

MOPAN ASSESSMENT REPORT

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# Inter-American Development Bank (IDB)

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PART II  
Technical and Statistical  
Annex



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2021-22

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# Inter-American Development Bank (IDB)

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PART II  
Technical and Statistical  
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## EXPLANATORY NOTE

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MOPAN is the only collective action mechanism that meets member countries' information needs regarding the performance of multilateral organisations (MOs). Through its institutional assessment reports, MOPAN provides comprehensive, independent, and credible performance information to inform members' engagement and accountability mechanisms.

MOPAN's assessment reports tell the story of the multilateral organisation (MO) and its performance. Through detailing the major findings and conclusions of the assessment, alongside the MO's performance journey, strengths, and areas for improvement, the reports support members' decision-making regarding MOs and the wider multilateral system.

MOPAN assessment reports are composed of two parts: the Analysis Summary and the Technical and Statistical Annex. This is Part II: Technical and Statistical Annex of the IDB (2022). It contains the detailed underlying analysis of each score, the list of supporting evidence documents, as well as the summarised results of the external partner survey that fed into this assessment.

For the Analysis Summary of the MOPAN Assessment of the IDB, including organisational context, key findings and the assessment methodology and process, refer to Part I.

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## ABBREVIATIONS AND ACRONYMS

<b>CCAP</b>	Climate Change Action Plan	<b>LAC</b>	Latin America and the Caribbean
<b>COVID-19</b>	Novel Coronavirus Disease 2019	<b>M&amp;E</b>	Monitoring and evaluation
<b>CPE</b>	Country Program Evaluation	<b>MDB</b>	Multilateral Development Bank
<b>CRF</b>	Corporate Results Framework	<b>MI</b>	Micro-Indicator
<b>DAP</b>	Diversity Action Plan	<b>MIF</b>	Multilateral Investment Fund
<b>ESPF</b>	Environmental and Social Policy Framework	<b>MOPAN</b>	Multilateral Organisation Performance Assessment Network
<b>GAP</b>	Gender Action Plan	<b>OVE</b>	Office of Evaluation and Oversight
<b>GDP</b>	Gross Domestic Product	<b>PMR</b>	Project Monitoring Report
<b>HR</b>	Human Resources	<b>PSG</b>	Project-specific Grant
<b>ICPR</b>	Independent Country Program Review	<b>SDG</b>	Sustainable Development Goal
<b>IDB</b>	Inter-American Development Bank	<b>SEA</b>	Sexual Exploitation and Abuse
<b>IDBG</b>	Inter-American Development Bank Group	<b>SG</b>	Sovereign-Guaranteed
<b>IFD</b>	Institutions for Development Sector	<b>USD</b>	United States Dollar
<b>IOD PARC</b>	International Organisation Development Ltd		
<b>KPI</b>	Key Performance Indicator		

## PART II

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# Technical and Statistical Annex

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Part II: Technical and Statistical Annex provides the background to the key findings and scores presented in the first part of the report. It starts by outlining the underlying analysis of each score by key performance indicators (KPIs), micro-indicators (MIs) and elements.

Then, it lists the documents used as evidence for analyses and scores. Last, it summarises the results of the external partner survey that fed into the assessment.

## ANNEX A – PERFORMANCE ANALYSIS

### METHODOLOGY FOR SCORING AND RATING

The approach to scoring and rating under MOPAN 3.1 is described in the *2020 Methodology Manual* (MOPAN 2020a), which can be found MOPAN’s website.









Each of the 12 KPIs contains several MIs, which vary in number. The KPI rating is calculated by taking the average of the ratings of its constituent MIs.

#### Scoring of KPIs 1-8

The scoring of KPIs 1-8 are based upon an aggregated scoring the MIs. Each MI contains a several elements, which vary in number, that represent international good practice. Taking the average of the constituent scores per element, a score is then calculated per MI. The same logic is pursued at aggregation to the KPI level, to ensure a consistent approach. Taking the average of the constituent scores per MI, an aggregated score is then calculated per KPI.

#### Scoring of KPIs 9-12

The scoring of KPIs 9-12 is based upon a meta-analysis of evaluations and performance information, rated at the MI level and aggregated to the KPI level. For KPI 9, results against the mandate and contribution to cross-cutting results are given equal weight. KPIs 9-12 assess results achieved as assessed in evaluations and annual performance reporting from the organisations.

 <b>Highly satisfactory</b> (3.51-4.00)	 <b>High evidence confidence</b>
 <b>Satisfactory</b> (2.51-3.50)	 <b>Medium evidence confidence</b>
 <b>Unsatisfactory</b> (1.51-2.50)	 <b>Low evidence confidence</b>
 <b>Highly unsatisfactory</b> (0.00-1.50)	
 <b>No evidence / Not applicable</b>	

#### Rating scales

Whenever scores are aggregated, rating scales are used to translate scores into ratings that summarise the assessment across KPIs and MIs. The rating scale used under MOPAN 3.1 is shown below.

A score of “N/E” means “no evidence” and indicates that the assessment team could not find any evidence but was not confident of whether or not there was evidence to be found. The team assumes that “no evidence” does not necessarily mean that the element is not present (which would result in a zero score). Elements rated N/E are excluded from any calculation of the average. A significant number of N/E scores in a report indicates an assessment limitation (see the Limitations section at the beginning of the report). A note indicating “N/A” means that an element is considered to be “not applicable”. This usually owes to the organisation’s specific nature.

#### Changes to MOPAN’s rating system

MOPAN’s methodology is continuously evolving, and a recent notable change concerns how ratings (and their corresponding colours) were applied based on the scores at microindicator (MI) and key performance indicator (KPI) levels. Compared to the pre-2019 rating scale, the threshold for each rating has been raised to reflect the increasing demands of organisational performance in the multilateral system. The underlying scores and approach to scoring are unaffected.



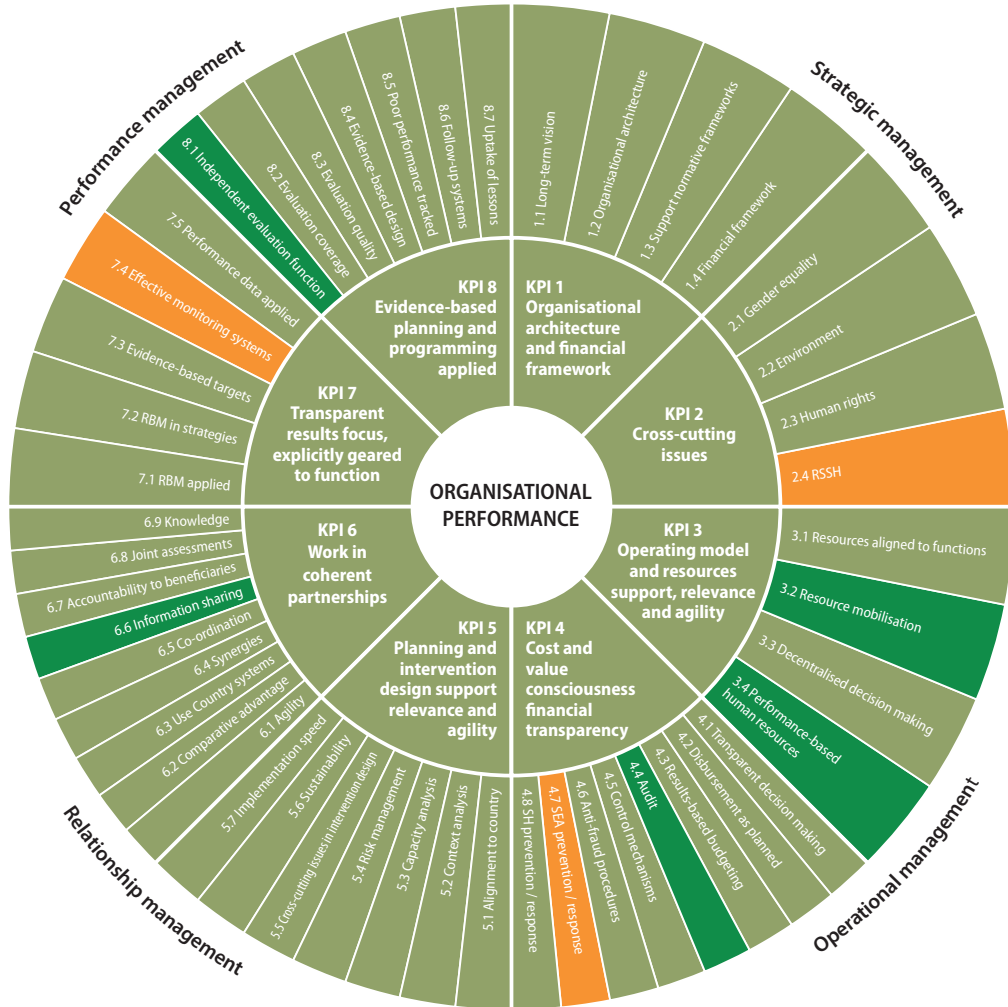
## **THE INTER-AMERICAN DEVELOPMENT BANK'S (IDB) SCORING OVERVIEW**

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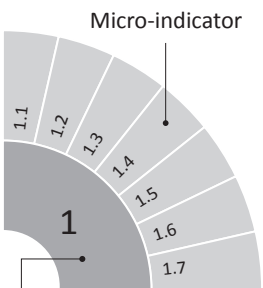
The graphic on page 6 provides a “snapshot” of the IDB’s scoring against the MOPAN framework of key performance indicators (KPIs), micro-indicators (MIs) and elements across the five performance areas (Strategic Management, Operational Management, Relationship Management, Performance Management and Results).

Overall, IDB demonstrates strong performance with respect to strategic, operational, relationship and performance management, but faces some key challenges in adapting to changing implementing contexts and demonstrating the results achieved. IDB has a clear strategic vision, supported by mechanisms to promote collaboration across the IDB Group and means of mainstreaming cross-cutting themes into operations. IDB has flexible and results-driven processes for human resources management and operations management; however, there are important opportunities to strengthen the management of environmental and social safeguards, including Sexual Exploitation and Abuse and Sexual Harassment. Whereas IDB has a strong commitment to results based management, challenge in ensuring the quality of monitoring and evaluation data, particularly when the implementation context changes, has contributed to challenges in demonstrating overall achievement of results. There is no overall assessment of performance for cross-cutting themes. Additionally, there are opportunities to enhance the timeliness of implementation and sustainability of results.

**THE IDB'S PERFORMANCE RATING SUMMARY**



**How to read these charts**



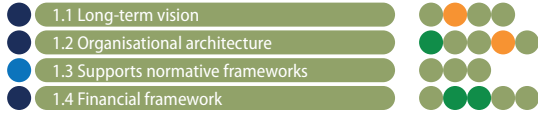
Key Performance Indicator

- **Highly satisfactory** (3.51-4.00)
- **Satisfactory** (2.51-3.50)
- **Unsatisfactory** (1.51-2.50)
- **Highly unsatisfactory** (0-1.50)
- **No evidence / Not applicable**



## Strategic management

### KPI 1: Organisational architecture and financial framework

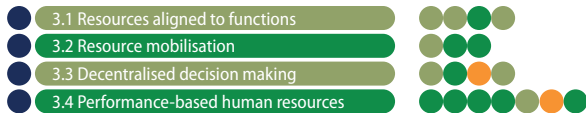


### KPI 2: Cross-cutting issues



## Operational management

### KPI 3: Resources support, relevance and agility

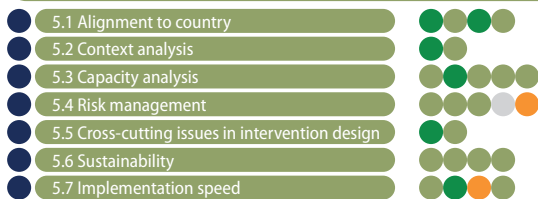


### KPI 4: Cost and value consciousness, financial transparency

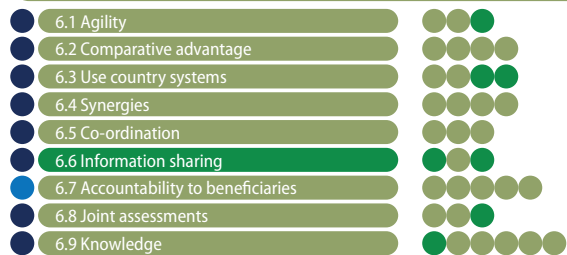


## Relationship management

### KPI 5: Planning / intervention design support, relevance and agility



### KPI 6: Work in coherent partnerships

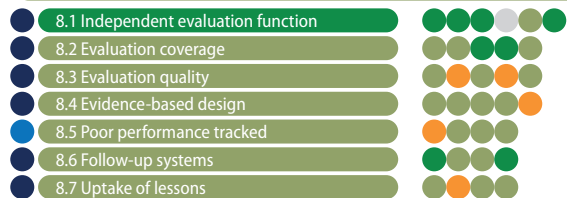


## Performance management

### KPI 7: Transparent results focus, explicitly geared to function

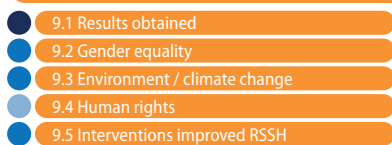


### KPI 8: Evidence-based planning and programming applied

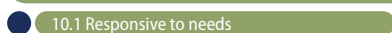


## Results

### KPI 9: Achievement of results



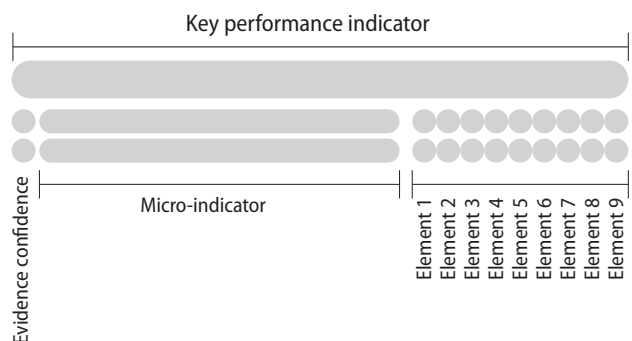
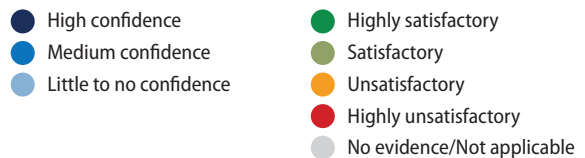
### KPI 10: Relevance to partners



### KPI 11: Results delivered efficiently



### KPI 12: Results are sustainable



## PERFORMANCE ANALYSIS TABLE

This section provides the background to the scoring of individual key performance indicators across the five performance areas, by including detailed analysis and score justifications at the level of micro-indicators and elements. It also highlights the key sources of information used for analysis and scoring. For more information on the assessment methodology, please refer to Chapter 4 in Part I of the report.

As highlighted under Part I: Chapter 4, certain indicators have been adapted to fit the organisation's context. Any adaptations and interpretations to the standard methodology are underlined within the performance analysis table.

## 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	KPI score
Satisfactory	3.04
<p><b>Strategic plan and intended results based on long-term vision:</b> The Institutional Strategy was established in 2010 as the Inter-American Development Bank's (IDB's) key strategic document and has been updated twice since then, with the latest receiving Board approval in 2019. The Strategy is operationalised through the Corporate Results Framework. It has articulated various aspects of IDB's comparative advantage over the years but not in the clearest manner.</p> <p><b>Organisational architecture:</b> IDB's structure is well-aligned with its objectives and cross-cutting priorities. The operating model is based on a strong country/regional presence, with an office in every borrowing member country (BMC). Operationally, the Bank balances a demand-led approach and its own financial framework and corporate objectives/priorities through a matrix model between country departments/offices and sectoral departments/divisions. IDB is still continuing to develop its approach to multisectoral ways of working – a guiding principle for the organisation under the Institutional Strategy.</p> <p><b>Global commitments:</b> The Bank's strategic plan refers to the Sustainable Development Goals (SDGs), and all three levels of the Corporate Results Framework are mapped to the relevant SDGs. IDB is widely perceived in the region as a strong promoter of the SDGs. The Bank is also a signatory to the Multilateral Development Banks (MDB) commitment – From Billions to Trillions: Transforming Development Finance Post-2015 – and the Joint MDB Statement for Crowding in Private Finance and contributes to joint efforts to make MDB climate finance contributions transparent.</p> <p><b>Financial framework:</b> The IDB has a strong financial framework and is widely perceived regionally as a responsible and financially stable organisation. Prudent financial policies and practices contribute to this solidity, which in turn enabled the Bank to respond strongly to the outbreak of COVID-19 in the region. Nevertheless, long-term financial projections are indicative given the importance of managing corporate risk and maintaining the Bank's triple-A status with the credit rating agencies – an objective mandated by its Governors. Board-level scrutiny of the Bank's financial framework is strict. The Bank also administers a range of funds in support of its strategic objectives. From the Bank's perspective, there is a strong strategic preference for mobilised resources that can be utilised flexibly – to reduce the number and range of earmarking requirements. In practice, however, that remains a challenge.</p>	
MI 1.1: Strategic plan and intended results based on a clear long-term vision and analysis of comparative advantage in the context of the 2030 Sustainable Development Agenda	Score
Overall MI rating	Satisfactory
Overall MI score	2.75
Element 1: A publicly available strategic plan (or equivalent) contains a long-term vision	3
Element 2: The vision is based on a clear analysis and articulation of comparative advantage	2
Element 3: The strategic plan operationalises the vision and defines intended results	3
Element 4: The strategic plan is reviewed regularly to ensure continued relevance and attention to risks	3

MI 1.1: Analysis	Evidence documents
<p><b>1.1.1. The Institutional Strategy is IDB’s key strategic document and is available on its website.</b> It was originally established in 2010 as part of the IDB’s Ninth General Capital Increase (IDB-9). The Strategy was updated for the second time with Board approval in July 2019. Although not specific, the Second Update is understood to project the Bank’s priorities to 2023, when a new, ten-year strategy may be put in place. The Second Update is an IDB Group-wide document and sets the strategic priorities for the work of both the IDB and IDB Invest. It prioritises three broad development challenges (social inclusion and equality, productivity and innovation, and regional economic integration) and three cross-cutting issues (gender equality, inclusion and diversity; climate change and environmental sustainability; and institutional capacity and rule of law).</p> <p><b>1.1.2. The IDB-9 Agreement emphasised the need to put forth “a clear vision of the Bank’s priorities and how to meet them, as well as the identification of, and plans to build on, its comparative advantages”</b> including through the creation and strengthening of regional integration and value chains, the digital economy, support for small and medium-sized enterprises, climate change action, and fostering gender equality, diversity and inclusion.</p> <p>The Institutional Strategy elaborated the IDB’s perceived comparative advantage based on its governance structure and strong regional presence: a trusted partner, stemming from majority ownership by regional borrowing members; strong country focus; co-ordination of public and private sector operations; responsiveness, based on diversified products; and knowledge and expertise for regional trade and integration. The First Update added further the Bank’s client focus, its expertise in development effectiveness and its catalytic role. The Second Update emphasised the value proposition offered by the IDB Group (public and private, innovative, and catalytic financing), given the relatively recent “merge-out” of IDB Invest, the Bank’s private sector lending arm, in 2017.</p> <p>IDB’s comparative advantage in specific sectors is reflected on explicitly in some of the IDB’s Sector Strategies and Framework documents (and implicitly in the “lines of action” identified in sector frameworks).</p> <p>More generally, IDB has a strong interest in remaining attractive and competitive in the region, given the range of alternative sources of finance increasingly open to borrowing member countries. Its additionality may take one of two broad forms: financial additionality – provision of financing that is not readily available from commercial sources on reasonable terms and conditions, as well as the mobilisation of additional resources from others; and non-financial additionality – IDB’s role in adding value by mitigating risk and providing support to important areas such as the cross-cutting issues identified by the Bank.</p> <p>Results from IDB’s own surveys of its partners and informed stakeholders in the region suggest the IDB Group has strong recognition as an important development actor in a number of priority areas. IDB itself is recognised most strongly for its role in promoting digital connectivity and actions to address climate change and environmental sustainability, but less so for its role in promoting gender equality and diversity inclusion and regional trade and economic integration.</p> <p>Results of MOPAN’s survey of IDB Board members and donors broadly concur. There is general agreement that IDB’s strategies articulate a clear vision, but agreement regarding the clarity of IDB’s comparative advantage is much weaker, perhaps reflecting the tendency of successive strategic documents to add more layers to the IDB Group without necessarily addressing existing propositions. In a similar vein, less than half of IDB partners surveyed by MOPAN firmly agreed that the Bank’s COVID-19 strategy was clear and based on its comparative advantage, while more than a quarter did not know.</p>	<p>1-4, 11, 21, 38, 92, 125, 143, 156, 159, 176, 185</p>

<p><b>1.1.3. The IDB’s Institutional Strategy is a high-level, strategic document. It sets the framework for a more granular planning document and is directly operationalised through the accompanying Corporate Results Framework (CRF).</b> CRF 2020-2023 includes three levels of indicators: (i) Regional Context indicators; (ii) Country Development Results indicators; and (iii) IDB Group Performance indicators that reflect aspects of organisational and operational effectiveness and efficiency. This last level is instrumental in influencing the focus of the Bank’s operations in countries and indicators included track the strategic alignment of new IDB projects with the stated priorities each year. The Second Update is also clearly integrated into IDB Invest’s Business Plan (2020-22).</p> <p>To articulate the work of the IDB Group in each borrowing member country, the Group prepares a country strategy in consultation with country partners. To ground specific areas of work based on the priorities of the Institutional Strategy, IDB Group specialists prepare Sector Strategies that are approved by the Executive Board and inform Country Strategies, in combination with the specific needs/context of the country, as identified in Country Development Challenges assessments. Each country strategy includes a Results Framework setting out expected outcomes for the Bank’s assistance in the country over the strategy period. Individual projects have their own results frameworks and are intended to be aligned with the country strategy. The Bank monitors the degree of this alignment each year within its CRF.</p> <p><b>1.1.4. The Institutional Strategy, adopted in 2010 as part of the Ninth General Increase in the Resources of the IDB (IDB-9), is reviewed and updated every four years.</b> The most recent update (the Second Update) was approved by the Bank’s Governors in July 2019 and reiterates the existing strategic priorities of the IDB Group.</p> <p>The Institutional Strategy is accompanied by a Corporate Results Framework (CRF) which itself is subject to review/refresh at least every four years and has been recently amended for the 2020-23 period.</p>	<p>1-4, 11, 21, 38, 92, 125, 143, 156, 159, 176, 185</p>
<b>MI 1.1: Evidence confidence</b>	<b>High confidence</b>
<b>MI 1.2: Organisational architecture congruent with a clear long-term vision and associated operating model</b>	<b>Score</b>
<b>Overall MI rating</b>	<b>Satisfactory</b>
<b>Overall MI score</b>	<b>3.00</b>
Element 1: The organisational architecture is congruent with the strategic plan	4
Element 2: The operating model supports implementation of the strategic plan	3
Element 3: The operating model is reviewed regularly to ensure continued relevance	3
Element 4: The operating model allows for strong co-operation across the organisation	2
Element 5: The operating model clearly delineates responsibilities for results	3
<b>MI 1.2: Analysis</b>	<b>Evidence documents</b>
<p><b>1.2.1. An up-to-date organisational chart is available on the IDB’s website that sets out the Bank’s current structure.</b> The IDB’s organisational structure (and hence responsibilities) is well-aligned with its strategic plan and key cross-cutting objectives. Responsibility for strategic ambitions with respect to knowledge management and communications has also been centralised in the Knowledge, Innovation and Communication Department (KIC). The IDB’s organisational structure (and hence responsibilities) is well-aligned with its strategic plan and key cross-cutting objectives. Responsibility for strategic ambitions with respect to knowledge management and communications has also been centralised in the Knowledge, Innovation and Communication Department (KIC).</p>	<p>1-3, 9, 55, 58, 62-63, 96, 100-102, 147</p>

**1.2.2. As a Bank, IDB’s operating model is based on a strong country/regional presence, with an office in every borrowing member country (BMC) and is essentially demand-led, working within the constraints imposed by its own financial framework and corporate objectives/priorities.** This potentially creates tension between “top-down” strategic objectives articulated in its strategic plan and the demands of borrowing member countries (BMCs). At the implementation level, the Bank resolves this challenge, in part, with a matrix model, to structure the relations between country departments/offices and sectoral departments/divisions. This is operationalised at the country level, under a single Country representative for all IDB Group functions (both public and private sectors) in each IDB Group Country office. Staff interviewed about arrangements did not raise significant concerns, suggesting the system was fairly effective. Respondents to the MOPAN survey generally agreed with this assessment, but it is notable that nearly one-quarter of the donors and nearly one-fifth of the Board members who responded disagreed that IDB is organised in a way that fully supports its vision.

In 2017, IDB finalised the consolidation of private sector operations with the “merge-out” of its private sector lending arm, creating a separate, legal entity subsequently named IDB Invest. The Second Update to the Institutional Strategy (2019) is a joint strategy designed to leverage the benefits of the whole IDB Group, in particular the synergies through public and private operations. At the highest level, IDB and IDB Invest are governed by the same member countries on each Board. Operationally, IDB Group has established a number of arrangements to foster co-operation and avoid duplication of efforts. The role of the single country representative for the entire Group is important in this regard as is the introduction in 2019 of four IDB Group regional co-ordinators, (Bogota, Buenos Aires, Kingston and Panama City), to help identify opportunities where the combined instruments of the IDB, IDB Invest and IDB Lab could generate greater development impact. Staff interviewed viewed these organisational innovations positively. In addition, IDB provides a range of corporate services to IDB Invest (e.g. integrity, internal audit, ethics, communications, resource mobilisation,) through a series of service level agreements. Interviews with staff suggested that the arrangements work well, with any limitations typically relating to concerns about the resources needed to comply with the service-level agreements than about the agreements themselves. IDB and IDB Invest also share the same performance measures in the Corporate Results Framework (CRF), though separate targets have been established in many cases and exact measurement methods may differ, given differences in operations.

There is some evidence that the legal separation of IDB’s public and private operations may present potential obstacles for (certain forms of) collaborative working between IDB and IDB Invest. The assessment team was informed of one case where the opportunity to combine both organisations’ services in a large public-private partnership venture did not proceed because of concerns about perceived conflict of interest risks. There may be merit in the Bank undertaking further research into how best such risks can be managed, given its ambition to expand IDB Invest operations and realise even greater synergies between the two organisations.

**1.2.3. There is good documentary evidence to support the view that the relevance and effectiveness of IDB’s operating model are kept regularly in view.** For example, Internal Audit in recent years has examined IDB’s governance and risk management process for resource mobilisation, Board approval procedures for sovereign guaranteed (SG) loans, IDB’s Service Centre, its Delegation of Authorities, Technical Cooperation (TC) Operations and mainstreaming processes. Internal Audit also has plans to examine the Bank’s institutional and corporate strategies oversight process, as well as the approach to multi-sectoral working. In the same period, the Office of Evaluation and Oversight (OVE) has conducted independent evaluations of the implementation/operationalisation of IDB-9 (2018), IDB’s lending instruments and IDB Lab.

1-3, 9, 55, 58, 62-63, 96, 100-102, 147



**1.2.4. Beyond the collaboration required between countries and sectors discussed above, the Bank needs to foster strong co-operation at other levels to realise its strategic goals and maximise its efficiency.**

“Multisectorality” is one of the Bank’s six guiding principles elaborated in its Institutional Strategy. The Bank has a number of mechanisms designed to promote/facilitate multi-sectoral operations, such as the Development Effectiveness Matrix (DEM) and the double/triple booking system. The available evidence suggests that IDB has continued to develop its approach in this regard. IDB previously reported on the proportion of multisector approvals in both the CRF and Annual Business Review. Although apparently discontinued, data for 2017-19 showed a steady increase. Staff interviews also suggested that cross-unit engagement (both formal and informal) was now more common than in the past. Nevertheless, evidence suggests there is still scope to strengthen this aspect of the Bank’s approach. Evidence from the previous CRF suggested a decline in client satisfaction with IDB Group’s use of the multisector approach over 2017-19, while IDB’s own analysis in 2020 found the factors affecting “problem projects” included the execution modality of Global Multiple Works Operations, designed by several divisions (double-booked). This may not be a function directly of IDB’s working practices but may point to challenges partner countries face engaging with the Bank in multi-sectoral approaches.

On a positive note, the internal auditor (the Office of the Executive Auditor, AUG) found early evidence of the Bank’s response to the pandemic crisis that indicated that internal collaboration had increased among the different sectors during the preparation of the current operations. AUG plans to examine the Bank’s approach to multisectorality in the near future as part of its risk-based audit plan.

Nevertheless, this is an important area for attention given the inherently multisectoral nature of many of the Bank’s strategic priorities (such as digitalisation, SME development, cross-cutting issues) and the advent of major, area-based development operations such as the Amazon Unit. Cross-unit co-operation is also an important requirement for other aspects of the Bank’s value proposition. Effective knowledge and innovation, another of the Bank’s guiding principles, is such an example. A recent strategic evaluation by OVE of IDB Lab found effective and efficient collaboration with the Lab was constrained by a lack of clarity regarding the respective roles of IDB Group entities in innovation. Similarly, knowledge generation and management and communications were identified during staff interviews as areas that could benefit from greater clarity regarding relationships, responsibilities and resourcing between units (including between those with centralised functions and distributed responsibilities).

**1.2.5. Responsibilities/accountabilities are generally clear within the IDB’s operating model.** The Country Representative, as the sole representative of the IDB Group, is responsible for implementing IDB’s strategic objectives at the country level, ensuring adaptation to the local context, and anticipating the sectoral and operational support required to realise these objectives. IDB Group sector and operations specialists are in turn responsible in their areas of competence for aligning their work with civil society in line with the strategic objectives. The Vice Presidency for countries is responsible for strategy implementation at the regional level and for the co-ordination of the IDB Group’s internal and external resources to achieve the Strategy’s objectives. Disbursement targets are owned by the Vice-Presidency for Countries (VPC), but for staff there is not an accountability gap. The shared responsibility is believed to work well for staff, and if a project is underperforming on technical matters, the country office can generally engage the relevant sector effectively with the responsibilities of each part clear.

In 2018, IDB management reformed the regulatory framework for sector policies, strategies and guidelines to address a number of acknowledged shortcomings including a lack of differentiation between sector strategies and sector policies, which in turn created confusion as to what was binding and what was not. Interviews with staff suggest the reforms have helped clarify the situation.

In 2019, Internal Audit reviewed the Bank’s regulatory framework and supporting e-signatures control mechanisms with respect to increased automation and digitalisation of delegation mechanisms. The

1-3, 9, 55, 58, 62-63, 96, 100-102, 147



review identified key governance and control gaps. In response, in 2020, management clarified the responsibilities associated with the ongoing monitoring, co-ordination and dissemination of regulation updates to ensure they capture business changes in a timely, proactive and agile manner. Management also strengthened controls associated with the delegation of authority for project procurement, established a Bank-wide e-signatures governance framework and implemented the DocuSign solution.	1-3, 9, 55, 58, 62-63, 96, 100-102, 147
<b>MI 1.2: Evidence confidence</b>	<b>High confidence</b>
<b>MI 1.3: Strategic plan supports the implementation of global commitments and associated results</b>	<b>Score</b>
<b>Overall MI rating</b>	<b>Satisfactory</b>
<b>Overall MI score</b>	<b>3.00</b>
Element 1: The strategic plan is aligned to the 2030 Sustainable Development Agenda, wider normative frameworks and their results (including, for example, From Billions to Trillions, Hamburg Agenda)	3
Element 2: A system is being applied to track normative results for the 2030 Sustainable Development Agenda and other relevant global commitments (for example, the Quadrennial Comprehensive Policy Review of United Nations System operational activities (QCPR) and the Grand Bargain, where applicable)	3
Element 3: Progress on implementation and aggregated results against global commitments are published at least annually	3
<b>MI 1.3: Analysis</b>	<b>Evidence documents</b>
<p><b>1.3.1. The Institutional Strategy serves as the Group’s core strategic guidance, outlining the strategic priorities for the Group’s work – expressed in three development challenges and three cross-cutting issues.</b> These strategic priorities are closely aligned to the SDGs, with each of the strategic priorities aligned with at least one SDG and all SDGs covered by at least one priority. More specifically, the First (2015) and Second (2019) Updates of the Institutional Strategy refer to the SDGs in the context of the region’s longer-term development and reflect on the congruence of the Bank’s shorter-term priorities. Discussion is focused mainly on the Bank’s role in mobilising development finance to address both the immediate needs created by the coronavirus pandemic and the longer-term ambitions of the SDGs.</p> <p>All three levels of KPIs in the IDB’s Corporate Results Framework (CRF) – regional context, the Bank’s contributions and the Bank’s performance – are mapped to SDGs.</p> <p>SDGs, however, do not appear to be explicitly considered in all IDB Group country strategy documents. Results of IDB’s own surveys of partners and informed stakeholders in the region indicate that IDB is widely perceived as a strong supporter of the SDGs in the region. Stakeholder recognition of both IDB Lab and IDB Invest in terms of supporting the SDGs is much lower.</p> <p>IDB is a signatory to the MDB commitment: From Billions to Trillions. Mobilising resources for development is an area for greater emphasis under the Second Update to the Institutional Strategy but it does not refer to the initiative directly. IDB is also a signatory to the Joint MDB Statement for Crowding in Private Finance, building on the previously approved Principles for MDBs’ Strategy Crowding in Private Sector Finance for Growth and Sustainable Development, and the 2016 Joint Declaration of Aspirations on Actions to Support Infrastructure Investment.</p> <p>IDB is involved in collaborative efforts to make public MDB climate finance figures and to track progress in relation to climate finance targets such as those announced around COP21 and the greater ambition pledged in September 2019, at the United Nations (UN) Secretary General’s Climate Action Summit in New York where MDBs announced their annual climate action targets for 2025. The Bank’s Corporate Results Framework includes performance measures and targets for both the volume of third-party financing deployed and the proportion of new Bank operations that include climate finance.</p>	1, 3, 5, 25, 32, 36, 66, 82, 109-111

<p>In addition, IDB participates in international fora relating to governance issues relevant for the region. For example, IDB is an observer to the OECD discussions on international corporate tax regimes.</p> <p><b>1.3.2. The Bank’s main strategic performance results report (Development Effectiveness Overview) discusses the Bank’s contribution to the SDGs, with the most recent dedicating a chapter to the topic.</b> IDB also has dedicated pages on its website tracking the number of relevant IDB Group operations under each SDG in each member country.</p> <p>The Group classifies new approvals according to their relevance to specific SDGs using a Group-wide SDG classification methodology. The cornerstone of this approach is that projects must be able to measure their contribution to a given SDG target through an indicator that will be monitored throughout the life of the project. These classifications as well as a snapshot of Group-wide results from projects during execution are presented on the IDB Group’s SDG website.</p> <p>The Bank’s CRF includes three KPIs that track progress in the volume of direct (public, private) and indirect third-party financing deployed. Resource mobilisation indicators use definitions from the MDB joint reporting on direct and indirect mobilisation of private finance. (Definitions for these indicators are mostly aligned to the MDB methodology for reporting on mobilisation of private resources but are not identical due to the need to capture public sector resources mobilised in CRF reporting as well.)</p> <p>IDB’s CRF also includes a KPI that tracks the proportion of climate finance included in new Bank commitments. MDBs have developed a common methodology for measuring and tracking climate finance commitments on an annual basis. The joint report, alongside the MDB’s respective corporate publication of climate finance statistics, provides a means to track progress against targets set in COP21 and more recently.</p> <p><b>1.3.3. The IDB issues its Development Effectiveness Overview report annually, including performance results for CRF indicators over the year.</b> IDB also contributes annually to the Joint Report on MDB Climate Finance and, following on from the Addis Ababa Conference in 2015, IDB contributes annually to the Mobilisation of Private Finance by MDBs and Development Finance Institutions (DFIs) Report, though more recent reports since the 2019 annual report do not appear available.</p> <p>The evidence confidence rating of “medium” reflects reliance predominantly on IDB reports to address this MI.</p>	<p>1, 3, 5, 25, 32, 36, 66, 82, 109-111</p>
<b>MI 1.3: Evidence confidence</b>	<b>Medium confidence</b>
<b>MI 1.4: Financial framework supports mandate implementation</b>	<b>Score</b>
<b>Overall MI rating</b>	<b>Satisfactory</b>
<b>Overall MI score</b>	<b>3.40</b>
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	3
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: Trust funds and grants are in place to complement lending activities and support thematic priorities and Global Public Goods	3
Element 5: Policies/measures are in place to ensure that trust funds are targeted at priority areas complementing traditional financing	3

MI 1.4: Analysis	Evidence documents
<p><b>1.4.1. IDB is generally recognised as having a strong financial framework, underscored by its continuous triple-A status with the rating agencies and underpinned by strong support from its shareholders (to date as demonstrated by its preferred creditor treatment and access to callable capital).</b> Prudent financial policies and practices have helped the Bank to build its retained earnings, diversify its funding sources, hold a large portfolio of high-quality liquid investments and limit a variety of risks, including credit, market and liquidity risks. The Bank has built capital buffers to absorb downward shocks stemming from rating downgrades among its members and market volatility events. The Bank assesses financial resilience regularly through stress testing.</p> <p>Over the review period, the Bank continued to undertake actions to optimise its balance sheet. In 2017, enhanced lending capacity and the Debt/Equity policy were adopted. In 2019, the Bank authorised an innovative risk transfer mechanism with the Government of Sweden, to generate capital for more vulnerable nations. In 2020, a new exposure exchange agreement was signed with the Asian Development Bank, the Intermediate Financing Facility (IFF) was terminated and the remaining assets were transferred to the Grant Facility (GRF).</p> <p>This solidity is evidenced by the Bank’s capacity to respond to the COVID crisis in the region: in 2020, approvals exceeded the initial pipeline for the year by 30%, while disbursements in 2020 doubled compared with start-of-year projections. This stability is also evident in responses to IDB’s survey of informed stakeholders in the region – with 84% of respondents agreeing strongly with the statement that IDB is a financially stable organisation. In contrast, less than 40% perceive IDB as standing out for taking risks compared to other organisations.</p> <p>Nevertheless, while the financial framework delivers stability for its borrowing members, it also influences the Bank’s ability to lend and its allocations, given the effect of certain risk measures in the framework. As a consequence, long-term financial projections (reviewed biannually) are dependent on evolving risk considerations, though priority attention is given to ensuring adequate support is available for concessional countries and compliance with the Bank’s target for support to category C and D countries.</p> <p>The Bank reports suggest operations generally align with strategic priorities, though this is not surprising given the broad way that priorities are framed. Sovereign guaranteed approvals to C and D countries (“small and vulnerable”) reached 56% of total approvals in 2020, the highest percentage over the last ten years (reflecting the Bank’s response to the pandemic). In 2020, however, the alignment of new projects to country strategies and some cross-cutting issues (notably climate change and environmental sustainability) was adversely affected by the urgency of the need to address the COVID-19 crisis. That said, while approvals addressing gender equality and diversity were deemed “on track”, they amounted to only 54% and 20% of 2020 approvals respectively.</p> <p>Over 70% of the Board members who responded to the MOPAN survey agreed or strongly agreed that the Bank’s financial framework supports mandate implementation, and none disagreed. Opinion among donors, however, was more divided, with 40% who had an opinion agreeing and nearly 30% somewhat disagreeing.</p> <p><b>1.4.2. The IDB publishes its Approved Program and Budget annually.</b> This presents a single, integrated budget covering the Bank’s administrative costs, capital costs, and estimated administrative income and reimbursable flows. The most recent budget itemises (administrative) costs associated with the preparation and execution of TCs for both Bank-funded operations (Ordinary Capital Special Development Programmes (OC-SDPs)) and donor trust funds.</p>	<p>1, 3, 9, 45, 59-60, 65-69, 110, 115, 254</p>

**1.4.3. Board-level scrutiny of the IDB's financial framework is strict.** The Board has overseen several significant developments in the Bank's financial framework during IDB-9, most noteworthy being the capital adequacy policy mandate (that commits the IDB to maintain a long-term foreign-currency credit rating of triple-A with all major credit rating agencies) and the income management model. This model requires management to prepare a document each year for consideration by the Board of Executive Directors, proposing the parameters for the following year based on longer-term financial projections. Similarly, the Board reviews management's proposal for the allocation of concessional resources on a biennial basis.

**1.4.4. In 2020, the IDB administered 70 funds for loan and grant operations, including 6 OC-SDPs, 50 bilateral and multi-donor trust funds, and 14 financial intermediary funds.** Contributions in 2020 totalled USD 445 million. Trust funds are managed centrally by the Office of Outreach and Partnerships (ORP), which engages potential donors in areas of known interest. Proposals for trust funds may originate from country teams that identify an opportunity or from donors themselves.

Results of MOPAN's survey of partners support the view that the Bank manages trust funds efficiently (80% of partners who expressed a view agreeing or strongly agreeing).

In terms of ensuring alignment with IDB strategic priorities, opportunities are largely driven by internal demand from IDB teams, which in turn reflect opportunities on the ground. In some instances, donors may approach the Bank, based on their understanding of the Bank's priorities. Not all trust funds are necessarily presented to the Board for approval.<sup>1</sup> However, all resources that the IDB mobilises independent of the instrument have to be aligned with the Institutional Strategy.

However, in practice, this is not a significant challenge given the scope for a broad interpretation of the IDB's strategic priorities. That said, there is no evidence to suggest that something clearly outside of IDB's priorities would be approved.

Depending on the particular agreement, IDB typically provides an annual report to the donor(s). They have been improving the quality of the reports. They also have a donor portal in Salesforce, a client relationship management platform, with plans to increase its functionality. More recently, IDB has streamlined its audit approach for trust funds, shifting from periodic audits of individual funds to a single, annual statement of internal controls covering all funds. The initiative came from IDB and followed practices that had been introduced by the World Bank.

**1.4.5. From the Bank's perspective, there is a strong strategic preference for mobilised resources that can be utilised flexibly – to reduce the number and range of earmarking requirements.** In practice, however, that remains a challenge. While multi-donor trust funds may be preferred, single-donor trust funds account for the largest share of approvals and, in recent years, the significance of project-specific grants has increased, which are the most earmarked grant product that the Bank has available. Project-specific grants are, however, attractive to the Bank given they are relatively easy to establish and straightforward to administer (compared to a trust fund). The funding modalities have their own management requirements and different pros and cons for staff depending on where they sit in the organisation. The Bank may need to ensure that different incentives faced by staff are appropriately aligned to achieve the desired strategic mix of funding modalities. The Bank does define its different permissible funding modalities but does not currently set out its preferred/optimal mix.

Results of the MOPAN survey of partners, however, indicate the Bank's use of trust funds is perceived positively. Eighty percent of the partners who had a view agreed or strongly agreed that the Bank's trust funds were applied flexibly and efficiently to address a range of needs.

1, 3, 9, 45, 59-60,  
65-69, 110, 115, 254

1. For example, trust funds that are set up to finance only grants and that follow completely IDB policies and procedures.

In terms of innovations to encourage greater flexibility, IDB has considered the possible use of an umbrella-type arrangement, with a single, overarching framework covering multiple, related trust funds. However, donor-specific contributions and the relationship with the IDB's own Corporate Results Framework (CRF) are challenging issues to resolve. Currently, trust fund operations (whether TC or loans) are captured as part of the CRF.	1, 3, 9, 45, 59-60, 65-69, 110, 115, 254
<b>MI 1.4: Evidence confidence</b>	<b>High confidence</b>
<b>KPI 2: Structures and mechanisms are in place and applied to support the implementation of global frameworks for cross-cutting issues at all levels, in line with the 2030 Sustainable Development Agenda principles</b>	<b>KPI score</b>
<b>Satisfactory</b>	<b>3.08</b>
<p><b>Gender equality:</b> IDB's strategies have a strong focus on gender. IDB has enhanced its focus on gender equality and the empowerment of women. The Institutional Strategic Plan addresses gender equality as a cross-cutting issue and integrates gender across the results framework. The Gender Action Plan and CRF track indicators on gender mainstreaming. While this remains an area for continued growth, the Bank has worked to build the capacity of IDB personnel to mainstream gender and diversity through experience, training, and working with Gender and Diversity Division (GDI) specialists and gender consultants.</p> <p><b>Climate change and environmental sustainability:</b> IDB addresses climate change and environmental sustainability in its strategies. Climate change and environmental sustainability are identified as a cross-cutting strategic priority for the Bank. The Climate Change Sector Framework Document aims to promote the use of instruments to address climate change challenges, including accessing climate finance through strengthening capacity, dialogue and operational mechanisms. Climate change indicators are integrated into the CRF, and the Bank is committed to ensuring 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. The Climate Change and Sustainable Development Division (CSD) supports all of the other divisions in mainstreaming climate change.</p> <p><b>Diversity, equity and inclusion:</b> Diversity remains a cross-cutting theme in the Second Update to the Institutional Strategy, carrying over from the First Update to the Institutional Strategy. Although diversity and inclusion are a key priority for the IDB, a number of indicators in the CRF are not disaggregated by the key diversity groups the Bank aims to work with.</p> <p>There is a new Gender and Diversity Action Plan (GDAP 2022-25) that was to be approved in 2022. IDB is seeking to develop staff capacity on diversity, which remains a work in progress and will be part of the new GDAP and planned activities in 2022.</p> <p><b>Institutional capacity and rule of law:</b> Institutional capacity and rule of law is a cross-cutting priority for the IDB, and the Institutional Strategy commits the Bank to foster transparency and integrity across the region. The IDB supports a governance agenda promoting reform and modernisation of the state and a clear commitment to the rule of law. 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. However, there are few incentives to support institutional capacity as a cross-cutting or mainstreamed area. Although IDB is well-resourced with a sizeable cadre of experts, there are few opportunities for capacity building across the Bank to build staff capacity with respect to institutional capacity and rule of law.</p>	
<b>MI 2.1: Corporate/sectoral and country strategies respond to and/or reflect the intended results of normative frameworks for gender equality</b>	<b>Score</b>
<b>Overall MI rating</b>	<b>Satisfactory</b>
<b>Overall MI score</b>	<b>3.50</b>
Element 1: Dedicated policy statement on gender equality available and showing evidence of application	4
Element 2: Gender equality indicators and targets fully integrated into the multilateral organisation's (MO's) strategic plan and corporate objectives	4
Element 3: Accountability systems (including corporate reporting and evaluation) reflect gender equality indicators and targets	3

Element 4: Gender equality screening checklists or similar tools inform the design for all new interventions	4
Element 5: Human and financial resources are available to address gender equality issues	3
Element 6: Staff capacity development on gender is being or has been conducted	3
<b>MI 2.1: Analysis</b>	<b>Evidence documents</b>
<p><b>2.1.1. A number of documents guide IDBG’s work on gender equality: the Operational Policy on Gender Equality in Development (2010), the Gender and Diversity Sector Framework (approved 2015, updated 2017), and the Gender Action Plan for Operations (2017-19) and its update (2020-21).</b> These documents are the basis for mainstreaming gender equality into all of the Bank’s work.</p> <p>The Second Update to the Institutional Strategy re-affirms the Bank’s commitment to gender equality and women’s empowerment. Priority areas are addressed through investments in both stand-alone and gender-mainstreamed projects as well as private-public partnerships. IDBG promotes gender equality and diversity in the governance and strategic decision making in different government entities and uses blended finance to support clients who want to further advance on gender equality and increase access to finance for women-owned/led companies.</p> <p>The Operational Policy and the Framework set out the objectives and commitments that projects must consider and adhere to regarding gender equality. The Policy defines two lines of action: proactive action (promoting gender equality in all Bank development interventions) and preventative action (safeguards to prevent or mitigate the adverse impacts resulting from the Bank’s interventions). GDI develops and updates guidelines related to gender equality and diversity. GDI, together with the Vice-Presidency for Sectors and Knowledge (VPS) divisions, project teams and the Office of Strategic Planning and Development Effectiveness (SPD) identify opportunities for mainstreaming gender in the project pipeline, ensure the gender strategic alignment of operations and prepare reports to senior management. In 2020, 58% of SG loans were aligned with gender. This jumped to 76% in 2021 (in part, as a result of an increase in gender-aligned COVID projects, but as well because of the additional efforts of the GDI team who received additional resources and have now been undergoing the review of 100% of the pipeline to identify projects to mainstream gender equality).</p> <p>GDI supports VPS divisions in project design (through a pre-screening) and project supervision.</p> <p>The Gender Action Plans (GAPs) identify the lines of action for the Bank’s work on gender equality, including the deepening of gender equality-related efforts and mainstreaming at the country strategy level, through lending and throughout supervision, self-evaluation and knowledge dissemination processes and products. The GAP also aligns with the IDBG Institutional Strategy. A new action plan (2022-25) will bring the Gender Action Plan and the Diversity Action Plan together for the first time. In addition, the next flagship publication of the IDBG, “Development in the Americas” prepared by the Research Department, will focus on gender and diversity and will be co-led with GDI.</p> <p>The recently launched Environmental and Social Policy Framework includes a dedicated, stand-alone standard on gender equality and takes steps to recognise gender identity. The ESPF supersedes the environmental and social risk and impact management sections of Policy on Gender Equality in Development. As part of the ESPF and the mainstreaming action plan, a new role of the VPS Mainstreaming Coordinator was created to enhance co-ordination, promote gender, identify synergies among the several cross-cutting issues, and share lessons learned. It should be noted that in terms of mainstreaming versus the safeguard portion of the framework and policy, ESPF has caused some confusion internally between safeguards and mainstreaming; this is seen still as somewhat of a grey zone, attributed to the fact that the ESPF is still new. The new role of VPS Mainstreaming Coordinator was precisely designed to promote and lead the mainstreaming of gender and diversity issues.</p>	3, 10, 14, 16, 18, 71, 93, 95, 221

There is wide recognition of the need for gender equality in projects; however, there is still a juggle between developing standalone gender projects (which are more difficult to do and to garner client enthusiasm and request for) versus mainstreaming gender and diversity within projects, and/or trying to address at least one component of a project so that there is a focus on gender. Projects are encouraged to identify, with the assistance of GDI, the appropriate aspects of gender equality to be mainstreamed. Interviewees unanimously agreed that the work to mainstream gender equality in most areas of VPS has been successful; where challenges remain is introducing gender and diversity in financial markets (easier to incorporate gender dimensions in health, education and labour reform). From a strategic perspective, even before loans are approved, setting the overall framework with the country and deciding which of the cross-cutting issues should be included, or the degree to which they should be included, is a balance between ensuring IDBG's strategic priorities and targets will be met and responding to the needs and demands of the client. Mainstreaming of cross-cutting issues, including gender, begins with identifying the Country Development Challenges and then working to incorporate cross-cutting themes into the country strategy (CS). Engagement with clients is undertaken to promote and encourage multi-sectorial solutions through policy dialogues and high-level meetings that focus on gender equality, strategic partnerships that help to better position gender equality issues in the region, and communication strategies around the Bank's commitment to gender equality. The process of "convincing" the government to invest in cross-cutting areas is not a rapid one, but IDBG has a firm foot in the door and the expertise to accompany a process which matures at different velocities depending on the client. Here, the matrix structure of the Bank is particularly useful so that different levels of co-ordination (strategic, operational) are working in a concerted way to ensure frameworks and policies are put into practice at different moments.

In terms of the Bank's COVID-19 response, the first generation of projects in response to the pandemic was fairly generic, so GDI developed guidelines to help identify opportunities to strengthen gender equality in these projects, such as identifying certain services to ensure that women benefit appropriately given the additional burden in reproductive work due to the pandemic, as well as addressing violence against women. The Bank also developed a series of communications related to gender-based violence, capacity building for remote work and adaptation to the changes in the post-COVID labour market. However, the Expedited Procedures for Processing SG Operations that the Bank has put in place and the 22-day approval window mean that integrating gender and diversity within this shorter timeline may impact the number of operations with gender strategic alignment, despite GDI's involvement. Expedited procedures were phased out starting in June 2021. In addition, the active portfolio that is strategically aligned to gender could be affected by the reformulations, reallocations and modifications in the use of funds. In any case, the new GDAP (2022-25) includes specific guidelines on gender and diversity issues related to the supervision of operations in the active portfolio. Stakeholders generally perceive the Bank to have good (33.9% of respondents) or very good (25.1% of respondents) capabilities in gender and diversity (see Q8, Reputation survey). Additionally, stakeholders surveyed during the Satisfaction survey (see Q12) rated the IDB's abilities in the promotion of gender equality highly, with 32.8% perceiving the Bank to be very good and 37.7% perceiving them to be good in this area.

#### **2.1.2. Gender equality indicators and targets are fully integrated into IDBG's Corporate Results Framework.**

Progress towards the implementation of the Update to the Institutional Strategy (UIS) is monitored through the indicators established in the CRF. A single Level 1 indicator (which tracks the region's progress with regard to the strategic priorities of the IDB Group) measures the Global Gender Gap. At Level 3 (performance against operational and organisational targets of the group), the 2020-23 CRF incorporated a target to have 70% of Bank approvals strategically aligned to gender by 2023, and this

3, 10, 14, 16, 18, 71,  
93, 95, 221



CRF also updated and restructured the Level 2 indicators to list them under the strategic priority to which it has the most direct alignment, thus only three Level 2 indicators are marked under gender equality and diversity as opposed to 16 in the prior CRF: the number of women beneficiaries in economic empowerment initiatives; countries with strengthened gender equality and diversity policy frameworks; and targeted beneficiaries of public services that have been adapted for diverse groups. Targets are no longer applicable for Level 2 indicators.

There is some disaggregation of male/female in other indicators related to productivity and innovation, economic integration, and social inclusion and equality, but not all. In addition, it is unclear if the sex disaggregation related to indicators that refer to households mean female-led households or male-led households.

Each GAP includes a results framework focused on measuring the Bank's effort in supporting gender targets for certain activities. GDI sets annual targets in its GAP, delivers an annual report to the Board on those targets and works with the Office of Strategic Planning and Development Effectiveness (SDP) directly to ensure roll-up of targets into the CRF. While there is ample enthusiasm for meeting all GAP targets at 100%, GDI is careful to be realistic and negotiates based on contextual knowledge and a careful analysis of progress to date.

**2.1.3. There are a number of parallel and complementary processes related to Gender Strategic Alignment, CDC, CS and Supervision.** Monitoring for gender equality tends to focus on the mainstreaming of gender within projects at the design stage and, to a degree, at the output level during monitoring, with less attention given to outcome-level results (that is, the degree to which systems, structures and behaviours have changed to shift gender inequality).

In terms of tracking the Gender Strategic Alignment of operations, this is done through the GAP, in collaboration with GDI and SDP (and other departments) and is rolled up to the Level 3 indicator in the CRF. The strategic alignment is reviewed by SPD and validated by GDI technical specialists once presented with SG loans that propose Gender Strategic Alignment. GDI will assign gender specialists as team members to promote the strategic alignment of operations with gender. Between 2017 and 2018, the percentage of SG loans with Gender Strategic Alignment tripled, moving from 19% to 60%. However, this was due in part to broadened Gender Strategic Alignment criteria in the 2018 CRF Technical Guidance Note for inclusion, in conjunction with a process led by GDI and in collaboration with VPS to screen 100% of the project pipeline to identify gender mainstreaming opportunities). As a result, it is difficult to determine the true change in performance.

For operations, the supervision of gender-related issues is decentralised to project teams. GDI supports the supervision of 20 projects in execution each year. Once a project is approved, project teams enter the results matrix in Convergence, the project planning software, and assign its contribution to the Country Development Results linked to the gender cross-cutting issue in a one-step process. Project teams update progress on the indicators every six months, with the information provided by clients as part of the Progress Monitoring Report (PMR) cycle, and can change contributions without traceability or justification. The established process to validate contributions before the first PMR, and during supervision, becomes critical given that gender CRF reporting is based on data in the results matrix module of Convergence. As noted above in Element 1, disaggregation of CRF Level 2 indicators is not consistent and depends on the data availability and the existence of a disaggregation strategy set out at project design with the executing agency. Detailed instructions on how to enter disaggregated information for SG loan operations using the PMR system are available on the internal PMR resource page, but this is not done consistently and there is no formal review of indicators' disaggregation (in addition, it is a reality that executing agencies do not always have access to secondary data that is disaggregated).

3, 10, 14, 16, 18, 71,  
93, 95, 221



Not all projects are required to mainstream gender. For those that do mainstream gender, there is a strong focus on this during project preparation, but not as much during supervision. Although GDI has a clear mandate to participate in oversight activities during project execution, no guidelines are in place on how these activities are to be carried out. In addition, most strategic targets for alignment are based on approvals, and challenges exist to measure the effectiveness of the activities at closure. Gender mainstreaming necessitates the familiarisation with gender inequalities. At the project level, projects are assessed for mainstreaming gender and gender-related results. Project-level indicators and targets tend to focus on outputs, and not outcomes or impacts that result from these outputs; consequently, the verticality and “pathways” of results are missing, which, ultimately, provide insight on the logic of how inequality is reduced and the contribution of IDBG operations to that.

In 2020, an examination of completing SG projects indicated 70% of gender-related results were achieved (the majority of which were at the outcome level) compared to 62% over 2017-19. And while the targets for the remaining gender-related results were not reached, positive results were recorded for 96% of them.

OVE’s 2018 Gender and Diversity Evaluation assessed the relevance of the Bank’s strategic framework on gender and its implementation, the extent of the activities to support gender and diversity, and the institutional factors that influence those activities. The Gender Action Plan produces an annual report, and in 2020 there was a Report on the Implementation of the Operational Policy for Gender Equality in Development and an Audit Report on the Gender Mainstreaming Process.

**2.1.4. Mechanisms to apply a gender equality lens at different levels and stages support the design of country strategies and operations.** IDBG screens programmes early through different tools and with the support of GDI.

The Group’s CRF Technical Guidance Note defines the criteria to determine every operation’s Gender Strategic Alignment. To be strategically aligned, an operation must include:

- an analysis of development gaps or specific issues affecting women and/or men,
- proposed solutions/interventions to address the gaps or issues identified,
- at least one impact, outcome or output indicator in the results matrix.

These criteria are clearly understood by the different stakeholders involved in the preparation process and are systematically used for all interventions. Improved alignment has occurred now that this responsibility rests with GDI (since 2020; this change happened in the 2017-19 GAP report: nine loan operations were incorrectly reported with Gender Strategic Alignment since they did not include Gender-Related Results). A process led by GDI, in collaboration with VPS divisions, was put in place to screen 100% of the project pipeline to identify gender mainstreaming opportunities and validate strategic alignment. The Gender Analytical Work and Operational Tools and the Criteria for Gender-Related Results in Results Matrices of Projects are two tools that projects can be used to support project design.

GDI’s participation in the preparation of Country Development Challenges ensures that a gender analysis is completed and that analytical input around gender inequalities and related challenges and policy recommendations in a country are available as input into the CDC (i.e. the GAP 2017-19 period included 18 out of 20 CDCs with gender-related recommendations, and in 2020 all six CDC’s mainstreamed gender, including analyses and policy recommendations related to gender issues) and for consideration in the CS. The CDC guidance includes a section on the mainstreaming of cross-cutting themes and advises that analyses should consider a social sustainability (meaning gender and diversity) perspective (in addition to climate change and environmental sustainability). The effects of the COVID-19 pandemic mean that the Bank’s new Expedited Procedures for Processing SG Operations are now being approved in only 22 days, providing a narrower window in which to integrate gender into

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operations. Although GDI is participating in the design of operations under this new approval process, the shorter timeline may impact the number of operations with gender strategic alignment reported by year-end.

**2.1.5. The Gender and Diversity Division (GDI) collaborates closely with VPS and VPC to facilitate and support the mainstreaming of gender in country strategies, sector strategies and operations.**

Their role and support are well-known and appreciated by project teams.

GDI plays an advisory function to projects and is part of those project teams that are deemed high-risk. Around 50% of the 65 GDI staff are decentralised to country offices. Besides advising projects, GDI staff also support country departments. The focal points, assigned by GDI and Climate Change Division (CCS) Chiefs, provide inputs for the CDC and take part in the peer review mechanism of this document. Additionally, they provide technical analysis and support to the Country Departments during the CS preparation and are part of the mid-term monitoring exercise.

While VPS sectors and divisions are responsible for planning, developing and supervising projects, they count on the direct support of GDI; the VPS Gender focal points play a liaison and co-ordination role between GDI and the different divisions. The Gender Audit, and all staff interviewed, highlighted the importance of and appreciation for this collaboration to bolster the technical support on gender equality for projects, particularly during the pre-screening of the project pipeline (for which GDI screens 100% of projects) as well as during project preparation. GDI participates in the preparation of 50% of the SG loans, assigning gender specialists as team members to promote the strategic alignment of operations with gender. This support continued and maintained a level of high quality even during COVID lockdowns and restrictions (for example, in 2020, 81 SG operations were supported by gender expertise during project preparation; 29 of these projects were approved, and 23 of them were strategically aligned with gender). A new role for GDI began in late 2020, as it assumed responsibility for the process of validation of gender and diversity strategic alignment during the quality and risk review.

3, 10, 14, 16, 18, 71, 93, 95, 221

During project implementation, GDI and its gender consultants work with VPS to provide ongoing direct technical support. In 2020, this support covered 72 projects in execution (compared to 52 in 2019).

GDI has increased its presence and role over the years but continuously advocates for more staff, funded by the central budget. Projects can provide short-term solutions by hiring gender consultants, but obviously, this is not a permanent solution and is one that has high transaction costs.

According to the 2020 Program and Budget Execution Report, 12% of the preparation and supervision of operations and knowledge products were dedicated to gender equality and diversity.

In terms of the total approved number of projects with gender equality and diversity alignment, the percentage jumped from 26% in 2017 (with 20% of the total approved amount) to 64% in 2018 (with 53% of the total approved amount). The total approved number fell to 60% in 2019 and 59% in 2020 (though the total approved amount was at 56% in 2019 and 52% in 2020). To disaggregate this further, the percentage of approved projects supporting gender equality in 2020 was 54%, while diversity was at 20%.

