COMPAS

Multilateral Development Banks' Common Performance Assessment System

2008 REPORT

Enabling poor rural people to overcome poverty

African Development Bank

Asian Development Bank

European Bank for Reconstruction and Development

Inter-American Development Bank

International Fund for Agricultural Development

Islamic Development Bank

World Bank Group

Multilateral Development Banks'
Common Performance Assessment System

COMPAS 2008 REPORT

AFRICAN DEVELOPMENT BANK GROUP

ASIAN DEVELOPMENT BANK

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

INTER-AMERICAN DEVELOPMENT BANK

INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

ISLAMIC DEVELOPMENT BANK GROUP

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Abbreviations and Acronyms

ADF	African Development Fund
AfDB	African Development Bank
AsDB	Asian Development Bank
ARRI	IFAD's Annual Report on Results and Impact
BEEPS	Business Environment and Enterprise Performance Study
CAE	Country Assistance Evaluation
CAPE	Country Assistance Program Evaluation
CAS(CR)	Country Assistance Strategy (Completion Report)
COMPAS	Common Performance Assessment System
CPIA	Country Policy and Institutional Assessment
CPS	Country Partnership Strategy
CSP	Country Strategy Paper
DIAS	Development Impact and Additionality Scoring
DMC	Developing Member Country
DOTS	Development Outcome Tracking System (IFC)
EBRD	European Bank for Reconstruction and Development
EC	European Commission
ECG	Evaluation Cooperation Group (of MDBs)
ERR	Economic rate of return
ESHS	Environmental, Social, Health and Safety
ESRR	Environmental and Social Risk Rating
EvD	EBRD's Evaluation Department
F(I)RR	Financial (internal) rate of return
FSO	Fund for Special Operations
GPS	Good Practice Standards for Evaluation of Private Sector Investment Operations
HLF	High-level forum
HoP	Heads of Procurement
IADB	Inter-American Development Bank
IBRD	International Bank for Reconstruction and Development
ICD	Islamic Corporation for the Development of the Private Sector
ICR	Implementation Completion Report
IDA	International Development Association
IEG	Independent Evaluation Group (World Bank Group)
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
IIC	Inter-American Investment Corporation
IMF	International Monetary Fund
IRR	Internal rate of return
IsDB	Islamic Development Bank (IsDB Group includes ICD)
JV	Joint Venture
LOC	Line of credit
MDB	Multilateral development bank
MDG	Millennium Development Goals
MfDR	Managing for development results
MFI	Multilateral financial institution
MPD	Master Procurement Document
OC	Ordinary capital
ODA	Official development assistance
OECD/DAC	Organization for Economic Cooperation and Development/Development Assistance Committee
OED	AsDB's Operations Evaluation Department
OEO	IsDB's Operations Evaluation Department
OPEV	AfDB's Operations Evaluation Department
OVE	IADB's Office of Evaluation and Oversight
PBA	Performance-Based Allocation System
PCR	Project Completion Report
PEFA	Public Expenditure and Financial Accountability
PFM	Public financial management
PPMR	Project Performance Monitoring Report
PRS(P)	Poverty reduction strategy (paper)
QAE	Quality at entry
RMC	Regional Member Country
ROIC	Return on investment capital
SME	Small or medium-sized entity
SRF	Special Relief Fund
TA	Technical assistance
TC	Technical cooperation
TIMS	EBRD's Transition Impact Monitoring System
UA	Unit of Account (African Development Bank)
USD	United States dollar
WACC	Weighted average cost of capital
WB(G)	World Bank (Group); WBG includes IFC
XARR	Extended Annual Review Report
XMR	Expanded Monitoring Report
XPSR	Expanded Project Supervision Report
XSR	Expanded Supervision Report

Preface

Soaring food and fuel prices as well as the financial crisis have had a devastating impact on the world economy. GDP growth in developing countries is predicted to slow in 2009, bringing dire human impacts. It is estimated that at least 130 million people in developing countries were pushed into poverty by the extraordinary food and fuel prices, and that the financial crisis will trap an additional 65 million in poverty. As the global financial crisis continues to unfold, the MDBs are increasingly focusing on strengthening their results orientation in support of developing countries. To better assist countries in need, MDBs are gearing to become more flexible, responsive, and collaborative. The information provided in the COMPAS report highlights the progress of all MDBs to better focus on results to provide effective support to partner countries.

This year's COMPAS report includes data and analysis from seven participating institutions: the African Development Bank (AfDB), the Asian Development Bank (AsDB), the Inter-American Development Bank (IADB), the Islamic Development Bank (IsDB), the European Bank for Reconstruction and Development (EBRD), the World Bank (WB), and, participating in its first COMPAS, the International Fund for Agricultural Development (IFAD).

The responsibility for coordinating COMPAS reporting rotates through the members of the MDB Working Group on MfDR. The 2005, 2006, and 2007 reports were produced by AsDB, IADB, and AfDB, respectively. The WB led the preparation of this report, with the International Finance Corporation (IFC) coordinating inputs relating to private sector operations. This kind of endeavor is, of course, collaborative, and we would like to extend our appreciation to all those who contributed to this year's COMPAS report, including in particular the following colleagues:

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On behalf of the participating institutions, the World Bank is pleased to present this 2008 COMPAS report.

Aysegul Akin-Karasapan

Contents

Introduction

1. Managing for development results (MfDR) is a management approach that centers on the achievement of desired objectives. MfDR shifts management focus from inputs to measurable results, from expenditures to performance and efficiency, and from anecdotal to evidence-based decision-making. MfDR addresses management improvement along five separate but closely linked functional areas: leadership, evaluation and monitoring, accountability and partnerships, planning and budgeting, and statistical capacity.

2. The multilateral development banks (MDBs) Working Group on MfDR was established by the Heads of the AfDB, AsDB, EBRD, IADB, and the World Bank in 2003 (the Working Group has since expanded to include both IsDB and IFAD). The Working Group was formed in response to demands to (a) improve information about the MDBs' performance on MfDR, (b) increase opportunities for MDBs to learn from each other's experiences, and (c) minimize duplication in multilateral assessment approaches. The MDB Working Group agreed to publish an annual joint report using the Common Performance Assessment System, or COMPAS, to evaluate their institutional effectiveness in managing for results.

3. The objective of COMPAS is to provide MDBs and their partners with information on strengths and areas for improvement within each MDB relating to MfDR. The MDBs can use this information to leverage improvements in the MDBs themselves, and also to support dialogue within and among MDBs and partner institutions regarding MfDR improvements and results achievement. COMPAS focuses on measuring the MDBs' capacities to apply and improve operational processes toward achieving results on the ground. As a self-reporting exercise, COMPAS aims to measure MfDR capacity and progress consistently through the analysis of key performance indicators, consolidated into a concise and convenient format, and comparable within each MDB. COMPAS is not designed to make direct comparisons across institutions, although the matrix format of the report does provide opportunities for the MDBs to learn from one another.

4. COMPAS reports data on eight categories relevant for an MDB's implementation of an improved MfDR agenda: country capacity to manage for development results, country strategies, allocation of concessional resources, projects, institutional learning from operational experience, results-focused human resource management, harmonization and the use of country systems among development agencies, and private sector operations. Minor changes in the structure and indicators of the report are made from year to year to allow flexibility for improvement.

5. The 2008 COMPAS report, the fourth since the inception of COMPAS, is being produced during unprecedented global crises and turmoil. The impact of these crises on development results will likely be significant, and will no doubt be reflected in the results reported in next year's COMPAS.

6. The 2008 COMPAS report shows that MDBs have made progress in strengthening their focus on results and improving their frameworks and systems for MfDR. For operations with counterpart governments, MDBs have collectively been improving the quality of project design and supervision, strengthening their results frameworks, better managing risk in project portfolios, and increasing staff training in MfDR. For private sector operations, most MDBs now include an explicit country strategy for developing the private sector in programming their country assistance. They are also progressing toward harmonization in evaluation standards and practices in line with published good practice standards for evaluating private sector investment operations. Also, MDBs show clear progress in harmonizing procedures and practices relating to results management and are undertaking new initiatives to improve results monitoring and reporting, which will ultimately help in achieving results on the ground.

7. There are four new developments in this year's COMPAS report. First, this year's report has the advantage of results from the 2006 and 2007 reports[1] to allow analysis of trends through time within each MDB. Second, this year's COMPAS expands the section on private sector operations of the MDBs, first introduced in the 2007 COMPAS report; it deepens the analysis on MDB private sector investments and has added indicators on MDB advisory services and technical assistance for the purpose of fostering private sector development. Third, this year's report introduces a new indicator to examine the use of country systems and also to enable future analysis of trends regarding such use. Last, some indicators that in past years were measured on a two-year basis, were measured this year on a single-year basis. This change is intended to facilitate the collection of data to support consistent time series analysis within each MDB. It should be noted, however, that this shift will likely lead to the appearance of increasing fluctuations in the data, and this should be taken into account when comparisons across time are made. Future COMPAS reports may consider using a rolling two- or three-year average to analyze trends through time for certain indicators.

8. For greater dissemination, understanding, and use of the findings of this report, some MDBs will consider submitting COMPAS to their executive boards this year. This would support one of the original aims of COMPAS—enabling feedback to the institutions. COMPAS has now matured, and learning from the experiences of the four reporting cycles, as well as effective communication and review of the report, are crucial to continued progress.

[1] Significant changes in the indicators from 2005 to 2006 prohibit comparable analysis of 2005 results with those of other years.

Findings and Trends

9. As the fourth COMPAS report, this year's report has the opportunity to provide additional analysis regarding trends by MDB over time for selected indicators. This analysis excludes 2005 data because substantial changes and improvements were made in the indicators after the first COMPAS report. It should also be noted that COMPAS data are not planned to support, nor are they normalized for, comparative analysis among and across MDBs.

10. This year's report provides two types of data analysis:

- Performance analysis of collective results trends among all MDBs for each indicator—broadly analyzing 2008 results of each indicator across all MDBs, including trends through time.
- Performance analysis for each MDB for selected indicators—analyzing selected indicators within each MDB, illustrating trends through time.

COMPAS Indicators

11. The table below outlines the set of COMPAS indicators for which each MDB supplied data for 2008. This year the reporting period of several indicators was changed from a two-year perspective to a one-year perspective. Detailed results for 2008 for each indicator by MDB are tabulated in the *Matrix of Indicators* section of this report.

Summary and Description of Indicators
(* indicator newly measured on an annual basis)

Category 1 – Country Capacity for MfDR. Examines how well MDBs are able to assess and strengthen country capacity to manage for development results.

1A – Assessing country capacity for MfDR*

1B – Strengthening country capacity to manage for development results*

Category 2 – Country Strategies. Focuses on strengthening the results framework of country strategies and then following up by reporting and monitoring on their implementation.

2A – Strengthening the results framework of country strategies*

2B – Reporting and monitoring on country strategy implementation*

Category 3 – Allocation of Concessional Resources. Examines to what extent the allocation of resources is based on performance. By implementing policies that promote economic growth and poverty reduction a country can clearly demonstrate its dedication to results. Allocating resources according to performance is a powerful incentive for countries and therefore an important MfDR tool.

Category 4 – Projects. Looks at MDB progress in MfDR at the project level. Improving the design, supervision, and evaluation of individual projects is crucial to achieving results, since projects are the primary vehicle used to provide assistance.

Summary and Description of Indicators
(* indicator newly measured on an annual basis)

4A – Improving the overall quality of project design*

4B – Strengthening the results framework of projects at the time of approval*

4C – Improving the quality of project supervision

4D – Ensuring timely implementation of projects

4E – Portfolio risk management

4F – Project completion reporting

4G – Project ex-post evaluation

Category 5 – Institutional Learning from Operational Experience. Describes the use of good practices, lessons learned, and evaluation of operational experience. The ability to learn from past experience is a crucial part of continuing to improve.

5A – Identification and use of good practices and lessons learned from operational experience

5B – Evaluation of operational experience

Category 6 – Results-focused Human Resource Management. Focuses on the training and the incentives in place to encourage staff to acquire results-related skills. Only if staff are well informed on MfDR can they apply it in their daily work.

6A – Strengthening results-related skills among operational staff

6B – Emphasizing results-related efforts and/or achievements while assessing operational staff performance

Category 7 – Harmonization and the Use of Country Systems among Development Agencies. Describes the recent activities of MDBs that further harmonized procedures and practices across several MfDR themes. MDBs must work together to concentrate efforts around country needs. This year a new indicator on the use of country systems is introduced in Category 7. By using country systems, MDBs can directly enhance a country's own capacity to manage for development results, rather than relying on supporting it through technical assistance alone.

7A – Brief description of activities pursued by MDBs to harmonize procedures and practices within the last year*

7B – Carrying out joint activities

7C – Use of country systems (new indicator)

Category 8 – Private Sector Operations. Concentrates on the private sector and the unique way in which private sector operations must be managed for development results. This category of indicators is expanded this year.

8A – Private sector business environment

8B – Private sector investment projects: ratings standards and criteria

8C – Private sector investments: results tracking through the project cycle

8D – Reporting on private sector development results

8E – Institutional learning from private sector operational experience

8F – Results-focused human resources management

8G - Private sector advisory services and technical assistance: results tracking through the project cycle

Collective Performance and Trends by Indicator

12. This section is organized by indicator category to describe the collective progress made by the seven institutions (AsDB, AfDB, EBRD, IADB, IFAD,[2] IsDB, and WB) in MfDR from 2006 to 2008.[3] The analysis shows that the MDBs can generally be said to have increased their activities toward a results-based focus, as is evidenced by the following:

- Improvements for all MDBs in supporting country capacity for MfDR;
- Improvements for the majority of MDBs in strengthening project results frameworks with explicit baseline data, monitoring indicators, and clearly defined outcomes; and
- Improvements for the majority of MDBs in decreasing the number and percentage of projects in execution with unsatisfactory progress and/or objectives not likely to be met.

13. In addition, this year all MDBs reported improving or strong results for the number and percentage of country strategies with explicit baseline data, monitoring indicators, and clearly defined outcomes. Three MDBs showed clear improvements in the number and percentage of projects reviewed ex-post that received "satisfactory or better" ratings with respect to achieving development objectives, as well as ensuring the timely implementation of projects as measured by disbursement ratio.

14. Most MDBs have room for improvement in such general areas as conducting independent evaluations of country strategies, conducting arms-length project design quality reviews, and finalizing project completion reports.

Category 1 – Country Capacity for MfDR

15. The percentage of countries whose capacity to manage for development results was assessed by the MDBs (indicator 1A) increased for three of the four MDBs for which full data were available for the 2006-2008 period. Reported percentages ranged from 15% to 100% of countries for 2008. It should be noted that a true analysis of trends for this indicator is not yet possible, since country capacity is typically not assessed annually, and thus data can fluctuate from any given year to another. A more useful comparison will be possible in future COMPAS reports using a rolling average of the number of assessments conducted over a two- or three-year period.

16. The proportion of countries in which MDBs provided technical assistance (TA) to support MfDR capacity (indicator 1B) increased for all of the six MDBs for which sufficient data were available from 2006 to 2008. Three of these MDBs provided TA in 2008 for over 90% of countries.

[2] Trend analysis excludes data for IFAD, which are available only for 2008 (IFAD's first year of COMPAS reporting).

[3] Years are reported in the fiscal years for each MDB. For example, 2008 refers to FY2008 for each MDB.

Category 2 – Country Strategies

17. For two MDBs the percentage of country strategies approved that included explicit baseline data, monitoring indicators, and clearly defined outcomes (indicator 2A) increased from 2006 to 2008. For another three MDBs, 100% of country strategies included these criteria. The percentage of MDB country strategies having the required elements for a strong results framework ranges from 57% to 100% for 2008.

18. There was no significant change for any of the MDBs in the percentage of MDB country strategies that were subjected to an independent evaluation (indicator 2Bi) over the 2006-2008 period. The percentage of MDB country strategies evaluated that received "satisfactory or better" ratings showed some fluctuations, but not steady improvements, for each MDB from 2006 to 2008.

19. From these results we may generally conclude that although over time country strategies prepared by MDBs have improved or remained consistently high in articulating clear results and monitoring indicators, the number and percentage of independent evaluations of these strategies, and the ratings of these independent evaluations, did not improve. This may imply that although results targets are now more clearly identified up front in country strategies, this is not yet reflected in improved implementation of these strategies.

Category 3 – Allocation of Concessional Resources

20. The MDBs that provide concessional loans maintained a consistently high percentage allocation of concessional resources based on performance over the 2006-2008 period—ranging from 67% to 100% in 2008. Some MDBs have continued using established formulas, while AfDB and IADB have recently instituted or are now instituting substantial changes in allocation methodology. MDB performance assessments consider factors such as country policy, country institutional assessments, country portfolio performance, and governance. In addition to performance, the process for deciding how funds will be allocated takes into account diverse factors such as country needs, population, per capita income, and debt sustainability. Therefore, depending on the global and country financial situation, the amount of performance-based concessional lending may understandably fluctuate from year to year.

