these contributions, for example in relation to institutional support, and highlight positive steps in this direction. There is also recognition of positive results in instances where community buy-in was secured, and good experiences also of collaborating with government and NGOs.</p> <p>The Bank has also a strategy to strengthen and use country systems which entails strengthening institutional capacity of core public management systems, fiduciary and non-fiduciary. The Bank's ability to advance the use of country systems is at times limited by country's own preference to use the Bank's systems. However, even in these circumstances the Bank also believes that capacity building can also occur, through exposure to and experience dealing with the Bank's procedures/requirements in areas such as government procurement, financial management, planning, monitoring and evaluation.</p> <p>Challenges in this area have been noted in relation to delays in programme execution, and lack of ownership and coordination between agencies.</p>	<p>5, 40, 43, 50 , 102</p> <p style="text-align: center;">Medium confidence</p>

*MI 12.3. Interventions/activities assessed as having strengthened the enabling environment for development*

Rating	Narrative	Source Documents
<p style="text-align: center;">Satisfactory</p> <p><i>Interventions have made a notable contribution to changes in the enabling environment for development including one or more of: the overall framework and process for national development planning; systems and processes for public consultation and for participation by civil society in development planning; governance structures and the rule of law; national and local mechanisms for accountability for public expenditures, service delivery and quality; and necessary improvements to supporting structures such as capital and labour markets</i></p>	<p>There is no aggregate reporting on results for interventions strengthening the enabling environment for development. However, IDB considers the extent that its interventions are strengthening the enabling environment for development through its indicators tracking regional integration projects, and through its safeguards policies and practices.</p> <p>The Development Effectiveness Overview reports on the IDB's contribution to regional goals for which IDB has exceeded targets for 4 of 5 targets for regional and sub-regional integration and cooperation initiatives supported, cross border and transnational projects supported, international trade transaction financed . IDB seeks to add value through its environmental and social safeguards that are implemented to a) protect against environmental and social harm; b) improve value of projects for all stakeholders and c) enable clients to meet international practices and standards. Through its safeguards, the IDB projects that it has added long-term development value by bypassing costly future delays and reducing costs through improved environmental, health and safety performance; Increasing revenue, guarding against unforeseen social, financial, and environmental risks, and meeting or exceeding global benchmarks.</p>	<p>5, 40, 43, 50 , 102</p> <p style="text-align: center;">Medium confidence</p>

## Annex 2: List of documents analysed for IDB

### 2a) Bibliography

Full name of document
Alonso, Pablo et. al. (2014), <i>Management Comments Evaluation of the Results of the Realignment</i>
Azuara Herrera, Oliver; Maciel, Odette; Tetreault, Alayna (2015), <i>OVE. Comparative Case Studies: Review of IDB Institutional Support to the Conditional Cash Transfer in Three Lower-Middle-Income Countries.</i>
Bueso-Merriam, Jacqualine; Galindo, Arturo; Gomez-Pena, Andres (2015), <i>Development Effectiveness Overview 2014</i>
Crespo, Anna Risi Vianna et. al. (2015), <i>Measuring Project Performance at the IDB: Recent Developments in the PCR and XPSR Systems</i>
Crespo, Anna Risi Vianna et. al. (2013), <i>OVE. IDB-9: The Development Effectiveness Framework and Overview</i>
Fevre, Cloe et. al. (2013), <i>OVE. The Implementation Challenge: Lessons From Five Citizen Security Projects</i>
Gonzales Diez, Veronica M. et. al. (2014), <i>OVE. Climate Change at the IDB: Building Resilience and Reducing Emissions</i>
Grafe, Fernando; Oddone, Gabriel; Ithurrealde, Sebastian; Perez, Alejandro (2015) <i>Estudio sobre la evolucion de la actividad y los cambios en las funciones de produccion del Banco luego del noveno aumento de capital</i>
Gray, Cheryl et. al. (2015), <i>Office of Evaluation and Oversight Annual Report 2013-2014: Evaluation Overview and Implications for IDB Support to Growth and Poverty Reduction.</i>
Gray, Cheryl; Schijman, A(2015), <i>OVE Annual Report 2015: Summary of Activities and Analysis of Policy-Based Lending</i>
Gray, Cheryl; Soriano, Alejandro, Huppi, Monika (2013), <i>OVE. Mid-Term Evaluation of IDB-9 Commitments, Country Programming</i>
Huppi, Monika et. al. (2014), <i>OVE, Evaluation of Special Programs Financed by Ordinary Capital</i>
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IDB (2014), <i>2015 Program and Budget Proposal</i>
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IDB (2014), <i>Annual Report 2014: Financial Statements</i>
IDB (2014), <i>Annual Report, The Year in Review</i>

IDB (2013), <i>Background Paper Country Systems</i>
IDB (2016), <i>Background Paper for the Action Plan for the Review of IDB's Sovereign Guarantee Lending Instruments</i>
IDB (2014), <i>Brazil Country Strategy 2012-2014</i>
IDB (2015), <i>Business Review Third Quarter 2015</i>
IDB (2014) <i>Capital Adequacy Policy Mandate**</i>
IDB (2015), <i>Career Development Regulations</i>
IDB (2014), <i>Citizen Security and Justice Sector Framework</i>
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IDB (2015), <i>Climate Change Sector Framework Document</i>
IDB (2016), <i>Corporate Results Framework 2016-2019: Revised Version</i>
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IDB (2015), <i>Decentralization and Subnational Governments Sector Framework Document</i>
IDB (2013), <i>Decentralization at the IDB Key Findings and Recommendations</i>
IDB (2015), <i>Delivering the Renewed Vision Organisational and Capitalization Proposal for the IDB Group</i>
IDB (2015), <i>DEM Toolkit 2015</i>
IDB (2015) <i>Development Effectiveness Overview</i>
IDB (2010), <i>Disaster Risk Management Policy</i>
IDB (2014), <i>Effectiveness for Improving Lives: Measuring Results and Impact</i>
IDB (2015), <i>External Feedback System 2012-14 Report</i>
IDB (2014), <i>Facilitated Partnerships Guidelines**</i>
IDB, <i>Financing and mobilization of resources operational Policy</i>
IDB (2016), <i>Fiscal Policy and Management Sector Framework Document (2020)</i>

<i>IDB, Framework for Technical Cooperation</i>
<i>IDB (2015), Gender and Diversity Sector Framework Document</i>
<i>IDB (2013) General Perception Survey Knowledge Products 2014 Final Report</i>
<i>IDB (2015), Haiti Country Strategy 2011-2015</i>
<i>IDB (2011), Human Capital Strategy</i>
<i>IDB (2016), IDB 2015 Partnership Report</i>
<i>IDB (2015), IDB Docs Annual Business Report 2015 External</i>
<i>IDB (2007), IDB Regulations</i>
<i>IDB (2013), IDB's Evaluation Recommendation Tracking System Protocol for Implementation **</i>
<i>IDB (2015), Inter-American Development Bank Annual Report 2015: Financial Statements</i>
<i>IDB (2016), Inter-American Development Bank Sustainability Report</i>
<i>IDB (2015), Knowledge and Learning Strategy 2012-2015</i>
<i>IDB (2015), Mobility Program Fact Sheet Jan 2015</i>
<i>IDB (2015), Monitoring and Evaluation of Outcomes IDB Manuals</i>
<i>IDB (2015), Office of Evaluation and Oversight Annual Report 2013-14: Evaluation Overview and Implications for IDB support to Growth and Poverty Reduction</i>
<i>IDB (2014), Office of Evaluation and Oversight: Evaluation of Results of Realignment</i>
<i>IDB et. al. (2015), Office of Institutional Integrity and Sanctions System Annual Report 2015</i>
<i>IDB (2010), Operational Policy on Gender equality in Development</i>
<i>IDB (2013), OVE, Mid-term Evaluation of IDB-9 Commitments: Corporate Results Framework.</i>
<i>IDB (2014), OVE, Land Regularization and Administration Projects: A Comparative Evaluation.</i>
<i>IDB (2014), Partnership Report</i>
<i>IDB (2016), Procedures for the development of Partnership Agreements IDB Manuals</i>

<i>IDB (2015), Program and Budget Execution Report</i>
<i>IDB (2015), Progress Report on the Implementation of the Agenda for a Better Bank</i>
<i>IDB, Project Completion Report Principles and Guidelines**</i>
<i>IDB (2016), Proposal for an Amendment and Restatement of IDB's Income Management Model**</i>
<i>IDB (2015), Proposal to Update the Country Strategy Guidelines Second revised version</i>
<i>IDB (2015), Proposal to update the Country Strategy Guidelines</i>
<i>IDB, Reform and Modernization of the State</i>
<i>IDB (2008), Regional Strategy for Support to the Caribbean (2007-2010)</i>
<i>IDB (2016), Result Matrix and Project Monitoring Guide</i>
<i>IDB (2013), Review Plan of IDB's Financing Instruments</i>
<i>IDB (2015), Sector Strategy to Support Competitive Global and Regional Integration</i>
<i>IDB (2014), Social Protection and Poverty Sector Framework Document</i>
<i>IDB (2013), Strategy for Strengthening and Use of Country Systems Expected results through 2018</i>
<i>IDB (2016), Summary: Update to the Institutional Strategy 2016-2019, Partnering with Latin America and the Caribbean to Improve Lives</i>
<i>IDB, Subregional financial institutions Policy</i>
<i>IDB (2013) Three-year review of the strategy for Strengthening and Use of Country Systems</i>
<i>IDB (2014), Transportation Sector Framework Document</i>
<i>IDB (2013), Technical Cooperation Policy</i>
<i>IDB (2015), Update to the Institutional Strategy 2010-2020</i>
<i>IDB (2013), Updating of the IDB's Corporate Results Framework Proposal to Request Delegation of Authority</i>
<i>Mees, Marquez; Aurora, Victoria (2014), Annual Report: Independent Consultation and Investigation Mechanism</i>
<i>MICI; IDB (2014), MICI 2014 Annual Report</i>

