

PUBLIC

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

**CORPORATE RESULTS FRAMEWORK**  
**2016-2019**  
**REVISED VERSION**

Under the Access to Information Policy, this document is subject to Public Disclosure.

## | CONTENTS |

|      |  |    |
|------|--|----|
| I.   | INTRODUCTION .....                         | 1  |
| II.  | PROCESS TO DEVELOP THE CRF 2016-2019 ..... | 3  |
| III. | LESSONS LEARNED.....                       | 5  |
| IV.  | CRF STRUCTURE AND INDICATORS .....         | 6  |
| A.   | LEVEL I: REGIONAL CONTEXT .....            | 8  |
| B.   | LEVEL II: COUNTRY DEVELOPMENT RESULTS..... | 8  |
| C.   | LEVEL III: IDBG PERFORMANCE.....           | 12 |
| V.   | PROCESSES FOR CRF REPORTING AND USE.....   | 15 |
| VI.  | RECOMMENDATION .....                       | 24 |

### ELECTRONIC LINKS

1. CRF 2016-2019 DEFINITIONS  
<http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=39839033>
2. CRF AUXILIARY INDICATORS  
<http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=39839034>
3. COMPARISON OF IDBG CRF 2016-2019 TO IDB CRF 2012-2015  
<http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=39839035>

## | ACRONYMS |

|       |   |
|-------|---|
| ASR   | Annual Supervision Report   |
| BDA   | Budget and Administrative Services Department                         |
| CP    | CareerPoint   |
| CRF   | Corporate Results Framework   |
| CS    | Country Strategy  |
| DELTA | Development Effectiveness Learning, Tracking, and Assessment tool     |
| DEM   | Development Effectiveness Matrix                                      |
| DEO   | Development Effectiveness Overview                                    |
| DIAS  | Development Impact and Additionality Scoring                          |
| GPEDC | Global Partnership for Effective Development Cooperation              |
| IDB   | Inter-American Development Bank                                       |
| IDB-9 | Ninth General Capital Increase of the Inter-American Development Bank |
| IDBG  | Inter-American Development Bank Group                                 |
| IIC   | Inter-American Investment Corporation                                 |
| LAC   | Latin America and the Caribbean                                       |
| LTFP  | Long-Term Financial Projections                                       |
| MDB   | Multilateral Development Bank   |
| MIF   | Multilateral Investment Fund  |
| MfDR  | Managing for Development Results                                      |
| MSME  | Microenterprise, Small and Medium-sized Enterprise                    |
| NSG   | Non-Sovereign Guaranteed  |
| OMJ   | Opportunities for the Majority  |
| OVE   | Office of Evaluation and Oversight                                    |
| PCR   | Project Completion Report   |
| PEC   | Policy and Evaluation Committee                                       |
| PMR   | Progress Monitoring Report  |
| PSR   | Project Supervision Report  |
| RBB   | Results Based Budgeting   |
| SCF   | Structured and Corporate Finance                                      |
| SDG   | Sustainable Development Goal  |
| SG    | Sovereign-Guaranteed  |
| SME   | Small and Medium-sized Enterprise                                     |
| SPD   | Office of Strategic Planning and Development Effectiveness            |
| TC    | Technical Cooperation   |
| UIS   | Update to the Institutional Strategy                                  |
| UN    | United Nations  |
| XPSR  | Expanded Project Supervision Report                                   |
| XSR   | Expanded Annual Supervision Report                                    |

## I. INTRODUCTION

- 1.1 This document presents the proposal to update the Corporate Results Framework (CRF) that will be used to monitor the *Update to the Institutional Strategy 2010-2020: Partnering with Latin America and the Caribbean to Improve Lives*, approved by the Board of Governors of the Inter-American Development Bank (IDB) in March 2015.<sup>1</sup> As one of the commitments within the Strategy is to improve coordination between private and public sector operations through the Renewed Vision for the Private Sector,<sup>2</sup> the CRF 2016-2019 has been designed in such a way as to capture the contributions made to each of the Strategy's priority areas by not only the IDB, but also the Inter-American Investment Corporation (IIC) and the Multilateral Investment Fund (MIF), herein referred to as the "IDB Group" (IDBG). This proposal is being presented for consideration and approval by the Board of Executive Directors of the IDB and will subsequently be submitted for consideration and approval by the Committee of the Board of Executive Directors of the IIC.
- 1.2 By reporting on progress toward reaching a set of predefined indicators with time-bound targets (where appropriate from a technical perspective), the CRF 2016-2019 can be used to determine if the IDB Group is on track in terms of addressing the Region's development challenges and supporting the strategic policy objectives outlined in the Update to the Institutional Strategy (UIS) for the 2016-2019 period.<sup>3</sup> Indeed, as mandated by the IDB Governors, the CRF "serve[s] as the primary tool for monitoring and measuring the IDB's performance and the achievement of its strategic objectives," and is both an "integral part of the Bank's efforts to use empirical evidence to manage for development results" and "central to ensur[ing] accountability for delivering results."<sup>4</sup> As part of its function as a management tool, the CRF can also guide decision-making about what the IDBG does and how it does it, including to inform country programming.
- 1.3 The CRF can be thought of as the keystone within the IDBG's managing for development results (MfDR) architecture. It is complemented by a number of other tools and instruments to monitor and report on performance. For example, the IDB's Development Effectiveness Framework contains a number of tools that help measure results at the project level<sup>5</sup> and the Results-Based Budgeting (RBB) Framework enables the Bank to link the use of financial and human resources (inputs) to core business processes, corporate outputs, and

---

<sup>1</sup> Update to the Institutional Strategy 2010-2020: Partnering with Latin America and the Caribbean to Improve Lives ([AB-3008](#)), March 2015, approved by Resolution AG-8/15.

<sup>2</sup> [AB-3008](#), paragraph 4.7.

<sup>3</sup> While the UIS title cites the period 2010-2020, its narrative specifies that the update will guide the Bank from 2016-2019 (see [AB-3008](#), March 2015, paragraphs 3 and 4.26). Accordingly, this proposal to update the CRF corresponds to 2016-2019. This is consistent with the Ninth General Increase in the Resources of the Inter-American Development Bank ([AB-2764](#), Annex 1, paragraph 6.2), which establishes that the Bank should update the CRF every four years.

<sup>4</sup> [AB-3008](#), paragraph 4.29

<sup>5</sup> Specifically, for sovereign-guaranteed (SG) loan operations, these include: (1) Development Effectiveness Matrix (DEM), which is used to assess project evaluability; (2) Progress Monitoring Report (PMR), which tracks the achievement of a project's outputs and outcomes relative to its estimated time and cost parameters; (3) Project Completion Report (PCR), which assesses results achieved by a project, its long-term sustainability, and lessons learned to improve the design and execution of future operations; and (4) impact evaluations, which determine the net causal effect of an intervention on an indicator of interest.

- performance indicators, which can be monitored on an annual basis.<sup>6</sup> Similarly, the IIC and MIF also have project and corporate performance monitoring and reporting mechanisms. Currently at the IIC, a wide variety of operational, financial, and developmental performance indicators are reported upon through the use of a strategic dashboard which is reviewed by its Board of Directors on a quarterly basis.<sup>7</sup>
- 1.4 Technical specialists across the IDBG constructed all indicator definitions, baselines, and targets contained in this proposal. However, some adjustments will be required in order to fully reflect NewCo's<sup>8</sup> business plan. It is also expected that NewCo will adopt some indicators for its own management and reporting purposes.
- 1.5 Including this Introduction, this document is divided into six sections. Section II provides a description of the process to develop the CRF 2016-2019. Section III provides an overview of lessons learned under the IDB's CRF 2012-2015. Section IV describes the proposed structure of the CRF 2016-2019 and the indicators to be included at each level, including the general criteria for indicator selection. Section V presents an overview of the process changes related to the CRF 2016-2019 and preparing for its implementation. Finally, Section VI contains the corresponding recommendation to the IDB's Board of Executive Directors. In addition, three electronic links are included for information purposes only. [Electronic Link 1](#) provides definitions for the proposed CRF indicators and

---

<sup>6</sup> For more information, see [AB-2764](#), paragraphs 3.43 and 4.18.