Category 4 – Projects

21. The primary indicator used to measure improvement in the overall quality of project design is the percentage of projects approved during the year whose designs were subjected to a quality-at-entry review (indicator 4Ai). Quality-at-entry reviews are not an annual exercise for many MDBs, and there is little to report in terms of significant change from 2006 to 2008, although AsDB's recently completed quality-at-entry assessment showed an increase in the percentage of projects reviewed from 30% in 2006 to 45% in 2008. For those MDBs with sufficient data to report, the percentage of projects subjected to a quality-at-entry review that received a "satisfactory or better" rating (indicator 4Aii) in 2008 was high, ranging from 85% to 100%.

22. Regarding the strengthening of project results frameworks, the percentage of projects approved in 2008 that included elements of a strong results framework[4] (indicator 4Bi) increased for four MDBs from the previous year: from 37% to 60% for AfDB, from 78% to 100% for AsDB, from 50% (2006) to 60% for IADB, and from 53% to 88% for WB. The other three institutions—EBRD, IsDB, and IFAD—reported that 100% of projects had elements of a strong results framework. The percentage of projects approved in 2008 containing an economic analysis (indicator 4Bii) remained high (over 90%) for five MDBs. IADB is now carrying out policy reforms to increase the effectiveness of development products, including the implementation of a development effectiveness matrix.

23. Reporting on projects in execution, the percentage of projects in 2008 for which monitoring or supervision reports explicitly tracked expected outcomes (indicator 4C) was over 90% for four MDBs, showing no significant change from the previous year. One MDB showed a decline, and another had insufficient data to report. All MDBs report ongoing initiatives to improve the quality of supervision.

24. A higher disbursement ratio and a shorter delay between actual and planned execution periods contribute to ensuring the timely implementation of projects. The data for three MDBs demonstrated improvement in their disbursement ratios (indicator 4Di) (from 23% in 2006 to 29% in 2008 for AsDB, 22% to 30% for AfDB, and 55% to 81% for EBRD), while there was no significant change for other MDBs for this indicator. [It should be noted that the varying definition of disbursement ratio used for this indicator among MDBs (see matrix for details) likely contributes to the wide range of disbursement ratios—ranging from 17% to 81% in 2008. The MDB Working Group hopes to harmonize this definition for future reports.] The actual versus planned execution period between loan approval and closing date of projects completed during 2008 (indicator 4Dii) worsened for one MDB, while the others had insufficient data or saw minimal changes.

25. To monitor MDBs' management of portfolio risk, COMPAS tracks the percentage of projects in execution with unsatisfactory implementation progress or with development objectives not likely to be achieved (indicator 4Ei). The data for the 2008 COMPAS show that the MDBs performed well in this area, with percentages of projects with unsatisfactory progress or objectives not likely to be achieved ranging from 2.5% to 17%. Four MDBs showed improvement in the percentage of projects with unsatisfactory progress, and the other three had no significant change or had insufficient information for comparison over time. In addition, all MDBs for which there were sufficient data had a proactivity index (indicator 4Eii) that either has improved over time or remained consistently high, with numbers ranging from 63% to 81% in 2008. This shows that the MDBs are improving their actions to restructure or cancel projects as necessary, thereby freeing resources for projects that are more likely to achieve results.

26. There was insufficient information to analyze trends in project completion reporting at most MDBs. One MDB showed improvement, while two others showed declines in the percentage of projects for which a project completion report (PCR) was scheduled to be completed in the previous year, and for which a PCR was actually finalized in 2008 (indicator 4Fi). In 2008 the percentages reported for this indicator ranged from 16% to 100%. In terms of quality of PCRs, most MDBs have room for improvement: only one showed an improvement in percentage of PCRs evaluated during the previous year with "satisfactory or better" quality in terms of the appropriate use of outcome indicators (indicator 4Fii). The data for one MDB show a slight decline in quality, while another MDB shows a more dramatic decline, but is currently revising its policies relating to project oversight and supervision. The lack of general improvement in this indicator may in some cases reflect that a higher standard is being applied in the evaluation of PCRs.

27. Three of the MDBs increased the number of projects independently reviewed ex-post during 2008 as a percentage of the average number of projects completed annually during the last five years (indicator 4Gi). For this indicator, 2008 results ranged from 12% to 65%. Of the projects that were independently reviewed ex-post, three of the MDBs showed an increase over the past three years in the percentage of projects that received "satisfactory or better" ratings with respect to achievement of development objectives (indicator 4Gii), one MDB remained consistent, and one MDB has instituted a policy change enabling it to begin monitoring this indicator.

Category 5 – Institutional Learning from Operational Experience

28. MDBs have continued to implement various mechanisms to identify lessons from their own operational experience and incorporate them into new activities during 2008. To better identify and use good practices and lessons learned from operational experience (indicator 5A), MDBs provided a brief description of their internal requirements in this area and of any actions they have taken to encourage the use of this information. Two instsitutions, IFAD and IADB, are carrying out significant changes in this area, as the matrix of indicators outlines.

29. Indicator 5B was revised this year to focus on the description of any systems in place for capturing lessons from project evaluations and applying them to new projects. All seven MDBs have adopted some means of capturing lessons, although they are in various stages of implementation and in some cases databases are still under construction to electronically capture lessons learned.

[4] Measured here as projects with explicit baseline data, monitoring indicators, and clearly defined outcomes to be reached.

Category 6 – Results-focused Human Resource Management

30. MDBs continued various training programs that contributed to strengthening results-related skills among operational staff. However, most MDBs saw either a decrease or no significant change in the number and percentage of staff who participated in MfDR training (indicator 6A) in 2008, when compared to 2007. In many cases this can likely be attributed to the fact that in recent years a large number of staff have already been trained in MfDR. The programs covered a diverse range of subjects, including results-based logical framework, project (performance) management, (performance- based) budget preparation, development and management of performance indicators, appraisal risk management, preparation of country partnership strategies, and training of facilitators for results-based project design.

31. At all seven of the MDBs, achievements related to development results are considered in staff evaluations, compensation, and incentives in some way (indicator 6B). New systems have been or will soon be rolled out at some MDBs that will emphasize results-related achievements in the assessment of operational staff performance.

Category 7 – Harmonization and the Use of Country Systems among Development Agencies

32. Many achievements were reported in 2008 with regard to harmonization of procedures and practices among MDBs. (See the data matrix for more details on collective progress.)

33. One aspect of category 7 to highlight this year is the introduction of a new indicator on the use of country systems. The use of country systems has gained increasing importance in the development community after the prominent role it played at the Third High Level Forum on Aid Effectiveness in Accra. A strong statement in the Accra Agenda for Action identified the need to "strengthen and use developing country systems to the maximum extent possible." In monitoring the Paris Declaration, two indicators track donors' use of country financial management and procurement systems.[5] COMPAS reporting describes recent initiatives and areas of focus for the MDBs toward increasing use of country systems.

Category 8 – Private Sector Operations

34. Supporting private sector development has become an increasingly important aspect in all participating MDBs. All MDBs have separate departments or whole entities responsible for their private sector operations, and for IFC and EBRD the core mandate is to promote private sector growth and entrepreneurship in member countries.

35. Category 8 demonstrates the MDBs' diversity of mandates, approaches, and procedures in the private sector. Nevertheless, the data in this year's COMPAS show a continued emphasis on results of private sector operations in all phases—developing strategies, designing operations, supervising them, and deriving lessons to enhance the results of new operations.

36. The vast majority of MDB country-level assistance programs explicitly discuss their strategy for promoting private sector development. MDBs also have mechanisms to feed results from private sector operations into the development of their own strategies and into new operations.

37. Several MDBs have introduced, are developing, or are strengthening their systems for monitoring the development results of their operations. The AfDB is introducing an ex-ante screening tool of its contribution and development results at the time of approval—the Additionality and Development Outcome Assessment—which it hopes to use as a basis for monitoring. The AsDB has just begun to develop its monitoring system. In January 2008, the IIC introduced the Development Impact and Additionality Scoring (DIAS) system to better link the financial and development aspects of each project and enable aggregation of development results by portfolio, rather than just by project. The IADB's results assessment system is anchored in a Development Effectiveness Matrix, introduced since March 2008. EBRD is looking to strengthen its Transition Impact Monitoring System (TIMS) to facilitate aggregated results reporting. IFC tracks development outcomes of both its investment and advisory results in its Development Outcome Tracking System (DOTS), has reported publicly on aggregated development results in its Annual Report since 2007, and is now working on introducing an improved system, DOTS-2.

38. It is clear that there are considerable differences among the monitoring systems of the various MDBs, and among the frameworks and standards each institution uses for monitoring and evaluation. For example, although the Good Practice Standards for Evaluation of Private Sector Investment Operations[6] (GPS) have been accepted by all participating MDBs (except IsDB), several aspects of the monitoring systems in some MDBs differ from the GPS. For example, the GPS define development outcome as comprising four performance areas (financial, economic, environment and social, and private sector impact), but some institutions include other performance measures in their monitoring system for development outcome; and EBRD, because of its mandate, considers economic performance as not applicable. The GPS also distinguish between role and/or additionality and development outcome, but some MDBs combine the two elements in their monitoring systems. There are also differences in the processes for quality control and monitoring of development results. Thus the challenge of harmonizing and thereby enabling cross-MDB comparison of results remains.

[5] Paris Declaration monitoring indicators 5a (use of country financial management systems) and 5b (use of country procurement systems) are reported by country and by donor. *2008 Survey on Monitoring the Paris Declaration* (www.oecd.org/dac/effectiveness/monitoring/survey)

[6] Good Practice Standards for Evaluation of Private Sector Investment Operations, Multilateral Development Banks' Evaluation Cooperation Group, DAC Working Party on Aid Evaluation, May 2001.

39. MDBs have placed significant emphasis on defining criteria and standards for evaluating private sector operations. The Evaluation Cooperation Group's (ECG's) articulation of detailed good practice standards in 2001 has helped MDBs move toward harmonization of evaluation standards. The ECG carried out its first external benchmarking in 2002, agreed on a second version of the GPS in 2004 (published in 2005), and agreed on a third version of the GPS in 2006. The ECG conducted a second external benchmarking in 2005 against the second version of the GPS and found that MDB compliance ranged between 8% and 92%. This COMPAS reports both on the results from that last benchmarking, and on the substantial steps all participating institutions have taken since then to improve the consistency of their evaluation systems with the GPS. A third external benchmarking is planned for 2009. The GPS and benchmarking exercises are bringing the MDBs closer toward harmonization, but full harmonization may never be achieved because of differing mandates.

40. This year's COMPAS introduces four indicators on advisory services and technical assistance provided to private sector clients. Information from the MDBs suggests that the nature and goals of such activities, and the organizational structures managing them, vary widely across MDBs. Most MDBs measure and assess the cost-efficiency of such services on project completion, but the criteria and methodologies for these assessments differ. In addition, there is also variation in MDB policies and approaches to cost-sharing and pricing of such services. IFC is reviewing its pricing policies for advisory services in 2009. This initial common reporting through the COMPAS has helped to establish a baseline against which to measure future progress in harmonizing evaluation criteria for advisory services.

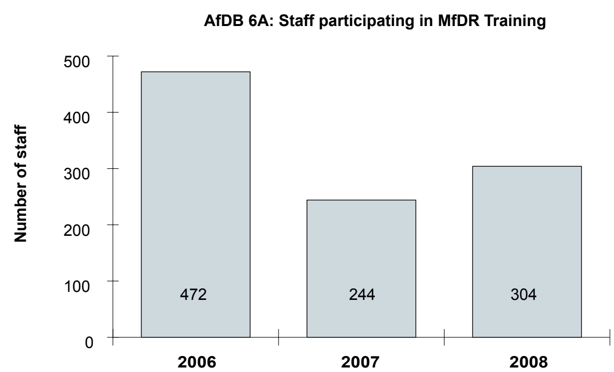
41. In summary, the matrix of results demonstrates the diversity of mandates, approaches, and procedures used by the MDBs in the private sector. The reference points identified by the GPS for evaluation have been met to varying degrees, indicating some progress toward commonality and harmonization, but more in the area of evaluation. These results also underscore the fact that there is scope for achieving greater harmonization on monitoring development results, although full harmonization may be elusive given the MDBs' different mandates, controls, and management structures for providing private sector finance. Discussions in COMPAS meetings have resulted in broad agreement to work toward greater harmonization of monitoring systems. All MDBs anticipate further refinements and development of COMPAS's nascent private sector discussion in future years.

Performance Analysis by MDB

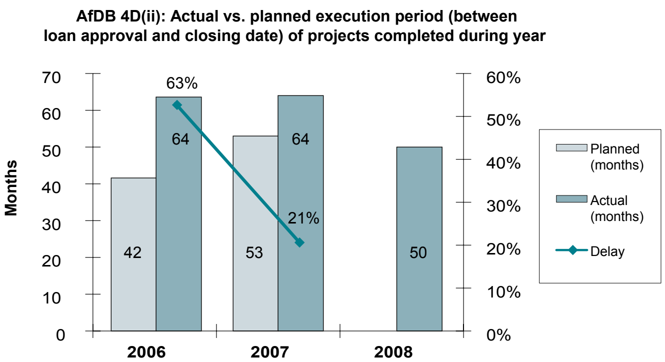
42. This section outlines results and analysis for each MDB by indicators selected on the basis of significant changes in results from previous years' COMPAS reports. Results from 2008 are compared to results as reported in COMPAS reports for 2006 and 2007. The charts illustrate highlights in the MDBs' performance in MfDR over the period 2006 to 2008. Complete detailed results for 2008 for each indicator by MDB are tabulated in the *Matrix of Indicators* section.

African Development Bank

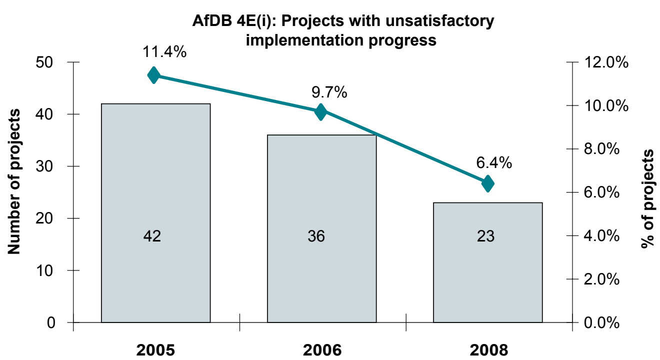
43. In 2008 AfDB implemented reforms to strengthen the focus on results, including the creation of a Results and Quality Assurance department and a Results Measurement Framework. Overall, MfDR indicators over the last year were satisfactory. AfDB fared well in one indicator category (harmonization among development agencies) and was stable in four categories (country capacity to manage for development results, allocation of concessional resources, project management systems, and institutional learning from operational experience). The recent reforms should begin showing improvement in other indicators such as strengthening the results framework of country strategies and enhancing results skills among operational staff in 2009. The charts below illustrate AfDB's performance on specific indicators of MfDR over the 2006 - 2008 period.



The percentage of staff participating in training for MfDR has declined over the last three years, although in numerical terms, staff participation increased for 2008 compared to 2007. These data could have been influenced by the following factors: (a) as over time more staff are trained in MfDR, immediate training needs decline; and (b) if AfDB has improved its measurement of what constitutes MfDR training, a narrower and more specific definition can lead to the appearance of a more dramatic decline than actually exists. Despite these factors, enhancing results skills among operational staff is a critical factor of the MfDR approach, and AfDB should continue to closely monitor staff participation in training. It is particularly important to ensure that staff new to the institution have been properly trained in MfDR. One of the tools available to increase the incentive for staff to seek out training in MfDR is improving the link between staff achievements and compensation. AfDB's Board has recently approved a new compensation framework, which may contribute to improving this link.



There has been a decrease in the actual execution period between loan approval and closing date from an average of approximately 64 months in FY06-07 to an average of 50 months in FY08. More significantly from an MfDR perspective, the delay time between actual and planned has narrowed. Improving the implementation timing of projects can have important implications for MfDR.



The number and percentage of projects with unsatisfactory implementation or with development objectives not likely to be achieved have declined during the last three years. AfDB's policy is that action be taken on all projects with an unsatisfactory rating in this area, and it is possible that this policy has contributed to reducing the number of stale projects. Going forward, it will be important that staff, who are responsible for these ratings, remain vigilant in their assessments to ensure that resources can be focused on those projects that are performing well.

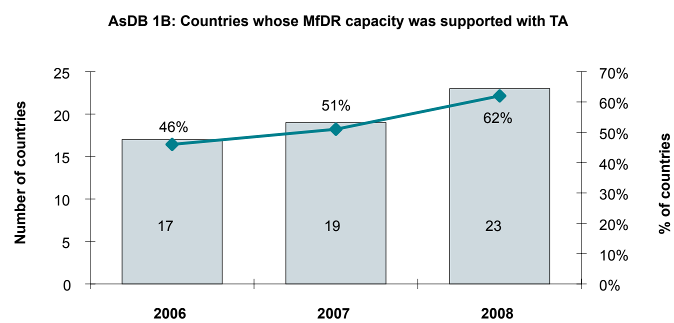
Asian Development Bank

44. In 2008 AsDB consolidated its corporate results management system considerably. It adopted a corporate results framework—consisting of specific performance indicators and targets—as a key management tool for implementing its new long-term strategic framework for 2008 to 2020. It also improved its corporate results reporting through the annual Development Effectiveness Review, which assesses AsDB's performance in achieving desired results, and identifies weaknesses as well as actions for improvement.