OVE; IDB (2015) <i>Operational Objectives Lending Policy (Ex Post Evaluation)</i>
Pires, Jose Claudio Linhares et. al. (2013), <i>Corporate Evaluation: Fifth Independent Evaluation of SCF's Expanded Project Supervision Report Exercise</i>
Renard, Robrecht; Lister, Stephen (2015), <i>Value for Money MDB VfM Mokoro Final Paper</i>
Schilman, Augustina; et. al. (2015), <i>Approach Paper: OVE Annual Report 2015</i>
Scholl, Lynn; et. al. (2015), <i>OVE, Comparative Case Studies of Three IDB-supported Urban Transport Projects</i>
Schiavo-Campo, Salvatore et. al. (2013), <i>Strategy for Strengthening and Use of Country Systems Progress Report and 2104 Results</i>
Serebrisky, Thomas (2014), <i>Sustainable Infrastructure for Competitiveness and inclusive growth</i>
Soares, Tatiana Fontes, et. al. (2013), <i>Operational Risk Management Framework Updated**</i>
Soriano, Alejandro et. al. (2014), <i>OVE, Second Independent Evaluation of the Japanese Trust Funds at the IDB.</i>
Soriano, Alejandro (2014), <i>OVE, Inter-American Investment Corporation: Tenth Annual Independent Validation Report Prepared by the Office of Evaluation and Oversight</i>
Stone, Leslie F. et. al. (2015), <i>Country Program Evaluation: Colombia (2011-2014)</i>
T. Katzman, Julia; IDB (2014), <i>Memo and Guidelines for Processing SG Operations</i>
University of California (2014), <i>Presentation Total Remuneration Study</i>
West, George; Soriano, Alejandro; Velarde Marco (2013), <i>Results Based Budgeting at the Inter-American Development Bank</i>

## 2b) List of documents numbered as source material for Document Review

Document number	Full name of document
<b>Management Information</b>	
1.	IDB (2014), <i>Annual Report, The Year in Review</i>
2.	IDB (2016), <i>Summary: Update to the Institutional Strategy 2016-2019, Partnering with Latin America and the Caribbean to Improve Lives</i>
3.	IDB (2016), <i>Corporate Results Framework 2016-2019: Revised Version</i>
4.	Serebrisky, Thomas (2014), <i>Sustainable Infrastructure for Competitiveness and inclusive growth</i>
5.	IDB (2015), <i>Sector Strategy to Support Competitive Global and Regional Integration</i>
6.	IDB (2015), <i>Gender and Diversity Sector Framework Document</i>
7.	IDB (2014), <i>Social Protection and Poverty Sector Framework Document</i>
8.	IDB (2015), <i>Climate Change Sector Framework Document</i>
9.	IDB (2014), <i>Transportation Sector Framework Document</i>
10.	IDB (2010), <i>Operational Policy on Gender equality in Development</i>
11.	IDB (2015), <i>Proposal to update the Country Strategy Guidelines</i>
12.	OVE; IDB (2015) <i>operational Objectives Lending Policy (Ex Post Evaluation)</i>
13.	IDB, <i>Financing and mobilization of resources operational Policy</i>
14.	IDB, <i>Subregional financial institutions Policy</i>
15.	IDB (2010), <i>Disaster Risk Management Policy</i>
16.	IDB (2014), <i>Brazil Country Strategy 2012-2014</i>

17.	IDB (2015), <i>Haiti Country Strategy 2011-2015</i>
18.	IDB (2015), <i>Business Review Third Quarter 2015</i>
19.	IDB (2014), <i>Annual Report 2014: Financial Statements</i>
20.	Schilman, Augustina; et. al. (2015), <i>Approach Paper: OVE Annual Report 2015</i>
21.	Mees, Marquez; Aurora, Victoria (2014), <i>Annual Report: Independent Consultation and Investigation Mechanism</i>
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23.	IDB (2013), <i>Technical Cooperation Policy</i>
24.	<u>IDB, <i>Framework for Technical Cooperation</i></u>
25.	Crespo, Anna Risi Vianna et. al. (2015), <i>Measuring Project Performance at the IDB: Recent Developments in the PCR and XPSR Systems</i>
26.	IDB (2011), <i>Human Capital Strategy</i>
27.	IDB (2015), <i>External Feedback System 2012-2014 Report</i>
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29.	Gray, Cheryl et. al. (2015), <i>Office of Evaluation and Oversight Annual Report 2013-2014: Evaluation Overview and Implications for IDB Support to Growth and Poverty Reduction.</i>
30.	IDB (2016), <i>Inter-American Development Bank Sustainability Report</i>
31.	Bueso-Merriam, Jacqueline; Galindo, Arturo; Gomez-Pena, Andres (2015), <i>Development Effectiveness Overview 2014</i>
32.	IDB (2014), <i>Partnership Report</i>
33.	Gray, Cheryl; Schijman, A(2015), <i>OVE Annual Report 2015: Summary of Activities and Analysis of Policy-Based Lending</i>
34.	Gray, Cheryl; Soriano, Alejandro, Huppi, Monika (2013), <i>OVE. Mid-Term Evaluation of IDB-9 Commitments, Country Programming</i>
35.	IDB (2015), <i>Knowledge and Learning Strategy 2012-2015</i>

Evaluation Meta Synthesis (Results Information)	
36.	IDB (2008), <i>Regional Strategy for Support to the Caribbean (2007-2010)</i>
37.	IDB (2015), <i>Office of Evaluation and Oversight Annual Report 2013-14: Evaluation Overview and Implications for IDB support to Growth and Poverty Reduction</i>
38.	IDB (2014), <i>Office of Evaluation and Oversight: Evaluation of Results of Realignment</i>
39.	IDB (2013), <i>OVE, Mid-term Evaluation of IDB-9 Commitments: Corporate Results Framework.</i>
40.	Crespo, Anna Risi Vianna et. al. (2013), <i>OVE. IDB-9: The Development Effectiveness Framework and Overview</i>
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44.	Scholl, Lynn; et. al. (2015), <i>OVE, Comparative Case Studies of Three IDB-supported Urban Transport Projects</i>
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47.	Huppi, Monika et. al. (2014), <i>OVE, Evaluation of Special Programs Financed by Ordinary Capital</i>
48.	Soriano, Alejandro et. al. (2014), <i>OVE, Second Independent Evaluation of the Japanese Trust Funds at the IDB.</i>
49.	Soriano, Alejandro (2014), <i>OVE, Inter-American Investment Corporation: Tenth Annual Independent Validation Report Prepared by the Office of Evaluation and Oversight</i>
50.	Stone, Leslie F. et. al. (2015), <i>Country Program Evaluation: Colombia (2011-2014)</i>
Additional Strategic Documents	
51.	IDB (2013), <i>Strategy for Strengthening and Use of Country Systems Expected results through 2018</i>
52.	IDB (2013) <i>Three-year review of the strategy for Strengthening and Use of Country Systems</i>

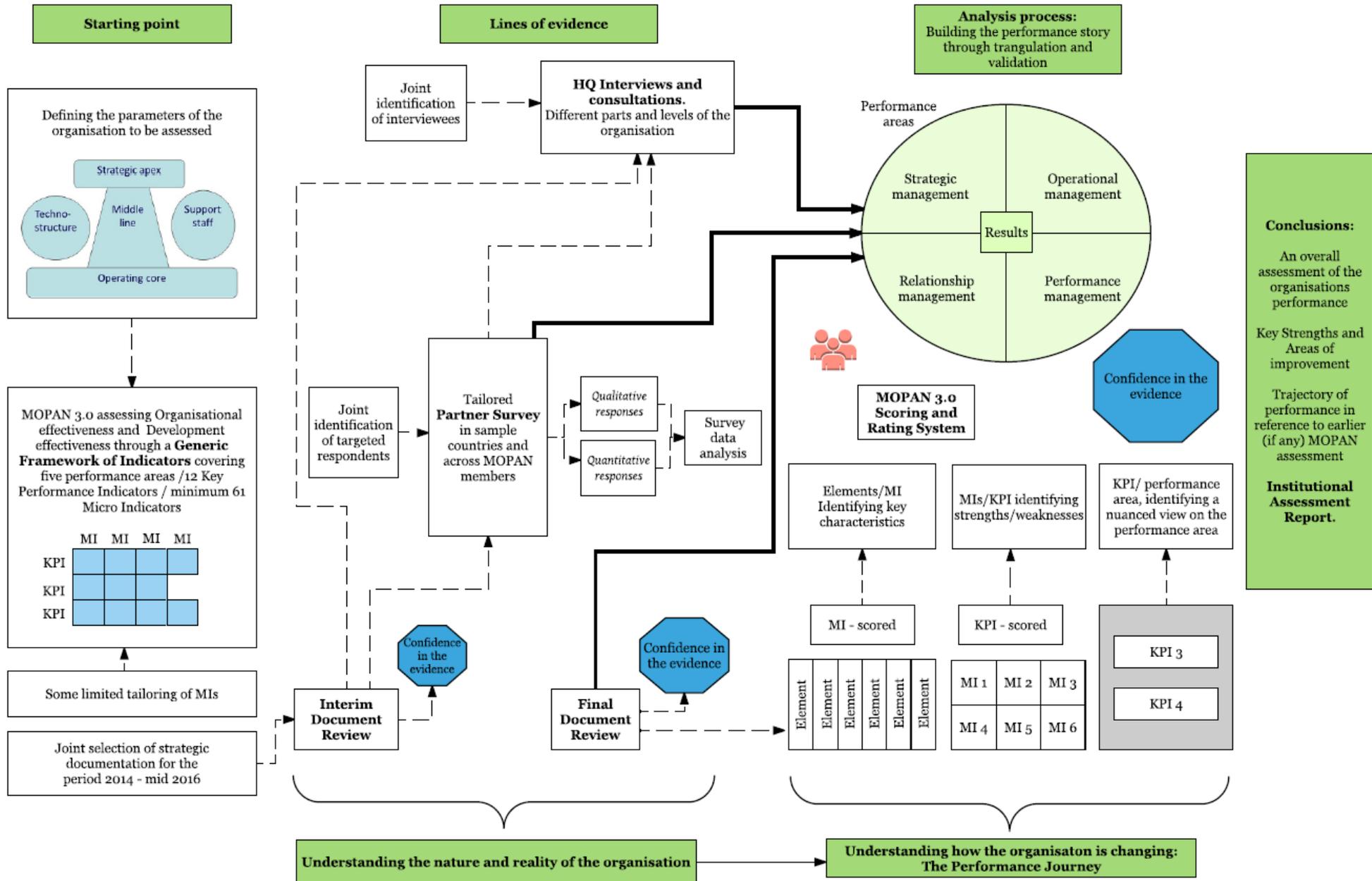
53.	Schiavo-Campo, Salvatore et. al. (2013), <i>Strategy for Strengthening and Use of Country Systems Progress Report and 2104 Results</i>
54.	IDB (2016), <i>IDB 2015 Partnership Report</i>
55.	IDB (2015), <i>External Feedback System 2012-14 Report</i>
56.	IDB (2016), <i>Action Plan for the Implementation of the Update to the Institutional Strategy</i>
57.	IDB (2014) <i>Capital Adequacy Policy Mandate**</i>
58.	IDB (2016) <i>Climate Change Goal of the IDB</i>
59.	Grafe, Fernando; Oddone, Gabriel; Ithurralde, Sebastian; Perez, Alejandro (2015) <i>Estudio sobre la evolucion de la actividad y los cambios en las funciones de produccion del Banco luego del noveno aumento de capital</i>
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63.	IDB (2016), <i>Fiscal Policy and Management Sector Framework Document (2020)</i>
64.	Alonso, Pablo et. al. (2014), <i>Management Comments Evaluation of the Results of the Realignment</i>
65.	IDB (2015), <i>Mobility Program Fact Sheet Jan 2015</i>
66.	University of California (2014), <i>Presentation Total Remuneration Study</i>
67.	IDB et. al. (2015), <i>Office of Institutional Integrity and Sanctions System Annual Report 2015</i>
68.	IDB (2015), <i>Progress Report on the Implementation of the Agenda for a Better Bank</i>
69.	IDB (2016), <i>Result Matrix and Project Monitoring Guide</i>
70.	West, George; Soriano, Alejandro; Velarde Marco (2013), <i>Results Based Budgeting at the Interamerican Development Bank</i>
71.	IDB (2015), <i>Update to the Institutional Strategy 2010-2020</i>
72.	IDB (2013), <i>Updating of the IDB's Corporate Results Framework Proposal to Request Delegation of Authority</i>