**2.1.6. Staff capacity development on gender is not mandated at the Bank, although resources exist for staff to build their own capacity and other forms of capacity building are continuous and effective.**

GDI does not offer a stand-alone training programme on how to incorporate gender in IDB operations. There is no established certification programme for gender focal points. The Audit Report points to the associated risk of inconsistent application of gender mainstreaming activities and incorrect reporting of gender strategic alignment, but this assessment did not find evidence of this, due to the fact that there is continuous engagement and informal coaching by GDI staff, by focal points in country offices and, in certain divisions, by specific gender focal points.

There is an increase in training associated with environmental and social safeguards, supporting the Bank’s strong corporate commitment to these issues. A new BIDAcademy gender course (“ABC”) was offered in 2022 but it was not mandatory. In addition, at the end of 2021, BIDAcademy published a guidance document that outlines the general standards and guidelines to assist in designing, producing, implementing and evaluating online courses according to best practices in gender and diversity.	3, 10, 14, 16, 18, 71, 93, 95, 221
<b>MI 2.1: Evidence confidence</b>	<b>High confidence</b>
<b>MI 2.2: Corporate/sectoral and country strategies respond to and/or reflect the intended results of normative frameworks for environmental sustainability and climate change</b>	<b>Score</b>
<b>Overall MI rating</b>	<b>Satisfactory</b>
<b>Overall MI score</b>	<b>3.50</b>
Element 1: Dedicated policy statement on environmental sustainability and climate change available and showing evidence of application	4
Element 2: Environmental sustainability and climate change indicators and targets fully integrated into the MO’s strategic plan and corporate objectives	4
Element 3: Accountability systems (including corporate reporting and evaluation) reflect environmental sustainability and climate change indicators and targets	3
Element 4: Environmental screening checklists or similar tools inform design for all new interventions	3
Element 5: Human and financial resources are available to address environmental sustainability and climate change issues	4
Element 6: Staff capacity development on environmental sustainability and climate change is being or has been conducted	3
<b>MI 2.2: Analysis</b>	<b>Evidence documents</b>
<p><b>2.2.1. The Climate Change and Sustainable Development Sector of VPS houses the Climate Change Division whose mandate is guided by the 2018 Climate Change Sector Framework.</b> The framework prioritises IDB’s support for country commitments to climate-resilient and low-carbon development; access to climate finance; and mainstreaming climate considerations across sectors. The IDB Group Climate Change Action Plan (CCAP) 2021–2025 lays the groundwork to update the previous CCAP (2016–20), such as adapting to the different governance arrangements of the IDB and thus applying the 30% IDB Group climate-finance goal separately to each institution as an annual floor in the CRF 2020–2023. The Environmental and Social Sustainability Mainstreaming Action Plan 2020-22 seeks to integrate the environmental and social dimensions as structural areas in all IDB sector activities, strengthen interdepartmental work, and ensure monitoring and reporting of mainstreaming results. It acts as an umbrella for the present CCAP and for a Disaster Risk Management (DRM) Mainstreaming Action Plan and a forthcoming Biodiversity Mainstreaming Action Plan, connecting these tightly interlinked topics. The plan uses the country strategy, operations, and knowledge and dialogue as instruments for mainstreaming. The newly developed Environmental and Social Policy Framework (ESPF) is rooted in the area of safeguards and supersedes the risk management component of the five IDB environmental and social policies. While this Framework is related to safeguards, there are roles and responsibilities within CSD that pertain specifically to ESPF, and some interviewees even mentioned that they can have more influence than the other related frameworks as ESPF-related staff are within the highest-risk projects in the field.</p>	1, 3, 9, 11, 14, 19-20, 26, 44-45, 48, 53, 57, 66-67, 77, 78, 80-81, 92-93, 109-110, 185, 229

While stakeholders surveyed generally perceive the Bank to be “helping the region face climate change” (see Q8, Reputation survey), with 58.8% rating the Bank’s capabilities in this area as good or very good, a notable minority of 15% rated the Bank as poor or very poor in this area. The majority of the stakeholders surveyed in the Bank’s Satisfaction survey (see Q12, Satisfaction survey) rated the Bank’s ability to provide solutions for this cross-cutting issue positively, with 71.6% of respondents rating the Bank very good or good at providing solutions for environmental sustainability, and 71.5% rating the Bank very good or good at providing solutions for climate change mitigation and adaptation.

**2.2.2. Climate change indicators have been incorporated into all levels of the CRF.** These form the basis for monitoring climate action at a strategic level and are used with complementary indicators when more detailed or nuanced information is needed to monitor the implementation of the CCAP 2021-25. These complementary indicators are for monitoring purposes only and do not have targets.

The CRF Level 3 indicators measure carbon dioxide emissions from fuel combustion, forest area as a proportion of total land area and annual reported economic losses from natural disasters. Level 2 indicators measure the IDB Group’s contributions to low-carbon and climate-resilient development through operations (emissions avoided, beneficiaries of enhanced disaster and climate change resilience, habitat that is sustainability managed using ecosystem-based approaches, installed power generation capacity from renewable sources and value of investments in resilient and/or low carbon infrastructure). Consistent with the approach taken in the CRF 2020–2023, these indicators will not have targets. Related to Level 3 strategic alignment indicators, in 2016, the Governors endorsed the goal of doubling climate finance to 30% of combined IDB Group operational approvals by the end of 2020. This goal has been a critical milestone in the IDB Group’s support for climate-resilient and low greenhouse gas emissions development.

Gender and diversity goals have been exceeded, but climate has failed to meet expectations, due to COVID as well as the climate finance industry’s being slow to move forward with a clear innovation mandate.

**2.2.3. Indicators regarding environmental mainstreaming and activities are defined in the results framework and monitored throughout project execution.** The Bank’s Sustainability Report tracks the level and scope of investments in environmental mainstreaming. Related to ESPF, unique supervision forms (not PMR) are used to rate each project first using the Environmental and Social Risk Rating; this rating continues throughout the lifespan of the project to see how it changes (does it get better/worse). The Safeguards Performance Rating will identify any damage to communities and any resolutions. The project PMRs will collect these ratings to use them, and the Environmental and Social Solutions Unit (ESG) will also provide comments on the Project Completion Report (PCR).

**2.2.4. The ESPF categorises projects into three levels depending on the significance of the negative environmental impact an operation could potentially contribute to.** Besides this rating system, there are no other checklists or tools for mainstreaming climate change into operations. The CDC guidance does emphasise the involvement of sector specialists in the development of the CDC and CS, which may include a stand-alone analysis of the topic if warranted in order to give more importance to the country development context around climate change. Country analytical work (the Country Environmental Analysis) is reflected in the development of Country Strategy Papers and will inform the programming. Mainstreaming through project design also depends on project teams, in discussion with the borrower, to incorporate specific climate change-related components.

At an operational level, the IDB’s Disaster and Climate Change Risk Assessment (DCCRA) methodology takes a phased approach to allow resources to be used commensurate with risk. It integrates disaster and climate change risk considerations into operations in a meaningful and relevant way.

1, 3, 9, 11, 14, 19-20, 26, 44-45, 48, 53, 57, 66-67, 77, 78, 80-81, 92-93, 109-110, 185, 229

The methodology has three phases: (i) screening and classification; (ii) qualitative assessment; and (iii) quantitative assessment. The IDB's Credit Contingency Facility, linked to the countries' disaster risk plans, can support them in addressing climate risks.

Under the IDBG Climate Change Action Plan 2021-25, IDB Invest has committed to developing a screening tool to assess investment alignment with decarbonisation objectives and train staff in its use.

**2.2.5. The CSD Division supports all of the other divisions in mainstreaming climate change, for example, supporting projects to incorporate green jobs, green skills and resilience into health systems.** Increasingly, there is more work with the other cross-cutting issues, such as working with GDI on social forestry programming. Prior to this transversal work, the CSD Division focused on delivering climate-specific projects, but this created division within the Bank; their focus now is to work with all of the other sectors to identify ways to do climate change-related topics in all projects, including in areas that would not normally be considered in the context of climate change. Other divisions also have climate change focal points within their division (for example, the Social Sector team (SCL) has one person responsible for liaising on climate change issues; FMM is in the process of hiring a climate specialist to deal with issues of green budgeting; CMF has a "green team"; there is also a GDI focal point within CCS to liaise between CCS, and GDI Workplans will soon be developed with the Innovation for Citizen Services (ICS) as well, to promote climate change issues within ICS). There is a push as well to ensure that representatives (either staff or consultants) are placed in-country (currently there are climate change focal points in 15 countries, while 2 years ago only 5 countries had focal points), to provide technical support to operations and work with the government, especially to tie climate change issues into country strategies and provide technical analysis and support to the Country Departments during the CS preparation and make them part of the mid-term monitoring exercise.

The Environmental and Social Solutions Unit (VPS/ESG) undertakes the environmental and social due diligence of projects during preparation and classifies them according to their potential environmental and social impacts and risks. This unit also oversees the environmental and social supervision of projects, in collaboration with the Office of Risk Management (RMG/ESR) (which monitors and reports environmental and social risks in the IDB portfolio and provides lessons learned to VPS/ESG and VPS sector departments). As part of the ESPF and the mainstreaming action plan, a new role of VPS Mainstreaming Coordinator was created to enhance co-ordination, promote gender, identify synergies among the several cross-cutting issues, and share lessons learned with the different stakeholders involved in the process.

Resources include a special allocation for mainstreaming, concessional resources (support to transactional costs), a significant amount of ordinary capital from TC, as well as trust funds, Climate Investment Funds (CIFs) and the Global Climate Fund (GCF), with the aim of doing increasingly larger projects to reduce transactional costs.

According to the 2020 Budget Execution Report, the climate change and sustainable development sector received an administrative budget of USD 23.8 million (99% expended) and, overall, 16% of the preparation and supervision of operations and knowledge products expenses were devoted to climate change and environmental sustainability, compared with 19% and 12% for institutional capacity and for gender and diversity respectively.

In terms of the total approved number of projects with Climate Change and Environmental Sustainability alignment, the percentage climbed slightly from 57% in 2017 (with 45% of the total approved amount) to 61% in 2018 (with 41% of the total approved amount). The total approved number fell to 56% in 2019 and 41% in 2020 (with total approved amounts at 42% in 2019 and 26% in 2020).

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<p><b>2.2.6. The human resources available under this cross-cutting area are dedicated to continuous dialogue with interventions and country offices and provide informal capacity building through this accompaniment.</b> However, there is no mandatory training related to climate change or environmental sustainability, although there is a strong corporate commitment to environmental and social safeguards. There are a number of workshops on risk assessment and managing/mitigating risks (i.e. staff training on the safeguards toolkit as well as the categorisation of loans to identify riskier investments, and training related to the risk elements of those loans [for the IDB team and the counterpart]). The Climate Change Action Plan 2021-2025 does call for technical and tailored training on climate change for IDB Group employees and clients to better understand the uncertainties of climate change and the tools available to manage those uncertainties.</p>	<p>1, 3, 9, 11, 14, 19-20, 26, 44-45, 48, 53, 57, 66-67, 77, 78, 80-81, 92-93, 109-110, 185, 229</p>
<p><b>MI 2.2: Evidence confidence</b></p>	<p><b>High confidence</b></p>
<p><b>MI 2.3: Corporate/sectoral and country strategies respond to and/or reflect the intended results of normative frameworks for diversity</b></p>	<p><b>Score</b></p>
<p><b>Overall MI rating</b></p>	<p><b>Satisfactory</b></p>
<p><b>Overall MI score</b></p>	<p><b>2.83</b></p>
<p>Element 1: Dedicated policy statement on diversity available and showing evidence of application</p>	<p>3</p>
<p>Element 2: Diversity indicators and targets fully integrated into the MO's strategic plan and corporate objectives</p>	<p>3</p>
<p>Element 3: Accountability systems (including corporate reporting and evaluation) reflect diversity indicators and targets</p>	<p>3</p>
<p>Element 4: Diversity screening checklists or similar tools inform design for all new interventions</p>	<p>3</p>
<p>Element 5: Human and financial resources are available to address diversity issues</p>	<p>3</p>
<p>Element 6: Staff capacity development on diversity is being or has been conducted</p>	<p>2</p>
<p><b>MI 2.3: Analysis</b></p>	<p><b>Evidence documents</b></p>
<p><b>2.3.1. The IDB has tools that guide diversity mainstreaming in all projects or knowledge products generated; these mostly are in conjunction with the gender aspects of policy and guidance.</b> The most important is the Gender and Diversity Sector Framework Document, followed by the Diversity Action Plan for Operations 2019-2021, and the Operational Policy on Indigenous Peoples.</p> <p>Diversity remains a cross-cutting theme in the Second Update to the Institutional Strategy, carrying over from the First Update to the Institutional Strategy which rearranged the IDB-9 to include three cross-cutting priorities, including gender and diversity. There is recognition, both by interviewees and in the 2018 Gender and Diversity Evaluation, that diversity-related activities have been isolated and sporadic and that there is much work to do still to promote identity and social inclusion as an integral part of the operations and analytical work the IDB supports. IDB Invest and IDB Lab will harness direct investment, blended finance, knowledge products and advisory services to support indigenous businesses and communities.</p> <p>The Operational Policy on Indigenous Peoples and the Diversity Action Plan are related to the sector framework; the operational policy is a regulatory document that applies to all Bank interventions. The Diversity Action Plan contains detailed guidelines for implementing policies and supporting mainstreaming of diversity in Bank actions (including in the design, implementation, monitoring and evaluation. The 2018 Gender and Diversity Evaluation noted that no specific action plans for diversity had been developed; subsequently, a Diversity Action Plan was developed for the 2019-21 period. The newly introduced ESPF includes a specific standard on indigenous populations and another on</p>	<p>3, 13, 16-19, 23-25, 27, 45, 53, 71, 80, 87, 93, 96, 103, 109-110, 207, 214, 221</p>



involuntary resettlement that must be adhered to in the case of indigenous populations. Similarly, the standard on gender equality requires borrowers to consider potential adverse effects on minorities based on gender identity or sexual orientation.

Overall, more “airtime” is given to gender equality, as concepts and tools to support integration of gender equality are more widely understood and used. Interviewees admitted that it is still challenging to give diversity, and its multiple definitions, the attention it needs, as it is seen as something more complex. Indeed, while the majority of the stakeholders surveyed rated the IDB’s ability to provide solutions for “promotion diversity and inclusion of diverse groups” as very good (28.9% of respondents) or good (34.1% of respondents), the Bank scored relatively poorly in this area compared to other cross-cutting issues. Notably, 13.9% of respondents rated the Bank poor or very poor in this area. Context plays an important role (i.e. when the entire target population is indigenous – so there is not a specific “target” for indigenous peoples within the project – does this make it a standalone diversity project?). Lesbian, gay, bisexual, transgender, queer and other (LGBTQ)+ is only gaining traction in a very minor way; projects still tend to make reference to “inclusion” and not specifically LGBTQ+. GDI of course plays an essential, central role in pushing for diversity mainstreaming, as well as seeking opportunities to implement stand-alone projects; both mainstreaming and stand-alone projects seem to lean more towards the indigenous population and afro-descendant aspects of the Bank’s definition of “diversity”, and less towards people with disabilities or LGBTQ+ (although there is one LGBTQ+-specific project underway in Uruguay). As with gender (and at a slower pace than gender), inserting diversity issues in dialogue with the government can take time, and acceptance and action happen at different paces depending on the context. The degree of IDB support for diversity (as well as gender) still depends, in part, on how much borrowing countries prioritise diversity issues; this is a slow-growing priority when it comes to loans.

While the majority of the stakeholders surveyed rated the IDB’s ability to provide solutions for “promotion diversity and inclusion of diverse groups” as very good (28.9% of respondents) or good (34.1% of respondents), the Bank scored relatively poorly in this area compared to other cross-cutting issues. Notably, 13.9% of respondents rated the Bank poor or very poor in this area.

Of note, just after the pandemic began, IDB was the first Multilateral Development Bank that put out health protocol material in 12 indigenous languages, and it liaised with indigenous leaders to devise plans on how to handle the pandemic with indigenous communities (this was a stand-alone, knowledge production project).

### **2.3.2. The Bank has in place diversity indicators and targets for its operations, but country- and regional-level indicators are less clear.**

At the level of the CRF, there are no indicators related to diversity within Level 1, and only two Level 2 indicators that speak to diversity: 2.18 Targeted beneficiaries of public services that have been adapted for diverse groups (# of beneficiaries) – but there is only one project/country represented with the current data; and 2.17 Countries with strengthened gender equality and diversity policy frameworks (#), although results may reflect progress in gender equality only. For Level 3, indicator 3.8 tracks the percentage of new approvals supporting diversity. The CRF Technical Guidance 2020 states that Level 2 indicator information should be disaggregated (sex, indigenous peoples, African descendants, climate change mitigation/adaptation). They are only disaggregated by sex (although not all are), and 3.28 tracks actions to promote diversity and inclusion at the IDB Group.

The Policy on Indigenous Peoples does not provide results indicators, although the policy asserts that it “will set out verifiable indicators of compliance with it and of its effectiveness [...] The Bank’s evaluation instruments will be used, as applicable, to monitor these indicators” (p. 13 of the policy). The Gender and Diversity Action Plan (GDAP) defines lines of action and sets targets for the Bank to ensure the

3, 13, 16-19, 23-25, 27,  
45, 53, 71, 80, 87, 93,  
96, 103, 109-110, 207,  
214, 221

Development with Identity of indigenous peoples and the inclusion of persons with disabilities, African descendants and LGBTQ+ individuals in its operational and analytical work.

### 2.3.3. **Accountability systems are sparse when it comes to diversity.**

According to the Operational Policy on Indigenous Peoples, the Bank periodically evaluates the implementation of this policy and the achievement of its objectives through independent reviews that include consultations with national governments, indigenous peoples, the private sector and civil society. The most recent evaluation, which looks at diversity, is from 2018, analysing the 2011-16 period. A portfolio review was conducted to assess implementation of the strategy for indigenous development in 2013. There is an annual report on the implementation of the Diversity Action Plan (2020).

To address the shortage of diversity data, SCL, in collaboration with GDI, developed a platform in 2020 that includes visualisations of socioeconomic indicators disaggregated by gender and diversity population groups. Variables in household surveys were harmonised for disaggregation based on disability and on indigenous or African descendant identity. The team also developed a set of guidelines on working with demographic and diversity data to be used internally in SCL. It is not clear how this platform translates to the CRF or is otherwise used.

The SLC unit overseeing the ESPF undertakes its own supervision process and forms (not PMR), rating each project first using the Environmental and Social Risk Rating, and then continuing to rate the project throughout its lifespan to see how it changes (for better or worse). They also provide a Safeguards Performance Rating (identifying damage to the communities and how was this resolved, if at all). This rating is then incorporated into the PMR. The ESR Unit (RMG) summarises everything into Risk Reports (rating and performance). These reports are circulated throughout the Bank for project consideration.

### 2.3.4. **Various documents include or outline criteria for working with indigenous peoples, African descendants, persons with disabilities, and LGBTQ+.**

At the proposal stage, a project must include the following three elements in order to be considered sufficiently diversity mainstreamed: (i) an analysis of issues affecting at least one of the following diverse populations: indigenous peoples, persons with disabilities, African descendants, and LGBTQ+ individuals; (ii) actions to address diversity gaps/issues (based on evidence-based or promising approaches, when feasible); and (iii) at least one diversity-related result (output, outcome and/or impact) indicator in the results matrix that measures the effect of interventions on at least one of the four diverse populations.

As with gender, technical specialists in GDI are responsible for making an alignment determination between projects and the CRF with regard to diversity. GDI reviews the proposed alignment, communicates to the team whether the project meets the alignment criteria and provides feedback to the project team. If as a result of the quality and risk review process the project design changes in any way that may alter the alignment to gender equality, diversity or climate change, the project team must inform the corresponding technical experts in GDI and CCS and update the classification in Convergence. Projects aligned to diversity must contribute to closing diversity gaps and/or addressing diversity-specific issues faced by any of the targeted diversity groups (i.e. indigenous peoples, persons with disabilities, African descendants and LGBTQ+). There is still work to be done to improve diversity inclusion in country development challenges, including analysing the indigenous context in the project area to support the applicability of the policies.

The ESPF has its own screening and environmental and social classification, which contributes to the standardisation of diversity inclusion in country development challenges. The IDB requires its borrowers to identify diverse peoples or groups potentially affected by IDB-financed projects and develop and implement differentiated mitigation measures to address the circumstances of such individuals or groups. In terms of Involuntary Resettlement in IDB Projects Principles and Guidance, consultation

3, 13, 16-19, 23-25, 27, 45, 53, 71, 80, 87, 93, 96, 103, 109-110, 207, 214, 221



needs to take place to identify and consult vulnerable groups that are less able to defend their interests and that run the greatest risk of impoverishment.

### 2.3.5. **Different human and financial resources are available to address diversity issues.**

Please see Element 5 of MI 2.1 for details on GDI support. Diversity-related inputs are specifically provided by GDI to CDCs. These inputs include data-driven analyses of development gaps faced by at least one of the four diverse groups, along with corresponding policy recommendations.

Direct investments for indigenous peoples and the afro-descendant population are financed mainly through technical co-operation operations and investment grants, with the exception of the USD 30 million loan that financed the Indigenous Development and Promotion Program in Chile. The Bank is also paying closer attention to including support for both gender and diversity issues within the same operations. In 2020, 13% (11) of all approved loans were aligned strategically with both gender equality (Gender Strategic Alignment) and diversity (Diversity Strategic Alignment). The majority of these (7), mainstreamed a focus on both women and persons with disabilities, while five addressed issues of development for Indigenous peoples and gender equality.

Addressing diversity issues is not always in the form of a project investment. The Bank brings visibility to all four diversity groups through knowledge and communication strategies, by, for example, conducting virtual external events or high-level meetings with stakeholders (as part of the DAP). GD Lab, the Gender and Diversity Knowledge Initiative, was launched in November 2020 to promote, lead, and finance the evaluation of solutions to support gender and diversity policies and operations at the Bank.

To date, it has produced policy briefs summarising evidence on gender and diversity and a website that centralises all IDB studies on these topics and disseminates key information.

According to the 2020 Program and Budget Execution Report, 12% of the preparation and supervision of operations and knowledge products was dedicated to gender equality and diversity.

In terms of the total approved number of projects with gender equality and diversity alignment, the percentage jumped from 26% in 2017 (with 20% of the total approved amount) to 64% in 2018 (with 53% of the total approved amount). The total approved number fell to 60% in 2019 and 59% in 2020 (though the total approved amount was at 56% in 2019 and 52% in 2020). To disaggregate this further, the percentage of approved projects supporting gender equality in 2020 was 54%, while diversity was at 20%.

**2.3.6. There are some initiatives to develop staff capacity on diversity, but this needs to be increased and ongoing.** There are plans to implement training courses to raise awareness of indigenous issues to improve the degree of knowledge and sensitivity of staff with regard to indigenous people, but the degree to which this has happened is unclear.

The DAP's results matrix does include an indicator related to Bank personnel trained on diversity issues; in 2020, over 295 participants received training on diversity issues through eight webinars targeted to Bank staff.

In order to support project teams and countries around more specific lines of action for inclusion and diversity, GDI is working on developing toolkits to assist Bank staff in designing effective diversity activities and defining results indicators. The team is currently working on toolkits for the inclusion of persons with disabilities in tourism and energy. Indigenous peoples specialists are also working with the Transport Division to update guides for ethno-engineering. The Health and Social Protection and Education teams are collaborating with GDI to develop new tools to support intercultural health and bilingual education. The African descendants and LGBTQ+ working groups at GDI are working to define clear lines of action and guides that will support specialists in this work. In addition, GDI is developing an online training course on LGBTQ+ inclusion and another on Development with Identity.

3, 13, 16-19, 23-25, 27, 45, 53, 71, 80, 87, 93, 96, 103, 109-110, 207, 214, 221

<b>MI 2.4: Corporate/sectoral and country strategies respond to and/or reflect the intended results of normative frameworks for institutional capacity and rule of law</b>	<b>Score</b>
<b>Overall MI rating</b>	<b>Unsatisfactory</b>
<b>Overall MI score</b>	<b>2.50</b>
Element 1: Dedicated policy statement on institutional capacity and rule of law available and showing evidence of application	3
Element 2: Institutional capacity and rule of law indicators and targets fully integrated into the MO's strategic plan and corporate objectives	3
Element 3: Accountability systems (including corporate reporting and evaluation) reflect institutional capacity and rule of law indicators and targets	2
Element 4: Institutional capacity and rule of law screening checklists or similar tools inform design for all new interventions	2
Element 5: Human and financial resources (exceeding benchmarks) are available to address institutional capacity and rule of law	3
Element 6: Staff capacity development on institutional capacity and rule of law is being or has been conducted	2
<b>MI 2.4: Analysis</b>	<b>Evidence documents</b>
<p><b>2.4.1. Institutional capacity and rule of law is a cross-cutting theme, as part of IDB's Institutional Strategy and is represented in the CRF.</b> Operationally, there is no dedicated policy statement, although the first IDB Sector Framework Document (SFD) on Transparency and Integrity) is forthcoming.</p> <p>While gender equality and diversity and climate change are well-established, institutional capacity and rule of law are being defined more clearly. The Updates of the Institutional Strategies clearly identify institutional capacity and rule of law as a cross-cutting theme and commit the Bank to:</p> <ul style="list-style-type: none"> <li>• enhancing support for international standards and commitments on transparency, integrity, anti-corruption and governance; helping to ensure the effective enforcement of such reforms and to strengthen the institutions responsible for integrity, transparency and oversight to increase accountability; reducing the risk of corruption; and dealing with corruption effectively and efficiently when it occurs</li> <li>• convening actors for open government and transparency while leveraging technology</li> <li>• further integrating transparency and integrity into operations; improving private-public sector complementarity; and using best practices for contracting, procurement, project oversight, privatisations and concessions.</li> </ul> <p>The Second Update to the Institutional Strategy reinforces this cross-cutting issue with a focus on improving the delivery of public services, facilitating strong business climates and addressing citizen security challenges, all considering the need to improve state capacity to capture and manage resources, deliver public services, digitise processes and services, promote transparency, fight corruption, and enforce compliance with established rules and processes. Honduras and Jamaica are champions regarding citizen security and police reform. Homicide rates have dropped since the start of the citizen security programme there ten years ago, when there was little capacity within the Bank to implement citizen security projects; but this was an important aspect for Latin America and the Caribbean (LAC), so investments began; Jamaica, for example, is on its third loan.</p> <p>The majority of stakeholders believe that the IDB “incentivises State modernisation and institutional capacity building” (see Q5, Reputation survey), with 80.9% of respondents agreeing with this attribute statement. However, while a majority of stakeholders also agree that the Bank “promotes transparency</p>	<p>1, 3, 19, 38, 45, 48, 59, 65-67, 88, 126, 232-233</p>

and the fight against corruption” (see Q5, Reputation survey), the percentage of those who agreed with this statement was lower at 68.6%. Notably, more respondents rated the Bank poor (11.5%) or very poor (2.9%) for promotion of transparency and the fight against corruption than for any other cross-cutting issue. However, it is important to stress that the majority (63.2%) of respondents still rated the Bank as good or very good in this area. Efforts in modernisation of the state and development of institutional capabilities are perceived more favourably by stakeholders, with nearly 70% of respondents rating the Bank as good or very good at providing solutions in this area.

Institutions for Development (IFD) is the group that oversees and co-ordinates this work, and their focus is on building management capacity, building transparency, and supporting rule of law and access to justice/working with the judicial system. This translates into specific areas of work under four clusters within IFD: public management, digital government, transparency and integrity, and security and justice.

#### 2.4.2. **Institutional capacity and rule of law indicators and targets are fully integrated into the CRF.**

The following CRF indicators relate to institutional capacity and rule of law:

##### CRF 2020 indicators Level 1

- 1.15 Government effectiveness (average LAC percentile)
- 1.16 Rule of law (average LAC percentile)
- 1.17 Control of corruption (average LAC percentile)
- 1.18 Voice and accountability (average LAC percentile)

##### CRF 2020 indicators Level 2

- 2.23 Countries with strengthened tax and expenditure policy and management (#)
- 2.25 Public officials trained on citizen security and justice (#)
- 2.26 Agencies with strengthened digital technology and managerial capacity (#)
- 2.27 Agencies with strengthened transparency and integrity practices (#)

1, 3, 19, 38, 45, 48,  
59, 65-67, 88, 126,  
232-233

##### CRF 2020 indicators Level 3

- 3.9 Projects supporting institutional capacity and rule of law (percentage of new approvals).

#### 2.4.3. **There are no significant or unique accountability or reporting measures for institutional capacity and rule of law.**

As explained by interviewees, when programmes come across weak capacity in their sector, there are few incentives to support institutional capacity as a cross-cutting or mainstreamed area because the Bank does not “count” that as an IFD target (that is, there is no double-booking/triple booking; for example, a USD 80 million construction project that needs USD 20 million in institutional capacity building receives “points” for infrastructure, but no points for IFD because it is not money that IFD is bringing in; IFD has to get its own investments). Interviewees agree that this is a significant problem because it does not reflect an existing synergy and the efforts put into supporting institutional capacity. The Bank needs to continue to look at better incentives for working together.

However, there is an ongoing evaluation of IDB support for transparency and integrity (2010-19): to assess IDB’s experience over the past decade in pursuit of fulfilling its institutional mandates to support public sector transparency and integrity in the LAC region. The evaluation also aims to contribute to the implementation of the first IDB Sector Framework Document (SFD) on Transparency and Integrity.

#### 2.4.4. **There are no screening checklists or similar tools; however, if projects are to align with CRF indicator 3.9, there are specific areas of intervention they must comply with** (from IDB Group CRF 2020-2023 Technical Guidance Note, p. 21):

- improving the state's capabilities to capture and manage resources
- improving the state's capabilities to provide public services with adequate volume, accessibility and quality (effectiveness, efficiency and timeliness)
- improving the state's capabilities to maintain social order and enforce agent compliance with established rules and processes
- supporting the state's fight against corruption and enhancing government's transparency and accountability practices
- strengthening institutional, legal and regulatory frameworks of the state.

IFD has also recently developed a methodological guide for institutional capacity. This will establish the mandate that during the CDC countries must carry out the institutional diagnostic. The binding constraints identified will have corresponding institutional capacity factors identified. The methodology also includes a protocol of how IFD will participate in the CDC. CDC/CS is the first point of connection with VPC; once they have the CS and the capacity analysis, they can then negotiate loans in order to invest in capacity building themes.

#### **2.4.5. Human and financial resources are available to address institutional capacity and rule of law.**

The CDC and CS are the first point of connection for IFD with VPC; ICS will revise the consistency of these aspects in the CDC during the peer-review mechanism. If deemed necessary, IFD would provide suggestions for the other VPS divisions to enhance these aspects inside the document.

There are IFD focal point in all South American countries except Bolivia and Venezuela; in the Caribbean, there is only a point person in Jamaica; and there are only a few in Central America, only in Panama.

In the 2021 Approved Program and Budget, all six OC-SDPs were tagged to support the cross-cutting issue of institutional capacity and rule of law throughout 2021, but the OC-SDP for Institutions takes on the role of a key channel of support. A significant portion of this support involves institutional strengthening for COVID-19 recovery through a series of institutional development initiatives.

In 2020 and 2021, 58% and 69% of new approvals respectively were tagged as supporting institutional capacity and rule of law (compared with the IDB target of a minimum 60%). The 2020 Budget Execution report noted that 19% of IDB expenses for preparation, supervision and knowledge projects were for this cross-cutting priority – the largest share among cross-cutting priorities.

In terms of the total approved number of projects with institutional capacity and rule of law alignment, the percentage slid from 58% in 2017 (with 52% of the total approved amount) to 54% in 2018 (with 57% of the total approved amount), then jumped to 73% in 2019 and back down to 58% in 2020 (the total approved amounts were at 80% in 2019 and 61% in 2020).

#### **2.4.6. Some specific capacity building, as well as dedicated human resources (the IFD team), accompanies and advises on projects on institutional capacity and rule of law.**

There are some efforts made towards capacity building, but these remain partial. For example, in 2021, 334 employees were trained in the use of the Institutional Capacity Assessment Tool (ICAP; Plataforma de Análisis de Capacidad Institucional in Spanish (PACI)), which helps project teams evaluate the capacity of the executing agencies in IDB-financed sovereign guaranteed operations. Through explanations and practical exercises, workshop participants learn how to use ICAP to generate quality information that allows for both improving the design of their projects and increasing their chances of success.

In addition to this, the IFD team is integrated into projects and provides advice during planning and execution; they help prepare documents and assist the teams in assessing the related risk and reflecting on what should be part of the planning.

1, 3, 19, 38, 45, 48,  
59, 65-67, 88, 126,  
232-233

<p>Work in progress by IFD includes a strategy to strengthen IFD staff skills for project design to ensure that adequate solutions-driven methodologies help understand and address policy and service delivery problems. This strategy includes: (i) an extensive analysis of PCRs to identify systemic state capability gaps distilled from project implementation lessons; (ii) a series of workshops on capacity building to ensure that IFD staff and teams are equipped with the best competences, skills and tools to address the Bank's priority on state capacity building; (iii) a series of pilot projects to test the implementation of solutions-driven methodological approaches to strengthen project design and implementation on state capacity building.</p>	<p>1, 3, 19, 38, 45, 48, 59, 65-67, 88, 126, 232-233</p>
<p><b>MI 2.4: Evidence confidence</b></p>	<p><b>High confidence</b></p>

## OPERATIONAL MANAGEMENT

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

<p><b>KPI 3: Operating model and human and financial resources support relevance and agility</b></p>	<p><b>KPI score</b></p>
<p><b>Satisfactory</b></p>	<p><b>3.31</b></p>

IDB's operating model and human and financial resources are rated as satisfactory in their support of the Bank's relevance and agility.

**Resources aligned to functions:** IDB's organisational structure has been continually updated to ensure that IDB has the right people and expertise in the right places. IDB has introduced reforms to create a more flexible workforce which is able to adjust to the demands of countries. IDB Group's People Strategy 2022-2027 envisions an organic response to balancing the need for expertise across the region and within countries.

**Resource mobilisation:** IDB's resource mobilisation efforts are driven by a push to enhance existing mobilisation through ongoing work with existing partners including traditional and non-traditional donors, promote domestic mobilisation and catalyse resources from the private sector. This is supported by ongoing dialogue and diverse funding arrangements with country governments and donors. Between 2017 and 2021, IDB raised over USD 13 billion from partners. Updated resource mobilisation targets, revised through the Barranquilla discussions, were not available for the MOPAN review.

**Performance-based human resourcing:** IDB human resourcing is results-oriented and performance-based. Managers calibrate staff performance across the Bank to enable transparent and results-based rewards systems. The Human Capital Strategy outlines core competencies for staff that are based on performance and that seek to incentivise collaboration across the organisation and provides an opportunity for feedback for all levels of staff.

**Decentralised decision making:** While the overall resource envelope that is available to countries is established at the Board level, day-to-day decision making is country driven and broadly autonomous. Country representatives for the whole IDB Group provide a window for decision making for IDB, IDB Invest and IDB Lab. Country representatives are authorised to design new operations or to reformulate projects based on emerging needs.

IDB's Updated Institutional Strategy emphasises the need for IDB to take a "proactive, flexible response" to accommodate client countries' different development needs and help them reach their specific development objectives. With this vision, IDB has been in a continual process of aligning its structure to respond to the needs of its country partners by balancing its resourcing between headquarters and country offices and by providing regional hubs. With all staff members moving to work from home due to the COVID-19 pandemic, IDB pivoted to support its staff with new tools, training modalities and management support. This changed how IDB defines proximity to clients, which continues to be reviewed. IDB's Human Capital Strategy aims to support a more flexible, agile approach to ensure that IDB is able to provide relevant and responsive technical and financial support to its member states. This has translated into a range of initiatives to get the right people in the right place. IDB has made progress in its diversity, equity and inclusion work, especially as evidenced by its advancements towards gender parity across the organisation. However, IDB's work in improving diversity across other dimensions such as race/ethnicity, sexual orientation and disability remains an area for development, particularly in its efforts to ensure that the workforce reflects the diversity of all its stakeholders.

<b>MI 3.1: Organisational structures and staffing ensure that human and financial resources are constantly aligned and adjusted to key functions</b>	<b>Score</b>
<b>Overall MI rating</b>	<b>Satisfactory</b>
<b>Overall MI score</b>	<b>3.25</b>
Element 1: Organisational structure is aligned with, or being reorganised to, requirements set out in the current strategic plan	3
Element 2: Staffing is aligned with, or being reorganised to, requirements set out in the current strategic plan	3
Element 3: Resource allocations across functions are aligned to current organisational priorities and goals as set out in the current strategic plan	4
Element 4: Internal restructuring exercises have a clear purpose and intent aligned to the priorities of the current strategic plan	3
<b>MI 3.1: Analysis</b>	<b>Evidence documents</b>
<p><b>3.1.1. IDB’s organisational structure is generally aligned with the requirements set out in the current strategic plan.</b> IDB’s organisational structure is guided by the commitment to having “the right person, in the right place, at the right time”. The IDB has been in a continual process of aligning its structure to respond to the needs of its country partners and of building an employee base that has a blend of technical and country-level expertise. In the most recent update to the strategy, the IDB has sought to align its organisational structure to the guiding principles set out in UIS broadly through balancing proximity to its clients and fostering strong technical knowledge and expertise at the headquarters (HQ). The realignment of the Bank introduced the “Matrix Structure” that is currently in place and enhanced its attention to balancing technical expertise in headquarters and decentralisation of personnel. In 2010, IDB established an HR service centre in Costa Rica to provide human resource services across the region, to enable the IDB’s human resources to be more responsive and strategic to demands across the region. The 2020 Human Capital Strategy is premised on IDB’s ability to deploy human resources in a way that responds to the “volatile, uncertain, complex, and ambiguous” context in which IDB operates. With this, IDB’s human resourcing strategy relies increasingly on the use of technology (artificial intelligence, Big Data, online learning, virtual/hybrid working) to enable IDB to understand client needs and to provide services, no matter where in the region staff are based. IDB’s strategic emphasis on being close to the region is broadly reflected in its staff: of 1 844 employees, in 2020, 69.3% represented nationals of borrowing members, 15.7% Canada/United States and 15% non-regional staff. Borrowing members make up 76.9% of the Executive track. It should be noted that the Caribbean has a much smaller level of representation within the staff group, which is an aspect that the human resourcing strategy is seeking to address.</p> <p><b>3.1.2. IDB’s staffing is generally aligned with the requirements set out in the current strategic plan in terms of sectoral expertise, personnel at HQ and country offices.</b> In response to the current strategic plan, IDB’s human resourcing is characterised by increased flexibility of the workforce, greater use of data for decision making, and increased attention to diversity, equity and inclusion. IDB’s 2020 Human Capital Strategy sets out IDB’s vision for strengthening cross-sector collaboration and promoting staff mobility between HQ and country departments. Currently, the Human Capital Strategy does not have decentralisation targets and is instead relying on a “more organic” approach that responds to resource needs at the country level and interest from staff. For example, this approach would mean that IDB’s Human Resources Department could redeploy staff to the country level when there was a specific gap, or even where there was personal interest from staff members. IDB publishes annual Human Capital Analytics that offer a detailed analysis of the skills, location, gender balance and representativeness of IDB’s staff and complementary workforce (consultants). Between 2016 and 2020, the proportion of staff</p>	2, 28, 31, 67, 252, 254

in country offices decreased by 2.8% (from 33.9% in 2016 to 31.1% in 2020). This figure does not reflect the actual number of staff who have been working from home since March 2020 due to the COVID-19 pandemic. IDB has been working to address imbalances in staff benefits and compensation available to international and national staff on the one hand, and on the other, to expand the pool of candidates to ensure that IDB has the best talent. To respond to the IDB Group's enhanced focus on inclusion, IDB developed a strategic framework for diversity, equity and inclusion at the IDB Group. The framework's accompanying action plan includes efforts to increase outreach and staffing that reflects the region's diversity and better represents afro-descendent, indigenous and mestizo peoples as well as gender, LGBTQ+ and people with disabilities. There is broad consensus from stakeholders surveyed by MOPAN that the level of staffing in or accessible to the countries where IDB operates is adequate, though staff report that there are disparities in countries with smaller scales of operation. Survey respondents were mixed in their perceptions of whether IDB's staff have the relevant experience and skills to work successfully in their technical/sectoral context. This sentiment is reflected by certain sectors and Bank departments that report feeling under-resourced or stretched by the demands placed on their office and the relatively smaller headcount.

**3.1.3. IDB's resource allocations across functions are aligned to current organisational priorities and goals as set out in the current strategic plan.** The Flexible and Efficient Workforce Management Framework was launched with the objective to be able to respond to IDB business needs. The framework replaces headcount control and offers a more flexible staffing framework. Every year, the HR Department conducts an exercise in partnership with the Budget and Administrative Services Department where the HR Department uses data to determine the gaps within IDB staffing, the positions that are open, the strategic priorities and whether staff or consultants would be best placed to serve the IDB business needs. The framework is premised on a ratio of three consultants to two staff.

Under IDB-9, IDB initiated a range of initiatives aimed at improving the HR framework and strengthening capacity in country offices. These have included:

- Institutionalisation of senior positions by implementing a competitive hiring process.
- Improving the expertise at the country level through establishing an equivalent grade scale for national and international staff and transferring senior staff to country offices.
- Implementing the new Performance Management Framework for managing staff performance.
- Implementing a career management framework to “align talent with business priorities and promote mobility”.
- Enacting a Gender Equality Policy for Staffing. The overall proportion of women in leadership positions has not increased from 2016 (n=44) to 2020 n=(37). As of 31 December 2020, there were 37 (29.8%) women and 87 (70.2%) men in leadership roles, while in 2016 there were 44 (35.5%) women and 80 (64.5%) men (2020 IDBG Human Capital Analytics, p. 21). The overall proportion of women in technical roles since 2016 (n=772) and 2020 (n=851) has increased. As of 31 December 2020, there were 851 (52.7%) women and 763 (47.3%) men in technical roles, while in 2016 there were 772 (50%) women and 770 (50%) men.
- Developing a policy for hiring consultants.

Annual Programme and Budget Execution Reports account for resource allocation across organisational needs and strategic priorities. Since 2018, all sovereign-guaranteed loan projects have been aligned with at least one of the IDB Group's strategic priorities (i.e. the three challenges and three cross-cutting themes of the Update to the Institutional Strategy (UIS). IDB has increased the investment from its own administrative budget in social inclusion and equity, production and innovation, gender equity and diversity, and institutional capacity and rule of law. The 2020 Administrative Budget reflects IDB's

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investment in social inclusion and equality, and productivity and innovation have been on a steady increase since 2017. Investment in IDB's cross-cutting themes has increased. Since 2017, there has been a gradual progression in IDB's investment in climate change/environmental sustainability, supported by the Climate Change and Sustainable Development Sector which has 100 staff members. Institutional capacity and rule of law has also received steady investment since 2017, with support from VPC and parts of VPS. IDB's investment in gender, supported by the social sector, tripled between 2018 and 2019 but decreased slightly from 2019 to 2020.

In response to the COVID-19 pandemic, IDB delivered a co-ordinated approach, led by the Human Resources Department (HRD) to support staff to work from home. This involved task forces to support staff wellbeing, case management and training for managers to transition to a remote management approach. In March 2020, the Bank developed a Return to Office Framework to support employees working remotely and help them return to the office through a phased approach based on evolving inputs and indicators for monitoring the pandemic (e.g. vaccination rates, hospitalisation rates, infection rates). As of April 2022, the IDB is in Module 2 (out of four "the new normal") of the Return to Office Framework.

**3.1.4. To a large extent, internal restructuring exercises have a clear purpose and intent aligned to the priorities of the current strategic plan.** According to the Bank, the merge-out of IDB Invest and the rebranding of IDB Lab have been critical to the IDB Group's ability to offer comprehensive solutions to its country partners. The Updated UIS highlights the need for private sector resources to contribute to development solutions in LAC. With this, there are a number of areas where the IDB Group operates through a single point of contact to provide services and outreach to its partners. In 2019, IDB appointed IDB Group regional co-ordinators in each of its hubs to help generate whole-of-IDB Group opportunities at the regional and country levels. The Office of Resources and Partnerships (ORP) has a service level agreement with IDB Invest which enables ORP to serve as the single point of contact for all IDB Group engagement with partners and donors. These joint approaches are designed to optimise opportunities for the region by engaging with the public and private sectors. In practice, staff and Board members reflect that IDB is in a "period of transition". With IDB-9, HRD has a number of complementary initiatives intended to continue the efforts to enable the Bank to retain talent, respond flexibly to institutional requirements and mobilise the right people at the right time. This includes the Flexible and Efficient Workforce Management Framework, launched in 2019, which aims to balance the combination of consultants and staff based on institutional needs. The 2018 OVE Evaluation of IDB-9 notes that, while "the Bank has undertaken many HR initiatives during IDB-9, though some IDB-9 mandates have not been met", IDB made notable progress in increasing the proportion of senior female staff (at grade 4 and above), but staff and Board members indicate that progress has been slower in reaching IDB's targets for diversity, equity and inclusion. The combination of a change in administration and the effects of COVID have resulted in staff reporting some "uncertainty" about the effects of these periods.

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**MI 3.1: Evidence confidence****High confidence****MI 3.2: Resource mobilisation efforts consistent with the core mandate and strategic priorities****Score****Overall MI rating****Highly satisfactory****Overall MI score****3.67**

Element 1: Resource mobilisation strategy/case for support are explicitly aligned to current strategic plan

3

Element 2: Resource mobilisation strategy/case for support reflects recognition of need to diversify the funding base, particularly in relation to the private sector

4

Element 3: Resource mobilisation strategy/case for support seeks multi-year funding within mandate and strategic priorities

N/A



Element 4: Resource mobilisation 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	4																								
<b>MI 3.2: Analysis</b>	<b>Evidence documents</b>																								
<p><b>3.2.1. IDB has a strategic approach to resource mobilisation guided by the Institutional Strategy and processes to ensure alignment with IDB’s broad strategic priorities.</b> Over 75% of informed stakeholders in the region identified “mobilises external partner knowledge and financial resources” as a key characteristic of IDB. Resource mobilisation efforts by IDB must negotiate the tension between decreasing availability of official development assistance for LAC countries and tremendous inequality, across the region, and within countries. The approach to resource mobilisation is premised on the need for close working relationships with the governments of member states, innovative funding instruments and blended finance. The three pillars of the IDB’s approach to resource mobilisation set out in IDB’s Mobilization Roadmap are (i) enhancing existing mobilisation through ongoing work with existing partners including traditional and non-traditional donors; (ii) promoting domestic mobilisation; and (iii) catalysing resources from the private sector. In 2020, IDB allocated USD 37 million to stakeholder dialogue and resource mobilisation as part of its “Further Strengthen the Bank’s Responsiveness to Clients” work programme. Co-financing is the main conduit for resources mobilised and, according to the Bank, is a preferred partnership modality. According to annual reporting, in 2019, co-financing totalled USD 4.2 billion in mobilised resources, or 94% of all resources mobilised in the year by the Bank’s Office of Outreach and Partnerships (ORP). In 2020, co-financing accounted for approximately 90% (USD 2.24 billion of a total of USD 2.5 billion) of resources mobilised.</p>																									
<table border="1"> <thead> <tr> <th></th> <th>USD billions mobilised</th> <th>Transactions</th> <th>Number of partners</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>3.2</td> <td>124</td> <td>100</td> </tr> <tr> <td>2018</td> <td>2.9</td> <td>140</td> <td>94</td> </tr> <tr> <td>2019</td> <td>4.4</td> <td>118</td> <td>67</td> </tr> <tr> <td>2020</td> <td>2.5</td> <td>83</td> <td>53</td> </tr> <tr> <td colspan="4">Total: USD 13.08</td> </tr> </tbody> </table>		USD billions mobilised	Transactions	Number of partners	2017	3.2	124	100	2018	2.9	140	94	2019	4.4	118	67	2020	2.5	83	53	Total: USD 13.08				1, 4, 27, 31, 36, 66-67, 70, 91, 109, 232-233, 254
	USD billions mobilised	Transactions	Number of partners																						
2017	3.2	124	100																						
2018	2.9	140	94																						
2019	4.4	118	67																						
2020	2.5	83	53																						
Total: USD 13.08																									
<p>Responding to the challenges presented by the COVID-19 pandemic, the IDB Group enhanced resource mobilisation efforts with its partners. This translated into reformulating, refocusing and augmenting existing agreements, as well as sharing knowledge and technologies. In 2020, the IDB Group approved a record USD 21.6 billion in commitments, with USD 7.9 billion of IDB approvals and reformulations directly targeting the COVID-19 response.</p>																									
<p>Two out of the three indicators that monitor the performance of resource mobilisation efforts are on track. The CRF tracks direct third-party financing deployed (3.16 is on track), private direct third-party financing deployed (3.16 is on track) and indirect third-party financing deployed (3.17 is on watch).</p>																									
<p><b>3.2.2. IDB states explicitly that it needs to diversify its funding base through co-financing and in relation to the private sector through IDB Invest.</b> The IDB Group Strategy is focused on identifying opportunities for the public and private sectors and traditional and non-traditional donors to provide solutions to development challenges in the region. As part of the IDB Group’s statement of its ambitions for crowding in private finance, IDB emphasises its focus on accountability, engagement and incentives to private sector partners. ORP leads resource mobilisation for the whole IDB Group and has a service-level agreement to support IDB Invest’s resource mobilisation efforts. The IDB Group commits to responding to client demand in key areas (i.e. of lending levels of 35 to 60% of total lending in the infrastructure sectors of energy, transport, water and sanitation, and information and communications</p>																									

technology, with an additional 5% to 10% in social infrastructure for health and education) and leveraging over USD 100 billion by 2030. As part of its private sector strategy, the IDB Group seeks private co-financing, private direct mobilisation and private indirect mobilisation, targeted to specific sectors. The IDB Group differentiates its approach, targets and priorities for the different country groups it works with. Private co-financing is the main channel of funding mobilised through the private sector. The CRF monitors stakeholders' perceptions of IDB's effectiveness in fostering public-private synergies. IDB's work to stimulate public-private synergies has not yet translated into a change in stakeholders' perceptions.

Overall, co-financing comprises about 90% of mobilised resources for the IDB's portfolio. IDB has criteria that guide the process of co-financing with other institutions and countries. The guidelines establish that IDB may enter into co-operation agreements with public agencies for the execution of lending, financing and/or technical co-operation projects in borrowing member countries through co-financing agreements, whereby the Bank would furnish part of the resources needed by the project and assume the responsibility for the analysis and supervision of the project, as well as the administration of the joint financing. Nine of the 11 projects financed between 2020 and 2021 with private co-financing were aimed at responding to the COVID-19 pandemic – a departure from traditional private sector mobilisation, which has often targeted infrastructure projects.

IDB continues to strengthen its efforts to raise private finance, encouraging efforts to support the region's development and meeting the IDB Group's commitments under the From Billions to Trillions Agenda. IDB works with public institutions to create enabling conditions that encourage private investment. Raising private finance is a priority for the IDB Group, led by efforts from ORP to leverage private capital and efforts from IDB Lab to launch pilot projects, but private finance remains a small proportion of overall resource mobilisation for the IDB Group. As of 2020, the IDB Group, led by IDB Invest, mobilised more private sector resources for Latin America than any other international finance institution. According to the 2020 CRF, IDB has deployed USD 3.7 billion out of a target of USD 6 billion in private direct third-party funding. Still, interviews suggest that IDB's efforts to raise private finance are still emerging. Interviews also suggest that given the relative nascency of private sector operations and the relatively small share of IDB's operations that they represent, ORP is not yet sufficiently sensitised to the specifics of the private sector.

IDB administers trust funds which complement programmes, projects and activities in Latin America. As of 2020, partners have contributed USD 473 million in Single-Donor Trust Funds, USD 48 million in Multi-Donor Trust Funds and USD 610 million in project-specific grants. The largest single trust fund is the USD 2 billion China Co-Financing Fund for Latin America and the Caribbean from the People's Bank of China. The Bank administers 14 multilateral trust funds of which five are dedicated to climate adaptation and mitigation. Key bilateral donors for IDB include Spain, Korea, Canada and Japan, among others.

**3.2.3. Domestic resource mobilisation is a pillar of IDB's approach to resource mobilisation, and regional borrowing member countries contribute the majority of the Bank's capital, which is an important form of domestic resource mobilisation.** IDB does explicitly prioritise domestic resource mobilisation over other sources. IDB's approach to resource mobilisation strategy prioritises raising co-financing, including raising domestic resources from partner countries/institutions. Much of IDB's sector programming focuses on creating an enabling environment to support the opportunity for Domestic Resource Mobilisation through favourable tax systems, revenue targets and increased financial capacity building. IDB countries contribute ordinary capital to the IDB which comprises USD 101 billion. In 2020, IDB leveraged domestic financing for a number of initiatives including USD 44million for the

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Salud Mesoamerica Initiative, USD 49.69 million for the Regional Malaria Elimination Initiative with support from a range of partners and domestic support from the governments of Central American countries, Colombia, the Dominican Republic and Mexico.	1, 4, 27, 31, 36, 66-67, 70, 91, 109, 232-233, 254
<b>MI 3.2: Evidence confidence</b>	<b>High confidence</b>
<b>MI 3.3: Resource reallocation/programming decisions responsive to need can be made at a decentralised level</b>	<b>Score</b>
<b>Overall MI rating</b>	<b>Satisfactory</b>
<b>Overall MI score</b>	<b>2.75</b>
Element 1: An organisation-wide policy or guidelines exist that describe the delegation of decision-making authorities at different levels of the organisation	3
Element 2: Policy, guidelines or other documents provide evidence of a sufficient level of decision-making autonomy available at the country level (or other decentralised level as appropriate) regarding resource reallocation/programming	3
Element 3: Evaluations or other reports contain evidence that reallocation/programming decisions have been made to positive effect at the country or another local level as appropriate	2
Element 4: The MO has made efforts to improve or sustain the delegation of decision making on resource allocation/programming to the country or other relevant levels	3
<b>MI 3.3: Analysis</b>	<b>Evidence documents</b>
<p><b>3.3.1. IDB applies a matrix structure to support decision making across the organisation, balancing sector and country support.</b> The Updated Institutional Strategy is explicit that programming decisions are made at the country level supported by ongoing structured dialogue with borrowing member countries. VPC is the main institutional focal point for determining how resources are deployed at the country level. VPS determines the resources that are needed to provide sector expertise. IDB relies on employees and a significant complementary workforce. IDB policies are clear that programming at the country (or subregional) level is determined at the country level, and country staff reflect that day-to-day decision making is driven at the country level. IDB takes a multi-sector, multi-disciplinary approach to country programming, led by VPC, and managed by an IDB Group Country representative who oversees all of IDB Group operations. Since the merge-out, the IDB Country Representative is the entry point for all of the entities that comprise the IDB Group (IDB, IDB Invest and IDB Lab). The intention behind this “unified image” is to provide solutions that offer countries opportunities to benefit from both the private and public sectors and to facilitate more integrated solutions to the region.</p> <p><b>3.3.2. Decision-making autonomy is well-established at the country level for developing a strategy and a proposed programme of support.</b> Within an overall indicative financing envelope provided by VPC, development of the country strategy is the product of dialogue with the country and is approved at the Board level. Country operations are the product of multi-sector dialogue with relevant Bank Sector departments, member country governments, and country representatives. Operations must align with the country strategy which serves to frame the overarching development challenges in a country and also hone in on priority sectors. Operations must be designed to serve country interests, and the country strategy is designed to offer that flexibility to respond to member countries’ interests. All significant operations go to the Board for approval. The matrix structure supports multiple layers of review and quality approvals: sector areas provide technical expertise, country divisions support strategic alignment and the Development Effectiveness Matrix (DEM) provides an overall determination of alignment as the main quality control mechanism. In operations at the country level, sector divisions under VPS are involved in implementation.</p>	1, 4, 27, 31, 66, 70, 89, 109, 232-233

At the intervention level, staff report they have sufficient autonomy to flex projects in response to changing circumstances. However, reallocation of resources that are no longer demanded by the borrowing member country and responses to requests for additional resources are managed at the HQ level by VPC. This can present challenges for staff at the country level: While it is good practice for country programmes to alert HQ as soon as possible about likely underused resources, in practice country staff are expected to deliver the approved level of financing and thus not incentivised to “release” allocations too soon. As a result, new requests for allocations from countries may be more likely to be accepted by HQ if they are made later rather than earlier in the financial year.

IDB’s focus on decentralisation of staff has changed since 2016 from one that prioritises physical proximity, to considering what type of virtual proximity is needed to be closer to their clients. IDB’s approach has shifted away from explicit targets for the proportion of staff at the country level, to a “more organic” approach which aims to respond to country needs as they emerge and to adjust to the interests of IDB’s staff. With all staff working from home since March 2020, in light of the COVID-19 pandemic, the decentralisation efforts by the HRD were put on pause. Development of the new Human Capital Strategy envisions a revised approach toward decentralisation which balances the need for employees to be close to countries, with new thinking on how the IDB can support proximity through digital means. As of 2022, workforce decentralisation is in the process of review by HRD. While decision making capabilities continue to be driven by country priorities, there has not been a notable increase in the number of staff that are working from country offices. In 2011, 38% of staff worked in country offices, which peaked at 43% in 2015. In 2020, 31% of staff were based out of country offices. In practice, 100% of staff were working from home between March 2020 and between 50 and 75% throughout 2021 and 2022. Political and social circumstances in Haiti meant that all staff were redeployed either to HQ, to the Dominican Republic or to their home country. While their duty station remains Haiti, there are currently no staff that are based in that office. Allocation of resources per country is driven by client needs, and HRD has developed tools and support to facilitate more rapid and flexible mobility of personnel. A development, noted in the 2020 DEO, was the appointment of four IDB Group Regional Coordinators, one in each hub (Bogota, Buenos Aires, Kingston and Panama City), to help identify opportunities where the combined instruments of the IDB, IDB Invest and IDB Lab could generate greater development impact. The DEO also notes that increased operational synergies across the Group have increased over the past four years, with cross-participation of officers on public and private sector project teams in a range of sectors. The regional hubs were part of the IDB Invest Field Presence Strategy which aimed to support client relationships in the field, jointly with the rest of the IDB Group. These roles are tasked with reporting on private-sector and public-sector activities.

**3.3.3. While all but the smallest operations require Board approval, staff indicated that they have the necessary flexibility to modify and adapt the design of interventions as circumstances on the ground change.** That said, changes in overall purpose and objectives require resubmission to the Board for re-approval. As a result, the current governance arrangements risk creating perverse incentives, whereby staff may be reluctant to revise the ambitions/objectives of a project when components are changed/cancelled to avoid the bureaucracy associated with Board resubmission. Furthermore, there is evidence to suggest that this is not simply a hypothetical risk. OVE’s recent reviews of completed projects identify cancellation of project components as one of the common factors explaining low effectiveness ratings. Cancellation of projects’ components – in the absence of a restructuring of objectives – adversely affects the internal development logic of interventions, resulting in poor effectiveness scores (as assessed against the original objectives).

1, 4, 27, 31, 66, 70, 89, 109, 232-233

<p><b>3.3.4. Delegations of authority are the organisational mechanisms that establish responsibilities and accountabilities within IDB; while ensuring that the corporate and operational activities of the Bank are delivered in an efficient manner, IDB has made efforts to support effective delegation of decision making both through ensuring proximity to country decision making and strengthening the use of digital authorisations.</b> In response to increased automation and digitalisation of these mechanisms, including digital authorisations and electronic signatures (e-signatures) in documents and transactions, the Bank has enhanced its regulatory framework and supported e-signatures control mechanisms. Similarly, in response to internal audit findings, the Bank has updated the mechanisms for preparing, approving and monitoring TC operations, to align with the rapidly evolving digital environment and ensure transparency, accountability and collaboration are sustained.</p>	<p>1, 4, 27, 31, 66, 70, 89, 109, 232-233</p>
<p><b>MI 3.3: Evidence confidence</b></p>	<p><b>High confidence</b></p>
<p><b>MI 3.4: HR systems and policies are performance based and geared to the achievement of results</b></p>	<p><b>Score</b></p>
<p><b>Overall MI rating</b></p>	<p><b>Highly Satisfactory</b></p>
<p><b>Overall MI score</b></p>	<p><b>3.57</b></p>
<p>Element 1: A system is in place which requires all staff, including senior staff, to undergo performance assessment</p>	<p>4</p>
<p>Element 2: There is evidence that the performance assessment system is systematically implemented by the organisation for all staff and at the required frequency</p>	<p>4</p>
<p>Element 3: The performance assessment system is clearly linked to organisational improvement, particularly the achievement of corporate objectives, and demonstrates the ability to work with other entities</p>	<p>4</p>
<p>Element 4: Staff performance assessment is applied in decision making on promotion, incentives, rewards, sanctions, etc.</p>	<p>4</p>
<p>Element 5: A clear process is in place to manage disagreement and complaints regarding staff performance assessments</p>	<p>3</p>
<p>Element 6: Processes are in place to support diversity, equity and inclusion (DEI) in the workplace</p>	<p>2</p>
<p>Element 7: Processes are in place to assess staff engagement and the working environment, including measures to report and follow up on identified issues in a transparent manner</p>	<p>4</p>
<p><b>MI 3.4: Analysis</b></p>	<p><b>Evidence documents</b></p>
<p><b>3.4.1. IDB requires all staff to undergo performance assessment. To fulfil the ambitions of its strategy, HRD has increasingly relied on the use of data to track employee performance and to understand employees' needs.</b> HRD has increasingly focused on simplifying and improving the efficiency of its performance management system. The annual performance review for staff and supervisors includes nomination of feedback providers, self-assessment, and formal evaluation by supervisors to assess the performance of work programmes and progress against goals. Increasingly, IDB's performance management has used data to guide decision making – tracking and comparing individual performance against corporate indicators – and enhancing the transparency of the performance assessment process. The performance management system is premised on consistent communication with employees to maximise their contribution and increase communication between supervisors and employees.</p>	<p>1, 4, 27, 31, 66, 70, 89, 109, 232-233</p>

**3.4.2. Human resource reporting reflects strong compliance across the organisation in implementing the performance assessment system.** As of 2020, 99% of staff were involved in work planning exercises with their manager. HRD has been responding to calls for greater transparency to address growing pains in implementing the new performance management system. In 2021, 90% of staff and consultants reported that they had had an individual performance feedback session with their managers.