<sup>7</sup> In the context of the Merge-Out implementation process, existing NSG corporate performance reporting mechanisms and processes are being reviewed and updated. However, at present, development results for SCF and OMJ are reported as part of the Project Supervision Report. At the MIF, project supervision systems automatically gather data and use it to populate required reports prepared through the Project Status Report system (for grants) and the Annual Supervision Report system (for loans and investments). The IIC uses two tools to track the development impact of its operations. The Development Impact and Additionality Scoring (DIAS) system assesses an operation's potential development impact at project outset and throughout its life. The DIAS complements the Expanded Annual Supervision Reports (XSRs), the ex-post evaluation framework, which measures development outcome and assesses the IIC's investment performance, work quality, and additionality. Beginning in 2016, several development effectiveness tools currently in use for NSG operations at IDBG will be replaced by the Development Effectiveness Learning, Tracking, and Assessment tool (DELTA). The DELTA, which is currently being piloted, will measure the expected development impact and additionality of NewCo's operations as well as their potential financial contribution to ensure NewCo's long-term financial sustainability.

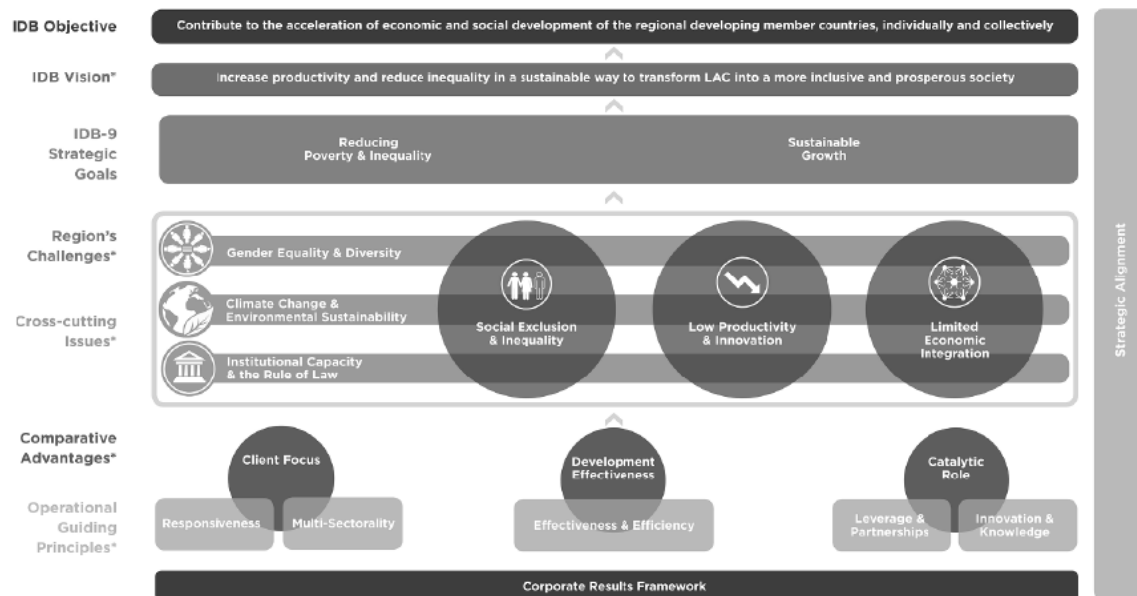
<sup>8</sup> NewCo is the name currently used to refer to the entity that will consolidate the IDBG's NSG operations. NewCo will operate under the existing IIC Charter and its legal name will be the IIC. The use of the term NewCo in this document aims to avoid confusion with the IIC as it exists today. After January 2016, the name NewCo will be replaced by IIC. The IDB Group's private sector activities have traditionally been carried out by the IDB's Structured and Corporate Finance Department (SCF) and the Opportunities for the Majority Department (OMJ), the IIC, and the MIF. On March 30, 2015, the Boards of Governors of the IDB and IIC adopted [Resolutions AG-9/15 and CII/AG-2/15](#), authorizing the transfer of the activities of SCF and OMJ from the IDB to the IIC consistent with certain principles set forth in the Merge-out Proposal (document [CA-556/CII/CA-165](#)). The target date to complete this transfer is January 1, 2016. These resolutions also state that the Donors Committee of the MIF "will direct Management in analyzing and developing options for the future of the MIF as part of the consolidation of the IDB Group private sector activities." As indicated in paragraphs 2.39 and 2.8 of the Merge-Out Proposal, NewCo "is to have a strategic framework closely aligned with the IDBG's institutional strategy and integrated country strategies", and together with the IDB "will design a Corporate Results Framework that will use higher order result indicators to reflect shared institutional goals". As the MIF is a fund administered by the IDB, it would also be covered under the IDB Group CRF.

[Electronic Link 2](#) provides a list of proposed auxiliary indicators (described in Section IV) and their associated definitions.<sup>9</sup> [Electronic Link 3](#) presents a comparison of the indicators in the IDB CRF 2012-2015 to those presented in this IDBG CRF 2016-2019 proposal.

## II. PROCESS TO DEVELOP THE CRF 2016-2019

- 2.1 The CRF 2016-2019 was developed based on inputs and lessons learned from a number of sources. First and foremost, given the CRF’s central purpose of measuring the implementation of the UIS, the process began with a focus on identifying and selecting indicators that would capture the key strategic elements of the UIS, namely, the three challenges, three cross-cutting themes and six operational guiding principles (see Figure 1 and Section IV). A discussion of lessons learned can be found in the following section.

**Figure 1. Overview of the Update to the Institutional Strategy**



\* = Changes to the Institutional Strategy as a result of the Update

- 2.2 Management’s engagement with the IDB’s Board of Executive Directors was another critical source of strategic guidance for the CRF 2016-2019. This dialogue began in 2013 with a proposal for an interim update to the CRF<sup>10</sup> that was prepared in response to the Board-endorsed recommendation made by the Office of Evaluation and Oversight (OVE) as part of its Mid-Term Evaluation of

<sup>9</sup> Indicator definitions have been developed with an aim of avoiding ambiguity regarding what types of interventions, activities, and projects should count. Nonetheless, it is expected that some modifications may be needed over time to accommodate questions that arise as the portfolio evolves and experience is gained in reporting on new indicators.

<sup>10</sup> Corporate Results Framework: 2012-2015. Interim Update Proposal ([GN-2727](#)), August, 2013.

IDB-9 Commitments<sup>11</sup> that the Bank revisit the CRF with an “eye towards simplification, improved data accuracy and full knowledge and ownership by Bank staff and other stakeholders”. The Board’s discussion of the proposal concluded with a request “to initiate [a] structured dialogue for the purpose of considering the possibility of broader changes to the CRF in conjunction with the institutional strategy update...”<sup>12</sup>

- 2.3 Thus, IDB Management continued to engage with the IDB Board on the CRF during 2014 with a survey of the members of the Policy and Evaluation Committee (PEC) and two subsequent meetings during which issues surrounding the governance, purpose and use of the CRF were discussed.<sup>13</sup> Similarly, in the discussions relating to the private sector Merge-Out, the need for a comprehensive framework to strategically select, measure, report, and learn from the activities of the private sector was first proposed in the Renewed Vision for the Private Sector,<sup>14</sup> and subsequently expanded upon in the discussions leading up to the Merge-Out Proposal.
- 2.4 Another key element of the process to update the CRF was the inputs of the CRF Network of Champions, a group of more than 50 senior technical specialists throughout the IDBG<sup>15</sup>. Under the strategic guidance of IDBG Senior Management the proposal was prepared with extensive collaboration with the CRF Network of Champions to ensure a high-quality and relevant proposal and promote ownership throughout the institutions. In particular, the Network was directly involved in identifying the proposed indicators, defining them and establishing the corresponding baselines and, when technically feasible, targets. Moreover, the targets presented here reflect the harmonized vision for the consolidation of IDBG’s private sector windows.<sup>16</sup>
- 2.5 Finally, the work of the global development community, particularly, the discussion leading to the recent adoption of the Sustainable Development Goals (SDGs), the joint efforts by the multilateral development banks (MDBs) in relation

---

<sup>11</sup> Mid-Term Evaluation of the IDB-9 Commitments ([RE-425](#)), December 2012, Recommendation 1.

<sup>12</sup> Board of Executive Directors Policy and Evaluation Committee Summary of Deliberations and Minutes 11 September 2013 Meeting (PED/13/26)

<sup>13</sup> As a result of this dialogue, the Board agreed with Management’s suggestion to request delegation of authority over the CRF from the Governors to the Executive Directors (see [GN-2727-1](#) and Summary of Deliberations and Minutes for Policy and Evaluation Committee of June 30, 2014). Management prepared a document entitled “Updating of the IDB’s Corporate Results Framework: Proposal to Request Delegation of Authority from the Board of Governors” ([AB-2993](#)) which was adopted by the Governors in September 2014 (Resolution [AG-10/14](#)).