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74.	IDB (2016), <i>Procedures for the development of Partnership Agreements IDB Manuals</i>
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79.	IDB (2010), <i>Access to Information Policy Implementation 2014</i>
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91.	IDB (2013), <i>IDB's Evaluation Recommendation Tracking System Protocol for Implementation **</i>
92.	IDB, <i>Project Completion Report Principles and Guidelines**</i>
93.	IDB (2014), <i>Strategic Actions to Strengthen Results-based Budgeting Implementation Action</i>

94.	IDB (2016), <i>2015 Program and budget Execution Report</i>
95.	IDB (2016), <i>Background paper for the Action Plan for the Review of IDB's Sovereign Guarantee Lending Instruments</i>
96.	IDB (2014), <i>2015 Program and Budget Proposal</i>
97.	IDB, <i>Reform and Modernization of the State</i>
98.	IDB (2015), <i>DEM Toolkit 2015</i>
99.	Grafe, Fernando; Oddone, Gabriel; Ithurralde, Sebastian; Perez, Alejandro (2015), <i>IDB Estudio sobre la evolución de la actividad y los cambios en las funciones de producción del Banco luego del novena aumento de capital</i>
100.	IDB (2016), <i>Proposal for an Amendment and Restatement of IDB's Income Management Model**</i>
101.	IDB (2013) General Perception Survey Knowledge Products 2014 Final Report
102.	IDB (2015) Development Effectiveness Overview

\*\*Confidential/Non-Public Documents

## Annex 3: Process map of the MOPAN 3.0 assessment of IDB

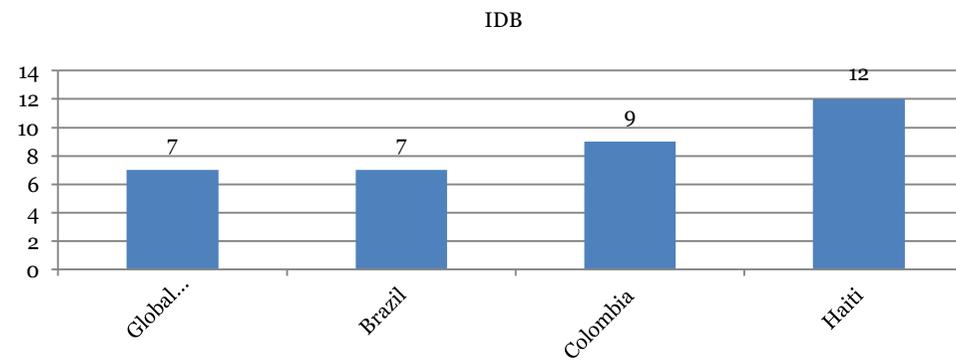


## Annex 4: Results of the MOPAN survey of IDB Partners

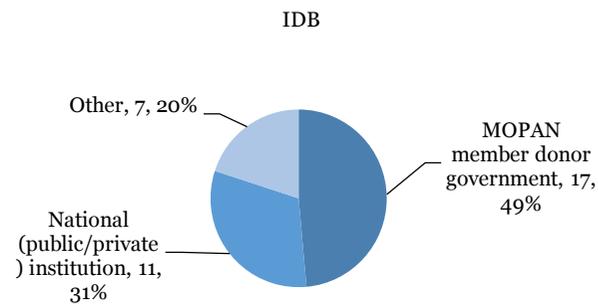
An Evidence Stream for the MOPAN 3.0 assessment of IDB, 2016

Total number of responses for IDB Survey: 35

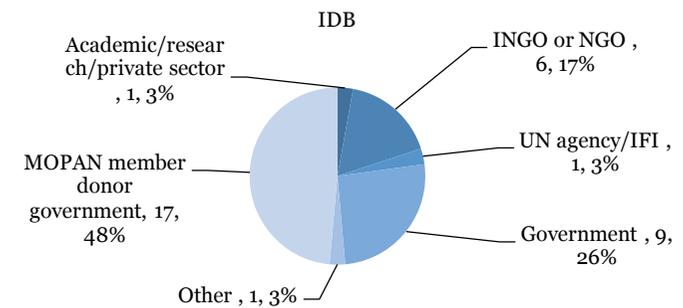
Respondents by Country



Respondent Type



Non MOPAN member respondent type

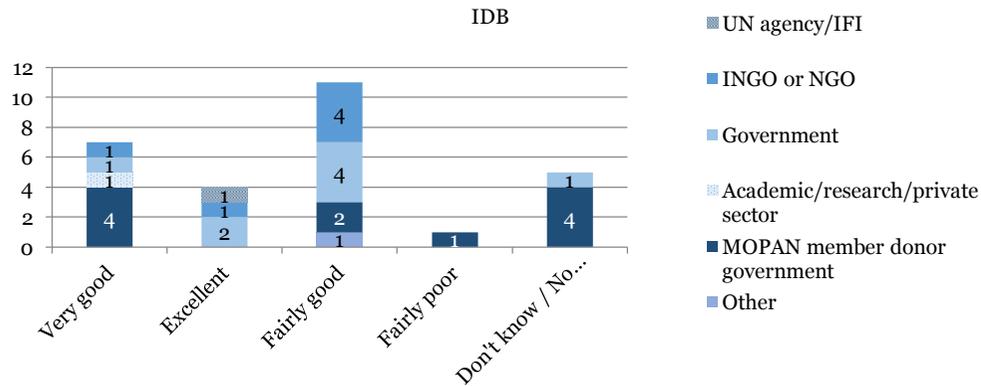


Respondents who identified their geographical focus as "global" were not asked the questions which were only relevant to respondents with a specific country focus. This will be highlighted for the individual questions below.

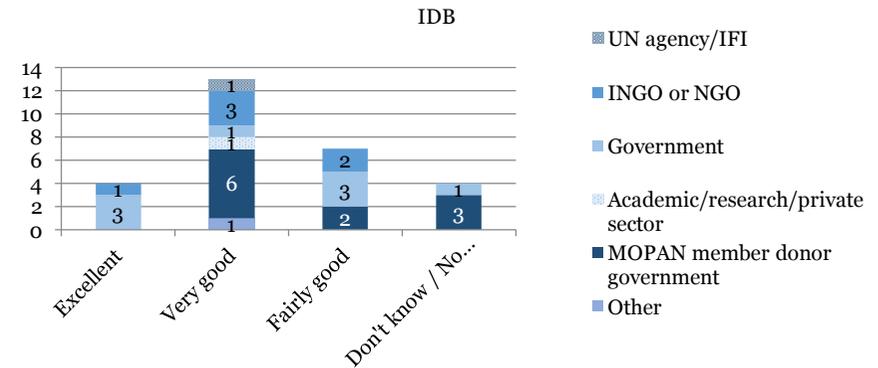
## Staffing

Thinking about IDB's staffing, how well do you think it performs in the areas below?

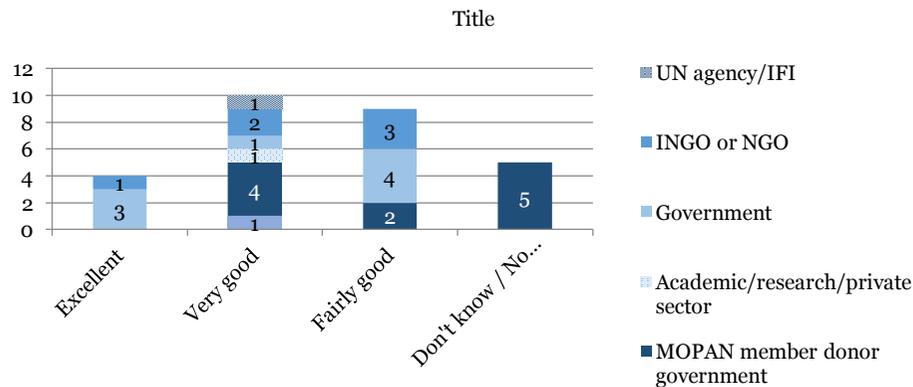
**It has sufficient staffing in [the region] to deliver the results it intends in the country.**



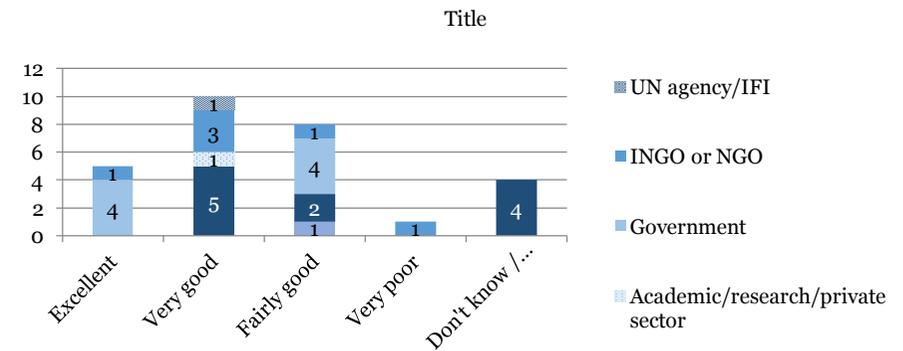
**Its staff are sufficiently senior/experienced to work successfully in the country.**