**3.4.3. The performance assessment system has been expanded to include competencies that relate to achievement of corporate objectives.** Drawing from the 2020 Human Capital Strategy, staff performance is linked to critical competencies. The unique competencies that the IDB requires from its staff include:

“a multi-disciplinary approach to identifying solutions to complex problems, a culture of collaboration and teamwork, diversity and inclusion awareness, conflict management and resolution, practising continuous feedback, managing resources efficiently, using innovation and creativity skills such as management of data analytics and being part of a digital world, skills in facilitation/negotiation and acting as “dot connectors“, capacity to embrace and be resilient to change, and the ability to manage complexity and act flexibly with emotional intelligence.”

IDB continues to work to attract and retain talent across the Bank and to strike an appropriate balance between talent at HQ and country office levels.

**3.4.4. Staff promotions, incentives, rewards and sanctions are linked to the staff performance system. IDB has updated its talent review management framework as part of the performance management system.** Following individual performance assessments, managers use the staff performance data to conduct Talent Review Meetings which are mechanisms where the HRD calibrates across departments to determine which staff will be promoted. HRD annually publishes the number of staff from each country office and sector department that are hired, fired and promoted. Performance management is directly linked to the IDB’s Total Rewards Framework. The premise of the Total Rewards Framework is to ensure competitiveness and sustainability of the Bank’s compensation package. The Framework was one of the actions carried out as part of IDB’s review of its compensation package. Between 2020 and 2021, the Total Rewards Framework process supported a 5% increase in promotions (from 10% to 15%). The Framework also supported an employee recognition effort, to recognise the regular contributions, and behaviour of employees and staff that demonstrate core competencies that are valued by the IDB. Human Capital Analytics from 2020 report 125 terminations. Of these, underperformance accounts for a very small proportion of the terminations (less than 1%).

**3.4.5. With changes to the performance system, IDB has established processes for managing disagreements and complaints regarding staff performance assessments.** Conflict management and resolution is built into the 2020 Human Capital Strategy under its “high-performance organisation” pillar of the strategy and is a core competency for IDB staff. The Bank has clear processes and independent governing bodies (ombudsperson, Office of Ethics, mediation) to manage and resolve these concerns. Regulation PE-346 clearly describes the process for managing disagreements regarding performance assessments. This is communicated in onboarding and training sessions to staff: The Office of Ethics has prevention and compliance functions with a mandate that includes reviewing and resolving workplace conduct matters and investigating employee misconduct allegations. IDB employees are not covered by a collective bargaining agreement. Nevertheless, the IDB recognises the right of staff members to associate and envisages the formation of associations and groups, and it has a long-established Staff Association that 60% of staff belong to as of 2020. The Staff Association is an independent entity committed to creating an enabling work environment to promote employee welfare and to represent the general interests of staff association members (which include staff and consultants at headquarters

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and in the country offices). In 2020, 255 issues were raised by IDB Group employees that contacted the Office of the Ombudsperson (visitors) from HQ and the Country Offices via 173 new cases. Most of the issues in 2020 related to Supervisory Relationships (26%); Career Progression and Development (21%); Organisational, Strategy and Mission (15%); Conduct, Ethics and Integrity (11%); and Peer and Colleague Relationships (9%).

Supervisory Relationships and Career Progression and Development continued to be the top two most frequent categories consistent with the five-year average, while Organisational, Strategy and Mission became the third-highest category in 2020 versus Conduct, Ethics and Integrity which, on average, had previously been the third-highest category. HRD is working on supporting outreach regarding conflict management and resolution systems available in the workplace and the benefits of using them at an early stage, such as reducing costs that exist when conflict is not addressed and improving collaboration. Staff surveys were not available to the assessment team to be able to verify the efficacy or transparency of the complaint management process.

**3.4.6. IDB is working to bolster its systems and practices to support diversity, equity and inclusion (DEI) in the workplace.** In 2021, IDB updated its (2012) Diversity and Inclusion framework to be a Diversity, Equity and Inclusion Strategy to support the ambitions of 2025 for inclusive development outcomes in the region. The diversity strategy specifically focuses on indigenous people, Afro-descendants, LGBTQ+, people with disabilities and gender, specifically women. The IDB's Code of Conduct explicitly proscribes discrimination and is working to build an organisational culture that is more diverse, inclusive and equitable. Based on the IDB's own assessment, the IDB's integration of DEI initiatives is a work in progress, and accountability mechanisms and budgets are beginning to be put in place. Ensuring representativeness of afro-descendant and indigenous groups, LGBTQ+ and persons with disabilities is an ongoing challenge for the IDB. With this, stakeholders report particular challenges in ensuring that the Caribbean region is equitably represented at management levels, and within countries in the Caribbean, where it is important for IDB employees to be familiar with the context. IDB has launched a number of initiatives which are geared toward fostering leadership, diversifying the workforce, creating a supportive climate, and promoting diversity, equity and inclusion; these are tracked against a DEI action plan effort to enhance the DEI practice and culture within the IDB. On gender, IDB and IDB Invest received institutional EDGE certification (Economic Dividends for Gender Equality). The parental leave policy was expanded to introduce the concepts of primary and secondary caregivers to recognise the changes in composition and approach this benefit from “a standpoint of gender neutrality”. This expands the option of parental leave to any caregiver. For people with disabilities, the IDB provided additional accommodations and improved the IDB Group recruitment pages to facilitate greater accessibility. To promote and to enhance the diversity of the IDB's leadership and workforce, IDB launched a series of complementary efforts including capacity building, greater accountability, targeted talent recruitment, and mitigating risks and barriers to inclusion and equity within the IDB. The latter has included specific efforts to reach out to talent hubs in the region and to enhance the diversity of the workforce. In 2020, the CRF added an indicator to track the DEI outcomes; it tracks the number of actions to promote diversity and inclusion in the IDB Group, which is currently on track. Through the DEI action plan, IDB is working to establish and strengthen channels to receive, investigate and address complaints of discrimination.

**3.4.7. Workplace engagement surveys, feedback systems, and efforts to support employees' development and wellbeing have been enhanced.** High performance is central to the IDB's Human Capital Strategy. IDB's performance management system includes mechanisms for staff at all levels to obtain feedback from other staff members. As part of the management and leadership capacity building approach, IDB implements 360° assessment implementation for supervisors in the IDB Group. The 2020 Human Capital Strategy commits IDB to conduct periodic workplace engagement surveys. At the end of 2018, IDB worked with Gallup to survey its employees. The survey had a 90% participation rate from

1, 4, 27, 31, 66, 70, 89,  
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<p>its employees. IDB has launched an initiative to follow up the Gallup survey with the Strengthfinder tool which is used to support employees' career development and wellbeing. Psychological safety and wellbeing has been a heightened priority amid the COVID-19 pandemic. HRD has launched a number of task forces and tools to support employee engagement and wellbeing through online spaces and through consistent communication across the organisation.</p> <p>The IDB ombudsperson's office provides confidential, neutral support to employees on any workplace issues but does not investigate, receive reports or report misconduct. HRD refers to the ethics office managers to manage human resource issues such as abuse of power or misconduct. The Office of Ethics works closely with the Conflict Resolution and Ethics system including the ombudsperson, HRD and the Office of Mediation, within their respective scopes and confidentiality guidelines.</p>	<p>1, 4, 27, 31, 66, 70, 89, 109, 232-233</p>
<b>MI 3.4: Evidence confidence</b>	<b>High confidence</b>
<b>KPI 4: Organisational systems are cost- and value-conscious and enable financial transparency and accountability</b>	<b>KPI score</b>
<b>Satisfactory</b>	<b>3.13</b>
<p><b>Resources allocation:</b> IDB resource allocation is generally in line with strategic priorities and has demonstrated adaptability in the Bank's response to the COVID-19 pandemic. Nevertheless, it faces an inherent tension between a demand-driven business model and IDB's corporate strategic priorities, which in turn may in part explain mixed views regarding the transparency of country-level allocations.</p> <p><b>Disbursements:</b> IDB has robust systems for tracking disbursements. Aggregate disbursement performance typically exceeds start-of-year projections. Nevertheless, ensuring projects disburse in line with plans appears to be an ongoing challenge. The reasons for this are attributed to factors external to the Bank.</p> <p><b>Results-based budgeting:</b> The Bank's results-based budgeting systems fall somewhat short of the expectations elaborated in IDB-9. However, the approach taken by the Bank to date is good and continues to be improved/refined.</p> <p><b>Audit:</b> The Bank adheres to international standards for both external and internal audit functions. The latest report by the external auditor issued an unqualified opinion of the Bank's financial statements and internal controls over financial reporting, with no material weaknesses to report.</p> <p><b>Internal controls:</b> IDB has a generally strong system of internal controls, including for the prevention and control of fraud, corruption and other integrity risks. The only significant concern relates to the treatment of mitigation measures regarding environmental and social safeguard risks both during implementation and at project closure.</p> <p><b>Sexual exploitation, abuse and harassment:</b> In keeping with the finding on internal controls, IDB has developed strong systems to prevent and investigate sexual harassment within its own workforce. Further work, however, is warranted to strengthen its position specifically on the risk of sexual exploitation and abuse associated with Bank-supported projects.</p>	
<b>MI 4.1: Transparent decision making for resource allocation, consistent with strategic priorities over time (adaptability)</b>	<b>Score</b>
<b>Overall MI rating</b>	<b>Satisfactory</b>
<b>Overall MI score</b>	<b>3.25</b>
Element 1: An explicit organisational statement or policy is available that clearly defines criteria for allocating resources to partners	3
Element 2: The criteria reflect targeting the highest priority themes/countries/areas of intervention as set out in the current strategic plan	3
Element 3: Resource allocation mechanisms allow for adaptation in different contexts	4
Element 4: The organisational policy or statement is regularly reviewed and updated	3

MI 4.1: Analysis	Evidence documents
<p><b>4.1.1. The Bank is mandated by its Governors to maintain its triple-A credit rating. Within that requirement, allocation of resources is determined by a number of processes.</b> The Bank’s overall, longer-term sustainable level of lending is established as a function of: growth in its assets and income; its portfolio concentration; the size of the capital buffers required; and the rating agencies’ methodologies. The conditions necessary to deliver the Bank’s commitments regarding its credit rating and sustainability over time are elaborated in its Capital Adequacy Policy and Income Management Model.</p> <p>Translating the overall sustainable lending envelope into (initial) biennial country allocations from the Bank’s ordinary capital involves aligning country-level demand with the Bank’s operational priorities. The Bank (VPC) takes into account various factors (demand and historical levels of lending, portfolio performance, etc.) based on a formula, though, in practice, other considerations also affect the Bank’s response to specific requests for lending. Consequently, while no major concerns regarding country allocations were expressed, views on the transparency of allocation decisions in practice were mixed.</p> <p>This finding is corroborated by the MOPAN survey. At the operational level, nearly 80% of partners clearly agreed that criteria for approving operations and allocating resources are openly communicated. However, only around one-third of the Board members and donors who responded to the survey agreed that IDB’s strategic allocation of resources is transparent and in line with strategic priorities. The lack of clarity regarding allocations was also an issue raised in some interviews.</p> <p>Concessional resources are allocated according to clear methodology and criteria, approved by the Board. In the first quarter of 2021, the Board of Executive Directors approved three proposals for reform of the IDB’s framework for concessional resources, which constituted a significant upgrade in the allocation methodology. The biennial proposal for allocation of concessional resources is also reviewed by the Board.</p> <p>For technical co-operation funds, there is a (minimum) funding floor for each country, while some funds are dedicated to particular countries (e.g. small and vulnerable). However, beyond that, there are no country-specific allocation parameters, and the aim is to maintain a balance, based on demand and opportunity (e.g. for TC to research emerging issues). Regional TC may be provided based on direct requests from countries (e.g. regional public goods programme, where three or more countries that are proposing a certain programme) or in the form of multi-country TCs, for areas of mutual interest in two or more countries that are processed through one agreement rather than multiple agreements (to avoid administrative costs).</p> <p>IDB directs its own resources from its net income through special programmes (OC-SPDs) deemed strategically relevant to the Bank and the region (typically 50% of all technical co-operation). Reforms to the management of these resources introduced in 2017 and updated in 2021 are considered to have increased flexibility, transparency and accountability.</p> <p><b>4.1.2. Lending operations conform to “lending operations principles” designed to ensure loans are financially and economically sound and address high-priority purposes for the countries themselves.</b> With certain exceptions (where authority has been delegated to management), the Bank’s Board of Executive Directors approves each loan.</p> <p>In ensuring that resources are allocated to the highest priorities, there is potential tension between a demand-driven business model and IDB’s corporate strategic priorities. Sensitivity to this tension is all the greater given IDB’s governance structure, with borrowing member countries (BMCs), by a small margin, the majority of shareholders. While BMCs support the Bank’s development purpose, they are also interested in obtaining proportionate access to the IDB’s services for their countries’ priorities. While acknowledging this tension, staff interviewed did not suggest this is a widespread problem.</p>	<p>1, 45, 65-69, 93, 107-109, 188-190</p>

Certainly, the breadth of IDB’s strategic objectives can accommodate a range of generally relevant proposals. The challenge is, however, greater for loan-financed activities in areas that are important to the Bank but are not the highest priority for a BMC, which may be the case for gender or diversity. In addition, considerations of scale, unit volumes and transaction costs may also affect the Bank’s room to manoeuvre on the ground, given that certain strategic priorities may be more or less amenable to large-scale projects.

IDB tracks and reports on the degree of alignment of approvals/commitments with its priority objectives (as set out in its Institutional Strategy). For some of these, IDB has set targets: support for cross-cutting issues and support for “small and vulnerable” countries. The latest data suggests IDB has found it challenging to meet ambitions with respect to its share of support for climate change and environmental projects. In the case of small and vulnerable countries (categories C and D), Group-wide performance against targets has been variable but generally in line with targets.

Country eligibility for concessional resources is determined by gross national income per capita and creditworthiness. The level of support provided is then determined by other clear measures once eligibility has been established. The methodology was reformed and approved by the Board in 2021 to ensure those countries with the greatest need are eligible. Nevertheless, the Bank retains a legacy system of country categories, and, in principle, only those in categories C and D are considered eligible for concessional resources. Although largely irrelevant for operational purposes, these categories pose two challenges with respect to this element:

- First, country categories reflect the size of economies not per capita gross national income and creditworthiness. This mismatch means a category A or B country that was in need of concessional resources would not be considered eligible. This is not simply a hypothetical risk, as demonstrated by the current uncertainty around Venezuela (a category A country) and its economic resilience. In principle, the Bank could override the restriction imposed by the country categories, with the approval of the Board.
- Second, IDB-9’s first overarching objective is to reduce poverty and inequality, supported by the strategic goal of addressing the special needs of the less developed and smaller countries. The Bank’s target for lending to C and D countries (35%) ensures available resources are allocated to the smaller economies among the membership but provides little insight into the share of resources allocated to the poorest countries in the region, given that two-thirds of category C and D countries are high-income or upper-middle-income.

1, 45, 65-69, 93, 107-109, 188-190

**4.1.3. Documentary evidence supports the view that the Bank’s resource allocation mechanisms are adaptable to changes in context.** For example, in determining the level of concessional resources available for eligible countries in 2021-22, the Bank approved a 60% increase above the “normal” conditions in response to the effects of the pandemic and recent hurricanes.

More generally, the Bank demonstrated flexibility within its financial framework in response to the COVID-19 outbreak. The Bank undertook a new programming exercise agreed with countries in two to four weeks at the beginning of the pandemic and reformulated existing projects in the portfolio to redirect resources to address the emergency, guided by a set of priority support areas. The Board approved a number of temporary measures to assist the Bank’s response to the pandemic, including relaxing restrictions on the speed of loan disbursement and prioritising increased access to Policy-Based Loan resources for the poorest and most vulnerable countries.

Results from MOPAN’s survey of partners strongly support this perspective, with nearly 80% of the partners who expressed a view firmly agreeing that IDB was agile and responsive in the way it adapted its programming and financing in the face of the pandemic.

1, 45, 65-69, 93, 107-109, 188-190

<p>Nevertheless, there is tension between early identification of likely non-approvals (enabling reallocation centrally) and country teams’ meeting their disbursement targets. Staff interviews suggest there could be merit in better incentivising early warning by staff through more transparent sharing of centrally-held information on the opportunities for access to available resources and the process whereby these are reallocated.</p>	<p>1, 45, 65-69, 93, 107-109, 188-190</p>
<p><b>4.1.4. The Bank’s Capital Adequacy Policy and Income Management Model are approved by the Board as part of its mandate to maintain its triple-A credit rating by its Governors.</b> The IDB informed the assessment that Capital Adequacy regulations are reviewed at least once a year. The Board implicitly reviews key allocation mechanisms as part of its routine approval process – for example, long-term financial projections and global lending envelopes for sovereign guaranteed and non-sovereign guaranteed operations and allocation of concessional resources. Other mechanisms may be reviewed on request – for example, the mechanism for allocating OC-SDP resources.</p>	
<p><b>MI 4.1: Evidence confidence</b></p>	<p><b>High confidence</b></p>
<p><b>MI 4.2: Allocated resources disbursed as planned</b></p>	<p><b>Score</b></p>
<p><b>Overall MI rating</b></p>	<p><b>Satisfactory</b></p>
<p><b>Overall MI score</b></p>	<p><b>3.00</b></p>
<p>Element 1: The organisation sets clear targets for disbursement to partners</p>	<p>3</p>
<p>Element 2: Financial information indicates that planned disbursements were met within institutionally agreed margins</p>	<p>3</p>
<p>Element 3: Clear explanations, including changes in context, are available for any variances against plans</p>	<p>3</p>
<p>Element 4: Variances relate to external factors rather than to internal procedural blockages</p>	<p>3</p>
<p><b>MI 4.2: Analysis</b></p>	<p><b>Evidence documents</b></p>
<p><b>4.2.1. Country strategy documents establish the expected levels of support from IDB Group in each member country.</b> Although not a formal target, staff are expected to deliver the agreed envelope as far as possible. In practice, the process is flexible and allows for changes in demand and context. The VPC monitors approvals and disbursements against plan.</p> <p>Previously, IDB’s Corporate Results Framework (2017-19) included an “auxiliary” indicator for the overall percentage of sovereign guaranteed loans that were fully disbursed on time. No target was set, however, and the indicator was discontinued in the updated CRF (2020-2023).</p> <p>While not for disbursement, the CRF 2020-2023 does set targets for the percentage of approvals for category C and D countries and approvals that address cross-cutting issues (gender, climate change and environmental sustainability, diversity, and institutional capacity and rule of law). But approvals addressing other objectives such as productivity and economic integration are monitored without targets.</p> <p>At the global level, IDB establishes baseline projections for disbursement each year.</p>	<p>59-60, 62, 66, 72-81, 109, 269-270</p>
<p><b>4.2.2. Previously, IDB’s Corporate Results Framework (2017-19) reported on the percentage of sovereign guaranteed loans that had been fully disbursed on time.</b> The indicator was not continued in the latest CRF 2020-2023, but results reported for 2015-19 suggest on average only about one-quarter of SG loans met this objective.</p> <p>Each year, IDB sets baseline projections for disbursements (sovereign operations). At the end of 2020, the Bank had disbursed a total of USD 14.93 billion in sovereign guaranteed projects – 38% higher than in 2019 and more than double the baseline projections for 2020 disbursements. This result was largely driven by the demand for additional funds to cope with the pandemic. That said, it is normal</p>	

for disbursements to exceed baseline line projections, as they have done this every year (2016-21), on average by around 15% (excluding 2020, which was a-typical).

Among partners, there appears to be high satisfaction with the clarity of IDB's communication in this regard, with over 80% firmly agreeing that IDB provides reliable information on when financial allocations and disbursement will happen.

**4.2.3. IDB's Annual Business Review (ABR) includes a relatively brief consideration of the drivers of disbursement performance – primarily what accounts for it.** In 2020, for example, the significant increase against baseline projections was driven by the increased use of quick-disbursing Policy-Based Loans in response to the COVID crisis.

Previously, ABRs included an analytics section that examined in more detail an area of performance. The 2019 ABR, for example, considered execution of sovereign guaranteed loan projects, finding no evidence of a trade-off between the time spent on preparation and execution timeliness, and emphasising the importance of minimising the time between approval and the first disbursement (which is strongly correlated with project extensions). That said, 2020 and 2021 ABRs appear to have been streamlined and include less analysis.

**4.2.4. The evidence available does not suggest that variances in disbursement *per se* are systematically attributable to blockages within IDB.** That said, the Bank's new initiative – Operational Excellence – is designed to re-engineer business processes to increase speed/efficiency of decision making during project preparation and implementation stages. By definition, therefore, IDB sees opportunities to improve its own processes, ultimately to improve timely delivery of planned support, even if blockages are not caused primarily by current processes.

IDB's own analysis suggests underperforming projects typically have a sub-national executing agency, use the Bank's Global Multiple Works Operations modality, are multi-sectoral and have longer elapsed time between their approval and eligibility dates.

Efforts have been made in recent years to ensure conditions precedent are focused on key aspects affecting executing agents' implementation capacity. Interviews with staff did not suggest significant concerns that unreasonable conditions precedent were adversely affecting implementation performance. Nevertheless, some staff suggested that, while often delays are attributable to partners' procedures or capacity, solutions required the Bank to work with partners to strengthen (and thereby streamline) collaboration arrangements supporting preparation and implementation.

59-60, 62, 66, 72-81,  
109, 269-270

#### MI 4.2: Evidence confidence

High confidence

MI 4.3: Principles of results-based budgeting applied	Score
<b>Overall MI rating</b>	<b>Satisfactory</b>
<b>Overall MI score</b>	<b>3.50</b>
Element 1: The most recent organisational budget clearly aligns financial resources with strategic objectives/intended results of the current strategic plan	4
Element 2: A budget document is available that provides clear costs for the achievement of each management result	3
Element 3: Systems are available and used to track costs from activity to result (outcome)	3
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)	4

MI 4.3: Analysis	Evidence documents
<p><b>4.3.1. The IDB-9 Agreement committed IDB to develop a comprehensive results-based budgeting strategy and methodology that <i>inter alia</i>: (i) assigns resources to achieve the key performance targets of the Results Framework; (ii) measures costs of achieving these results; (iii) adapts budget classifications to link resources and outcomes clearly.</b></p> <p>For the most recent budget (2022), the Bank presents the budget allocations under the six areas identified in Level 3 of the Corporate Results Framework and a notional budget allocation in support of the three strategic development challenges and three cross-cutting issues identified in the Institutional Strategy.</p> <p>Recent budget documents clearly set out a range of adjustments and reallocations in response to the ongoing impact of the pandemic on the Bank’s work and priorities of its clients. For example, the Bank’s 2021 Administrative Budget identifies internal budget reallocations reflecting the pooling of USD 9.1 million in savings, USD 5.7 million in the funding of key priority business needs and other adjustments to ensure management can deliver its work programme and respond to the new institutional demands expected for 2021 amid the COVID-19 pandemic.</p> <p><b>4.3.2. The 2020 Approved Program and Budget<sup>2</sup> provides a “programmatically” view of the budget, with the introduction of four Work Program Areas (WPAs).</b> These WPAs were identified as “guiding principles” in the Institutional Strategy (e.g. WPA 1 Further strengthen responsiveness to clients, WPA 3 Leverage partnerships and resource mobilisation). The document mapped the Bank’s business functions (and associated budgets) to these WPAs, along with the relevant CRF indicators.</p> <p>As “results”, the WPAs have obvious limitations. The most recent budget available attempts to address these by presenting the management budget according to the six categories of Level 3 indicators in the CRF (e.g. strategic alignment, development effectiveness, etc.). In a further innovation, the document also included a notional distribution of the budget for preparation, supervision and knowledge-generation activities, by development challenge (social inclusion and equality; productivity and innovation; and economic integration) and cross-cutting issue (gender equality and diversity; climate change and environmental sustainability; and institutional capacity and rule of law) identified in the Institutional Strategy.</p> <p>Even with this development, the approach falls somewhat short of providing clear costings for the achievement of each outcome. There are practical challenges to creating such a clear link: not only because of the demand-led nature of the Bank’s business model, or allocation problems associated with “joint” outcomes, but also because many of the CRF indicators are not “results” in a strict sense (for example, alignment indicators are measures of the distribution of Bank activities/outputs). Nevertheless, the discussion in the budget document overall is strongly framed in the context of intended strategic results, and the documents demonstrate the Bank’s continued efforts to improve the results-based budgeting system.</p> <p>This sense of work-in-progress is reflected in the results of the MOPAN survey of IDB donors and Board members. Twenty percent of the donors who responded disagreed that IDB applies results-based budgeting principles and another 20% did not know. Of the remainder, the vast majority gave only a qualified endorsement of the system. The view of Board members was generally more positive, though even here nearly 20% of respondents disagreed, while a further 12% did not know.</p>	<p>2-3, 60, 62, 65-67, 185, 271</p>

<sup>2</sup> Annual budgets provide historical budget and execution data for comparative purposes and are in principle publicly available. However, accessibility on IDB’s website could be improved.

<p><b>4.3.3. The Bank’s financial management information systems appear to be robust and contribute positively to the external auditor’s unqualified opinion on the Bank’s financial statements and its internal controls over financial reporting.</b> The Bank’s capacity to link and track resources (planned and expended) with strategic priorities is expected to evolve further with the technology improvements planned under the new IT strategy and the Operational Excellence Agenda.</p> <p>Recent budget execution documents highlight the impact of COVID-19 on areas of the budget (savings/increased expenditure). The 2020 Budget Execution Report reported the total management budget’s under-execution for the year was USD 41 million, or 7.1%, of which 5.2 percentage points (USD 30.2 million) were attributed to the pandemic and mandatory telework.</p> <p><b>4.3.4. The Bank has continued to develop its approach to results-based budgeting over the period.</b> Up to the 2019 Budget, the Bank presented its proposed spending by main business function and mapped relevant indicators in the Corporate Results Framework (CRF) to them. Main business functions relate to functions such as “Stakeholder Engagement”, “Origination”, “Supervision” and “Knowledge development”. As already described above, the 2020 Approved Program and Budget provided a “programmatically” view of the budget, with the introduction of 4 Work Program Areas (WPAs). The document mapped the Bank’s business functions (and associated budgets) to these WPAs, along with the relevant CRF indicators. And, again as outlined above, the most recent budget available demonstrates further development by presenting the management budget according to the six categories of Level 3 indicators in the CRF (e.g. strategic alignment, development effectiveness, etc.) and including a notional distribution of the budget for preparation, supervision and knowledge-generation activities, by development challenge (social inclusion and equality; productivity and innovation; and economic integration) and cross-cutting issue (gender equality and diversity; climate change and environmental sustainability; and institutional capacity and rule of law) identified in the Institutional Strategy.</p> <p>The evidence confidence rating of “medium” for this MI reflects the limits of documentation and interviews to evidence aspects of “use” and “improvement” (compared to detailed case study analysis or a specific longitudinal study).</p>	<p>2-3, 60, 62, 65-67, 185, 271</p>
<p><b>MI 4.3: Evidence confidence</b></p>	<p><b>Medium confidence</b></p>
<p><b>MI 4.4: External audit or other external reviews certify that international standards are met at all levels, including with respect to internal audit</b></p>	<p><b>Score</b></p>
<p><b>Overall MI rating</b></p>	<p><b>Highly satisfactory</b></p>
<p><b>Overall MI score</b></p>	<p><b>3.75</b></p>
<p>Element 1: External audit conducted which complies with international standards</p>	<p>4</p>
<p>Element 2: Most recent external audit confirms compliance with international standards across functions</p>	<p>4</p>
<p>Element 3: Management response is available to external audit</p>	<p>3</p>
<p>Element 4: Internal audit functions meet international standards, including for independence and transparency</p>	<p>4</p>
<p><b>MI 4.4: Analysis</b></p>	<p><b>Evidence documents</b></p>
<p><b>4.4.1. IDB’s external auditors are appointed by the Board of Governors.</b> In March 2012, KPMG LLP (KPMG) was appointed as the external auditor for the five-year period 2012-16, following a competitive bidding process. In April 2017, the Board of Governors reappointed KPMG as the Bank’s external auditor for a second five-year term. KPMG’s services agreement came to an end in July 2022, and the Board of Governors appointed Ernst and Young as the Bank’s new external auditor for the period 2022-26. The Audit Committee is responsible for assisting the Board of Executive Directors in overseeing the external audit function, including ensuring external auditors’ independence.</p>	<p>68, 191-194, 214, 249-251</p>



KPMG audits the Bank’s internal control over financial reporting, based on criteria established in the Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organisations of the Treadway Commission (COSO). It also audit the IDB’s Financial Statements in accordance with auditing standards accepted in the United States.

International standards for internal auditing require that an external quality assessment audit be conducted at least once every five years. IDB’s most recent assessment was undertaken in 2018 – a full external quality assessment of AUG within the IDB Group. AUG was given the highest rating, indicating that AUG generally conformed to the Institute of Internal Auditors (IIA) Standards and Code of Conduct and that in no case was there a gap in AUG’s conformance to each Standard and the Code of Ethics.

**4.4.2. KPMG’s most recent audit review (Fiscal Year 2020) issued an unqualified opinion of the Bank’s financial statements and internal controls over financial reporting, with no material weaknesses to report.**

**4.4.3. The external auditor issued unqualified opinions for IDB during the period.** The assessment reviewed the most recent letter regarding control deficiencies issued by the external auditor in connection with the Bank’s audit (which replaces the “management letter”). The evidence suggests all deficiencies have been remedied.

Management’s response to internal audit actions is recorded and monitored by the Office of the Executive Auditor (AUG) and reported in AUG’s annual report, as well as in quarterly AUG briefings to the Audit Committee. In addition, management is creating a central repository to monitor all recommendations, both of an internal and external nature.

**4.4.4. The Office of the Executive Auditor (AUG) at the IDB provides independent internal audit services, including services to IDB Invest and IDB Lab through a service-level agreement.** To ensure its independence, staff in the AUG report to the Executive Auditor, who in turn reports to the President. Internal audit within the IDB is resourced through a risk-based audit plan and budget, which is prepared by the Office of the Executive Auditor and jointly approved by the Audit Committees of the IDB and IDB Invest. The Executive Auditor and staff of AUG have unrestricted access to the meetings, functions, systems, property, personnel and records that the Executive Auditor deems necessary to carry out the AUG’s work, except those subject to exemption on grounds of confidentiality.

The Executive Auditor is subject to an annual performance review by the Audit Committee, which the Committee can use as a basis for corrective action where appropriate. The AUG reports on the key areas covered by its internal audits and update on the extent to which management implemented their observations. The AUG underwent an external quality assessment, in which it is required to participate every five years, from an independent, qualified external assessor in 2018. This resulted in the highest rating, i.e. that AUG generally conformed to the IIA Standards and Code of Conduct and that there were no gaps between AUG’s conformance to any standard within the Code of Ethics.

68, 191-194, 214,  
249-251

<b>MI 4.4: Evidence confidence</b>	<b>High confidence</b>
<b>MI 4.5: Issues or concerns raised by internal control mechanisms (operational and financial risk management, internal audit, safeguards, etc.) are adequately addressed</b>	<b>Score</b>
<b>Overall MI rating</b>	<b>Satisfactory</b>
<b>Overall MI score</b>	<b>3.20</b>
Element 1: A clear policy or organisational statement exists on how issues identified through internal control mechanisms/reporting channels (including misconduct such as fraud or sexual misconduct) will be addressed	4

Element 2: Management guidelines or rules provide clear guidance on the procedures for addressing any identified issues and include timelines	3
Element 3: Clear guidelines are available for staff on reporting any issues identified	3
Element 4: A tracking system is available that records responses and actions taken to address any identified issues	4
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) with clear timelines for action	2
<b>MI 4.5: Analysis</b>	<b>Evidence documents</b>
<p><b>4.5.1. IDB has established control mechanisms based on the “three lines of defence” model.</b> Staff and management are the first line and are required to adhere to relevant policies, such as the Code of Ethics and Professional Conduct, the Framework for Preventing Fraud and Corruption, the recently updated Environmental and Social Policy Framework (ESPF) and Project Risk Management Framework, IDB’s policy on prohibited practices, the annual Declaration of Staff Interests, and the recently established Anti-money Laundering/Combating the Financing of Terrorism Framework.</p> <p>The second line comprises the Office of Ethics (ETH), for prevention and investigation of cases of employee misconduct; the Office of Risk Management (RMG) for financial and certain non-financial risks in IDB; the Environmental and Social Safeguards Unit in RMG; and the Office of Institutional Integrity (OII) for the prevention and investigation of prohibited practices in IDBG-financed operations (and part of the sanctions system applied to contractors).</p> <p>The third line comprises the Office of the Executive Auditor (AUG), responsible for assurance and advisory review of IDB’s governance, risk management and internal controls; the Independent Investigation Mechanism (MICI), IDB’s independent forum to address complaints from those affected by Bank operations; and the Office of Evaluation and Oversight (OVE), responsible for independent evaluation.</p> <p><b>4.5.2. and 4.5.3. Bank policies relating to the above elaborate staff responsibilities and procedures for managing the relevant risks and reporting when there is concern that the policies may have been infringed on.</b> Procedures and responsibilities with respect to the investigation and resolution of cases by second-line (OII/Sanctions, and Ethics) and third-line (MICI) mechanisms are also set out. Timelines for both process implementation and issue resolution are set out where appropriate.</p> <p>With respect to sexual misconduct, one potential gap in current policies relates to conduct of staff working for companies contracted by IDB and among executing agencies. In principle, these organisations should have their own sexual misconduct policies but, because this is not a “prohibited practice” for the Bank, the Bank’s ability to act on such cases is limited.</p> <p><b>4.5.4. and 4.5.5. All second- and third-line mechanisms have processes in place for tracking and reporting their engagement activities and investigations in particular (including numbers, categories, outcomes).</b> These reports are not proof that relevant procedures are followed in all instances, but they do demonstrate operation of the procedures and controls. The available evidence, however, suggests there remains scope to strengthen procedures and their application:</p> <ul style="list-style-type: none"> <li>• Environmental and Social Safeguards: From 2017 to 2019, IDB did not meet its own target for the proportion of high-risk social and environmental projects implementing mitigation measures satisfactorily. In both 2020 and (it is understood) 2021, outturn exceeded the target. However, while IDB did hire additional ESG specialists for country offices in 2019 and 2020, it is also noted that IDB’s assessment did not involve site visits and relied entirely on partners’ estimates, subject to an unknown margin of error.</li> </ul>	1, 9, 13, 18-19, 40, 66, 85, 103, 191-192, 214, 230, 249-251

- Furthermore, the fact that IDB exceeded the target in 2020 and 2021 is also a function of lowering the target to 84% for the period 2020-23 from 90% previously. Given the “high-risk” nature of these projects, lowering the target, effectively to accept 16% non-adherence, may also be open to challenge by stakeholders.
- Similarly, a new target introduced in 2020 for the designs of all projects with considerable disaster and climate change risk to identify resilience action was significantly missed, with outturn at 22%. It is understood IDB has since made significant efforts to better prepare teams for this requirement, and outturn for 2021 is believed to be much closer to the target.
- Finally, OVE’s annual validation of PCRs in both 2020 and 2021 found that closing projects generally lacked information about compliance with the Bank’s safeguards and, in some cases, issues had not been fully addressed during implementation and were still pending when IDB closed the project.
- Internal Audit (AUG): IDB management appears to have a constructive and effective relationship with AUG, with issues raised by AUG treated seriously. Management actions (in response to internal audit findings) are monitored quarterly with AUG, management and the Audit Committee to ensure risks are managed. Nevertheless, according to AUG’s reports for 2019 and 2020, 17% and 8.5% of management actions respectively were overdue at year-end.

All third-line mechanisms and OII/Sanctions (second-line) report to the Board of Directors, including information about open cases and the nature and status of follow-up actions. RMG (second line) reports to IDB’s Executive Vice President; relevant issues are discussed at IDB’s Operational Risk Management Committee and the most significant issues are also discussed by the Board (Audit Committee) in the quarterly Financial Risk Report (which covers non-financial risk as well).

The Bank’s integrity and misconduct functions were reviewed during the period of this MOPAN assessment as follows:

- OVE conducted an evaluation of the Bank’s approach to environmental and social safeguards and recommended *inter alia* the need for a comprehensive update to the existing policy. This has been undertaken, including the strengthening of governance arrangements with the introduction of an ESG unit in the Office of Risk Management. The reforms are still relatively new, and strengthened requirements for projects do not apply retrospectively. As such, it will take a number of years for the Bank’s ambitions to be realised comprehensively. Nevertheless, the reforms have addressed a number of the concerns that OVE raised: in particular, greater clarity around the use and staff training to support more consistent application; greater effort to inform partners about requirements and provided tailored training to build their implementation capacity; and strengthened follow-up during implementation. Nevertheless, the safeguards system continues to apply to only around half of “medium” risk projects, while there remains scope to take a more systematic/rigorous approach to tracking follow-up during implementation.
- As part of the Bank’s response to the evaluation, IDB recently created a second line of defence for environmental and social safeguards in the Office of Risk Management.
- OVE also recently evaluated the Independent Consultation and Investigation Mechanism (MICI). The study concluded that the current policy was largely fit for purpose but that an existing legal exclusion that materially limited the effectiveness of the policy should be removed. In addition, OVE identified opportunities to improve awareness of the mechanism, rationalise pre-conditions for access, enhance its independence from the Board of Directors and strengthen follow-up actions when adverse impacts are found to have arisen from non-compliance in Bank-funded projects.

1, 9, 13, 18-19, 40, 66,  
85, 103, 191-192, 214,  
230, 249-251

<ul style="list-style-type: none"> <li>AUG has in recent years reviewed aspects of IDB’s project-level risk management framework and its approach to institutional capacity assessment; IDB’s Operational Risk Management Framework (ORMF); management of integrity risk in sovereign guaranteed operations; IDB’s Administrative Tribunal, the Office of Evaluation and Oversight (OVE), as well as the sanctions system of the IDB Group, covering the activities to manage integrity risks that are performed by OII, the Sanctions Officer and the Sanctions Committee.</li> </ul> <p>IDB has a very positive image in the region among informed stakeholders: 85% of respondents strongly associate IDB with the characteristic “a responsible organisation” (IDB’s Reputation survey 2021). Most Board members who responded to MOPAN’s survey also firmly agree that IDB adequately addresses issues raised by internal controls. This view is largely echoed by IDB donors though less strongly.</p>	<p>1, 9, 13, 18-19, 40, 66, 85, 103, 191-192, 214, 230, 249-251</p>
<b>MI 4.5: Evidence confidence</b>	<b>High confidence</b>
<b>MI 4.6: Policies and procedures effectively prevent, detect, investigate and sanction cases of fraud, corruption and other financial irregularities</b>	<b>Score</b>
<b>Overall MI rating</b>	<b>Satisfactory</b>
<b>Overall MI score</b>	<b>3.17</b>
Element 1: A clear policy/guidelines on fraud, corruption and any other financial irregularities is/are available and made public	4
Element 2: The policy/guidelines clearly define/s the roles of management and staff roles in implementing/complying with them	3
Element 3: Staff training/awareness-raising has been conducted on policy/guidelines	3
Element 4: There is evidence of policy/guidelines implementation, e.g. through regular monitoring and reporting to the governing body	3
Element 5: There are channels/mechanisms in place for reporting suspicion of misuse of funds (e.g. anonymous reporting channels and “whistleblower” protection policy)	3
Element 6: Annual reporting on cases of fraud, corruption and other irregularities, including actions taken, ensures that they are made public	3
<b>MI 4.6: Analysis</b>	<b>Evidence documents</b>
<p><b>4.6.1. The IDB enforces policies and control mechanisms against corruption, fraud and abuses in all the projects it finances, as well as in the activities of its employees, who must abide by standards of ethics and integrity.</b> IDB publishes its Sanctions Procedures on its website and updates these regularly, most recently in 2020. The Procedures state that prohibited practices are any corrupt, fraudulent, coercive, collusive, obstructive practice or misappropriation committed by a party in a project and explain these terms.</p> <p>IDB has adopted a number of harmonised agreements, principles and guidelines with other MDBs: the Uniform Framework for Preventing and Combating Fraud and Corruption (and associated guidelines and principles for conducting investigations); MDB Harmonized Principles on Treatment of Corporate Groups, setting out common standards to impose sanctions against entities within corporate groups; General Principles and Guidelines for Sanctions, designed to ensure consistent treatment of individuals and firms in the determination of sanctions; and Agreement for Mutual Enforcement of Debarment Decisions, enabling participating MDBs to mutually recognise certain sanctions imposed by any of the signatory institutions against firms and individuals found to have engaged in prohibited practices.</p>	<p>9, 19, 35, 39-40, 42, 49, 65, 84-85, 144, 154, 184, 191, 193, 201, 203, 214-216</p>

In 2018, the IDB approved a new Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) Framework, to strengthen risk management in its operations and align with international best practices in this respect. Roll out of the new framework is ongoing.

In 2019, IDB updated its procurement policies, to reflect revised definitions of prohibited practices and conflicts of interest and improve access to beneficial ownership information in certain circumstances.

**4.6.2. The Bank’s policies define roles and responsibilities for managing the integrity risks.** All sovereign guaranteed loans prohibit borrowers, executing agencies and contracting agencies from engaging in prohibited practices and require them to report any suspicion that a prohibited practice has been committed. Additionally, sovereign guaranteed loans require that all procurement processes be conducted in accordance with the IDB’s procurement policies. The procurement policies also include several requirements relating to prohibited practices and the applicability of the sanction systems to those participants that are proven to have engaged in such practices. IDB’s Sanctions Procedures set out clearly the sanctions process and the roles of OII, the Sanctions Officer and the Sanctions Committee.

Rigorous due diligence assessments are undertaken for non-sovereign guaranteed operations by OII. Though it is noted that both OII and AUG, which provide integrity-related support across the IDB Group, are relatively small units facing already high demand for their support.

IDB also supports borrowing member countries to strengthen their own capacity to prevent, detect and report fraud and corruption. For example, in 2019, the Board approved an update to the Bank’s strategy for strengthening country systems, to incorporate new and evolving fiduciary and non-fiduciary issues, the role of new technologies and updated expected results (for 2023). In the same year, the Bank introduced its new Transparency and Integrity Sector Framework Document to guide sector specialists on the IDB Group’s work with countries and governments on transparency and integrity in operational areas, dialogue, and knowledge-generation and dissemination activities. IDB also provides loans for state reform and modernisation initiatives such as the regional project on strengthening integrity of financial systems – capacity to prevent money laundering and financing terrorism (underway) and strengthening public integrity through innovative technologies (in preparation).

9, 19, 35, 39-40, 42, 49, 65, 84-85, 144, 154, 184, 191, 193, 201, 203, 214-216

**4.6.3. All new IDB employees including Board members participate in an onboarding seminar that provides an overview of the mission, goals and organisational structure of the IDB and of key aspects of operations and human resources management, among other things.** The seminar includes modules on ethics and integrity, which cover the IDB’s policies and procedures related to anti-corruption.

Both the Office of Institutional Integrity (OII) and the Office of Ethics (ETH) identify prevention as a key strand in their respective implementation strategies. Training and awareness-raising, as well as advisory support, are major parts of this. Following AUG’s review of integrity risk management, OII has developed a training course with VPS to disseminate lessons learned with respect to integrity risks. The Bank has also recently made it mandatory for authors of PCRs to consult OII for identification of possible integrity lessons. The Office of Risk Management (RMG) works with the Bank’s communications specialist to provide training courses for staff in managing risks in projects. In a shift from its focus predominantly on compliance, the Bank’s Operations Financial Management and Procurement Services team are also increasingly providing training support to teams and partners.

It was not possible during the review to determine staff’s level of satisfaction with the training or competency in integrity risk management but there is evidence in annual reports of implementation of a wide range of training initiatives in this area.

<p>4.6.5. <b>The Bank has a policy on whistleblower reporting and protection (2012).</b> The IDB has established channels to report concerns about integrity matters. Anyone who believes prohibited practices (fraud, corruption, collusion, coercion or misappropriation) have occurred in an IDB or IDB Invest project can make an anonymous submission online to OII. In 2020, OII revamped its website to improve accessibility for anyone wanting to submit a complaint. Those who wish to make an allegation of prohibited practices by Bank staff can submit a complaint to OII, who will then pass the information on to the Office of Ethics (ETH). However, while ETH’s website states that it investigates complaints of prohibited practices by Bank staff, information about how to submit such a complaint is not clearly available.</p> <p>4.6.4. and 4.6.6. <b>Both OII and ETH report to IDB’s Board on the implementation of their activities annually (the latter, via the President’s Office).</b> This includes information on the number of new cases and outcomes achieved during the year. The OII and Sanctions System Annual Report includes publication of the details of entities and individuals sanctioned in the year, including debarments issued by IDB and other MDBs party to the Cross-Debarment Agreement. ETH’s annual report includes the number of allegations raised against staff, including for prohibited practices, and the outcome of its work. The details of substantiated allegations are also included in the report.</p>	<p>9, 19, 35, 39-40, 42, 49, 65, 84-85, 144, 154, 184, 191, 193, 201, 203, 214-216</p>
<p><b>MI 4.6: Evidence confidence</b></p>	<p><b>High confidence</b></p>
<p><b>MI 4.7: Prevention and response to sexual exploitation and abuse (SEA)</b></p>	<p><b>Score</b></p>
<p><b>Overall MI rating</b></p>	<p><b>Unsatisfactory</b></p>
<p><b>Overall MI score</b></p>	<p><b>2.13</b></p>
<p>Element 1: Organisation-specific dedicated policy statement(s), action plan and/or code of conduct that address SEA are available, aligned to international standards and applicable to all categories of personnel</p>	<p>1</p>
<p>Element 2: Mechanisms are in place to regularly track the status of implementation of the SEA policy at HQ and at field levels</p>	<p>2</p>
<p>Element 3: Dedicated resources and structures are in place to support implementation of policy and/or action plan at HQ and in programmes (covering safe reporting channels and procedures for access to sexual and gender-based violence services)</p>	<p>2</p>
<p>Element 4: Quality training of personnel/awareness-raising on SEA policies is conducted with adequate frequency</p>	<p>3</p>
<p>Element 5: The organisation has clear standards and due diligence processes in place to ensure that implementing partners prevent and respond to SEA</p>	<p>3</p>
<p>Element 6: The organisation can demonstrate its contribution to interagency efforts to prevent and respond to SEA at field level and SEA policy/best practice co-ordination fora at HQ</p>	<p>2</p>
<p>Element 7: Actions taken on SEA allegations are timely and their number related to basic information and actions taken/reported publicly</p>	<p>2</p>
<p>Element 8: The MO adopts a victim-centred approach to SEA and has a victim support function in place (stand-alone or part of existing structures) in line with its exposure to/risk of SEA</p>	<p>2</p>
<p><b>MI 4.7: Analysis</b></p>	<p><b>Evidence documents</b></p>
<p>4.7.1. <b>While the ESPF creates a framework for borrowers to assess risks for SEA and takes steps to enhance compliance, the ESPF is missing an explicit action plan, strategy or explicit definition of sexual exploitation and abuse (SEA) to ensure that SEA will be addressed for all IDB operations.</b> The ESPF introduces a stand-alone standard on Gender Equality (ESPS 9) that requires borrowers to</p>	<p>19, 65, 67, 235, 237-240, 242-243</p>

identify and address projects' gender-based risks and adverse impacts, places a strong emphasis on the assessment, prevention, and management of sexual and gender-based violence and offers a definition of sexual and gender-based violence. By linking sexual and gender-based violence and SEA in the ESPF, the full spectrum of SEA, which includes power imbalances and exploitation, may not be sufficiently addressed. IDB initiated its efforts to address SEA in 2018 as one of ten international finance institutions to confirm their commitment to advance standards on protection from SEAH in April 2018. IDB enhanced its policies related to SEAH through the 2021 Environmental and Social Policy Framework (ESPF), which is applied to all IDB operations from 2021 onward. Guidance to bidders updated in 2019 requires borrowers to identify and address projects' gender-based risks and adverse impacts of sexual and gender-based violence, particularly sexual exploitation and abuse and sexual harassment. To encourage IDB teams and borrowers to implement these requirements, IDB has introduced language in the loan agreement template that requires all applicable projects to develop and implement a code of conduct for addressing sexual and gender-based violence and discrimination. According to the Bank, this was developed to reinforce and expand the principles set out in the 2011 Operational Policy which noted the need to safeguard against gender-based violence, including sexual exploitation and abuse. In April 2019, IDB expanded guidance for executing agencies or governments bidding for IDB projects regarding sexual exploitation and abuse and gender violence in accordance with the practices of the Multilateral Development Banks. IDB does not have an organisation-specific definition of SEA or include SEA in its glossary of terms in the ESPF. The ESPF includes a slightly broader definition of sexual and gender-based violence. ESPF 9 addresses project-related SEA risks for all IDB-financed projects. Prevention of sexual exploitation and abuse (SEA) is considered part of IDB's requirement that all borrowers address gender-related risks, which explicitly includes SEA, throughout all phases of IDB-financed projects. The ESPF is applied based on the project risk assessment. A potential gap in the policy would be a project that is potentially deemed to be low risk (therefore not covered by ESPF 9) where issues related to SEA emerge.

**4.7.2. IDB does not report specifically on protection from SEA to the governing body on an annual basis. Instead, SEA is included as part of wider reporting on risks.** For high-risk projects, the borrower is required to prepare an Environmental and Social Management System (ESMS), a framework Environmental and Social Analysis with an associated Management Plan (ESA/ESMP) which is submitted as part of project documentation and available through IDB's website. It does not appear that project-level information is reported at an aggregate level. IDB provides regular reporting on the Gender Action Plan for Operations which includes a number of strategic lines of action focused on addressing vulnerability to physical and sexual abuse within key sector areas. In 2020-21, 6 out of 16 VPS divisions included sexual and gender-based-violence within their key thematic areas. IDB does not have a publicly available mechanism that reports its progress in responding to or preventing SEA across its interventions, although SEA reporting may be conducted internally. According to the MOPAN survey, all stakeholder groups are generally confident that IDB applies clear standards for preventing and responding to sexual misconduct in relation to host populations.

**4.7.3. Resources for addressing SEA are assigned at the HQ level by VPS/ESG which identifies and assesses SEA risks.** RMG/ESR then has the responsibility for delivering across the whole portfolio to ensure that risks are adequately identified and managed by VPS/ESG. Operationally, specialists are assigned in response to demand from the project or country level. Resources are indicated at a project level, determined based on the nature of a project and associated risks. According to the ESPF, IDB obligates its borrowers to provide a grievance mechanism for workers with "special protection" for reports of sexual and gender-based violence which is monitored at the project level by IDB senior management. "Special protection" refers to adaptation or accommodation measures to address specific vulnerabilities This refers to the more stringent protections that IDB provides to those individuals and groups that are more vulnerable to abuse or mistreatment. The type of mechanisms that are put in place depends on the nature of the project and project activities, which may mean that projects that

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do not have an explicit sexual and gender-based violence risk present may not receive structures and support to manage SEA. IDB has not provided evidence of how SEA incidents are aggregated or reported across interventions at a country or corporate level. The ESPF requires that the mechanism be appropriately resourced to address concerns and provide support and remediation to those concerned. The ESPF states that the process mechanism must offer whistleblower protection (“feedback without retribution”) and opportunities for anonymous reporting. This is reinforced by the Whistleblower Policy which expressly prohibits acts of retaliation against those who report or co-operate with investigations. IDB has a Grievance Protocol form on the IDB website or in printed form that can be obtained from the COF. The Executing Agency (EA) must inform the IDB of grievances received through the project-level grievance mechanism, which are directed to the IDB, of grievances where there is a high risk, and of those for which the EA seeks IDB support. As part of IDB’s Whistleblower Policy, which applies to all categories of IDB employees, it is a duty for all employees, including Staff Association Officers to co-operate with Bank investigations, audits, or other enquiries. The Office of Ethics currently supports discussions with the SG to develop a template for managing SEA. IDB did not provide information on numbers of complaints related to SEA received annually during the assessment period.

In terms of IDB’s own structures, SEA is managed as part of broader social and environmental risks. IDB does not have specific focal points in place to prevent SEA at the country level or at HQ. Issues emerging from ESPF are managed by RMG. It should be noted that sexual and gender-based violence and SEA are not covered under the Office of Institutional Integrity’s list of prohibited practices. This means that OII may be obligated to protect whistleblowers from retribution, but it does not have a responsibility to investigate issues of SEA. The Independent Consultation and Investigation Mechanism (MICI) handles complaints from communities about harm by projects funded by the IDB, but not allegations against individuals. The Review of the Ninth Capital Increase found that ETH would need to “reassess” to ensure that ETH is adequately staffed to take on the mounting challenges of training and outreach on the range of ethics-related issues that are likely to surface in the years ahead. One additional staff member was added to support the Sanctions Office to assist the Sanctions Officer specifically in “complex work with highly confidential information” which is expected to encompass sanctions related to SEA.

**4.7.4. Training and awareness-raising of personnel are mainstreamed through the ESPF and are proportionate with the risk exposure of Bank personnel.** IDB has expanded its efforts to address SEA through case-based training and guidance. Protection from SEA training appears to be linked to projects and oriented to those personnel that are involved in assessing environmental and social risks rather than mainstreamed across the organisation. The Office of Ethics (ETH) has expanded its role and increased its efficiency during the IDB-9 period. ETH has been engaged in a greater number of consultations and has been active in providing training to IDB staff, consultants and other relevant audiences. BIDAcademy offers a specific training module on ESPF 9 which focuses on gender equality, including protection from SEA. This training was launched in 2021 with all ESG specialists and will continue through 2022 with IDB’s and executing agencies’ teams. Training on the Grievance Protocol for project beneficiaries is provided to all employees. In addition to this training, IDB has developed a series of scenario-based complementary YouTube videos (launched in October 2021) which illustrate potential SEA and gender-based violence scenarios and demonstrate how to access channels for reporting and remediation in infrastructure projects which have yet to be widely disseminated as part of the training provision. Data on the periodicity, coverage and intended uptake of this training are not yet available.

**4.7.5. In 2019, IDB updated its guidelines to require those bidding on IDB projects to set out a code of conduct for its executing entities that includes how it will manage risks associated with behaviour, maintaining a safe environment, and sexual harassment, gender-based violence, sexual exploitation and abuse.** With this, bidders are required to develop a gender-based violence/SEA prevention and response action plan; to declare any civil work contracts that have been suspended or

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terminated and/or performance security called by an employer for reasons related to the non-compliance with any social/environmental safeguard; allocate a provisional sum for SEA/gender-based violence awareness and sensitisation training; and include specific language in documentation that commits the bidders to prevent and respond to SEA. No information was available, though, on how compliance of contractors or sub-contractors against the code of conduct will be monitored, or on sanctions for non-compliance. These revised standards for project executing agencies have been updated and are now implemented through the newly approved Environmental and Social Policy Framework (ESPF) that came into effect in October 2021. It includes a stand-alone standard on gender equality (ESPS 9) that requires borrowers to identify and address projects' gender-based risks and adverse impacts and places a strong emphasis on the assessment and prevention of project-related sexual and gender-based violence, particularly sexual exploitation and abuse (SEA) and sexual harassment (SH). The implementation of the ESPF is in its early stages, and there has yet to be reporting on how this is being implemented across projects and on the diverse contexts in which IDB operates. The Program Budget for 2021 notes resources allocated for developing guidelines and providing technical co-operation to support the implementation of the ESPF. More than 40% of the respondents surveyed by MOPAN report that they do not know or have no opinion about whether IDB requires its partners to apply clear standards for preventing and responding to sexual misconduct in relation to host populations, reflecting potentially limited knowledge of the new guidelines for partners introduced through the ESPF. Most (72%, or 262 out of 361) of those who responded to the MOPAN survey on this topic broadly agreed that IDB requires its partners to apply standards on SEA. Potential SEA risks are screened by the borrower as part of the gender analysis which is conducted through the environmental and social risk and impact identification process. To support IDB teams and borrowers in the implementation of the ESPS 9, the IDB has developed Guidelines for borrowing member countries which were revised in 2019 to include additional stipulations regarding SEA and gender-based violence in accordance with the practices of the Multilateral Development Banks. These add clauses in IDB contractual agreements with Procurement, Service Provision, Suppliers and Borrowers that prohibit SEA and stipulate requirements to be fulfilled by the contractor for preventing and responding to SEA, including the requirement of a code of conduct (the implementation of which is monitored) and for putting in place a SEA response mechanism (including complaints mechanism, investigative capacity and regular training). They also require the party to oblige subcontractors to comply with SEA prevention and response obligations and contain sanctions for non-compliance. A potential barrier that remains is that OII does not include SEA as a prohibited practice, which limits OII's ability to support investigations.

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**4.7.6. IDB participates in collective efforts by international finance institutions to address SEA, starting with the April 2018 commitment with ten other such institutions to advance standards on protection from SEAH.** In 2020-21, IDB contributed to the Cross-Sector Report on Safeguarding of SEAH. IDB is the Interagency Chair of the Ethics Organisation of Multilateral Organisations. In 2021, IDB led a two-part conference to share best practices with other international organisations. IDB is also an active member of interagency mediation and ombudspersons' networks. Very few donors (only 2 out of 17) and peer organisations surveyed by MOPAN are aware of IDB's participation in joint or interagency efforts to prevent, investigate and report on sexual misconduct by personnel in relation to host populations. Of those that are aware, only one respondent agreed that IDB participates in interagency responses to sexual misconduct. This feedback implies that IDB's role in interagency efforts is not well-known by stakeholders, which suggests that the efforts have not yet had a significant impact.

**4.7.7. With the ESPF, the IDB has established a fast-track process for dealing with SEA, but reporting on the basic information and actions taken in response to project-level SEA incidents is not publicly available.** IDB considers incidents of sexual and gender-based violence, including exploitation, abuse and harassment situations of "imminent risk", for which IDB applies a fast-track process rather

<p>than the standard process. Fast-track risks are addressed within five days of confirmation of receipt of the complaint. The Grievance Process outlines the following actions in response to an SEA allegation: communicate the results of the applicability assessment to the Complainant; alert national authorities, where appropriate, safe and acceptable to the Complainant. When the grievance is within the scope of the grievance protocol, the IDB Chief of Operations, Country Representative, respective Division Chief, ESG Unit Chief and ESR Chief are notified and other IDB stakeholders are informed. All grievances will receive a communication with the results of the applicability assessment.</p> <p>Under fast-track conditions, the assessment and initial response stage should be completed within 15 business days. The Grievance Protocol generates records within Salesforce and case management documents (e.g. fact-finding report, action plan documentation, engagement documentation) that are managed outside of Salesforce. IDB does not generate specific reporting on the basic information or actions taken in response to incidents of sexual exploitation and abuse. Given the recent changes with the ESPF on monitoring and reporting on project-related risks and grievances, this may be an area that the Bank is developing, and reporting may be available as the Grievance Protocol is embedded in all new projects.</p> <p><b>4.7.8. The IDB has a grievance portal that allows anyone to report alleged incidents of SEA related to IDB-financed operations.</b> According to the Grievance Protocol, the actions taken by the IDB or executing agency are guided by the desires of the complainant/victim/survivor. IDB's Grievance Protocol provides a channel for stakeholders to contact the IDB directly to file a complaint about any issue regarding IDB projects. The ESPF is explicit that survivors should have access to multiple forms of support and service and that the grievance mechanisms should minimise the reporting burden on victims/survivors. The mechanism for monitoring these grievance mechanisms is integrated at the executing agency level with oversight provided by the IDB at the project level, but there is not yet evidence of project-affected people using the grievance portal or corporate reporting on responses to complaints received through the portal.</p> <p>The evidence confidence rating of “medium” for this MI reflects the limits of documentation and interviews to evidence aspects of “use” and “improvement”.</p>	<p>19, 65, 67, 235, 237-240, 242-243</p>
<b>MI 4.7: Evidence confidence</b>	<b>Medium confidence</b>
<b>MI 4.8: Prevention of and response to sexual harassment (SH)</b>	<b>Score</b>
<b>Overall MI rating</b>	<b>Satisfactory</b>
<b>Overall MI score</b>	<b>3.00</b>
Element 1: Organisation-specific dedicated policy statements and/or codes of conduct that address SH are available, aligned to international standards and applicable to all categories of personnel	4
Element 2: Mechanisms are in place to regularly track the status of implementation of the policy on SH at HQ and at field levels	2
Element 3: The MO has clearly identifiable roles, structures and resources in place for implementing its policy/guidelines on SH at HQ and in the field: a support channel for victims, a body co-ordinating the response and clear responsibilities for following up with victims	3
Element 4: All managers have undergone training on preventing and responding to SH, and all staff have been trained to set behavioural expectations (including with respect to SH)	3
Element 5: Multiple mechanisms can be accessed to seek advice, pursue informal resolution or formally report SH allegations	4

Element 6: The organisation ensures that it acts in a timely manner on formal complaints of SH allegations	3
Element 7: The organisation transparently reports the number and nature of actions taken in response to SH in annual reporting and feeds into inter-agency HR mechanisms	2
<b>MI 4.8: Analysis</b>	<b>Evidence documents</b>
<p>4.8.1. <b>IDB’s Code of Conduct has a clear definition of sexual harassment, consistent with international standards, in place and an explicit proscription of sexual harassment which is applicable to all personnel. Implementation of the Code of Conduct is monitored by the Office of Ethics.</b> IDB’s 2012 Code of Ethics and Professional Conduct (“Code of Conduct”), explicitly states that all employees are expected to demonstrate a “work environment free of discrimination, prejudice, sexual or other forms of workplace harassment, mistreatment, and intimidation or violence of any kind”. The Code of Conduct, which applies to the employees and complementary workforce of the IDB, provides a definition of a range of behaviours and circumstances that constitute sexual harassment. The Office of Ethics is responsible for implementing, promoting and providing advice on the application of the policy.</p> <p>4.8.2. <b>IDB has an internal working group, formed in 2019, which discusses issues of sexual harassment and misconduct across the Bank and is comprised of representatives from across the Human Resources Department the Ethics Office, the Office of the Ombudsperson, the Legal Department and the Mediation Division.</b> The group does not provide regular reports but can identify systematic issues or present recommendations or comments. During the height of the COVID-19 pandemic, the group met twice a month to discuss pressing issues of workplace wellbeing, safety and conduct. Interviews suggest that when staff moved to work from home, reporting on SH decreased as the prominence of other issues surrounding workplace conduct took precedence. Annually, the Office of Ethics reports on the number of incidents of misconduct, including the cases of sexual harassment.</p> <p>4.8.3. <b>The IDB’s Code of Conduct sets out specific roles for supervisors in addressing sexual harassment. Supervisors are encouraged to play a key role in creating an environment that does not tolerate harassment, that supports those that raise concerns and that never minimises inappropriate behaviour.</b> IDB has formal channels for reporting through the Office of Ethics and informal channels to support employees (though not to report) offered through the Office of the Ombudsperson and the Office of Mediation. In addition, the IDB provides all personnel with contacts and resources to be able to seek redress and support in the case of sexual harassment, domestic violence or abuse. This includes access to supervisors and human resources, counselling services, corporate security, the Office of Ethics, family associations, the Office of the Ombudsperson, and domestic violence hotlines. The MOPAN assessment team did not have access to data on staff perceptions of the response or pervasiveness of sexual harassment or the quality of the services available. The Office of Ethics and Office of the Ombudsperson report on the number of people accessing support through their offices. The number of reports and services received for sexual harassment is very low.</p> <p>4.8.4. <b>IDB updated its ethics training in 2021 to include a wider range of issues related to SH, which is expected to strengthen the capacity to staff to manage and respond to SH going forward.</b> All employees are required to take an ethics course which includes a fictional sexual harassment case study. Part of the training is called “Living your values at work” which has reached all regional offices. All staff are required to participate in mandatory ethics training. In addition, specific training is offered to managers. The course includes a video campaign to stress the role of bystanders to encourage a “Safe to Speak Culture” within IDB. Since supervisors play an essential role in fostering the workplace culture, this programme was delivered in two parts: the first, only with supervisors; and the second, with the whole team. In addition, the ombudsperson also advanced this topic in the form of a virtual</p>	19, 65, 67, 235, 237-240, 242

training entitled “Psychological Safety: A Key Element for High-Performing Teams”. The goal of this course is to create awareness of the importance of creating an environment of psychological safety for employees’ health and wellbeing, as well as for the organisation. The Human Resources Department has also launched a pilot project which uses virtual reality to make sure that managers have the skills to have conversations on sensitive issues. The intention of the pilot programme is to offer participants the opportunity to strengthen their skills in a safe space and get guidance/feedback to improve their handling of sensitive situations involving their employees. In addition to formal training courses, IDB has produced a number of informational flyers (online and otherwise) to inform employees about the organisational norms on SH and support services available in English and Spanish. For example, the IDB publishes the Sexual Harassment Continuum which helps to identify the types of conduct that constitute sexual harassment and provides key contacts for employees to seek help or redress.