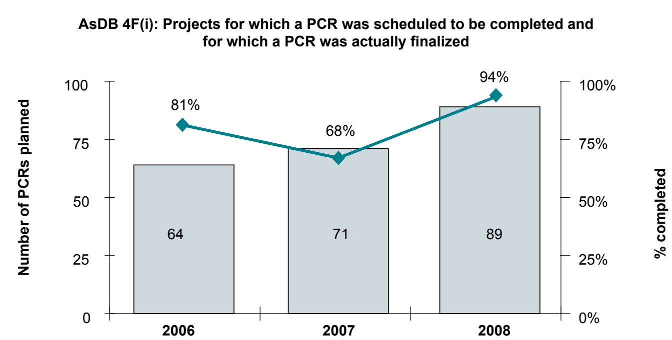
45. To improve its effectiveness at the country level, AsDB continued to ensure the quality of its results-based country partnership strategies (CPSs). An assessment of CPSs prepared during 2006-2007 showed that their quality at entry has improved relative to those prepared in 2004-2005. AsDB also began assessing its performance in monitoring and evaluating the country results frameworks to identify key challenges and solutions.

46. AsDB continued to support the operation of the Asia Pacific Community of Practice on MfDR (CoP-MfDR), a platform for knowledge exchange and capacity development among its members. AsDB supported the CoP-MfDR members' participation in training programs and international meetings such as the Third High Level Forum on Aid Effectiveness.

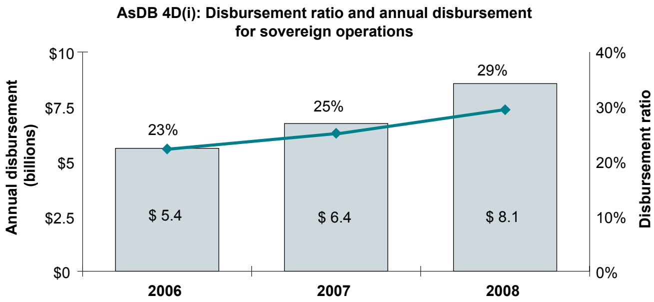
47. The 2008 COMPAS shows that AsDB sustained progress in many areas, particularly in assessing country capacity to manage for development results, harmonizing its assistance with that of other development agencies, promoting institutional learning from operational experience, and mainstreaming results-focused human resource management.



AsDB recorded a slight annual increase in the number of countries supported by MfDR-related TA. This achievement can be attributed to AsDB's decision to integrate support for MfDR capacity development across all AsDB-financed TA and loan projects.



AsDB is ensuring more timely preparation of PCRs, an important source of results information. The number and percentage of projects for which a PCR was scheduled and actually finalized has improved over the 2006 – 2008 period.



AsDB has steadily improved its disbursement ratio from 2006 to 2008. This not only contributes to ensuring the timely implementation of projects, but also demonstrates an ability to respond quickly to the needs of client countries.

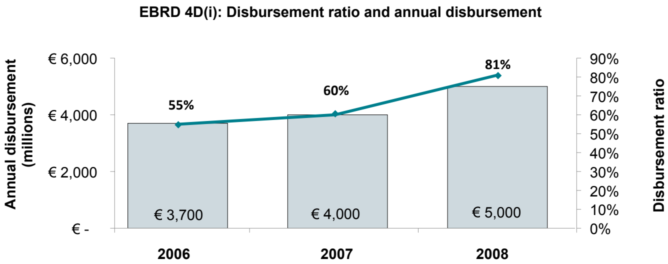
European Bank for Reconstruction and Development

48. EBRD, in accordance with its transition mandate, undertakes results measurement mainly through the Transition Impact Monitoring System (TIMS). In 2008, in agreement with donor agencies, EBRD developed enhancements to TIMS and extension of core indicators beyond TIMS that were consistent with the main MfDR principles. In future years EBRD will report on results based on the expanded coverage.

49. The TIMS system is managed by the Office of the Chief Economist, and TIMS results are regularly reported to EBRD's senior management and Board of Directors. Transition impact ratings are recorded at the time of project signing and are updated throughout the life of the project. In 2008, 88.6% of new operations rated through TIMS scored good or excellent, about the same as the 88.7% recorded in 2007, and an improvement on 2006 when 79.3% were rated good or excellent. From a portfolio perspective, revisions to TIMS ratings capture both the change in the transition impact potential of a project and the risk associated with achieving that potential. In 2008, some 60.1% of the stock of operations subject to transition impact assessment had an expected transition impact of 4 or better on the TIMS scale of 1 – 8—an increase over the 2007 percentage of 57.0%.

50. The TIMS results are confirmed by the findings of EBRD's independent evaluation department (EvD), which rated 87% of the projects it evaluated in 2008 as having an "excellent-satisfactory" transition impact, and 13% as being "marginal-negative." This is in line with outcomes since 2003. EvD's studies indicated, however, that the adverse operating environment for private businesses that emerged in 2008 is beginning to affect transition ratings. That this may become more evident during 2009 is suggested by the increase in EBRD's impaired assets ratio from 0.2% in 2007 to 6.7% in 2008.

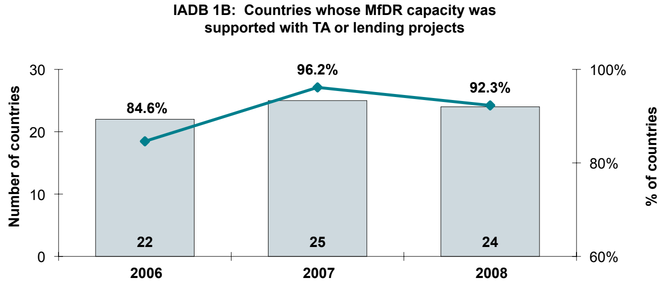
51. The third edition of the GPS showed that the EBRD has been highly compliant with GPS, scoring 94%. This constitutes a significant improvement over the results of ECG's second benchmarking exercise in 2004, based on the second edition of the GPS, when compliance was assessed to be at 76%. In terms of GPS standards, the EBRD has notably improved its evaluation scope (definition of additionality), as well as its evaluation timing, population, coverage, and sampling.



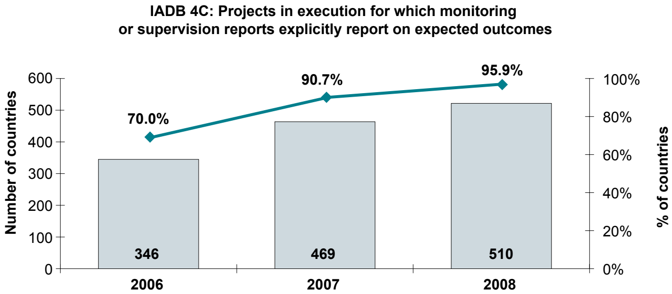
EBRD has improved its disbursement ratio over the past three years.

Inter-American Development Bank

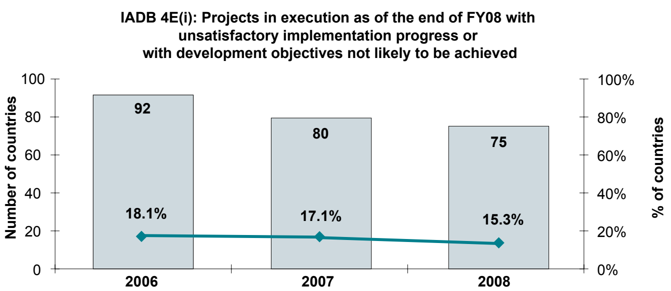
52. In general, in 2008 IADB showed steady improvements in MfDR. Drawing on an assessment of the New Lending Framework (2005-08) conducted by the Office of Evaluation and Oversight, IADB instituted a broad reform agenda, including increasing its focus on results. With a new organizational structure and new operational procedures, IADB is positioning itself with a stronger results orientation to improve the clarity of definition, measurement, and achievement of results from the projects it funds. At an institutional level, IADB instituted a Development Effectiveness Framework in October 2008 to increase the effectiveness of its activities, including the creation of a results framework incorporated into the Corporate Performance Framework to monitor progress through development effectiveness indicators, and an action plan to implement the framework.



IADB financed and supported a large number of MfDR projects in 2006 and 2007, covering a broad scope of activities. It continues to use TA to support MfDR capacity in most of its client countries.



IADB steadily improved the quality of project supervision over the past three years, partly because of a new organizational structure; new operational tools, including results frameworks, data collection plans, and results analysis in loan proposals; and a report comparing project implementation results to results expected on loan approval. Future directions in this area include a proposed new project cycle management; a supervision framework to integrate supervision tools early in project design; and mandatory supervision plans during execution.



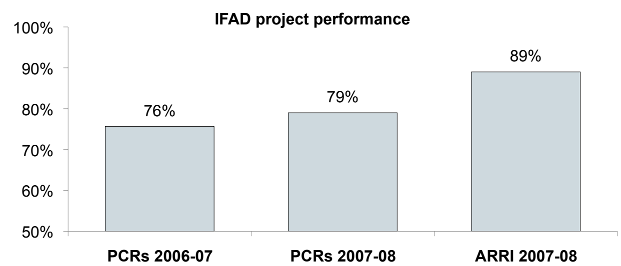
IADB has steadily decreased the number and percentage of projects with unsatisfactory implementation progress. It expects these numbers to improve still further with the planned changes in project cycle management and supervision.

International Fund for Agricultural Development

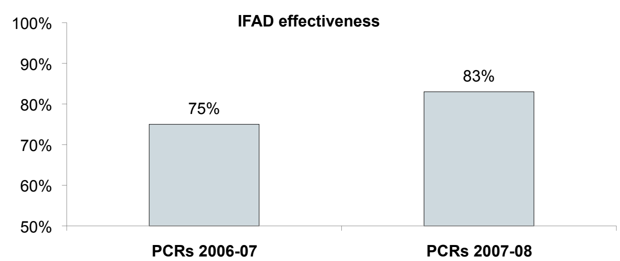
53. IFAD joined the COMPAS group in 2008 following its active involvement in the OECD/DAC Joint Venture for MfDR, including its sponsorship of the Hanoi MfDR Roundtable and support to the Africa MfDR Community of Practice. IFAD is fully committed to MfDR as a means to improve its development effectiveness and optimize its contribution to reducing rural poverty in developing countries: "focus on results" is one of the organization's core values. For IFAD, MfDR serves to improve performance not only in the programs it supports, but also within IFAD itself. Its activities have included the introduction of results-based country strategies and new means for improved performance monitoring such as regular client surveys; quality-at-entry systems for both country strategies and projects; a new policy allowing it to assume responsibility for direct supervision of programs it supports; knowledge management and innovation strategies; and a program for decentralizing operational staff to the country level.

54. In the past three years, IFAD has made considerable progress in establishing an integrated and coherent system for performance planning, monitoring, and accountability, which has been recognized by the Danish International Development Agency and OECD-DAC. Measures to assess results at different levels have been developed and refined and are summarized in IFAD's Results Measurement Framework. These measures are used primarily for internal management purposes, but also for external reporting to IFAD's Governing Bodies annually through the Report on IFAD's Development Effectiveness (RIDE). OECD-DAC's 2008 Report on Multilateral Aid noted that the RIDE reflected how IFAD has made progress toward "systematic management for results" and that this experience may offer some lessons on ways forward in terms of multilateral self-reporting.

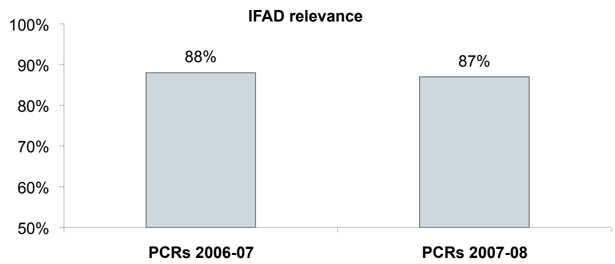
55. Achievement of the Fund's strategic objectives is managed through the Corporate Planning and Performance Management System (CPPMS), which includes eight corporate management results (CMRs) and key performance indicators (KPIs) for tracking progress toward the CMRs.



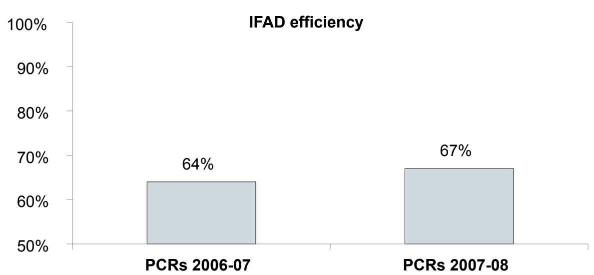
On a two-year rolling average basis, the share of projects rated moderately satisfactory or better for overall performance rose from 2006-2007 to 2007-2008 (ARRI ratings for 2007-2008 are higher than IFAD's internal assessment results). Among the indicators of project performance (relevance, effectiveness, and efficiency), projects performed best on relevance (87% with a moderately satisfactory or better performance), followed by effectiveness (83%) and efficiency (67%).



Effectiveness is defined as the extent to which a project's stated objectives have been achieved in terms of physical targets, the percentage of the population reached, and the degree to which they benefited. IFAD has increased the percentage of completed projects with moderately satisfactory or better effectiveness. In the 2008 cohort of PCRs reviewed, more than 89% of the projects were found to be moderately satisfactory or better. The ARRI assessment of 83% is only slightly lower.



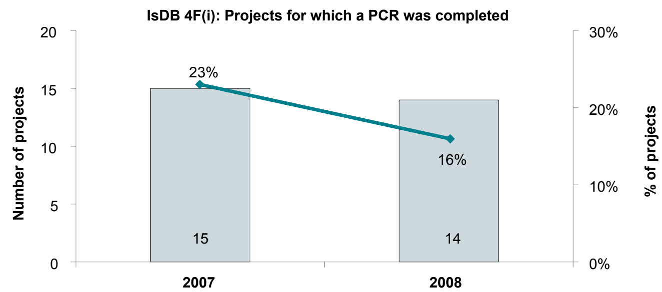
Key elements for the assessment of project relevance are alignment with the needs of the rural poor, the partner country's development strategy, and the IFAD Strategic Framework and IFAD's country strategy. A large majority of completed projects (76%) receive a rating of either satisfactory or highly satisfactory (i.e., ratings of 5 or 6). The ARRI found that 100% of the projects were moderately satisfactory or better with regard to relevance in 2007. A similar level of performance is reported by PCRs reviewed in 2008 (92%).



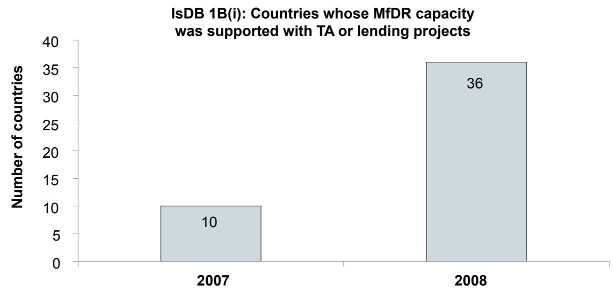
Efficiency is a measure of how economically project inputs are converted to outputs. Ratings on this indicator have improved modestly. The 2008 cohort of PCRs shows an identical performance on this indicator (67%), while the ARRI reports lower performance (58%).

Islamic Development Bank

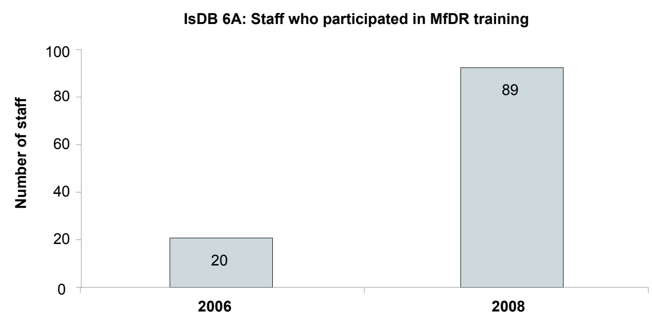
56. Because this is only the second year of IsDB participation in the COMPAS exercise, only two data points are available for each indicator and it is difficult to find conclusive evidence for trends in specific indicators. However, this section presents a more general analysis of IsDB performance in MfDR.



The number and percentage of IsDB-supported projects for which a PCR was completed declined slightly. The decline in percentage terms is largely due to the fact that a larger number of projects were completed in 2008 (88) than in 2007 (64). It should be noted that previously IsDB entrusted PCRs to the executing agency in the beneficiary country; however, in 2008, IsDB began preparing PCRs through involvement of its own staff or through consultants. It is expected that the number of PCRs will increase to cover a larger proportion of the completed projects. Thus the decline shown here is expected to be temporary, and the quality of the reports should improve in the long run.



