



Washington D.C., September 26, 2023.

Ms. Caroline Leclerc
Executive Director for Canada
Inter-American Development Bank
Washington D.C.
1300 New York Avenue NW 20577 USA

Ms. Suzanne Steensen
Head of the Secretariat
Multilateral Performance Organization Network
2, rue Andre-Pascal
75775 Paris CEDEX 16, France

Subject: 2023 MOPAN Independent Assessment of IDB

Dear Ms. Leclerc and Ms. Steensen,

Management would like to thank the Multilateral Organization Performance Assessment Network (MOPAN) for conducting the independent institutional assessment of the Inter-American Development Bank (IDB) covering the 2017-2021 period. We also want to thank the institutional lead, Canada, for its support and leadership throughout the exercise, as well as the Secretariat for the guidance, and the consultants for performing the assessment. We would like to highlight that teams in all operational and corporate areas of IDB dedicated time and attention to this assessment, to confirm or clarify MOPAN's findings, review the conclusions, and validate the feasibility of the recommendations.

Management finds the report in general comprehensive and well-balanced, with recommendations broadly consistent with Management's own assessment of areas of strength and areas for continuous improvement. Acknowledging these areas throughout the report, Management would like to take the opportunity to briefly make some short remarks on actions that are currently being taken.

Management is pleased to learn that, under MOPAN's 3.1 methodology, the assessment found that the Bank demonstrated an overall satisfactory performance for organizational effectiveness. In particular, the IDB was rated satisfactory or highly satisfactory in 45 out of 48 indicators covering the areas of strategic management, operational management, relationship management and performance management. Among the main strengths that the assessment identified were the Bank's financial management systems and capabilities, which are underpinned by transparent rules and mechanisms and a system for results-based budgeting. In the same way, the assessment acknowledged the Bank's strong performance in relationship management and use of strategic partnerships, and its notable commitment to the cross-cutting priorities of gender equality and climate change. Likewise, the report praised staff's technical expertise, proximity, and deep local knowledge as key strengths, which leverage IDB's institutional credibility as a key convenor across government and private and civil society sectors.

With respect to the areas of improvement, which pertain mostly to results, Management is encouraged with the findings of the assessment, as they broadly validate Management's own stock taking, analytical work, and lessons learned over the past years. Thus, Management's initiatives to address the shortcomings it identified since the Washington Resolution and to be addressed in the reforms that the new Institutional Strategy is proposing, ended up being broadly aligned with the recommendations of MOPAN's assessment.

Overhauling the development effectiveness (DE) framework, transforming its DE tools and processes, and aligning incentives to results delivery will be an integral part of implementing the new Institutional Strategy. In fact, attention to development results will help increase impact by systematically addressing current challenges at the project and portfolio levels, as well as integrating effectiveness more thoroughly into dialogue with countries and private sector clients. Operational work will thus increasingly be centered on results, as the Bank will work towards building, measuring, and managing its portfolio for impact and therefore aligning incentives around results delivery.

To achieve this, Management is envisaging an agenda of reforms under the new Institutional Strategy aimed at fostering a client-centric impact orientation; improving financing, operational and mobilization instruments; and promoting incentives and organizational alignment for results delivery. With respect to DE, the envisaged holistic reform will rethink how the IDB Group puts the achievement of impact at the core of decision-making and knowledge generation, both internally and with its clients, with the objective of building a culture of impact across the entire IDB Group and strengthening the impact management frameworks that foment these results and culture, delivering on accountability, evidence-based decision-making, and development impact.

Management is convinced that measuring and managing for development results, at the project, portfolio, and institutional level is critical for an effective development organization. Furthermore, with the new Institutional Strategy, the IDB Group aims to deliver products and services to countries, clients and the region using an approach around impact orientation, strategic selectivity, knowledge, public-private synergies, and mobilization, five areas which Management believes will maximize value and results delivery for clients and partners.

The aim of the new Institutional Strategy is to reflect and leverage the unique development role that the IDB Group plays in the region and the world. The institution is a trusted partner with comparative advantages extending from its regional expertise and footprint in the countries, the range of financial and non-financial services it offers, the public and private synergies it brings to the table, the technical expertise that it shares with clients and partners, and the climate and nature solutions that its interventions craft, with objective of delivering results that impact and improve lives.

Sincerely,



Alexandre Meira da Rosa
General Manager
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Development Effectiveness (SPD)