**4.8.5. IDB’s support for victims/survivors of SH has multiple points of entry.** These are accessed as deemed appropriate by victims/survivors. They include individual supervisors who are trained to support and provide information to victims/survivors and the Human Resources Department. The Office of the Ombudsperson can provide confidential, informal support to those experiencing or who have experienced SH. The Office of the Ombudsperson can offer advice or support a person in reporting SH to the Office of Ethics and/or seek additional psycho-emotional help through the IDB Employee Assistance Program (EAP). In responding to an allegation, the IDB is guided by the practice of some UN agencies which take a distinctly victim-centred approach noting that every case is different. The Employee Assistance Program offers confidential counselling and referrals to staff. The Office of Mediation can help employees work through more minor issues using peer-to-peer informal mediation and/or facilitate restorative justice in instances where lapses in behaviour may have already occurred. And finally, the Office of Ethics handles all allegations of sexual harassment involving employees of the IDB Group. IDB is committed, supported by its Whistleblower’s Policy, to provide protection for those affected, as well as whistleblowers and/or witnesses within their institutions, and to take appropriate measures against any form of retaliation. The Whistleblower Policy is implemented by the Ethics office by providing protection for Bank employees and other parties that provide information to support the Bank’s environment of integrity.

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**4.8.6. The Code of Conduct requires that all reports of misconduct are reviewed by the Office of Ethics and are investigated as needed and may be reported to the appropriate authorities.** Investigations by the Office of Ethics into sexual harassment and all other forms of misconduct are held to time standards established in the Code Procedures. These require that a complaint be assessed within 45 business days and that an investigation be completed within 180 calendar days. In 2020, given limited resources for investigation, the internal target was not met. Notably, there were no cases of sexual harassment reported in 2020.

**4.8.7. The Office of Ethics provides annual reports on the number of allegations of SH and includes tracking of allegations of sexual harassment in closed IDB Group cases over time.** Since 2015, only 13 cases of sexual harassment have been formally reported to the IDB, which is a small part of overall misconduct complaints reported. The Office of Ethics did not receive or handle any sexual harassment cases during 2020, which may relate to changed working practices related to COVID-19. IDB is in the process of developing an internal programme for the region called ELSA (*Espacios Laborales Sin Acoso/Workplaces without Harassment*). This is a digital tool to measure tolerance, prevalence and trust, which seeks to diagnose and promote a culture of prevention and learning for organisations. The tool will be used to try to address the reported chronic issue of underreporting of SH in the Bank. Stakeholders suggest that informal channels are supporting responses to SH that would not appear in formal reporting of cases. The IDB’s Human Capital Analytics does not indicate the number of staff that leave the IDB due to reasons of misconduct or sexual harassment specifically. It is noteworthy

that there are very low rates of reported incidents of SH. Stakeholders suggest that informal channels are supporting a response to SH that may not appear in formal reporting of cases of SH. IDB holds the right to conduct background checks as part of employment applications. The IDB does not share information publicly about its practices for preventing rehiring of perpetrators between international finance institutions. IDB applies the common sanctions procedure with other international finance institutions for prohibited practices, in which, notably, sexual harassment is not included.	19, 65, 67, 235, 237-240, 242
<b>MI 4.8: Evidence confidence</b>	<b>High confidence</b>

## RELATIONSHIP MANAGEMENT

*Engaging in inclusive partnerships to support relevance, leverage effective solutions and maximise results*

<b>KPI 5: Operational planning and intervention design tools support relevance and agility within partnerships</b>	<b>KPI score</b>
<b>Satisfactory</b>	<b>3.21</b>
<p><b>Alignment to country:</b> IDB’s country strategies are developed jointly with country governments and are wholly country driven. IDB engages in dialogue with partner governments to pursue the governments’ priority areas while also taking up the Bank’s strategic objectives.</p> <p><b>Context analysis:</b> IDB applies its strong research arm, close relationships with countries and deep knowledge of the context to develop country strategies. Country strategies provide a detailed macroeconomic and social assessment of the countries in the strategies, which provides a basis for the Bank’s operations. The country strategies attempt to strike a balance between guiding the priorities for the Bank’s work and enabling a flexible approach that responds to a changing context.</p> <p><b>Sustainability:</b> Project designs are framed to contribute to sustainable development outcomes. Projects often include components that serve to address deficiencies identified, such as technical assistance to build capacity or programme designs that address specific sector challenges. Sustainability is built into IDB’s project cycle through screening all projects for potential environmental and social risks.</p> <p><b>Capacity analysis:</b> Assessment of institutional capacity of executing agencies is built into IDB project preparation. IDB defines institutional capacity as “the potential of an entity to fulfil its responsibilities during the preparation and implementation of an IDB financed operation”. IDB has updated its tool for assessing institutional capacity to include financial and non-financial capacity with a view to increasing use of country systems.</p> <p><b>Risk management:</b> Since 2011, risk analyses have been mandatory for all SG operations. During the period of this MOPAN assessment, IDB undertook a number of measures to strengthen further its approach to intervention-level risk management. IDB SG projects are required to assess environmental and social risks (safeguards), institutional capacity (fiduciary) risks and “other” risks. With the new ESPF, IDB intends to sharpen its focus on key risks such as gender-based violence and sexual exploitation and abuse.</p> <p><b>Cross-cutting issues:</b> Project designs are assessed for their inclusion of cross-cutting issues. Gender and climate change have been focuses of IDB’s interventions. Rule of law and diversity issues are not yet included systematically in project intervention designs.</p> <p><b>Implementation speed:</b> IDB has removed two indicators for assessing the timeliness of its interventions in an effort to simplify the CRF. Contextual challenges and capacity are cited as factors contributing to lack of timeliness, although overall, the IDB finds that its projects generally perform satisfactorily in terms of overall efficiency.</p>	



MI 5.1: Interventions/strategies are aligned with needs of beneficiaries and regional/country priorities and intended national/regional results	Score
Overall MI rating	Satisfactory
Overall MI score	3.50
Element 1: The organisation’s country or regional strategies refer to national/regional body strategies or objectives	4
Element 2: Reviewed interventions/strategies refer to the needs of beneficiaries, including vulnerable populations	3
Element 3: The organisation’s country strategies or regional strategies link targeted results to national or regional goals	4
Element 4: Structures and incentives are in place for technical staff that allow them to invest time and effort in alignment processes	3
<b>MI 5.1: Analysis</b>	<b>Evidence documents</b>
<p><b>5.1.1. IDB’s country strategies are fully aligned to country priorities. Country strategies set out the IDB’s approach to both the private and public sectors in borrowing member countries.</b> The Country Strategies take a full IDB-Group approach to working with borrowing member countries to address development needs through solutions from both public and private sector partners. IDB’s country strategies are fully aligned with national strategies and policies. IDB’s country programming is fully “country driven and country focused”. IDB is guided by the principles of its 2008 Operational Framework (document GN-2494) which is fully in compliance with the commitments undertaken in the Paris Declaration and the Accra Agenda for Action. The Operational Framework established the decision to “reinforce and use country systems according to the following premises: (i) analysis, strengthening, and gradual use of country systems; (ii) reduction of transaction costs for the Bank and for the client countries; (iii) the need for a comprehensive strategy that is consistent with the Bank’s international commitments”.</p> <p>IDB’s Country Strategy Guidelines are explicit that the development objectives should focus on priority development challenges that are fully aligned with national strategies or objectives. IDB’s structural arrangements support this with regional offices and country offices to support physical and strategic proximity to borrowing member states. The country representatives, which represent the whole IDB Group, have regular (often day-to-day) communication with government representatives to order to maintain an up-to-date understanding of country priorities. This continued through COVID whereby IDB shifted its face-to-face engagement with countries to consistent, virtual dialogue. IDB’s Country Strategies are used to provide an overall orientation for what IDB will support in a country. In response to COVID-19, the IDB worked in close co-ordination with country governments to identify emerging needs in the face of COVID-19. The IDB Group created the Coronavirus Impact Dashboard to track the impact of COVID-19 in real time across many variables. The Dashboard used a range of data sources, including information from country systems (e.g. Instituto Metropolitano Protransporte de Lima, Transmilenio, and Secretaria Municipal de Movilidad e Transportes).</p> <p>The IDB Group prepares joint Country Strategies (CSs) with each of its borrowing member countries based on analytical work by the IDB on the key development challenges (Country Development Challenge reports). The country strategies provide an overall orientation for the IDB’s work within a country through a generally broad articulation of which sectors the Bank will work in. Prior to the development of the country strategy, the IDB kicks off dialogue through a Día Pais which brings together sector specialists and country departments with partner governments and within which the partner government has a strong voice. IDB Country Strategies set out the development and macroeconomic frameworks for each member country. The agreement between the country client and the Bank</p>	2, 19, 32, 65, 72-82, 147, 222, 254, 272, 275-288



regarding each party’s responsibilities, goals to be achieved and timeframes are reflected in the Country Strategy. To ensure that IDB Group operations are consistent with the objectives established in the CS, the IDB Group must have a valid Country Strategy with the borrowing member country at the time any sovereign guaranteed operations in that country are submitted to the IDB Board of Executive Directors for approval and when non-sovereign guaranteed operations are presented to the IIC Board of Executive Directors for approval. In exceptional cases where it is impossible to prepare a CS, the rule laid out in the “Special Cases” section must be applied. Country strategies are for four to five years, depending on the election cycle (presidential period). IDB works to strike a balance between the Bank’s strategic targets and country governments’ interests. For the case of the Bank’s cross-cutting issues in gender and climate change, the Bank’s planned targets sometimes exceed country governments’ priorities. This means that the Bank’s targets are underachieved given that it is fully guided by countries’ objectives. In tension with the concept that country strategies provide an overall orientation for the Bank rather than setting out an action plan, OVE evaluations and feedback from stakeholders surveyed suggest that country strategies are “too broad” and “too demand driven”, which leads them to underdeliver.

Currently, IDB’s work is on hold in a number of countries due to political and social uncertainty (e.g. Nicaragua, Venezuela), and in Haiti the country strategy will not be revised until there is a new election. In the case of Argentina, the country strategy process was delayed until the urgent priorities of COVID passed. IDB’s active Country Strategies allowed the flexibility for IDB to support countries’ needs emerging from the COVID-19 pandemic. A sample of ten country strategies from the period 2016-25 referred to shifting priorities due to COVID-19, while others remained unchanged due to the time they were written. For all countries, the IDB was able to redeploy its efforts to respond to emerging priorities.

**5.1.2. Intervention designs are required to state how the needs of beneficiaries will be addressed, which is expected to be bolstered with the new ESPF. In practice, the depth of beneficiary needs analysis depends on the nature and scope of the project.** As part of the design and quality at-entry process for all IDB projects, the project proposal document outlines who will be served by the intervention. All operations are required to carry out a problem analysis which establishes how beneficiaries (women, men, indigenous populations, other vulnerable populations) are involved in a project. The project profile template outlines the problem that the intervention will address, a rationale for how the intervention will address the problem and who will be served by the intervention. The poor and the “most vulnerable” are defined in the ESPF by virtue of disability, state of health, indigenous status, gender identity, sexual orientation, religion, race, colour, ethnicity, age, language, political or other opinion, national or social origin, property, birth, economic disadvantage, or social condition. Other vulnerable individuals and/or groups may include those in vulnerable situations such as the poor, the landless, the elderly, single-headed households, refugees, internally displaced persons, natural-resource dependent communities or other displaced persons who may not be protected through national legislation and/or international law. In a sample of ten project interventions which includes grants, Policy-Based Loans (PBLs) and guarantees from 2016 to 2021, six provided comprehensive assessments of the vulnerability dimensions that the interventions would address, two mentioned the groups that would be served by the intervention, and two interventions, that were for lower-risk operations focusing on support to SMEs, made no mention of vulnerable groups. Those interventions within the sample that were designed between 2020 and 2022 (six out of ten) made explicit reference to the macroeconomic impacts introduced by COVID, in particular with respect to increasing the instability of vulnerable groups’ access to services and employment.

**5.1.3. The sector priorities set out in country strategies are linked to countries’ SDGs and national priorities. Country strategies must specify the linkages between the Bank objectives and the countries’ development goals.** The Bank has made a concerted effort in its sector planning to move from a “Christmas tree” approach, to a focused identification of sectors that will be prioritised in

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147, 222, 254, 272,  
275-288

<p>each country. In a sample of ten Country Strategies, all (with the exception of Haiti) explicitly reference national goals or national development roadmaps. Within this sample, only three of the country strategies, which were drafted between 2020 and 2022, explicitly refer to the pivot in country priorities for the Bank in relation to COVID-19 on targeted development outcomes.</p> <p><b>5.1.4. IDB’s structures and incentives broadly prioritise responsiveness to countries, although the resourcing model may not fully reflect diverse resourcing needs of countries and the move to optimise private and public sector synergies.</b> The second UIS supports actions to enhance alignment with country processes with an emphasis on strengthening IDB’s responsiveness to clients. This aim is supported by targets for project alignment to country strategies and by enhanced investment in project preparation. The country strategy process requires significant investment in time and resources within the country and across the Bank from both IDB and IDB Invest. OVE’s evaluation of IDB-9 found that the Bank needs to take another look at its operational models and staff incentives for results in countries with weak institutions and governance. The evaluation suggests that no matter how well the tools are designed, they will require the right incentives structures at all levels of the Bank to support the achievement of development results. With a single Country Representative to represent both IDB and IDB Invest, IDB is structured for joint strategizing between private and public sector interests. In practice though, interviews suggest that operationalising this synergy remains challenging for the country representative and that few country representatives have adequate experience in the private sector. Interviews suggest that, while private sector engagement is built into the country strategy, it is less visible in practice. In support of IDB’s commitment to multi-sector projects, at the country office level, stakeholders report that having all experts in one place facilitates co-ordination and co-operation between VPC and VPS in particular. At the corporate level, IDB has made a strategic push to support multisectoral projects and reports on the percentage of loan operations with multi-disciplinary team compositions which has seen a steady increase since 2016. However, stakeholders report that, despite strong efforts from the IDB, there are not yet the individual incentives in place that motivate individuals to take time away from their own sector priorities to work on projects led by other sectors. Interviewees reported that multi-sector planning is limited by a lack of people to cater to all information and technical demands. Given competing demands on individuals, sector collaboration often relies on the strength of relationships between individuals.</p>	<p>2, 19, 32, 65, 72-82, 147, 222, 254, 272, 275-288</p>
<b>MI 5.1: Evidence confidence</b>	<b>High confidence</b>
<b>MI 5.2: Contextual/situational analysis (shared where possible) applied to shape intervention designs and implementation</b>	<b>Score</b>
<b>Overall MI rating</b>	<b>Satisfactory</b>
<b>Overall MI score</b>	<b>3.50</b>
Element 1: Intervention designs contain a clear statement positioning the intervention within the operating context	4
Element 2: Reflection points with partners take note of any significant changes in context	3
<b>MI 5.2: Analysis</b>	<b>Evidence documents</b>
<p><b>5.2.1. All intervention designs are based on a clear articulation of the country and sector context.</b> This is supported by country strategies which provide the backdrop for country engagement and sector frameworks which provide a detailed assessment of the sectoral context from a technical and operational perspective. According to the second UIS, IDB’s value proposition relies on its capacity to tailor financial and non-financial products and instruments to the specific challenges and conditions of each borrowing member country which relies on an in-depth understanding of countries’ development challenges. The revised Country Strategy Guidelines have moved toward integrated analysis that</p>	<p>2, 19, 65, 147, 222, 234</p>

articulates development challenges and strategic areas rather than providing a list of sectors. The CDC is the starting point of the country strategy which provides an in-depth analysis of contextual challenges to determine where the Bank should deploy its comparative advantage. In addition, the Sector Framework Documents provide guidance to develop solutions that reflect the development and institutional context facing countries. The CDC applies selected methodologies designed by IDB's research division to help prioritise the analysis. The CDC sets out a country's macroeconomic and socioeconomic challenges focusing on structural aspects that are expected to have a medium- to long-term development impact and the identification of potential barriers to “inclusive and sustainable growth and development”. In the CDCs developed since 2020, the analysis includes how COVID has exacerbated existing development challenges or caused development gains to retrocede. IDB has a regular, structured dialogue with country government partners. This includes twice-yearly discussions on macroeconomic risks/safeguards that feed into macroeconomic analysis of each country which is fed by continuous monitoring by VPC economists. In addition, the Board of Governors meets annually and holds special meetings as needed. IDB staff report that the monitoring with partners is continuous, with day-to-day monitoring of economic flux by VPC economists and regular dialogue between governments and country representatives. There is consistent interaction on the safeguards analysis with bi-annual meetings. More than 75% of country stakeholders surveyed by MOPAN agree or strongly agree that IDB's work in their countries is selective, targeting sectors where it can contribute expertise to long-term development objective. Fewer stakeholders (57%) agree that IDB provides an appropriate mix of technical advice, financing and knowledge to address key development challenges in their country, while 23% “somewhat agree” and 9% “somewhat disagree”.

2, 19, 65, 147, 222, 234

**5.2.2. While interventions involve partners in the design, the degree of engagement varies according to the nature of the intervention and the partners involved.** IDB's programming standards require the involvement of stakeholders in the preparation process of interventions, particularly for those with higher-risk projects (i.e. risk categories A and B). IDB has formal meetings with countries each year, with regular ad hoc dialogue with country representatives and sector specialists. Part of project preparation includes establishing a Plan for “Consulta Significativa” which involves mapping and analysis of stakeholders, selection of appropriate data collection tools, identification of priority themes for consultation, and sharing the process and documentation of the project. The consultation is required to involve a range of different stakeholder groups (including government, Civil Society Organisations (CSOs), men, women and relevant vulnerable groups), analysis of the consultation and integration, and dissemination of the results to the social and environmental impact study and to the environmental and social management plan.<sup>3</sup> Project monitoring reports are prepared jointly with the executing agency implementing the projects. The degree of engagement of stakeholder groups in monitoring project implementation depends on the nature of the project. PMRs are required to report on the achievement of development objectives during implementation and report on how the data was collected. The means of verification, and hence the level of involvement, varies between projects. For some projects, data is verified by reporting from consulting firms or surveys of beneficiary populations involved in the project. OVE's review of PCRs finds that project outcomes are frequently revised due to changes in the external context.

**MI 5.2: Evidence confidence****High confidence**

<sup>3</sup> Evidence from a sample of project interventions.

<b>MI 5.3: Capacity analysis informing intervention design and implementation, and strategies to address any weakness found are employed</b>	<b>Score</b>
<b>Overall MI rating</b>	<b>Satisfactory</b>
<b>Overall MI score</b>	<b>3.20</b>
Element 1: Intervention designs contain a clear statement of capacities of key national implementing partners	3
Element 2: Capacity analysis, from the perspective of using and building country systems, considers resourcing, staffing, monitoring and operating structure	4
Element 3: Capacity analysis statement has been jointly developed with country partners and shared with development partners	3
Element 4: Capacity analysis statement includes clear strategies for addressing any weaknesses, with a view to sustainability, where applicable developed jointly with development partners	3
Element 5: Reflection points with partners take note of any significant changes in capacity	3
<b>MI 5.3: Analysis</b>	<b>Evidence documents</b>
<p><b>5.3.1. Assessment of institutional capacity of executing agencies is built into IDB project preparation.</b> IDB defines institutional capacity as “the potential of an entity to fulfil its responsibilities during the preparation and implementation of an IDB financed operation”. At the preparatory stage of sovereign guaranteed operations, IDB conducts an institutional capacity assessment using a tool called the Institutional Capacity Assessment Platform (ICAP). ICAP assesses an executing agency’s institutional capacity to provide the basis for designing the project’s governance system. ICAP recently superseded the tool developed by IDB in 2003 called the Institutional Capacity Assessment Systems (ICAS). The revised tool aligned to Project Management Institute standards, introduced a mandatory requirement for institutional capacity analysis and expanded the institutional assessment from fiduciary capacity to encompass key non-fiduciary aspects such as management and governance. ICAP is a pillar of the risk analysis, and institutional capacity is integrated into risk matrices. The ICAP is led by a project team leader and is conducted by the project team which includes fiduciary (financial and procurement) and environmental specialists. Although the ICAP is applicable to all instruments, PBLs are not required to use it. Of a sample of ten IDB interventions reviewed from MOPAN countries, five interventions explicitly use the ICAP tool, three interventions include institutional capacity as a key risk and three interventions (including one PBL) do not include an assessment of the institutional capacity for the project. Sixty percent of the stakeholders surveyed by MOPAN broadly agree that IDB’s strategies and interventions are informed by an analysis of situations and needs including those in the local context, 27% of the stakeholders somewhat agree and 7% somewhat disagree.</p> <p><b>5.3.2. Capacity analysis conducted as part of intervention design considers financial and non-financial aspects of institutional capacity.</b> The ICAP takes a broad view of capacity to consider resourcing, staffing, monitoring and operating structure. Country strategies must provide detailed analyses of a country’s institutional capacity. This goes beyond fiduciary capacity and includes issues of management capacity, transparency, rule of law, digitisation and security. For interventions. the IDB’s Sovereign Loan Principles require that, in making loans, the Bank evaluates the capacity of the borrower to carry out its financial obligations under the loan agreement, the prevailing macroeconomic climate and debt burden of the country, the ability of the executing agencies to execute Bank-financed projects, and other policy and institutional issues relevant to the loan. As far as non-fiduciary capacity, IDB requires its borrowers to have adequate environmental and social management capacity which corresponds with the level of risk of an operation (as per the requirements of ESPS). The taxonomy of risks for executing agencies, assessed through the ICAP, includes risks related to institutions’ capacity</p>	1, 9, 19, 96, 100, 222, 224, 273, 275-288

for project management, risks relating to availability of information systems, risks relating to staff availability and an institution's capacity to find, attract, retain and secure high-performing staff. IDB's Strategy for Strengthening Country Systems provides a framework for IDB's support to country systems. PRODEV diagnostic assessments also offer a tool for evaluating a country's capacity to monitor and evaluate development outcomes.

**5.3.3. Capacity analysis is increasingly developed jointly with country partners with a view to strengthening country systems.** The ICAP process was designed to require greater involvement from project implementation teams, addressing some of the challenges found with the implementation of the ICAS. The CS sets out how country systems can be used in Bank operations and how these systems could be strengthened through an assessment of the "equivalence and acceptability of country systems". At the intervention level, the risk analysis and capacity assessment that is conducted as part of project interventions is shared with partners as a basis for dialogue. In the sample of ten interventions, eight refer to capacity analysis being conducted with other development partners including government ministries, the World Bank, the United Nations Development Program (UNDP), the European Union, and other donors. Stakeholders surveyed by MOPAN broadly agree that IDB's work takes into account national/regional capacity, including of government, civil society, private sector and other actors. However, stakeholders surveyed, particularly from across the Caribbean region (Bahamas, Belize, Jamaica, and Trinidad and Tobago), report that IDB does not always provide adequate support to strengthen the capacities of its counterparts so that they can be effective partners.

**5.3.4. Analysis of institutional capacity is often accompanied by technical co-operation to address institutional weaknesses and to support the implementation of interventions.** The CS is used as a tool for dialogue with countries to identify areas for institutional strengthening. In some instances, the CS includes a provision to support specific ministries either through specific technical co-operation or through training courses. The BIDAcademy is a purveyor of capacity building support for IDB's clients providing courses for a broad audience including decision makers and programme implementers and courses that are specifically designed to offer training on applied skills (e.g. specialist courses for national statistical offices). Country strategies include a training provision to support institutional capacity. Regional policy dialogues are a key venue for addressing capacity issues. The policy dialogues, which focus on technical issues, provide the basis for the Bank to identify capacity needs which they match with TC or training opportunities. The IDB also relies on bottom-up requests from countries related to emerging priorities and issues. Where deficiencies are identified, interventions are accompanied by technical assistance and policy dialogue with a view to promoting the use of country systems. Stakeholders surveyed point to challenges resulting from a mismatch between the Bank's project and a country's capacity to implement.

**5.3.5. While the country strategy is jointly developed with partners, it is not regularly updated to take note of significant changes in capacity as it aligns with countries' presidential election cycles.** IDB guidelines make it mandatory to apply the ICAP which is intended to give the team a clear view of risks in execution tools. The project risk framework indicates that the ICAP may be used throughout the project life cycle and may even be used for executing agencies that do not have active operations with the IDB. The tool has evolved since 2015 and now includes more institutional aspects beyond assessing only financial capacity risks. The ICAP is used as part of country dialogue to diagnose and remedy areas that need to be strengthened. Evidence from interviews indicates that, after the initial risk assessment during project preparation, the whole ICAP is seldom applied as a whole, but it is used to identify areas for follow-up which is included in PMR during implementation, and key risks associated with capacity are monitored as part of the supervision process. The COVID-19 pandemic limited the extent that the IDB could manage risks through on-site verification measures. For all of its compliance and monitoring,

1, 9, 19, 96, 100, 222, 224, 273, 275-288

<p>IDB had to rely on country partners and executing agencies to provide information. Institutional capacity was significantly affected during COVID which the IDB mitigated to the extent possible, with continuous virtual communication, monitoring as part of the supervision process, and specific tools to support ESG with country partners. Although IDB has increased the consistency and the depth of its institutional capacity assessments of executing agencies, institutional capacity remains a constraint to implementation. Limited technical and institutional capacity is cited as a significant issue in several evaluations. Six out of seven Country Program Evaluations (CPEs) from 2016 to present find that limited institutional capacity constrains project implementation and sustainability. The CPEs from Argentina and Bolivia recommend that IDB more effectively identify and address gaps in institutional capacity, given the risk that weak institutional capacity poses for project implementation. Sixty-six percent of the stakeholders agree that IDB has been proactive in identifying and responding to changes in capacity linked to COVID-19.</p>	<p>1, 9, 19, 96, 100, 222, 224, 273, 275-288</p>
<p><b>MI 5.3: Evidence confidence</b></p>	<p><b>High confidence</b></p>
<p><b>MI 5.4: Detailed risk (strategic, political, reputational, operational) management strategies ensure the identification, mitigation, monitoring and reporting of risks</b></p>	<p><b>Score</b></p>
<p><b>Overall MI rating</b></p>	<p><b>Satisfactory</b></p>
<p><b>Overall MI score</b></p>	<p><b>2.75</b></p>
<p>Element 1: Intervention designs include detailed analysis of and mitigation strategies for operational risk</p>	<p>3</p>
<p>Element 2: Intervention designs include detailed analysis of and mitigation strategies for strategic risk</p>	<p>3</p>
<p>Element 3: Intervention designs include detailed analysis of and mitigation strategies for political risk</p>	<p>3</p>
<p>Element 4: Intervention designs include detailed analysis of and mitigation strategies for reputational risk</p>	<p>N/A</p>
<p>Element 5: Intervention design is based on contextual analysis including of potential risks of sexual abuse and other misconduct with respect to host populations</p>	<p>2</p>
<p><b>MI 5.4: Analysis</b></p>	<p><b>Evidence documents</b></p>
<p>Since 2011, risk analyses have been mandatory for all SG operations. During the period of this MOPAN assessment, IBD undertook a number of measures to strengthen further its approach to intervention-level risk management.</p> <p>5.4.1. and 5.4.3. <b>IDB SG projects are required to assess environmental and social risks (safeguards), institutional capacity (fiduciary) risks and “other” risks.</b> (In addition, IDB applies macroeconomic safeguards, managed by the Research Department, to control the risk of lending into unsustainable macroeconomic contexts.) Up until 2021, this “other” group of risks comprised development, public management and governance, macroeconomic and fiscal sustainability, reputation, monitoring, and accountability and fiduciary. In January 2021, IDB launched a revised project risk management framework following an extensive pilot phase. The process was closely aligned with efforts to update the Bank’s institutional capacity (fiduciary) risk assessment process as well. Both required updating to reflect new standards/processes but, in the case of the project risk management, it was also prompted by (i) variable application of the framework in practice (both at intervention design and during implementation); and (ii) weaknesses in the framework as a tool to facilitate effective risk identification and management. The new framework introduces a number of changes:</p> <ul style="list-style-type: none"> <li>• The categories have been replaced with three primary sources of risk: the execution environment (which covers political, economic and financial, institutional, legal, natural and social risks); the executing agency (which covers the requirements for implementation as organisational structure, internal processes, human resources, systems, goods and services, and integrity); and the project</li> </ul>	<p>17, 24, 48, 53, 65, 72-81, 96-102, 177-178, 224</p>



itself (which covers risks arising from technical design, planning, sustainability, governance framework, and environmental and social safeguards).

- For project risk management (as distinct from safeguards), a push for greater specificity in the identification and mitigation of risks focused on project implementation.
- New requirements and processes to foster better and more consistent application of the project risk management framework (during design and implementation), including introduction of a second line of defence review by the Operational Risk Management Unit.

Risk analyses and proposed mitigation measures for new interventions are reviewed as part of the eligibility review meeting and subsequent quality and risk review. For ongoing projects, risk matrices should be reviewed twice a year.

The changes to the project risk management framework appear likely to enhance the quality of the Bank's approach, though it appears too early yet to see any significant change based on a sample of recent proposal documents. In addition, portfolio-level analysis of risks, to inform learning, and enterprise-level risk management are still underdeveloped, though further development is planned. Given the differences in risk taxonomy between intervention-level, country-level and enterprise-level in IDB, ensuring effective and efficient intelligence co-ordination between the levels is an area that may warrant further attention.

Based on a review of a sample of proposals approved in 2020, COVID-19 related risks to project implementation were routinely considered, along with proposed mitigations.

**5.4.2. In September 2021, the IDB introduced its new Environmental and Social Policy Framework (ESPF) for its environmental and social safeguards, the implementation of which is overseen by the Environmental and Social Solutions Unit (ESS, VPS) and monitored at an enterprise level by the Environmental and Social Risk Management Unit in the Office of Risk Management.** The policy comprises ten standards including Community Health, Safety and Security, Indigenous Peoples, Gender Equality, and Stakeholder Engagement and Information Disclosure. All projects in principle apply the standards, but only interventions identified as high risk – for whom specific safeguards are put in place – are subject to oversight by the ESS Unit. During implementation, high-risk projects are assigned an Environmental and Social Risk Rating, which is used to track the evolution of the risks over time and guide the Bank's response.

17, 24, 48, 53, 65,  
72-81, 96-102, 177-  
178, 224

The new policy addresses a number of concerns raised in OVE's 2018 evaluation of this topic, though there remains scope to further enhance the Bank's capability to track performance longitudinally within projects. More generally, the new framework only applies to new projects and as such any material improvement on aggregate, Bank-level performance/risk is likely to take two to three years to take effect.

**5.4.4. As mentioned above, IDB no longer categorises "reputational" risk at the intervention level as a source of risk (it is considered a potential impact of uncontrolled risk).** Nevertheless, within this sphere, in 2020 an AUG report (with OII involvement), while generally positive, found inconsistencies in the way integrity risks were being managed in SG operations during execution. In response, OII has developed a staff training programme with VPS that is being rolled out across sector specialists. In addition, it is now mandatory for PCRs to be sent to OII for review, with a view to strengthening the identification and dissemination of lessons relating to integrity risk management. It is too early to determine the effectiveness of these new measures.

**5.4.5. The new ESPF (see Element 2) requires IDB to assess proposed interventions for social risks, including risk of misconduct with respect to host populations (and sexual abuse).** However, if the project is not considered high risk, the issue is not routinely monitored. The ability to identify



these risks requires expertise, and these are areas where the Bank is building its capabilities. As stated elsewhere, sexual abuse is not classified as a prohibited practice by the Bank, but should the Bank become aware of misconduct (e.g. through its whistleblower policy), there is scope for the Bank to alert the appropriate authorities in the country.	17, 24, 48, 53, 65, 72-81, 96-102, 177-178, 224
<b>MI 5.4: Evidence confidence</b>	<b>High confidence</b>
<b>MI 5.5: Intervention designs include the analysis of cross-cutting issues (as defined in KPI 2)</b>	<b>Score</b>
<b>Overall MI rating</b>	<b>Satisfactory</b>
<b>Overall MI score</b>	<b>3.50</b>
Element 1: Approval procedures require an assessment of the extent to which cross-cutting issues have been integrated into the design	4
Element 2: Plans for intervention monitoring and evaluation include attention to cross-cutting issues	3
<b>MI 5.5: Analysis</b>	<b>Evidence documents</b>
<p><b>5.5.1. Approval procedures require that cross-cutting issues are assessed in applying the development effectiveness matrix.</b> Mainstreaming gender equality and diversity, climate change and environmental sustainability, and institutional capacity and rule of law are IDB's key cross-cutting issues. The revision to country strategies in 2015 strengthened guidelines for integrating cross-cutting issues. Project designs are required to identify implications for cross-cutting issues during the design phase. Project Proposals (PP), which form the basis for the design of projects are required to set out the technical aspects of the projects and the proposed environmental and social safeguards. This is guided by the Development Effectiveness Matrix which is a checklist of good practice standards to design and monitor evidence-based projects and checks the degree of alignment with cross-cutting issues. As part of the project overview, the PP sets out which cross-cutting issues that the project supports and aligns with as part of the description of the project's strategic alignment. Projects are usually aligned to more than one cross-cutting issue and the processes to mainstream cross-cutting issues follow different approaches. In addition, the PPs include an annex which provides an initial social and environmental assessment which articulates the risks related to cross-cutting issues and mitigating measures, including additional analysis or capacity building. In a sample of ten project profiles, all investment loans include analyses of cross-cutting issues, while the PBLs do not explicitly address the cross-cutting issues that the PBL will address. Project alignment with cross-cutting issues decreased in 2020, particularly in the areas of climate change and rule of law, in part due to shifting priorities with the COVID-19 pandemic coinciding with a smaller amount for operational cross-cutting support in 2020.</p> <p><b>5.5.2. Where interventions have a specific focus on gender, climate and rule of law, this is embedded in the monitoring and evaluation plan and supported by expertise from VPS, but expertise in cross-cutting issues is not a requirement for interventions.</b> The IDB's matrix structure facilitates collaboration between VPS and VPC that happens at the project proposal stage and during the PMR. IDB's Country Systems Strategy points to IDB's role in strengthening national systems so that they meet international standards to be able to support monitoring and supervision of cross-cutting issues in IDB projects. In the project preparation stage, IDB's climate change, gender and diversity specialists provide technical advice for project design and risk assessment. Based on the risks and impacts identified as part of the project design, borrowers may be required to involve external experts to assist in the risks' and impacts' identification and monitoring processes throughout the project's lifecycle.</p>	9-10, 12-14, 17-19, 65, 72-81, 229, 251
<b>MI 5.5: Evidence confidence</b>	<b>High confidence</b>

<b>MI 5.6: Intervention designs include detailed, realistic measures to ensure sustainability (as defined in KPI 12)</b>	<b>Score</b>
<b>Overall MI rating</b>	<b>Satisfactory</b>
<b>Overall MI score</b>	<b>3.00</b>
Element 1: Intervention designs include a statement of critical aspects of sustainability, including an institutional framework, resources and human capacity, social behaviour, technical developments and trade, as appropriate	3
Element 2: Intervention design defines key elements of the enabling policy and legal environment required to sustain the expected benefits of successful implementation	3
Element 3: The critical assumptions that underpin sustainability form part of the approved monitoring and evaluation plan	3
Element 4: Where shifts in policy and legislation are required for sustainability, the intervention plan directly addresses these reforms and processes them in a time-sensitive manner	3
<b>MI 5.6: Analysis</b>	<b>Evidence documents</b>
<p>5.6.1. <b>Intervention designs generally include key aspects of sustainability.</b> Sustainability, in terms of the achievement of long-term development outcomes, is central to IDB's corporate strategy and is a focus of IDB's projects, although it does not always address key issues affecting development effectiveness. IDB's two broad objectives are fostering sustainable growth and reducing poverty and inequality. Sustainability is embedded in IDB's strategic priorities, sector frameworks and country strategies. Projects are designed to deliver sustainable results by linking a development problem to a sustainable development solution. Project proposals generally provide analyses of development challenges and offer solutions to address challenges to sustainable development. This includes systemic and institutional aspects that will affect the sustainability of results. Project proposals include an assessment of the development context and institutional capacity. The assessment of resources and capabilities to implement is central to IDB's approach and project design. Project proposals address sustainability through different approaches. In a sample of ten project proposals, eight considered analysis of the conditions for sustainability which ranged from macroeconomic conditions, to the quality and support of executing agencies. Project designs are framed to contribute to sustainable development outcomes. Projects often include components that serve to address deficiencies identified, such as technical assistance to build capacity or programme designs that address specific sector challenges. Sustainability is built into IDB's project cycle through screening all projects for potential environmental and social risks. IDB's interpretation of sustainability in the project cycle includes a strong disaster and climate change risk component. IDB's projects often include a significant focus on institutional capacity building and strengthening of systems and specialised services to support national and sub-national governments. As of 2021, IDB is investing to enhance the environmental and social sustainability of Bank operations. To do so, the Bank is developing guidance, capacity building and outreach to support clients' readiness to implement the ESPF. The Environmental and Social Solutions Unit (VPS/ESG) will continue to provide environmental and social solutions for project preparation and implementation.</p> <p>5.6.2. <b>The enabling environment and policy context broadly frames intervention design, although this varies between projects.</b> Policy-based loans are an important instrument for providing flexible support to address systemic challenges to sustainable development. The extent to which project designs consider the implications of the policy, legal and regulatory environment on long-term outcomes depends very much on the sector in which a project is implemented, the country context and the type of financial instrument. Programmatic policy-based loans, which were introduced in 2005, support reforms/institutional changes in phases through funds disbursed in tranches over three to five years.</p>	12, 17, 19, 254, 271

<p>5.6.3. <b>Sustainability is addressed in PMRs and is a core criterion for the PCRs.</b> The PCRs assess sustainability in terms of the conditions that could influence the continuation of the results already achieved and the achievement of the probability and the impact of various risks to the continuation of results beyond the completion of the project. The PCR assessment of sustainability makes up 20% of the weight for the overall rating for both investment loans and PBLs. It considers the operational, sector and country context in projecting how risks may affect the results. Sustainability is assessed with regard to managing technical, political, financial, economic and social risks which would comprise the continuation of results. An excellent rating corresponds with “no unmitigated risks to continuation of results” and satisfactory safeguards performance. The timeframe for the sustainability assessment depends on the project being assessed. PCR guidelines state that sustainability assessment is the period during which the benefits and costs associated with the project are expected to be realised. For PBLs, the timeframe may need to be longer to encompass the persistence of results from policy and institutional actions adopted under the operation. The sustainability assessment can consider government ownership and institutional support. In a sample of PCRs for investment loans reviewed, aspects such as capacity dimensions, for example reliance on consultancies or ongoing support from the IDB, are not always included as part of the assessment of sustainability.</p> <p>5.6.4. <b>During project implementation, project teams can rapidly make changes to project design, but major changes require Board approval.</b> Allocation of funding for technical co-operation is built into IDB’s annual programming process and dialogue with countries to provide project supervision and ongoing support to interventions. In 2020, IDB approved USD 232.4 million in technical co-operation which translates to 508 operations. Technical co-operation finances primarily consultancy services and finance investment expenditures if considered necessary to accomplish a project’s objectives. The Board of Executive Directors has authorised the IDB president, or any such representative as the president may designate, to approve up to USD 3 million for individual technical co-operation projects and non-reimbursable investment projects financed with donor resources under IDB management. The Bank works with borrowing member countries to identify capacity needs to support project implementation. VPS staff report that it can be difficult to anticipate where capacity needs will arise at the country level and that funding at the regional level for technical co-operation provides much-needed flexibility to respond to emerging needs from countries. Stakeholders report, however, that there is a reluctance to provide this kind of funding at a regional level.</p>	12, 17, 19, 254, 271
<b>MI 5.6: Evidence confidence</b>	<b>High confidence</b>
<b>MI 5.7: Institutional procedures (including systems for hiring staff, procuring project inputs, disbursing payment, logistical arrangements, etc.) positively support speed of implementation and adaptability in line with local contexts and needs</b>	<b>Score</b>
<b>Overall MI rating</b>	<b>Satisfactory</b>
<b>Overall MI score</b>	<b>3.00</b>
Element 1: The organisation has internal standards set to track implementation speed	3
Element 2: Institutional procedures are adaptable to local contexts and needs	4
Element 3: The organisation’s benchmarks (internally and externally) its performance on implementation speed across different operating contexts	2
Element 4: Evidence shows that procedural delays have not hindered speed of implementation across interventions reviewed	3

MI 5.7: Analysis	Evidence documents
<p><b>5.7.1. IDB has internal standards to track efficiency but has removed key standards for tracking implementation speed in the CRF.</b> IDB balances an emphasis on efficiency with increased emphasis on environmental and social guidelines. The UIS commits the IDB to speed up the project cycle. IDB reports on few corporate metrics that explicitly assess timeliness: Annual reporting tracks the speed of implementation for loan projects’ meeting target preparation time (a decrease from 85% in 2018 to 83% in 2019), as well as the time elapsed from eligibility to first disbursement (an increase from 36 days in 2018 to 45 days in 2019); IDB also tracks the speed of project preparation median time for SG projects which slightly decreased between 2019 and 2020 (7.9 to 7.7 months). In 2019, the IDB reported a decrease in project extensions (from 19.2% to 13%). With IDB’s intention of simplifying the CRF, the 2020-23 CRF removed two indicators that tracked speed of implementation: (i) operations meeting target preparation time; and (ii) SG investment loans fully disbursed on time. Targets for speed of implementation are most often set at the sector level as part of operational performance reporting in PMRs and PCRs. PCR guidelines stipulate that PCRs should discuss aspects of project design and implementation that either contributed to or reduced efficiency including implementation delays as part of the efficiency analysis. VPC registers the timeframe of country strategies in the project planning software, Convergence, so that VPS, SPD and IDB invest can plan accordingly. To tackle the impact of COVID-19, IDB implemented fast-track procedures to process projects which adjusted lending instruments and accelerated procedures to help the countries of the region manage the pandemic and its socioeconomic impacts. The IDB Group approved USD 21.6 billion in financing in 2020 in response to COVID-19 and mobilised USD 1 billion for vaccine acquisition and distribution. Stakeholders note that IDB’s project approval process takes longer than other development banks given the IDB’s detailed ESG protocols but tends to be speedier than larger international finance institutions.</p>	
<p><b>5.7.2. IDB’s institutional procedures are adaptable to the local contexts and needs.</b> The UIS states that “given the Region’s heterogeneity, responsiveness entails continuing to tailor activities to countries’ specific needs”. With this, IDB offers a range of financial instruments which are made to respond to the different needs and contexts of borrower countries with respect to their gross national income, debt/creditworthiness, macroeconomic situation, political risks, social and environmental vulnerability, revenue, finance absorption capacity, etc., although OVE found that in practice very few instruments are actually used. IDB’s institutional procedures are driven by country interests, institutional capacity and the specific country context. This includes the availability of concessional resourcing for certain countries, co-financing opportunities, a range of loan products including PBLs, and Public Private Partnerships (PPPs). IDB has a target of 35% of lending to small and vulnerable countries, although notably, this indicator does not establish a specific target or definition for lending to vulnerable countries – those countries with less developed economies that are more vulnerable to the effects of poverty. Haiti, which is both small and vulnerable, has been a particular case for the IDB as it has solely received grants since the earthquake in 2012, supported by IDB stakeholders. More broadly, representatives from other Caribbean countries report in survey responses that the approach taken in Caribbean countries is not sufficiently tailored to the specific needs, priorities, working culture and dynamics of the local context. The CS provides the strategic architecture for a country programme which offers flexibility to adjust to emerging priorities. A limitation of the CS is that it is aligned to country election cycles which, when there is political upheaval (e.g. Haiti, Venezuela, Nicaragua), the CS will not be updated until there is new leadership. At the country level, IDB has latitude to respond to external stressors either through approving new operations or reformulating the portfolio to reallocate an existing operation to include new elements. In 2018, SPD produced a technical note, drawing on evidence from PMRs, on what predicts problems in project execution to identify project characteristics associated with delays in execution. Key factors were found to be projects managed by subnational</p>	2, 59-60, 62, 66, 141, 222, 254, 292-293

executing agencies; multiple works loans; multi-booked projects (prepared by different departments); projects with the team leader located in headquarters during the project's last classification period; projects with frequent team leader changes; projects relatively smaller in size; and projects where a longer time elapsed between project approval and eligibility dates. Feedback from stakeholders reflects IDB's responsiveness to country context. Stakeholders surveyed report that IDB has been moving away from a cookie-cutter approach for all contexts and has improved interventions to be better tailored to country contexts based on local experience and analysis of each context, culture and juncture.

**5.7.3. While IDB elicits feedback on its efficiency and compares performance with other international finance institutions, it does not consistently report its performance on implementation speed across different operating contexts.** Responsiveness to clients is the IDB's first guiding principle, and the IDB regularly surveys its stakeholders on their satisfaction with the IDB. IDB conducts regular assessments of the extent to which IDB's support meets the needs of its clients through the External Feedback System (EFS) and the Reputation survey and reports on client satisfaction in the CRF. In practice, the feedback from clients is mixed. In 2019, 71% of partners were satisfied with IDB Group development solutions; IDB responded immediately to the COVID-19 pandemic through technical assistance, portfolio reformulation and increasing the availability of funding to countries. The 2020 Program and Budget Execution report highlights the full flexibility of the 2020 Program and Portfolio to address the COVID-19 pandemic. This included a reformulation of projects in the portfolio to redirect resources to address COVID-19. Sixty-three percent of the stakeholders surveyed by MOPAN agree or strongly agree that IDB adapts its work as necessary when the context in their country changes.

**5.7.4. Generally, IDB reporting suggests that procedural delays have not hindered speed of implementation across interventions reviewed, although the ability to flex design may have unintended consequences for performance against the original objectives of projects.** Cost and time overrun analysis is a component of IDB's project completion reporting on efficiency for investment loans (as reported in PCRs). Efficiency is not assessed for PBLs. PCRs provide an overall assessment of the project efficiency, but this does not consistently include an analysis of the time, or the factors contributing to project delays. For those PCRs that do provide analysis of the time and costs of interventions, these draw out key factors contributing to project delays but do not generate insight into implementation speed. IDB uses project monitoring reports to monitor operations and derive lessons during project execution. The PMR provides biannual reporting against development objectives and disbursements but does not provide information about factors contributing to or constraining timeliness. In a sample of ten PCRs submitted in 2022, speed of implementation is not a key focus of the PCR. One project provides lessons learned to improve implementation speed. More commonly, the PCRs (seven out of ten) include metrics on timeliness and mention factors that have contributed to delays. Within the sample, one PCR only refers to timeliness with respect to IDB timeframes, and one PCR does not provide an assessment of timeliness. Annually, OVE reviews and compiles lessons from PCRs. In 2020, the review highlighted the need for more realistic timeframes, for increased efficiency in project processes and for greater institutional capacity within executing agencies to reduce delays in implementation. Procedural requirements were not cited as a bottleneck to implementation speed in the review of PCRs, but stakeholders surveyed point to bureaucracy within the IDB which, coupled with the government processes, lends itself to a slow pace of procurement. Integrating greater reliance on country systems is an aspect that stakeholders point to as a way to improve procurement and implementation speed.

2, 59-60, 62, 66, 141, 222, 254, 292-293

**MI 5.7: Evidence confidence**

**High confidence**

KPI 6: The organisation works in coherent partnerships directed at leveraging and catalysing the use of resources	KPI score
Satisfactory	3.26
<p><b>Agility:</b> Country representatives have a constant, dynamic dialogue with private and public sector organisations, representing the whole IDB Group’s interests. IDB offers a diversity of options for how partners can engage with IDB through different financing instruments, opportunities for both financial and non-financial partners, and flexibility within its operational policies to respond to emerging priorities – though, in practice, partners engage through only a portion of these. IDB’s response to COVID drew on IDB’s ability to provide emergency contingency loans and to use Policy Based Loans to address the impacts of COVID-19.</p> <p><b>Comparative advantage:</b> IDB’s strategy is based on its comparative advantage, which extends from its technical expertise and its regional proximity. IDB’s partnerships are managed through the Office of Outreach and Partnership which co-ordinates between external partners and internal divisions in the Bank, servicing the whole of the IDB Group. The current administration emphasises the comparative advantage offered by the whole IDB Group providing private and public sector solutions to the region.</p> <p><b>Use of country systems:</b> IDB has a clear statement on institutional strengthening for the purposes of strengthening fiduciary and non-fiduciary country systems. IDB facilitates regional networks for sharing experiences and expertise between countries.</p> <p><b>Synergies:</b> IDB takes a leading role in promoting joint efforts with diverse internal and external stakeholders, building partnerships and synergies. IDB’s role as convenor of financial and non-financial partners is central to IDB’s partnerships. ORP oversees and manages IDB’s relationships with development partners, maintaining a comprehensive Salesforce database and engaging in ongoing dialogue with partners. OVE country programme evaluations recommend that, in certain cases, IDB clarify its approach to co-ordination with other donors.</p> <p><b>Co-ordination with development partners:</b> Partnerships with development partners are being expanded and formalised. Co-ordination with IDB Invest, IDB’s private sector counterpart, is visible in IDB’s policies but not fully embedded in IDB’s systems. Co-ordination with the World Bank at the global and country levels is supported by the first-ever framework agreement which established mutual reliance in public procurement. Overall, the nature and degree of co-ordination with development partners vary by country and by intervention.</p> <p><b>Information sharing:</b> IDB has an Access to Information Policy which was updated in 2019 to reaffirm the Bank’s commitment to transparency in its activities, enhancing the effectiveness of IDB operations and strengthening governance and accountability at the IDB. IDB performs very well against the methodology of the International Aid Transparency Initiative.</p> <p><b>Accountability to beneficiaries:</b> Although IDB does not have an explicit statement on accountability to beneficiaries, IDB has processes and protocol that support a culture of accountability and is oriented toward support to the most vulnerable groups. The ESPF has enhanced and consolidated procedures for accountability to beneficiary needs.</p> <p><b>Feedback from partners:</b> Ongoing dialogue with partners is built into IDB’s work, particularly through its relationships at the country level. IDB engages in multi-stakeholder dialogue with other partners. The External Feedback System manages Satisfaction and Reputation surveys to seek feedback from partners.</p> <p><b>Knowledge:</b> Innovation and knowledge is a core principle of IDB’s strategy, and bolstering IDB’s technical capacity and the expertise from its sector specialists has been a focus for the Bank. Research and flagship publications are used by stakeholders, particularly in designing projects. IDB has enhanced training opportunities through BIDAcademy. Currently, IDB is best known for its publications which are considered to be high quality by stakeholders, although the uptake of these publications, or their utility for decision making is not fully known.</p>	

MI 6.1: Planning, programming and approval procedures make partnerships more agile when conditions change	Score
Overall MI rating	Satisfactory
Overall MI score	3.33
Element 1: Procedures are in place to encourage joint planning and programming	3
Element 2: Mechanisms, including budgetary, are in place to allow programmatic changes and adjustments when conditions change	3
Element 3: Institutional procedures for revisions permit changes to be made at the appropriate level to ensure efficiency	4
MI 6.1: Analysis	Evidence documents
<p>6.1.1. <b>Procedures are in place for joint programming and programming with country partners.</b> Seventy-one percent of respondents to IDB's Reputation survey reported that IDB collaborates effectively with its counterparts. Joint planning with the World Bank is well established, but the degree of joint engagement with other development partners varies for each agency. Borrower Country priorities, and responsiveness to country priorities drives IDB's programming. This is supported through country departments in each region and country offices in each country. Operational support for joint planning and programming is led by IDB's country representatives who lead a "dynamic and constant" dialogue with government partners for all public and private sector support, representing the whole of the IDB Group, and programming at the country level. Country Representatives lead the dialogue with the country in an integrated way, work as a liaison among VPC, VPS and IDB Invest and collaborate closely with the Office of Outreach and Partnerships. The CS articulates how IDB will work with ministries within borrower countries to address development challenges. Country programming is led by VPC with support from VPS to determine how IDB will work toward specific sector solutions with government ministries. The IDB prioritises a multi-sector approach to programming which provides comprehensive solutions to development challenges by bringing expertise from multiple sectors to programme design. IDB promotes collaboration and synergies with diverse partners; however, given its size in the region, IDB is sometimes perceived as acting alone.</p>	
<p>6.1.2. <b>Although IDB has mechanisms in place to co-ordinate with partners and allow adjustments when conditions change, according to IDB's surveys, the Bank is not widely known by partners for its flexibility.</b> Trust funds and platforms for co-ordination are in place for supporting continuity when conditions change and to support partners as a convenor for dialogue. IDB supports a number of platforms for knowledge-sharing, relationship-building and pooled resources. Leading regional policy dialogue is one of the IDB's key mechanisms for supporting co-ordination, knowledge sharing, and engagement both with governments and development actors on high-priority issues for the region. During COVID-19, IDB continued facilitating regional policy dialogue through virtual technologies. IDB has over 20 distinct networks that it hosts which bring together development partners, experts and government policy makers. These include the Migration Network, the Climate Change Network, the Social Protection and Health Network and the Energy Network, among others. IDB also collaborates with bilateral and multilateral partners to develop multi-donor funds that provide support to the region's challenges. In 2020, the IDB launched the NDC Accelerator Multi-donor Fund which was designed to support a multi-sectoral approach to supporting countries' NDC targets. Other examples of Multi-Donor Funds include the Technical and Vocational Education Training Fund (TVET), Multi-Donor AquaFund, Emerging and Sustainable Cities Multi-Donor Trust Fund and the AfroLAC 2025 Multi-donor Trust Fund. IDB Lab has launched several initiatives that have brought together development partners and private sector organisations to provide solutions for the region. IDB took a multi-sector, multi-partner approach</p>	6, 45, 91, 222, 289-291



<p>in response to the COVID-19 pandemic. To provide guidance and centralise information, it created a platform featuring real-time updates, events and knowledge products which drew on input from a range of regional and international knowledge partners including regional and international universities (Harvard, University of the Andes, Spain's IE Business School, Uruguay's Universidad de la República, Tecnológico de Monterrey, Fundación Universia and many others. Notwithstanding these diverse platforms for co-ordinating with partners, only 46% of borrowing member country partners surveyed identified IDB as a “flexible organisation”.</p> <p><b>6.1.3. IDB has the flexibility within its operational policies to divert allocated programmatic funds to emerging priorities.</b> OVE's 2018 background notes on instruments suggested that IDB reduce the number of modalities and increase their flexibility. In practice, recent macroeconomic and environmental crises have tried and tested IDB's ability to respond to shocks. IDB has been able to redeploy funding to respond to emerging challenges. IDB has a diverse range of financial instruments and the IDB has developed several approaches to provide emergency lending:</p> <ul style="list-style-type: none"> <li>• PBLs support policy reforms and institutional changes in a sector with flexible, liquid financing.</li> <li>• Immediate Response Facility allows the IDB to provide financial resources to cover the costs of restoring basic services to a population in the immediate aftermath of a disaster.</li> <li>• Contingent Credit Facility for Natural Disaster Emergencies is an investment lending modality designed to help countries prepare for natural disasters and deal with their aftermath</li> <li>• Special development lending is a budget support lending instrument aimed at contributing to addressing the effects of a macroeconomic crisis on a country's economic and social progress.</li> </ul> <p>IDB's response to COVID-19 drew on IDB's ability to provide emergency contingency loans more than ever. In addition, IDB has used its current lending instruments to respond to client needs. PBL to address the impact of COVID-19, and adjustments to programmes to pivot toward the adjustments needed to respond to the global health crisis. While country programmes operate within a relatively fixed annual allocation per year, countries are able to design new programmes (which usually take six months), or they can flex an existing programme to respond to emerging challenges (which tends to take three to four months). Stakeholders surveyed point to the flexibility of financing instruments as one of IDB's strengths.</p>	<p>6, 45, 91, 222, 289-291</p>
<p><b>MI 6.1: Evidence confidence</b></p>	<p><b>High confidence</b></p>
<p><b>MI 6.2: Partnerships are based on an explicit statement of comparative or collaborative advantage, i.e. technical knowledge, convening power/partnerships and policy dialogue/advocacy</b></p> <p><b>Overall MI rating</b></p> <p><b>Overall MI score</b></p> <p>Element 1: Corporate documentation contains a clear and explicit statement on the comparative advantage that the organisation is intending to bring to a given partnership</p> <p>Element 2: Corporate documentation contains a clear and explicit statement on the collaborative advantage that the organisation intends to realise through a given partnership</p> <p>Element 3: Resources/competencies needed for intervention area(s) are aligned to the perceived comparative or collaborative advantage</p> <p>Element 4: Comparative or collaborative advantage is reflected in the resources (people, information, knowledge, physical resources, networks) that each partner commits (and is willing) to bring to the partnership</p>	<p><b>Score</b></p> <p><b>Satisfactory</b></p> <p><b>3.00</b></p> <p>3</p> <p>3</p> <p>3</p> <p>3</p>

MI 6.2: Analysis	Evidence documents
<p><b>6.2.1. IDB’s approach to partnering is premised on its role as “partner to Latin America and the Caribbean” and its comparative advantages which are its regional expertise and footprint, the broad range of financial and non-financial services that the Bank provides and the strong technical expertise that the IDB offers.</b> Notwithstanding the broad articulation of the Bank’s comparative advantage in the Institutional Strategy, and the breadth of IDB’s sector engagement, IDB’s approach to partnerships is derived from IDB’s strengths in the region. IDB’s strategy positions partnership as “a vehicle for unlocking innovation, knowledge and capital for sustainable development” in the region, building on IDB’s regional expertise and proximity. Among respondents to the IDB Reputation survey, 92% of IDB’s partners know IDB for its knowledge about development issues, and 77% of partners feel that IDB has in-depth knowledge of the local situation in their country. Partnerships with country governments and with other development agencies are fundamental to the IDB’s work. The Office of Outreach and Partnerships, founded in 2008, is the “one-stop shop” for partners’ engagement within the Bank, which liaises between external partners and internal divisions within the Bank and manages IDB’s extensive and multi-faceted partnership architecture. ORP is the main entry point for bilateral and multilateral development partners, a key channel of engagement with country governments and ministries and the window for engaging other partners for financial and non-financial partnerships including CSOs, academic institutions and private sector entities. ORP has offices in Europe and Asia to provide fluid communication with partners and to raise the regional and organisational profile of the IDB with key partners and donors. ORP has a constant dialogue with sector divisions and country departments to determine country priorities and to match with donors and partners. ORP is responsible for supporting dialogue with donors for the whole of the IDB Group. It has a Service Level Agreement with IDB Invest to support engagement with private-sector donors. ORP’s mandate is primarily focused on countries that are members of the Bank, but ORP also has a mandate to reach out to non-members. At the country level, the country strategies provide the strategic orientation for how the Bank will work with a country and country partners. The country strategies bring together the Bank’s diagnostic of country challenges with the priorities of a country’s government, as well as the Bank’s corporate priorities and its comparative advantage as a development partner within the country context. In practice, the country strategy may not reflect all the political challenges or sensitive issues affecting a country at any given time. It is used to orient the planning and to provide flexibility to enable the Bank to deploy its technical co-operation and financial resources effectively.</p> <p><b>6.2.2. IDB’s engagement has evolved over time and, while the Bank’s presence in the region is still of key importance, IDB has worked to strengthen its contribution in areas such as climate, institutional capacity and rule of law, and gender and women’s empowerment.</b> IDB has strengthened its focus on multi-sector approaches and development solutions that bring both private and public sector solutions to development challenges. Led by ORP, IDB aims to incentivise investment in the Latin American region and to be seen as a preferred partner for the region. Around 80% of all stakeholder groups surveyed agree that IDB’s work with partners is based on a clear understanding of why it is best placed to target specific sectoral and/or thematic areas.</p> <p><b>6.2.3. Strategic selectivity for the IDB’s investment in the region was a key priority for the IDB’s Ninth Capital Increase.</b> The IDB-9 Agreement aimed to ensure that IDB articulated its priorities and set out plans to build on its comparative advantages. A focus on reducing poverty and inequality and achieving sustainable growth underpins IDB’s investments and its collaboration with partners. As a reflection of its commitment to inclusive development, including diversity, inclusion and equity. IDB has reinforced its investment in key cross-cutting areas. This investment includes USD 401 million in designated trust funds in 2020, project-specific grants amounting</p>	<p>4-5, 18, 32, 45, 50, 54, 57, 59, 65, 78, 147</p>

<p>to USD 445 million and the approval of 583 grant operations (technical co-operation, investment grants and externally funded contracts), totalling USD 295 million and 32 donor-financed loans and equity investments for USD 534 million. This has translated to a number of single and multi-donor trust funds dedicated to addressing cross-cutting issues, particularly for climate change and sustainability. Since 2017, this has included USD 25 million for the NDC Pipeline Accelerator Multidonor Trust Fund and USD 13 million for the Amazon Bioeconomy and Forest Management Multi-Donor Trust Fund. There are markedly fewer trust funds that are explicitly dedicated to gender and rule of law, although the Citizen Security Multi-Donor Trust Fund has been an important channelling resource to address gender-based violence and rule-of-law. In addition to the commitment to enhancing the impact of partner investments, IDB focused on mobilising non-financial support through knowledge and innovation from academic institutions and think-tanks to channel expertise and new approaches to the region. IDB's Country Strategies and Sector Strategies operationalise the priorities for countries and provide a basis for mobilising the support of partners toward specific development solutions.</p> <p><b>6.2.4. IDB applies a well-tailored, responsive approach to partnership management, supported by a small team.</b> IDB has relatively slim resourcing to support this function, which relies on up-to-date political and financial data and ongoing dialogue between ORP and partners. In 2020, IDB allocated 2.3% (13.6) of its approved budget to leveraging partnerships and resource mobilisation, of which it expended 1.8% (9.7m). Salesforce is used to manage partner relationships, and ORP analytics provides a real-time dashboard that tracks the availability of resources, donor priorities, country needs, and the supply and demand of resources for TC.</p>	<p>4-5, 18, 32, 45, 50, 54, 57, 59, 65, 78, 147</p>
<p><b>MI 6.2: Evidence confidence</b></p>	<p><b>High confidence</b></p>
<p><b>MI 6.3: Demonstrated commitment to furthering development partnerships for countries (i.e. support for South-South collaboration, triangular arrangements and use of country systems)</b></p>	<p><b>Score</b></p>
<p><b>Overall MI rating</b></p>	<p><b>Satisfactory</b></p>
<p><b>Overall MI score</b></p>	<p><b>3.50</b></p>
<p>Element 1: Clear statement on how the organisation will support principles of collaboration with countries on their development agenda (Nairobi Principles, 2030 Sustainable Development Agenda)</p>	<p>3</p>
<p>Element 2: Clear statement/guidelines for how the organisation will support development partnerships between countries</p>	<p>3</p>
<p>Element 3: Clear statement/guidelines for how the organisation will use country systems</p>	<p>4</p>
<p>Element 4: Internal structures and incentives supportive of collaboration/co-operation with countries, and use of country systems where appropriate</p>	<p>4</p>
<p><b>MI 6.3: Analysis</b></p>	<p><b>Evidence documents</b></p>
<p><b>6.3.1. The IDB's policies on Strengthening and Use of Country systems are aligned with the Paris Agreement and the Accra Agenda for Action. The Strategy is guided by the following principles:</b></p> <ul style="list-style-type: none"> <li>• demand-driven based on agreements with countries</li> <li>• gradual recognition of each country's context</li> <li>• country-owned focus on country's needs</li> <li>• guided by country strategy</li> <li>• reasonable and achievable targets</li> <li>• international standards and best practices.</li> </ul>	<p>5, 47-48, 101, 185, 218</p>

In line with the Paris Agreement principles, the Bank's strategy for strengthening its clients' country systems states explicitly that country systems should be the first option for aid programmes for activities managed by the public sector and that safeguards for country systems' strengthening should be provided where use of country systems is not feasible. The strategy also states that countries and the IDB will jointly assess the quality of country systems using mutually agreed diagnostic tools. The Bank uses instruments like the PEFA, the SAI-PMF (for financial management) and the MAPS methodology (for procurement systems), and IDB's own fiduciary assessments, to diagnose fiduciary systems. As of 2019, 24 countries use at least one fiduciary sub-system (or 44% of the total projects) out of a 2019 target of 50%.