<sup>14</sup> See [GN-2754-7](#) and [CII/GN-289-7](#).

<sup>15</sup> The Network was initially created in 2013 during the process to prepare the “Corporate Results Framework: 2012-2015. Interim Update Proposal” ([GN-2727](#)), engaging both VPS counterparts for the PMR as well as the VPP development effectiveness team. As work began to develop the current proposal, VPS Division Chiefs were asked to confirm their respective champions. The Network was later expanded to include all VPs as well as the IIC to reflect perspectives from across the IDBG.

<sup>16</sup> While the target date to complete the transfer of SCF and OMJ activities is January 1, 2016, in the case of the MIF, the Donors Committee of the MIF “will direct Management in analyzing and developing options for the future of the MIF as part of the consolidation of the IDB Group private sector activities. After the Donors Committee approves a proposal, it will present its recommendations to the Boards of Executive Directors and subsequently the Boards of Governors of the IDB and IIC, as applicable, by no later than March 31, 2016.” ([Resolutions AG-9/15 and CII/AG-2/15](#), Paragraph 4).

to financing the 2030 Sustainable Development Agenda, and monitoring framework of the Global Partnership for Effective Development Cooperation (GPEDC) as well as the CRFs of other MDBs were all considered in preparing this proposal.

### III. LESSONS LEARNED

- 3.1 The CRF 2016-2019 draws upon lessons learned from the IDB's first CRF which covers the period 2012-2015. Management has already implemented some changes in response to these lessons and other changes are described in this proposal.
- 3.2 Perhaps the most important lesson learned with respect to the CRF is that for a tool to be meaningful, ownership at all levels is critical. Board and employee engagement in the development of the CRF directly impacts its future relevance and utility. To achieve greater ownership over the CRF 2016-2019, its preparation was sequenced to follow the approval of the UIS, allowing the CRF to better reflect the priorities the stakeholders at the highest level have identified for the IDBG. Additionally, as referred to earlier, Management engaged with the Board of Executive Directors in a structured dialogue and the Network of Champions was created and then expanded to engage IDBG employees to develop appropriate indicators (and their definitions) and set realistic targets, where technically feasible based on sound empirical evidence.<sup>17</sup> This enhanced level of engagement will continue both at the level of IDBG Senior Management and employees as well as Executive Directors through the annual dialogue about progress towards meeting CRF targets (see also Section V).
- 3.3 Secondly, it is clear that a single tool cannot capture detailed results at all levels of the IDBG. The CRF must be focused on measuring the key priorities outlined in the UIS. Simplicity in terms of both the number and type of indicators is essential to achieving this focus. The CRF 2016-2019 has a simplified structure and content, which includes a reduced number of main indicators that can be standardized effectively to represent the IDBG's diverse portfolio and business practices (see Section IV for greater details).
- 3.4 At the same time, another lesson learned is that the CRF can serve for both accountability and managerial purposes. By promoting a greater understanding of the causes of variations in performance (i.e., under- or over-performance as compared to the target as well as volatility) and greater transparency with respect to the specific projects or business units that contribute to each of its targets, the CRF can also help guide the IDBG towards achieving the goals set out in the UIS. On the IDB side, for example, to better integrate the CRF into key business processes, Management is exploring ways to enhance the consistency between the CRF and other corporate performance tools. This will also promote greater accountability and alignment throughout the organization for achieving UIS goals. (For further details, see Section V on Processes for CRF Reporting and Use).

---

<sup>17</sup> For example, thanks to the improvements made in the PMR for SG projects since the establishment of IDB's first CRF in IDB-9, better quality data has allowed for more realistic target-setting.



- 3.5 Improved knowledge management is also critical for maintaining institutional memory when there is employee turnover. During the preparation of this proposal, the assumptions used to set baselines and targets were carefully documented to ensure consistency in interpreting trends when reporting later. In addition, a process for collecting and reviewing CRF data related to loan operations has long been in place, but aligning it with the project reporting cycle now allows the CRF data to benefit from an existing formal validation process. Additionally, Management will update and publish the technical guidance for the CRF on the CRF webpage (currently housed within the IDB Development Effectiveness website) on an ongoing basis to ensure transparency and accountability.
- 3.6 A final key lesson learned is the need to maintain flexibility to keep the CRF relevant. In 2014, the Governors delegated the authority to approve the update to the IDB CRF for 2016-2019 to the Board of Executive Directors. This includes the ability to make subsequent updates or modifications to it, as warranted.<sup>18</sup> The CRF must remain stable enough over time to truly measure progress and as such, major changes to it are not expected from year to year; at the same time the ability to introduce improvements over the course of the reporting period will yield a more useful CRF. Also, the use of auxiliary indicators (see [Electronic Link 2](#)) will allow Management the needed flexibility to explore new indicators, particularly those that may be more challenging to measure, such as certain outcome and impact indicators. These indicators will not have targets, as prematurely setting specific targets would limit their exploratory nature (for further details, see Section IV).

#### IV. CRF STRUCTURE AND INDICATORS

- 4.1 The CRF 2016-2019 has three levels: (i) Regional Context; (ii) Country Development Results; and (iii) IDBG Performance<sup>19</sup> and includes 55 main indicators (in contrast to the 84 indicators in the CRF 2012–2015).<sup>20</sup> As stated earlier, a simplified CRF that focuses on a more limited set of indicators grounded in the UIS will better position the IDBG to focus attention on the key strategic priorities set by the Governors.
- 4.2 Indicators at levels one and two are associated with one or more of the three challenges and cross-cutting themes of the UIS. These challenges are: (1) social inclusion and equality; (2) productivity and innovation; and (3) economic integration, while, the three cross-cutting themes are: (1) climate change and environmental sustainability; (2) gender equality and diversity; and (3) institutional capacity and rule of law. It should be noted that the UIS also defines

---

<sup>18</sup> Resolution [AG-10/14](#).

<sup>19</sup> As opposed to the current CRF, which has four levels: (i) Regional Development Goals; (ii) Output Contributions; (iii) Lending Program; and (iv) Operational Effectiveness and Efficiency.

<sup>20</sup> By way of comparison, the number of indicators in the corporate results frameworks/scorecards of the other MDBs is as follows: World Bank Group: 71 (World Bank Group Corporate Scorecard April 2015), Asian Development Bank: 91 (Asian Development Bank 2014 Development Effectiveness Review Corporate Scorecard), and African Development Bank: 105 (African Development Bank Annual Development Effectiveness Review 2015).

a set of key, though not exhaustive, strategic policy objectives that will help to focus the work of the IDBG in the coming years (see Box 1 below). A single indicator may contribute to multiple areas of the UIS (and, by extension, to one or more of the strategic policy objectives under each of the challenges) depending upon the contributing project. The likely relationship between each Regional Context and Country Development Results indicator and the challenges and cross-cutting themes of the UIS is shown through small icons in the indicator tables. Indicators at level three (IDBG Performance) are organized around the six UIS operational guiding principles: i) responsiveness; ii) multi-sectoriality; iii) effectiveness and efficiency; iv) leverage and partnerships; v) innovation and knowledge; and vi) alignment.

**Box 1: Update to the Institutional Strategy – Strategic Policy Objectives**

In order to focus the efforts of the IDBG in the coming years on the Region’s key development challenges, the Update to the Institutional Strategy defines a set of strategic policy objectives agreed upon by its shareholders. These policy objectives provide a broad, though not exhaustive, view of the way the IDBG can help its borrowing member countries break down these barriers to development. Each of the policy objectives can be achieved through different kinds and combinations of solutions, allowing for flexibility, adaptation and tailoring to the different contexts found across the Region. The UIS strategic policy objectives are listed below.

| <b>Social Inclusion and Equality</b>   | <b>Productivity and Innovation</b>   | <b>Economic Integration</b>   |
|--|--|---|
| <ul style="list-style-type: none"><li>• Eradicate extreme poverty</li><li>• Create a more distributive fiscal policy</li><li>• Strengthen the capacity of the state</li><li>• Include all segments of the population in financial markets</li><li>• Provide inclusive infrastructure and infrastructure services</li></ul> | <ul style="list-style-type: none"><li>• Develop quality human capital</li><li>• Establish smart institutional frameworks (healthy business climate, quality and ample services, efficient, fruitful, transparent interactions with governments)</li><li>• Provide urban planning and rural infrastructure</li><li>• Provide adequate knowledge and innovation ecosystems</li></ul> | <ul style="list-style-type: none"><li>• Improve regional infrastructure</li><li>• Insert firms into value chains</li><li>• Converge integration policies and instruments</li><li>• Leverage South-South and Triangular cooperation cooperate to produce regional public goods, exchange knowledge and best practices, harmonize regulations</li></ul> |