Over the last year IsDB has increased the number and percentage of countries for which it supported MfDR capacity.

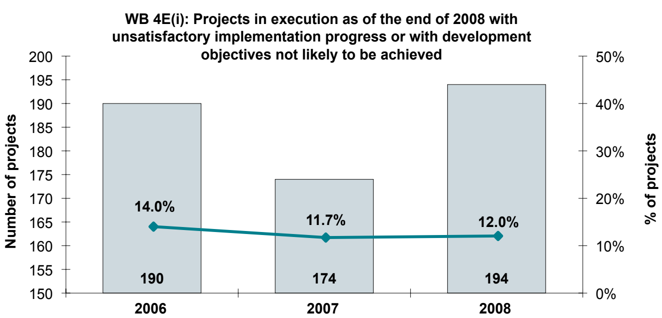


A significantly higher number of IsDB staff participated in formal MfDR related training in 2008 than in 2006. Additionally, the 2006 training covered only results-based/logical framework, while the 2008 training was expanded to also include project design quality and appraisal risk management.

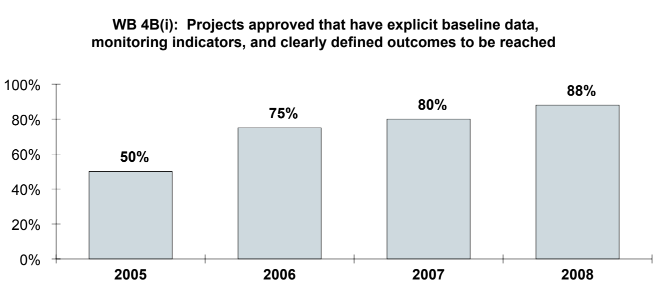
World Bank Group

57. Over four years of participating in COMPAS, the WB has continued its efforts to improve its ability to manage for development results. It is now working on the Results Platform, a comprehensive results monitoring and reporting system that will facilitate a more streamlined and systematic analysis of the results orientation of WB-supported projects and programs and the contribution the WB makes to results on the ground. The Results Platform comprises a Bankwide Results Measurement System and a Country Portfolio Results Monitoring Tool, both of which are being developed and rolled out.

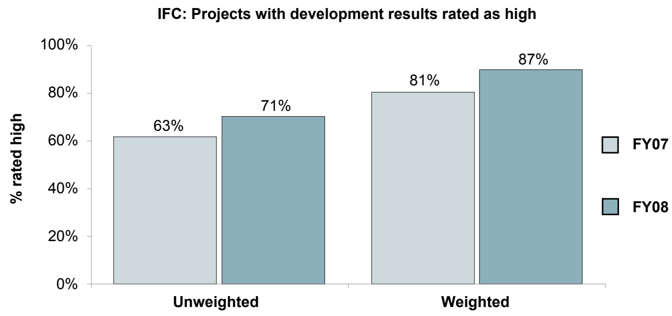
58. IFC is the first MDB to publish aggregate development results (both for its investments and its advisory services) for its entire current portfolio in its Annual Report, along with its financial results, and have this information assured by an external reviewer. IFC has seen improvements in its development effectiveness ratings over the last two years from 63% as of June 30, 2007, to 71% in June 30, 2008. The improvement, which is evident in all industries and regions, reflects in part favorable investment climates and economic conditions at the time.



Through the past three reporting periods, the WB has recorded similar results regarding the number and percentage of projects with unsatisfactory implementation progress. The proactivity index reported that in all three years staff took action to manage risk in about 80% of these projects.



The WB has shown steady improvements in strengthening the results frameworks of projects at the time of approval. Evaluations of project results frameworks include both the existence and quality of baseline data. Additionally, the percentage of evaluated projects for which the quality of outcome indicators was rated satisfactory or better increased from 63% in 2007 to 88% in 2008.



IFC has monitored the development results of its investments through its Development Outcome Tracking System (DOTS) since 2005. The overall development outcome is a synthesis of four performance areas that are informed by achievement of industry-specific indicators that track the development reach of IFC's client companies. As of June 30, 2008, 71% of investments approved between calendar years 1999-2004 generated high development outcomes, an increase of 8% compared to the results obtained by investments approved between calendar years 1998 and 2003 as of June 30, 2007. Results weighted by investment volume were even stronger.

Future Influences and Directions

59. This section discusses three issues that provide useful context for COMPAS.

Global Crises

60. During 2008, two major crises affected the world that will directly affect the focus and work of the MDBs: A food and fuel crisis in the first quarter of 2008, and, beginning in the third quarter, a global financial crisis that continues to unfold. These events illustrate that in a globalized economy, impacts can cascade quickly, and they require rapid and coordinated responses from the MDBs and, more broadly, the development community. These crises will likely affect the results of the 2009 COMPAS report, but they also highlight the need for MDBs to be more effective and efficient in targeting and achieving objectives through a results-based agenda. It should be noted that the timing of the MDBs' fiscal years varies, so that the impact of these crises in next year's COMPAS report may be reflected more clearly in some MDBs than in others.

Financial Crisis

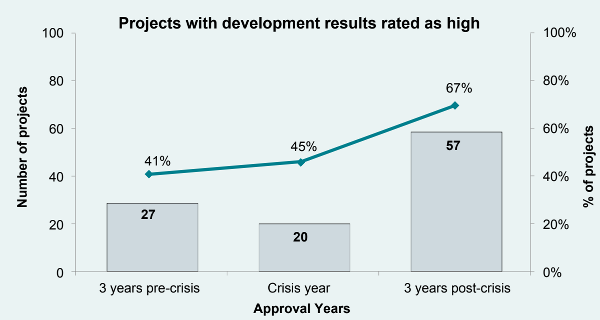
61. The financial crisis is affecting all countries where the MDBs operate, endangering global efforts to achieve the Millennium Development Goals and putting at risk the future of the poorest and most fragile populations. The dangers posed by the crisis have added to the need for increased focus on development results and reporting, both of which underpin the COMPAS initiative. While this year's COMPAS report does not reflect the impact of the global financial crisis, next year's report will likely identify effects of the crisis on MDB efforts to manage for development results. As an example of the impact of the crisis on the achievement of results for private sector operations, Box 1 describes IFC's past experience.

Food and Fuel Crisis

62. One of the most dramatic developments during 2008 was the rise in the prices of staple foods on the world market, the sharpest increase in food prices since 1973-1974. This brought issues of food and agriculture to the top of the agenda at the highest political level in ways not seen for over three decades. The potential impact of higher food prices on poor people is alarming, placing at risk the progress made in reducing poverty and hunger since the United Nations Millennium Summit. According to WB estimates,[7] in 2008 soaring food prices drove an additional 130 – 155 million people into extreme poverty; while the Food and Agriculture Organization of the United Nations (FAO) estimates that the number of undernourished people in the world rose in 2007 by about 75 million to 923 million.[8]

Box 1. The Financial Crisis and its Effects on Private Sector Development Results: IFC's Experience

What do we know about how crises affect the development outcomes of IFC's private sector investments? IFC's analysis shows that both development results and financial performance tend to be adversely affected during crises. This is to be expected, as development results have been shown to be highly correlated with financial performance. Yet there is also strong evidence that IFC's role and contribution (or "additionality") is particularly strong when IFC invests immediately after a crisis. Data from IFC's Independent Evaluation Group show that, in the three years following a crisis, private investors typically withdrew. However, IFC increased its exposure by more than 15% in 12 of 17 countries that suffered economic or financial crises between 1994 and 2001, and maintained its exposure in another 4 countries. Less than half of the projects approved before or during the crisis had high development results, and projects that were in implementation or at the start-up of commercial operations were particularly hard hit. But two-thirds of projects approved in the three years post-crisis had high development results (see chart). The high development results performance for projects approved post-crisis is closely linked to a strong increase in the proportion of projects that have shown better financial performance—from 33% for crisis-year approvals to 60% for post-crisis approvals.



63. Governments in the developing world have tried a wide range of measures to limit price rises and their impact. Internationally, effective coordination among the international community was swiftly established in the Comprehensive Framework for Action (CFA) formulated by the United Nations Secretary-General's High Level Task Force on the Global Food Crisis, which brought together the United Nations system (in particular FAO, IFAD, and WFP) with the WB, the International Monetary Fund, and the World Trade Organization. The CFA recognizes the importance of promoting agricultural investments focused on smallholder farmers and rural development. Agricultural prices have fallen from their peaks, but not to pre-crisis levels. Notwithstanding the stimulus that higher prices should give to production, increased price volatility (both of food and oil) is leading to increased vulnerability to hunger in poor countries.

[7] Global Economic Prospects, Commodities at the Crossroads, World Bank, 2009.

[8] Committee on World Food Security, Thirty-fourth Session Rome, 14-17 October 2008, Agenda Item II. Assessment of the World Food Security and Nutrition Situation, Paragraph 22.

Aid Effectiveness

64. Following the 2008 Third High Level Forum (HLF) on Aid Effectiveness in Accra, the focus on results, for donors and partner countries, continues to be a fundamental pillar of the international development agenda. COMPAS has kept in alignment with global aid effectiveness initiatives, and in particular with the results area led by the Joint Venture on MfDR. The Joint Venture was formed to coordinate donor and partner efforts in more effectively managing and implementing aid in a way that focuses on desired results, supported by information-based decision-making.

65. According to the Accra Agenda for Action, donors and partners increasingly need to focus on implementing the principles of MfDR. As this report noted earlier, the HLF inspired two changes in this year's COMPAS: a new indicator on the use of country systems and an expanded section on the results of private sector operations.

66. MfDR will continue to play an important role in the agenda of the OECD-DAC Working Party on Aid Effectiveness, as one of the five "clusters" of working issues. The MfDR cluster plans activities in the following areas, among others:[9]

1. Develop and support regional communities of practice
2. Establish an international forum on MfDR
3. Strengthen capacity for strategic results orientation
4. Further develop good practices on MfDR
5. Strengthen incentives for development effectiveness
6. Improve donor results reporting

Development of Core Sector Indicators

67. To better measure and report results, several MDBs are developing core sector indicators for operations with counterpart governments and for private sector operations (which also use performance criteria established in the GPS).

AfDB

68. AfDB has used a participatory and pragmatic approach to develop and complete a set of output and outcome indicators for each of its five sectors with public lending operations. The approach was to review project appraisal reports, PCRs, and sector strategies of the last few years to identify a long list of indicators that have been used more frequently in AfDB-funded operations. Task teams from all sectors refined these lists of indicators and proposed a shorter list of Core Sector Indicators (CSIs) for each sector, representing each sector's best judgment on how to measure progress toward the development objectives of their own operations.

69. CSIs are tracked from approval through project supervision and completion. When aggregated, they summarize AfDB's contribution to results in a given sector at the continental level. The main characteristics of these CSIs: (a) they are easily measurable; (b) they allow for some attribution of results to AfDB's own operations; and (c) they measure outputs and outcomes that reflect each sector's key strategic priorities and comparative advantages, although they do not capture the vastness and richness of sector operations.

AsDB

70. In 2008 AsDB adopted a corporate results framework with performance indicators and targets, which it uses to manage its implementation of the long-term strategic framework for 2008 – 2020. The framework consists of performance indicators and medium-term targets at four levels: (a) development outcomes in Asia and the Pacific, (b) key sector outputs and their contribution to development outcomes, (c) AsDB's operational effectiveness, and (d) AsDB's organizational effectiveness. To measure key sector outputs, AsDB uses 18 standard indicators covering five priority sectors: transport, energy, water, education, and finance. AsDB reports progress annually through the Development Effectiveness Review report. It is also developing a corporate results information system to automate results data collection and disaggregation, and to facilitate monitoring. AsDB is improving its country development effectiveness briefs, a key tool to measure and report its performance in a particular country.

EBRD

71. EBRD's core indicators are designed to capture the institution's goal of helping countries raise peoples' living standards through a transition toward well-functioning market economies. Well-functioning market economies and living standards are linked by the fact that competitive businesses encourage innovation, provide employment and productivity that improve household incomes, and improve environmental and social conditions. Hence the indicators used by EBRD cover a broad range of activities, from the structural changes that accompany its project investments to the impacts of these structural changes on peoples' lives.

72. In 2008 EBRD reviewed its core indicators in consultation with its donor agencies as part of a broader international effort to improve the understanding of the effectiveness of assistance initiatives implemented through MDBs. It was agreed that enhancements to the monitoring and reporting process would be undertaken, using three basic headings to capture the full extent of EBRD operations: (a) the transition impact of EBRD projects would continue to be monitored and reported through TIMS; (b) measures of the outreach of EBRD projects, showing the extent to which project benefits affect the community, would be monitored as a separate category; and (c) EBRD would commence studies of the broader impact of its operations, taking into consideration such communitywide effects as poverty reduction, gender equality, and the physical environment. The key innovation in this new structure is look-

[9] Working Party on Aid Effectiveness (WP-EFF), The International Partnership on Aid Effectiveness: Draft Mandate for 2009-2010.

ing beyond EBRD's clients to the community at large. EBRD will work closely with its donor agencies and with other MDBs in developing the enhanced system.

73. To gain a fuller picture of the results being achieved through EBRD-funded operations, EBRD is working to bring the TIMS project-level information to a form that allows for better reporting at a more aggregated level. It is reviewing the information in the TIMS database with a view to preparing reports on the outcomes of the benchmarks, broken down by sector and country. This review will lead to a streamlining and partial categorization of sector-specific core transition indicators that will allow for simpler aggregation and fine-tuning of transition benchmarks to better reflect results achieved.

IADB

74. The Corporate Performance Framework (CPF), presented to the Board of Directors in April 2008, is IADB's corporate monitoring instrument that sets clear targets for improving aggregate performance to meet strategic institutional objectives. The CPF indicators allow IADB to better monitor its operational and organizational effectiveness at the corporate level.

75. In October 2008 IADB management presented to the Board of Directors a proposal for a New Operational Framework (NOF) to update the strategic framework that guides IADB operations. The NOF contains five priority areas for the Bank's future activity: Social Policy for Equity and Productivity, Infrastructure for Competitiveness and Social Welfare, Institutions for Growth and Societal Welfare, Competitive Regional and International Integration, and Protecting the Environment and Responding the Climate Change. Management is working to develop specific outputs and outcomes to be achieved through IADB-supported activity in each of these priority areas.

76. The use of specific sector output and outcome indicators will improve IADB's ability to measure and report outputs from the early programming and design stages, through corrective actions during execution and at midterm, to the final stage. These outputs will also be aligned to country strategies and portfolio monitoring. Unified transparency and accountability for results achieved by individual operations both enhance borrowers' capacity to assess results and allow benchmarking and harmonization across MDBs.

IFAD

77. IFAD's work focuses specifically on the agriculture and rural development sectors. In 2007 IFAD adopted a Results Management Framework with core indicators reflecting operational and institutional priorities for reporting on progress achieved against the IFAD Strategic Framework 2007-2010. Level 1 indicators reflect the desired "macro outcomes"—for example, attainment of MDG1 targets—and Level 2 focuses on "Country Program and Project Outcomes." The Level 2 outcomes include, for example, "percentage of country programs rated 4 or better for contribution to (a) increasing the incomes of, (b) improving the food security of, and (c) empowering poor rural women and men"; and "percentage of projects rated 4 or better for impact on measurements of poverty among the target group, such as physical and financial assets, food security, empowerment." Level 3 indicators focus on "Country Program and Project Outputs," including indicators for natural resource management (e.g., "area under constructed/rehabilitated irrigation schemes"), agricultural technologies ("people trained in crop production practices/technologies"), and microenterprise (e.g., "people trained in business and entrepreneurship"), and others. IFAD reports progress annually through the Report on IFAD's Development Effectiveness.

IsDB

78. IsDB is carrying out institutional reforms that, among other things, involve redesigning its policies and business processes and strengthening its results management, with the overall aim of enhancing its institutional effectiveness and the development impact of the interventions it funds. It is developing sector strategies that include defining a set of standard core indicators for each of the major sectors in which it works. Additionally, it is establishing a dedicated Development Effectiveness Division to monitor and report on core sector indicators and oversee results management in the institution.

WBG

79. Senior management has given top priority to better measuring and reporting on results achieved through WB lending and nonlending activities. To better capture results achieved on the ground through operations and programs with counterpart governments, the WB is developing a Results Platform and strengthening its systems and tools for results monitoring and reporting. Key elements include (a) the adoption of standardized core sector indicators to monitor results (sector outputs and outcomes), to be used at the project level and tracked/aggregated at the institutional level; to date four sectors (water supply, health, education, and road transport) have defined their core indicators and others are working to do so; (b) improving IT systems to facilitate tracking of results data and standardization; (c) a portfolio results monitoring framework to help country units track results, and (d) systematic collection of results stories at the sector, thematic, and country levels. The WB is also collaborating with other MDBs to coordinate efforts on improved results reporting, which in the future would be integrated into the COMPAS exercise.