**6.3.2. The UIS is explicit about the role that IDB has in supporting regional co-operation and supporting development solutions that address the region's shared challenges and has instruments in place to support regional co-ordination and communication.** IDB offers multiple opportunities for cross-country dialogue, collaboration and knowledge exchange at the sector level. Sector frameworks set out priorities for the whole of the region which support "regional exchanges of experience. A large proportion of IDB publications take a regional approach or a multi-country approach. This includes *Trust: The Key to Social Cohesion and Growth in Latin America and the Caribbean* (2022), *Digital Transformation and Public Employment: The Future of Government Work* (2021), *Healing a Broken World: The Power of Art for Social Transformation in the Post-Pandemic Era* and a wide range of books, technical notes, articles, learning materials and reports. IDB sector staff report that funding allocated for regional technical co-operation gives them the flexibility to respond to emerging priorities, e.g. for setting up new operations, in a more efficient way. Rather than providing small resource envelopes to each country for TC, regional TC is used to support regional networks of experts. The Corporate Results Framework measures indicators at the regional level to provide a picture of the region's long-term development. The Bank also finances intra-regional technical co-operation projects to exchange lessons between countries, thus promoting collaboration. In addition, there are regional technical co-operation projects for taking advantage of joint opportunities among countries. These regional projects address challenges which affect more than one country (such as the integrated water management programmes, and projects focused on regional approaches for digitisation. In practice, regional projects comprise a small proportion of the IDB's portfolio. Currently, 15 out of 617 projects are at the regional level, and only 4 out of 617 projects are regional integration projects. Although regional projects do not make up the majority of IDB's portfolio, stakeholders surveyed suggest that IDB may not optimise opportunities to share the lessons from successful national initiatives into multi-country or regional programming to benefit more countries more efficiently. Examples of regional approaches include IDB-led regional initiatives within the Caribbean. These are supported by IDB's strategy on regional integration which guides Bank programming in the Caribbean. Stakeholders surveyed about whether IDB seizes opportunities to support countries in furthering their development partnerships through South-South Co-operation and triangular relationships (e.g. support to regional organisations and initiatives) are generally positive, with 56% of stakeholders at least somewhat agreeing; but 44% of stakeholders have no opinion or are not aware of IDB's commitments to South-South relationships which suggests that there is significant variability in the Bank's work in this area.

5, 47-48, 101, 185, 218

**6.3.3. IDB has a clear statement and a supporting strategy for how the Bank will use country systems.** The Country Systems Strategy encompasses fiduciary and non-fiduciary systems. Fiduciary systems consist of a country's public financial management systems (budget planning and management, treasury and public debt, accounting and financial reporting, and internal and external control) and procurement systems and provide a framework for countries to use fiscal resources toward the achievement of their public policy objectives. Non-fiduciary systems include strategic planning,

<p>M&amp;E, Statistics and environmental management capacity. Technical and analytical support to countries is generated through dialogue with countries and through periodic assessments based on a standard methodology. IDB's approach to supporting country systems deploys technical co-operation to build country systems where institutional capacity is weak and monitors the proportion of country systems that are used.</p> <p>6.3.4. <b>Collaboration with countries is hardwired into Bank operations.</b> The use of country systems in the region is tracked with explicit indicators and expected targets for 2023. The second outcome area for the Strategy for Strengthening and Use of Country Systems is an increase in the use of country systems in the Bank's portfolio. The expected results by 2023 represent a significant uptick in the use of countries' procurement and financial management systems. For the Bank, this is expected to be accompanied by increased operational efficiency, tracked by an indicator that measures the reduction of supervision costs in fiduciary systems. VPS and VPC are responsible for tracking all country system strengthening activities under loan and TC operations and for reporting annually on the number of operations using country systems. This is supported by established internal analysis and decision-making processes to accept the use of country systems. First-time or partial use needs to be decided by the Board of Executive Directors. Incremental use of a country system can be approved by management. Use by executing agencies in specific projects also needs to be approved by the Board. Country strategies state how the Bank will use country systems based on the diagnostic assessments conducted as part of the planning process. Country strategies indicate how the IDB will address gaps or weaknesses in country systems through technical co-operation and institutional capacity building. Collaboration within countries is supported through regular sharing events, which take place three to four times per year called "Operations Days" where IDB and an executing agency share knowledge, troubleshoot problems and design solutions. The collaboration with partners is reflected in the IDB's Reputation survey, where 76% of respondents report that IDB collaborates effectively with their counterparts.</p>	5, 47-48, 101, 185, 218
<b>MI 6.3: Evidence confidence</b>	<b>High confidence</b>
<b>MI 6.4: Strategies or designs identify and address synergies with development partners, to encourage leverage/catalytic use of resources and avoid fragmentation in relation to 2030 Sustainable Development Agenda implementation</b>	<b>Score</b>
<b>Overall MI rating</b>	<b>Satisfactory</b>
<b>Overall MI score</b>	<b>3.00</b>
Element 1: Strategies or designs clearly identify possible synergies with development partners and leverage of resources/catalytic use of resources and results	3
Element 2: Strategies or designs clearly articulate responsibilities and scope of the partnership	3
Element 3: Strategies or designs are based on a clear assessment of external coherence	3
Element 4: Strategies or designs contain a clear statement of how leverage will be ensured	3
<b>MI 6.4 Analysis</b>	<b>Evidence documents</b>
<p>6.4.1. <b>IDB has an important role as a convener of development partners in the region and encourages close co-ordination with the bilateral and multilateral agencies as well as with technical partners.</b> Shared commitment to the Sustainable Development Goals supports alignment between development partners at the global and country levels. Engagement with development partners and relationship management is largely managed by ORP which encourages constant dialogue with Country Representatives to support the preparation of country strategies. Country strategies set out how the IDB will co-ordinate with other development partners toward overall sustainable development goals. The country strategies provide a broad framework for how IDB will work with</p>	4, 7, 18, 32, 45, 47, 66

key donors to contribute to sector-specific support. OVE Country Program Evaluations (El Salvador, Jamaica) recommend that IDB clarify its approach to co-ordination with other donors. In response to COVID-19, IDB worked with partners through diverse initiatives to address the wide-reaching effects of COVID on health, employment, productivity, citizen security and infrastructure. For example, IDB supported the Mesoamerican Education initiative with UNICEF and ten country partners to create educational opportunities. IDB partnered with the FAO and private entities including Coca-Cola, Nestle and Bimbo to reformulate a food waste programme to address food security issues that emerged with the pandemic.

**6.4.2. As part of the country strategies, the role of country executing agencies is consistently well-articulated, while the description of the role of other development actors varies somewhat.**

In a sample of ten country strategies, the key development donors are generally well-described, but the role of the UN and other key development actors is not always integrated. This is reflected in survey feedback from Board members and knowledge partners which suggests that IDB sometimes acts as though it is the only development actor in the region. The extent to which the CS describes the mechanisms for co-ordination and the areas that the other donors will support varies. Three out of ten country strategies provide a detailed description of: the mechanisms for co-ordination; synergies with other donors; and alignment of the strategy to the 2030 agenda (Haiti, Jamaica, Uruguay). Four strategies list the donors and key sectors that the donors will support (Brazil, El Salvador, Guatemala, Suriname), two strategies (Colombia, Mexico) list the key donors but do not align these to specific sector priorities and one CS (Argentina) does not describe the specific partners or mechanism that will be applied for co-ordination with donors. While the country strategies include private sector priorities, the extent that they focus on co-ordination with private sector partners is variable. OVE evaluations recommend that country strategies take a more comprehensive approach to private sector co-ordination.

**6.4.3. Given the range of partners that IDB engages with, the partnership approaches with each are bespoke to the partners' interests and reporting needs.**

IDB works effectively with the World Bank. Anecdotally, the IDB often takes the approach of implementing a project in the north of a country, while the World Bank implements and oversees a project in the south, doing the same thing but in different areas. To support coherence, strengthen co-operation and reduce transaction costs for IDB and the World Bank, in 2020 IDB and the World Bank signed a new Framework Agreement which established mutual reliance in public procurement matters to support efficient implementation of co-financed projects and bring resources to the region. With UN agencies, IDB has a strategic dialogue at the HQ and regional level where UN agencies are acting as executing agencies. Coherence with UN entities and with development actors varies between agencies. IDB regularly engages with the Development Bank of Latin America (CAF) and the Caribbean Development Bank (CDB). Interviewees noted that the engagement with CAF has moved beyond competition toward greater collaboration. Relationships with bilateral agencies are governed by memoranda of understanding and supported by annual programming opportunities to identify opportunities where there is mutual interest and determine through which processes IDB seeks to work as matchmaker between donor priorities and countries' needs. Seventy-nine percent of the stakeholders surveyed agree that IDB is an organisation that looks for and works with strategic partners.

**6.4.4. IDB has strategies in place to leverage capital and mobilise finance through the private sector through IDB Invest.**

IDB Invest's Business Plan includes an initiative to provide innovative financial targets. As part of its efforts to broaden partnerships with the private sector, IDB Invest and IDB Lab have developed a range of bond programmes to contribute to development solutions. This includes green bonds, social bonds and social impact bonds. Many of these are novel in their approach, their modality and their focus. The new Gender Bond was supported through a partnership with the Women Entrepreneurs Finance Initiative (We-Fi) which is being used to finance women-led SMEs and support women to purchase houses. IDB Lab worked with the Government of Switzerland to launch the Social

4, 7, 18, 32, 45, 47, 66

Impact Bond to provide opportunities for urban employment in Colombia. In Ecuador, the Government of Spain supported a novel social bond in a capital markets transaction which aims to support low-income housing. Nearly 60% of stakeholders in the region rated IDB as good or very good as a catalyst for public and private investment to improve digital connectivity, and a similar proportion rated IDB as good or very good for effectively supporting new business models, incubators, accelerators and venture capital. Among IDB’s direct partners, nearly three-quarters rated IDB as good or very good in terms of mobilising financial resources (co-financing loan, donation for technical co-operation or other).	4, 7, 18, 32, 45, 47, 66
<b>MI 6.4: Evidence confidence</b>	<b>High confidence</b>
<b>MI 6.5: Key business practices (planning, design, implementation, monitoring and reporting) co-ordinated with relevant partners</b>	<b>Score</b>
<b>Overall MI rating</b>	<b>Satisfactory</b>
<b>Overall MI score</b>	<b>3.00</b>
Element 1: Active engagement in joint exercises/mechanisms (planning, co-ordination, monitoring, evaluation) to support external coherence	3
Element 2: Participating in joint monitoring and reporting processes with key development partners	3
Element 3: Identifying shared information or efficiency gaps with development partners and developing strategies to address them	3
<b>MI 6.5: Analysis</b>	<b>Evidence documents</b>
<p><b>6.5.1. The Bank has processes and mechanisms to support external coherence with partners. IDB actively engages with donors as a convener for dialogue and expertise for the region in both the private and public sectors.</b> IDB partners with over 150 organisations through diverse arrangements, including IDB’s key and primary partner, IDB Invest. The current administration has clear ambitions to optimise synergies between IDB and IDB invest and notes that the IDB Group’s value is bringing opportunities from both the private and public sectors. This is reflected through a number of shared services including ORP, HRD, KIC and, at the country level, whole IDB Group strategies and a public-private sector country representative. While the structure of the IDB Group positions IDB Invest as “part of the family”, in practice, interviews suggest that is challenging for the IDB to be fully coherent with IDB Invest due to differences in the operational cultures of the organisations, the relatively small size of IDB Invest’s operations and human resourcing, and limited expertise in IDB about the particular features of private sector engagement.</p> <p>IDB is an active and dynamic partner at the country level with government ministries, and more broadly with bilateral and multilateral agencies including other regional development banks and international finance institutions, UN agencies, foundations, academic institutions, and private sector bodies. Operationally, IDB has framework agreements with a number of development partners, as well as specific project agreements. IDB both participates in and leads initiatives with peer organisations focusing on priority issues. Recently, this has included leadership on the COVID-19 response, mobilisation of actors to address migration issues and climate change finance. Connect Americas was set up in the Integration and Trade (INT) Department to help SMEs and to connect with partners overseas through webinars, business fora and other events to attract private sector partners to the region. Although it has a robust approach to partnership, which is transmitted at the highest level and embedded into all IDB processes, IDB’s Office of Outreach and Partnership is guided by the IDB’s Mobilization Roadmap and an action plan which sets out annual mobilisation targets that are reported to the Office of the Presidency. IDB has provided leadership for several multi-donor platforms including COP26, as well as shared platforms with MDBs.</p>	1, 45, 91, 151



<p><b>6.5.2. IDB uses a range of mechanisms to support joint monitoring and reporting with partners to support ongoing dialogue and responsiveness.</b> IDB has a donor portal in Salesforce that allows them to share information with partners and engage them throughout project preparation and implementation. Partners are able to contribute to real-time monitoring information which complements regular reporting through the PMR. Although IDB's country strategies are shared with IDB Invest, IDB invest does all of its own portfolio management including its own supervision and reporting to ensure that private-public sector dialogue is taking place.</p> <p><b>6.5.3. IDB engages with development partners to share information through regional and global platforms.</b> IDB leads numerous events that bring together IDB experts, thought leaders and decision makers. These events are designed to facilitate co-ordination of technical experts, resource mobilisation, innovative practices and sector priorities. Since 2020, IDB has hosted a range of global, regional and national webinars. At the global level, this has included “The Infrastructure Imperative: A Conversation with the Presidents of the IDB and World Bank”; a series of webinars leading up to COP26 on “Latin America and the Caribbean’s Commitment to Achieve the Paris Agreement”, leadership and co-ordination of Latin America’s Outlook in the World Economic Forum, Davos Agenda 2022. Other regional webinars include, “Digital Infrastructure and Development in the Caribbean’ in March 2022; and “Proactive LAC: A Digital Future for Regional Prosperity” in February 2022. At the country level, particularly in contexts where there is a more crowded donor space (e.g. Haiti, Colombia), the donors have discussion groups where the institutions and countries can come together. OVE’s evaluation of Haiti’s Country Program notes that co-ordination of international donors has proved inadequate given the challenges facing the country and the management and execution capacity of the Haitian Government. While the Haiti context is uniquely complex, the need to reinforce co-ordination across countries is cross-cutting.</p>	1, 45, 91, 151
<b>MI 6.5: Evidence confidence</b>	<b>High confidence</b>
<b>MI 6.6: Key information (analysis, budgeting, management, results, etc.) shared with strategic/ implementation partners on an ongoing basis</b>	<b>Score</b>
<b>Overall MI rating</b>	<b>Highly satisfactory</b>
<b>Overall MI score</b>	<b>4.00</b>
Element 1: A clear corporate statement on transparency of information is aligned to the International Aid Transparency Initiative	4
Element 2: Information is available on analysis, budgeting and management in line with the guidance provided by the International Aid Transparency Initiative	4
Element 3: Responses to partner queries on analysis, budgeting, management and results are of good quality and responded to in a timely fashion	4
<b>MI 6.6: Analysis</b>	<b>Evidence documents</b>
<p><b>6.6.1. IDB has an Access to Information Policy which was updated in 2019 to reaffirm the Bank’s commitment to transparency in its activities, enhancing the effectiveness of IDB operations and strengthening governance and accountability at the IDB.</b> IDB performs very well against the methodology of the International Aid Transparency Initiative (IATI), and currently IDB’s Transparency Index Score is 95.4. IDB is one of only 11 donors that reached the “very good” category in the Aid Transparency Index. IDB is ranked 5 out of 47 in the Aid Transparency Index for 2020, moving up from seventh place previously. This ranking is based on the Bank’s sovereign lending portfolio, not on IDB Invest lending. The IDB has positioned itself as a leader in the area of international aid transparency since 2016. The Access to Information Policy has also helped firmly establish an institutional culture</p>	67, 179, 181-182, 274

<p>of openness and accountability. Despite the progress achieved since 2010, international standards on information access continue to evolve, and as they do, there is a growing need to update the current policy to close the gaps that have been identified during its implementation.</p> <p><b>6.6.2. IDB received a top score for the quality of IATI data in the project attributes component and a high score for the finance and budgets component.</b> It also received a high score for joining up development data.</p> <p><b>6.6.3. Based on IATI criteria, IDB responses to partner queries on analysis, budgeting, management and results are of good quality and are responded to in a timely fashion.</b> All the IATI data for the organisational planning and commitments component received top scores; however, IDB lost points for its quality of Freedom of Information legislation due to its exceptions policy on confidentiality of information provided by third parties, which did not include an objective harm test. For the performance component, according to the Aid Transparency Index report, IDB scored very well; however, it could improve its results data by publishing results for all of its activities.</p> <p>IDB's Access to Information Policy operates under the principles that (i) IDB will maximise access to information; (ii) it will provide narrow and clear exceptions where the harm of providing information would outweigh the benefits of access; (iii) it will provide simple and broad access to information; and (iv) it will provide explanations of decisions and the right to review when denying access to information. Reflecting the strength of its country strategy and project reporting, IDB received a perfect score (20 out of 20) on project attributes. This component refers to descriptive, nonfinancial data, including basics like the title and description of a project. Information like this is important as it is often the entry point for data users to quickly understand what a project is about. MOPAN also looks for other information that helps to put a project in context, such as its subnational location (rather than simply being pinpointed to a capital city or the centre of a country) or the sector that the project deals with, for example, education or agriculture.</p>	<p>67, 179, 181-182, 274</p>
<p><b>MI 6.6: Evidence confidence</b></p>	<p><b>High confidence</b></p>
<p><b>MI 6.7: Clear standards and procedures for accountability to beneficiaries implemented</b></p>	<p><b>Score</b></p>
<p><b>Overall MI rating</b></p>	<p><b>Satisfactory</b></p>
<p><b>Overall MI score</b></p>	<p><b>3.00</b></p>
<p>Element 1: An explicit statement is available on standards and procedures for accountability to beneficiary populations, i.e. accountability to affected populations</p>	<p>3</p>
<p>Element 2: Staff guidance is available on the implementation of the procedures for accountability to beneficiaries</p>	<p>3</p>
<p>Element 3: Training has been conducted on the implementation of procedures for accountability to beneficiaries</p>	<p>3</p>
<p>Element 4: Programming tools explicitly contain the requirement to implement procedures for accountability to beneficiaries</p>	<p>3</p>
<p>Element 5: Approval mechanisms explicitly include the requirement to assess the extent to which procedures for accountability to beneficiaries will be addressed in the intervention</p>	<p>3</p>
<p><b>MI 6.7: Analysis</b></p>	<p><b>Evidence documents</b></p>
<p><b>6.7.1. Although IDB does not have an explicit statement on standards and procedures for accountability to affected populations, it has a range of procedures and policies to support a culture of accountability to those affected by IDB projects, most recently through the ESPF.</b> IDB's suite of policies that have governed how IDB engages with specific stakeholder groups have been superseded</p>	<p>9, 19, 25, 50, 85, 246-247</p>

by the ESPF which provides the overall basis of how IDB engages with “project-affected people”. The ESPF, which was updated in 2021, addresses many of the coverage gaps and the lack of clarity that was pointed out in the OVE Environmental and Social Solutions Unit Evaluation (2019). For project-affected people, the ESPF intends (i) to ensure that grievances from project-affected people are responded to and managed appropriately; and (ii) to promote and provide means for adequate engagement with project-affected people throughout the project cycle about issues that could affect them to ensure that relevant information is disclosed and disseminated. The type of consultation that borrowers conduct with project-affected people is determined as part of the initial risk assessment, which is conducted by ESG. The ESPF establishes “more stringent protections” for stakeholder groups that may be more vulnerable to the risk and impacts of IDB projects and greater accountability for borrowers including provisions for consultation and resettlement of affected groups. Borrowers are required to develop a stakeholder engagement plan (depending on the scale and nature of the operation) to document how they consulted affected groups and to explain how they considered their feedback. Civil society organisations surveyed by MOPAN broadly agree that IDB engages civil society and project-affected peoples in their country and addresses any grievances raised. Of these civil society organisations that are familiar with IDB operations, 67% firmly agree, 21% somewhat agree and 12% disagree.

**6.7.2. IDB has operational policies in place to guide staff and borrowers’ engagement with project beneficiaries.** Recognising that the instrument in place for involving civil society was not sufficient for meaningful engagement, in 2018, IDB established a Civil Society Engagement Strategy which sets out the IDB’s commitment to engaging civil society in the design and implementation of country strategies “to include citizens in an early and timely manner through planning for effective citizen participation” – rather than only engaging civil society to hear complaints. The intention of the strategy is to change the dynamic of work toward ongoing, strategic collaboration with a wide range of local organisations, beyond non-governmental organisations. As part of IDB’s efforts to seek public feedback, IDB is using artificial intelligence, through the CivicLytics initiative, to scan different sectors to understand what citizens are concerned about and to generate a more robust understanding of public opinion.

9, 19, 25, 50, 85, 246-247

**6.7.3. IDB has developed training courses, tools and resources through ESG and VPC to support clients in the preparation of the ESPF and promote accountability to beneficiaries.** BIDAcademy has developed a number of courses for staff and borrowers on procedures for project-affected people. These include:

- Meaningful Stakeholder Engagement – intended for executing agencies and the environmental and social specialists on project teams who review and approve Environmental and Social Impact Assessments to provide guidance to public sector authorities and staff responsible for consultation and stakeholder engagement in potentially high-risk investment projects.
- Social Impact Assessment (SIA) – provides training on how to analyse, monitor and manage the social consequences of a planned intervention throughout the project cycle.

**6.7.4. Programming tools explicitly contain the requirement for all new projects to implement procedures for accountability to beneficiaries, superseding previous operational policies.** With the new ESPF, for all new projects, borrowers are required to establish a grievance mechanism at the project level, proportionate to the scale of the project and the level of environmental and/or social risks, to manage issues and concerns emerging from a project’s implementation. The ESPF offers guidance for the involvement and accountability of borrowers, staff, civil society and project-affected people. As part of project preparation, the ESPF establishes explicit guidelines for borrowers to identify stakeholders potentially affected by and/or interested in IDB-financed projects. The ESPF establishes how the borrower should conduct consultation with project-affected people and sets out guidelines for the procedures for accountability to project-affected people.

In addition to the guidelines for borrowers, IDB has developed an infographic for staff which describes the procedures for responding to a complaint which include (i) registering a complaint in Salesforce; (ii) working toward resolution with the project team with the support of the ESG specialist assigned to the project and the VPS Complaints Coordinator, and in co-ordination with the respective Country Office Environmental and Social Complaints Protocol; (iii) engaging in a dialogue process with the complainant and the executing agency; and (iv) developing an action plan to resolve the complaint.

The team lead, in co-ordination with the grievance co-ordinator and with the support from ESG, will report on the implementation of the action plan as part of the project supervision reports and/or the IDB PMR process. RMG/ESR, in collaboration with the grievance co-ordinator, conducts grievance data analysis to identify trends and lessons learned at the project and portfolio level and provides guidance through its environmental and social risk reporting.

The changes in the process for implementing the grievance procedure have yet to be fully embedded in IDB processes. This project-level grievance system is in its early stages, and there is not yet evidence available about the extent of the integration of the system for managing grievances.

IDB has, since 2010, an Independent Consultation and Investigation Mechanism (MICI) which is responsible for receiving and processing complaints from those affected by IDB projects. MICI is available to communities affected by social and/or environmental aspects of an IDB operation that is in preparation, in execution or within 24 months of disbursement. According to the MICI policy, the MICI is a mechanism of last resort which should only be used if efforts to raise concerns with project grievance mechanisms and management have already been exhausted. The OVE MICI evaluation found that MICI is not well known or accessed by IDB stakeholders (only 72 responses were received between 2014 and 2020). The evaluation recommends that IDB Group management implement the management system for managing environmental and social grievances so that it is co-ordinated with the MICI to facilitate access and response to grievance procedures by project-affected people. Stakeholders surveyed firmly agree that IDB engages with civil society and project-affected peoples in borrower countries and addresses grievances raised.

9, 19, 25, 50, 85, 246-247

**6.7.5. As part of the ESPF, IDB applies procedures at all stages of the project cycle to understand and mitigate potential negative environmental and social impacts and the risks associated with IDB investments.** All IDB projects, except for emergency loans and grants, are classified according to their environmental and social impact. Projects with an A or B risk category require specific consultation with affected populations. Category A operations require that affected parties are consulted at least twice during project preparation, and category B operations require that affected parties are consulted at least once.

#### MI 6.7: Evidence confidence

Medium confidence

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

Score

#### Overall MI rating

Satisfactory

#### Overall MI score

3.33

Element 1: Participation in joint performance reviews of interventions, e.g. joint assessments

3

Element 2: Participation in multi-stakeholder dialogue around joint sectoral or normative commitments

3

Element 3: Use of surveys or other methods to understand how partners are experiencing working together on implementing mutually agreed commitments

4

MI 6.8: Analysis	Evidence documents
<p><b>6.8.1. While IDB participates in joint performance reviews of interventions, there are few examples of joint evaluations, and IDB's engagement with stakeholders varies between projects.</b> The design and assessment of country strategies are conducted jointly with country partners. However, increasing the co-ordination and participation from stakeholders throughout the project cycle has been an ongoing challenge. At the project level, PCRs assess the relationships and co-ordination with partners/stakeholders, which requires that the views of the borrower, executing agency, co-financiers, stakeholders and other key partners are sought. To reduce transaction costs for both the borrower and the IDB, PCRs may be conducted jointly. PCRs reviewed in 2020 point to the need for greater efforts to promote coherence. IDB emphasises the importance of the participation of stakeholder groups (e.g. national and sub-national governments, civil society, private sector organisations, and academia) in public consultations for projects. IDB organises Sovereign Guaranteed Portfolio Reviews with relevant ministries during the PMR and PCR process. As noted in the OVE assessment of the PCRs, project monitoring and evaluation is conducted with varying degrees of engagement with partners depending on the project and context. IDB country teams provide capacity support and training to country partners to increase their capabilities in RBM and M&amp;E through courses offered through the BIDAcademy and specific TC provided at the country level. Seventy-eight percent of respondents report that IDB is an organisation that looks for and works with strategic partners, and 76% of stakeholders feel that IDB collaborates effectively with counterparts.</p> <p><b>6.8.2. IDB actively participates in multi-stakeholder dialogue with other development partners for shared commitments to SDGs,</b> Paris Agreement on Climate Change, Convention on the Elimination of All Forms of Discrimination against Women, United Nations Declaration on the Rights of Indigenous Peoples, International Labour Organisation Convention 169, United Nations Convention of the Rights of Persons with Disabilities, Sendai Framework for Disaster Risk Reduction, United Nations Convention on Biological Diversity, New York Declaration on Forests, Bonn Challenge, guidelines on energy, agriculture, financial intermediaries, industry, transport action, private sector mobilisation and others. IDB's commitment to the SDGs is well communicated to stakeholders, with 84% of survey respondents reporting that IDB is an organisation that supports the UN SDGs. Through ORP, at HQ and through its liaison offices, IDB participates in annual deep dives and programming exercises. IDB has regular formal and informal engagement with other MDBs. With the other MDBs, IDB has established collective commitments such as the From Billions to Trillions Agenda and the Joint MDB Statement of Ambitions for Crowding in Private Finance through which the MDBs agreed to report annually on a jointly developed methodology. Notably, IDB participated in the Coalition of International Organisations Support for the COVID-19 response. This provided countries in the region support during the COVID-19 crisis in partnership with the Pan American Health Organisation (PAHO), the United Nations Development Program (UNDP), and United Nations Office for Project Services (UNOPS). At the sector level, the Sustainable Development Solutions Network (SDSN) and the IDB jointly created the SDG Impact Toolkit for Infrastructure Investments.</p> <p><b>6.8.3. The External Feedback System uses a stakeholder Satisfaction survey and a Reputation survey to understand how partners are experiencing working together on implementing mutually agreed commitments.</b> Responsiveness to clients and partners is core to IDB's way of working. At the country level, led by VPC, this is supported by the presence and ongoing dialogue between the country representative and public and private sector actors. This comes in the form both of ad hoc support and dialogue with country partners and of structured dialogue. With bilateral and multilateral partners, ORP supports dynamic, consistent engagement with partners. IDB uses both a Reputation survey and a Satisfaction survey, administered through the External Feedback System, as a way to generate</p>	<p>1, 5, 18, 32, 45, 103</p>

partner feedback and to understand how well the IDB is meeting country and client needs. The External Feedback System, which has been used since 2012, surveys government, public sector, private sector and multilateral partners. In 2019, the EFS found that 88% of respondents were “very satisfied” or “satisfied” with the IDB. The 2020 Satisfaction survey found partners agreed that they are given the opportunity to provide feedback and that this feedback is taken seriously, leading to positive changes in ways of working.	1, 5, 18, 32, 45, 103
<b>MI 6.8: Evidence confidence</b>	<b>High confidence</b>
<b>MI 6.9: Use of knowledge base to support policy dialogue and/or advocacy</b>	<b>Score</b>
<b>Overall MI rating</b>	<b>Satisfactory</b>
<b>Overall MI score</b>	<b>3.17</b>
Element 1: A statement in corporate documentation explicitly recognises the organisation’s role in knowledge production	4
Element 2: Knowledge products are produced and utilised by partners to inform action	3
Element 3: Knowledge products are generated and applied to inform advocacy, where relevant, at country, regional or global level	3
Element 4: Knowledge products generated are timely/perceived as timely by partners	3
Element 5: Knowledge products are perceived as high quality by partners	3
Element 6: Knowledge products are produced in a format that supports their utility to partners	3
<b>MI 6.9: Analysis</b>	<b>Evidence documents</b>
<p>6.9.1. <b>Innovation and knowledge is a core principle of IDB’s strategy.</b> IDB has an extensive knowledge and learning ecosystem which serves both internal and external processes and stakeholders. IDB’s Updated Institutional Strategy emphasises its role in generating and integrating knowledge into all aspects of the Bank’s work, drawing on knowledge as a critical public good for the region.</p> <p>6.9.2. <b>IDB prioritises the development of information to inform action and has strengthened its processes to support knowledge and learning.</b> In 2018, the IDB created the Knowledge, Innovation and Communication Department (KIC) which is comprised of a Communications Division, Innovation and Creativity Division, and Knowledge and Learning Division. KIC was created to create synergies between knowledge and communication and to enable the region to more effectively use and leverage knowledge and data for decision making. Alongside this structural change, IDB authored a document for the creation of the KIC which lays out the governance of KIC and establishes clear objectives for each of the divisions, fostering a multisectoral approach and synergies between knowledge and communication to position knowledge and create more impact. KIC aims to respond to the complex, multi-sectorial demands from member countries and the Bank’s role in developing and sharing knowledge. KIC is responsible for (i) identifying and applying high-quality knowledge and learning products for the whole of the IDB Group; (ii) promoting innovation through networks and innovation solutions; and (iii) leading outreach and communication with IDB’s internal and external audiences through events, social media, blogs and promotion of publications. The IDB does not have a specific corporate communications plan. The KIC Client Relations Unit runs an annual planning process with each unit within IDB to identify knowledge and skills gaps and to identify a plan for knowledge, communications, and innovation. KIC produces knowledge products which serve both the IDB’s programming and also its borrower countries. The BIDAcademy, overseen by KIC, was created to provide sectoral knowledge and project management skills. KIC works closely with IDB’s Department of Research and Chief Economist. This department leads research and data on behavioural economics, macroeconomic trends, and technical</p>	1-3, 51, 65, 67



notes and is a key resource for country strategic planning and project design. KIC does not have a fluid or systematic interaction with OVE. Knowledge management was allocated 8.3% of the management budget in 2020.

Overall, stakeholders report that they engage regularly with IDB knowledge products with 73% using the Bank's publications quarterly or more frequently. While BIDAcademy is relatively new and not yet well known, those stakeholders familiar with BIDAcademy rate it highly for its knowledge and learning offer. Respondents report that they are most likely to use the information obtained through IDB's knowledge products to design or implement projects (over 81%). Although there are multiple efforts to do so, through CRF indicators and through survey data, IDB has found that it is difficult to measure the uptake of IDB's research and knowledge products in policies. Eighty-three percent of the stakeholders surveyed firmly agree that IDB's flagship publications are useful.

**6.9.3. Knowledge products are consumed by IDB's diverse audiences, and IDB is valued for its provision of technical assistance and policy advice according to External Feedback System surveys and the Aid Data Listening Report (2021).** Few stakeholders surveyed were aware of how IDB's knowledge products feed into policy influencing or into developing strategies. For example, the CDCs, which offer in-depth social, economic and social analysis for each country, are treated as "inhouse inputs to country strategies and little effort has been devoted to packaging and dissemination". CDCs are underexploited by countries and stakeholders. Although stakeholders surveyed report that they find IDB's publications useful for work purposes, stakeholders are not surveyed to determine what publications they view as knowledge products beyond the flagship publications. Sixty-seven percent of Satisfaction survey respondents report that they use knowledge for influencing public policy for decision making. In 2022, borrower respondents that were able to provide feedback on whether knowledge and learning was helpful throughout the project cycle reported that they were satisfied. 85% of borrowers rated IDB's sectorial knowledge highly relevant. IDB's Department of Research and Chief Economist has launched the IDB Research Insights series which aims to summarise knowledge for policy making. IDB developed the COVID Dashboard in the midst of the pandemic to support real-time decision-making processes at the national, sub-national and municipal levels in response to COVID. In response to the need to support the uptake of knowledge for decision making, the 2021 budget commits IDB to invest in analytics and visualisation tools to enable the Bank to make evidence-based decisions focused on business objectives. In addition, KIC has developed impact score indicators to measure the impact of IDB's knowledge products on the policy making process through measuring the citation of IDB's knowledge products in external key publications.

**6.9.4. Although there is limited data on the perceived timeliness of IDB's knowledge products, evidence suggests that stakeholders engage regularly with IDB knowledge products.** To provide a timely response to COVID, KIC developed a range of knowledge products to respond to the changing information needs required in response to the COVID-19 pandemic. KIC hosted online webinars for external partners, virtual training courses, MOOCs (massive open online courses) and new publications that captured emerging lessons from the COVID-19 pandemic. KIC created a "Coronavirus Hub" on the IDB website which consolidated the COVID-related resources that IDB needs to enhance its metrics for monitoring stakeholders' perceptions of its knowledge products. IDB reports on the number of downloads of knowledge products. Feedback from OVE pointed out the need for better measurement of the uptake of communications products beyond reporting the number of downloads of publications or "hits" on blogs. In response, KIC hired a digital analyst who led surveys and pilots to determine better mechanisms for monitoring stakeholder use and feedback. Currently, IDB is moving to create better metrics for monitoring. This is not yet embedded across all knowledge products, but the IDB is actively trying to determine how it can be more responsive to stakeholders' needs and more effective

1-3, 51, 65, 67



in the knowledge products it is developing with the support of digital analysts who are monitoring channels to see what people are reading and how they are using the information. IDB is working to move beyond the number of downloads to actively engaging with audience information needs.

**6.9.5. IDB surveys its partners about their familiarity and perceptions of IDB’s knowledge products.** A majority of stakeholders indicate they are “very familiar” with the IDB and report that IDB knowledge products are of good quality. A word frequency analysis of feedback from IDB’s Satisfaction survey about the reasons contributing to satisfaction with knowledge products finds that over one-third of respondents refer to the high quality of IDB knowledge products. Partners surveyed agree that IDB contributes knowledge to successfully respond to development challenges and that flagship publications are useful and well-informed.

**6.9.6. IDB’s publications are widely accessed by partners. Most respondents engage with IDB’s publications over other types of knowledge products** (courses, publications, blogs, data, events, etc.). BIDAcademy is still relatively unknown by respondents, with only 21%, across all stakeholder groups, reporting that they are familiar with BIDAcademy. Although technical expertise is cited as one of IDB’s comparative advantages, 45% of respondents report that they did not engage with IDB entity specialists for answers to questions concerning development challenges. To increase the accessibility and engagement with IDB’s own knowledge and sector specialists, KIC is developing a knowledge search engine called “Findit” which will expand the repository of information available to clients and partners, aggregating publications, lessons from proposals, PMRs, PCRs and evaluations. Currently, this is an internal tool which IDB plans to make available to external partners as part of its broader efforts to be responsive to client needs and to bolster IDB’s role as a source of knowledge and expertise for the region. KIC monitors dissemination and uptake of knowledge products by clients and partners through the EFS.

1-3, 51, 65, 67

**MI 6.9: Evidence confidence****High confidence**

## 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: The organisation has a strong and transparent results focus, explicitly geared towards function**

**KPI score****Satisfactory****2.75**

**Application of results-based management:** IDBG has a strong commitment to a results focus, which is set out in successive plans, and has taken steps to track results across development contexts and against the SDGs.

**Results-based management reporting:** Each year, the IDB Group takes stock of the results of the interventions it supports in its Development Effectiveness Overview (DEO), reviewing where the Group has successfully met its strategic objectives and where gaps remain. Progress on the Corporate Results Framework (CRF) indicators is among the critical inputs to the DEO, as the CRF provides a high-level view of the development results supported by the IDB Group and its performance against operational and organisational targets.

**Evidence-based targets:** Although the systems exist to track and roll up results against corporate indicators, and this work is centralised and well-managed, there is a perennial challenge of ensuring data quality and sufficiency at the intervention level.

**Monitoring systems:** Project effectiveness ratings in recent years have been negatively affected by issues associated with project design and execution, including the setting of realistic and measurable targets and reliable indicators, sound vertical logic, and the capacity to monitor and report. One positive shift has been to align the Development Effectiveness Framework (DEF) instruments to the requirements of the PCR methodology, including the inclusion of outcome indicators to assess

specific objectives. However, there seem to be ongoing differences in the validation process, creating a confusing and unhelpful divergence between management and OVE's ratings for the project overall and its core criteria. The plethora of documents, new guidance, new systems, revised systems and differing definitions are complex. It is unclear how the different assessment mechanisms (intervention level, sector level, sector action plans) build off of or feed into each other.

**Use of performance data:** Closing the gap between expected performance and results at completion is being addressed through a review of project preparation and portfolio management processes to enhance the focus on results throughout the project lifecycle, starting from design. This Operational Excellence initiative aims to strengthen a results-focused agenda for improving management of IDB projects that is underpinned by a risk-based approach to decision making. It will focus on two main aspects: (i) reducing preparation times while maintaining technical soundness, effectiveness and efficiency of projects; and (ii) implementing a comprehensive portfolio management model that contributes to maintaining portfolio health and achieving development objectives. The latter proposes close monitoring of the main factors that affect project success and results.

<b>MI 7.1: Leadership ensures application of an organisation-wide RBM approach</b>	<b>Score</b>
<b>Overall MI rating</b>	<b>Satisfactory</b>
<b>Overall MI score</b>	<b>3.00</b>
Element 1: Corporate commitment to a result culture is made clear in strategic planning documents	3
Element 2: Clear requirements/incentives are in place for the use of an RBM approach in planning and programming	4
Element 3: Guidance for setting results targets and developing indicators is clear and accessible to all staff	2
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 methods	3
<b>MI 7.1: Analysis</b>	<b>Evidence documents</b>
<p><b>7.1.1. Corporate commitment to a results culture is made clear in strategic planning documents. The Development Effectiveness Framework (DEF) and its tools are the closest mandate to an RBM policy.</b></p> <p>The Corporate Results Framework (CRF) is the IDB Group's highest-level corporate monitoring tool, establishing targets to drive operations in line with the Group's strategic objectives and cross-cutting priorities. The focus of the CRF is both on operational and organisational alignment with the Bank's strategic priorities (Level 3) and on measures of reach and enhanced service provision resulting from Bank-supported projects (Level 2). The caveat here – addressed elsewhere in the assessment framework – is that the CRF alone provides limited insights into the development effectiveness of Bank support.</p> <p>The CRF is a critical performance management tool that informs resource allocation to support the achievement of the Bank's institutional objectives and provides accountability to IDB Group stakeholders. The 2016-19 CRF was approved to support measurement of the Update to the Institutional Strategy; the 2020-23 CRF was approved in 2019 and aligns to the Second Update to the Institutional Strategy.</p> <p>For the updated CRF (2020-2023), IDBG implemented a CRF Tracker that is updated quarterly with data from IDB, IDB Invest and IDB Lab. The public-facing website includes a dedicated page for each Level 3 indicator. In some cases, data by country is available as well. Work has been done to simplify the current CRF from the past framework, so that it is more agile and manageable and clear for senior management and the Board. There are fewer indicators in the current CRF, and work is continually done to make the website increasingly user-friendly.</p>	1, 38, 46, 64-66, 92-93, 95, 256, 268

The metrics for these indicators are maintained on the respective CRF websites. The Annual Development Effectiveness Overview Report – the IDB’s flagship publication on performance – provides analysis of results and qualitative highlights on the progress at each of the levels, as well as the actions to be taken to enhance performance where progress has lagged (for example, refocusing climate change as a cross-cutting issue in the development of new projects).

IDB is undergoing a review of its project preparation and portfolio management processes to enhance the focus on results throughout the project lifecycle, starting from design. In addition to the “mechanics” of a results focus, interviewees agreed that a “results culture” still needs to be further bolstered within the Bank, not only with a refined focus and definition of what development results are, but in terms of practice, having the support and encouragement to adapt and adjust interventions during project implementation so that they may be more relevant and effective to contexts which may be ever-shifting.

For Board members and donors who responded to the MOPAN survey, views on the extent to which IDB prioritises a results-based approach were mixed, with only a little over half who expressed an opinion in agreement.

#### 7.1.2. **The Development Effectiveness Framework (DEF) guides the requirements for a results-based approach in planning and programming using the Development Effectiveness Matrix (DEM).**

The DEF is a package of tools to support projects and promote a results-based management focus in design through four principles/requirements: alignment (to country-specific needs and Bank-wide strategies); effectiveness (which requires projects to set clear and verifiable objectives and practical and useful monitoring and evaluation mechanisms); efficiency (to promote cost-efficient interventions); and risk and sustainability.

Interventions and country strategies are required to complete a DEM before they are submitted to the Board for approval. The DEM is a checklist that reviews strategic alignment, development outcomes and evaluability. Projects develop a logic model as part of their planning (but they are not required to develop a theory of change), including results, indicators and targets. Updates to the DEF and DEM occurred in 2020, to align instruments to the requirements of the PCR methodology; in particular, results matrices are now structured around specific objectives. The DEM now requires at least one valid outcome indicator to assess achievement of each specific objective. A monitoring and evaluation proposal for assessing each specific objective is also required as part of projects’ monitoring and evaluation plans. Results matrices are reviewed for their definition of objectives and outcomes as well as their SMART (specific, measurable, achievable, relevant and time-bound) indicators and targets.

New protocols have been established to assure that changes in project development objectives or indicators resulting from inception workshops do not affect the soundness of vertical logic. Additional validated results indicators must also be in place to support the demonstration of the achievement of development objectives.

Still in its primary phase, an Operational Excellence initiative has been launched *inter alia* to enhance the focus on results throughout the project lifecycle, starting from design/project preparation. This initiative will aim to increase the IDB’s response capacity to country needs using a consistent approach under the principles of effectiveness, efficiency, objectivity, comprehensiveness and accountability. In order to implement a comprehensive portfolio while reducing preparation times and maintaining effectiveness and efficiency, close monitoring of well-conceived results will need to be amplified and renewed.

In terms of incentives, motivation for a high-quality and relevant DEM is positive progress through the project approval process (eligibility review meeting, quality and risk review, and ultimately Board approval), which explains higher quality-at-entry ratings. In order to maintain quality throughout

1, 38, 46, 64-66, 92-93, 95, 256, 268

the project cycle, the Office of Strategic Planning and Development Effectiveness (SDP) and VPs are proposing to showcase on an annual basis a select set of projects (products, services) that excel at meeting all DEF instruments. In addition, indicators of production efforts, such as the number of completion reports produced on schedule, will be included in the Employee Performance Management Framework (EPMF), as appropriate.

In terms of IDB Invest, project teams define indicators and include them in the Development Effectiveness Learning, Tracking, and Assessment Tool (DELTA) and the results matrix. Monitoring data is reported annually by clients, and data is managed in Invest's MAESTRO system. IDB Lab also works with results matrices, and results are reported semi-annually by clients through a Project Status Report (PSR) or Project Status Update (PSU).

**7.1.3. The CRF and DEF provide general guidance on ensuring vertical logic and alignment between interventions or country strategies and the CRF, but there is no specific guidance on how to craft indicators and targets.** Guidance has not been produced to support the implementation of RBM and results measurement in the context of COVID-19.

The Operation Learning Program site centralises a variety of resources, tools and guidelines which users can consult and adapt to their specific needs. The site also includes links to resources to aid in the design of an operation and preparation for the Proposal of Operation Development (POD) including economic analysis resources, evaluation tools and guidelines. The country strategy cycle begins with a new country strategy proposal. It includes the results matrix and an evaluability score that informs management about how robust the proposed results matrix is for verifying the achievement of results.

Despite the guidance and support, limitations in the quality of M&E data (discussed under MI 7.5) suggest there is scope for the Bank to strengthen guidance with respect to the design and implementation of performance indicators. Interviews suggested there would be value in more guidance (including conceptualisation of what different development outcomes are) on logic models for specific types of interventions; for example, a PBL's definition of "success" needs to be readjusted so that results include "quick wins" and those foundational results that are necessary so that the implementation of laws, which is indeed a longer-term result, can progress with success.

1, 38, 46, 64-66, 92-93, 95, 256, 268

**7.1.4. The DEF tools, particularly the PMR and the PCRs, are the key tools IDB uses to measure and manage results at the intervention level.** Country Strategies carry out a Country Portfolio Review based on their country results matrix.

During execution, the PMR is the principal instrument for monitoring operations and strengthening overall management for results at the project level.

All IDB Group operations are evaluated at project maturity or completion, with findings summarised in Project Completion Reports (PCRs) at the IDB, Expanded Supervision Reports (XSRs) at IDB Invest, and Final Project Supervision Reports (FSRs) at IDB Lab. These reports aim to determine whether operations met their objectives and how effectively and efficiently they performed, as well as the sustainability of achieved results. They also capture lessons learned. PCRs rate project results against four criteria (relevance, effectiveness, efficiency and sustainability), and an objectives-based approach is then used to evaluate performance against the specific project objectives.

**7.1.5. Despite being a relatively small team, the Strategy Development Division (SPD/SPV) provides ongoing support to operations for their results-oriented planning, monitoring and self-evaluation.**

Project teams can request to meet with a Strategy Development Division reviewer at any time to discuss specific issues within their project and the corresponding DEM prior to either the eligibility review meeting or the quality and risk review meeting or after comments from SPD have been received. Strategy Development Division evaluation economists can advise project teams and participate in preparing

<p>activities in several projects per year. Projects that require a more rigorous and complex analysis or evaluation due to lack of evidence on their effectiveness and the application of the DEM tool can contact SPD/SDV to request an evaluability advisor to join the project team. Besides the personalised support, resources are available to all staff via the Knowledge, Innovation and Communications (KIC/OLP) DEM site and the internal PMR resource page. The Operation Learning Program site centralises a variety of resources, tools and guidelines which users can consult and adapt to their specific needs. The site also includes links to resources to aid in the design of an operation and preparation for the Proposal of Operation Development (POD) including economic analysis resources, evaluation tools and guidelines.</p> <p>Convergence is the system where IDB data for PMRs and PCRs is inputted and stored. There is a team that is responsible for ensuring data gets to the right spot and for maintaining this automated system.</p> <p>A joint IDB Group CRF Team works on producing, reviewing and ensuring quality of the CRF: the Office of Strategic Planning and Development Effectiveness (SPD) at IDB, the Strategy and Development Department (DSP) at IDB Invest, IDB Lab, and the subject matter experts and data owners throughout the IDB Group.</p> <p><b>7.1.6. Results-based project management training is not mandatory for staff; however, a comprehensive Development Project Design hosted by IDB is available on Coursera (in Spanish).</b></p> <p>Furthermore, new courses have been introduced into the Operations Learning Program regarding such areas as designing “evaluable” projects, identifying and managing project risks, and documenting lessons learned. Courses on how to use the DEM are offered yearly in English, Spanish, and Portuguese.</p>	<p>1, 38, 46, 64-66, 92-93, 95, 256, 268</p>
<b>MI 7.1: Evidence confidence</b>	<b>High confidence</b>
<b>MI 7.2: Corporate strategies, including country strategies, based on a sound RBM focus and logic</b>	<b>Score</b>
<b>Overall MI rating</b>	<b>Satisfactory</b>
<b>Overall MI score</b>	<b>3.00</b>
Element 1: Organisation-wide plans and strategies include results frameworks	3
Element 2: Clear linkages exist between the different layers of the results framework, from project to country and corporate levels	3
Element 3: An annual report on performance is discussed with the governing bodies	3
Element 4: Corporate strategies are updated regularly	3
Element 5: The annual corporate reports show progress over time and note areas of strong performance as well as deviations between planned and actual results	3
<b>MI 7.2: Analysis</b>	<b>Evidence documents</b>
<p><b>7.2.1. The key strategic document for IDB Group – the Institutional Strategy – is operationalised at the highest level through the Bank’s Corporate Results Framework (CRF),</b> comprising three levels of indicators: regional progress, IDBG’s contributions under the Bank’s strategic priorities, and IDBG operational and organisation performance.</p> <p>Country Strategies are required to have results frameworks. Results frameworks are not, however, included in Sector Framework Documents (SFDs) and are only sometimes included in sector action plans.</p> <p>The Gender Action Plan and Diversity Action Plan include results frameworks; the Climate Action Plan does not. The 2018 strategies, policies, sector frameworks and guidelines make no mention of results frameworks. SFDs provide guidance and reference material on main development challenges and emerging issues in a particular sector; these are updated on a rolling basis every four years as necessary.</p>	<p>1, 66, 93, 95, 147</p>

**7.2.2. The CRF comprises three levels. Level 1 indicators track the region’s progress with regard to three challenges (social inclusion and equality, productivity and innovation, and economic integration) and three cross-cutting issues (gender equality and diversity, climate change and environmental sustainability, and institutional capacity and rule of law) based on IDBG’s Institutional Strategy.** While these indicators highlight the region’s long-term development progress, they are not attributable to the IDBG due to multiple contributions from diverse entities. Each of the 18 indicators is tagged to relevant SDGs. Level 2 indicators track IDBG’s contributions under the three challenges and three cross-cutting issues. These generally represent measures of reach and service provision supported by IDBG-financed projects. Finally, Level 3 indicators report aspects of the performance of the IDB Group against operational and organisation targets, grouped under Strategic Alignment, Development Effectiveness, Leverage and Partnerships, Efficiency, Knowledge and Innovation, and Internal Alignment to Cross-Cutting Issues. The section under Strategic Alignment relates Bank activities to its strategic objectives and cross-cutting priorities. The status of these indicators is classified using the IDBG “Traffic Light Methodology”. Budgeting information linked to results is also included now. Country and sector programmes are required to set out their contributions to Level 3 (and Level 2), and the DEF drives alignment with corporate priorities during intervention design. Operational areas of emphasis outlined by the Second Update to the Institutional Strategy are not directly subject to strategic alignment reporting but are tracked through other indicators wherever possible.

At the Country Development Results level, indicators provide aggregate data on outputs and outcomes supported by projects financed by the IDBG. Project cases help illustrate how aggregated results for the portfolio relate to higher-level outcomes. Newly approved projects must indicate how they align with the IDB Group’s strategic priorities (i.e. the three challenges and three cross-cutting issues); the Convergence system includes a module that aligns and justifies the inclusion of CRF in each new operation. The CRF 2020-2023 measures the strategic alignment of new approvals for IDB and IDB Lab and of commitments for IDB Invest.

1, 66, 93, 95, 147

Strategic alignment for IDB, IDB Invest, and IDB Lab operations generally requires that the project documentation include all of the following three elements: (i) an analysis of the development problem or gap related to the strategic priority; (ii) at least one activity/solution that addresses the development problem or gap; and (iii) at least one indicator in the project results matrix (or policy matrix for PBLs) that relates to the development problem or gap. The indicator may be at any level – an output indicator, specific objective indicator, or general objective indicator. In the case of IDB operations and as a reference for project teams, the guidance for some areas includes a list of sub-sectors that have historically been associated with strategic alignment to that area due to the close relationship between the sub-sector and the strategic priority.

**7.2.3. Performance against the CRF is reported and analysed annually in the Development Effectiveness Overview (DEO) – IDBG’s flagship performance report.** The DEO serves as a basis for dialogue with the Executive Board.

The DEO takes stock of the CRF results on an annual basis. The 2020 DEO closed out the four-year reporting cycle on the 2016-19 CRF, and the 2021 DEO introduced the new 2020-23 CRF. Both of these reports illustrated IDBG’s response to COVID-19.

**7.2.4. The CRF is updated every four years, as are country strategies and some Sector Framework Documents (SFDs).** The schedule for updating individual sector strategies is not clear.

Reforms designed to clarify/simplify the relationship between the Bank’s various sectoral regulatory instruments were introduced in 2018. Under these new arrangements, sector strategies provide a broad expression of Bank knowledge, priorities and goals and are presented to the Board for approval. Cross-

<p>sectoral policies establish normative expectations regarding Bank practice and are binding. Sector Framework Documents (SFDs) – a new instrument – are approved by management and provided as a basis for discussion with the Board. Prior to these reforms, some sector strategies had not been updated since their creation in the 1970s. SFDs are expected to be updated at least every four years, but the schedule for reviewing strategies and policies is not clear.</p> <p><b>7.2.5. The Development Effectiveness Overviews (DEOs) show progress over time and notes areas of strong performance as well as deviations between planned and actual results.</b></p> <p>Annual DEOs report on results and performance achieved in the previous year. The CRF houses all of the indicator data on two separate websites (one for 2016-19, one for 2020-23). Level 1 and Level 3 indicators are tracked across time, but not Level 2 indicators. Deeper exploration into each of the projects contributing to each indicator can be accessed through the Country Development Results page of the CRF website.</p> <p>As expected, the COVID-19 crisis has impacted overall portfolio performance in terms of projects meeting their development objectives; for example, projects classified as “alert” and “problem” increased from 22% of the portfolio in 2019 to 31% in 2020 (still taking into consideration some operations before the crisis emerged). Corporate projects classified as “alert” increased from 13% in 2019 to 29% in 2020.</p>	<p>1, 66, 93, 95, 147</p>
<b>MI 7.2: Evidence confidence</b>	<b>High confidence</b>
<b>MI 7.3: Results targets set on a foundation of sound evidence base and logic</b>	<b>Score</b>
<b>Overall MI rating</b>	<b>Satisfactory</b>
<b>Overall MI score</b>	<b>2.60</b>
Element 1: Targets and indicators are adequate to capture causal pathways between interventions and the outcomes that contribute to higher order objectives	2
Element 2: Indicators are relevant to expected results to enable the measurement of the degree of goal achievement	3
Element 3: Development of baselines is mandatory for new Interventions	3
Element 4: Results targets are regularly reviewed and adjusted when needed	2
Element 5: Results targets are set through a process that includes consultation with beneficiaries	3
<b>MI 7.3: Analysis</b>	<b>Evidence documents</b>
<p><b>7.3.1. IDBG has made efforts in its guidance and processes to develop intervention indicators and targets that then contribute to CRF indicators.</b></p> <p>Interventions and country strategies are required to complete a DEM before they are submitted to the Board for approval. The DEM is a checklist that reviews strategic alignment, development outcomes and evaluability. Projects develop a logic model as part of their planning and specify indicators and targets for different levels of effects. But causal pathways are inherently difficult to capture with indicators alone, and interventions are not required to elaborate a theory of change. New protocols have been established to assure that changes in project development objectives or indicators resulting from inception workshops do not affect the soundness of vertical logic. Additional validated results indicators must also be in place to support the demonstration of the achievement of development objectives, where warranted. Office of Strategic Planning and Development Effectiveness (SPD) reviews the quality of logical frameworks and alignment to corporate strategies. Interventions must also align to sector strategies, as these also are represented in the CRF. However, evidence from recent OVE reviews of completed projects highlights ongoing challenges in establishing and maintaining adequate vertical (development) logic within a material proportion of IDBG projects.</p>	<p>79, 103, 109-110, 118</p>



At the country level, Development Results indicators provide aggregate data on outputs, reach and service provision supported by projects financed by the IDBG. At this level of the CRF, the indicators capture results supported by projects in the portfolio. The majority of these indicators are on track or surpassed. Both PMR and PCR feed into CRF indicators.