[AB-3008](#)

4.3 In order to ensure a platform to report on the broader range of IDBG support to its borrowing member countries and clients, Management has introduced a set of

auxiliary indicators which will serve a number of purposes. First, they allow for a larger set of standardized indicators that will permit the IDBG to more easily aggregate its results across its portfolio. This list of indicators is intended to evolve over time; as such, the IDBG will be able to begin collecting data in areas that are currently challenging to measure in order to establish baselines and targets. The auxiliary indicators will also complement the CRF indicators submitted for Board approval in this document by providing additional metrics on IDBG's performance on strategic priorities outlined in the UIS and IDB-9 and allowing for continuity in reporting on indicators from the CRF 2012-2015. As the auxiliary indicators are intended for managerial monitoring purposes only, Management may periodically change the set of auxiliary indicators. They will not have targets and will not be included as part of the CRF reporting in the Development Effectiveness Overview (DEO) publication. Data for them will be made available on the CRF webpage.<sup>21</sup>

## **A. LEVEL I: REGIONAL CONTEXT**














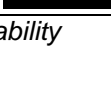
- 4.4 The Regional Context level will provide information on long-term development progress in the Region with respect to each of the three challenges and three cross-cutting themes outlined in the UIS. Where relevant, this level of the CRF takes advantage of internationally standardized indicators both to harmonize with the broader development community and to reduce the burden of data collection.<sup>22</sup>
- 4.5 Information provided on indicators at this level of the CRF will help to broadly frame the progress reported in the next level of the CRF – Country Development Results. Indicators at the Regional Context level do not have targets because progress made on each indicator is the result of a combination of actions, policies, and measures implemented or funded by the countries in the Region, and therefore cannot be directly tied to IDBG support. Having recognized the importance of making country level data available, online reporting on the Regional Context indicators will include links to data at a country level, where available.

### **Table 1. Regional Context Indicators**

---

<sup>21</sup> Due to the experimental nature of these indicators and data availability, Management may not be able to publish information on the progress on all auxiliary indicators on an annual basis.

<sup>22</sup> For example, the draft indicator framework for the SDGs released by the UN Inter-agency and Expert Group on Sustainable Development Goal Indicators in August 2015 was reviewed as part of the development of this proposal in order to identify and incorporate those indicators that may align closely with the challenges outlined in the UIS. The SDGs include 17 goals and 169 targets which were approved at the UN General Assembly in September 2015. The specific indicators and framework to monitor the SDGs are expected to be endorsed at the March 2016 meeting of the UN Statistical Commission.

| Indicator   |     | Baseline Value    | Baseline Year | SDG Alignment  |
|---|-----|-------------------|---------------|--|
| 1. Poverty headcount ratio (US \$4 per day PPP) (%)                             | ✚   | 27.8%             | 2013          |   |
| 2. Gini coefficient <sup>a</sup> (including disaggregated data) <sup>c</sup>    | ✚ = | 0.497             | 2013          |   |
| 3. Social Progress Index  | ✚   | 64.8              | 2015          |   |
| 4. Growth rate of GDP per person employed (%) <sup>a</sup>                      | ~   | 0.8% <sup>b</sup> | 2013          |   |
| 5. Global Innovation Index (LAC average)  | ~   | 32.9              | 2014          |   |
| 6. Research and development expenditure as a percentage of GDP (%) <sup>a</sup> | ~   | 0.74%             | 2012          |   |
| 7. Intraregional trade in goods (%)   | ✚   | 18.3%             | 2014          |   |
| 8. Growth rate of the value of total exports of goods and services (%)          | ✚   | -0.9%             | 2014          |    |
| 9. Foreign direct investment net inflows as percentage of GDP (%)               | ✚   | 4.8%              | 2010-2013     |   |
| 10. Greenhouse gas emissions (kg of CO <sub>2</sub> e per \$1 GDP (PPP))        | 🌐   | 0.531             | 2012          |   |
| 11. Proportion of terrestrial and marine areas protected (%) <sup>a</sup>       | 🌐   | 13.3              | 2014          | <br> |
| 12. Government effectiveness (average LAC percentile)                           | 🏛️  | 48                | 2013          |   |
| 13. Rule of law (average LAC percentile)  | 🏛️  | 39                | 2013          |   |

✚ Social inclusion and equality      🌐 Climate change and environmental sustainability  
 ~ Productivity and innovation      = Gender equality and diversity  
 ✚ Economic integration      🏛️ Institutional capacity and rule of law

<sup>a</sup> Indicators marked in the table above are included in the list of indicator proposals for the SDGs released by the UN in August 2015. Further information can be found at:

<http://unstats.un.org/sdgs/iaeg-sdgs/open-consultation.html>

The Inter-Agency and Expert Group on Sustainable Development Goal Indicators will develop the final global indicator framework which is to be agreed by the Statistical Commission by March 2016 and adopted thereafter by the Economic and Social Council and the General Assembly.

<sup>b</sup> Preliminary

<sup>c</sup> Disaggregated data will be reported following the final SDG global indicator framework for SDG target 10.2 “By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.”

See [Electronic Link 1](#) for sources and definitions.

## **B. LEVEL II: COUNTRY DEVELOPMENT RESULTS**

- 4.6 In contrast to the CRF indicators at the Regional Context level, the Country Development Results (CDR) level will provide aggregate data on outputs, and immediate outcomes supported by IDBG-financed projects and intermediate outcomes that can be indirectly associated with more sector-specific outcomes in those countries that are supported by IDBG-funded projects. This level of the CRF seeks to answer questions about how the IDBG is contributing to development in the Region. Given the time required for a project to generate measurable results, it is expected that many of the results reported in the CRF 2016-2019 will come from projects approved prior to 2016.<sup>23</sup>
- 4.7 As mentioned previously, the proposed indicators at the CDR level are the result of extensive dialogue and collaboration across diverse business units throughout the IDBG. The aim was to develop indicators that were broad enough to capture a significant portion of both the current portfolio and the expected future portfolio based on the strategic direction outlined in the UIS, while remaining specific enough to be meaningful. Given that the CRF 2016-2019 has been designed to cover the higher order results across the entire IDBG, indicators that reflect the Bank Group more broadly were prioritized over those that would reflect the work of only one or two business units.
- 4.8 Table 2 below presents the CDR indicators, which include outputs, immediate outcomes (beneficiaries), and intermediate outcomes. Outputs help us to track the types of activities the IDBG is financing<sup>24</sup>. Immediate outcomes help link the projects and activities the IDBG finances to the people whose lives it seeks to improve through its work in the Region. With intermediate outcomes we begin to see the medium-term effects of IDBG’s combined interventions in the context of







---

<sup>23</sup> The IDBG reports on actual results during project implementation and operations approved under a given CRF period are not likely to produce all of their expected results under that same monitoring period. It is worth mentioning that the time between project conception and when results are generated can often be substantial. For example, for SG investment loans in 2014, the median loan preparation time from Profile to Approval was 6 months and the median time between Approval and First Disbursement was 12 months (IDB Annual Business Review data, 2014). In the case of NSG operations, SCF and OMJ corporate finance loans in 2014 had an average preparation time from project profile approval to commitment (signing) of 15 months. Once a project begins to disburse, the time to generate results varies greatly depending on the nature of the project, but for large infrastructure projects, for example, it may take several years.

























<sup>24</sup> The OECD defines outputs as “The products, capital goods and services which result from a development intervention; may also include changes resulting from the intervention which are relevant to the achievement of outcomes. Outcomes are the “likely or achieved short- or medium- term effects of an intervention’s outputs” (Glossary of Key Terms in Evaluation and Results Based Management - <http://www.oecd.org/dac/2754804.pdf>).



























the progress made by the countries of the Region.<sup>25</sup> Detailed definitions for each indicator can be found in Electronic Link 1.