80. For the World Bank Group's private sector operations, IFC introduced standardized core indicators as part of its Development Outcome Tracking System in 2005; the indicators were identified by industry area for IFC's investment operations and by business line for IFC's advisory services. These indicators aim to capture the performance and development reach of affected stakeholders and track IFC's achievement against the

expected development objectives set out at the beginning of the project. (A complete list of standard indicators can be found at www.ifc.org/results.) For IFC investments, the standard indicators feed into the rating on the four performance areas identified by ECG's GPS—the financial, economic, and environmental and social performance of a project, and its broader private sector development impacts. For IFC's advisory services, the standard indicators feed into the rating on a project's relevance, effectiveness and impact. DOTS thus allows the aggregation of development results and comparisons across regions, industries, and business lines.

Matrix of Indicators

Category 1 | Country Capacity for MfDR

Category 2 | Country Strategies

Category 3 | Allocation of Concessional Resources

Category 4 | Projects

Category 5 | Institutional Learning from Operational Experience

Category 6 | Results-focused Human Resources Management

Category 7 | Harmonization and the Use of Country Systems among Development Agencies

Category 8 | Private Sector

Category 1 | Country Capacity for MfDR

Subcategory

1a

Assessing country capacity for MfDR

MDB	Subcategory 1a : Assessing country capacity for MfDR	
	Number and percentage of countries whose capacity for MfDR has been assessed in FY08	Brief description of the tools used to assess capacity for MfDR
AfDB	49 (92%)	
AsDB	14 countries (36%) MfDR capacity was assessed mainly through (i) country partnership strategy (CPS) studies; (ii) technical assistance (TA) projects on MfDR; and (iii) financial management assessment studies.	Sector road map and sector assessments prepared during CPS preparation: these include assessments of the government's capacity to manage for results in specific sectors to identify capacity gaps and possible assistance. A tool kit, "Capacity for Results Management – A Guide for Conducting a Rapid Assessment of the Capacity of Developing Member Countries to Manage for Results": the assessment focuses on (i) commitment, norms, and values for results management; (ii) clarity of expected results, i.e. setting objectives; (iii) linkages between objectives and planning; (iv) ability to assess contributions to results through monitoring and evaluation; and (v) feedback to decision making. Readiness Assessment Tool: an interactive e-learning tool to help identify organizational and technical changes needed to implement MfDR.
EBRD	All countries of operation are assessed on an ongoing basis in terms of need for EBRD assistance, including through TA.	Capacity for MfDR is assessed at the client level in both private and public (national and municipal) spheres.
IADB	Since 2007 a total of 22 (of 26) countries have been assessed (85%). Four countries were assessed during 2008 (15%). In all cases, the assessment was carried out at the national level.	In line with the Bank's new Development Effectiveness Framework, PRODEV[2] will be integrated into Country Strategies as the operational vehicle to use and strengthen country systems. The Bank is designing an analytic tool, based on the diagnostic tools used by the international community, but centered on the fiduciary requirements of Bank policies, for deciding on using country systems in Bank-financed operations. PRODEV's objective is to develop a medium- to long-term strategy for improving MfDR in participating countries. In addition, PRODEV was adopted to consolidate and focus efforts on the issue of country systems for monitoring and evaluation. The Bank uses the PRODEV Evaluation Tool (PET), an assessment tool at the national level that is based on five pillars:[3] (i) strategic planning, (ii) results-based budgeting, (iii) financial management (which includes auditing and procurement), (iv) project and program management, and (v) monitoring and evaluation. It incorporates the criteria of comprehensiveness, simplicity, objectivity, and cost-effectiveness. These five pillars are disaggregated into 21 components, 43 indicators, and 148 variables.
IFAD	MfDR is assessed primarily through the development of results-based Country Strategic Opportunities Programs (COSOPs). In 2008 there were 9 COSOPs—in Afghanistan, Burundi, Viet Nam, Brazil, Ethiopia, Guatemala, Guinea, Indonesia, and Morocco—bringing to 21 the number of results-based COSOPs developed since 2006.	Since 2005 IFAD has adopted results-based COSOPs, which give greater emphasis to country ownership by involving more in-country stakeholders in the design and implementation of COSOPs and strengthening country capacities to manage these processes effectively. In this context IFAD is implementing MfDR-related country capacity-building initiatives in areas such as results-based M&E. In 2008 an interim review of IFAD's efforts to support country capacities was completed. This will inform revision of IFAD's procedures for RB-COSOP development, including for more systematic attention to assessing and developing country capacities in MfDR.

[1] Country capacity for MfDR is related to five separate but closely linked functions: leadership, evaluation and monitoring, accountability and partnerships, planning and budgeting, and statistics. Some MDBs assess and help strengthen country capacity for MfDR during country strategy formulation or preparation of lending operations. Others have created a separate umbrella framework in this regard.

[2] The Program to Implement the External Pillar of the Medium-Term Action Plan for Development Effectiveness (PRODEV) is an IADB initiative to enhance the effectiveness of the governments of the region and help them to achieve better results in their development interventions.

[3] All system pillars are given the same weight (20%), since they are all considered of comparable importance.

MDB	Subcategory 1a : Assessing country capacity for MfDR	
	Number and percentage of countries whose capacity for MfDR has been assessed in FY08	Brief description of the tools used to assess capacity for MfDR
IsDB	25 countries (45%)	Countries' capacity for MfDR was assessed as a part of the Country Poverty Assessments (CPAs), Country Assistance Evaluations (CAEs), thematic evaluations, and sector-level studies carried out in 8 countries (14 %): CPAs in Bangladesh, Indonesia, Tajikistan, Uganda, and Yemen; CAEs in Burkina Faso and Pakistan; and thematic evaluations and sector studies in Indonesia, Guinea, and Yemen. Project-level evaluations, which included assessments of some of the elements of MfDR capacity at the project level, were undertaken in 17 countries. In addition, project appraisals carried out in 37 countries also partially assessed MfDR capacity. The methods and tools used in assessing country capacity included country poverty analyses and assessments, dialogue with development focal point ministries, and evaluation studies. In 2008, the IsDB developed a set of guidelines for CPAs, CAEs, and thematic/sector evaluations, which included key elements of country capacity for MfDR.
WB	The 2007 report, "Results-Based National Development Strategies, Assessment and Challenges Ahead," provides a qualitative review of the results orientation of 62 IDA-eligible countries that are implementing a poverty reduction strategy, an interim poverty reduction strategy, or a transitional result matrix. Of these 62 countries, 8 (13%) have an operational development strategy, up from 8% of the 59 countries in a 2005 report. The percentage of countries that have taken action toward an operational development strategy increased from 56% in 2005 to 67% in 2007. The percentage of countries that have a largely developed results-oriented framework has been smaller, rising from 3% in 2005 to 5% in 2007—although more than half have taken action toward a results-oriented framework. The assessment has not been updated for FY08. Country statistical capacity is one of the foundations of monitoring results. As part of the IDA Results Measurement System, the WB is coordinating efforts to improve statistical capacity and increase demand for statistics in IDA countries. The 2006 report "Statistical Capacity Improvement in IDA Countries" explains that while there have been improvements in data availability of some key indicators, there are still many gaps in international databases. For example, one of the IDA Results Measurement System indicators looks at the availability of estimates of poverty incidence based on the $1 a day poverty line. It shows an increase in available data from 2004 to 2006. The report indicates that one reason for this improvement is a rise in the number of quality surveys being conducted, which reflects improvements in statistical capacity. Another reason is the effort by the World Bank to document and analyze past surveys.	Three criteria are used to assess whether a country has an operational development strategy: (i) unified strategic framework; (ii) prioritization; and (iii) strategic link to the budget. Three criteria are also used to assess whether a country has developed a results-oriented framework: (i) quality of development information; (ii) access to information; and (iii) country-level monitoring and evaluation. The Bank uses a variety of tools to assess elements of country capacity to measure, monitor, and manage for results. **Poverty Reduction Strategy (PRS)** At the national level, the WB assesses the quality and impact of several existing country monitoring systems, supported by the PRS process, and helps partner countries gather national and subnational data for monitoring progress toward their PRS goals. Senior country officials are increasingly using data for planning, monitoring, and policymaking. Analytic work, such as public expenditure reviews, assesses a country's capacity to achieve operational efficiency, service delivery, and outcomes. **Country Policy and Institutional Assessment (CPIA)** The CPIA, which examines country policies and institutions, also serves to assess MfDR in economic management and public sector management and institutions (as discussed in a later section). Data on CPIA clusters are collected annually for all WB clients. **CAP-Scan** The MfDR Capacity Scan (CAP-Scan) is a self-assessment tool that countries can use to identify and prioritize their needs in the five pillars of MfDR. It is a short-term, broad-based, high-level, and government-led diagnostic review that is adaptable to local needs. CAP-Scan was piloted in Mauritania in 2008, and several exercises are planned for 2009. CAP-Scan was developed under the sponsorship of the OECD/DAC with support from several partners, including AfDB, AsDB, IADB, and WB.

Subcategory

1b

Strengthening country capacity for MfDR

MDB	Subcategory 1b: Strengthening country capacity for MfDR	
	Number and percentage of countries whose MfDR capacity was supported with TA and/or lending projects in FY08[4]	Brief description of TA/ lending projects in (i)
AfDB	49 (92%)	The Bank is leading an international initiative to provide financial and technical support to African countries in developing or updating their National Strategies for Development of Statistics (NSDS); improving their statistical systems to international standards; and enhancing informed knowledge-based decision-making, including monitoring of PRSPs and MDGs. For each country, in addition to providing an international consultant, the Bank provides seed funds to finance a National NSDS Coordinator, National Consultants, workshops and seminars, publication and dissemination of NSDS, equipment, and operating costs.
AsDB	In 2008, 23 countries (62%) received TA specifically focused on MfDR; in 2006 17 (46%), and in 2007 19 (51%) countries received such TA. Support for MfDR capacity development is being integrated across all AsDB-financed TA and loan projects.	TA projects focused on (i) results-based national monitoring and evaluation system, (ii) post-evaluation portfolio performance improvement, (iii) institutional and technical capacity of national planning agencies and line ministries to implement MfDR approaches, (iv) sharing of country-based knowledge about development effectiveness, and (v) capacity development for results-based project management and statistics. MfDR capacity components integrated in loan projects supported (i) performance evaluation systems, and (ii) performance management capacity, with emphasis on improved results orientation of planning, budgeting, financial management, and reporting. AsDB also supported capacity development of government officials in 15 DMCs on MfDR through (i) operation of the Asia-Pacific community of practice on MfDR, and (ii) a training program on preparing a results-based project design and monitoring framework.
EBRD	All countries benefit through projects that contain MfDR elements. TA aimed at strengthening MfDR capabilities at the client level is concentrated in the ODA countries of operations.	Sectors supported through loans and TA include financial sector, infrastructure, energy, resources, and industry. MfDR capacity is strengthened through transfer of skills and responsibility to the client.
IADB	In 2008 92.3%[5] of countries (24 out of 26) were supported through active non-reimbursable TA operations and/or loans. In addition, one Regional TA operation supports the initiative. In 2008, 10 (of 26) countries (38%) received new support with non-reimbursable TA and lending projects: 9 countries received national-level TA assistance, 1 received support at the subnational level, and 2 countries were supported by loans.[6]	Most of the projects aim to strengthen planning, budget, and monitoring and evaluation systems in a coordinated way, generally in conjunction with a number of sector ministries. In particular, lending activities supported results-based budgeting and public financial management and procurement.
IFAD	RIMS operates in IFAD portfolios in 147 countries.	IFAD's Result and Impact Management System (RIMS) is a three-tier framework for measuring and reporting the achievement of results. RIMS looks at the immediate results associated with project activities and outputs (first level = Outputs), changes in the functionality and/or the behavior of beneficiaries (second level = Outcomes), and the long-term effects on poverty and malnutrition (third level = Impact). This has led to further initiatives to support MfDR and monitoring capabilities in Madagascar and Mali as well as in several projects in the Asia region.

[4] These efforts refer to the core set of capacities that countries need to put in place in order to have more effective systems and processes to manage for development results. The activities reported here are lending and technical assistance operations whose principal focus is on strengthening some or all of the six MfDR functions; they do not include the capacity building components included in many operations to help implement the operation.

[5] This figure does include operations in executions and approvals in 2008.

[6] One of the countries received both TA and loan financing.

MDB	Subcategory 1b: Strengthening country capacity for MfDR	
	Number and percentage of countries whose MfDR capacity was supported with TA and/or lending projects in FY08[4]	**Brief description of TA/ lending projects in (i)**
IsDB	36 countries (64%) In addition to supporting direct MfDR capacity development, IsDB integrates broader capacity development, which also includes elements of MfDR, into most of its TA and lending projects. Specifically, in 2008, the Bank supported capacity development through (i) TA for 3 countries (Azerbaijan, Morocco and Yemen), (ii) assistance for 6 regional-level initiatives, and (iii) assistance for statistical capacity building in member countries (Guinea-Bissau, Morocco, Djibouti, Jordan and Turkey) under the IsDB-STATCAP initiative. Also, IsDB has contributed to the International Comparison Program's Global Trust Fund for country statistical capacity development.	In Azerbaijan, TA for capacity development was aimed at strengthening the debt management capacity of the Cabinet of Ministers through establishing the central monitoring system within its external borrowing department. In Morocco, the project aimed at strengthening institutional capacity to implement the National Initiative for Human Development through devising adapted training in adequately equipped centers, to enable targeted populations to tap income and employment opportunities. In Yemen, the Rural Access Program included capacity development of the Ministry of Agriculture. IsDB supported six regional-level TA projects covering 36 countries, which included elements of MfDR capacity development. IsDB has launched a new statistical capacity building initiative, IsDB-STATCAP, which provided technical assistance grants to finance statistical operations, human capital development, and support for statistical training and research activities. The implementation of this initiative began in 2008 with the financing of a number of projects in member countries (Guinea-Bissau, Morocco, Djibouti, Jordan, and Turkey) and support to ITAP-UNCTAD. In addition, in late 2007/early 2008 IsDB contributed US$1.15 million to the International Comparison Program's (ICP)'s Global Trust Fund to support the statistical capacity-related activities of the member countries participating in ICP. The contributions have supported several regional workshops for the member countries.
WB	Support for MfDR capacity occurs at different levels. All investment lending operations include measures to ensure effective monitoring and evaluation of the project activities and objectives, as well as initiatives to strengthen government capacity to do so as needed. When the Bank uses the country's own system, it helps strengthen country capacity in M&E even beyond a specific project. In FY08 5 projects were explicitly coded with "Managing for Development Results." The cumulative number of projects with the code starting in FY07 is 16. The number of nonlending TA activities coded with "Managing for Development Results" increased in FY08 to 14 (from 9 in FY07 and only 1 in FY06). The WB supports many countries in the design and implementation of country level M&E systems, usually as part of its support to countries designing or revising PRSs and putting in place performance-based budgeting. PRSC monitoring typically draws on these frameworks and, when developed enough, from project M&E.	Support for increasing country MfDR capacity took the form of lending and nonlending projects. The efforts included strengthening sector ministries' capacities for monitoring and evaluating results, improving the efficacy of public resource use, creating a master plan for statistics, and strengthening the use of country systems, such as the public financial management system. Support covered a wide range of sectors, from fishing to education. Projects coded with "Managing for Development Results" were undertaken in Algeria, Brazil, China, Lesotho, India, Indonesia, Kazakhstan, Liberia, Madagascar, Mexico, Russian Federation, Sri Lanka, and Timor-Leste. Additionally, there were regional projects covering Africa, East Asia and Pacific, and the EU Accession Countries. **Country-level support for results-based management** The Public Sector unit in the Latin America and the Caribbean Region is supporting governments' efforts to introduce performance-based systems in public administrations for the generation and use of performance information, and is also developing an array of rapid assessments tools for key public sector management areas including performance-informed budgeting. A number of lending and non-lending instruments support these efforts, such as the Results-based Management and Budgeting Technical Assistance Loan approved for Mexico during FY09. **Strengthening capacity in the telecom and IT sector** Central African Economic and Monetary Community (CEMAC) Heads of States aim to establish a broadband telecom system across all CEMAC Countries using the existing fiber-optic network laid next to the oil pipeline between Kribi (Cameroon) and Doba (Chad). As CEMAC capacity is limited, a grant will support the assessment of and make recommendations on legal reforms, procurement, and monitoring and evaluation.

[7] In 2008, the assessment includes those approved in the first half of the year.