**It has sufficient continuity of staff to build the relationships needed in the country.**



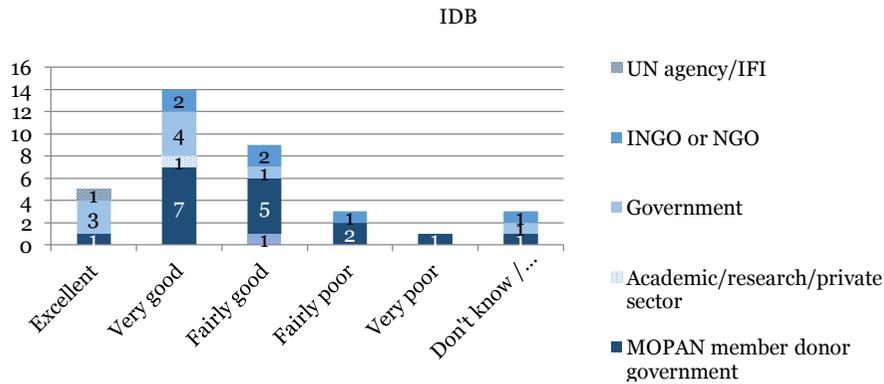
**Its staff can make the critical strategic or programming decisions locally in the country.**



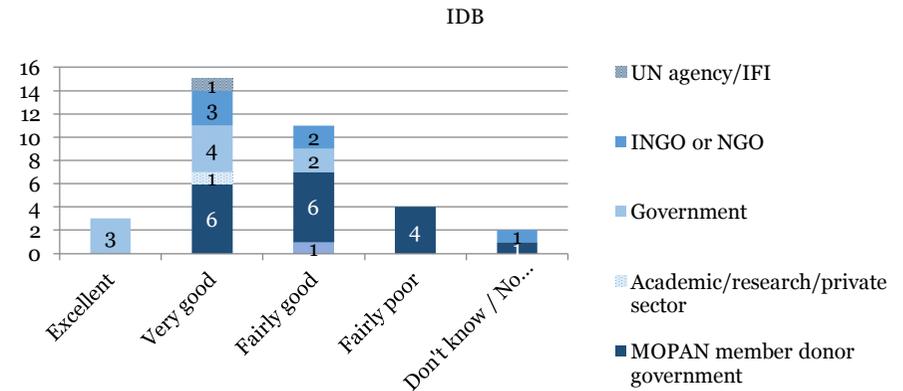
## Managing financial resources

How well do you think IDB performs in relation to the statements below?

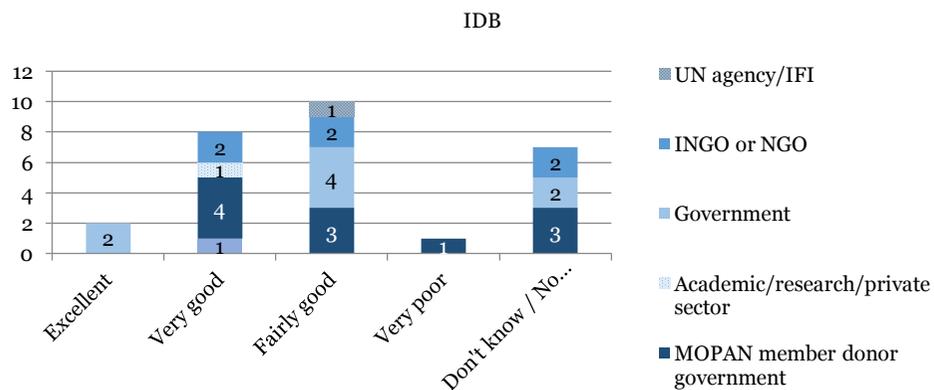
**It communicates openly the criteria for allocating financial resources (transparency).**



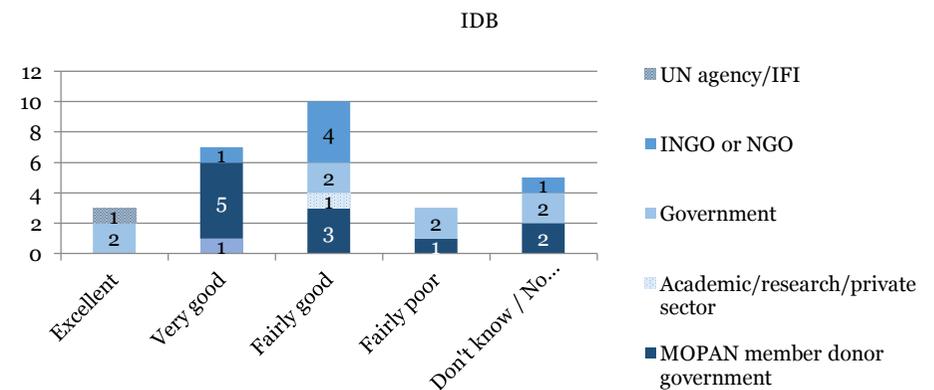
**It provides reliable information on how much and when financial allocations and disbursement will happen (predictability).**



**It co-operates with development or humanitarian partners to make sure that financial co-operation in the country are coherent and not fragmented.**



**It has enough flexible financial resources to enable it to meet the needs it targets in the country.**

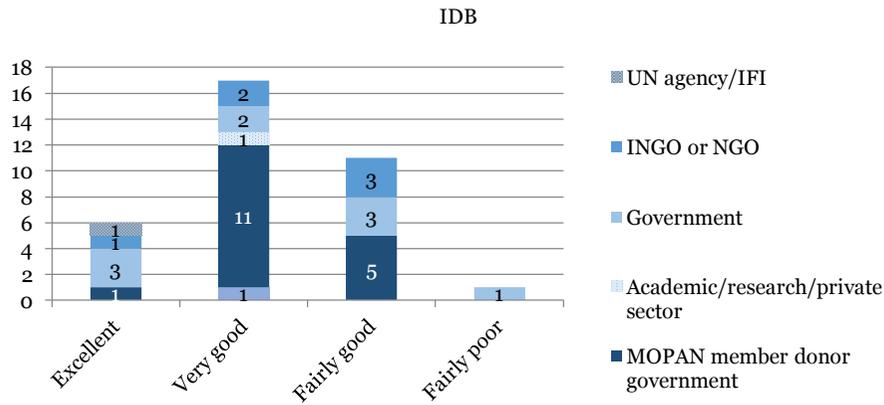


Respondents who identified their geographical focus as "global" were not asked to answer the two lower questions since it is only relevant to respondents with a specific country focus.

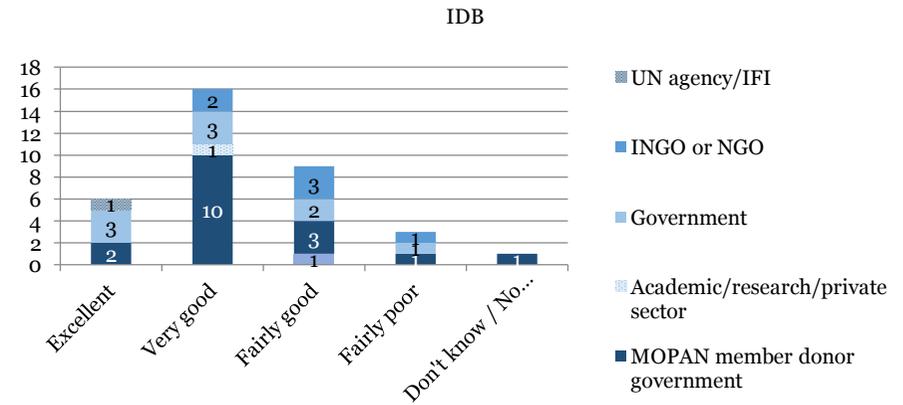
## Interventions (programmes, projects, normative work)

How well do you think IDB performs in relation to the areas below?

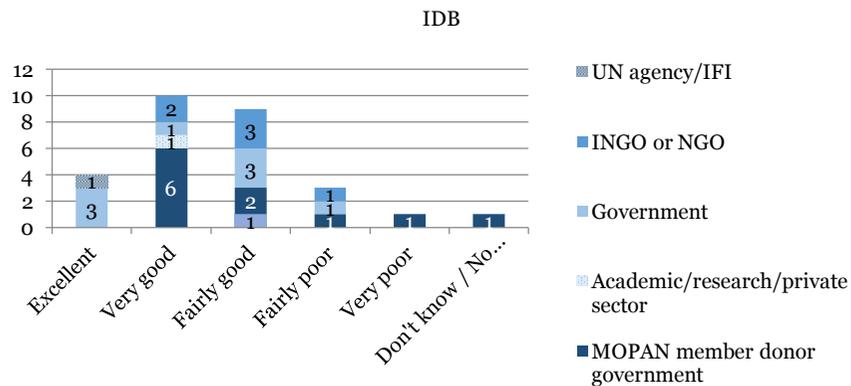
**Its interventions are designed and implemented to fit with national programmes and intended results.**



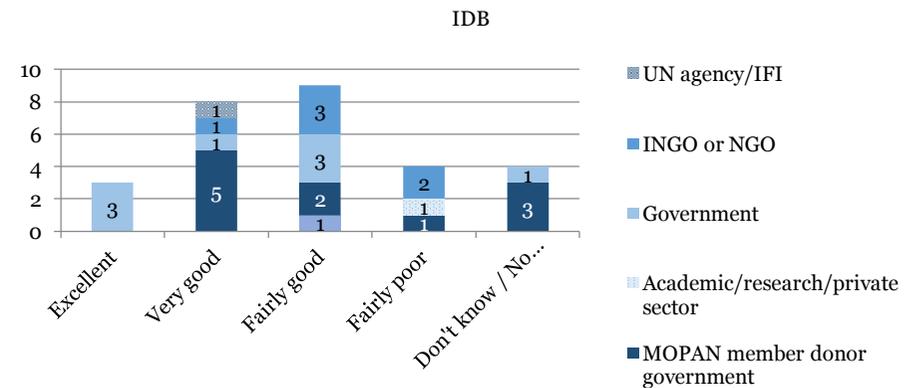
**It adapts or amends interventions swiftly as the context in the country changes.**



**Its interventions in the country are based on realistic assessments of national / regional capacities, including government, civil society and other actors.**