Progress on the Country Development Results indicators is highly dependent on programming decisions by the IDB Group and its borrowing member countries and clients, as well as the time required for projects to be executed and generate measurable results. As such, these indicators are most useful in viewing the magnitude of the IDB Group's contributions to specific areas of development in a given year, rather than as a measure of the effectiveness of the IDB Group as an institution or as a development partner. For example, while the IDB Group is not on track as compared to its expected results for beneficiaries receiving health services, there were more than 17 million beneficiaries for 2016-18, making this one of the CRF indicators with the largest number of reported beneficiaries.

**7.3.2. Indicators for country strategy results frameworks as well as interventions use SMART indicators and align to the corporate strategy and its strategic priorities.** Classifying strategic alignment of projects includes alignment to social inclusion and equality, productivity and innovation, economic integration, gender equality, diversity, climate change (three indicators), and institutional capacity and rule of law. These are reviewed by SDP and any necessary sector specialists. No country strategy can go to the Board, for example, if SPD has not reviewed it. There are no targets in CS results matrices, only those for interventions.

**7.3.3. New interventions and Country Strategies are required to have baselines.** The Country Strategy Internal Protocol identifies baselines (including the source and the year of the baseline measure) as a requirement for Country Strategies. The Results matrices used for intervention monitoring and completion include baselines. PCRs describe how baselines were devised for interventions, including any baseline studies which needed to be carried out.

**7.3.4. Some individual countries have their own tailored systems and processes for reviewing intervention targets; in addition, an annual country portfolio review tracks country progress against targets.** However, even with these processes, the OVE validation of PCRs systematically finds low ratings across the criteria, particularly related to effectiveness, due to unmet objectives, which suggests there is scope for more appropriate adjustment of targets.

The PCR effectiveness rating, being the systematically lowest rated criterion across validation cycles (its highest value was in the 2017 cycle, with 52% of PCRs rated positive, and its lowest was in 2018, with 17% of PCRs rated positive) suggests that there are issues related to the review and adjustment of targets.

Underperformance by projects may be due to institutional changes or challenges, shifts in context, overambitious design, inadequate targets (underestimated, or not specific to the portfolio or country reality) and cancellation of products or components that prevented achievement of outcomes. In 2020, full or partial cancellations resulted in a third of projects receiving a negative rating on effectiveness, but this does not always result in an adjustment or reformulation of the proposal, results matrix and corresponding indicators and targets, or an adjustment of the implementation plan. If objectives cannot be achieved, the guidance is that teams should reformulate the project (based on a new diagnosis, a new logic model to ensure vertical logic based on new implementation activities or a revised DEM) and seek Board approval again, which is not motivating for projects.

As expected, the COVID-19 crisis has impacted overall portfolio performance in terms of projects meeting their development objectives: projects classified as “alert” and “problem” increased from 22% of the portfolio in 2019 to 31% in 2020. However, these figures may not fully reflect the effects of the pandemic,

79, 103, 109-110, 118

<p>as some operations had their annual review in early 2020 before the crisis emerged. According to IDB Invest’s simulation-based estimates, the crisis could result in 40% of the portfolio being classified as “alert” or “problem”. This has implications for how targets are revised and adjusted and for whether a further adjustment to an intervention implementation plan and objectives is needed as well.</p> <p>At the corporate level, target levels of performance for those indicators retained for 2020-23 have in some instances been revised on the basis of clearer performance expectations.</p> <p><b>7.3.5. The overall country strategy is developed through constant dialogue with the government as well as consultation with civil society.</b> There is no explicit guidance or evidence of results targets being set through a process of consultation specifically. At the level of interventions, key stakeholders are consulted during the diagnostic phase to define the development problem. This is not without tension and a certain amount of iteration. Country offices must work to create a balance between client demand and corporate strategies, particularly cross-cutting issues. Two-thirds of the donors who had a view agreed or strongly agreed that IDB consults country stakeholders when setting targets. The extent to which intervention targets are internalised by IDB clients or remain largely a Bank tool is not clear.</p> <p>While targets can be a helpful guide, interviews with some staff pointed to challenges when new targets are introduced at short notice or outside of the programming cycle or when they are applied mechanically or artificially to retro-fit programming to meet corporate-level targets, rather than adapting the target to the particular operating context in different countries (for example, the percentage of a project aligned to gender or climate change).</p> <p>The evidence confidence rating of “medium” for this MI reflects the limits of documentation and interviews with respect to evidence adequacy.</p>	<p>79, 103, 109-110, 118</p>
<p><b>MI 7.3: Evidence confidence</b></p>	<p><b>Medium confidence</b></p>
<p><b>MI 7.4: Monitoring systems generate high-quality, useful performance data in response to strategic priorities</b></p>	<p><b>Score</b></p>
<p><b>Overall MI rating</b></p>	<p><b>Unsatisfactory</b></p>
<p><b>Overall MI score</b></p>	<p><b>2.50</b></p>
<p>Element 1: The corporate monitoring system is adequately resourced</p>	<p>3</p>
<p>Element 2: Monitoring systems generate data at output and outcome levels of the results chain</p>	<p>2</p>
<p>Element 3: Reporting processes ensure data is available for key corporate reporting and planning, including for internal change processes</p>	<p>3</p>
<p>Element 4: A system for ensuring data quality exists</p>	<p>2</p>
<p><b>MI 7.4. Analysis</b></p>	<p><b>Evidence documents</b></p>
<p><b>7.4.1. Resourcing for the corporate monitoring system is centralised, led by the Office of Strategic Planning and Development Effectiveness (SDP), that, along with SDV, acts as a bridge between country and intervention planning and results on the one hand, and the Corporate Results Framework on the other.</b></p> <p>SDPs use data from PMRs and PCRs to populate the CRF indicators. At the same time, they support countries and interventions with bolstering their own M&amp;E orientation in order to support overall Bank-wide development effectiveness and the assessment of that effectiveness. As the Bank focal point is responsible for all things related to monitoring and self-evaluation and has a relatively small team, there may be a need for additional resourcing if the Bank is to address weaknesses in monitoring arrangements.</p>	<p>1, 48, 54, 57, 60, 65, 103, 109, 234, 268, 271</p>

#### 7.4.2. IDBG's methodology measures project performance against the development objectives stated at project approval.

The Progress Monitoring Report (PMR) is meant to capture results generated during project execution on a semi-annual basis as well as project costs over time. The Project Completion Report (PCR) is used to evaluate completed loans in terms of the extent to which they were effective in achieving results, efficient, relevant to local needs and sustainable. IDB Invest has its own Impact Management Framework which includes a series of tools to support the operational cycle from beginning to end: the Strategic Selectivity Scorecard; the Development Effectiveness Learning, Tracking and Assessment (DELTA) used to score all IDB Invest investments in terms of their development impact and level of IDB Invest additionality (project score) and to assess the quality of the design at entry for the proper measurement of results throughout the life of the investment; and the Financial Contribution Rating (FCR). The Development Effectiveness Analytics (DEA) system systematises development effectiveness data collected throughout the project cycle and the Expanded Supervision Report (XSR) is used to evaluate projects once they reach operating maturity. IDB Lab uses iDELTA scores at entry, Project Supervision Reports (PSR) and Final Project Supervision Reports (FSR).

PCRs assess the performance of the Bank and its counterparts (i.e. borrowers) against four core criteria: relevance of these objectives and the associated project designs, the extent to which objectives were achieved, how efficiently resources were used and the sustainability of the results. These are rated on a four-point scale ranging from excellent to unsatisfactory. The overall outcome of the project is rated on a six-point scale, from highly successful to highly unsuccessful. The 2018 PCR Guidelines also require the inclusion of non-core criteria (not included in the project's overall outcome rating). In OVE's review of PCRs and XSRs, a binary summary rating is given (positive-negative) (2020 validation report).

The above monitoring systems do generate data at output and outcome levels of the results chain for interventions, but the quality of the data is uncertain given limitations in practice. These limitations appear to be the result of a combination of design weaknesses and implementation shortcomings.

OVE reviews PCRs and XSRs on an annual basis. Poor M&E and partial cancellation of project components without formal restructuring of objectives, indicators and project logic are common factors explaining poor effectiveness performance scores for completing projects. In practice, baseline and follow-up data for indicators may not be routinely collected, while unanticipated monitoring pitfalls may prevent reporting on the original indicators. Some projects may include unrealistic targets, weak results matrices and specific objectives with no metrics. In addition, interviewees mentioned that the PMR process is difficult as the methodology does not necessarily capture outcomes to which the project is contributing but instead focuses on outputs and expenditures. This in turn generates a discrepancy between high-performance scores for projects during implementation and much lower ratings when assessed at completion in terms of development effectiveness. For example, active IDB projects averaged 80% satisfactory performance during 2016-19, while OVE's review of projects completed over 2017-21 rated just 32% effective.

Furthermore, these weaknesses in intervention-level M&E have knock-on effects for the Bank's capacity to account systematically for development results.

At the country office level, some country offices set up their own portfolio management/monitoring systems with some success, so there seems to be a discrepancy between these efforts and the weak monitoring processes. Motivations for these initiatives include the limitations of focusing exclusively on outputs during the PMR process; the uneven balance between qualitative and quantitative dimensions in current data collection and analysis; project or activity cancellations interrupting vertical logic; and intangible results, particularly those related to policy change processes.

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103, 109, 234, 268,  
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It is understood that as part of the new Operational Excellence Agenda, the Bank aims to strengthen intervention M&E and effectiveness assessment during implementation. In addition, requirements introduced with the updated DEM in 2020 should in principle address some current shortcomings going forward. (For example, projects designed before August 2020, when the revised DEM came into effect, were not required to include at least one valid results metric for each specific objective that the project aimed to achieve.)

**7.4.3. Review and reporting processes ensure data is available for key corporate reporting and planning, including for internal change processes.** At a corporate level, corporate results information is generated on a quarterly basis for review by a committee led by the Office of Strategic Planning and Development Effectiveness (SDP).

PMRs and PCRs (and XSRs) generate the output and outcome data (with varying degrees of quality and positive ratings, as illustrated in OVE's validation reports of PCRs and XSRs) that is used to calculate CRF indicators. Validated ratings are used in the annual DEO report.

At the country office level, the Smart Portfolio review process (as part of the Operational Excellence initiative) is an early warning system for portfolio management, which uses the PMRs to track the performance of the portfolio at the country level. For the Country Department Andean Group (CAN), as part of the Cultural Transformation process, a monthly Operational Report describes milestones and flags any problem areas and, in this way, can keep a consistent eye on progress towards targets and not wait for the biannual PMR. The data for the monthly Operational Report comes from Convergence and is managed and produced by a data analysis team in the front office.

**7.4.4. Different roles and responsibilities at the corporate, country and project levels encompass a review of data, though limitations in the quality of monitoring systems discussed above also affect this element.**

SPD will assess the following aspects of country strategies: logic is vertical, and there is a clear and evident link between the development problem identified and the related proposed action; the CS Results Matrix has clearly defined objectives and outcomes; and the indicators selected are SMART and have a baseline. The country departments are responsible for the quality of the PCR to be approved for OVE's validation. A quality and risk review meeting could be called if there are substantial issues/disagreements during report drafting.

For projects subject to PMR reporting, team leaders are responsible for the quality and accuracy of the information submitted through the PMR in accordance with CRF indicators. Sector focal points support project teams during the PMR reporting process, including the review of the flagging of project indicators/outputs as contributing to CRF indicators. SPD looks for inconsistencies in the data.

The Office of Strategic Planning and Development Effectiveness (SDP) is responsible for overseeing compliance with policies and standards regarding the completion reports at the intervention level, in addition to providing guidance and support to Bank staff on the elaboration of PCRs. They will deliver the PCRs to OVE (on a rolling basis), as well as update and validate any results indicators in Convergence. VPS is responsible for the overall quality, completeness, and transparency of the PCR process in its entirety (i.e. relevant aspects of the performance of the Bank and the borrower with specific recommendations for their improvement, as well as recommendations for future work).

By default, the PCR team leader is the project team leader at completion of the project and should ensure the PCR production and delivery through the PCR dashboard and Convergence. The project team leader also needs to ensure that PCRs align with IDBG's results agenda, which is further reviewed and validated by OVE.

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103, 109, 234, 268,  
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<p>Nevertheless, OVE findings with respect to limitations in M&amp;E suggest there is scope in practice to strengthen data quality systems. Examples of limitations include the unclear project objectives, poor design of indicators and targets, obtaining baseline data for all indicators, and inconsistent measurement approaches.</p> <p>The Operational Excellence initiative is expected to place increase the results focus of IDB projects and address issues and intensify compliance around the quality of information on project results.</p>	<p>1, 48, 54, 57, 60, 65, 103, 109, 234, 268, 271</p>
<b>MI 7.4: Evidence confidence</b>	<b>High confidence</b>
<b>MI 7.5: Performance data transparently applied in planning and decision making</b>	<b>Score</b>
<b>Overall MI rating</b>	<b>Satisfactory</b>
<b>Overall MI score</b>	<b>2.67</b>
Element 1: Planning documents are clearly based on performance data	3
Element 2: Proposed adjustments to interventions are clearly informed by performance data	2
Element 3: At the corporate level, management regularly reviews corporate performance data and makes adjustments as appropriate	3
Element 4: Performance data support dialogue in partnerships at the global, regional and country levels	N/E
<b>MI 7.5: Analysis</b>	<b>Evidence documents</b>
<p><b>7.5.1. Overall indicative resourcing allocations to each borrowing member country are informed by an analysis of previous performance executing Bank projects and country conditions at the time of planning.</b> Country strategies and Sector Framework Documents use lessons learned from CPEs and sector and thematic evaluations in the design of new programmes/interventions. Country strategy documents are also informed by in-depth assessments of development challenges and macroeconomic conditions.</p> <p>Sector Framework Documents (SFDs) that are expected to be updated every four years refer to the lessons learned from evaluations, projects and other institutions. This chapter in the SFDs is then used for the design of new projects, which will cite relevant lessons to demonstrate alignment. VPS is responsible for incorporating findings and recommendations from PCRs into future work.</p> <p>However, the diagnostic elaborated for the realignment of the Bank's performance in producing and applying knowledge concluded that (i) fragmentation had contributed to dilute quality and relevance of sector research; and (ii) even when departments had a successful knowledge-creation model in terms of quality and recognition, learning was not incorporated and used in the development of new Bank products.</p> <p>Country Program Evaluations (CPEs) are undertaken every four years, and a new country strategy (CS) cannot be developed without incorporating lessons and recommendations from the CPE. This has caused some delays in the development of new CSs, affecting dialogue with governments. The newly proposed CPE process, every eight years, with a "midterm" (year 4) desk review, will allow for more continuous implementation. The impact this modification may have, however, on learning and improvement at the country office level should be monitored.</p> <p>At the level of CRF, the results-based budgeting process has allowed a reporting infrastructure to add more value to the budget discussion in relation to results. Now allocation decisions are informed by results. ESG and climate change have seen an increased allocation of resources for example, as a consequence of clearly being able to distinguish that need.</p> <p><b>7.5.2. There are mechanisms and processes to gather performance data at the intervention level, but adjustments based on data and lessons rely on individual teams and countries and on how they carry out those processes.</b></p>	<p>1, 66, 109, 271</p>

Review committees (eligibility review meeting and quality and risk review) request operational lessons and learnings from other IDB projects as part of the evidence-based approach, including a formal subsection in the loan documents that lists the learnings from past operations. Sector Framework Documents compile operational lessons from a four-year period in order to retrofit into the new operations, as a guide and framework of action for the following period.

The PMR is the main monitoring tool for project monitoring; its weaknesses have been covered in other Mis in this section. At the country level, the PMR data is used to inform portfolio reviews (and in the case of CAN monthly operation reports). In theory, the quantitative and qualitative data on project progress in the PMR helps management improve its decision making and accountability by supporting targeted course corrections during the execution of a specific project as well as improved systematisation of lessons learned to improve the design and implementation of future projects. It is unclear the degree to which the PMR process indeed effectively feeds into decision-making and course corrections, given the other evidence of poor monitoring processes, cancellations or dropping indicators with no course corrections.

Midterm reviews are not mandated, but some occur. Monitoring exercises and portfolio reviews (using the Smart Portfolio methodology) may introduce adjustments at the portfolio level, which are documented in the Country Program Documents. As revealed in PCR validation reports, not all changes made to project scope, implementation and results framework are documented or explained; such is the case of cancellations (which influences the entire results chain and thus the success of the project).

Notwithstanding weaknesses in the quality of PMR data, staff interviewed in practice apply a range of other processes and tools to inform performance management. These include seeking to understand actual change (i.e. behavioural change) that is happening during monitoring, and not just compliance; using the PMR as a simulator for day-to-day management (instead of once or twice a year), and responding proactively to any activities and disbursement that may be lagging; using PMR simulations to integrate strategic information and scenarios that help adapt planning instruments for each operation (acquisitions, annual operational plans (POA), Multiannual Execution Plans); promoting the Project Management for Results (PM4R) methodology in the Executing Units (including training); using tools from the Cultural Transformation initiative toolkit like Smart Space (to exchange lessons), and capitalising on the Change Agents to find solutions for different challenges regarding the Bank's processes; and developing operational platforms on SharePoint to provide relevant information on issues related to corporate, operational, fiduciary and sectoral management in an agile and effective manner. Other supervision and adaptive management tools are being developed by the Office of Strategic Planning and Development Effectiveness (SDP) as part of the Operational Excellence Initiative.

**7.5.3. At the corporate level, the annual development effectiveness overview report and results dashboards of the CPE provide information on reach, disbursement and project performance ratings.** Corporate performance information is reviewed by a committee led by the Office of Strategic Planning and Development Effectiveness (SDP) on a quarterly basis. The annual DEO takes stock of yearly reach and disbursement results and presents in-depth lessons learned on a particular theme (which changes each year). There is no systematic process to examine aggregated sector results, to understand the development effectiveness of those sectors.

Balanced scorecards at the division level report on their performance quarterly according to each strategic objective, using performance indicators that roll down from the corporate level to the division and departmental levels. Compliance measures are reported in the Quarterly Business Review (QBR) produced by SPD for management's review (at OPC or other managerial instances of performance review), which provides information on approvals and size of the pipeline showing the progress towards the annual programme. QBR contains a larger and more differentiated set of indicators along the four corporate objectives of the CPF, and it allows management to monitor the achievement of outputs related

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to corporate results. For example, PCR completion is an indicator of the QBR; while a satisfactory rating for development outcomes of sovereign operations is a CPF indicator. Information on budget planning and human resources was phased out, as this information is covered by the Budget and Execution Documents (BXR) reflected in the annual reports. PCR information is not included in the ABR as it is already detailed in the annual reviews of PCR done by OVE. PMR information is included in DEO and annual reports.

DEO reports progress against the CRF annually, while quarterly business reviews and the new CRF website do it on a more regular basis. Country strategies and Sector Framework Documents often refer to the CRF's regional context indicators, and the CRF and DEO were used to inform IDB's 2018 strategic outlook paper. Some CRF indicators are also used in staff performance evaluations, partly cascaded down to division chiefs. Despite this increased attention, OVE reviews indicate that the CRF is not yet seen as having significant influence on decision making in the organisation.

The IDB-9 Agreement had very specific requirements regarding the DEO. Compliance with these requirements has increased over time, though gaps remain in at least three areas: (i) candidly addressing issues surrounding the quality of information on project results; (ii) discussing issues arising from the full range of impact evaluations; and (iii) reporting systematically on the implementation of OVE recommendations. The DEO has increasingly focused on reporting IDB's progress in achieving CRF indicators, but further improvements are required to enhance its role as an accountability tool as intended by IDB-9.

At the country office level, the Smart Portfolio review process (as part of the Operational Excellence initiative) is an early warning system for portfolio management, which uses the PMRs to track the performance of the portfolio at the country level. For CAN, as part of the Cultural Transformation process, a monthly Operational Report describes milestones and flags any problem areas and, in this way, can keep a consistent eye on progress towards targets and not wait for the biannual PMR. The data for the monthly Operational Report comes from Convergence and is managed and produced by a data analysis team in the front office.

**7.5.4. Within the scope of the assessment, it was not possible to review the extent that performance data are used to support dialogue in partnerships at global, regional and country levels.** However, it is worth noting that, at the corporate level, the DEO presents the indicators that are on track or within close range of their established targets. This is accompanied by a discussion of areas where the IDB Group is falling behind with respect to its targets to understand factors contributing to progress and what actions are being taken to drive performance in the desired direction. In addition, the Cultural Transformation Initiative is a regional initiative between the Andean Department to engage in continuous dialogue to seek solutions for implementation challenges. Self-appointed “change agents” guide the initiative, aided by a variety of collaborative tools.

The evidence confidence rating of “medium” for this MI reflects the limits of documentation and interviews to evidence Element 4, as well as to substantiate clearly a cause-and-effect relationship between adjustments to interventions and specific data on performance (Element 2).

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**MI 7.5: Evidence confidence****Medium confidence**



KPI 8: The organisation applies evidence-based planning and programming	KPI score
Satisfactory	3.09
<p><b>Independent evaluation function:</b> IDBG has a structurally and behaviourally independent evaluation office, OVE, which is led by a director appointed by, and who reports to, the Executive Board. Evaluation priorities are established by OVE in consultation with the Executive Board, and to a lesser degree with management. The evaluation function within IDBG is supported through core funds. OVE is guided by an evaluation policy (the latest being from 2019) and establishes the broad criteria for the OVE’s annual workplan. The criteria have continued to guide OVE and its production of evaluation outputs during the pandemic, even though this meant a significant pivot to the way OVE carried out its activities. While obvious limitations presented themselves for data collection, OVE maintained the volume and quality of its evaluations during this time and took advantage of the global move to online work in order to disseminate evaluation products and engage in evaluation knowledge sharing with a wide range of interested parties, including other evaluation practitioners.</p> <p><b>Evaluation coverage:</b> CPEs are an important activity for OVE, and for the Bank in general, as they guide the development of country strategies, yet they have their challenges as OVE has assessed over the past few years, including a significant allocation of OVE’s budget, a focus on short-term results rather than long-term results and potential reduced utility with revised country strategy protocol. An updated CPE protocol will replace CPEs with two new products: an Independent Country Program Review (ICPR), which is desk-based, and an Extended CPE (XCPE), to cover two strategy periods. The products are currently being piloted, and management is eager to ascertain the utility of these new products and their related processes.</p> <p><b>Evidence-based design:</b> Unsurprisingly, OVE’s assessment of four years’ worth of PCRs and XSRs revealed the need to strengthen the IDB Group’s practices for monitoring and evaluation for data collection. While this reinforces a perennial issue for the IDBG, greater utility would result from underscoring the root causes of this weakness and provide recommendations that address these. The focus on lessons learned and the need to strengthen the learning component of PCRs and XSRs is a common sentiment throughout the Bank; again, the fundamental reasons why PCRs and XSRs are not seen as natural opportunities to document lessons (successful and unsuccessful actions) should stimulate discussion and action with the appropriate areas of management.</p> <p><b>Uptake of lessons learned:</b> Processes for the capture of lessons learned as well as a follow-up of how those lessons are being implemented in subsequent interventions, sector frameworks and tools are currently being designed and implemented. While not specifically in the remit of OVE, the creation of KIC and the databases they manage for lessons contributes to feedback loops and uptake of lessons. Still, there appears to be a lack of inconsistency in the incorporation of lessons from evaluations. There are particular initiatives focused on collaboration and sharing of lessons (i.e. Cultural Transformation, the Southern Cone pilot), but, overall, interviewees do not perceive a learning “culture” that drives both project and portfolio management for improved delivery and effectiveness; many claim that processes and products are still driven by accountability.</p> <p><b>Follow-up systems:</b> The Recommendations Tracking System (ReTS) is a key process and product that brings together OVE and management to track, understand and assess how evaluation recommendations are being implemented. Some find this process overly bureaucratic.</p>	
<b>MI 8.1: A corporate independent evaluation function exists</b>	<b>Score</b>
<b>Overall MI rating</b>	<b>Highly satisfactory</b>
<b>Overall MI score</b>	<b>3.80</b>
Element 1: The evaluation function is independent from other management functions (operational and financial independence)	4
Element 2: The head of evaluation reports directly to the governing body of the organisation (structural independence)	4
Element 3: The evaluation office has full discretion in deciding the evaluation programme	4
Element 4: The central evaluation programme is fully funded by core funds	N/A
Element 5: Evaluations are submitted directly for consideration at the appropriate level of decision making for the subject of evaluation	3

Element 6: Evaluators are able to conduct their work during the evaluation without undue interference by those involved in implementing the unit of analysis being evaluated (behavioural independence)	4
<b>MI 8.1: Analysis</b>	<b>Evidence documents</b>
<p>8.1.1. <b>The independence of OVE is established in its Evaluation Policy.</b> The Office of Evaluation and Oversight (OVE), established in 1999 as an independent office, undertakes evaluations of the Bank’s strategies, policies, programmes, activities, delivery support functions and systems. OVE is independent of the Bank’s management, that is, it does not report to Bank’s management and is located outside the line and staff management function. OVE’s mission and scope of responsibilities are outlined in its Evaluation Policy Framework. OVE proposes evaluation priorities, products and activities through a multiyear rolling work programme and a corresponding annual budget; both are submitted to the corresponding Board (IDB, IDB Invest) for consideration. The budget is fully funded centrally. It has organisational and behavioural independence, although workplan priorities are established in consultation with senior management and representatives of the Board of Directors. OVE’s findings, analyses and conclusions are free from management’s influence at all stages of the process, including the planning of work programmes and budget, formulation of terms of reference, staffing of evaluation teams, execution of evaluations, and approval of reports. This is driven by four dimensions of OVE’s evaluative independence outlined in its Evaluation Policy: organisational independence, behavioural independence, freedom from outside interference and avoidance of conflict of interest.</p> <p>In interviews conducted with various areas of IDB, staff and Board members corroborated that OVE demonstrates operational, structural and financial independence.</p> <p>8.1.2. <b>OVE reports directly to the Executive Board. The IDB Group Evaluation Policy Framework reports solely and directly to the corresponding Board.</b> Since 2016, OVE has served the same function for both IDB and the Inter-American Investment Corporation (IIC, now IDB Invest), reporting directly to IDB Invest Board of Executive Directors. Evaluation findings are a key input for the Board as it exercises institutional oversight and accountability. Management’s responsibility lies within self-evaluation of its programmes and operations, and it periodically reports to the Board on the scope and operation of the self-evaluation system and the results of IDB Group-financed operations based on OVE-validated ratings of completion reports. OVE reports to the Board through the Policy and Evaluation Committee of the IDBG, as well as the Programming Committee for the CPEs. Formal reporting includes the workplans and budgets, approach papers, evaluation reports, semi-annual reports for the execution of workplans, and OVE annual reports.</p> <p>The OVE Director is selected and appointed, for a fixed term, by the Board. Only the Board has the authority to dismiss the Director. At the end of the term of service, the OVE Director is not eligible for regular employment or reemployment in the Bank as a staff member or consultant. The Director manages OVE personnel in accordance with Bank policies, regulations and procedures.</p> <p>8.1.3. <b>Evaluation priorities are fully determined by OVE and agreed by the Executive Board.</b> According to the IDB Group Evaluation Policy Framework, OVE prepares multiyear rolling work programmes which set out evaluation priorities, products and activities. Together with proposed annual budgets, these are submitted to the corresponding Boards for consideration. The evaluation priorities go through a process of consultation, based on a recommendation by the Independent Review Panel in 2018. As a result of this review, the OVE work programme development process includes interviews with senior management and several representatives of the Board of Directors. The proposal takes into account their suggestions, as well as comments received during Joint Informal Meetings of the Policy and Evaluation Committee of the Board of Executive Directors.</p>	9, 16, 56-57, 200

**8.1.5. As established by the Evaluation Policy Framework, OVE submits independent sector, country programme, corporate and project evaluations to the Executive Board, which approves or notes the management responses.**

OVE reports to the Board, through the Policy and Evaluation Committee (PEC) as the main channel and through the Programming Committee for the Country Program Evaluations (CPEs). OVE submits its evaluation reports to the Board for consideration and endorsement of recommendations, without clearance from management. The OVE Director holds final authority and responsibility for the content and quality of OVE's outputs (their process, methodology and recommendations), achievement of long-term goals, and annual objectives of the office. OVE's primary stakeholder is the Board to which it reports, but OVE also engages with other internal and external stakeholders. OVE disseminates evaluation results of Bank operations within the institution, in borrowing member countries and in the development community in accordance with the Bank's Access to Information Policy. OVE Approach Papers and evaluations and management responses, when necessary and as available, are disclosed to the public on OVE's website, in accordance with the Bank's Access to Information Policy. Stakeholders (staff) agree that key decisions around the independent evaluation function are made with no interference from management; however, this also comes with tensions, misunderstandings and mistrust between OVE and management, as documented in the 2018 Review of the Evaluation Function of the IDBG as well as during assessment interviews.

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**8.1.6. OVE's Evaluation Policy Framework establishes behavioural independence, supported by the structural independence of OVE, independent leadership of OVE, independence of OVE staff, and autonomy in its work programme, budget and reporting.**

Evaluators are able to conduct their work during the evaluation without interference by management and, as such, are able to develop evaluation reports that are impartial, free of undue influence and with candid critique of the IDB's programmes. All evaluation team members must confirm conflicts of interest, and there are procedures regarding the assignation of team leads (country, rotation of team leads, placement of newcomers to OVE from other areas of the Bank). Evaluators are granted unrestricted access to all information to execute their work, and IDB works to ensure that they are free from external pressure and conflicts of interest according to the criteria established by the ECG.

<b>MI 8.1: Evidence confidence</b>	<b>High confidence</b>
<b>MI 8.2: Consistent, independent evaluation of results (coverage)</b>	<b>Score</b>
<b>Overall MI rating</b>	<b>Satisfactory</b>
<b>Overall MI score</b>	<b>3.40</b>
Element 1: An evaluation policy describes the principles to ensure the coverage, quality and use of findings, including in decentralised evaluations	3
Element 2: The policy/evaluation manual guides the implementation of the different categories of evaluations, such as strategic, thematic and corporate-level evaluations, as well as decentralised evaluations	3
Element 3: A prioritised and funded evaluation plan covering the organisation's planning and budgeting cycle is available	4
Element 4: The annual evaluation plan presents a systematic and periodic coverage of the MO's interventions, reflecting key priorities	4
Element 5: Evidence demonstrates that the evaluation policy is being implemented at country-level	3

MI 8.2: Analysis	Evidence documents
<p><b>8.2.1. IDBG has an updated (2019) evaluation policy, which sets out the purpose and principles of OVE evaluations</b> (utility, evaluability, international standards aligned to the ECG standards, collaboration, independence, dissemination).</p> <p>The policy describes the architecture of evaluation at the IDBG, distinguishing self-evaluation from independent evaluation; the roles and responsibilities of OVE, the Executive Boards and management; and dissemination and communication. There are no practical guidelines for promoting the uptake and use of evaluation, apart from the action plans associated with recommendations (and detailed in the ReTS), despite the objectives referencing a focus on continuous learning and adaptation. The principles include “collaboration” (“A collaborative and constructive approach among evaluators and key stakeholders (including the corresponding Boards and management teams) can enhance ownership and the validity of findings and increase the adoption of recommendations and the use of evaluative lessons”); however, among the interviewees, there were no concrete examples of this collaboration happening to any significant degree. Stakeholders are clear on the distinction between self- and independent evaluation but are not always aware of OVE’s plans for the independent evaluations (“we are only contacted when a mission needs to be coordinated”). Self-evaluations are PCRs, which are all validated by OVE.</p> <p><b>8.2.2. OVE’s Evaluation Policy Framework provides a general outline for how OVE approaches independent evaluations (thematic, corporate, country programme) but is not a manual per se.</b> There are different guidance documents to orient self-evaluation.</p> <p>On completion of the CS, through the country programme evaluation (CPE), the Office of Evaluation and Oversight (OVE) assesses the performance of the IDBG’s programme in the country during the CS period, in accordance with the Protocol for Country Program Evaluation.</p> <p>The Development Effectiveness Matrix for Country Strategies (DEM-CS) includes a checklist of the elements that are necessary to evaluate a country strategy. It is based on the evaluation criteria developed by the Evaluation Cooperation Group of the Multilateral Development Banks in the “Good Practice Standards for Country Strategy and Program Evaluation”. It validates the design or suggests potential changes prior to approval to ensure effectiveness and to ensure that the CS Results Matrix will guide the monitoring and evaluation of advances towards achievement of expected results.</p> <p>OVE’s 2020-21 work programme called for an update of the CPE product, for various reasons, including the value and utility of the process and product, as well as timing. Conducting a CPE for each country strategy cycle in all borrower countries has meant that a significant part of OVE resources was pre-committed, limiting room for other evaluations. In addition, a CPE covering only one CS period looks at short-term results and makes it difficult to take a more comprehensive long-term perspective on IDB Group’s support. Two new products are being piloted to replace CPEs: an Independent Country Program Review (ICPR) and an Extended CPE (XCPE). ICPRs are streamlined, desk-based exercises that cover a strategy period, assess the relevance of the country strategy and provide aggregate information on programme implementation; XCPEs cover two strategy periods, to better assess results and sustainability.</p> <p>Each year, OVE reviews and validates the PCRs and IDB Invest Expanded Supervision Reports (XSRs) for projects that closed or reached early operating maturity in a given year. OVE then assigns a final project outcome rating to each project under review. The results of these validations are summarised in a validation report. OVE’s reviews and validations contribute to accountability and institutional learning. Since 2018, final OVE ratings are reported in the IDB Group’s DEO.</p> <p>SPD is part of the self-evaluation system of the Bank. Its role is to support the internal evaluation function across products, including the development of evaluation guidelines and standards, to help with their</p>	<p>1, 56-57, 59, 63, 95, 200, 234</p>

application (particularly with PCRs) and to identify problems encountered. It provides support on demand to all VPs in carrying out evaluations of different products and in applying evaluation standards for reporting of development results. It ensures the quality and delivery of completion reports to OVE, within a previously agreed schedule, for their validation. VPs must prepare completion reports for each of their development interventions, in accordance with evaluation guidelines and relying on SPD for technical support. IDB's system to ensure quality at entry (DEF/DEM) is well developed; however, numbers are low for PCRs.

An internal DEM site provides a number of resources to operative personnel to help facilitate the use of the DEM and to aid in the design of an operation and preparation for the Proposal of Operation Development (POD). Courses on how to use the DEM are offered yearly in English, Spanish and Portuguese; in addition, project teams can request one-on-one meetings with SPD/SDV reviewers to discuss specific issues within their project and the corresponding DEM. Projects that require a more rigorous and complex analysis or evaluation due to lack of evidence on their effectiveness and the application of the DEM tool can contact SPD/SDV to request an evaluability advisor to join the project team.

The [Impact Evaluation Hub](#) centralises a variety of resources, tools and guidelines to identify the most appropriate intervention, track a programme's implementation and measure whether the intended impacts were actually achieved.

#### **8.2.3. OVE submits a prioritised and funded evaluation plan covering the organisation's planning and budgeting cycle.**

The most recent proposed work programme and budget is 2021-22. Workplans are submitted directly to the Board for approval. The work programme is publicly available, as are Approach Papers for independent evaluations, on OVE's website.

#### **8.2.4. OVE presents an annual evaluation plan to indicate the corporate, country programme, sector and theme, and project evaluations and validations.**

The most recent plan covers 2021-22. Besides evaluations, it also lays out support to evaluation capacity development (a recommendation from the 2018 Review of the Evaluation Function at IDB), co-operation with other evaluation offices, and dissemination and findings of lessons learned. COVID-19 is one of the "pillars" that underpins the current evaluation plan and includes the objective of helping the IDB to "navigate future phases of the response to the COVID-19 crisis and prepare for future crises. COVID-19 will be especially considered in an ongoing corporate evaluation around instruments, and the effect of the pandemic on borrowing member countries' fiscal space and thus the increased use of guarantees." An evaluation of the IDB-Group response to the COVID-19 crisis was slated to begin in 2021 but has not been completed. Finally, OVE's work programme recognises potential changes in sources of information and data collection methods due to pandemic-related restrictions (no field missions, work from home).

#### **8.2.5. IDBG's Evaluation Policy Framework is distinct from the IDBG's Development Effectiveness Framework; the latter is what is used at the country level for self-evaluations.**

The Development Effectiveness Framework sets out guidance for self-evaluation of IDBG's development interventions. VPC and VPS have the primary responsibility both for carrying out self-evaluation for interventions and for allotting sufficient financial resources and staff time for completing PCRs for validation. Self-evaluations build on ex-ante evaluability assessments and implementation monitoring, which are an integral part of IDB Group's project preparation and portfolio management processes. The Office of Strategic Planning and Development Effectiveness (SPD) provides support to VPS and VPC for self-evaluation processes and quality PCRs.

1, 56-57, 59, 63, 95,  
200, 234

<p>The validity of self-evaluations is strengthened by OVE’s review and validation of them. Each year, OVE reviews and validates IDB’s Project Completion Reports (PCRs) and IDB Invest Expanded Supervision Reports (XSRs) for projects that closed or reached early operating maturity in a given year. OVE then assigns a final project outcome rating to each project under review. The results of these validations are summarised in a validation report. OVE’s reviews and validations contribute to accountability and institutional learning. Since 2018, final OVE ratings are reported in the IDB Group’s CRF and DEO.</p> <p>OVE provides semi-annual reports for the execution of its workplans, as well as annual reports.</p> <p>There are no meta-evaluations carried out by VPS or VPC (based on, for example, results from PCRs).</p>	1, 56-57, 59, 63, 95, 200, 234
<b>MI 8.2: Evidence confidence</b>	<b>High confidence</b>
<b>MI 8.3: Systems applied to ensure the quality of evaluations</b>	<b>Score</b>
<b>Overall MI rating</b>	<b>Satisfactory</b>
<b>Overall MI score</b>	<b>2.60</b>
Element 1: Evaluations are based on design, planning and implementation processes that are inherently quality oriented	3
Element 2: Evaluations use appropriate methodologies for data collection, analysis and interpretation	2
Element 3: Evaluation reports present the evidence, findings, conclusions and, where relevant, recommendations in a complete and balanced way	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 decentralised evaluations	3
<b>MI 8.3: Analysis</b>	<b>Evidence documents</b>
<p><b>8.3.1. Evaluations are subject to a quality assurance process. Independent and self-evaluations are guided by criteria and guidelines for evaluation design.</b></p> <p>OVE draws on a range of documents to frame its evaluation practice, including the Protocol for Country Program Evaluation, the Procedures on how to review, respond to and follow up on the evaluations prepared by the Office of Evaluation and Oversight (OVE), the ECG Evaluation Good Practice Standards, as well as the OECD Development Assistance Committee’s Quality Standards for Development Evaluation.</p> <p>OVE has an established quality assurance process, co-ordinated by a cluster lead overseeing a particular evaluation product. The lead accompanies the team to ensure quality, and the evaluation is also submitted for an internal peer review process before being finalised for the external peer review. While OVE’s guiding principles include collaboration in order to enhance ownership and validity of findings, management teams still note tension in the relationship with OVE and see themselves simply as a focal point for co-ordination on practical issues related to the implementation of the evaluation.</p> <p>There is a view that evaluation serves first and foremost an accountability function, rather than a learning and improvement function, particularly of CPEs and the validation of PCRs. More utility of evaluations is seen at the sector and thematic levels; team leaders and sector specialists draw on these evaluations for the design of sector action plans and project design.</p> <p>Similarly, the treatment of independence in the conduct of evaluations is considered by some staff at times to be to the detriment of the utility of the evaluation findings, as staff have only a small role to play in contributing to or validating them. The review found this point was particularly emphasised with regard to CPEs, although other areas also reported having little contact or interaction with the OVE and were unfamiliar with the complexities of their work programme. This finding is echoed in the 2018 Review of the Evaluation Function of the IDBG.</p>	54, 58-59, 65, 71, 85, 96-103, 109, 126, 176, 200, 230, 234

Similarly, the treatment of independence in the conduct of evaluations is considered by some staff at times to be to the detriment of the utility of the evaluation findings, as staff have only a small role to play in contributing to or validating them. The review found this point was particularly emphasised with regard to CPEs, although other areas also reported having little contact or interaction with the OVE and were unfamiliar with the complexities of their work programme. This finding is echoed in the 2018 Review of the Evaluation Function of the IDBG.

OVE itself is periodically subject to an external review, but use of external reviews for evaluation seems more limited. According to the 2020 Report to Congress on MDB Evaluation, “IDB continues to lag behind the other MDBs, with no external reviews completed in FY 19 after extremely low numbers in FY 18 and none in FY 17. The U.S. Executive Director’s Office has engaged with the new Director of OVE at the IDB to reinforce that external peer review is in line with international standards. OVE intends to incorporate greater use of external reviews into internal OVE procedural guidelines, and it has already begun an effort in 2020 to increase its use of external peer reviewers.” The current annual plan does not indicate an external peer review will take place.

**8.3.2. Independent evaluations produced use appropriate methodologies for data collection, analysis and interpretation, although not consistently. OVE does not have an evaluation manual or handbook.**

OVE produces Approach Papers for each of its evaluations. These outline the objectives, scope and methodology for the evaluation, including the evaluation criteria and evaluation questions, an evaluation matrix, and a description of the methodology. The evaluation questions are grouped under different evaluation criteria: relevance, implementation and efficiency, effectiveness and sustainability. The detail of methodological description varies across Approach Papers (most of the description is found in the evaluation matrix). Of the Approach Papers reviewed for CPEs, Brazil was the only one that highlighted the need to analyse cross-cutting issues. There was no Approach Paper for the Uruguay CPE. The Colombia CPE did not have an evaluation matrix. There is no methodology section in the CPEs themselves. In terms of the sector and corporate evaluations, evaluation matrices were not consistently presented across the Approach Papers (not all had one), but the methodology section was detailed.

During 2020 and 2021, OVE emphasised the importance of rethinking evaluation plans, teams and methodologies due to the COVID-19 pandemic. This included collecting data remotely and reconsidering the methods used for evaluation.

**8.3.3. Evaluation reports present the evidence, findings and conclusions; recommendations are based on findings and conclusions, although not always seen as useful by management.**

An analysis of six CPEs, five corporate evaluations and one thematic/sectoral evaluation found that most evaluations present the evidence, findings and recommendations that are substantiated by the conclusions. The 2018 review of OVE concludes that there is general positive appreciation of the overall coherence and quality of OVE evaluations, which has improved in the past seven years; however, the recommendations are not always based on an in-depth appreciation of a particular context (in the case of CPEs), and thus recommendations are not always practical, actionable or useful. From the 2018 review of OVE, there is only partial agreement on the utility of recommendations, which was confirmed during interviews in this current assessment.

**8.3.4. Methodological limitations are included in the evaluation matrix, as part of the Approach Paper, but not in evaluation reports.**

An analysis of six CPEs, five corporate evaluations and one thematic/sectoral evaluation found that all contained an evaluation matrix as part of the Approach Paper. Every evaluation matrix includes a column on methodological limitations, which are fairly detailed and relate to each of the evaluation

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96-103, 109, 126, 176,  
200, 230, 234



<p>questions. Evaluations do not contain information on their own limitations nor on the difficulties the evaluations may have encountered.</p> <p>8.3.5. <b>Different processes exist within OVE to ensure evaluation quality.</b> As noted in Element 1, OVE has an established quality assurance process, co-ordinated by a cluster lead overseeing a particular evaluation product. The lead accompanies the team to ensure quality, and the evaluation is submitted for an internal peer review process before the evaluation is finalised for the external peer review. The 2018 Review of OVE notes that there is no framework which provides the definitions of quality, principles, norms, standards, processes, practices and procedures, as they apply specifically to OVE. OVE validates all PCRs and XSRs, thereby contributing to the credibility of the IDB Group’s project performance reporting system. Management assigns performance ratings to the projects in the PCRs and XSRs, based on the relevant guidelines. OVE’s validation assesses whether these self-assessments are substantiated by evidence and prepared in accordance with guidelines. OVE determines the quality of PCRs through this system. Differences between management’s self-ratings and OVE’s ratings of project performance persist; for example, in 2021, OVE downgraded the overall outcome rating of 15 out of 71 operations from positive to negative.</p> <p>OVE measures the quality of IDB impact evaluations by considering international standards of relevance of the evaluation question, appropriateness of data used, rigour of the method and robustness of the analysis. The most recent evaluation also found that the quality of IDB’s impact evaluations has been increasing over time.</p>	54, 58-59, 65, 71, 85, 96-103, 109, 126, 176, 200, 230, 234
<b>MI 8.3: Evidence confidence</b>	<b>High confidence</b>
<b>MI 8.4: Mandatory demonstration of the evidence base to design new interventions</b>	<b>Score</b>
<b>Overall MI rating</b>	<b>Satisfactory</b>
<b>Overall MI score</b>	<b>2.80</b>
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
Element 2: Clear feedback loops exist to feed lessons into the design of new interventions	3
Element 3: Lessons from past interventions inform new interventions	3
Element 4: Incentives exist to apply lessons learned to new interventions	3
Element 5: The number/share of new operations designs that draw on lessons from evaluative approaches is made public	2
<b>MI 8.4: Analysis</b>	<b>Evidence documents</b>
<p>8.4.1. and 8.4.3. <b>The feedback loops are formal and include different stages.</b></p> <ul style="list-style-type: none"> <li>Review committees (eligibility review meeting and quality and risk review) request operational lessons and learnings from other IDB projects as part of the evidence-based approach, including a formal subsection in the loan documents that lists the learnings from past operations.</li> <li>The Sector Framework Documents compile operational lessons from a four-year period in order to retrofit into new operations, as a guide and framework of action for the following period.</li> <li>There are knowledge management tools available for integrating lessons learned into new projects, for example, lessons finder (Findit) and lessons dashboards and reports from PMRs available in Convergence. The knowledge platform Findit incorporates lessons from impact evaluations and Sector Framework Documents as a source for the knowledge package that is sent to project teams at inception, although this system is still not widely used according to interviewees.</li> </ul>	1-3, 16, 54, 66, 94-95, 109, 176, 200, 271

- Proposed interventions must provide a problem analysis and proposed solutions based on available evidence (including lessons from previous evaluations) as part of the justification (Development Effectiveness Matrix).
- Project Profiles reference how previous lessons are relevant to the proposed project; PMRs include a section on lessons learned, which lists broad areas of learning; and some PCRs include a description of how past lessons were taken into account for the intervention being self-evaluated. The PCRs themselves must include findings and lessons from the project’s own design and implementation and indicate whether these are applicable only in the same sector or country or in multiple sectors and settings. The PCR Guide emphasises that this knowledge serves as reference for the reparation and implementation of future operations. The Guide requires that self-evaluations substantiate the lessons with evidence presented elsewhere in the PCR, as well as keep in mind the potential audience and users of these lessons (i.e. Bank staff in the initial stages of preparing new projects) and how they may fit into emerging or unexpected trends. With this in mind, IDB’s Office for Institutional Integrity has recently taken steps to strengthen lessons from PCRs relating to the effective management of integrity risks.
- At the country level, new Country Strategies must be preceded by a Country Program Evaluation (CPE) or Country Program Review (CPR) and must include lessons learned from the implementation of the previous CS as well as recommendations outlined in the CPE/CPR.

In the MOPAN survey, nearly 60% of the Board members and donors who expressed a view agreed or strongly agreed that IDB does apply lessons to new interventions. A further 25% somewhat agreed.

**8.4.2. In addition to the above, in 2020, the IDB piloted two approaches to systematise lessons learned from its projects.** One focused on lessons learned from 15 years of rural water and sanitation projects. Key challenges were captured (for both design and execution), and a knowledge platform was built to disseminate findings internally and to the public. The lessons were geared at offering new project considerations in their design; as a consequence, a project in Honduras engaged non-governmental organisations in the execution of certain activities, based on lessons from a previous programme. The second pilot tested a methodology to systematise the identification of lessons learned and strengthen feedback loops during project preparation. During the pilot, project teams in the Southern Cone Department were provided with a package of recommendations related to project design and execution that were relevant to the profile of a new project. The project teams that participated in the pilot were monitored during the project cycle to get recommendations on the effectiveness and usefulness of the recommendations received. This methodology is being scaled up Bank-wide in the form of “knowledge packages”.

Perhaps the most significant initiative has been the recent creation and leveraging of the “Lessons Finder” (Findit), an intelligent search engine that consolidates lessons from impact evaluations, PMRs, PCRs, technical co-operation operations and other sources. FindIt is managed by KIC, the unit responsible for regularly updating lessons into the system and maintaining/“cleaning” those lessons. The system has yet to become embedded in programming activities but has significant potential to systematise and increase the use of lessons in the design of interventions. Based on interviews, not everyone knows about it or is familiar with how to use it, and some interviewees still rely on informal lesson gathering (drawing lessons from thematic and corporate evaluations). KIC has anecdotal knowledge that it is being used by projects, but they do not know how often or if teams actually find it useful.

1-3, 16, 54, 66, 94-95,  
109, 176, 200, 271

IDB Invest's knowledge management system ensures that learning from project implementation and evaluation is systematised and accessible across the organisation. Information on project results and impact is housed in the Development Effectiveness Analytics (DEA) platform, including a searchable repository of lessons learned from completed operations (the 2021 Development Effectiveness Overview (DEO) states that at the time of the report there were 670 lessons pulled from 473 XSR). The IDB Invest lessons repository is known as the "Mountain of Knowledge" (MOK). Lessons are fed into current or new projects, through products such as sector reviews of lessons learned, as well as through a tool that automatically filters relevant lessons learned related to projects in the pipeline, making it easier for investment officers to access pertinent findings when designing new projects.

IDB Lab also worked to create more regular and dynamic feedback loops across project teams and partners throughout the year. For instance, it launched its first FailFest, a space where project teams can share their experiences with failure to promote learning and greater acceptance of unsuccessful experiments. It also continued to roll out the IDB Lab Series of webinars to share the main findings and lessons from new knowledge products and launched Portfolio Talks, informal sessions with project implementers and IDB Lab officers to discuss progress to date, lessons learned and how to improve performance going forward. Learning Briefs were also introduced as a tool for communicating emerging insights from projects in implementation with the IDB Lab Donors Committee on an ongoing basis.

**8.4.4. Incentives for staff to apply lessons learned to new interventions are generally in place.** For a new intervention, the quality of problem analysis and the solution proposition is greater if based on effective learning from previous experience and, in turn, this contributes (along with other elements) to a proposed project's DEM score, on which the decision to proceed is based. Similarly, sectoral guidance (SFDs and Guidelines) that staff are expected to follow includes/reflects learning and best practice. This guidance should be updated at least every four years.

While incentives exist to demonstrate lesson learning in project preparation, completion reports as a tool to disseminate findings and lessons have more limited utility. Most project completion reports (PCRs) are not prepared on time, and most of them are not even prepared six months after their due date. Some staff interviewed felt that "lessons learned" can be superficial or incomplete because of political sensitivities combined with pushback.

The formation of KIC may bring additional incentives to operations, with KIC's access to communications machinery for publications, as well as the knowledge and learning budget which is centralised within KIC; they assign budgets based on project knowledge plans. Another incentive geared towards projects and clients is the Superheroes for Development contest. Beginning in 2018, on an annual basis, IDBG invites all implementers to write a one-pager on lessons, and different people review those (Office of Strategic Planning and Development Effectiveness (SDP), advisors). KIC supports the finalists (eight of them) to prepare a pitch to top management. Two winners are selected. This has become very prestigious for the clients as well as the project team. When the contest ends, KIC systematises all of the entries, publishes the stories and conducts webinars inviting experts to participate. In this way, lessons learned are disseminated to a wider audience.

**8.4.5. IDB does not report specifically on the proportion of new operations designs that draw on lessons from evaluative approaches that is made public.** However, project profiles and PCRs are available on IDB's website, both of which may reference which lessons have been drawn on for the design of the intervention.

1-3, 16, 54, 66, 94-95,  
109, 176, 200, 271

<p>In addition, publications (i.e. technical notes, working papers) and blogs are an opportunity to share lessons. For example, the blog “Primeros Pasos” (Early Childhood Development) shared emerging lessons on Early Care and Education Systems from the COVID-19 pandemic; and the note Violence Against Women (VAW) In The Context of Covid-19: Lessons and Tools for Latin America and the Caribbean. And in June 2021, OVE convened a panel of evaluators who had assessed their institution’s response to past public health crises such as Ebola and Avian Flu, in order to share lessons that could be applied to COVID-19. Lessons from previous public health and economic crises in the region – including Zika, cholera outbreaks in Haiti, and the 2008 financial crisis – were an important starting point when COVID-19 hit, though the speed and scale at which the pandemic evolved were unprecedented. COVID-19 required a swift response, leveraging both in-house expertise within the IDB Group and mobilising key partners for collective action. Within this context, ensuring agile learning and feedback loops was critical for addressing the health crisis.</p> <p>Client connectivity is an aspect of sharing lessons learned more broadly; there is a demand for lessons to be more accessible to clients, as well as in general to capture knowledge on operations. KIC provides support through tools and plans at project onset to capture knowledge and, within that knowledge, lessons; it does this through the creation of a “knowledge agenda” and a “knowledge action plan”.</p>	<p>1-3, 16, 54, 66, 94-95, 109, 176, 200, 271</p>
<p><b>MI 8.4: Evidence confidence</b></p>	<p><b>High confidence</b></p>
<p><b>MI 8.5: Poorly performing interventions proactively identified, tracked and addressed</b></p>	<p><b>Score</b></p>
<p><b>Overall MI rating</b></p>	<p><b>Satisfactory</b></p>
<p><b>Overall MI score</b></p>	<p><b>2.75</b></p>
<p>Element 1: A system exists to identify poorly performing interventions</p>	<p>2</p>
<p>Element 2: Regular reporting tracks the status and evolution of poorly performing interventions</p>	<p>3</p>
<p>Element 3: A process for addressing poor performance exists, with evidence of its use</p>	<p>3</p>
<p>Element 4: The process clearly delineates the responsibility to take action</p>	<p>3</p>
<p><b>MI 8.5: Analysis</b></p>	<p><b>Evidence documents</b></p>
<p><b>8.5.1. IDB’s DEF system provides mechanisms to identify poorly performing interventions.</b></p> <p>The PMR is a semi-annual report that is meant to periodically compare intermediate results against pre-established targets and warn project teams of potential problems during execution. However, the important caveat here is that PMRs tend to focus more on disbursement progress and activity completion/output delivery. As such, poor performance in terms of achievement of development outcomes and impact is not typically captured well.</p> <p>That said, outcome and impact measures and targets are included in intervention results matrices. As a result, this limitation in part may reflect problems operationalising outcome/impact indicators routinely during implementation but may also reflect organisational priorities.</p> <p>In addition, higher-risk projects in environmental and social safeguarding terms are also reviewed regularly to monitor the effectiveness of mitigation measures and their risk ratings updated.</p> <p>PCRs assess the performance of the Bank and its counterparts using an objective-based methodology, to evaluate the performance of its lending operations. It assesses four core criteria, and these are rated on a four-point scale ranging from excellent to unsatisfactory. The overall outcome rating of the project is rated on a six-point scale, from highly successful to highly unsuccessful.</p> <p>Nearly three-quarters of the stakeholders who expressed a view in the MOPAN survey agreed or strongly agreed that IDB identifies and addresses underperformance, though nearly 10% disagreed or strongly disagreed.</p>	<p>66, 95, 109</p>

<p>8.5.2. <b>As a result of the PMR process, interventions are classified as “satisfactory”, “alert” or “problem projects”.</b> The information is reported and recorded within the convergence system. This system appears to work adequately, though one suggested improvement from staff would be to enhance the reporting functionality to permit easier examination of PMR results over time/trend analysis.</p> <p>There has been an increase in the field presence of environmental and social specialists which has strengthened the support for closer monitoring and mitigation of problems, especially for higher-risk operations.</p> <p>8.5.3. <b>A process for addressing poor performance exists at the country level. PMRs are designed to track the execution experiences through three elements:</b> (i) implementation status; (ii) likelihood that development outcomes will be achieved; and (iii) lessons learned. To date, the emphasis has been on the first of these in terms of financial and physical progress. Interviewees indicated that the utility of PMR data is often dependent on the inclination of team leaders.</p> <p>The data generated are considered at the annual portfolio reviews in country and may be elevated for discussion with ministries and executing agencies where necessary to inform the development of a plan for course correction. In-country specialists also participate in these reviews, which are usually led by the COO and may sometimes require the participation of division chiefs. The involvement of sectoral experts helps focus the discussion on results as well as operational aspects.</p> <p>As noted in KPI 7, individual projects and country offices have set up their own systems to track in a more consistent manner any “red flags”; these are still mostly budgetary and activity-based (according to interviewees). However, there are claims that embracing “failure” is on the rise, with more thoughtful analysis of contextual barriers and challenges and of how to better support change. In particular, CAN’s Cultural Transformation Initiative is piloting digital solutions for more in-depth project monitoring as well as aiming to create a space for regional collaboration among country offices to promote learning and the exchange of creative ideas to address challenges.</p> <p>8.5.4. <b>The process clearly delineates the responsibility to take action.</b> VPS leads interventions, with support from VPC as well as the Office of Strategic Planning and Development Effectiveness (SDP). VPS and VPC have accountability for design, oversight and quality assurance of the entire project.</p> <p>The evidence confidence rating of “medium” for this MI reflects the limits of documentation and interviews to evidence aspects of process/intervention management.</p>	66, 95, 109
<b>MI 8.5: Evidence confidence</b>	<b>Medium confidence</b>
<b>MI 8.6: Clear accountability system ensures responses and follow-up to and use of evaluation recommendations</b>	<b>Score</b>
<b>Overall MI rating</b>	<b>Satisfactory</b>
<b>Overall MI score</b>	<b>3.50</b>
Element 1: Evaluation reports include a management response (or have one attached or associated with it)	4
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: An annual report on the status of use and implementation of evaluation recommendations is made public	4
<b>MI 8.6: Analysis</b>	<b>Evidence documents</b>
<p><b>8.6.1. Management must include an action plan for each Board-approved recommendation presented by OVE.</b></p> <p>The IDB Group Evaluation Policy Framework indicates that management should “respond to OVE evaluation”; the main thrust is to prepare action plans to implement Board-endorsed evaluation recommendations and to track, update and report on the implementation of those action plans. Most of the recommendations recorded in the ReTS are related to CPEs, followed by sector and corporate evaluations, with a small amount related to project evaluations. By category, most refer to issues related to the IDB Group’s internal organisation and client engagement, as well as results measurement.</p> <p><b>8.6.2. Action plans are based on the evaluation recommendations.</b></p> <p>All OVE recommendations endorsed by the Board are registered in the Recommendations Tracking System (ReTS). Management (including IDB Invest) produces an action plan for each recommendation which is assessed (including drafts) by OVE periodically.</p> <p>There are mixed sentiments about the ReTS exercise; some find that the follow-up of recommendations is a bureaucratic compliance exercise, rather than a useful and meaningful adaptive management exercise. This is particularly true for those recommendations that management feels they did not have an opportunity to respond to or engage in conversation around, or which are perceived as broad statements without useful direction specific to the context in which the evaluation took place. Another perspective is that the level of detail and the sheer number of evaluations, their corresponding recommendation and their action plans, produce a burdensome amount of information.</p> <p><b>8.6.3. Action plans related to ReTS propose implementation timelines.</b></p> <p>The Office of Strategic Planning and Development Effectiveness (SPD) has the responsibility of overseeing the capture of progress in the implementation of OVE’s recommendations. Individual teams provide an update of their action plans directly into the portal (Teammate), and SPD inputs/responds to the annual ReTS report developed by OVE. An analysis of ReTS between 2016 and 2020 shows that, despite timebound actions, approximately 21% of actions are overdue. In terms of adoption, 76% of the 51 retired recommendations have been fully or substantially adopted by IDB Group Management by 2020.</p> <p><b>8.6.4. OVE produces an annual report on the status of the implementation of evaluation recommendations, and this is available publicly.</b></p> <p>On an annual basis, OVE validates the action plans in terms of relevance in addressing the recommendation and the progress in its implementation; after four years, OVE assesses their degree of adoption. These dimensions are rated using a four-point scale (full, substantial, partial and negligible). In addition, OVE assesses the evaluability of the action plan, i.e. to what extent the plan has well-defined actions, clear and measurable targets, and adequate milestones and deadlines for completion.</p>	56, 58, 95, 200, 234, 260-262, 264
<p>In 2019, OVE began to analyse the extent to which recommendations from previous CPEs had been fully addressed in new CPEs (that is, examining whether the problems that gave rise to recommendations in the preceding CPEs are corrected through the actions implemented by management). The CPEs are an important technical contribution to the preparation of the new CS and complement the lessons learned from the IDBG, reinforcing the institution’s process of continuous learning.</p>	56, 58, 95, 200, 234, 260-262, 264