**Table 2. Country Development Results Indicators**

| Indicator   |      | Reference Baseline <sup>a</sup><br>(IDB 2012-2014) | Expected Results IDBG <sup>b</sup><br>2016-2019 | SDG Alignment   |
|---|------|--|---|---|
| <b>Intermediate Outcomes</b>  |      |  |   |   |
| 1. Countries in the region with improved learning outcomes according to PISA (%)                          | ⬆️   | math: 25%<br>reading: 62,5% <sup>c</sup>           | n/a<br>(contribution only)                      |    |
| 2. Maternal mortality ratio (number of maternal deaths per 100,000 live births)                           | ⬆️   | 85 <sup>d</sup>                                    | n/a<br>(contribution only)                      |   |
| 3. Property value within project area of influence (% change)   | ⬆️   | Unavailable <sup>e</sup>                           | n/a<br>(contribution only)                      |  |
| 4. Reduction of emissions with support of IDBG financing (annual million tons CO <sub>2</sub> equivalent) | ⬆️ 🌐 | 6.9 <sup>f</sup>                                   | 8   |  |
| 5. Public agencies' processing times of international trade of goods and services                         | ⬆️   | Unavailable <sup>g</sup>                           | n/a<br>(contribution only)                      |  |
| 6. Formal employment of women (%)   | ⬆️ = | 45.2%  | n/a<br>(contribution only)                      |  |

<sup>25</sup> The highest level of results, impacts, are defined by the OECD/DAC as the “positive and negative, primary and secondary long-term effects produced by a development intervention, directly or indirectly, intended or unintended”. They are typically measured only at the individual project or program level several years after the final disbursement of resources is made. For this reason, impact level indicators are not included in the Country Development Results table. The number of impact evaluations being carried-out on IDBG-financed operations has grown significantly over the last several years. For example, the percentage of SG project approvals which had contemplated an impact evaluation rose from 12% in 2008 to 46% in 2014.

| Indicator   | Reference Baseline <sup>a</sup><br>(IDB 2012-2014) | Expected Results<br>IDBG <sup>b</sup><br>2016-2019 | SDG Alignment   |
|---|--|--|---|
| 7. Percent of GDP collected in taxes (%)   | 18% <sup>h</sup>                                   | n/a<br>(contribution only)                         |    |
| <b>Immediate Outcomes</b>   |  |  |   |
| 8. Students benefited by education projects (#)                                      | 12,020,443   | 15,790,000   |    |
| 9. Beneficiaries receiving health services (#)                                       | 23,492,261   | 38,000,000   |    |
| 10. Beneficiaries of targeted anti-poverty programs (#)                              | 18,139,907   | 8,000,000  |    |
| 11. Beneficiaries of improved management and sustainable use of natural capital (#)  | 3,096,383 <sup>i</sup>                             | 4,900,000  |    |
| 12. Households benefitting from housing solutions (#)                               | 804,459  | 850,000  |   |
| 13. Beneficiaries of on-the-job training programs (#)                              | 1,020,734  | 875,000  |  |
| 14. Jobs created by supported firms (#)    | 76,185   | 140,000  |  |
| 15. Women beneficiaries of economic empowerment initiatives (#)                    | Unavailable  | 1,300,000  |  |
| 16. Micro / small / medium enterprises financed (#)                                | 2,357,099  | 3,400,000  |  |
| 17. Micro / small / medium enterprises provided with non-financial support (#)     | Unavailable  | 260,000  |  |
| <b>Outputs</b>  |  |  |   |
| 18. Households with new or upgraded access to drinking water (#)                   | 743,743  | 950,000  |  |

| Indicator   |   | Reference Baseline <sup>a</sup><br>(IDB 2012-2014) | Expected Results IDBG <sup>b</sup><br>2016-2019 | SDG Alignment   |
|---|---|--|---|---|
| 19. Households with new or upgraded access to sanitation (#)  |    =   | 1,301,823  | 1,300,000                                       |    |
| 20. Installed power generation from renewable energy sources (%)  |     | Unavailable  | 80%   |    |
| 21. Roads built or upgraded (km)  |   =   | Unavailable  | 6,300   |    |
| 22. Professionals from public and private sectors trained or assisted in economic integration (#)                                       |     | 55,536   | 40,000  |    |
| 23. Regional, sub-regional and extra-regional integration agreements and cooperation initiatives supported (#)                          |     | 26   | 28  |   |
| 24. Subnational governments benefited by citizen security projects (#)  |   =    | 29   | 52  |  |
| 25. Government agencies benefited by projects that strengthen technological and managerial tools to improve public service delivery (#) |     =  | Unavailable  | 150   |  |

 *Social inclusion and equality*       *Climate change and environmental sustainability*  
 *Productivity and innovation*      = *Gender equality and diversity*  
 *Economic integration*       *Institutional capacity and rule of law*

<sup>a</sup> Reference baselines for intermediate outcome indicators are regional averages based on country level data. Unless otherwise noted, reference baselines for immediate outcomes and outputs have been calculated on the basis of existing CRF indicators for IDB SG and NSG (SCF and OMJ) data, using 2012-2014 data as reported in the “Final Report: 2014 Progress on Corporate Results Framework Indicators” (GN-2818).

<sup>b</sup> Expected results will be impacted by macroeconomic conditions in the Region.

<sup>c</sup> OECD PISA 2012.

<sup>d</sup> 2013 data drawn from MDG Statistical Annex 2015.

<sup>e</sup> Urban development projects typically include an appraisal of property value prior to the project start. However, this data is best understood within the local context and a median at a national level is not considered to be representative.

<sup>f</sup> 2011-2014, includes IDB (SG and NSG) and IIC, excludes MIF.

<sup>g</sup> Baseline cannot be provided for the region as a whole because the IDB's interventions operate on different platforms in different countries (e.g, single window vs. authorized economic operators) as well as



on similar platforms but with different coverage in the different countries (e.g, single window including all relevant agencies vs. single windows only overnight a subset of these agencies). Hence, processing times are not strictly comparable across countries with Bank's operations.

<sup>h</sup> 2014 data

<sup>i</sup> Based on the CRF 2012-2015 indicator 3.5.6 Farmers given access to improved agricultural services and investments.

See [Electronic Link 1](#) for definitions and sources.

- 4.9 Unless otherwise noted, reference baselines for immediate outcomes and outputs have been calculated on the basis of existing CRF indicators for IDB SG and NSG (SCF and OMJ) data, using 2012-2014 data as reported in the "Final Report: 2014 Progress on Corporate Results Framework Indicators" (GN-2818). For outputs and immediate outcomes, which can be attributed to the support provided by the IDBG-financed projects,<sup>26</sup> expected results for 2016-2019 are given. For most of the indicators at this level, expected results are based on projects in the current portfolio, anticipated future country/client demand for particular types of projects, and historical information on the contribution of specific project types to the indicator, with an expectation that both public and private sector projects (including technical cooperation operations) will contribute.<sup>27</sup> For most indicators, the expected results are cumulative over the 2016-2019 period.
- 4.10 The CRF 2016-2019 also includes a pilot set of intermediate outcome indicators to provide a more complete performance story of the IDBG. However, it is important to highlight a few caveats with respect to these indicators. First, these indicators can be monitored at a corporate level *for contribution only*, not for attribution since many other external factors may contribute to successful (or unsuccessful) outcomes. Secondly, it should be noted that intermediate outcomes are far more challenging to aggregate than immediate outcomes. This means intermediate outcome indicators will cover a smaller portion of the IDBG portfolio. For example, while two projects may be able to report against the immediate outcome *Beneficiaries receiving health services*, only one of them may be looking to reduce *Maternal mortality* (included as an intermediate outcome above), while the other may be looking to reduce early childhood malnutrition. Thus, intermediate outcome indicators can only be used if they are specifically part of the project objective.
- 4.11 Furthermore, reference baselines for these intermediate outcome indicators are based on country level data and are provided strictly as a guide because they are not based on the specific population that will benefit from IDBG-financed interventions. In light of the caveats mentioned above, setting targets at the intermediate outcome level in a technically robust way is infeasible (with the exception of the *Reduction of emission with support of IDBG financing* indicator, whose monitoring is based on projects' expected results). Setting targets for intermediate outcomes in a realistic and credible way to drive performance is further limited by dimensionality. This is related to the potential for impact that

---

<sup>26</sup> For NSG clients, immediate outcomes may include the number of beneficiaries reached by clients supported with financing by the IDBG.

<sup>27</sup> The proposed targets may require adjusting in the future to fully reflect NewCo's Business Plan.

one or even a few projects may have at the country level. And finally, as referenced above, indicators at this level are for contribution only. However, a high level of attribution is required to set meaningful targets, and since there is no way to anticipate how external factors may affect progress across a diverse set of projects over time, the CRF will only track and report annually on these intermediate outcome indicators.