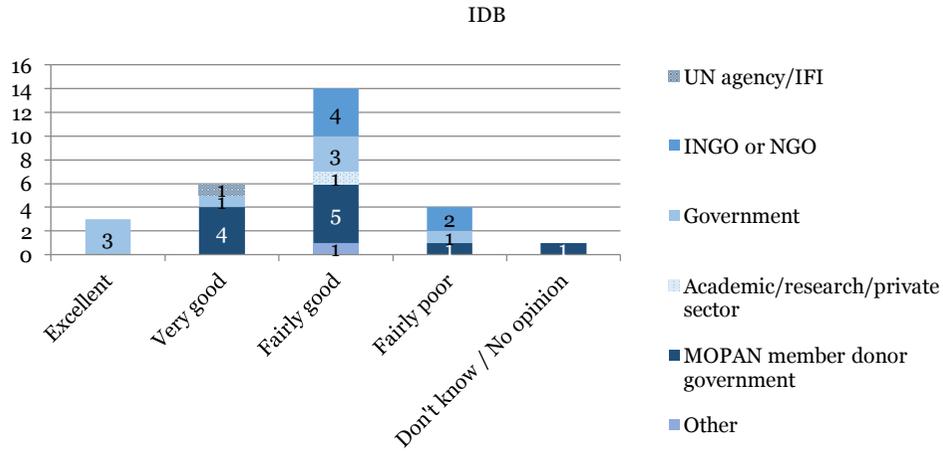


**Its interventions appropriately manage risk within the context of the country.**

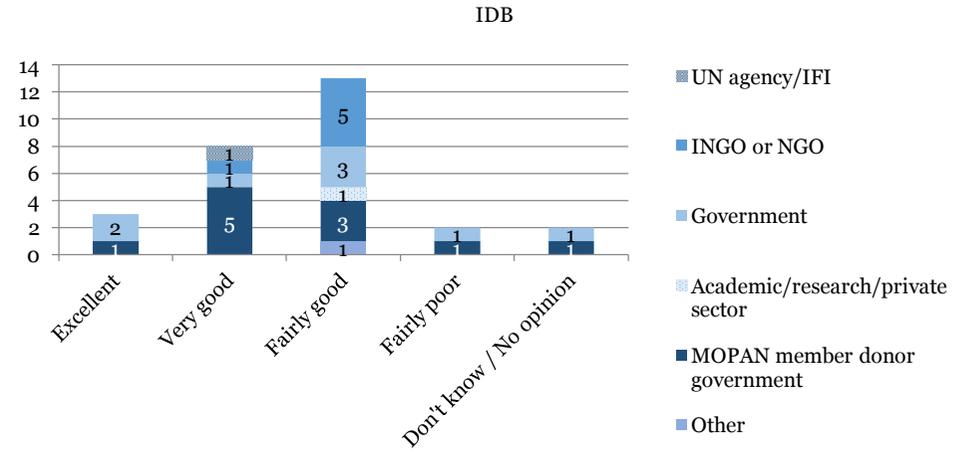


Respondents who identified their geographical focus as "global" were not asked to answer the two lower questions since it is only relevant to respondents with a specific country focus.

**Its interventions in the country are based on realistic assessments of national / regional capacities, including government, civil society and other actors.**



**Its interventions appropriately manage risk within the context of the country.**

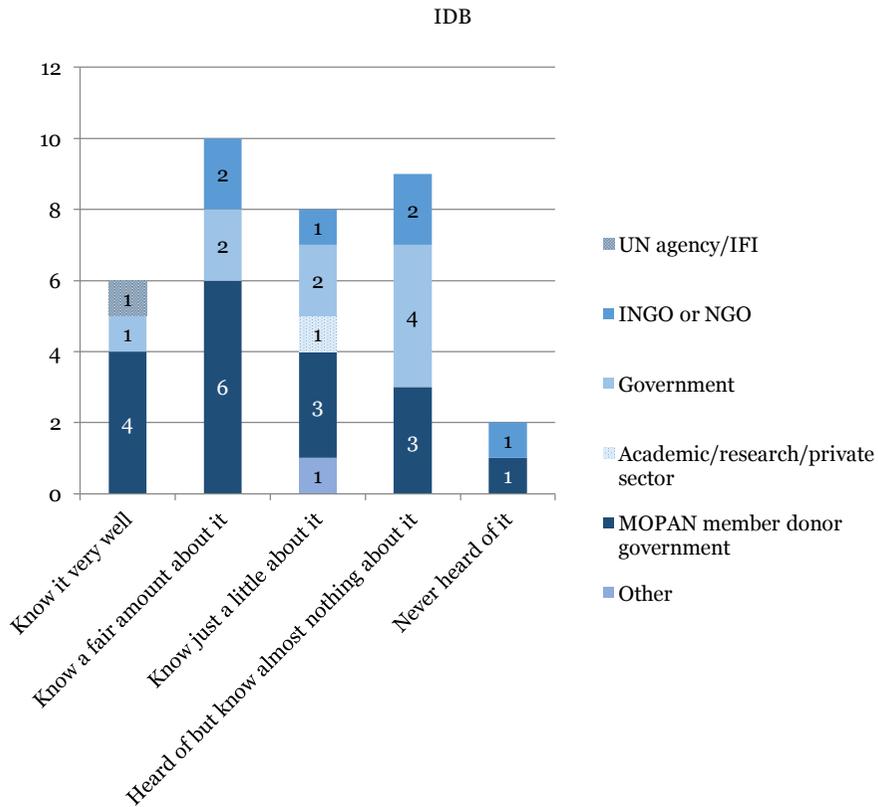


*Respondents who identified their geographical focus as "global" were not asked to answer these questions since it is only relevant to respondents with a specific country focus.*

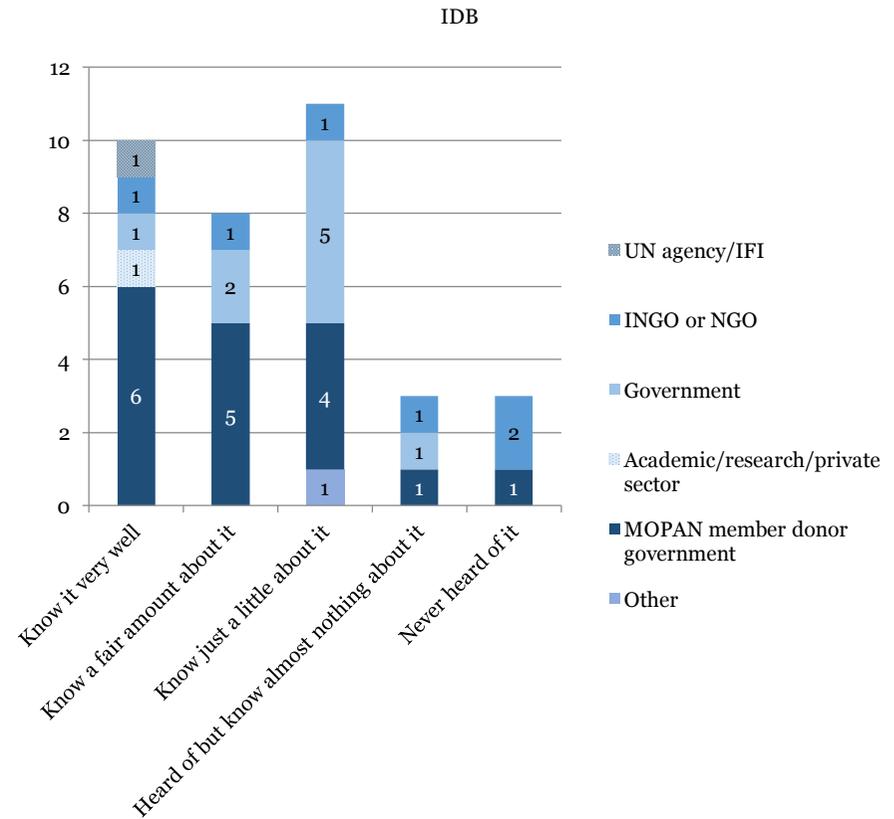
## Interventions (Cross cutting issues)

How familiar are you with each of the following?

**The gender equality strategy of the country – The Gender and Diversity Sector Framework Document (Feb 2015).**

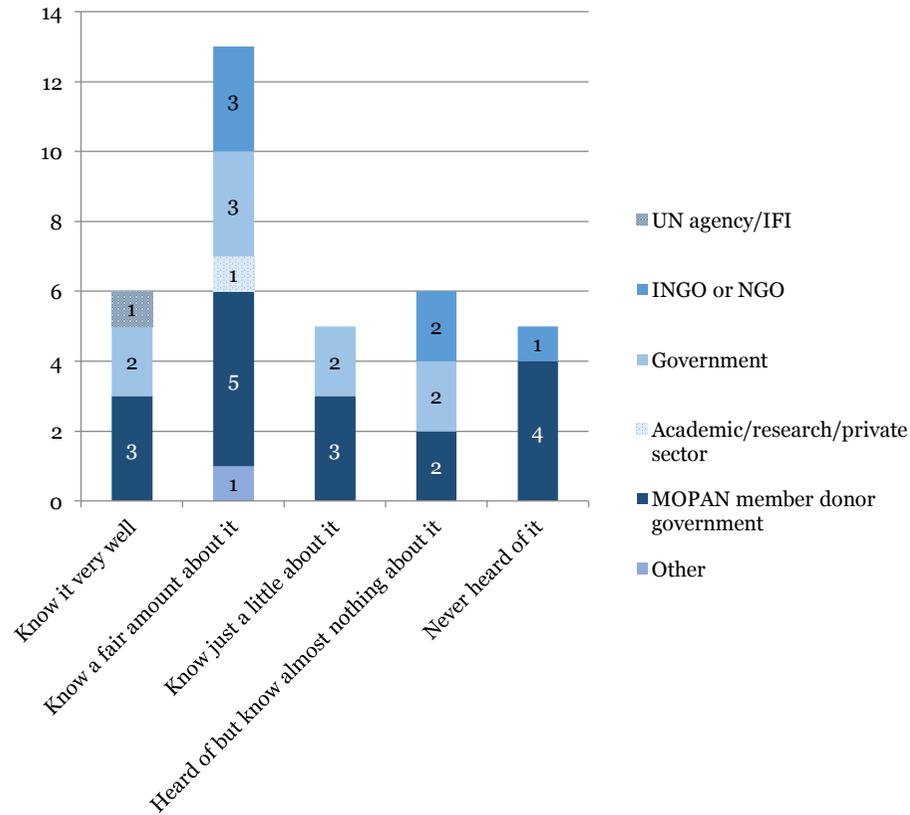


**The environmental sustainability strategy of the country including addressing climate change – The Climate Change Sector Framework Document (Nov 2015).**



**The strategy of [the country] setting out how it intends to engage with promoting good governance (for example, reduced inequality, access to justice for all, impartial public administration, being accountable and inclusive at all levels) – The Strategy on Sustainable Infrastructure for Competitiveness and Inclusive Growth (Nov 2013).**