<b>MI 8.6: Evidence confidence</b>	<b>High confidence</b>
<b>MI 8.7: Uptake of lessons learned and best practices from evaluations</b>	<b>Score</b>
<b>Overall MI rating</b>	<b>Satisfactory</b>
<b>Overall MI score</b>	<b>2.75</b>
Element 1: A complete and current repository of evaluations and their recommendations is available for use	3
Element 2: A mechanism for distilling and disseminating lessons learned internally exists	2
Element 3: A dissemination mechanism to partners, peers and other stakeholders is available and employed	3
Element 4: Evidence is available that lessons learned and best practices are being applied	3
<b>MI 8.7: Analysis</b>	<b>Evidence documents</b>
<p><b>8.7.1. In accordance with IDB’s Access to Information Policy and IDB Invest’s Disclosure of Information Policy, the IDB Group discloses public evaluation work through OVE’s website which holds a complete and current repository of evaluations and their recommendations, searchable by country and type of evaluation.</b></p> <p>Approach papers for evaluations and the ReTS reports are also available publicly, as are PCRs. From 2016 to 2020 OVE produced 17 Corporate Evaluations, 24 CPEs, 13 Sector and Thematic Evaluations. It validated 231 PCRs and 152 XSRs from 2017 to 2021.</p> <p><b>8.7.2. As noted in MI 8.4, a mechanism for distilling and disseminating lessons learned internally in a more centralised and systematic way is being piloted through KIC through its FindIt initiative, but also through OVE mechanisms.</b></p> <p>KIC plays a role at the country level with the incorporation of lessons into programming and products. KIC facilitates “Operations Days”, which help projects or countries define where they are having challenges and issues and where they would like intelligence for design solutions, using lessons from other projects. KIC creates the space for dialogue, using the “Agile” methodology.</p> <p>KIC also manages the newly launched FindIt knowledge search engine that includes references to IDB experts, publications and lessons (KIC gathers all the lessons from PMRs, PCRs and evaluations and uploads them); a project lead is able to access a draft “knowledge package” on Convergence (related to the type of project they are working on), in order to have an initial idea of what lessons, publications and people could be further consulted for a project. Project-level human resources on committees/teams bring knowledge and lessons from other projects, and from the appropriate sectors more generally.</p> <p>KIC leads the initiative Knowledge in Context, which aims to deliver knowledge (including lessons learned) timely under a proactive approach. One example is the knowledge package for operations, or lessons packages for sectoral frameworks. Further, KIC leads this initiative as a pillar of client connectivity and is working on delivering and disseminating lessons to project execution units on time.</p> <p>Currently, there is no mechanism in the ReTS database to enable cross-searches of recommendations – for example, to find how many times similar recommendations have been given, such as “need for improved monitoring” – and no plans to include the possibility for such cross-searches in the new platform. However, VPF is currently building a dashboard that will include portions of ReTS; the Office of Strategic Planning and Development Effectiveness (SDP) will spin off that dashboard to create its own Board-facing dashboard.</p>	56, 64, 95, 103, 212, 234



<p><b>8.7.3. Evaluations are not required to have a dissemination strategy and associated resources.</b> OVE disseminates evaluations, more recently through its website, and in other instances through evaluation platforms such as gLOCAL and CLEAR, newsletters, blogs, social media, workshops and conferences.</p> <p>The IDB Group Evaluation Policy Framework states that appropriate dissemination must support transparency and learning by stakeholders, including within the IDB Group. In 2020, OVE revised its communications strategy to enhance dissemination and promote discussions around evaluation results with internal and external audiences for the purposes of facilitating institutional learning, fostering accountability and transparency, and projecting OVE as a reference within the IDB Group and the evaluation community at large. A variety of outreach vehicles have been activated to broaden dissemination, such as social media, blogs, newsletters to targeted audiences, videos, webinars, workshops and conferences. In 2019, IDB released a quarterly newsletter to share results, impact evaluations and knowledge products for a broader audience (IDB Invest did the same). The pandemic has demonstrated the potential for virtual exchanges; hence the 2021–22 Work Program focuses even more on dissemination through digital platforms and interactions. OVE has hired a communications specialist who is supported by a graphic designer.</p> <p><b>8.7.4. As indicated under MI 8.6, the ReTS indicates that the large majority of responses to evaluation recommendations are implemented within proposed timelines.</b> At the country level, all new country strategies must be informed by the results of a Country Program Evaluation. Sector Framework Documents and sector programming Guidelines (technical and methodological) include lesson-based guidance and are required to be followed in the development of new programmes.</p>	56, 64, 95, 103, 212, 234
<b>8.7: Evidence confidence</b>	<b>High confidence</b>

## RESULTS

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

<b>KPI 9: Development and humanitarian objectives are achieved, and results contribute to normative and cross-cutting goals</b>	<b>KPI score</b>
<b>Unsatisfactory</b>	<b>2.00</b>
<p><b>Results achieved:</b> Overall, IDB has struggled to demonstrate development results across its portfolio. OVE reviews of completed projects over the period rated the majority as unsatisfactory. Poor quality monitoring or an absence of performance data make it difficult to assess performance of many IDB interventions.</p> <p><b>Gender equality:</b> The evaluative evidence points to increased mainstreaming of gender issues across interventions and country strategies. However, evaluations do not systematically include gender, which makes the assessment of effectiveness of IDB interventions in advancing gender equality objectives variable but generally weak. IDB is recognised regionally as a strong promoter of gender equality and diversity issues.</p> <p><b>Environment and climate change:</b> Evaluative evidence suggests that IDB operations have contributed to some positive results across country programmes. Nevertheless, the majority of interventions related to this cross-cutting issue that were completed over the period did not achieve their development objectives.</p> <p><b>Diversity, equality and inclusion:</b> IDB is gradually increasing its focus on diversity in Bank operations, but there is a lack of evaluative evidence to demonstrate achievement of results in addressing issues of inequality in IDB interventions.</p> <p><b>Institutional capacity and rule of law:</b> Although recognised by stakeholders as a priority for IDB, there was little evaluative evidence of IDB's performance in addressing institutional capacity and rule of law. Limited institutional capacity was frequently cited in evaluations as a factor contributing to limited M&amp;E.</p>	

<b>MI 9.1: Interventions assessed as having achieved their objectives, and results (analysing differential results across target groups, and changes in national development policies and programmes or system reforms)</b>	<b>Score</b>
<b>MI rating</b>	<b>Unsatisfactory</b>
<b>MI score</b>	<b>2</b>
<b>4. Highly satisfactory:</b> The organisation achieves all or almost all intended significant development and normative and/or humanitarian objectives at the output and outcome level. Results are differentiated across target groups	
<b>3. Satisfactory:</b> The organisation either achieves 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 is achieved	
<b>2. Unsatisfactory:</b> Half or less than half of stated output and outcome level objectives is achieved	
<b>1. Highly unsatisfactory:</b> Less than half of stated output and outcome objectives has been achieved, including one or more very important output and/or outcome level objectives	
<b>MI 9.1: Analysis</b>	<b>Evidence documents</b>
<p>Each year, OVE validates completed sovereign guaranteed (SG) and non-SG projects to determine to what extent they achieved their objectives (effectiveness). Over the period of this assessment (2017-21), OVE found just one-third of completed SG projects and 44% of non-SG projects satisfactory in effectiveness terms. The results for SG operations were virtually identical for all IDB sectors. Non-SG operations in infrastructure/energy were most likely to be effective, while operations with corporates were least likely.</p> <p>Not surprisingly, underperformance compared with expectations was the most common reason explaining a low rating. However, poor quality of monitoring and evaluation data also frequently prevented assessment of effectiveness. In such cases, projects are unlikely to be “managing for results” in the absence of performance information for key outcomes.</p> <p>Analysis of a sample of OVE country programme evaluations (CPEs) and independent country programme reviews (ICPRs) generally confirms that the effectiveness challenges noted above at the intervention level are reflected in mixed results across all the country programmes reviewed.</p> <p>In addition to the OVE assessment, IDB rates the performance of ongoing projects based on project monitoring reports (PMRs). These figures are not comparable with OVE’s results, primarily because PMRs tend to focus on outputs rather than outcomes. Nevertheless, the information available points to effectiveness concerns among IDB’s technical co-operation (TC) activities. Whereas over 80% of ongoing SG projects and 60-75% of ongoing non-SG projects are typically rated satisfactory, only around half of TC projects are rated satisfactory, well under the target of 75%, though data suggest an improving trajectory.</p> <p>Looking forward, the Bank is proposing to introduce a comprehensive portfolio management system as part of its Operational Excellence Agenda. This is expected to strengthen “in-flight” assessment of outcome achievement with the inclusion of a mid-term evaluation for ongoing projects.</p>	1, 59, 66, 96-103, 109-111, 177-178, 230
<b>MI 9.1: Evidence confidence</b>	<b>High confidence</b>

MI 9.2: Interventions assessed as having helped improve gender equality and women's empowerment	Score
MI rating	Unsatisfactory
MI score	2
4. <b>Highly satisfactory:</b> Interventions achieve all or nearly all of their stated gender equality objectives	
3. <b>Satisfactory:</b> Interventions achieve a majority (more than 50%) of their stated gender objectives	
2. <b>Unsatisfactory:</b> Interventions either lack gender equality objectives or achieve less than half of their stated gender equality objectives. (Note: where a programme or activity is clearly gender-focused (maternal health programming, for example) achievement of more than half its stated objectives warrants a rating of satisfactory)	
1. <b>Highly unsatisfactory:</b> Interventions are unlikely to contribute to gender equality or may in fact lead to increases in gender inequalities	
MI 9.2: Analysis	Evidence documents
<p>In 2018, OVE evaluated the Bank's support for gender and diversity. The report includes a number of positive findings, in particular greater mainstreaming of gender issues, through an increasing number of interventions and country strategies that included a component on gender. More recently, the Bank has promoted greater use of direct investments addressing gender issues specifically, with some success.</p> <p>Recent reports point to significant gender outcomes achieved by Bank-financed projects, such as Ciudad Mujer in El Salvador, strengthening gender equality in the workplace in Argentina and an entire chapter dedicated to successes in women's economic empowerment in the latest Development Effectiveness Overview. However, the Bank does not provide an overall picture of effectiveness systematically. OVE's finding in 2018 – that it is “challenging to measure the effectiveness of mainstreaming gender... indeed, the Bank has yet to measure it adequately” – is still relevant today.</p> <p>Previously (2017-19), the Bank reported on both new approvals aligned with gender equality and diversity (%) and the loans with satisfactory achievement of gender-related results at completion (%). However, the latter indicator has been discontinued, and the former has been modified somewhat to align with the Gender Action Plan (Projects supporting gender equality (% of new approvals/commitments)).</p> <p>Results of IDB's own Reputation survey of informed stakeholders in the region suggest IDB is recognised for its attention to gender issues: 63% of respondents identified IDB as a strong promoter of gender equality and diversity issues. Far fewer perceived IDB Invest in this way (17%). Almost 60% rated IDB's capability to empower women and other marginalised populations as good or very good (though 16% rated the Bank poor or very poor in this regard). Among IDB's direct partners, recognition appears stronger, with 70% of respondents to the partner feedback survey rating the quality of the IDB's work on gender equality good or very good.</p> <p>IDB has issued guidance, setting out the clear requirements for a project to “count” against the gender alignment indicator, and submissions are reviewed by the IDB's gender specialists. In 2020, about half of IDB's projects and 30% of IDB Invest projects supported gender equality. Nevertheless, the focus on alignment (over results) risks creating incentives that, in OVE's words, “focus on activities and outputs... and not on the achievement of outcomes to improve gender equality”.</p>	1, 45, 71, 97, 100-102, 178

<p>A review of a sample of recent CPEs and ICPRs also suggested consideration of gender in these evaluations is variable. Of the nine examined, only three treated it as a cross-cutting issue in the evaluation (to varying degrees of depth). In contrast, six did not, even though gender equality was a cross-cutting priority objective in four of those Country Programs.</p> <p>This limitation in evidence is notable, given gender equality is a key development issue in the region and a cross-cutting strategic priority for the Bank. Without a systematic understanding of gender results, the Bank cannot, for example, take a view on whether mainstreaming, which has been the predominant strategy to date, is effective or whether more resources should be devoted to investments dedicated to gender equality.</p>	<p>1, 45, 71, 97, 100-102, 178</p>
<p><b>MI 9.2: Evidence confidence</b></p>	<p><b>Medium confidence</b></p>
<p><b>MI 9.3: Interventions assessed as having helped improve environmental sustainability/tackle the effects of climate change</b></p>	<p><b>Score</b></p>
<p><b>MI rating</b></p>	<p><b>Unsatisfactory</b></p>
<p><b>MI score</b></p>	<p><b>2</b></p>
<p><b>4. Highly satisfactory:</b> Interventions include substantial planned activities and project design criteria to achieve environmental sustainability and contribute to tackling the effects of climate change. These plans are implemented successfully, and the results are environmentally sustainable and contribute to tackling the effects of climate change</p>	
<p><b>3. Satisfactory:</b> Interventions include some planned activities and project design criteria to ensure environmental sustainability and help tackle climate change. Activities are implemented successfully, and the results are environmentally sustainable and contribute to tackling the effects of climate change</p>	
<p><b>2. Unsatisfactory:</b> EITHER Interventions do not include planned activities or project design criteria intended to promote environmental sustainability and help tackle the effects of climate change. There is, however, no direct indication that project or programme results are not environmentally sustainable. AND/OR The intervention includes planned activities or project</p>	
<p><b>1. Highly unsatisfactory:</b> Interventions do not include planned activities or project design criteria intended to promote environmental sustainability and help tackle climate change. In addition, changes resulting from interventions are not environmentally sustainable/do not contribute to tackling climate change</p>	
<p><b>MI 9.3: Analysis</b></p>	<p><b>Evidence documents</b></p>
<p>Climate change and environmental sustainability is a priority cross-cutting objective for the Bank. Among partners and stakeholders more generally the Bank has a strong reputation. Two-thirds of informed stakeholders in the region identified IDB strongly as a promoter of green growth and respect for the environment. (Nearly one-quarter did so for IDB Invest.) Nearly 60% of the same respondents rated IDB's capabilities to help the region face climate change as good or very good. Among IDB's direct partners, this appreciation seems stronger, with over 70% rating IDB's ability to provide solutions both to climate change mitigation and adaptation and environmental sustainability as good or very good.</p> <p>Like other cross-cutting priorities, however, the Bank does not report systematically on achievement of outcomes in this area.</p> <p>The Bank does, however, report corporately on efforts to mitigate climate/environmental risk associated with its projects, with two indicators tracking (i) the proportion of IDB projects with considerable disaster and climate change risk with associated resilience actions identified; and (ii) the proportion of IDB and IDB Invest projects with higher environmental and social risks that are satisfactorily implementing mitigating measures. The latest data (2021) suggest both IDB and IDB Invest are close to or exceeding their targets for these measures. It is noted, however, that IDB's target for satisfactorily implementing</p>	<p>91, 98, 100, 102-103, 178</p>

mitigating measures was lowered in 2020 (from 90% to 84%). Even if the latest measures of the indicator remain at or close to the previous target, the implication that inadequate mitigation for 16% of high-risk projects is within acceptable tolerances for the Bank may be questionable in the light of ever-rising expectations among stakeholders.

The Bank also reports on the degree of alignment of operations with this objective. Previously the Corporate Results Framework reported against a Group-wide measure for the share of new approvals aligned. In 2019, outturn was 39%. From 2020, the Bank has introduced three new measures tracking the extent to which new projects:

- support climate change mitigation and/or adaptation (%)
- include climate finance in operations (% share)
- support agriculture, forestry, land use and coastal zone management.

IDB, IDB Lab and IDB Invest report their performance separately for each indicator. The latest data available (2020-21) suggest notable increases in the share of IDB projects meeting these criteria, though performance is mixed, with IDB Lab in particular below target generally.

Each year, OVE validates completed sovereign guaranteed (SG) and non-SG projects to determine to what extent they achieved their objectives (effectiveness). While this does not look explicitly at the effectiveness of projects aligned with cross-cutting issues, it does examine performance by broad sectoral classifications for sovereign guaranteed operations. During the period of this assessment (2017-21), OVE found only 30% of completed projects in climate and sustainable development were effective, though this result is on par with all other sectors.

A common challenge cited by OVE when reviewing completed projects is the limited information available in project documentation regarding performance against environmental safeguard issues. This limitation also impacts OVE's rating of sustainability for post-completion benefits and is discussed further under KPI 12.

There is nevertheless evidence that IDB projects have contributed to significant outcomes for climate change and environmental sustainability. OVE's reviews of country programmes have, for example, found that IDBG operations contributed to boosting cleaner and less costly energy generation in Mexico and helped to consolidate a renewable energy market through a progressive sequence of non-sovereign guaranteed investments in El Salvador. IDB's 2020 Annual Report highlighted success in establishing the Green Bond Transparency Platform and work with Chile and Colombia to develop sovereign green bonds with Mexico on subnational green bonds. However, reporting is not systematic, and negative impacts of IDB operations are also evident.

Based on the sample of CPE/ICPRs reviewed, evidence at the country level appears to corroborate the mixed findings from OVE's intervention-level analysis: positive achievements balanced by challenges relating to implementation delays, identification of fewer-than-expected projects and lack of information about results.

These findings perhaps highlight the challenges in promoting Bank operations in this field in spite of the fact that all 11 Country Strategies reviewed included the issue as an important area for support. Interviews with staff suggested that the Bank is generally careful not to be perceived as pushing an ideological position on the topic. However, although outside of the scope of this review, interviews also suggested the Bank may need to be more innovative if it is to maximise its value added in this field.

The evidence confidence rating of "medium" reflects the limitations in available documents with respect to systematic assessment of IDB's results in this area.

### MI 9.3: Evidence confidence

Medium confidence

MI 9.4: Interventions assessed as having helped improve diversity	Score
<b>MI rating</b>	Unsatisfactory
<b>MI score</b>	2
<p><b>4. Highly satisfactory:</b> Interventions include substantial planned activities and project design criteria to promote or ensure human rights and reach those most at risk of being left behind. These plans are implemented successfully, and the results have helped promote or ensure human rights demonstrating results for the most vulnerable groups</p>	
<p><b>3. Satisfactory:</b> Interventions include some planned activities and project design criteria to promote or ensure human rights. These activities are implemented successfully, and the results have promoted or ensured human rights</p>	
<p><b>2. Unsatisfactory:</b> EITHER Interventions do not include planned activities or project design criteria intended to promote or ensure human rights or demonstrate their reach to vulnerable groups. There is, however, no direct indication that project or programme results will not promote or ensure human rights. AND/OR The intervention includes planned activities or project design criteria intended to promote or ensure human rights, but these have not been implemented and/or have not been successful</p>	
<p><b>1. Highly unsatisfactory:</b> Interventions do not include planned activities or project design criteria intended to promote or ensure human rights. In addition, changes resulting from interventions do not promote or ensure human rights. Interventions do not focus on reaching vulnerable groups</p>	
MI 9.4: Analysis	Evidence documents
<p>Latin America and the Caribbean (LAC) remains the most unequal region in the world, with gender and ethnicity being important factors of inequality. Women, indigenous people and African descendants face the most economic inequality, discrimination and lack of representation in the region. The Bank has recognised that increasing equality of opportunity for these groups provides social and economic benefits, and therefore it has increased its efforts to address these challenges.</p> <p>Like other cross-cutting priorities, however, the Bank does not report systematically on achievement of outcomes in this area.</p> <p>Results of IDB's feedback survey among direct partners suggest IDB is recognised for its promotion of diversity and inclusion, with 63% rating the Bank as good or very good (compared with 70% for gender equality).</p> <p>The share of Bank approvals that included some diversity element grew from 4% of loans in 2011 to 37% of IDB projects, 10% of IDB Invest projects and 13% of IDB Lab projects in 2021. Similarly, over 70% of the 11 Country Strategies identified some aspect of diversity as an important area for support. That said, a simple comparison of references in the same documents suggests gender received over four times more attention.</p> <p>Staff interviews highlighted some of the challenges faced in ensuring diversity is on the agenda, including resistance to add to borrowing for diversity issues, lack of suitable counterparts with adequate capacity at the country level; and also lack of data/evidence to facilitate discussions. That said, interviewees are quite positive about the trajectory of improvement. IDB is currently planning to set targets by groups in the new action plan, rather than a blanket target as is the case, given the variation across countries.</p> <p>Nevertheless, OVE's finding in 2018 that the Bank's systems for accountability and monitoring do not adequately measure the results of the diversity portfolio is still applicable. Further, reviewing OVE country programme evaluations (CPEs) for the sample of eight Country Strategies where diversity was identified provided limited insight in terms of outcomes for diversity issues. In some cases, the limited number of operations on the ground in practice restricted what could be said. But in others, the subject tended to be addressed descriptively (e.g. "number of projects", etc.) rather than analytically/evaluatively (e.g. "effectiveness").</p>	1, 45, 71, 81, 96-98, 101-102

<p>Nevertheless, OVE’s finding in 2018 that the Bank’s systems for accountability and monitoring do not adequately measure the results of the diversity portfolio is still applicable. Further, reviewing OVE country programme evaluations (CPEs) for the sample of eight Country Strategies where diversity was identified provided limited insight in terms of outcomes for diversity issues. In some cases, the limited number of operations on the ground in practice restricted what could be said. But in others, the subject tended to be addressed descriptively (e.g. “number of projects”, etc.) rather than analytically/evaluatively (e.g. “effectiveness”).</p> <p>The evidence confidence rating of “little to no confidence” reflects the limitations in available documents with respect to systematic assessment of IDB’s results in this area.</p>	<p>1, 45, 71, 81, 96-98, 101-102</p>
<p><b>MI 9.4: Evidence confidence</b></p>	<p><b>Little to no confidence</b></p>
<p><b>MI 9.5: Interventions assessed as having helped improve institutional capacity and rule of law</b></p>	<p><b>Score</b></p>
<p><b>MI rating</b></p>	<p><b>Unsatisfactory</b></p>
<p><b>MI score</b></p>	<p><b>2</b></p>
<p><b>4. Highly satisfactory:</b> Interventions include substantial planned activities and project design criteria to promote or ensure any other cross-cutting issue. These plans are implemented successfully, and the results have helped promote or ensure any other cross-cutting issue</p>	
<p><b>3. Satisfactory:</b> Interventions include some planned activities and project design criteria to promote or ensure any other cross-cutting issue. These activities are implemented successfully, and the results have promoted or ensured any other cross-cutting issue</p>	
<p><b>2. Unsatisfactory:</b> EITHER Interventions do not include planned activities or project design criteria intended to promote or ensure any other cross-cutting issue. There is, however, no direct indication that project or programme results will not promote or ensure any other cross-cutting issue. AND/OR Interventions include planned activities or project design criteria intended to promote or ensure any other cross-cutting issue, but these have not been implemented and/or been successful</p>	
<p><b>1. Highly unsatisfactory:</b> Interventions do not include planned activities or project design criteria intended to promote or ensure any other cross-cutting issue. In addition, changes resulting from interventions do not promote or ensure any other cross-cutting issue</p>	
<p><b>MI 9.5: Analysis</b></p>	<p><b>Evidence documents</b></p>
<p>Institutional capacity and rule of law is a priority cross-cutting objective for the Bank. Among stakeholders and partners, the Bank is recognised for promoting state modernisation and institutional capacity building. 81% of informed stakeholders in the region and nearly 70% of direct partners acknowledged the IDB’s strengths in this area – though it is interesting that recognition was relatively lower among direct partners. Less strong but still quite high was recognition of IDB’s promotion of transparency and anti-corruption, with nearly 70% of regional stakeholders and 63% of direct partners identifying the Bank as strong in this regard.</p> <p>Like other strategic objectives, however, the Bank does not report systematically on achievement of outcomes in this area.</p> <p>Each year, OVE examines the effectiveness of completed sovereign guaranteed (SG) and non-SG projects. Over the period covered by the assessment (2017-21), 31% of sovereign guaranteed projects completed in the “Institutions for Development” sector were rated satisfactory in this regard – largely on par with other sectors. A deeper analysis of the 2021 cohort of SG project completions found that, for specific objectives, those relating to improved service provision were most likely to achieve positive ratings, and those aimed at strengthening institutional capacity were least likely to do so. Furthermore,</p>	<p>1, 66, 81, 100-102, 109-111, 177-178, 230</p>



<p>institutional capacity building objectives were more likely to be affected by poor underlying M&amp;E than other factors. This may in part reflect measurement challenges associated with institutional capacity (compared with service provision metrics). But at the same time, the Bank has strengthened its approach to capacity assessment tools at the design stage. This does not yet appear to have influenced materially M&amp;E arrangements for completing projects.</p> <p>Based on a sample of Country Strategies, all 11 reviewed included institutional capacity and rule of law objectives, though only 2 treated it as a cross-cutting issue or pillar of the programme (compared with gender, which was a cross-cutting issue in eight strategies). However, the associated CPEs/ICPRs reflect OVE findings at the intervention level, with mixed results in terms of efforts to strengthen institutional capacity and rule of law. However, the review also found limited evaluative information on this topic in the majority of CPEs.</p> <p>The evidence confidence rating of “medium” reflects the limitations in available documents with respect to systematic assessment of IDB’s results in this area.</p>	<p>1, 66, 81, 100-102, 109-111, 177-178, 230</p>
<b>MI 9.5: Evidence confidence</b>	<b>Medium confidence</b>
<b>KPI 10: Interventions are relevant to the needs and priorities of partner countries and beneficiaries, as the organisation works towards results in areas within its mandate</b>	<b>KPI score</b>
<b>Satisfactory</b>	<b>3.00</b>
<p><b>Relevance:</b> IDB’s operations are generally relevant to country development priorities and IDB strategic objectives, and IDB’s performance is considered satisfactory. The evaluative evidence found that IDB has effectively adjusted its financial modalities, lending model and project designs to respond to country priorities. Enhancements to institutional capacity assessment tools, application of the development effectiveness framework and diversification of financial instruments are expected to increase the relevance of interventions further.</p>	
<b>MI 10.1: Intervention objectives and design assessed as responding to beneficiaries’, global, country and partner/institution needs, policies, and priorities (inclusiveness, equality and Leave No One Behind), and continuing to do so where circumstances change</b>	<b>Score</b>
<b>MI rating</b>	<b>Satisfactory</b>
<b>MI score</b>	<b>3</b>
<p><b>4. Highly satisfactory:</b> Systematic methods are applied in intervention design (including needs assessment for humanitarian relief operations) to identify target group needs and priorities, including consultation with target groups, and intervention design explicitly responds to the identified needs and priorities</p>	
<p><b>3. Satisfactory:</b> Interventions are designed to take into account the needs of the target group as identified through a situation or problem analysis (including needs assessment for relief operations), and the resulting activities are designed to meet the needs of the target group</p>	
<p><b>2. Unsatisfactory:</b> No systematic analysis of target group needs and priorities took place during intervention design, or some evident mismatch exists between the intervention’s activities and outputs and the needs and priorities of the target groups</p>	
<p><b>1. Highly unsatisfactory:</b> Substantial elements of the intervention’s activities and outputs were unsuited to the needs and priorities of the target group</p>	
<b>MI 10.1: Analysis</b>	<b>Evidence documents</b>
<p>Each year, the independent Office for Evaluation and Oversight (OVE) reviews completed IDB Group Country Programs, validates all completed projects and conducts specific evaluations. All of these consider relevance of IDB Group support. Beyond the demonstration of demand inherent in all IDB Group operations, OVE examines relevance in terms of not only IDB country strategy objectives but the development priorities of partner countries and the reality of operating conditions in each context.</p>	<p>6, 59, 96-98, 100-103, 177-178</p>

The overall picture obtained suggests that IDB Group operations are generally relevant. Country Program Evaluations (CPEs) covering the assessment period in the main found that support was generally aligned with both country development priorities and IDB strategic objectives. At the intervention level, nearly 90% of over 200 completed sovereign guaranteed operations reviewed since 2017 were judged to be relevant. For completed non-sovereign guaranteed projects, the same figure is nearly 70% (based on over 100 projects), with evidence of an improving trend.

Where limitations in relevance were identified, these often reflected changing country circumstances, creating “legacy” projects which were less relevant to the new context. However, relevance weaknesses also appear attributable to factors over which the Bank has greater control. In particular, overly broad/general objectives, insufficient recognition of local capacity constraints and poor vertical logic are issues that can be addressed in design and during implementation and, in that regard, should not be encountered by completion evaluations. The Bank has strengthened its approach in this regard during the assessment period (revamped project risk management framework, continued development and application of the DEM, the new Institutional Capacity Assessment Platform) so further improvements in performance may be expected.

For non-sovereign guaranteed operations specifically, the ability to offer clients products and terms unavailable elsewhere in the country was often a perceived strength. However, not all new instruments were well-suited to the local markets and on occasion new projects did not align well with the strategic objectives for IDB Group as a whole.

In terms of the relevance of the Bank’s “offer” more generally in the region, OVE’s recent evaluation of IDB’s Lending Instruments provides some insights. The study found that IDB has introduced relevant amendments to improve its lending modalities and approaches, including amendments for the programmatic approaches (Conditional Credit Line for Investment Projects (CCLIP) and Multiphase Loan (MPL)) and the contingency modality (Credit Contingency Facility) and that IDB has generally adjusted its business model in each country and found strategies to help reduce transaction costs for clients. Nevertheless, the study also pointed to potential relevance challenges. Only three of IDB’s ten lending modalities are widely used, with only higher-middle-income countries making use of a varied portfolio of instruments and modalities. Many CPEs included recommendations for improving the mix of lending instruments and modalities to better respond to countries’ development needs and capabilities, while some CPEs identified the need for instruments better suited to support subnational governments.

6, 59, 96-98, 100-103,  
177-178

#### MI 10.1: Evidence confidence

High confidence

#### KPI 11: Results are delivered efficiently

KPI score

Unsatisfactory

2.50

**Cost-Efficiency:** During the period of assessment, there was a positive trend in the cost-efficiency of IDB’s operations in which the transaction costs and administrative costs decreased for IDB operations. There are, however, limitations in the metrics for the operational efficiency and productivity of the IDB Group entities which are relatively undemanding.

**Timeliness:** Notwithstanding the limited data on the timeliness of IDB’s interventions, the available evidence suggests a variation between programmes and between operating contexts. Delays in implementation often result from a changing context, changing priorities and, in some instances, bureaucracy in IDB’s processes.

#### MI 11.1: Interventions/activities assessed as resource-/cost-efficient

Score

MI rating

Satisfactory

MI score

3

**4. Highly satisfactory:** Interventions are designed to include activities and inputs that produce outputs in the most cost-/resource-efficient manner available at the time

<p><b>3. Satisfactory:</b> Results delivered when compared to the cost of activities and inputs are appropriate even when the programme design process did not directly consider alternative delivery methods and associated costs</p>	
<p><b>2. Unsatisfactory:</b> Interventions have no credible, reliable information on the costs of activities and inputs, and therefore no data is available on cost/resource efficiency</p>	
<p><b>1. Highly unsatisfactory:</b> Credible information is provided which indicates that interventions are not cost-/resource-efficient</p>	
<p><b>MI 11.1: Analysis</b></p>	<p><b>Evidence documents</b></p>
<p>The efficiency of Bank operations is a function of actions occurring at multiple levels. At the level of individual interventions, evidence from OVE suggests there was an improving trend over the period in terms of the proportion of completed projects assessed as satisfactory for efficiency. That said, efficiency was one of the lowest-scoring performance criteria during 2017-20, and just 61% of sovereign guaranteed and 53% of non-sovereign guaranteed operations were rated efficient in the latest data available (2020). These findings in part appear attributable to measurement weaknesses in projects rather than demonstrable efficiency failings. However, inadequate management information with respect to costs and benefits itself increases the likelihood that projects fail to provide value for money.</p> <p>At the country level, the OVE Country Program Evaluations (CPEs) reviewed suggest overall a positive trajectory for cost-efficiency during the assessment period, though with some variation across programmes. Several countries within the MOPAN sample show improvements in preparation costs and/or execution costs (Brazil, Colombia, Argentina), while Mexico had higher average costs than in previous years, but these were still lower than IDB country averages. Uruguay showed high preparation costs and average execution costs.</p> <p>Within the MOPAN sample, El Salvador was the outlier in terms of poor efficiency performance: In spite of lowering average preparation costs, implementation costs soared, driven by delays in execution. Guatemala and Suriname also underperformed in this area. Not surprisingly, there appears to be a generalisable correlation between portfolio size and unit costs, with the larger countries in the MOPAN sample performing better in this area, but many other factors were also identified in the sample.</p> <p>OVE's analysis of IDB lending instruments found that administrative costs per United States dollar approved in loans have been generally decreasing since 2011 for each modality. Almost all modalities had the lowest cost values in the most recent period (2017-19). Higher costs were associated with country-specific factors, such as the need for Congressional approval or ratification processes for IDB loans, highly bureaucratic procurement procedures and low institutional capacity – issues that were not related to specific lending instruments or modalities but that applied across all instruments.</p> <p>A key objective of IDB's strategy to strengthen country systems is to improve operational efficiency through lower transaction costs (for the Bank and partners). For procurement systems, IDB reported a 14% reduction in transaction costs associated with supervision of processes in 2018, surpassing the expected result of 11%. In financial management, IDB reported that the average time saved by executing agencies by using country accounting and reporting systems in Bank-financed operations came to 1 percentage point below the target of 23% in 2018 as well. Notwithstanding the uncertain margins of error around these indicators due to variation and measurement error, the results are in keeping with the Bank's efforts to lower transaction costs through digitalisation and the trend towards stronger country systems: 25 of the 26 Bank borrowing member countries had implemented or were implementing practices aligned with international standards in their fiduciary systems in 2018, and the number of interventions to address gaps was more than double the target.</p>	<p>6, 48, 60, 66, 96-103, 177-178, 230</p>

<p>For trust fund donors, IDB has also transitioned to a single audit which has added more frequent financial reporting and internal controls which offer both streamlined and enhanced reporting.</p> <p>The Bank took further steps in response to the COVID crisis to streamline fiduciary systems and counteract associated problems with the market (lack of suppliers and supply chain disruption). These include general waivers on procurement eligibility and consolidation of demands internationally as well as simplifying and speeding up some of IDB’s own processes and templates. These appear to have played an important role in facilitating the Bank’s rapid response to the pandemic; and some appear likely to be incorporated into business as usual.</p> <p>Corporately, efficiency savings within the Bank’s administrative budget could, in principle, have an impact on the interest rate offered to their clients, though there are multiple variables affecting that measure in practice. Nevertheless, the Bank has a strong awareness of the importance of managing its resources efficiently and demonstrating this to its stakeholders. Corporately, the CRF includes two cost ratios: (i) the cost-to-income ratio, which compares administrative costs to operating income; and (ii) the cost to portfolio ratio, which compares administrative costs to the size of the portfolio. The metrics are intended to provide insight into the level of operational efficiency and productivity of the IDB Group entities.</p> <p>No single measure is without limitations, though Bank staff themselves question the merits of the cost-to-income ratio, given the influence of interest rates on the denominator. The cost-to-portfolio measure, however, is unambitious given the size of headroom the Bank currently has under the target and the scale of potentially permissible increase in costs this implies.</p> <p>The Bank has a number of initiatives underway designed to drive continued efficiency gains. In addition, the Bank is expected to propose a more ambitious target for its cost-to-portfolio indicator.</p>	<p>6, 48, 60, 66, 96-103, 177-178, 230</p>
<b>MI 11.1: Evidence confidence</b>	<b>High confidence</b>
<b>MI 11.2: Implementation and results assessed as having been achieved on time</b>	<b>Score</b>
<b>MI rating</b>	<b>Unsatisfactory</b>
<b>MI score</b>	<b>2</b>
<p><b>4. Highly satisfactory:</b> All or nearly all the objectives of interventions are achieved on time or, in the case of humanitarian programming, a legitimate explanation exists for delays in achieving some outputs/outcomes</p>	
<p><b>3. Satisfactory:</b> More than half of the intended objectives of interventions are achieved on time, and this level is appropriate to the context that existed during implementation, particularly for humanitarian interventions</p>	
<p><b>2. Unsatisfactory:</b> Less than half of the intended objectives are achieved on time but interventions have been adjusted to take account of the difficulties encountered and can be expected to improve the pace of achievement in the future. In the case of humanitarian programming, a legitimate explanation exists for delays</p>	
<p><b>1. Highly unsatisfactory:</b> Less than half of stated objectives of interventions are achieved on time, and no credible plan or legitimate explanation is identified that would suggest significant improvement in achieving objectives on time</p>	

<b>MI 11.2: Analysis</b>	<b>Evidence documents</b>
<p>Assessing the timeliness of IDB operations is hampered by changes to the performance indicators reported in the CRF and data inconsistencies. The available evidence suggests that the Bank has achieved significant improvements in timeliness for a number of key implementation measures recently, and as part of its response to the emerging and ongoing COVID crisis. Nevertheless, implementation timeliness more generally appears to have been an ongoing challenge for the Bank's operations. While some staff expressed concerns over the speed and bureaucracy associated with the Bank's own procedures and response times, others felt the challenge lies more with partners' procedures. In that case, the solution offered was not further streamlining of IDB procedures but rather refreshing the nature of the collaboration between the Bank and partners, to facilitate faster decisions and outcomes.</p> <p>Partners' responses to the MOPAN survey reflect this mix of perspectives. Only 58% of partners firmly agreed that IDB's own management processes do not cause unnecessary delays for partners in implementing operations.</p> <p>In this regard, the new initiative of Operational Excellence is expected to help reengineer the business process and client interaction in particular.</p> <p>A review of a sample of OVE Country Program Evaluations suggests implementation timeliness at the country level has been mixed. The most common reasons for delays appear attributable to changes in operating context (such as macroeconomic crisis) or partners' actions (including changing priorities) rather than IDB itself. Nevertheless, factors such as limited partner capacity, weak internal government co-ordination or limited interest in "soft" components could reasonably be viewed as design flaws, given their predictability.</p> <p>Until 2020, the Bank's CRF included two indicators of timeliness: Operations meeting target preparation time (%); and sovereign guaranteed investment loans fully disbursed on time (%). These indicators were no longer reported in 2020, but performance 2016-19 suggests a somewhat worsening trend.</p> <p>Similarly, the more detailed information on implementation of sovereign guaranteed operations presented in the IDB's Annual Business Review (ABR) was discontinued in 2020. At the same time, the reported figures for average project preparation time were not comparable across between ABRs 2019 and 2020 and ABRs 2020 and 2021 due to differences in the calculation method for the ABR 2020. The information that is available, however, suggests performance during the first part of the review period (2017-19) was mixed, but there was improvement in this measure in 2020 and 2021, reflecting the Bank's responsiveness to COVID-related needs among members.</p> <p>In a similar vein, both disbursements and approvals of sovereign guaranteed loans were up significantly in 2020 and 2021 compared to previous years. Disbursements in 2020 and 2021 were USD 13.4 billion and USD 11.7 billion respectively, compared with USD 8.9 billion in 2019.</p> <p>The evidence confidence rating of "little to no confidence" reflects the limitations in available documents with respect to systematic assessment of IDB's results in this area.</p>	<p>1, 6, 60, 66, 92, 100-102, 178, 270</p>
<b>MI 11.2: Evidence confidence</b>	<b>Little to no confidence</b>

KPI 12: Results are sustainable	KPI score
Unsatisfactory	2.00
<p><b>Sustainability :</b></p> <p>Results suggest mixed performance on sustainability. Around two-thirds of completed sovereign guaranteed (SG) projects examined by OVE (2017-21) were rated satisfactory in terms of sustainability, but the proportion has declined from a high of 77% in 2018-19 to 59% in 2021. For non-SG operations, typically a little over half were considered sustainable during the assessment period.</p> <p>Not surprisingly for both SG and non-SG operations, uncertainty or fragility of results continuation was a common factor explaining weak sustainability prospects. However, both types of operations also suffered from inadequate treatment of environmental and social issues identified during design and implementation. These weaknesses range from insufficient information to determine performance on environmental and social concerns, to closure of projects with outstanding environmental and/or social issues still pending. Given that these cases include resettlement operations, this appears to be a significant risk for the Bank.</p>	
<b>MI 12.1: Benefits assessed as continuing or likely to continue after intervention completion (where applicable, reference to building institutional or community capacity and/or strengthening enabling environment for development, in support of 2030 Sustainable Development Agenda)</b>	Score
MI rating	Unsatisfactory
MI score	2
<p><b>4. Highly satisfactory:</b> 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 and, eventually, development are credible. Moreover, they are likely to succeed in securing continuing benefits for the target group. Sustainability may be supported by building institutional capacity and/or strengthening the enabling environment for development</p>	
<p><b>3. Satisfactory:</b> Evaluations assess as likely that the intervention will result in continued benefits for the target group after completion. For humanitarian relief operations, strategic and operational measures link relief to rehabilitation and reconstruction</p>	
<p><b>2. Unsatisfactory:</b> Evaluations assess as a low probability that the intervention will result in continued benefits for the target group after completion. For humanitarian relief operations, efforts to link the relief phase to rehabilitation, reconstruction and, eventually, to development are inadequate. (In some circumstances such linkage may not be possible due to the context of the emergency. If this is stated in the evaluation, a rating of satisfactory is appropriate)</p>	
<p><b>1. Highly unsatisfactory:</b> Evaluations find a very low probability that the programme/project will result in continued intended benefits for the target group after project completion. For humanitarian relief operations, evaluations find no strategic or operational measures to link relief to rehabilitation, reconstruction and, eventually, development</p>	
<b>MI 12.1: Analysis</b>	<b>Evidence documents</b>
<p>Each year, OVE validates all completed sovereign and non-sovereign projects. As part of that assessment, OVE examines the probability that project-generated benefits will continue, including any unmitigated social and environmental risks arising from underperformance on environmental and social safeguards.</p> <p>Results suggest mixed performance on sustainability with a potentially worsening trend for sovereign guaranteed (SG) operations. For SG operations, around two-thirds of completed projects examined over the period (2017-21) were rated satisfactory in terms of sustainability, but the proportion has declined from a high of 77% in 2018-19 to 59% in 2021. For non-SG operations, typically a little over half were considered sustainable during the assessment period.</p>	59, 96, 98, 100-103, 115, 152, 178, 230, 267

Results from MOPAN's survey of Board members and donors corroborate this mixed picture. Less than half of the Board members who responded clearly agreed that IDB designs and implements its work in such a way as to sustain effects and impact over time, while among donors who expressed a view, only a third clearly agreed.

Not surprisingly for both SG and non-SG operations, uncertainty or fragility of results continuation was a common factor explaining weak sustainability prospects. However, both types of operations also suffered from inadequate treatment of environmental and social issues identified during design and implementation. These weaknesses range from insufficient information to determine performance on environmental and social concerns, to closure of projects with outstanding environmental and/or social issues still pending. Given that these cases include resettlement operations, this appears to be a significant risk for the Bank and raises questions about where the Bank's responsibilities reasonably end on safeguarding issues, given changing expectations among stakeholders on these issues.

In addition, OVE country programme evaluations (CPEs) and independent country programme reviews (ICPRs) also provide insights into the factors aiding or hindering sustainability more broadly. At the country level, sustainability challenges are necessarily context-specific, but a review of CPEs and ICPRs suggests a few common themes for factors positively increasing sustainability prospects:

- institutionalisation of reforms (for example, in legislation)
- formal integration/commitments in government budgets
- follow-on phases appearing more sustainable (most likely because of the foundations already established)
- effective capacity building support.

Factors adversely impacting Bank-financed operations appear to include:

- macroeconomic/fiscal constraints
- changing policy priorities
- maintenance of infrastructure challenges
- human capital shortages.

While only limited weight can be placed on this rapid review, better performance by follow-on projects might provide some insight into the continuity of assistance required to achieve sustainability, while adverse factors appear to raise questions for both the design of operations and the treatment of political and economic risk. Recent efforts to strengthen the Bank's approach to institutional capacity assessment and project-level risk management may be expected to support improvement in these areas, but the effects are not yet evident.

59, 96, 98, 100-103,  
115, 152, 178, 230,  
267

**MI 12.1: Evidence confidence**

**High confidence**



## ANNEX B: EVIDENCE LIST

No.	Reference
1	Development Effectiveness Overview 2020, IDB-AN-227
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3	Second Update to the Institutional Strategy, AB-3190-2
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12	IIC Environmental and Social Sustainability Policy, September 1, 2013
13	Annual Report on the Implementation of the Diversity Action Plan 2020, Policy and Evaluation Committee, GN-3001-2
14	Audit of Gender Mainstreaming Process, Audit Report, July 2020
15	Diversity Action Plan for Operations 2019-2021
16	Gender and Diversity Sector Framework Document, Gender and Diversity Division, November 2017
17	Gender Action Plan for Operations 2017-2019, Gender and Diversity Division, September 2017
18	Implementation of the IDB's Gender Action Plan for Operations Annual Progress Report 2020, April 2021, GN-3050
19	Environmental and Social Policy Framework, September 2020
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21	Mid-term Evaluation of IDB-9 Commitments: IDB Integrated Strategy for Climate Change Adaptation and Mitigation, and Sustainable and Renewable Energy, Background Paper, March 2013
22	Marco de Acción Empleo y Genero (Action Plan/Action Framework for Gender and Employment)
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28	IDB Group Human Capital Analytics, as of December 31, 2020
29	2019 Human Capital Analytics
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32	Joint MDB Statement of Ambitions for Crowding in Private Finance
33	IDB Group's Mobilisation Roadmap 2020-2023. Audiovisual Presentation, Revised Version, PP-1028-1
34	IDB Group Personal Data Privacy Policy
35	IDB Sanctions Procedures (2019 revision)
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37	'Strategies' web page, <a href="https://www.iadb.org/en/about-us/strategies">https://www.iadb.org/en/about-us/strategies</a>
38	'The IDB Group Corporate Results Framework' web page, <a href="https://crf.iadb.org/en/2020-2023/about">https://crf.iadb.org/en/2020-2023/about</a>
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40	IDB Whistle-blower Reporting and Protection Policy
41	IFI Uniform Framework on Anti-Corruption
42	Inter-American Development Bank Anti-Money Laundering/Combating the Financing of Terrorism Framework
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63	IDB Group Corporate Results Framework 2020-2023 Technical Guidance Note: Annex D Comparison of CRF 2020-2023 and CRF 2016-2019
64	Corporate Evaluation of Development Effectiveness Framework
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69	Proposal for the Allocation of Concessional Resources 2021-2022, April 1, 2021
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151	The IDB Group in Response to COVID-19: Working with Strategic Partners
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153	Innovation, Science and Technology Sector Framework Document
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163	Housing and Urban Development Sector Framework Document
164	Labour Sector Framework Document
165	Public Utilities Policy
166	Skills Development Sector Framework Document
167	Support to SMEs and Financial Access/Supervision Sector Framework Document
168	Tourism Sector Framework Document
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172	Transparency and Integrity Sector Framework Document
173	IDB Bolivia Country Strategy 2016 2020

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190	Annual Report of the Chairperson of the Budget and Financial Policies Committee 1 July 2018 – 30 June 2019
191	Annual Report of the Chairperson of the Audit Committee 1 July 2020 – 30 June 2021
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193	Annual Report of the Chairperson of the Audit Committee 1 July 2018 – 30 June 2019
194	Annual Report of the Chairperson of the Programming Committee of the Board of Executive Directors 1 July 2020 – 30 June 2021
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196	Annual Report of the Chairperson of the Programming Committee of the Board of Executive Directors 1 July 2018 – 30 June 2019
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199	A Quick Note on Concessional Resource Allocation
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201	Office of Institutional Integrity and Sanctions System Annual Report 2020, IDB-AN-297



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203	Office of Institutional Integrity and Sanctions System Annual Report 2018
204	Annual Report of the Chairperson of the Organisation, Human Resources and Board Matters Committee 2017-18
205	Annual Report of the Chairperson of the Organisation, Human Resources and Board Matters Committee 2018-19
206	Annual Report of the Chairperson of the Organisation, Human Resources and Board Matters Committee 2019-20
207	Annual Report of the Chairperson of the Organisation, Human Resources and Board Matters Committee 2020-21
208	Update to the Gender Action Plan for Operations 2020-2021
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213	Review of the Implementation of the Debt Sustainability Framework and Enhanced Performance-Based Allocation 2019-2020
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239	Email from Andrea on SEAH Indicators
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241	Training Programme for ESG Specialists
242	Guidelines for Borrowing Member Countries on ESPF ( <a href="https://www.iadb.org/en/mpas/guidelines">https://www.iadb.org/en/mpas/guidelines</a> )
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246	Environmental and Social Grievances Infographic
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250	Office of the Executive Auditor, 2019 Annual Report
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256	Email from Andrea on DEM Materials
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277	Sample of Project Documents for Project CO-L1242
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282	Sample of Project Documents for Project HA-J0002
283	Sample of Project Documents for Project HA-G1050
284	Sample of Project Documents for Project HO-L1203
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287	Sample of Project Documents for Project SU-L1059
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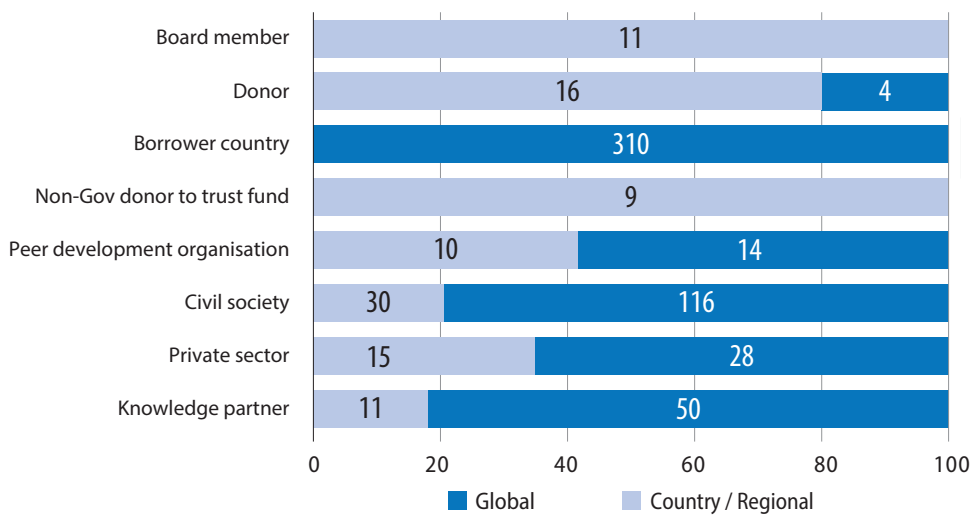
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293	Trade Sector Support Programme (BH-L1016; 2756/OC-BH), Project Completion Report (PCR)
294	IDB Satisfaction survey
295	IDB Reputation survey

## ANNEX C: RESULTS OF THE MOPAN EXTERNAL PARTNER SURVEY

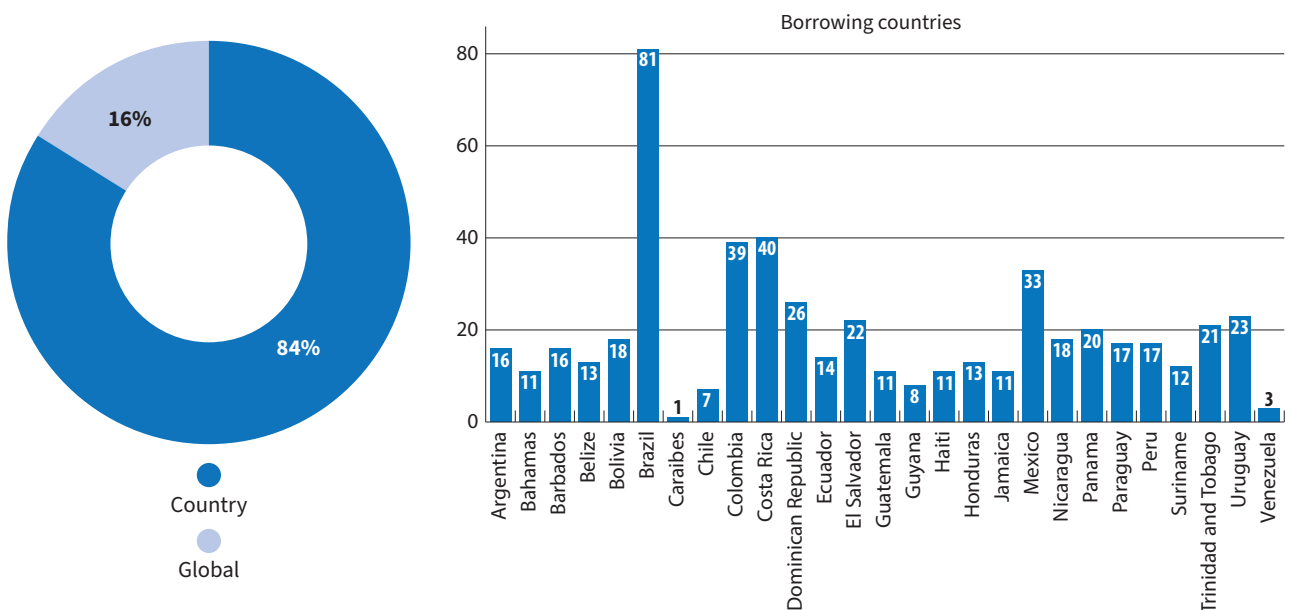
The online survey was administered by MOPAN and was conducted over a period of three weeks, starting on 8 March 2022 and closing on 30 March 2022. The survey was designed to gather perception data from a range of partners associated with the Inter-American Development Bank (IDB).

Out of a total of 5 749 respondents, 624 responses were received (a response rate of 10.9%). Responses were received from 8 partner categories from across all of the IDB’s 26 borrowing member countries.

### RESPONDENTS’ PROFILE (NUMBER AND PERCENTAGE OF RESPONDENTS)



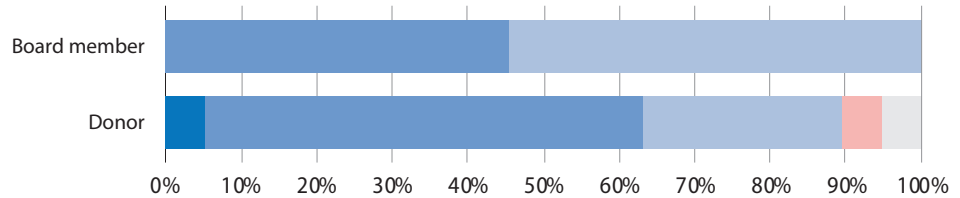
### PARTNER GEOGRAPHICAL COVERAGE



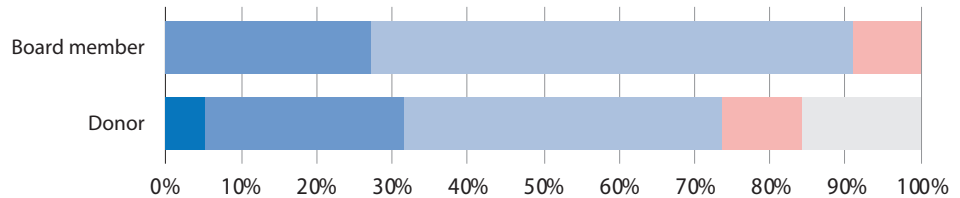
**SURVEY RESULTS**

**Strategic management**

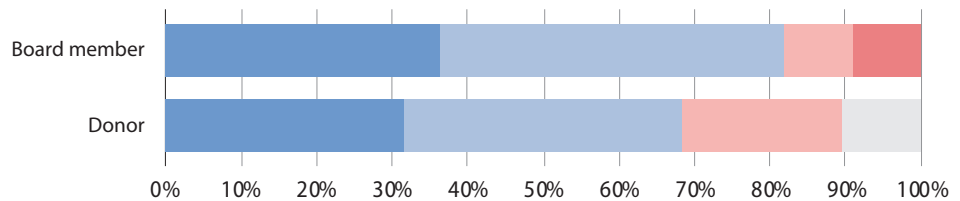
The strategies and policies of IDB demonstrate clarity of vision.



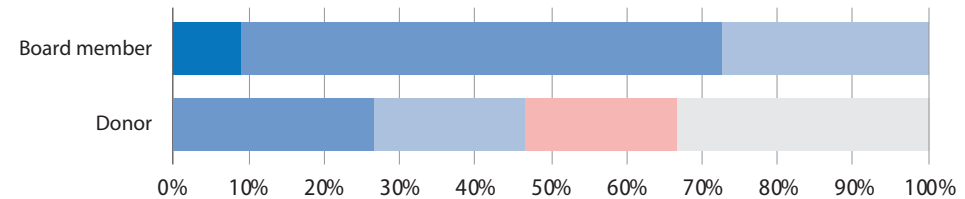
The strategies and policies of IDB demonstrate good understanding of comparative advantage.



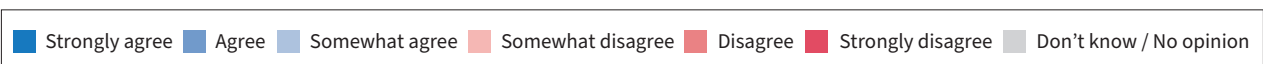
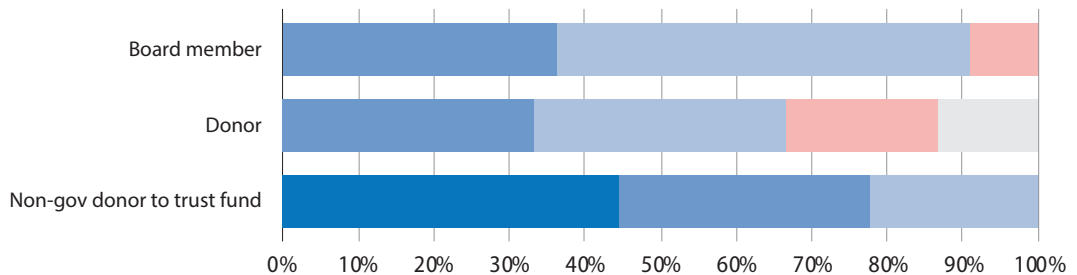
IDB organises and runs itself in a way that fully supports its vision.



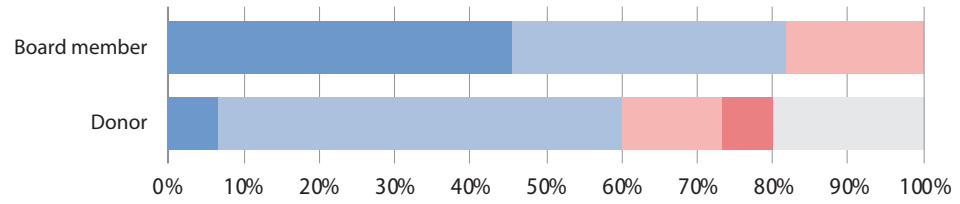
IDB's financial framework supports the effective implementation of the mandate and strategy.



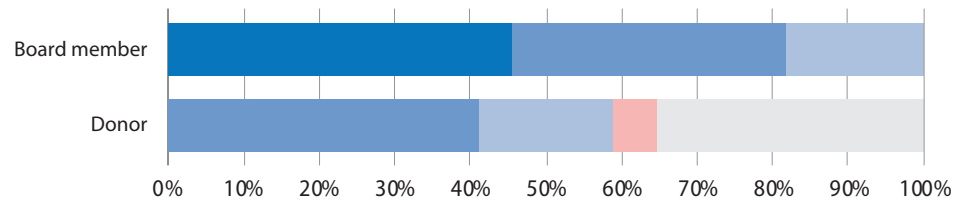
IDB's strategic allocation of resources is transparent and coherent with agreed strategic priorities.



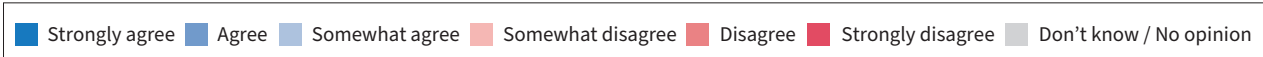
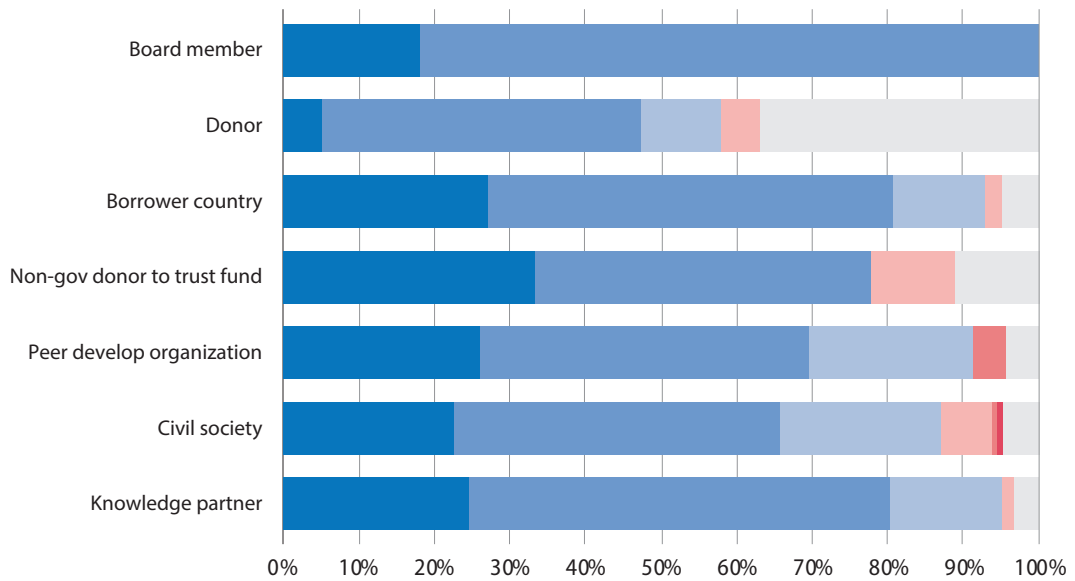
IDB applies principles of results-based budgeting and reports expenditures according to results.



IDB adequately addresses issues and concerns raised by internal control mechanisms (including operational and financial risk management, internal audit, and social and environmental safeguards).

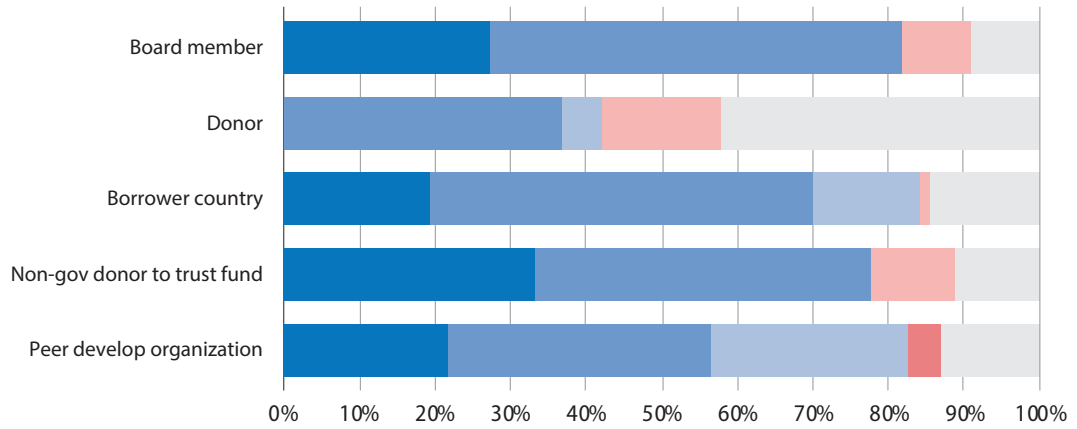


IDB manages a range of trust funds and other concessional resources that can be applied flexibly and efficiently to address emergencies, conflict, knowledge work and global public goods in different countries.