- 4.12 It is worth noting that in a few cases, the 2016-2019 expected results for IDBG are lower than the reference baseline for two immediate outcome indicators and one output indicator: i) Beneficiaries of targeted anti-poverty programs; ii) Beneficiaries of on-the-job training programs; and iii) Professionals from public and private sectors trained or assisted in economic integration. In the case of Beneficiaries of targeted anti-poverty programs, which according to the definition are primarily those programs involving a conditional cash transfer, an operation (CO-L1059) that contributed 45% of the 2012-2014 cumulative results for this indicator has now closed. During the past ten years the Bank has financed these types of programs in 15 countries and the observed trend is that as programs mature and consolidate, governments tend to request less financing while still seeking technical advice from the IDBG. It is also important to note this indicator measures only one type of program aimed at poverty reduction. Secondly, fiscal constraints in the countries where the IDBG is supporting on-the-job training programs are expected to limit the number beneficiaries reached. In the case of Professionals from public and private sectors trained or assisted in economic integration, the dip can be attributed to a more specific definition that excludes some activities previously counted towards training. Finally, it is important to highlight that the expected results at this level of the CRF are a function of past and future programming exercises and a lower value than the reference baseline should not be perceived as “worse”, but rather as showing that there has been a shift in country demand.
- 4.13 Details regarding the data sources for each indicator and which will be disaggregated are also contained within Electronic Link 1. In general terms, data for the outputs and immediate outcomes will come from the SG Progress Monitoring Report (PMR) system, the TC Monitoring and Reporting System, and the NSG project monitoring systems. Data for the intermediate outcome indicators will primarily be drawn from Project Completion Reports. As part of the CRF 2016–2019 reporting, data at this level will be made available by project, where feasible.<sup>28</sup> Project teams will determine the type of disaggregation based on the relevance to the project logic at the time they develop project results matrices, adhering to the commitments made in the Gender Action Plan and elsewhere, including for example, disaggregating project beneficiaries by gender and ethnicity. The ability to report on disaggregated data will be available for all CRF beneficiary indicators in the project monitoring systems. On the SG side, systems will facilitate the appropriate disaggregation of beneficiaries by prompting users to select the recommended types of disaggregation for each applicable indicator. Where available, disaggregated data will be presented on the CRF webpage.

---

<sup>28</sup> Due to client confidentiality concerns on NSG projects, reporting at the project level will not be feasible for all projects.

- 4.14 Acknowledging that monitoring gender and diversity goes beyond merely disaggregating beneficiary data, the CRF 2016-2019 introduces a new gender outcome indicator, *Formal employment of women (%)*, and a new immediate outcome indicator, *Women beneficiaries of economic empowerment initiatives (#)*. As with the other cross-cutting themes of the UIS, selected indicators at the CDR level of the CRF 2016-2019 are also identified as supporting the UIS cross-cutting theme of gender equality and diversity (see Table 2).
- 4.15 In cases where IDBG financing is complemented by other resources (e.g., co-financing, client's own funds), the CRF 2016-2019 will count the full set of outputs and outcomes contributing to CRF indicators and achieved by the projects supported by the IDBG financing. This is consistent with the principle of country ownership, the approach taken by several other MDBs<sup>29</sup> and with past CRF reporting. It further captures the IDBG's role as a catalyzing force and knowledge producer, acknowledging that impact goes beyond the specific dollar amount it invests in a project. Like other MDBs, the IDBG is committed to enhancing the leverage and multiplier effect of its financing, technical assistance and knowledge. While the indicators in the main tables have been defined with the intention to avoid counting a beneficiary of the same activity twice, it is not possible to aggregate the total number of beneficiaries across indicators. This is because the same individual could benefit from IDBG support in different ways. For example, since specific individuals are not tracked there is no way to be certain a student benefitting from an education project would not also receive health services through another IDBG project. In addition, several of the auxiliary indicators are specifically designed to offer a breakdown of one of the main table indicators and summing would result in double counting.
- 4.16 As a final point, the CDR level of the CRF aims to measure the IDBG's contributions to addressing each of the challenges and cross-cutting themes in the UIS. It is important to note that given the high-level nature of these challenges and several of their associated strategic policy objectives (e.g., eradicate extreme poverty), the CDR indicators alone cannot answer the questions of whether each objective has been achieved in the Region. Rather, the CDR progress must be complemented by other sources of information regarding regional progress (e.g., the Regional Context indicators and SDGs) and, where possible, the IDBG's contribution to this progress. To measure the IDBG's contribution, specific outcome data at the project level as well as impact evaluations and sector studies are a crucial source of information.<sup>30</sup> Specific operations contributing to each CDR indicator will be listed on the CRF webpage, linking to the project webpages, which have additional results information<sup>31</sup>. The

---

<sup>29</sup> The World Bank Group, Asian Development Bank, and European Bank for Reconstruction and Development all use a similar approach.

<sup>30</sup> Project-level information is available in the PMR and Project Completion Reports (PCR) in the case of SG operations and in project supervision reports and Expanded Supervision Reports (XSRs) for private sector projects. The IDB reports on project outcomes and impacts in the DEO; and starting in 2016, will complement this information with stand-alone presentations to the Board. Furthermore, as stated earlier, impact evaluations in IDBG-financed operations continue to grow in importance.

<sup>31</sup> Disclosure of contributions from specific NSG projects will be guided by NewCo's information disclosure policy,

indicator *Operations with satisfactory development results at completion (%)* in the IDBG Performance level (see next section) also provides useful information about whether IDBG-supported projects, as a whole, are achieving their desired outcomes from a portfolio perspective. Furthermore, given the long-term nature of the UIS challenges, themes, and objectives and the time required for projects to generate results, it is anticipated that many of the outcomes arising from actions undertaken as part of the UIS will be achieved beyond the 2016-2019 period.

### C. LEVEL III: IDBG PERFORMANCE

- 4.17 The IDBG Performance level will capture how the IDBG acts to support countries and clients in achieving results. Like the rest of the CRF, this level is rooted in the UIS, and indicators are organized around its six operational guiding principles: (i) responsiveness; (ii) multi-sectorality; (iii) effectiveness and efficiency; (iv) leverage and partnerships; (v) innovation and knowledge; and (vi) alignment.
- 4.18 Table 3 provides the IDBG Performance indicators as well as their corresponding baselines and targets. As many of these indicators were not tracked under the CRF 2012-2015, baseline information is not always available. In these cases, targets were established based on similar indicators for which information is available.<sup>32</sup>
- 4.19 As previously mentioned, the NewCo business plan is forthcoming and the processes and systems to support it are being adjusted and developed. For those IDBG Performance indicators that will be directly affected by the business plan or new systems, baselines are not applicable<sup>33</sup> and targets are still pending and will be introduced into the version of the proposal that will be sent to the Committee of the Board of Executive Directors of the IIC.

**Table 3. IDBG Performance Indicators**

| UIS Principles and CRF Indicators                                      | Baseline (2014) | Target (2019) |
|--|-----------------|---------------|
| <b>Responsiveness</b>  |                 |               |
| 1. Partners satisfied with IDBG development solutions (%) <sup>a</sup> | TBD             | 85%           |

<sup>32</sup> For example, in the case of the indicator *Partners satisfied with IDBG development solutions*, this indicator will be based on a question (“How satisfied are you with the IDBG’s ability to provide solutions tailored to your country’s development needs?”) that will be added to the External Feedback System (EFS) surveys to be applied in the fourth quarter of 2015. As such, baseline data is not currently available. However, current EFS surveys contain a similar question (“How satisfied are you with the IDB regarding the following: IDB responsiveness in managing country needs during the Programming Process?”), which was used to develop a proposed target.

<sup>33</sup> As NewCo will only become operational in January 2016, baselines for it cannot retroactively be constructed for 2014.