Category 2 | Country Strategies

Subcategory

2a

Strengthening the results framework of country strategies

MDB	Subcategory 2a: Strengthening the results framework of country strategies	
	Number and percentage of MDB country strategies approved in FY08 with explicit baseline data, monitoring indicators, and clearly defined outcomes to be reached	Comments
AsDB	All 5 country strategies approved in 2008 (100%)	All AsDB Country Partnership Strategies (CPSs) approved in 2008 were results-based, with results frameworks containing elements of baseline data, monitoring indicators, and outcome statements.
AfDB	7 CSPs and 14 related papers (Country Dialogue Papers, CSP midterm reviews, and CSP completion reports) were approved in 2008. 19% have baseline data, 66% have incomplete baseline data, and 15% have no baseline data.	Work is under way to enhance the CSP Results-based Framework; all 2009 CSPs will contain a new RBF. Additionally, tools such as Peer Review Guidelines and Readiness Reviews will help strengthen the quality of CSPs.
EBRD	4 (100%)	EBRD Country Strategies are prepared on 3-year cycles, with annual updates. For 2009, 14 Country Strategies are scheduled for approval.
IADB	In 2008, 2 country strategies approved during the year were rated with respect to baseline data, monitoring indicators, and outcomes achieved. The average score on indicators was 57.1% of the maximum score, while the monitoring data scored 5.6% of the maximum score. In the context of the Bank's Development Effectiveness Framework, approved in October 2008, an instrument to ensure the evaluability of Country Strategies was developed. This instrument will ensure that at the end of the strategy cycle, the Bank will be able to assess the effectiveness of the country program through an indicator matrix that has indicators for the Bank's performance on the country objectives that the Bank aims to contribute to. Each indicator needs to measure progress against a clearly defined outcome, with a baseline, targets (both intermediate and final), and a monitoring framework.	In the context of the Evaluation of the New Lending Framework (2005-08), the Office of Evaluation & Oversight (OVE) assessed the Country Strategies approved in the period 2005-2008.[7] The instrument contains seven different standards: logical consistency, diagnostic, indicators, monitoring, objectives, analysis programming, and risks. Ratings were on a 1-4 scale, with 1 the lowest and 4 the highest. These scores were normalized to be represented as a percentage of the maximum score. The analysis of each of the dimensions of evaluability found that strategies have achieved only 27% of the maximum rating possible. The areas of particular weakness relate to the analysis of prior programming (17%), monitoring of the strategy (17%), identification of risks and their mitigation measures (23%), objectives (24%), and logical consistency (26%). In the identification of proper diagnostics and in indicators, strategies evaluated achieved an average 40% and 43% of the maximum score, respectively. OVE will assess the evaluability of the Country Strategies approved during 2008-09 in a report to be issued by the end of 2009.
IFAD	All 9 COSOPs approved in 2008 (100%)	COSOPs undergo a quality-at-entry examination based on 6 key success factors, which examine contributions to both operational and development effectiveness.
IsDB	With increasing focus on country programming and partnership strategy, the Bank has made significant efforts during the year in developing and strengthening related methodologies and guidelines. Program and partnership strategies were initiated in 4 countries (Sudan, Syria, Uganda and Yemen) to provide a basis for future assistance to these countries. In addition, the Bank carried out Country Poverty Assessments in 7 countries (Bangladesh, Iran, Indonesia, Nigeria, Tajikistan, Uganda, and Yemen).	Baseline data have been available in the countries mentioned for Country Poverty Assessments, mainly in the form of national household surveys and /or census data.
WB	In FY08, 49 CAS products were prepared. All Country Assistance Strategies (CASs) are results-based; in FY08, 22 results-based CASs were produced. Additionally, 9 ISNs and 18 CAS Progress Reports were produced. OPCS is preparing a CAS retrospective reviewing practice and quality in the use of a results matrix.	CASs are prepared in consultation with country authorities, development partners, and other stakeholders.

Subcategory

2b

Reporting and monitoring on country strategy implementation

MDB	(i) Number and percentage of MDB country strategies that have been subject to an independent evaluation in FY08	(ii) Number and percentage of MDB country strategies in (i) that received "satisfactory or better" ratings
AfDB	3 out of 29 (10%) (Ethiopia, Cape Verde and Uganda, jointly with IEG-WB); 6 RBCSP Completion Reports have not yet been reviewed or validated by OPEV.	66% The country assistance evaluation framework consists of criteria to evaluate the performance of the Bank's lending and nonlending assistance and a four-point rating scale (highly satisfactory, satisfactory, unsatisfactory, and highly unsatisfactory). The general evaluation criteria are defined as follows: **Aggregate/overall assistance outcome:** Reflects the extent to which the main development objectives (pillars) of the AfDB assistance (i) were relevant, (ii) were efficacious, (iii) were efficiently achieved, and (iv) produced institutional development impact, with sustainable net benefits. Assessed as highly satisfactory, satisfactory, unsatisfactory, or highly unsatisfactory. **Program outcome:** Extent to which the assistance's key development objectives (at sector/project level) were relevant and efficiently achieved or are expected to be achieved. Assessed as highly satisfactory, satisfactory, unsatisfactory, or highly unsatisfactory. Outcome is assessed on three subcriteria: relevance, efficacy, and efficiency. **Relevance:** Consistency of the assistance with the country's overall development strategy and the Bank Group's assistance strategy for that country (reflected in the CSP) and policy priorities. Assessed as highly relevant, relevant, irrelevant, or highly irrelevant. **Efficacy:** (achievement of objectives): Extent to which the assistance achieved the development objectives articulated at approval. Assessed as highly satisfactory, satisfactory, unsatisfactory, or highly unsatisfactory. **Efficiency:** Extent to which the benefits of the assistance, actual or at the time of evaluation, are commensurate with the inputs applied. Assessed as highly efficient, efficient, inefficient or highly inefficient. **Other impacts:** Intended or unintended, positive or negative impacts not captured under the outcome of the assistance—for example, related to poverty reduction, gender, environment, regional integration, and private sector development—are also identified and assessed. Assessed as high, substantial, modest or negligible. **Institutional development impact:** Extent to which the assistance has contributed to improvements or other changes in norms and practices (institutional capacities, policy framework, etc.) that enable the country to make more effective use of its human, financial, and natural resources, whether these changes were intended or not. Assessed as high, substantial, modest, or negligible. **Sustainability of results:** Extent to which an acceptable level of the assistance's net benefits—both actual benefits and those expected at the time of evaluation— are likely to be maintained throughout the intended useful life of the assistance. Assessed as highly likely, likely, unlikely, or highly unlikely. **Borrower performance:** Extent to which the borrower (government and implementing agency/agencies) ensured the quality of the preparation and implementation of the assistance, and compiled with covenants and agreements, including monitoring and evaluation, toward the achievement of development objectives. Assessed as highly satisfactory, satisfactory, unsatisfactory, or highly unsatisfactory. **Bank Group performance:** Extent to which the services provided by the AfDB helped achieve development objectives by ensuring quality identification, preparation, and appraisal of the assistance, and supporting effective implementation through appropriate supervision (including ensuring adequate transition arrangements for regular operation of supported activities after loan/credit closing. Assessed as highly satisfactory, satisfactory, unsatisfactory, or highly unsatisfactory. Some variations may be observed in some CAEs. A standardized rating system is being devised for the forthcoming CAE guidelines.

Subcategory 2b: Reporting and monitoring on country strategy implementation

MDB	Subcategory 2b: Reporting and monitoring on country strategy implementation (i) Number and percentage of MDB country strategies that have been subject to an independent evaluation in FY08	(ii) Number and percentage of MDB country strategies in (i) that received "satisfactory or better" ratings
AsDB	In 2008, AsDB prepared two Country Assistance Program Evaluation[8] (CAPE) reports, which are expected to serve as inputs to the Country Partnership Strategies (CPSs) planned for 2009 and 2010. In addition, AsDB prepared one Regional Cooperation Assistance Program Evaluation (RCAPE) report, which will provide inputs to the planned Regional Cooperation Strategy.	Both CAPEs and the RCAPE were rated successful.
EBRD	None. EvD provides input on past experience for new strategies being prepared for Board approval.	EvD is developing country-level evaluation in cooperation with management.
IADB	In 2008 OVE carried out 7 independent Country Program Evaluations (CPEs),[9] 27% of the total number of Bank borrowing countries; of these, 6 have been approved, and 1 (Belize) is being discussed at the beginning of 2009.	No formal rating or ranking was applied.
IFAD	Nigeria, Pakistan, Sudan, Mozambique, India, Ethiopia, Côte d'Ivoire, Argentina.	IFAD Corporate Management Results track the percentage of COSOPs rated 4 or better at entry and the percentage of results-based COSOPs reviewed annually in-country (for ongoing implementation), including annual client satisfaction surveys. In addition, the independent office of evaluation has carried out Country Portfolio Evaluations that comment on country strategies.
IsDB	2 countries (4%) In 2008, Country Assistance Evaluations were carried out for Burkina Faso and Pakistan, for which a Country Assistance Strategy had been developed in previous years. The IsDB is renewing its focus on country programming through its CPS, and more country strategies are expected to be developed and independently reviewed in the future.	No formal rating or ranking was applied.
WB	19 (100%). In FY08, IEG reviewed and validated 19 CASs. Three CASs (Panama, Papua New Guinea, and Congo, DR) followed an Interim Strategy Note and therefore were not required to be reviewed. IEG completed 6 Country Assistance Evaluations (CAEs) in FY08.	Each Results-Based Country Assistance Strategy (RBCAS) covers 3 years. The country teams produce a CAS Progress Report at midterm and a CAS Completion Report (CASCR) at the end of the CAS period. The country teams prepare self-assessments and IEG conducts a validation review. 100% of CASCRs are subject to validation by IEG. CASCR review ratings: Of the 19 evaluations done in FY08, 8 were rated moderately satisfactory, and 1 was rated satisfactory. IEG also conducts independent Country Assistance Evaluations for selected countries, assessing the Bank's program, usually over a 10-year period (covering 3 CASs). CAE ratings: 4 (66.6%) were rated moderately satisfactory.

[8] Normally, IED conducts CAPEs and RCAPEs at least a year before the expected time of preparation of the next CPS/RCS. For 2008, there were 6 CPSs planned, including 1 each for the People's Republic of China and Sri Lanka. IED prepared a CAPE for each of these countries in 2007. For the other 4 countries, this was the first CPS prepared.
[9] Country Program Evaluation is an ex-post evaluation that seeks to describe and explain the performance of the Bank at the country level.

Category 3 | Allocation of Concessional Resources

Subcategory 3

Allocating concessional resources on the basis of performance

MDB	Subcategory 3: Allocating concessional resources on the basis of performance Amount and percentage of total concessional lending resources allocated on the basis of performance	Brief description of the formula or parameters used to measure performance
AfDB	100% At the end of 2007 donor countries also agreed on a record-level support of USD 8.9 billion for the African Development Fund (the concessional window of the African Development Bank) in the 11th resource replenishment (ADF11)—an increase of 52% over the previous replenishment round (ADF10).	The ADF11 framework incorporated substantial changes in allocation methodology: the allocation formula, data sources and uses, accounting for debt-related adjustments, and funds set aside for special purposes. The allocation of ADF resources to ADF-eligible RMCs is a three-step process. ▸ First, resources are allocated to the eligible countries using the performance-based allocation (PBA) formula, which has two components; country needs as indicated by the per capita income (GNI/P) and country population (P); and country performance, using the country performance assessment score (CPA).Three factors are used to determine the CPA: (i) country policy and institutional assessment (CPIA), which assesses the country's social, economic, political, and institutional environment; (ii) country portfolio performance rating (CPPR), which measures the performance of the Bank's portfolio in the country; and (iii) governance rating (GR), which gives an indication of the country's performance in the area of governance. ▸ Second, the country-specific financing terms (loan, grant, or loan/grant combination) are determined using the agreed Joint World Bank-IMF Debt Sustainability Framework (DSF). ▸ Third, debt relief to eligible RMCs under the Multilateral Debt Relief Initiative (MDRI) is deducted from the countries' allocations. Resources provided by donors to compensate ADF are then reallocated to all ADF-only RMCs. Additional guiding principles are applied: there is a cap of 10 percent of total resources on allocations to any single country; a base and minimum of UA 5 million are applied to all countries; two blend countries, Nigeria and Zimbabwe, are capped at 5 percent of the available resources; For countries with no active portfolio (often countries under or coming out of sanction), the CPPR has been assigned a zero value, and its weight in the formula (0.16) is added to the CPIA.
AsDB	About 95% of the Asian Development Fund (AsDF) in line with the performance-based allocation (PBA) system. Two countries (Afghanistan and Timor-Leste) received allocations that were greater than what they would have received through the PBA system because of their status as post-conflict countries. Indonesia was on the watch list for graduation from AsDF and had its allocation capped below what it would have received under PBA. In addition, 5% of AsDF IX funds were allocated outside of PBA for subregional cooperation projects.	Composite Country Performance Rating (CCPR) is computed as follows: $CCPR = PIR^{0.7} \times GR^{1.0} \times PR^{0.3}$ Where: PIR = Policy and Institutional Rating = the average of Economic Management cluster average score, Structural Policies cluster average score, and Social Inclusion/Equity average score. GR= Governance Rating PR = Portfolio Rating.
EBRD	n/a	EBRD does not provide concessional loans.
IADB	The annual amount of resources for HIPC countries (Honduras, Nicaragua, Guyana, and Bolivia) for the 2007-08 period was US$108 million of Fund for Special Operations (FSO) resources, and US$176.6million of Ordinary Capital (OC) resources. The amount of FSO resources allocated on the basis of portfolio and country performance was US$72.5 million (67%).	The concessional program for the FSO and Intermediate Financing Facility (IFF) countries is a parallel lending program that consists of a blend of FSO resources and OC. The current system, approved in 2002 and valid until 2008, allocates FSO resources according to a weighted average of needs (40%) and country performance criteria (60%). Performance criteria are determined by (i) portfolio performance (18%), and (ii) Country Institutional and Policy Evaluation (CIPE) (42%).

MDB	Subcategory 3: Allocating concessional resources on the basis of performance	
	Amount and percentage of total concessional lending resources allocated on the basis of performance	**Brief description of the formula or parameters used to measure performance**
IADB	Additionally, Haiti received grants of US$50 million in 2008 and will receive US$100 million in grants in 2009. Because Haiti is a high-risk country, allocation was based on needs considerations. For IFF countries (Ecuador, El Salvador, Guatemala, Paraguay, and Suriname) the FSO component for 2007-08 totals US$50 million and the OC resources US$200 million. Of this amount, about 72% (US$36 million) was allocated on the basis of performance. In March 2009, the Bank approved a new annual resources allocation for FSO countries. HIPC countries (Bolivia, Guyana, Honduras and Nicaragua) will receive US$128 million during 2009-10. In addition, these countries will receive US$221 million in OC. financing, totaling US$349 million annually. For IFF countries, only Guatemala and Paraguay will receive concessional resources during this period. The total amount allocated will be US$30 million of FSO and US$120 million of OC, totalizing US$150mn. However, the Bank is analyzing the possibility of increasing the total amount of concessional resources for HIPC countries.	The allocation framework for the 2007-2008 transition period is a two-component approach that combines the existing mechanism with the new DSF/EPBA system. Under this revised framework, 50% of available resources are allocated using the current formula (linear), and the remaining 50% using the new formula (exponential). The core of the new DSF/EPBA (Enhanced Performance-based Allocation) framework is a lending strategy matrix that combines the DSF (managing the risk of debt distress) and the quality of policy and institutions to define both the volume and concessional levels of IADB lending to countries. The concessional levels are achieved through a combination of OC and FSO loans (70%/30% for Bolivia and Honduras; 50%/50% for Guyana and Nicaragua; and 20%/80% for IFF countries), which is derived from the debt distress indicators (DSA). A new system will drive the allocation of FSO resources beginning in 2009. Under this mechanism, the performance indicator will be a weighted average of the portfolio performance (30%) and a policy and institutional quality indicator, as measured by CIPE (70%).
IFAD	About 94% of IFAD's annual commitments are made in line with the performance-based allocation (PBA) system. In 2008 this amounted to $565.7 million, part of the overall 2007-09 program of loans and country totaling $1.85 billion.	IFAD has adopted a performance-based allocation system (PBAS) similar to that of other MDBs. The PBAS allocates IFAD's loan and grant resources to country programs on the basis of country performance (the broad policy framework, rural development policy, and portfolio performance), population, and per capita gross national income (GNI). Under the PBAS, annual resource allocations are made in three-year cycles linked to replenishment.
IsDB	The available concessional resources are targeted to the Least Developed Member Countries (LDMCs). Concessional resources are allocated to member countries according to a needs-based approach that takes into account country needs, population, and per capita income. There is also an implicit assessment of the absorptive capacity of the countries the IsDB lends to. Further, delays in repayments are considered as some measure of performance, even though this differs from overall country portfolio performance. With the establishment of the new concessional window of the IsDB under the Islamic Solidarity Fund for Development, there is increasing focus on performance in terms of the growth and poverty reduction impacts of assistance.	If a country has a large portfolio of slow-disbursing projects, the Bank puts greater emphasis on moving the existing projects. This may lead to deferring approvals of new operations for that country until the situation is corrected.
WB	The total amount of concessional resources available under IDA15 (FY09-FY11) is USD 42.3 billion, and the amount allocated on the basis of the performance based allocation (PBA) system accounts for 92% (includes allocations to India and Pakistan, i.e. blend countries).	The IDA PBA uses three variables: (i) a Country Performance Rating based on the quality of a country's present policy and institutional framework (CPIA), and the portfolio performance of IDA projects; (ii) population; and (iii) per capita income. The CPIA measures the extent to which a country's policy and institutional framework supports sustainable growth and poverty reduction, and consequently the effective use of development assistance. The 16 CPIA criteria are grouped into 4 clusters: economic management, structural policies, policies for social inclusion and equity, and public sector management and institutions. For more information on IDA PBA, see Annex 1 in "Additions to IDA Resources: Fifteenth Replenishment," IDA, February 28, 2008.