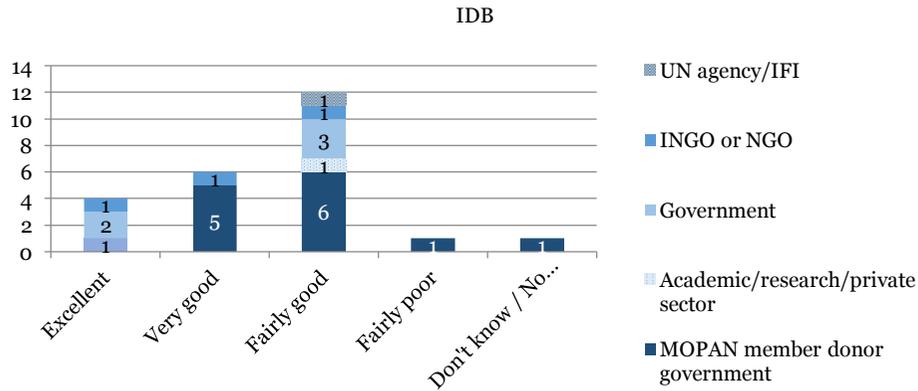
IDB



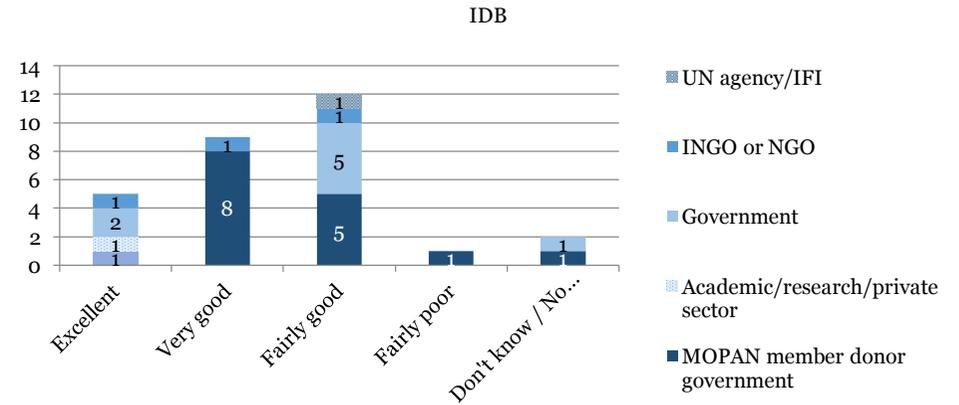
## Interventions (Cross cutting issues) part two

How well do you think IDB performs in relation to the priorities/areas stated below?

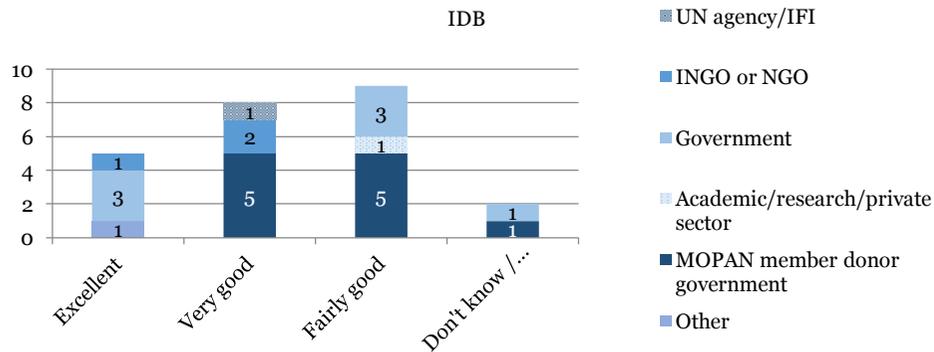
**It promotes gender equality, in all areas of its work.**



**It promotes environmental sustainability and addresses climate change in all relevant areas of its work.**



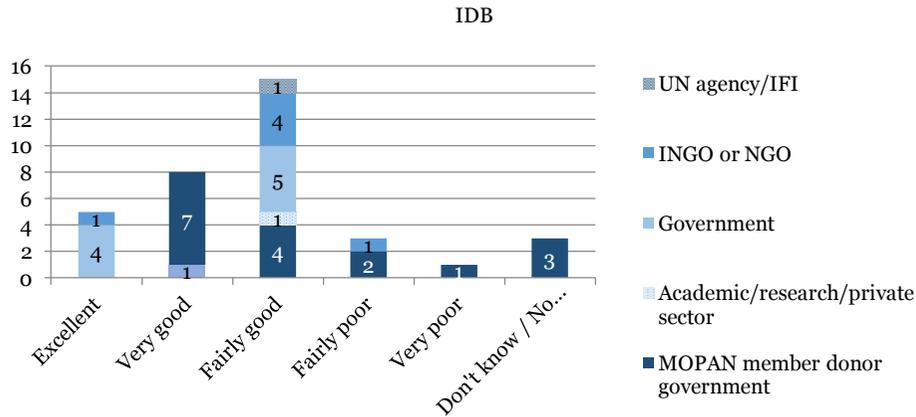
**It promotes the principles of good governance in all relevant areas of its work (for example, reduced inequality, access to justice for all, impartial public administration, being accountable and inclusive at all levels).**



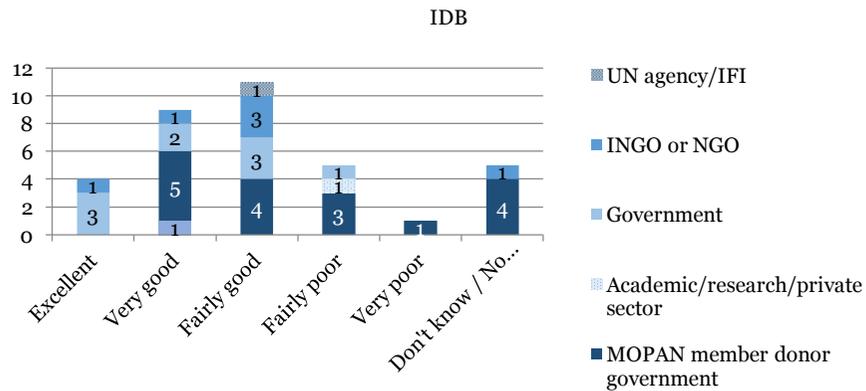
## Managing relationships

How well do you think IDB performs in relation to each of these areas?

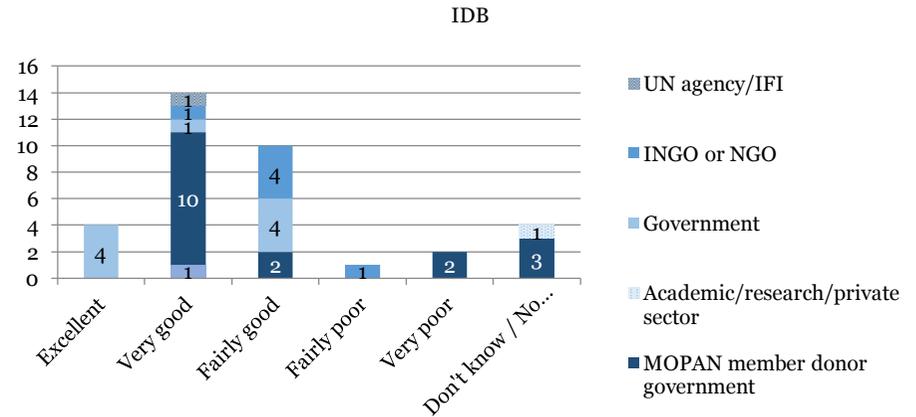
**It prioritises working in synergy/ partnerships as part of its business practice.**



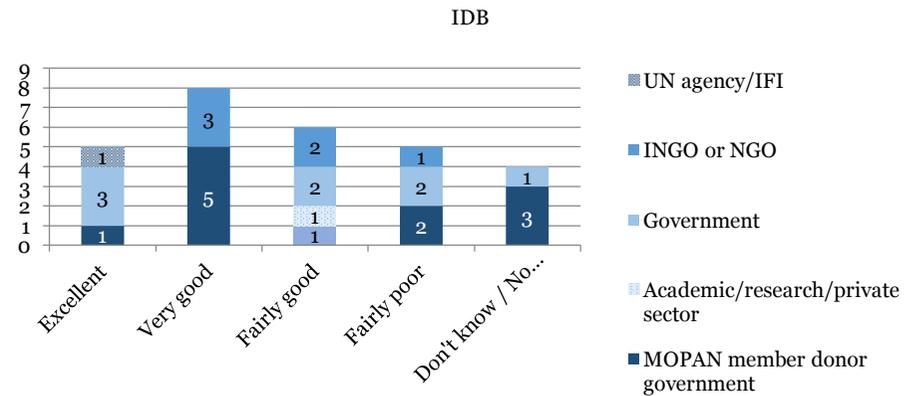
**It ensures that its bureaucratic procedures (planning, programming, administrative, monitoring and reporting) are synergised with those of its partners (for example, donors, UN agencies).**



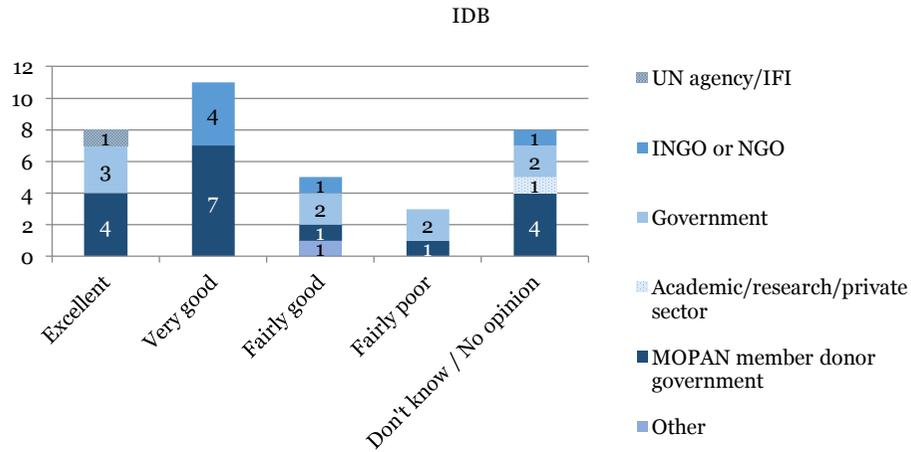
**It shares key information (analysis, budgeting, management, results) with partners on an ongoing basis.**