| <b>UIS Principles and CRF Indicators</b>  | <b>Baseline (2014)</b>            | <b>Target (2019)</b>               |
|---|-----------------------------------|------------------------------------|
| 2. Lending to small and vulnerable countries (%) <ul style="list-style-type: none"> <li>• IDB</li> <li>• NewCo</li> </ul>   | 36%<br>Not applicable             | 35%<br>TBD <sup>b</sup>            |
| 3. Operations meeting target preparation time (%) <ul style="list-style-type: none"> <li>• SG Loans</li> <li>• NSG Loans and Equity</li> </ul>  | 84%<br>Not applicable             | 87%<br>TBD                         |
| <b>Multi-sectorality</b>  |                                   |                                    |
| 4. Partners satisfied with IDBG use of multi-sector approach (%) <sup>a</sup>   | TBD                               | TBD                                |
| 5. IDBG loan operations with multidisciplinary team compositions (%)  | 39% <sup>c</sup>                  | Monitor                            |
| <b>Effectiveness and Efficiency</b>   |                                   |                                    |
| <b>Effectiveness</b>  |                                   |                                    |
| 6. Active operations with satisfactory performance classification (%) <ul style="list-style-type: none"> <li>• SG Loans</li> <li>• NSG Loans and Equity</li> </ul>  | 69%<br>Not applicable             | 75%<br>TBD                         |
| 7. Operations with satisfactory development results at completion (%) <ul style="list-style-type: none"> <li>• SG Loans</li> <li>• NSG Loans and Equity</li> </ul>  | 78%<br>Not applicable             | 80%<br>TBD                         |
| 8. Operations with high environmental and social risks rated satisfactory in the implementation of mitigation measures (%) <ul style="list-style-type: none"> <li>• SG Loans</li> <li>• NSG Loans and Equity</li> </ul> | 88%<br>Not applicable             | 90%<br>TBD                         |
| 9. Mid- and senior-level IDBG staff who are women (%) <sup>d</sup>  | 37%                               | 43%                                |
| <b>Efficiency</b>   |                                   |                                    |
| 10. Cost to income ratio (%) <ul style="list-style-type: none"> <li>• IDB<sup>e</sup></li> <li>• NewCo</li> </ul>   | 40.3%<br>Not applicable           | < 40%<br>TBD                       |
| 11. Cost to development-related assets ratio (%) <ul style="list-style-type: none"> <li>• IDB<sup>e</sup></li> <li>• NewCo</li> </ul>   | 0.84%<br>Not applicable           | < 0.8%<br>TBD                      |
| <b>Leverage and Partnerships</b>  |                                   |                                    |
| 12. Mobilization volume by NSG financed projects / companies (US\$)   | \$8.9 B<br>(cumulative 2012-2014) | \$21.3 B<br>(cumulative 2016-2019) |

| UIS Principles and CRF Indicators   | Baseline (2014)  | Target (2019)  |
|---|------------------|----------------|
| 13. Partners satisfied with IDBG's ability to convene other partners (%)  | 71% <sup>f</sup> | 75%            |
| <b>Innovation and Knowledge</b>   |                  |                |
| 14. Partners that consider IDBG solutions to be innovative (%)  | 84% <sup>f</sup> | 85%            |
| 15. Total IDBG blog readership (#)  | 2.1 million      | 4.2 million    |
| 16. Average visits to IDBG publications (#) <sup>g</sup>  | 221              | 230            |
| <b>Alignment</b>  |                  |                |
| 17. New approvals aligned with at least one challenge or cross-cutting theme of the Update to the Institutional Strategy (% of lending and TC volume) |                  |                |
| By challenge:   |                  |                |
| a. Social inclusion and equality  | Not applicable   | Not applicable |
| b. Productivity and innovation  |                  |                |
| c. Economic integration   |                  |                |
| By cross-cutting theme:   |                  |                |
| d. Climate change and environmental sustainability  |                  |                |
| e. Gender equality and diversity  |                  |                |
| f. Institutional capacity and rule of law   |                  |                |

<sup>a</sup> Baselines are unavailable as data will come from the updated EFS questionnaires being applied in 2015. Targets are based on satisfaction reported on related EFS questions in the Country Strategy and Programming surveys, which have historically yielded satisfaction of 68%-88% on related dimensions.

<sup>b</sup> As stated by the Busan Resolution (Art 11) "IIC's Board of Executive Directors will direct Management in the design of a multi-year business plan aligned with the IIC's objectives. This business plan shall reflect the priorities described in the Renewed Vision and take into account the differential logic under which a regional development bank operates, with dynamic and flexible financing conditions, to convert it into a useful and effective tool adaptable to the region's reality. Additionally, the IIC Board of Executive Directors will instruct Management to develop a strategy to enhance engagement with C and D countries, with a view towards identifying mechanisms and assistance to facilitate the ability of such countries to utilize IIC resources, and reach a target of 40% for financing operations. This must ensure an increase in total lending for Caribbean countries and for other countries that have benefited less from non-sovereign guaranteed operations by the end of the capitalization."

<sup>c</sup> IDB only, includes SCF and OMJ.

<sup>d</sup> Employee diversity has many facets – including gender, race, level of education, sexual orientation, disability status, and language, among others. "Count Me In!" IDB's [Diversity & Inclusion Survey](#) was launched in 2013 to obtain a baseline of the IDB's rich employee diversity and better understand employee perceptions of diversity and inclusion within the Institution. The survey results are being used to better target our D&I efforts and measure progress towards reaching our goals. However, given that the survey data are self-reported and optional and that current self-reporting through HR Information Systems is limited, it is proposed that the CRF indicator continue to focus on gender for the time being.

<sup>e</sup> Data will be reported on the basis of a three-year moving average. Target values for the IDB are based on the assumptions used in its Long-Term Financial Projections (LTFP) 2016 Preview document ([FN-700](#)). Data for CRF indicators 9 and 10 can be found on page 7. These values will be revisited once the financial and budgetary impacts of the Merge-Out are taken into consideration as part of the next LTFP exercise.

<sup>f</sup> The baseline is based on data from the EFS SG loan survey applied in Quarter 1 of 2015 and may not be representative of all stakeholders.

<sup>g</sup> The baseline and target for this indicator were established using IDB SG and NSG data and may be revised when the Merge-Out is complete.

See [Electronic Link 1](#) for definitions and sources.

- 4.20 With respect to cost efficiency, the CRF 2012-2015 includes two indicators that merit a brief explanation. Cost to income ratio reflects administrative expenses as a percentage of total revenue. Cost to development related assets ratio is more focused on our development work as it reflects administrative expenses as a percentage of assets used to fund IDBG development projects. (Additional details on the definitions can be found in Electronic Link 1). Taken together these indicators can be used to monitor how efficiently the IDBG is operating.
- 4.21 The CRF 2016-2019 will also track the alignment of financing from the IDBG to each of the three UIS challenges and three cross-cutting themes. These indicators will differ from the CRF 2012-2015 lending priority indicators in three ways. First, in response to OVE's finding that the lending priority indicators were distortionary<sup>34</sup>, the new alignment indicators will be for tracking purposes only. An exception is the *Lending to small and vulnerable countries* indicator, whose IDB target of 35% was maintained under the responsiveness guiding principle to reflect client focus. Second, a more robust means of classifying individual IDBG-supported operations, centered on their expected development results, will allow for greater understanding of how CRF targets are being met as well as improved overall data quality. Whereas the 2012-2015 classification has been based on an automatic and conditional classification according to projects' sub-sectors, the new classification will be based on a principle of material contribution (as justified by the inclusion of a specific indicator in the results matrix).<sup>35</sup> Third, to capture a more complete picture of IDBG financing, the alignment indicators will now also track grants, equity investments, and non-reimbursable technical cooperation operations in addition to SG and NSG lending. As is current practice and consistent with the approach for the CDRs, the total dollar amount of the project will generally be classified as aligned (adjustments may be suggested by the team leader). Consistent with the UIS principle of multi-sectorality, projects may qualify for more than one alignment indicator. Alignment to the UIS will also continue to be validated by the development effectiveness teams at IDB and NewCo.<sup>36</sup> This updated approach aims to encourage teams to reflect explicitly on how each IDBG-supported project contributes to operationalizing the UIS.
- 4.22 Data to measure indicators at this level will come from a variety of sources. For the alignment indicators mentioned previously, the DEM and DELTA tools will respectively document the alignment of SG and NSG operations with the UIS, while the TC monitoring and reporting system will be the source of data for TC operations. For the operational guiding principles that are more subjective in nature and aimed at responding directly to client needs, the External Feedback

---

<sup>34</sup> In its Mid-term Evaluation of IDB-9 Commitments Overview Report, OVE noted that "...the Bank's attention to meeting these [lending] targets has led to some unanticipated and sometimes counterproductive distortions, both in the categorization of activities and in the prioritization given to other work", [RE-425](#), page 8.

<sup>35</sup> The technical guidance for these indicators will build on and replace the Guidelines for Classifying Lending Program Priorities ([GN-2650](#)).

<sup>36</sup> In the case of SG operations, for example, the Office of Strategic Planning and Development Effectiveness (SPD) will validate the alignment classification as part of the DEM validation process.



System (EFS) is a key source of data.<sup>37</sup> Survey respondents include individuals from government offices, the private sector, knowledge producing groups, and civil society organizations in borrowing member countries with direct knowledge of how the IDBG works (for more information, please refer to the [2014 IDB External Feedback System](#) report). In 2015, a series of adjustments were made to the EFS survey instruments to reflect the principles in the UIS and support its monitoring. To complement the EFS data, auxiliary indicators are also included for each of these priorities. Other sources of data at this level include the development effectiveness tools used in both public and private sector operations (e.g., PCR, XSR), IDB and IIC Enterprise Data Warehouse, and IDB and IIC financial statements.<sup>38</sup> For details by indicator, see Electronic Link 1 and Electronic Link 2.