Category 4 | Projects

Subcategory 4a

Improving the overall quality of project design

MDB	Subcategory 4a: Improving the overall quality of project design	
	(i) Number and percentage of projects approved in FY08 whose design quality was reviewed on an arm's-length basis[10] (e.g., through quality-at-entry reviews)	(ii) Number and percentage of projects in (i) that received "satisfactory or better" ratings
AfDB	n/a	n/a
AsDB	All lending and grant projects/programs and technical assistance projects prepared by operations departments are subject to an internal quality assurance mechanism involving non-originating units. These projects are also subject to AsDB's biannual quality-at-entry (Q@E) assessment system. The 2008 Q@E assessment of projects covered 45% of all projects approved in 2006 and 2007.	85% of public sector projects received a satisfactory or better Q@E assessment rating.
EBRD	302 (100%) All projects are subject to review and quality control through the Bank's Operations Committee before approval. The Office of the Chief Economist is responsible for the transition impact rating of each project. Credit risk and environmental/social impact assessments are carried out by the responsible departments.	302 (100%) projects were rated for their transition impact potential, and all were rated satisfactory or better; 88% were rated as good or excellent. Ratings are made by the Office of the Chief Economist.
IADB	The Bank has revised its project review process, introducing a new structure that aims to improve the clarity of the expected results from Bank projects, and to identify risks. Starting in 2009, this review will be complemented with the implementation of the Development Effectiveness Framework for projects, an instrument aligned to the ECG standards for Public Sector Projects, which will review the project's alignment with pre-established criteria. The unit in charge of conducting the review is part of the Bank's Strategic Core and is organizationally placed in the Department of Strategic Planning and Development Effectiveness.	The Bank's revised project review process is in place for 2009 projects. For 2008, the operations approved underwent a strict preparation process that required them to meet quality criteria as specified in formal technical reviews (eligibility review, quality and risk review, including environmental and social risks, and the Operations Policy Committee). For this process, no formal rating system was used to rank or classify the projects. However, if a project did not meet the specified criteria, it was rejected or returned to the originating department for improvements in design quality and was then subjected to another technical review.
IFAD	28 (93%)	27 (90%)
IsDB	58 projects (100 %) All projects are scrutinized at various stages. Before approval, all projects are formally reviewed by a Technical Review Group (TRG), 80% of whose members are not from the originating department. The TRG uses a set of criteria/guidelines to assess the quality of project design. Overall, the review process and criteria are being strengthened under the ongoing institutional reforms at the Bank.	Before approval, all projects are required to meet the criteria specified in the formal technical review checklist, but no formal rating system is used to rank or classify the projects. However, if a project does not meet the specified criteria, it may be rejected or returned to the originating department for improvements in project design quality and may then be subjected to another review by the TRG.
WB	QEA8 (FY06-07) sample covered 115 projects, representing 18% of the approvals in FY06–07.	93% received a rating of moderately satisfactory or better.

[10] This implies a review carried out within management by a unit that is independent from the loan originating department.

Subcategory

4b

Strengthening the results framework of projects at the time of approval

MDB	Subcategory 4b: Strengthening the results framework of projects at the time of approval (i) Number and percentage of projects approved in FY08 that have explicit baseline data, monitoring indicators, and clearly defined outcomes to be reached	(ii) Number and percentage of public sector projects approved in the most recent year that have economic analysis (either ERR or cost-effectiveness analysis)
AfDB	124 operations (including public, private, and other grants) were approved in 2008; 60% have baseline data, 20% have incomplete baseline data, and 20% have no baseline data.	A new review process ensures that 100% of public sector projects have economic analysis, including IRR/NPV analysis or a description of benefits.
AsDB	100% of AsDB projects are required to have a design and monitoring framework consisting of results indicators and baseline data at outputs, outcome, and impact levels.	100%. AsDB policy states that all investment projects should have economic analysis (EIRR: Economic Internal Rate of Return).
EBRD	302 (100%) Baseline data, monitoring indicators and expected outcomes cover a range of variables at the client level, including financial performance, transition impact, management, and systems improvements.	In 2008, EBRD approved 27 public (i.e. sovereign) sector projects, of which 100% were subject to economic analysis. Economic analysis is required for projects that rely in part on noncommercial financing.
IADB	For sovereign guaranteed projects approved in 2008, 59 out of 98 projects (60%) had baseline data for at least 1 indicator. In October 2008, the Board of Directors approved the Development Effectiveness Framework to increase the effectiveness of the Bank's products (i.e., operations, country strategies, and knowledge and capacity-building products). In this context, a Development Effectiveness Matrix for Sovereign Guaranteed operations is being introduced in 2009 to measure the ***evaluability***[12] dimensions of the Bank's operations, in order to demonstrate the validity of their results at completion.	In 2008, the Office of Evaluation & Oversight (OVE) undertook an evaluation of the quality of the economic analysis of the Bank's projects (RE-346). The study corroborates earlier findings that the quality of economic analysis in IADB operations is low. The sample used was of 190 projects approved from 1997 to 2006. The analysis found that roughly 39% of the loans reviewed made some mention of rate of return or cost-benefit calculation. This percentage increased in 2008. Management's review of a sample of 30 projects approved in 2008 found that 17 of them (56.7%) have either cost-effectiveness or cost-benefit analysis.
IFAD	30 projects were approved in 2008. Project designs include plans for baseline/benchmark surveys; all have monitoring indicators and objectives defined in logical frameworks.	30 (100%). All IFAD approved projects in 2008 have an EIRR, (Economic Internal Rate of Return) or cost-effectiveness analysis.
IsDB	58 projects (100%) According to the technical review criteria applied before approval, all projects should be designed and documented using a log-frame, with explicit monitoring indicators and clearly defined targets and outcomes to be reached. The IsDB is increasing its emphasis on improving the quality of baseline data and monitoring outcome and impact indicators.	39 out of 41 public-sector projects (95%) had comprehensive economic analysis (including ERR).
WB	The availability and quality of baseline survey is 88% for FY06-07 approvals. The adequacy of arrangements for monitoring and evaluation is 87%, and the appropriateness of arrangements for evaluating impact and measuring outcomes is 88%.	QEA8 rated 96% of projects as moderately satisfactory or better on the quality and coherence of economic rationale and analysis underpinning the project.

[12] OECD-DAC, 2001

Subcategory

4c

Improving the quality of project supervision

MDB	Subcategory 4c: Improving the quality of project supervision	
	Number and percentage of projects in execution for which monitoring or supervision reports explicitly report on expected outcomes	**Main steps or initiatives being taken to improve quality of supervision**
AfDB	In 2008, the Bank's portfolio included 697 operations, of which about 51.5% were supervised.	A user-friendly computerized SRF and more results-focused supervision reporting system will be piloted in 2009 to better track progress toward expected development outcomes. In the current rating system, the ***Implementation Progress Index (IP)*** comprises the following 14 indicators: compliance with conditions precedent to loan effectiveness; compliance with general conditions; compliance with other conditions; procurement of consultancy services; procurement of goods and works; availability of foreign exchange; availability of local currency; disbursement flows; cost management/recovery; performance of cofinanciers; adherence to implementation schedule; performance of consultants or technical assistants; performance of contractors; and performance of project management.; the ***Development Objectives Index (DO)*** comprises the following 4 indicators: likelihood of achieving project objectives; likelihood that benefits will be realized and sustained beyond the project; likely contribution of the project toward an increase in institutional capacity; and expected rate of return.
AsDB	100%. All project monitoring reports are required to report on progress on achieving project outputs and intermediate outcomes as envisaged in the project design and monitoring frameworks.	AsDB continues to improve project supervision quality through (i) greater delegation of project supervision and portfolio management responsibilities to resident missions; (ii) improved project performance monitoring and reporting system; and (iii) regular management review of sector outputs indicators in AsDB's corporate results framework.
EBRD	At end-2008, the active portfolio consists of 1,409 operations, all of which are monitored.	Annual or biannual review of projects through the portfolio monitoring system, coupled with regular Transition Impact updates and environmental compliance reviews.
IADB	An estimated 96% (510 out of 532) of all sovereign guaranteed projects in execution as of December 31, 2008, that required monitoring or supervision have reported information at the outcome level.	Within a new organizational structure and new operational procedures, the IADB has made important efforts to improve and enhance the supervision of Bank projects: ‣ New operational procedures are being implemented that result in better and more effective supervision of Bank-financed projects. Loan Proposals include detailed arrangements for data collection, analysis of results, and reporting of key information. Additionally, approved documents include a results framework and supporting arrangements for data collection. ‣ A proposal for a new Project Cycle Management and Supervision Framework is under consideration. This proposal will integrate supervision tools early in project design, and will require the development of supervision plans (SPs) during execution. The SP will be an input for internal discussion at a matrix level to assess the budgetary and human resources needed for effective supervision. ‣ A review of the quality of the reporting in a Bankwide sample of Project Performance Monitoring Reports (PPMRs) was conducted in 2008 using a stratified sample of 119 PPMRs (25% of the reported portfolio updated in December 2007 was used. The overall quality of the reporting was satisfactory in almost one-third of the sample. Satisfactory use of results metrics at outcome level remains a challenge, with less than half (46%) of the sample in this category. Outcome indicators in 43% of the PPMRs included appropriate baseline data. Greater attention is being paid to reinforce this area in the future. Lessons learned and good practices were discussed with operational teams.
IFAD	204 projects currently effective; approximately 75% supervised by IFAD, which requires reporting on outcomes; in addition to the reporting carried out by other agencies that supervise on IFAD's behalf.	Corporate Management Result (CMR) Better Implementation Support includes the indicator "percent of projects with overall supervision rating of satisfactory or better" (referring to how supervision is conducted). The introduction of Direct Supervision by IFAD has been a major step, supported by a web-based project portfolio reporting system, to be implemented in 2009.

MDB	Subcategory 4c: Improving the quality of project supervision	
	Number and percentage of projects in execution for which monitoring or supervision reports explicitly report on expected outcomes	Main steps or initiatives being taken to improve quality of supervision
IsDB	The IsDB monitors and supervises its projects directly or indirectly through its staff, field representatives, or consultants. The supervision and monitoring reports provide updates on status of project implementation and progress toward achieving targets and expected outcomes. While past supervision and monitoring of projects has focused more on implementation activities and inputs, attention is now shifting to outcomes and impacts.	A number of steps are being taken to improve the quality of monitoring and supervision: a significant increase in budget allocation for supervision, increased human resources and field presence, improved design of the monitoring and supervision reporting format, and implementation of a SAP-based M&E reporting system.
WB	100% of the projects in execution in the portfolio explicitly report on expected outcomes.	The Bank uses several instruments to continuously monitor and improve the quality of supervision. The Quality Assurance Group (QAG) reviews the quality of supervision on a sample of active projects every two years, and also publishes an Annual Report on Portfolio Performance (ARPP) that highlights the trends in the quality of supervision. Each of the Regional vice presidencies has a quality and results team reviewing ISRs regularly. Teams are required to prepare an ISR for each project annually.

Subcategory 4d

Ensuring timely implementation of projects

MDB	Subcategory 4d: Ensuring timely implementation of projects	
	(i) Disbursement ratio[13] and annual disbursement[14]	(ii) Actual vs. planned execution period (between loan approval and closing date) of projects completed during year (months and %)[15]
AfDB	The disbursement ratio improved from 25% in 2007 to 29.8% in 2008. Disbursement ratio calculation: the ratio of disbursements during the year to the portfolio's undisbursed balance at the end of the previous year.	Over the last five years the average age of the current portfolio has remained at 4.2 years. Actual average age: 50 months.
AsDB	29% as of December 31, 2008. Total annual disbursement of sovereign operations for 2008 was $8.1 billion. Note: Disbursement ratio is defined as the ratio of total disbursement in a given year/period over the net loan amount available at the beginning of the year/period plus loans that have become effective during the year/period less cancellations made during the year/period.	As of December 30, 2008, the average actual implementation period was 90.9 months, compared to the average planned original of 67.1 months (35.6% delay).
EBRD	Volume of disbursements in 2008 was €5 billion, representing 80.6% of the value of undrawn commitments.	Not available.
IADB	Disbursement in 2008 totaled US$7.6 billion,[16] and the disbursement ratio was 37%.[17]	For 2008, the (average) planned execution period was 46 months and the (average) actual execution period was 71 months (a 5-month decrease from the 2000-2008 average), which represents a difference of 25 months on average (or 56% more than the original planned period).[18] For fast-disbursing loans completed in 2008, execution time decreased to 24 months from nearly 40 months in 2007.

[13] Amount disbursed during previous fiscal year as percent of amounts available for disbursement at the beginning of that fiscal year.
[14] It should be noted that the definition of disbursement ratio used in Category 4D varies slightly across MDBs. The group hopes to harmonize this definition for future reports.
[15] Excludes policy-based loans and emergency loans.
[16] This figure includes PBL and Private Sector Loans.
[17] This figure includes PBL and Private Sector Loans.
[18] For projects ending in 2008.

MDB	Subcategory 4d: Ensuring timely implementation of projects	
	(i) Disbursement ratio[13] and annual disbursement[14]	(ii) Actual vs. planned execution period (between loan approval and closing date) of projects completed during year (months and %)[15]
IFAD	17%. The IFAD disbursement ratio is calculated as the amount of current US dollars disbursed in 2008 as a percentage of the funds still available for disbursement from the total of each effective loan/grant. The total annual disbursement (for loans and grants) in 2008 was $475.42 million.	For projects completed in 2008, planned implementation period was 77.9 months; actual period was 98.8 months, or 26.7% delay.
IsDB	Undisbursed commitment at the beginning of 2008 (1429H): 3,024 ID million ($4,725 million). Disbursement in 2008 (1429H): 833 ID million ($1,301 million). Disbursement ratio (disbursed/undisbursed commitment): 27.5%.	For projects completed during 2008, the actual execution period was 69 months against a planned execution period of 47 months (47% delay).
WB	In FY08, the disbursement ratio was 21.2%. It is calculated as the ratio of IBRD/IDA disbursement in the fiscal year over the undisbursed amount at beginning of the fiscal year and is restricted to investment projects. The undisbursed balance at the beginning of the fiscal year was $62.97 billion, and disbursements during the year were $13.34 billion.	For the FY08 portfolio of all IBRD and IDA operations, the average project age is 5.0 years (approval to original closing date) and 5.8 years (approval to revised closing date). For all investment operations it is 5.2 years (approval to original closing date) and 6.0 yrs (approval to revised closing date).

Subcategory

4e

Portfolio risk management

MDB	Subcategory 4e: Portfolio risk management	
	(i) Number and percentage of projects in execution as of the end of FY08 with unsatisfactory implementation progress and/or with development objectives not likely to be achieved	(ii) Proactivity index
AfDB	In 2008, 23 out of 359 supervised operations (6.4%) showed unsatisfactory implementation progress or development objectives unlikely to be achieved. These figures are based on ratings reported by staff responsible for project supervision.	Action is taken on all projects with unsatisfactory implementation progress or with development objectives not likely to be achieved. The AfDB periodically prepares, for each Regional Member Country, a Country Portfolio Performance Review Report, which reviews the performance of all ongoing operations in the country. The CPPR report includes a section on "proactive management of the portfolio," which highlights potential future problems and solutions, and the lessons learned for future country strategy and portfolio management. It also includes a matrix of measures to address all the implementation issues identified. The Country Portfolio Improvement Program (CPIP), which analyzes trends in portfolio performance and develops a program for remedying both the generic and the operations-specific problems identified, is also prepared. CPIP tools include midterm reviews, restructuring, closure, cancellation, special supervision, Bank-government workshops, and training programs. At the Bank level, the Annual Portfolio Performance Review report identifies generic issues affecting the AfDB portfolio, and the institution takes measures to address these issues.
AsDB	As of 30 December 2008, 13 (2.5%) of the 513 loans under implementation were rated "unsatisfactory" in either implementation progress or impact and outcome.	Proactivity index was 72.5% (29 loans) as of 30 December 2008. It is defined as the percent of projects rated 'at risk' (problem projects) 12 months earlier that have been brought out of that category through upgrading, restructuring, closure, or cancellation.
EBRD	At end-2008, 5.4% of projects had development objectives not likely to be achieved. Also, 6.7% of the total operating assets stock is impaired.	n/a

MDB	Subcategory 4e: Portfolio risk management	
	(i) Number and percentage of projects in execution as of the end of FY08 with unsatisfactory implementation progress and/or with development objectives not likely to be achieved	(ii) Proactivity index
IADB	The number of projects in execution in 2008 with unsatisfactory implementation progress or with development objectives not likely to be achieved was 75 or 15% (of 489) of the total portfolio. The rating scale used for implementation progress is: 1-Highly Satisfactory, 2-Satisfactory, 3-Unsatisfactory, and 4-Very Unsatisfactory. The rating scale used for development objective classification is: 1-Highly Probable, 2-Probable, 3-Low Probability, and 4-Improbable.	The proactivity index was 68%:, In 2008 54 (out of 80) projects in execution rated in 2007 as problem projects or with development objectives not likely to be achieved, have been upgraded restructured, suspended, closed, or partially or fully cancelled.
IFAD	33 (17%) projects rated as actual problem as of June 30, 2008.	Portfolio proactivity index 63% on June 30, 2008: share of projects rated as "actual problem" projects in the previous year that have been upgraded, restructured, closed, cancelled, or suspended during the current review period.
IsDB	56 out of 357 projects (16%) are experiencing delays (i.e., their implementation period has exceeded the average implementation period for the portfolio of projects, which is currently at 8 years).[19] The Bank is closely monitoring projects that are experiencing delays at various stages.	68% Actions have been taken on 38 of the 56 problematic projects during the year. Proactivity index is defined as the proportion of projects rated as actual problem projects in the previous year due to long delays in implementation (i.e. implementation period exceeded 8 years) that have been upgraded, restructured, closed, cancelled or suspended. The Bank has been making efforts to address the issues facing problematic projects through fortnightly reviews of these projects, enhanced interactions with the beneficiary, and increased field missions.
WB	FY08 ARPP indicates that 194 projects, representing 12% of the total number of projects under implementation, were actual problem projects.	Proactivity index in FY08 was at 81%. Proactivity index is defined as the proportion of projects rated as actual problem projects 12 months earlier that have been upgraded, restructured, suspended, closed, or partially (20% plus of commitment) or fully canceled.