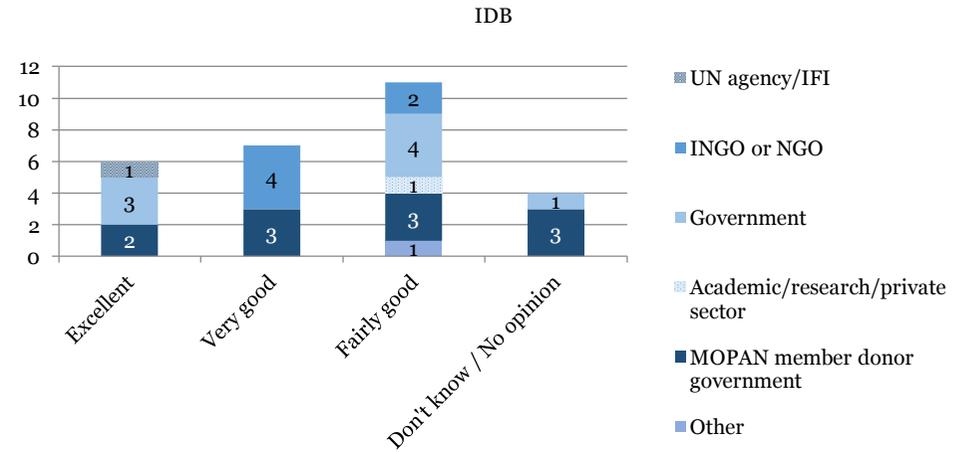
**It provides high-quality inputs to policy dialogue in the country.**



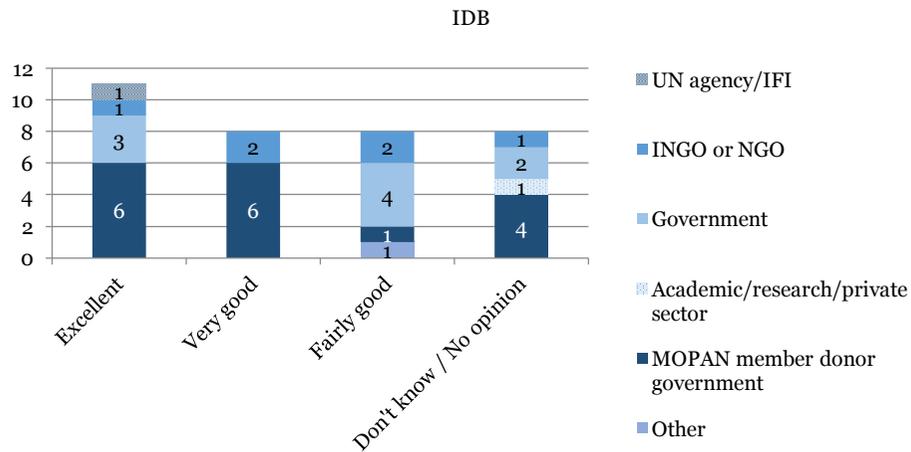
**It provides high-quality inputs to policy dialogue at a regional level.**



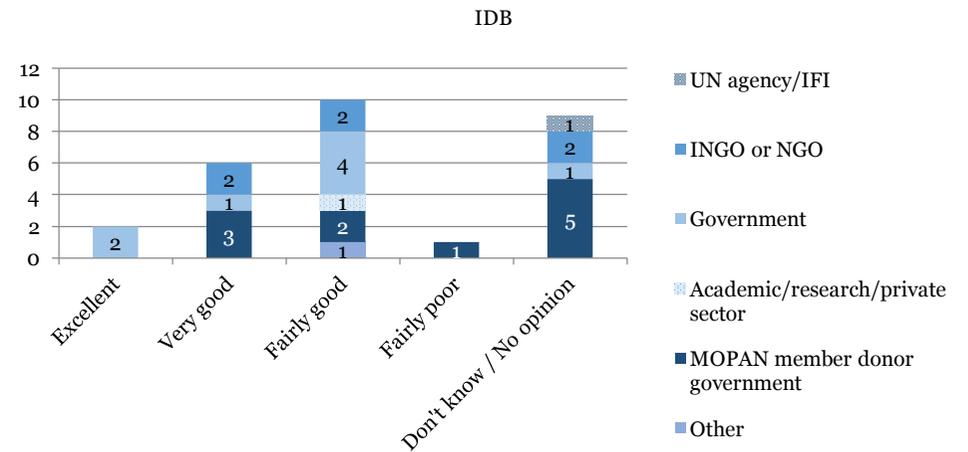
**Its views are well respected in policy dialogue forums in the country.**



**Its views are well respected in regional policy dialogue forums.**

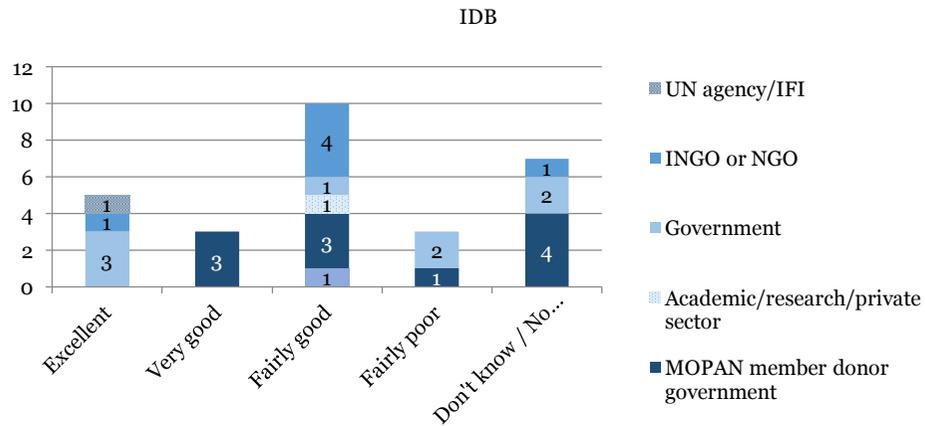


**It conducts mutual assessments of progress in the country with national/regional partners.**

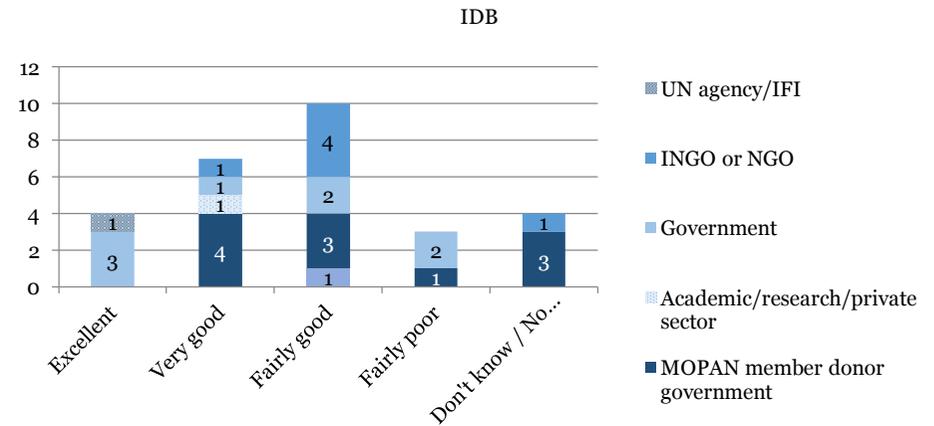


Respondents who identified their geographical focus as "global" were not asked to answer the two right sided questions since it is only relevant to respondents with a specific country focus.

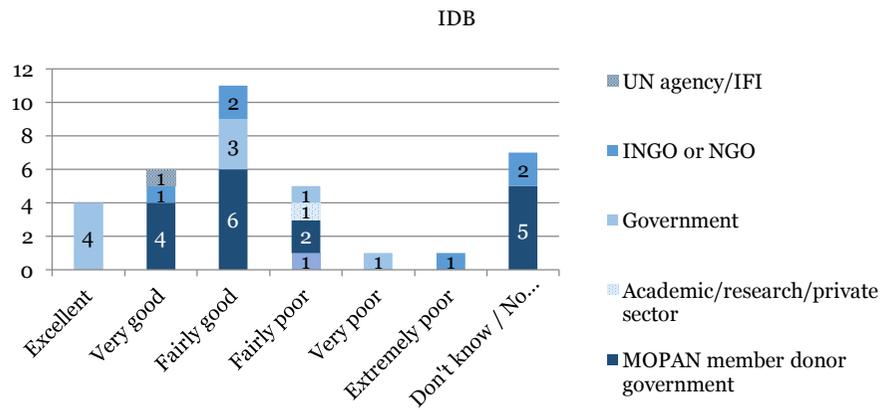
**It channels financial resources through country systems (both financial and non-financial) in the country as the default option.**



**It takes action to build capacity in country systems in the country where it has judged that country systems are not yet up to a required standard.**



**Its bureaucratic procedures (including systems for engaging staff, procuring project inputs, disbursing payment, logistical arrangements etc.) do not cause delays in implementation for national or other partners.**

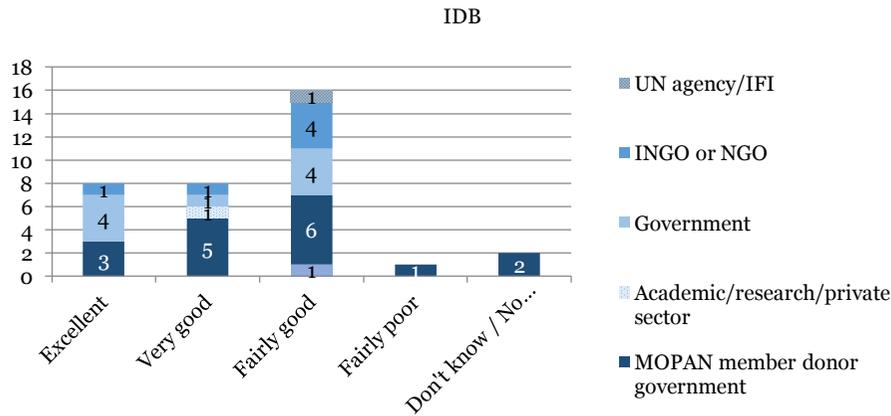


Respondents who identified their geographical focus as "global" were not asked to answer the two top questions since it is only relevant to respondents with a specific country focus.

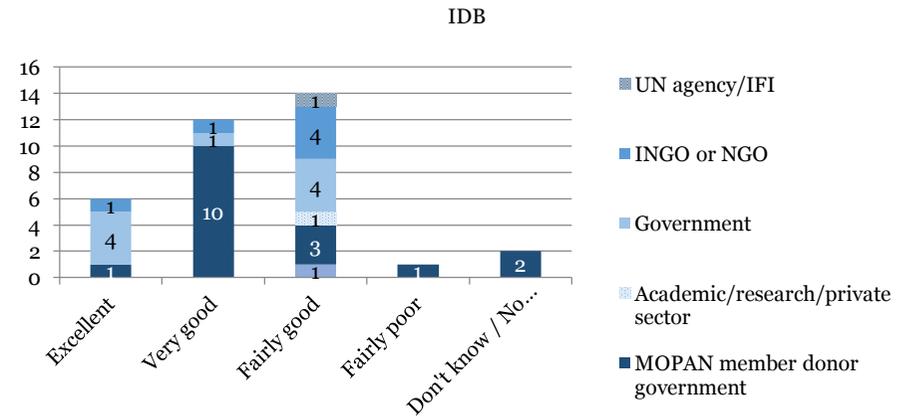
## Performance management, part 1

How well do you think IDB performs in relation to the areas below?