## V. PROCESSES FOR CRF REPORTING AND USE

- 5.1 As stated earlier, IDB-9 envisioned that the CRF would play a central role in strengthening the use of empirical evidence to manage for development results (MfDR). As such, the CRF 2016-2019 includes a series of process changes aimed at improving the utility of the CRF as a management tool and integrating the CRF into key IDBG business processes.
- 5.2 MfDR “is a management strategy that focuses on using performance information to improve decision-making” in the context of international development.<sup>39</sup> The MfDR cycle involves five core stages: (i) set goals and agree on targets; (ii) allocate resources; (iii) monitor and evaluate; (iv) report on performance; and (v) inform decisions and complete the MfDR cycle (see Figure 2 below).<sup>40</sup> This section provides an overview of the processes that will accompany the CRF 2016-2019 at each stage of the MfDR cycle. As with other aspects of this proposal, Management expects some adjustments may be needed on the processes for CRF reporting and use once NewCo has been launched.

---

<sup>37</sup> More detailed information on the EFS is available in the [2014 IDB External Feedback System report](#).

<sup>38</sup> Some data sources may need to be reviewed vis-à-vis changes that occur in IT systems once NewCo becomes operational. Enterprise Data Warehouse contains information from various transactional databases that support the Bank’s systems, including, for example, information on the dates when project milestones occur, which will be used to calculate the value for the indicator *Operations meeting target preparation time* (%).

<sup>39</sup> [www.mfdr.org](http://www.mfdr.org)

<sup>40</sup> *Sourcebook on Emerging Good Practice in Managing for Development Results* (3rd ed.), [www.mfdr.org/sourcebook/3rdEdition/SourceBook3FINAL.pdf](http://www.mfdr.org/sourcebook/3rdEdition/SourceBook3FINAL.pdf).



**Figure 2. MfDR Cycle**



- 5.3 The first phase in the MfDR cycle is **setting goals and agreeing on targets**. As the high-level goals are laid out in the UIS, the update of CRF indicators and targets is aimed at measuring those aspects of the UIS that can be evaluated over the 2016-2019 period. Sequencing the finalization of the CRF after the approval of the UIS has allowed for a better selection of appropriate indicators to measure progress in its implementation. Targets have been established for each indicator that can be tied directly to the IDBG’s work (i.e., those at the Country Development Results and IDBG Performance level).
- 5.4 As the highest level results framework for the IDBG, the CRF will guide the development of the Country Strategy (CS) results matrices in accordance with the development needs and priorities of each borrowing member country.<sup>41</sup> SPD will validate the direct or indirect relationship of each CS results matrix indicator to the CRF through the CS DEM. The second phase of the MfDR cycle involves **allocating resources** to meet targets. Striving to achieve the best value for money is central to the IDBG’s work.<sup>42</sup> Under the CRF 2016-2019, alignment of other corporate performance systems will be promoted to foster shared accountability for meeting institutional goals as well as to provide a consistent vision of future direction throughout the IDBG. The CRF is complemented by the RBB framework, which, as mentioned earlier, links the use of financial and human resources (inputs) to core business processes, outputs (mainly operational but also corporate) and performance indicators. For the 2016 budget,

<sup>41</sup> CRF indicators represent a selective and prioritized sample of the results to which the IDBG expects to contribute at the regional level. While the CRF can guide and inform the CS (and the dialogue with the Government during its preparation), the focus of the CS is the country, not the Region as a whole. Therefore some of the expected results of the CS are specific to the country and will not necessarily be associated with the CRF.

<sup>42</sup> Different stakeholders naturally place different value on different types of interventions according to their own needs and preferences. For the purposes of the CRF 2016-2019, value for money can be defined as achieving the expected development result as efficiently as possible.

BDA and SPD worked to ensure that the 2016 business plans are specific, results-oriented and measurable, and respond to the priorities established in the UIS. In order to accomplish this, to the extent possible, each of the RBB indicators were reviewed to ensure they are measuring a performance dimension that is also part of the proposed CRF. Continued ownership and engagement over the CRF indicators will be promoted through the annual work planning process and ongoing dialogue with the CRF Network of Champions.

- 5.5 The next phase of the MfDR cycle focuses on **monitoring and evaluation**. In recent years, the IDBG has made great strides in implementing systems to capture results data. As part of the CRF 2016-2019, the IDBG will move towards increasing its capacity to monitor progress on an ongoing basis through improved visibility in the information technology systems where this information is captured.<sup>43</sup> Furthermore, the CRF Network of Champions will continue to support the monitoring and evaluation process by promoting the inclusion of CRF indicators at the CDR level in project results matrices and analyzing factors affecting performance on the CRF indicators.
- 5.6 The fourth phase of the MfDR cycle involves **reporting on performance**. As stated earlier, CRF reporting is carried out through the DEO – the flagship publication for reporting results across all the development effectiveness instruments, including individual impact evaluations. By providing a stronger link between progress made in each of the CRF indicators, project outcomes and impacts and the broader development agenda laid out in the UIS, future editions of the DEO are expected to provide a more complete performance story. Furthermore, to increase the utility of the CRF as a management tool, CRF data will be available throughout the year on a CRF webpage as well as through the DEO and annual and quarterly business reviews. The webpage will also enable a more visual and detailed presentation of CRF data, with the capability to drill-down where disaggregated information is available and to view information on specific operations contributing to progress on CDR indicators. Where available, information regarding outcomes and impacts from contributing projects will complement CRF reporting. Additional reporting on performance is expected through reporting tools to be implemented in NewCo.
- 5.7 The final phase of the MfDR cycle consists of using performance data to **inform decisions**. Under the CRF 2016-2019, it is anticipated that Senior Management and the Board of Executive Directors of the IDB and the Committee of the Board of Executive Directors of the IIC will review the prior year's CRF results to analyze progress in implementing the UIS and help focus work program priorities for the subsequent year. Management teams of both the IDB and NewCo will promote the inclusion of CRF indicators (or indicators that are aligned to those in the CRF) in the appropriate departmental business plans, both to foster accountability for achieving CRF targets and to improve the use of the CRF as a management tool.

---

<sup>43</sup> Furthermore, improvements to the data validation processes for SG operations include an additional level of control of PMR data at the country level by the Chief of Operations, as well as the formalization of the role of sector focal points in supporting data review

- 5.8 As stated previously, it is expected that NewCo will adopt additional indicators for its own management and reporting processes. As a result of annual discussions at the Boards, the IDBG CRF indicators and targets may be adjusted where deemed relevant by both. Should major changes in the Region's economy, for example such as those prompted by the 2008-2009 global financial crisis, occur that affect what the IDBG does and how it does it, a more substantive review of the CRF indicators could be warranted. After consultation with IDBG staff, Management will propose changes to the CRF where necessary (e.g., target met sooner than anticipated, changes to IDBG business processes) during the annual discussion of progress. Care will be given to avoid the proliferation of indicators and any approved changes will be clearly documented on the CRF webpage. Any proposed modification to the CRF 2016-2019 would need to be approved by both the IDB Board of Executive Directors and the Committee of the Board of Executive Directors of the IIC.
- 5.9 As noted earlier, a key factor for the successful implementation of the CRF 2016-2019 will be the continued engagement with the CRF Network of Champions and Senior Management, who will play an important role at each of the MfDR stages in the CRF process described above, especially on monitoring progress and identifying potential modifications to the CRF for eventual consideration by the IDB Board of Executive Directors and the Committee of the Board of Executive Directors of the IIC. As part of the UIS action plan, IDBG-wide communications and training activities will be carried out to ensure that employees are familiar with the CRF 2016-2019 and understand the implications it has on their daily work. This will include communications about adjustments to tools and processes that will be required to track progress on the updated indicators beginning in 2016 and also focus on promoting an understanding of how each employee can contribute to the strategic priorities set out in the UIS. Finally, it is worth noting that achieving the expected results and targets presented in this proposal is a shared responsibility among the IDBG's Boards of Directors, Senior Management and employees. It will require not only strategic direction from IDBG Boards of Directors and Senior Management teams and innovative thinking, collaboration and efficiency from its employees. Results will also depend on demand and subsequent implementation efforts from IDBG borrowing member countries and clients.

## **VI. RECOMMENDATION**

- 6.1 IDB Management recommends that the IDB Board of Executive Directors approve the Corporate Results Framework 2016-2019 as specified in Sections IV and V of this document. Electronic Links 1, 2, and 3 are presented for information purposes only.