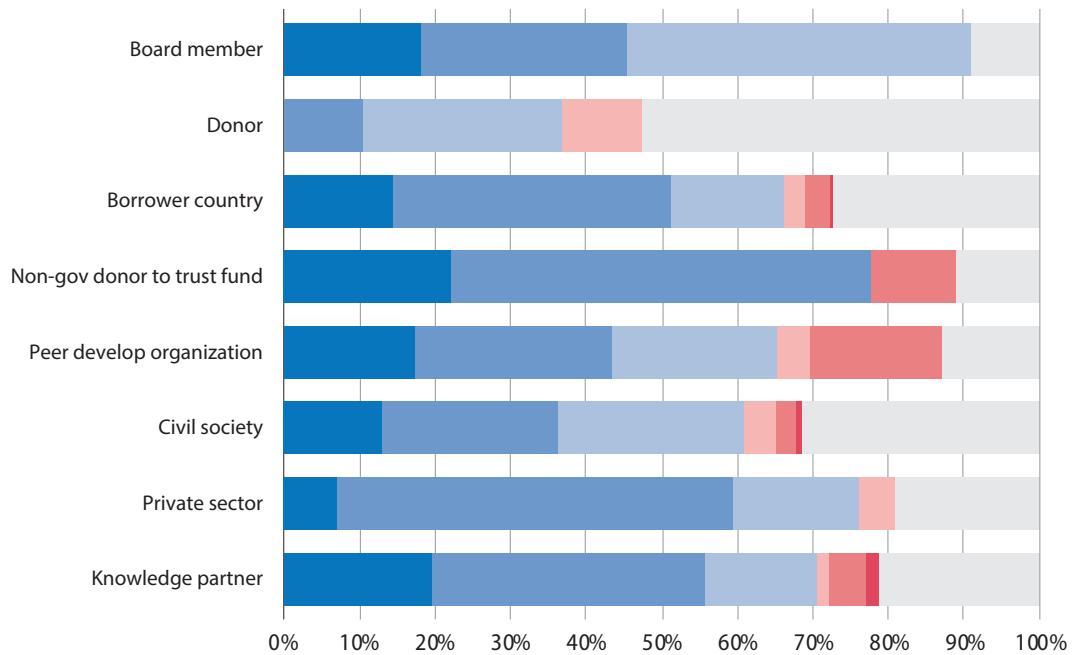




IDB manages trust funds efficiently, including through pooled and umbrella funds.

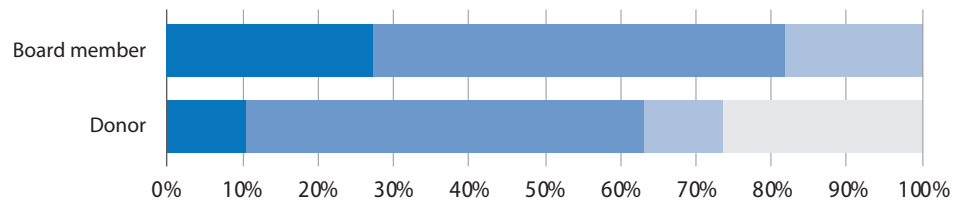


IDB has a COVID strategy that is clear and reflects its comparative advantage.

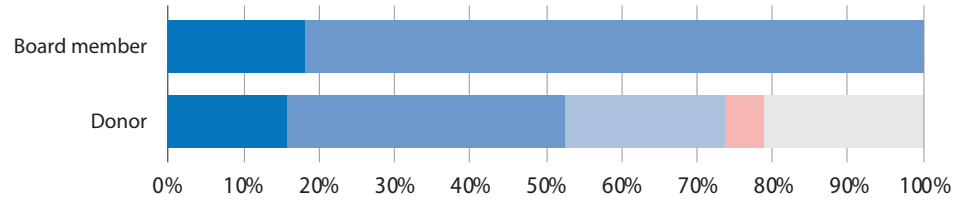


**Staffing**

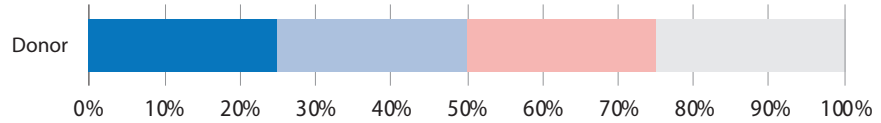
IDB has a sufficient number of staff, either in or accessible to countries where it operates, to deliver intended results.



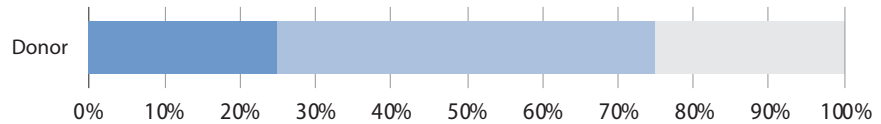
IDB's staff have the relevant experience and skills to work successfully in their technical/sectoral context.



IDB's staff are present in [COUNTRY] for a long enough time to build the relationships needed.

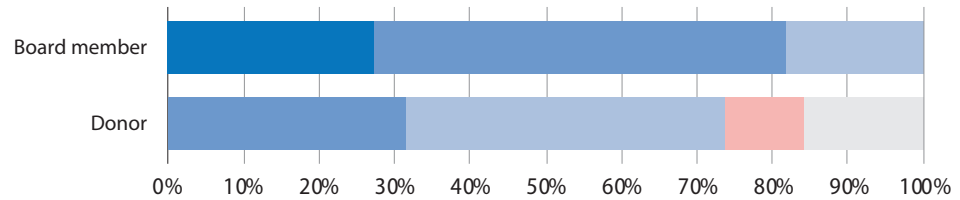


IDB makes critical strategic or programming decisions affecting [COUNTRY] in an agile and responsive way.

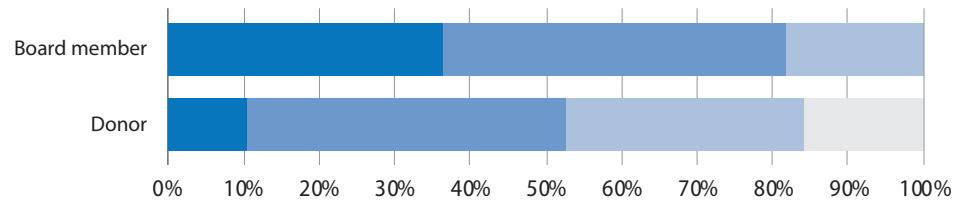


**Cross-cutting issues**

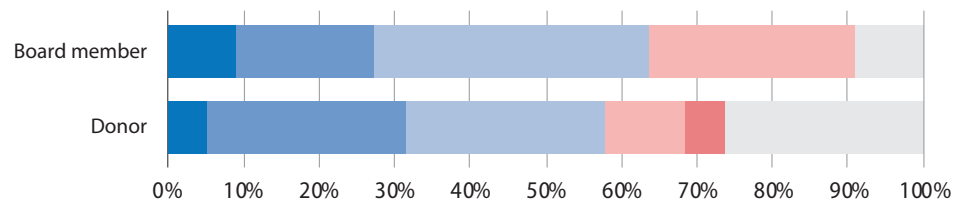
IDB promotes gender equality through its operations and strategies.



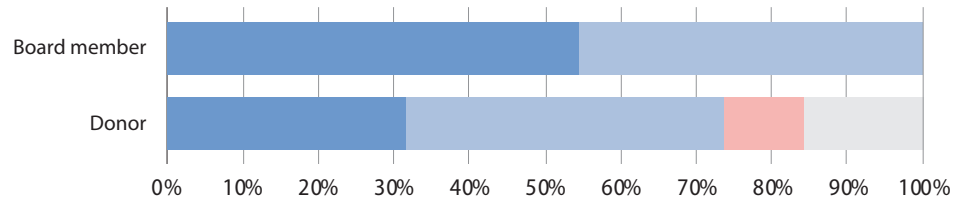
IDB promotes environmental sustainability and addresses climate change through its operations and strategies.



IDB considers and addresses risks of fragility, conflict and violence in its interventions and strategies.

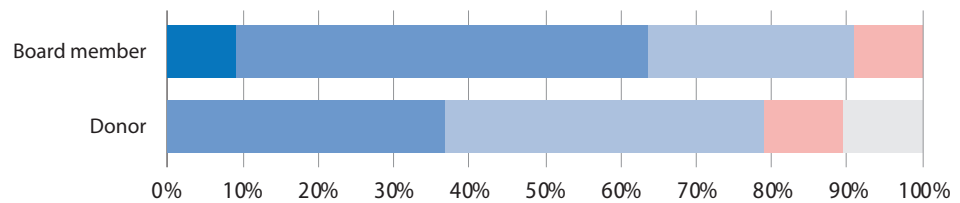


IDB promotes the protection of vulnerable people in its operations.

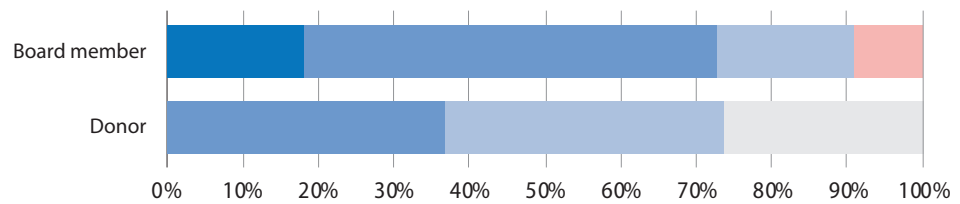


**Interventions**

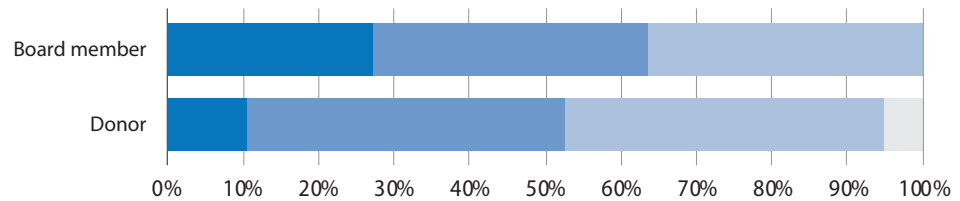
IDB's work responds to the needs of beneficiaries, including the most vulnerable populations.



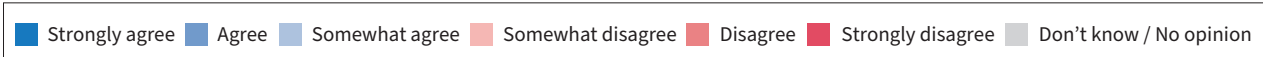
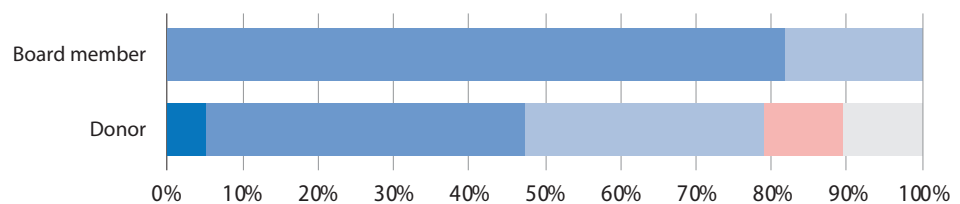
IDB adapts its work as necessary when the context changes.



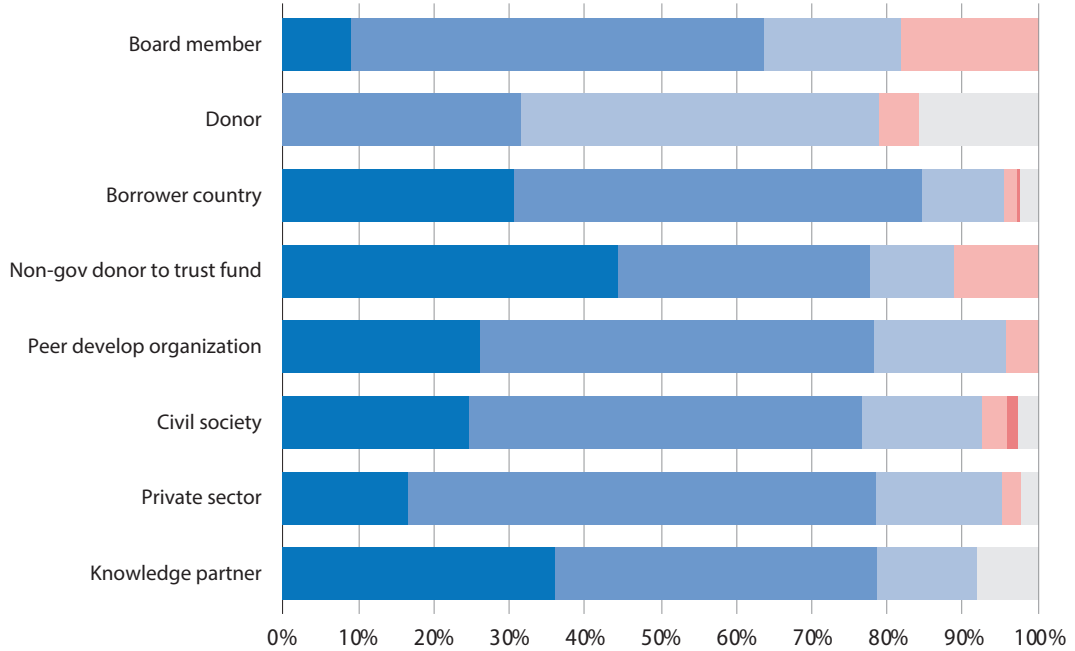
IDB's work is aligned with the development needs and priorities of the countries in which it works.



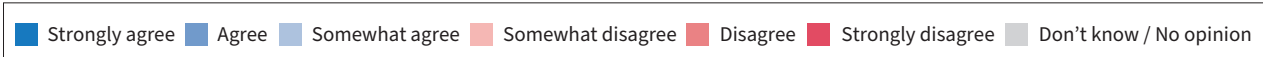
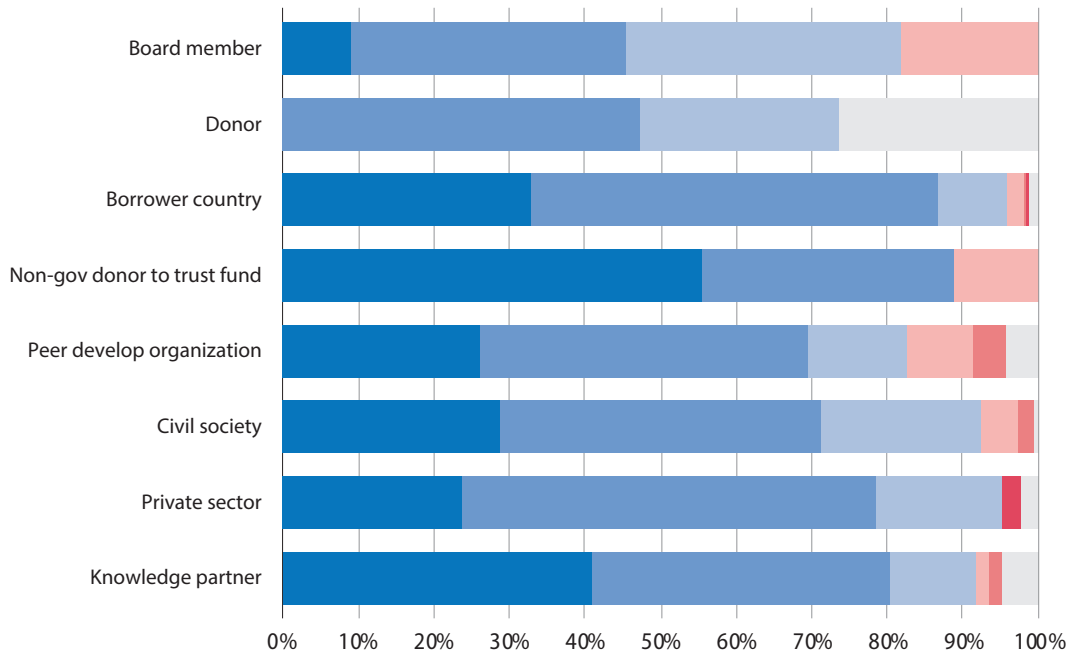
IDB's strategies and interventions are informed by an analysis of situations and needs, including those in the local context as relevant.



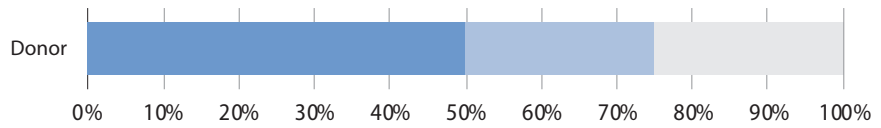
IDB's work with partners is based on a clear understanding of why it is best placed to target specific sectoral and/or thematic areas.



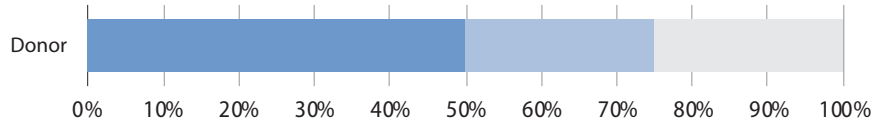
IDB's work takes into account national/regional capacity, including of government, civil society, private sector and other actors.



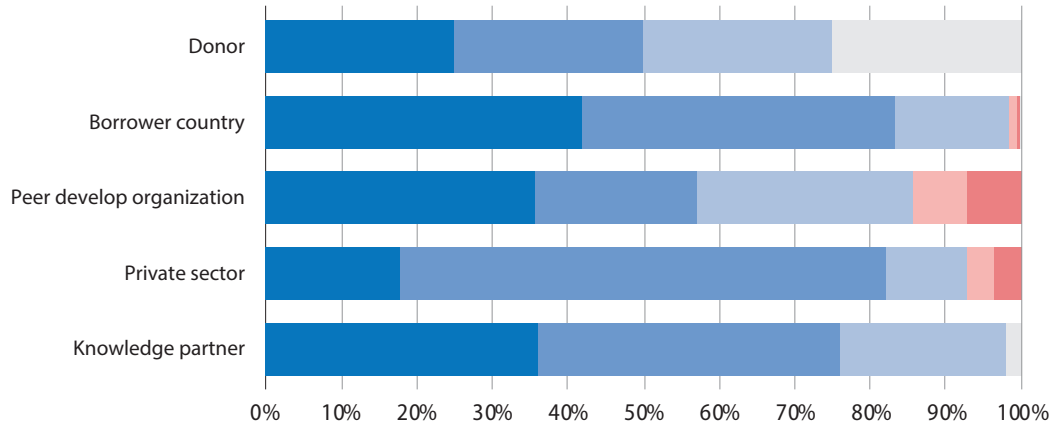
In [COUNTRY], IDB's operations and strategies target long-term development outcomes and changes in capacity.



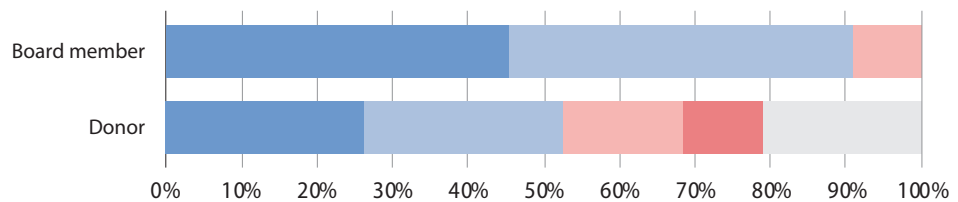
IDB's work in [COUNTRY] is selective, targeting sectors where it can contribute to long-term impacts.



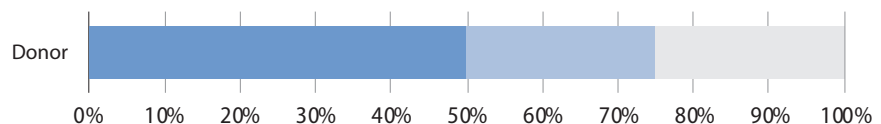
IDB provides an appropriate mix of technical advice, financing and knowledge to address key development challenges in [COUNTRY].



IDB designs and implements its work in such a way that its effects and impact are likely to be sustained over time.

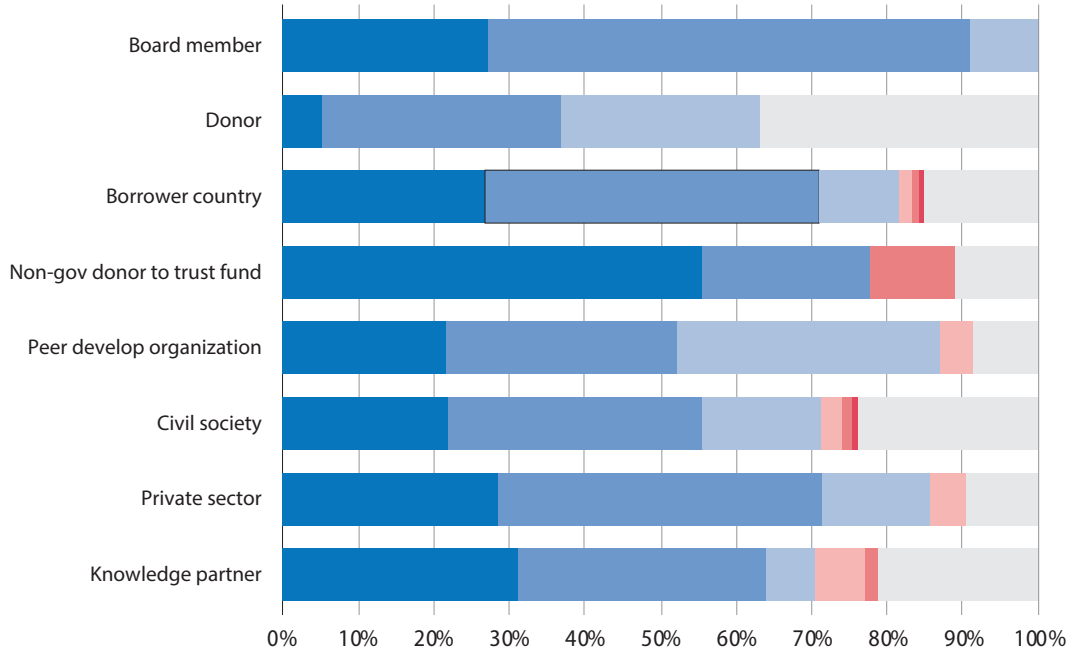


IDB appropriately manages risk within the context of its work in [COUNTRY].



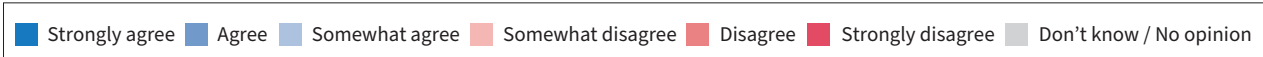
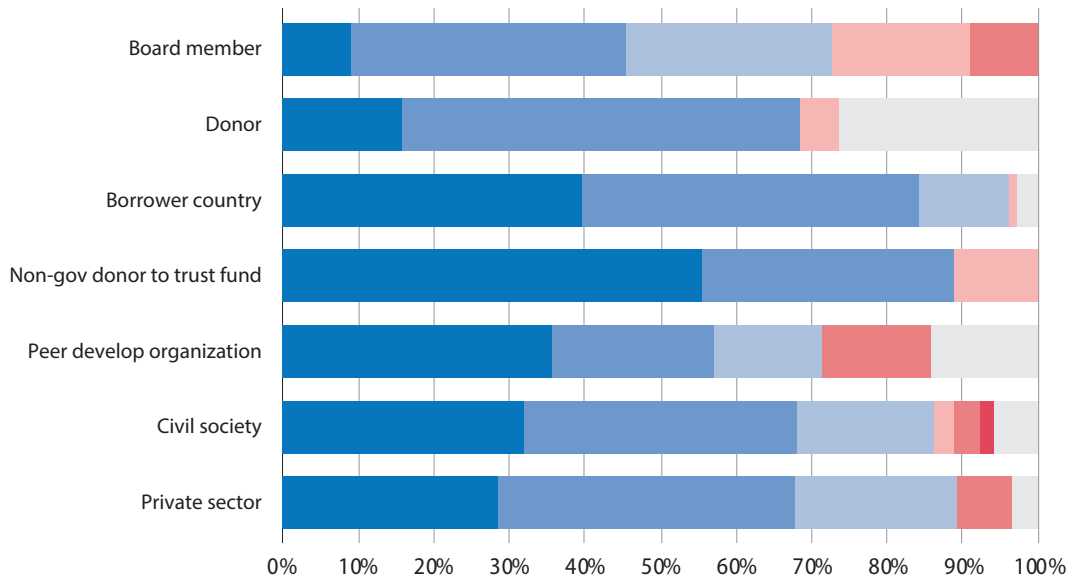
Strongly agree Agree Somewhat agree Somewhat disagree Disagree Strongly disagree Don't know / No opinion

IDB has been able to adapt its operating model in response to COVID-19 to ensure operational continuity.

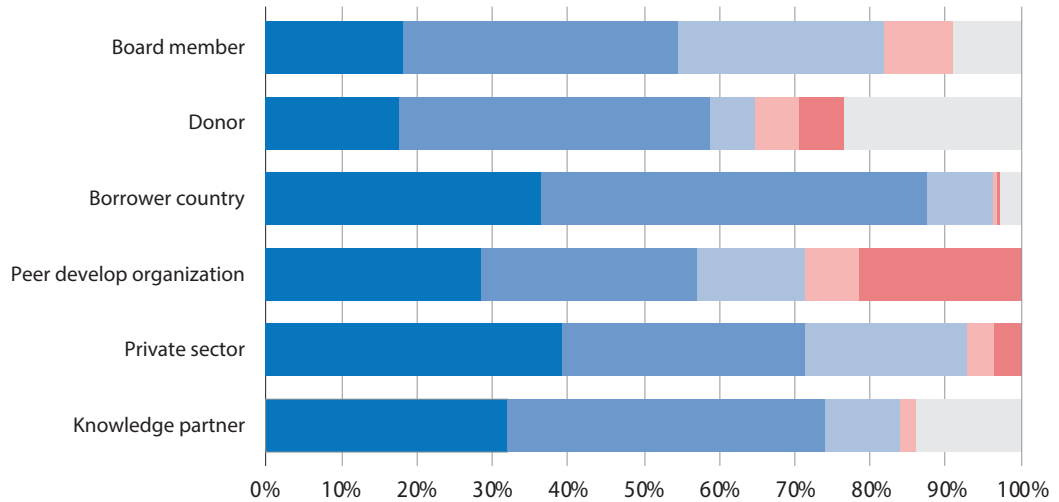


### Financial resource management

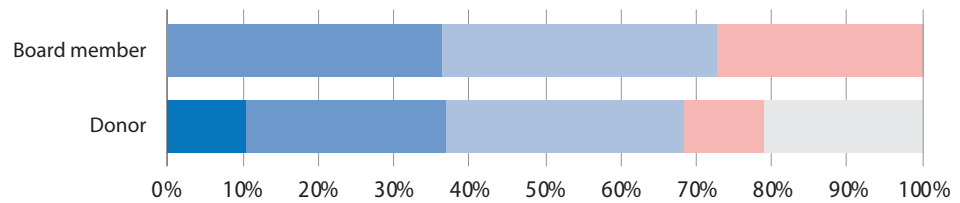
IDB openly communicates the criteria for approving operations and allocating financial resources.



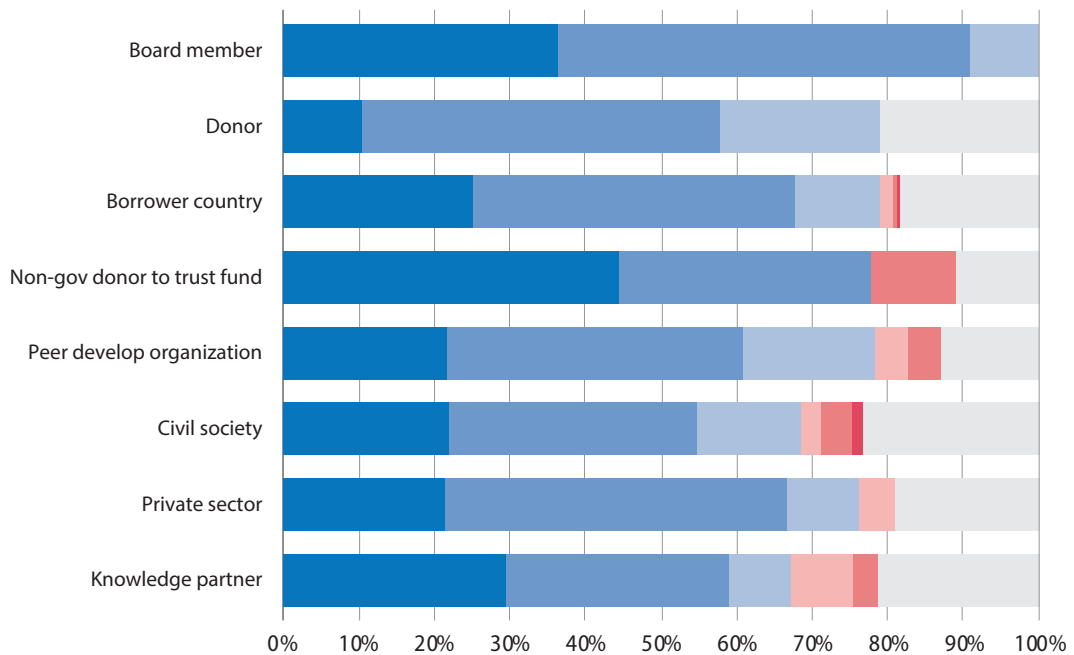
IDB provides reliable information on when financial allocations and disbursement will happen, and the respective amounts.



IDB co-ordinates its activities with partners to ensure coherence and avoid fragmentation/duplication at country level.

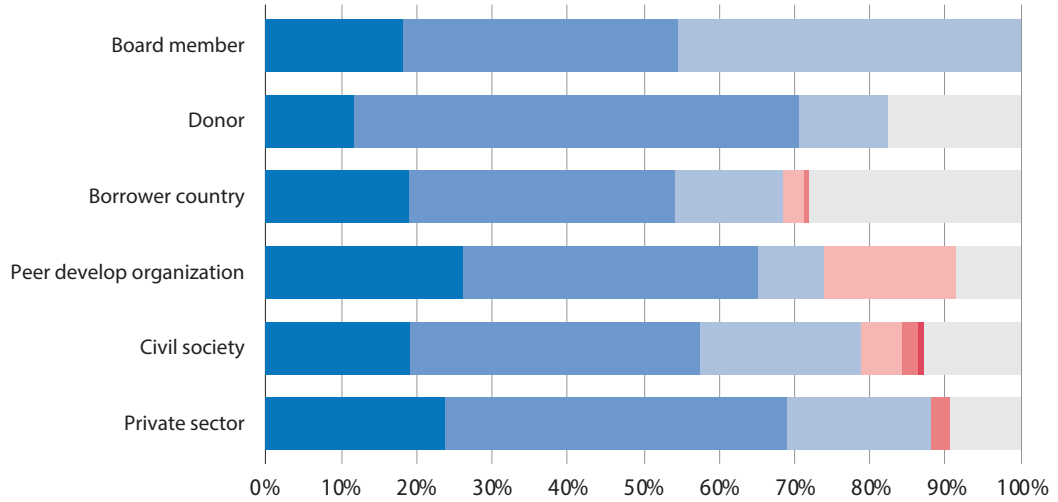


IDB has been able to adapt its programming and financing to respond to COVID-19 in an agile and responsive way.



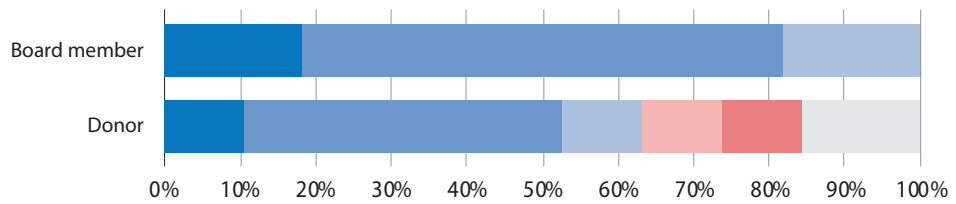


IDB actively seeks co-financing with development partners and opportunities to mobilise finance from the private sector.

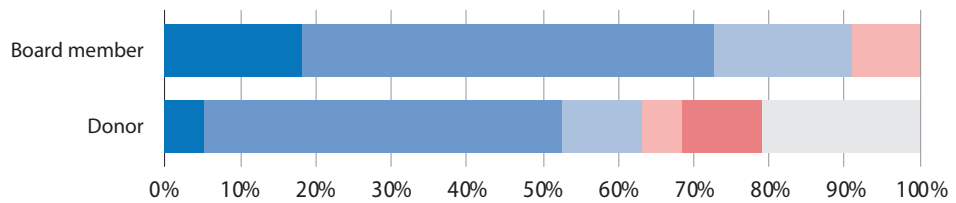


### Managing relationships

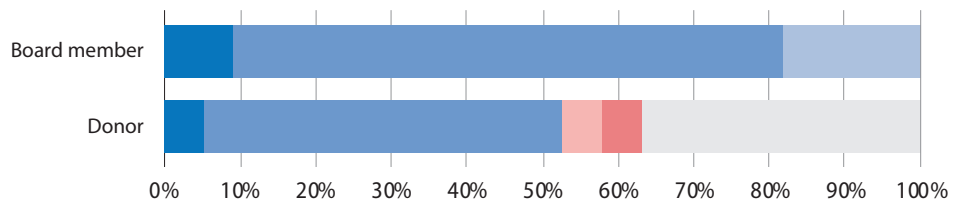
IDB's knowledge products are useful for my work.



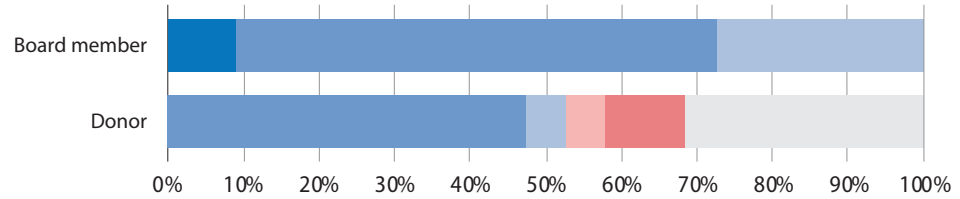
IDB's knowledge products are provided in a format that makes them easy to use.



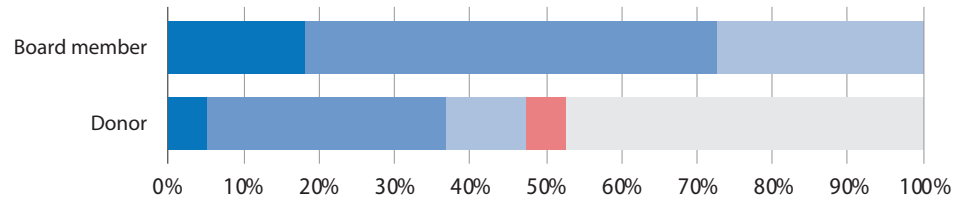
IDB's knowledge products are timely.



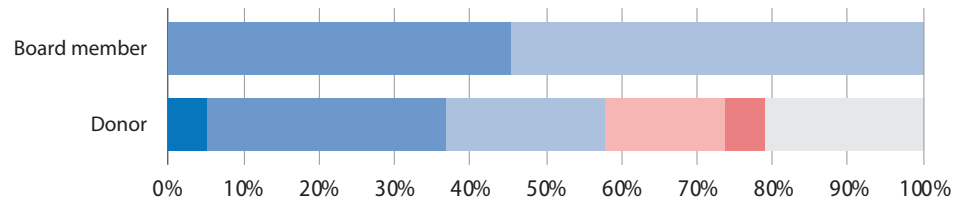
IDB provides high-quality inputs to the global policy dialogue.



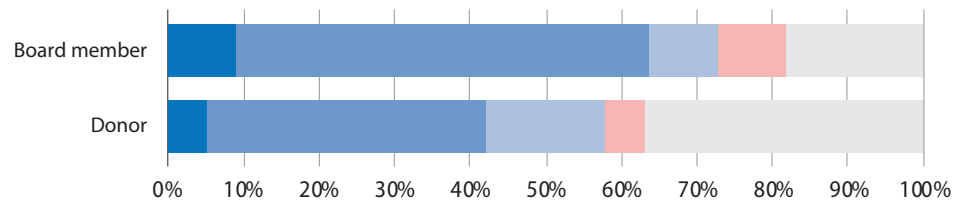
IDB allocates sufficient resources to support strategic knowledge work.



IDB convenes development partners to promote a coherent response to development challenges.

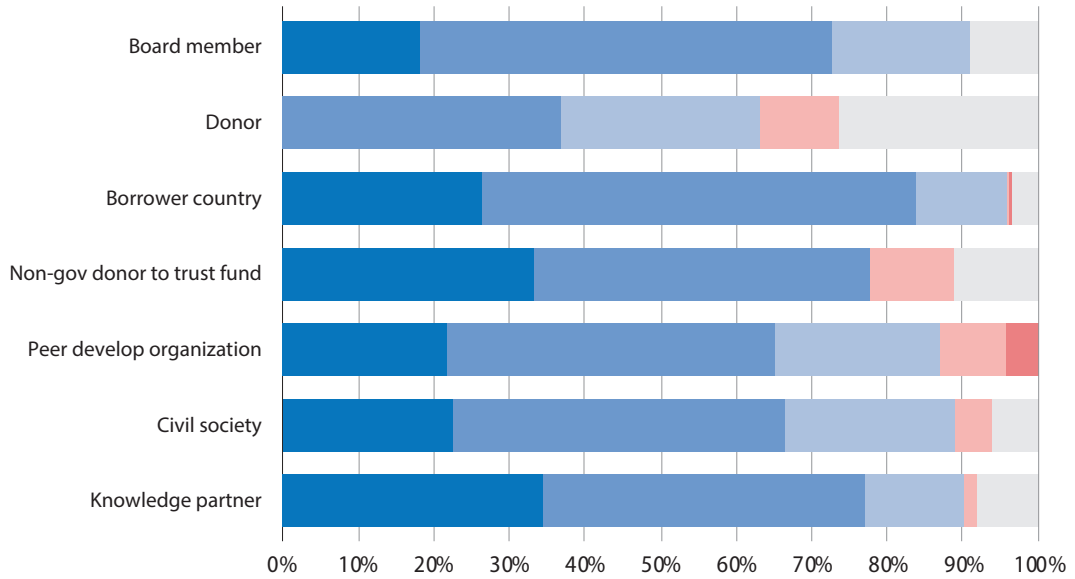


IDB shares key information (analysis, budgeting, management, results) with partners in line with IATI requirements.

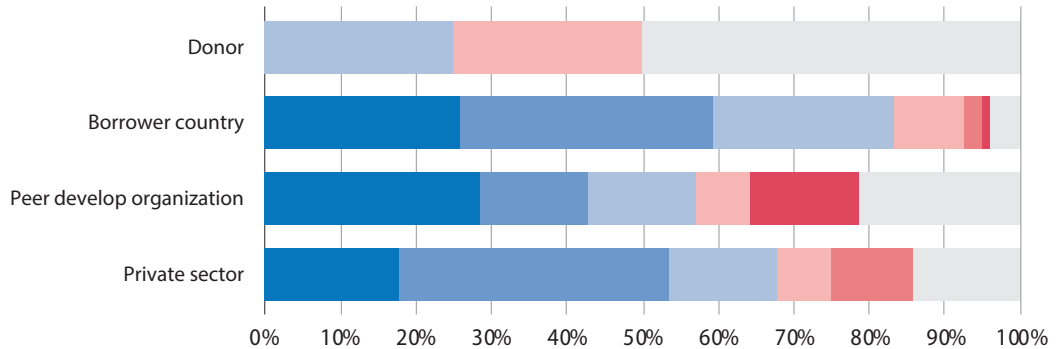


■ Strongly agree 
 ■ Agree 
 ■ Somewhat agree 
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 ■ Disagree 
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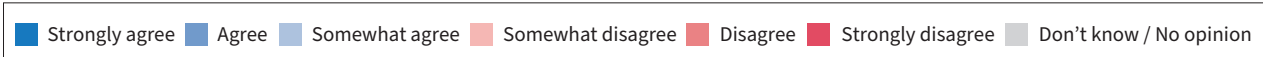
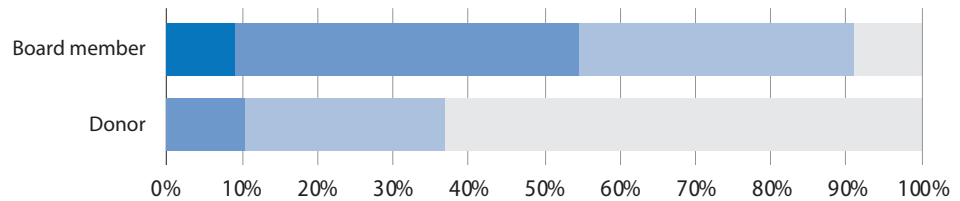
IDB helps develop the capacity of country systems.



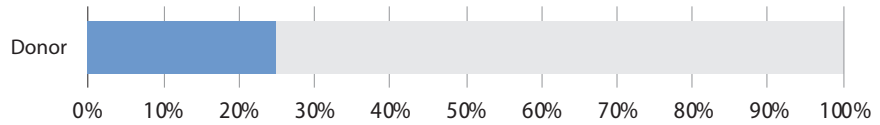
In [COUNTRY], IDB's management processes (e.g. hiring, procuring, disbursing) do not cause unnecessary delays for partners in implementing operations.



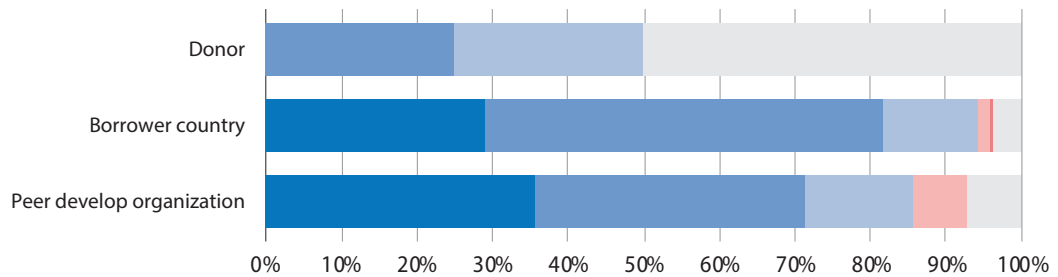
IDB seizes opportunities to support countries in furthering their development partnerships through South-South Co-operation and triangular relationships (e.g. support to regional organisations and initiatives).



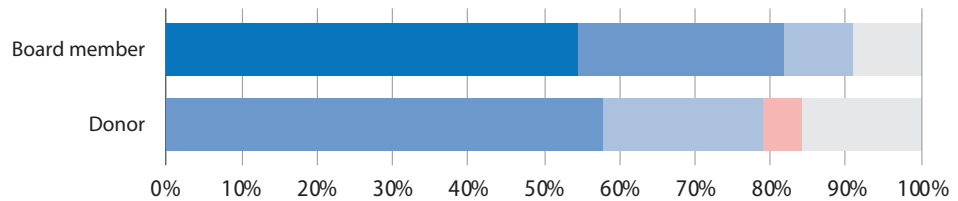
IDB is actively engaged in co-ordination mechanisms for planning, implementation, monitoring with borrowing partners and other development partners in [COUNTRY].



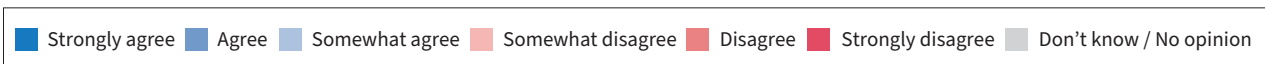
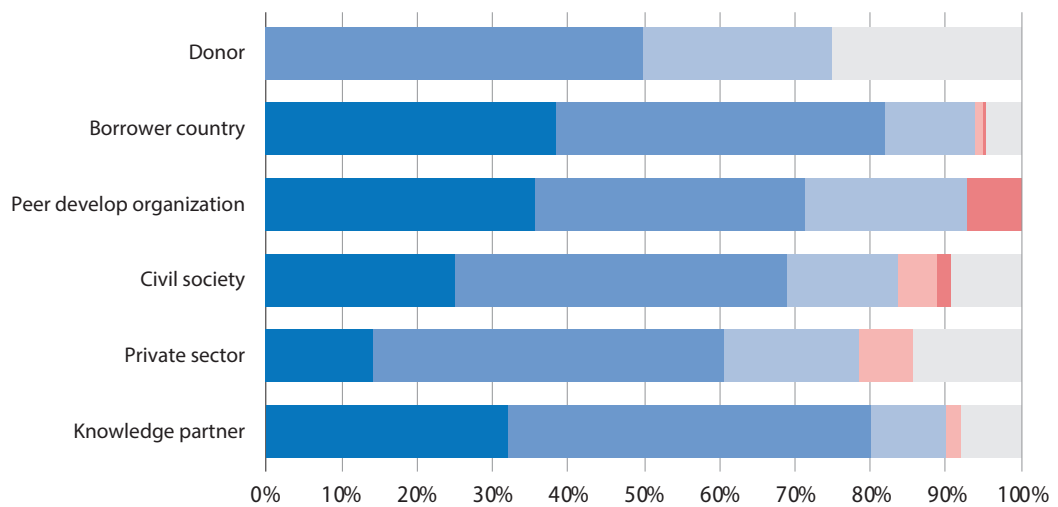
IDB jointly monitors progress on shared goals in [COUNTRY] with local and regional partners.



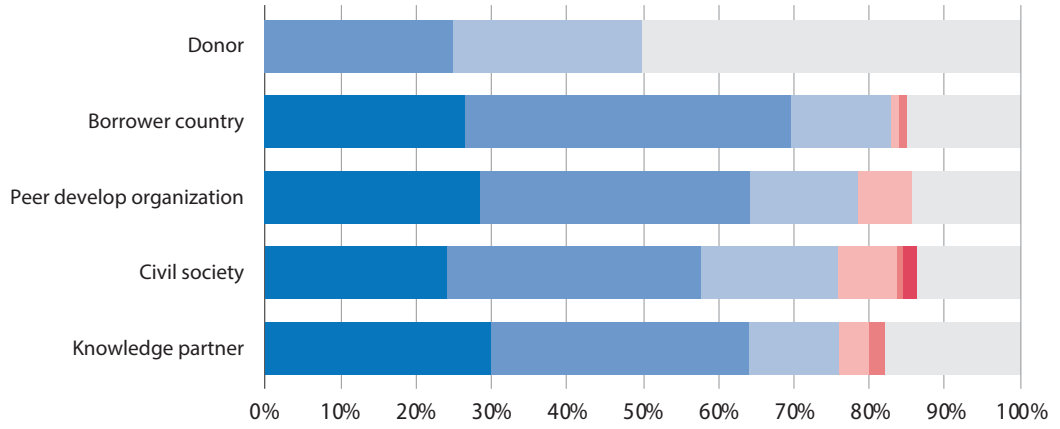
IDB increases the impact of interventions through the provision of technical guidance and project preparation support.



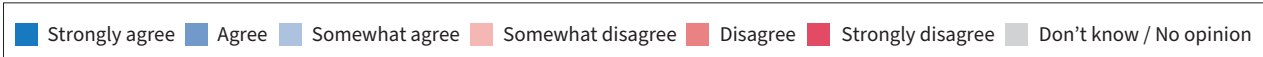
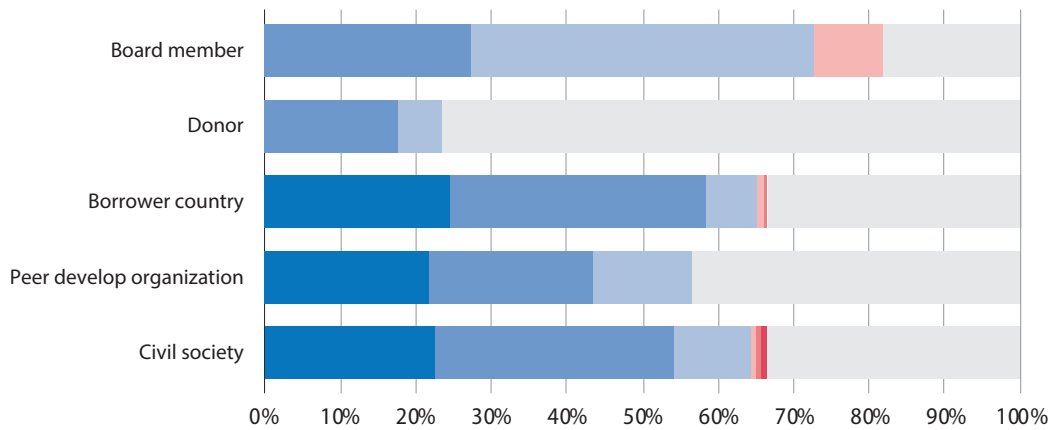
IDB identifies and manages the potential environmental and social impacts of its projects in [COUNTRY].



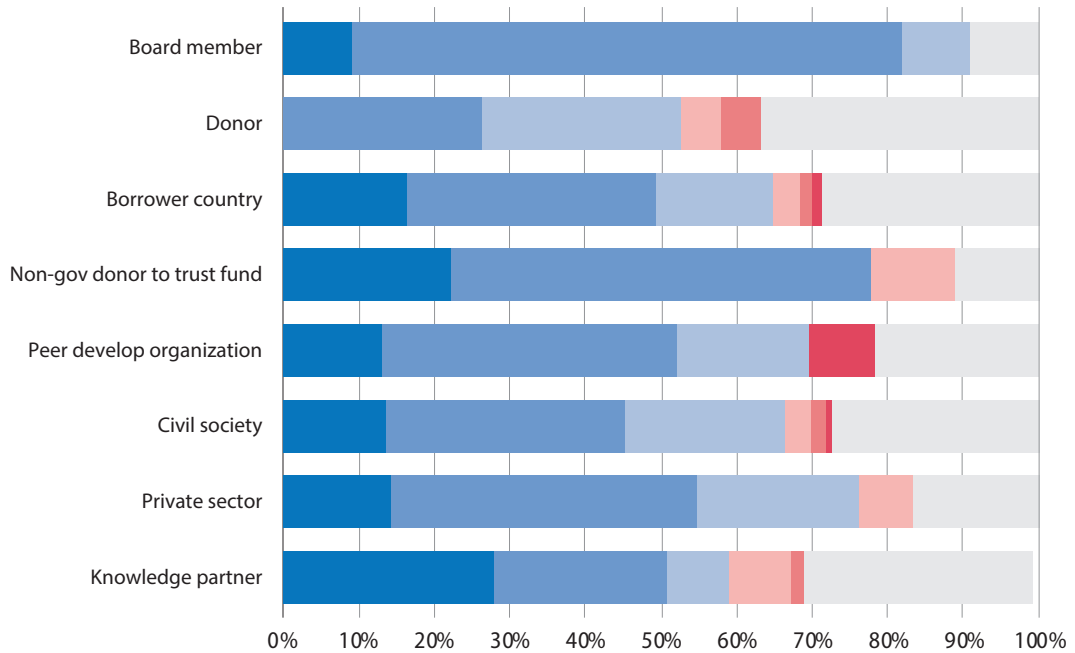
IDB engages civil society and project-affected peoples in [COUNTRY] and addresses any grievances raised.



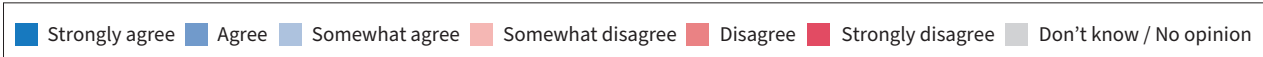
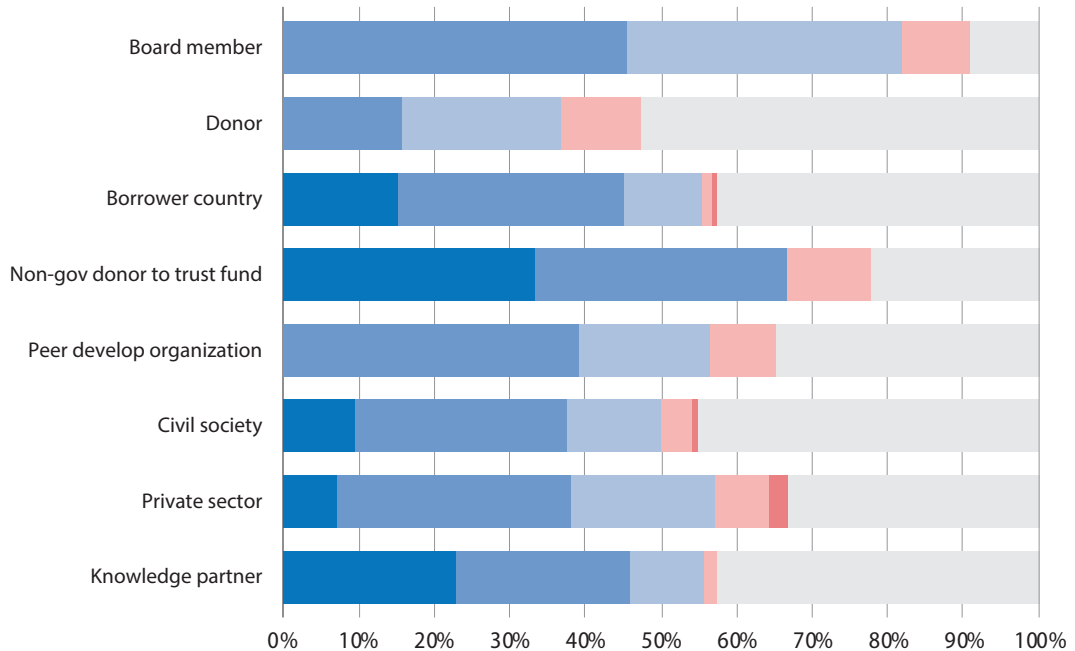
IDB requires its partners to apply clear standards for preventing and responding to sexual misconduct in relation to host populations.



IDB has provided relevant knowledge and thought leadership in the context of the COVID-19 response.

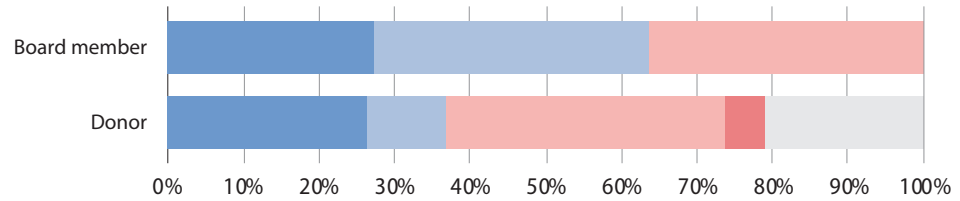


IDB works well with IDB Invest to provide a coherent “One Bank” response to needs.

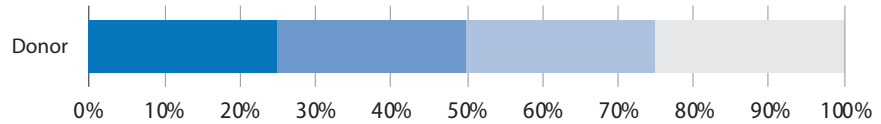


### Performance management

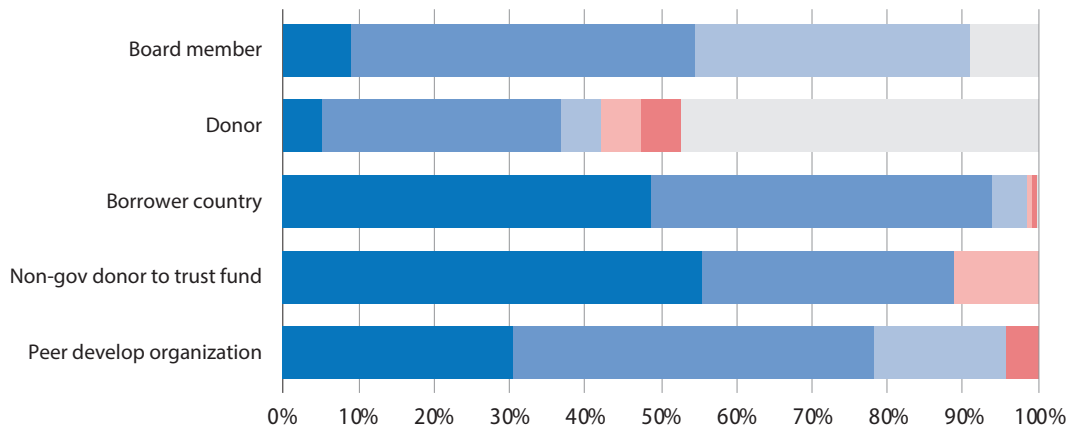
IDB prioritises a results-based approach – for example when engaging in policy dialogue, or planning and implementing interventions.



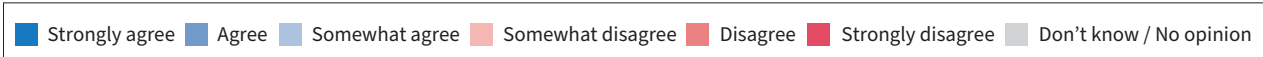
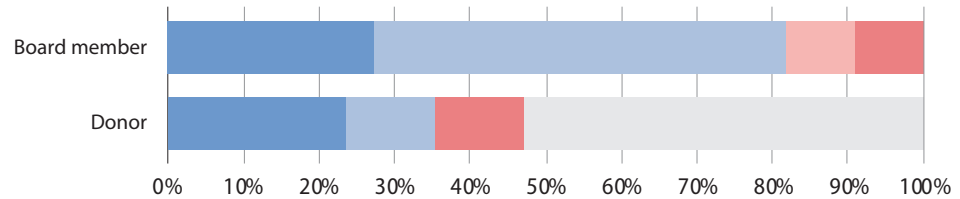
IDB consults with stakeholders on the setting of results targets at a country level.



IDB supports implementation through regular supervision of projects.

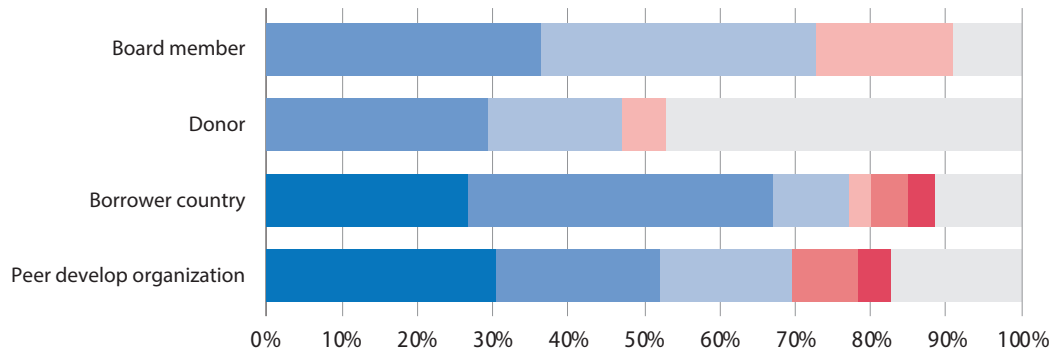


IDB consistently identifies which interventions are underperforming.

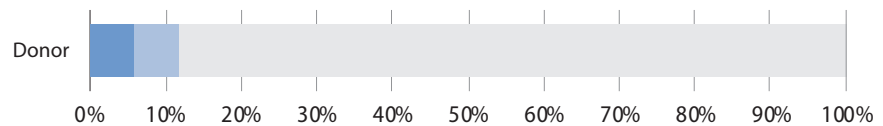




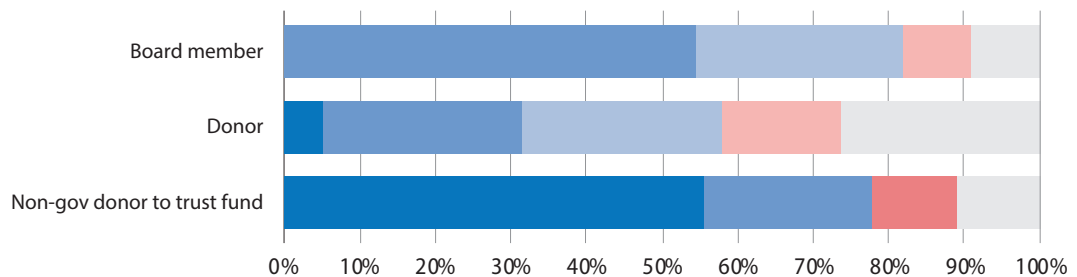
IDB addresses any areas of intervention underperformance, for example, through technical support or changing funding patterns if appropriate.



IDB participates in joint/inter-agency efforts to prevent, investigate and report on any sexual misconduct by personnel in relation to the host population (SEA).



IDB learns lessons from previous projects and applies them to new interventions.



■ Strongly agree 
 ■ Agree 
 ■ Somewhat agree 
 ■ Somewhat disagree 
 ■ Disagree 
 ■ Strongly disagree 
 ■ Don't know / No opinion