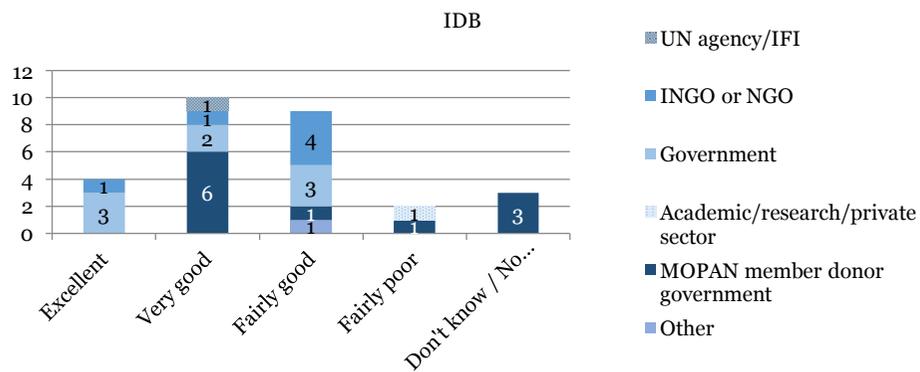
**It prioritises a results-based approach – for example when engaging in policy dialogue, or planning and implementing interventions.**



**It insists on the use of robust performance data when designing or implementing interventions.**



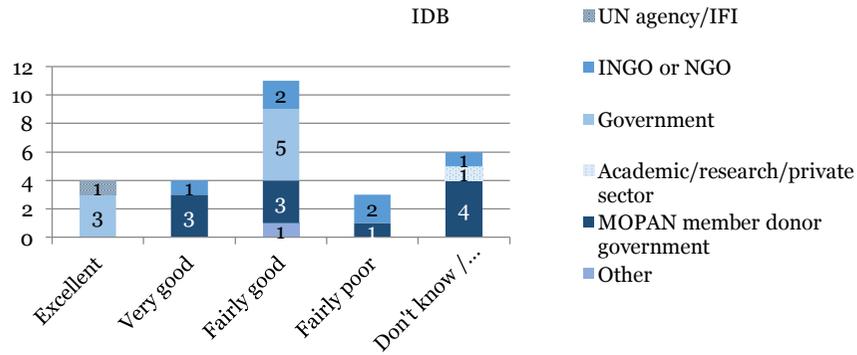
**It insists on basing its guiding policy and strategy decisions in relation to its work in the country on the use of robust performance data.**



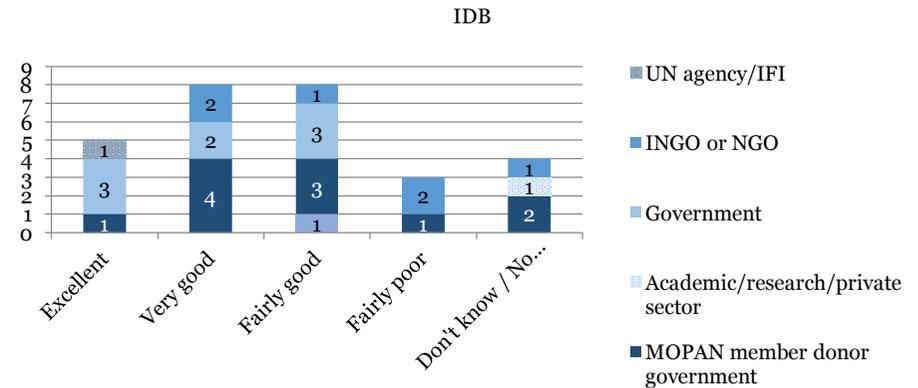
## Performance management, part 2

Thinking about the evidence base for planning and programming, how well do you think IDB performs in relation to the areas below?

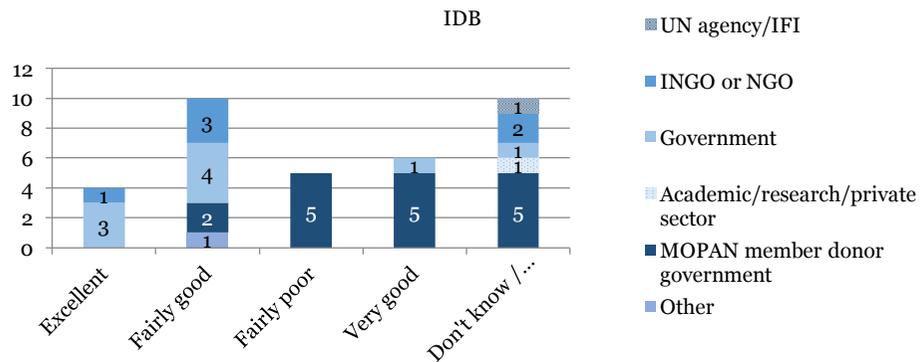
**It has a clear statement on which of the interventions it has funded in the country must be evaluated (e.g. a financial threshold).**



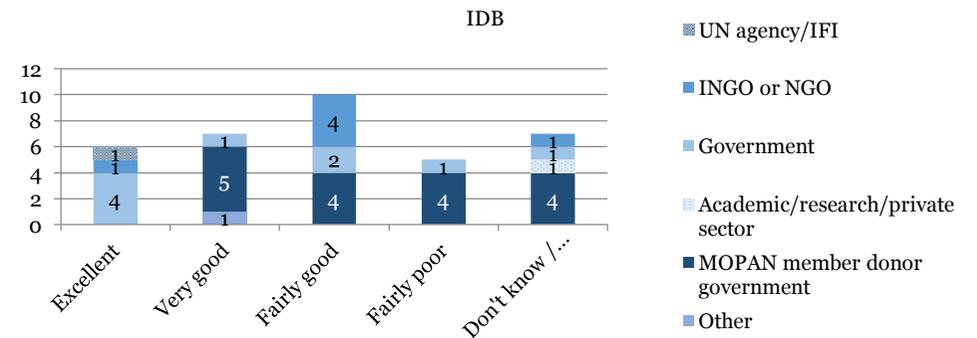
**Where interventions in the country are required to be evaluated, it follows through to ensure evaluations are carried out.**



**It participates in joint evaluations at the country/regional level.**

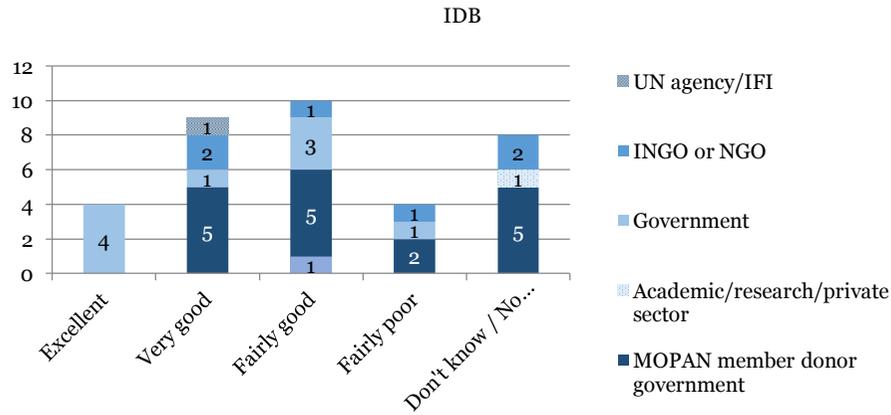


**All new intervention designs of the country include a statement of the evidence base (what has been learned from past interventions).**

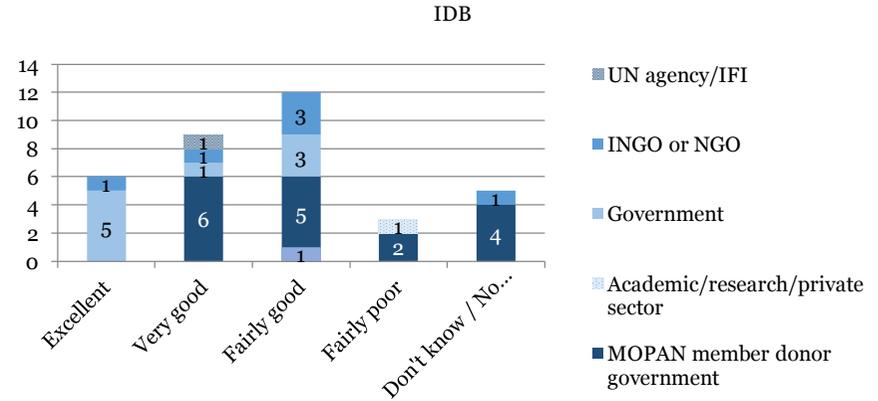


Respondents who identified their geographical focus as "global" were not asked to answer the two top questions since it is only relevant to respondents with a specific country focus.

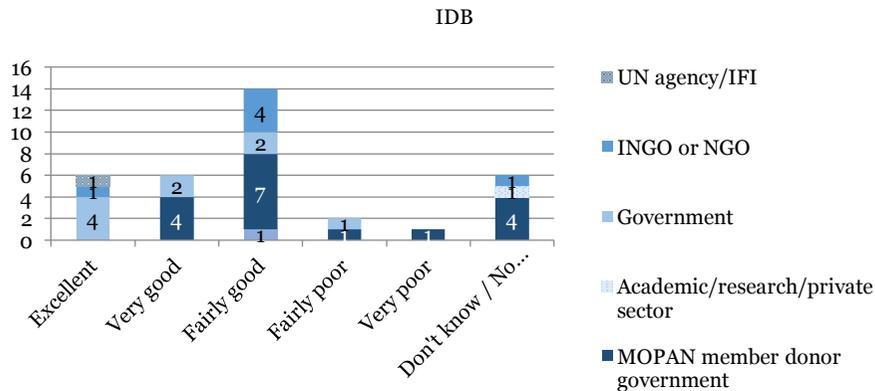
**It consistently identifies which interventions are under-performing.**



**It addresses any areas of intervention under-performance, for example, through technical support or changing funding patterns if appropriate.**



**It follows up any evaluation recommendations systematically.**



**It learns lessons from previous experience, rather than repeating the same mistakes.**