[19] Figures reported last year were for operations, which for 2008 are 65 out of 541 operations (12%).

Subcategory

4f

Project completion reporting [20]

MDB	Subcategory 4f: Project completion reporting [20]	
	(i) Number and percentage of projects for which a "Project Completion Report" (PCR) was scheduled to be completed in the previous year, and for which a PCR was actually finalized in FY08	(ii) Quality of PCRs: Number and percentage of PCRs evaluated during the previous year with "satisfactory" or better quality in terms of the appropriate use of outcome indicators
AfDB	77 PCRs planned; 29 PCRs prepared as of September 30, 2008. Achievement rate 37.6%.	89 PCRs were completed from 2005 to 2007; 70 of the 89 (79%) were independently reviewed and validated and their use of outcome indicators rated "satisfactory" or "highly satisfactory" on a 4-point scale (HS, S, US; HUS). OPEV assesses the quality of each PCR on criteria that include the following: ‣ Soundness of judgment on project performance ‣ Adequacy of analysis of social and environmental impacts ‣ Soundness of judgment on project sustainability
AsDB	As of December 30, 2008, 84 PCRs were circulated out of 89 planned (94%).	As of December 30, 2008, 36 (92%) of 39 PCRs that have been validated independently have been rated "successful" or "highly successful" in terms of the appropriate use of indicators. AsDB's Independent Evaluation Department began validating PCRs in 2007.
EBRD	An Expanded Monitoring Report (XMR - EBRD's equivalent of a PCR) was originally scheduled for 96 operations in 2008. The final figure for XMRs actually completed in 2008 is expected to be 95. In both cases, this amounts to 100% of projects ready (or expected to be ready) for evaluation.	95 XMRs (100%) XMRs cannot be finalized until EvD has signed off on them as being of satisfactory or better quality.
IADB	Of 54 PCRs scheduled for 2008, 37 were completed (68.5%). Also, 14 PCRs scheduled for the previous year (2007) were completed in 2008.	In the context of the New Lending Framework (2005-08) assessment, OVE reviewed PCRs completed in 2006 under new guidelines (only 16% of the PCRs have been validated ex-post by OVE). The analysis looked at each project's original development objectives (DO) and used them to construct a results framework that recorded whether each development objective was measured by an indicator that measured outcomes, and whether each indicator included a baseline, target, and end data. Then a completeness index was calculated to reflect how much evidence the PCR presents to track the achievement of DO. The evaluation found that 18 of the 19 (95%) PCRs reviewed did not contain an acceptable results framework. In 2008, OVE also calculated a completeness index for the policy-based loans approved between 2005 and 2007. This exercise determines how many of a project's stated objectives have adequate indicators, baselines, and targets, along with sufficient evidence that their achievement (or non-achievement) could be verified. A complete project indicates that all objectives can be verified. This analysis shows that approximately half of the stated objectives in PBL operations can be verified.
IFAD	25 completed in 2008.	11 of the 25 PCRs in 2008 were rated "satisfactory" or better (44%).
IsDB	14 (16%) In the past, PCRs were entrusted to the executing agency in the beneficiary country. However, since 2008, the Bank has started preparing PCRs through involvement of its own staff or through consultants, and has completed 5 PCRs as a first batch. It is expected that the number of PCRs will now increase to cover a larger proportion of the completed projects.	No formal assessment or rating of the PCRs was undertaken. The Operations Evaluation Office used the PCRs as a preliminary basis for project post evaluation.
WB	A total of 230 ICRs were delivered in FY08 out of 236 ICRs that were due in FY08. 20 ICRs (8.7%) were carried over from FY07. ICRs are due 6 months after closing date.	122 ICRs were evaluated in FY08. Out of these, 110 (90%) were evaluated with "satisfactory" or better ratings for the ICR Quality indicator.

[20] Project completion reports are typically prepared shortly after the end of project implementation, and provide an account of, among other things, the extent to which outputs and outcomes were achieved, and of the likelihood of attaining the development objectives.

Subcategory

4g

Project ex-post evaluation

MDB	Subcategory 4g: Project ex-post evaluation (i) Number of projects independently reviewed ex-post[21] during FY08, as a percentage of the average number of projects completed annually during the last 5 years	(ii) Number and percentage of projects in (i) that received "satisfactory" or better ratings with respect to achievement of development objectives
AfDB	OPEV completed 4 Project Performance Evaluation Reports (PPERs) and is processing 4 more in 2008 OPEV independently reviewed 12 Project Completion Reports (PCRs) and is processing 14 more. During the last 5 years, an average of 64 projects have been completed each year. Actual coverage of completed projects by independent ex-post evaluation is 13% (40% when taking into account the independent PCR review notes).	For all 4 of the completed PPERs (100%) the projects were rated "satisfactory" or better. For the 12 PCRs reviewed, 10 projects (83%) are rated "satisfactory" or better with respect to achievement of objectives. The Independent Operations Evaluation Department reviews PCR and prepares PCR Evaluation Notes. Giving priority to projects with problematic issues, large and complex projects, innovative projects or those with unusual features, and projects that are likely to provide greater lessons of experience, it undertakes PPERs. These assess the performance and overall project or program outcomes according to such evaluation criteria as relevance of the development operation and its efficacy (achievement of development objectives), efficiency, institutional impact, and sustainability. OPEV intends to prepare an annual report on evaluation results synthesizing evaluation findings, conclusions, and lessons learned by sector/theme/region, etc.
AsDB	12 projects (6 sovereign and 6 non-sovereign operations) were evaluated by the independent evaluation department. These accounted for 16.3% of the average number of projects completed annually during the past 5 years[22].	Of the 6 sovereign loan projects evaluated, 50% received satisfactory or better ratings. Of the 6 non-sovereign projects, 67% received satisfactory or better ratings.
EBRD	During 2008, EvD expects to evaluate 54 operations, amounting to 64.7% of the yearly average of 83.4 projects ready for evaluation in the last five years.[23]	As of mid-December 2008, the results were not yet fully available for all projects evaluated in 2008. Over the previous 4 years, the average percentage of projects receiving a "satisfactory" or better rating with respect to Transition Impact has been 84%, and a similar result is expected in 2008.
IADB	During FY08, ex-post evaluations were prepared for 42 projects clustered in 4 areas: Citizen Security (7 projects), Impact of Environmental Impact Assessment (22 projects), Sanitary and Phytosanitary Systems (4 projects), and Tax Administration (9 projects). On average, the ex-post program evaluations seek to cover 20% of the completed projects over a multiyear cycle. For 2008 the relative percentage of project evaluated was 45%.	**Citizen security:** All 7 projects were found to be not evaluable. While some impacts were found in each project, overall none of the projects were found satisfactory in achieving their development objectives. **Impact of environmental impact assessment:** For public sector projects, the environmental and social information included in the Project Completion Reports (PCRs) was too general and does not allow assessing the real implementation of the environmental and social mitigation measures, and their effective results in relation to their environmental and social protection objectives. **Sanitary and phytosanitary systems:** the evaluation rated 3 out of 4 projects satisfactory with respect to achievement of their development objectives. **Tax administration:** Only 1 of 9 projects was rated satisfactory with respect to the achievement of development objectives.
IFAD	Data for 2008 not finalized. In 2007, 3 completion evaluations were carried out of the 26 projects that were completed (12%): ▸ Albania: Mountain Areas Development Programme (MADP) ▸ Belize: Community- Initiated Agriculture and Resource Management Project ▸ Pakistan: Dir Area Support Project Note: Completion evaluations may be carried out shortly after loan closure.	54% of agreement at completion point recommendations have been fully implemented; another 20% are under implementation; and 16% are expected to be implemented in due course. Similarly, 36 of 41 corporate-level recommendations have been integrated into IFAD's recently developed corporate processes and its new innovation strategy.

[21] The ex-post evaluation is focused on the achievement of development objectives several years after project completion.
[22] Data on completed projects from 2003-2007 were used since the data for 2008 are not yet available.
[23] Based on the required calculation methodology for 4g (i), the figures are somewhat misleading because EBRD's portfolio, and hence the number of projects ready for evaluation, is still expanding from year to year. Comparing the most recent year (numerator) against an average of five years (denominator) gives a higher ratio than in any individual year.

MDB	Subcategory 4g: Project ex-post evaluation	
	(i) Number of projects independently reviewed ex-post[21] during FY08, as a percentage of the average number of projects completed annually during the last 5 years	**(ii) Number and percentage of projects in (i) that received "satisfactory" or better ratings with respect to achievement of development objectives**
IsDB	21 projects, or 43% of the average number of projects completed annually during the last 5 years (i.e., 49 projects).	12 projects were rated as "successful" and 9 as "partially successful."
WB	100% of projects are self-evaluated at completion through an Implementation Completion Report (ICR), and all ICRs are independently reviewed and validated by IEG. In addition, IEG prepares Project Performance Assessment Reports (PPARs), which include a field visit, for 25% of projects, from 6 months to 3-4 years after project completion.	IEG reviewed the following number of ICRs by fiscal year: FY03 (238); FY04 (268); FY05 (289); FY06 (259); FY07 (219) and FY08 (87). The number of operations that were satisfactory or better was as follows: FY03 (74%); FY04 (79%); FY05 (81%); FY06 (83%); FY07 (75%) and FY08 (78%). Ratings for development outcomes reported in IEG's Evaluation Summaries are mostly based on data included in the ICRs. For the years FY03-FY08, IEG found 72% of the PPARs to be satisfactory.

Category 5 | Institutional Learning from Operational Experience

Subcategory

5a

Identification and use of good practices and learning lessons from operational experience

MDB	Subcategory 5a: Identification and use of good practices and learning lessons from operational experience Brief description of existing internal requirements concerning the identification and utilization of good practices and learning lessons arising from implementation experience (at the country, sector, and project level), including actions taken during past year to encourage the utilization of good practices
AfDB	The Operations Evaluation Department (OPEV) evaluation findings, lessons, and recommendations are disseminated through the circulation of PPERs and other evaluation reports within the Bank and in RMCs. These are supplemented, at times, by evaluation report briefs. OPEV has organized presentations for evaluation products (country assistance evaluations and sector policy reviews) in evaluation workshops and thematic dissemination seminars organized for Bank operational staff (evaluation knowledge management). Some 430 documents have been posted on the websites as of September 2007. In addition, more than 1000 CDs with information about the department and many of its evaluations were distributed. The guidelines for the preparation of Results-based Country Strategy Papers require that lessons from previous strategy should be well documented in the CSP report and taken into consideration in elaborating the new CSP, drawing from available country assistance evaluation, project completion reports, and the experience of other development partners where relevant. At the sector and project level, the guidelines also require a systematic analysis of the Bank's past experience in the sector and how this experience has been taken into account in designing the new sector strategy and sectoral operations. OPEV is undertaking an availability assessment of CSPs to ensure, among other things, that evaluation findings and lessons learned are incorporated in the design of new RB-CSPs.
AsDB	AsDB takes a two-tier approach to evaluation of individual operations. The first tier involves "self-assessment" through the regular monitoring of projects under implementation and preparation of a completion report by the responsible operations department. AsDB's knowledge management center promotes sharing of good practices and lessons arising from AsDB's own operations, as well as those available from other development and research groups and institutions. The second tier consists of an independent evaluation by the Independent Evaluation Department (IED), which undertakes the following studies: ▸ Impact evaluation studies evaluate projects and programs using a rigorously defined counterfactual. ▸ Special evaluation studies extract and aggregate information on a specific development theme. This may involve different modalities, sectors, or countries. ▸ Country assistance program evaluations (CAPE) evaluate the entire AsDB support to a country, covering AsDB's strategy, policy dialogue, completed and ongoing projects and technical assistance, and performance. It provides inputs to deciding AsDB's future country partnership strategy. ▸ Sector assistance program evaluations evaluate AsDB's sectoral, strategy, policy dialogue, ongoing and completed projects and technical assistance, and performance in a given sector in one country. ▸ Annual reports summarize evaluation activities and findings in a particular year and assess AsDB portfolio performance. In addition, IED has moved towards a 100% validation of project/program completion reports. To promote the use of good practices, IED's knowledge management unit monitors actions taken on recommendations in the various IED evaluation reports. The unit promotes knowledge sharing through publications and a user-friendly internet-based evaluation information system, and in-house as well as external presentations. IED provides inputs to project design and implementation by reviewing project reports and participating in management and staff review meetings.
EBRD	Current guidelines require independent review of lessons learned in all projects and all country strategies by Credit, Legal, Economists, Environment, Procurement, and Evaluation Departments. A system is in place to check the use of lessons learned in new operations before Board approval.
IADB	As stated in OVE´s evaluation of the NLF (2005-2008): "The Bank's current systems, procedures, and guidelines have not yet built the capacities needed to demonstrate development effectiveness." The Development Effectiveness Framework represents the Bank's strategic decision to increase the effectiveness of all Bank activities by (a) setting clear standards and metrics for the evaluation of all development interventions (sovereign and non-sovereign guaranteed operations, country and regional strategies, and knowledge and capacity building products); (b) providing clear guidance to staff about analytic requirements for meeting these standards; (c) aligning governance structures to comply with established good practice standards; (d) creating a results framework and incorporating it into the Corporate Performance Framework to monitor progress through key development effectiveness indicators; and (e) devising an action plan for the successful implementation of this framework. At the corporate level, the Corporate Performance Framework (CPF) defines the Bank's key institutional objectives and provides specific indicators that allow the Board and the public to track progress toward established goals. The CPF is the monitoring instrument at the corporate level and sets clear targets for improving aggregate performance. At the level of projects, country strategies, and knowledge- and capacity-building products, reporting on results is done through reports that draw on the DEM instrument. In all cases, principles from the ECG-GPS were introduced to meet international standards.

MDB	Subcategory 5a: Identification and use of good practices and learning lessons from operational experience Brief description of existing internal requirements concerning the identification and utilization of good practices and learning lessons arising from implementation experience (at the country, sector, and project level), including actions taken during past year to encourage the utilization of good practices
IFAD	In 2007 IFAD adopted a Strategy for Knowledge Management and a Strategy for Innovation, both seeking to strengthen knowledge sharing and learning processes at corporate and operational levels. At the regional level, IFAD supports knowledge networks in Asia, east Africa and Latin America. PCRs and annual portfolio reviews by region also provide comparative assessments and experience to be transferred to both ongoing programs and programs in development The President's Report on the Implementation Status of Evaluation Recommendations and Management Actions (PRISMA) provides the Executive Board with information on the status of recommendations agreed at completion of evaluations. Annually, the independent Office of Evaluation includes specific "learning" themes in its activities; this is in addition to the feedback generated by the regular project, country, and corporate evaluations. As part of the Quality Effectiveness processes governing the development of new programs, "learning notes" on particular topics are prepared.
IsDB	The Operations Evaluation Office (OEO) undertakes evaluation work at the country, sector, and project levels to identify good practices and learn lessons from implementation experience. Evaluation reports are presented to Management along with lessons learned, which are also discussed in the operational department concerned. OEO is represented on main committees where project proposals are discussed to ensure that lessons learned are taken into consideration. Project appraisal reports are required to include a chapter providing lessons learned from previous operations in the country or sector concerned and explaining how the lessons were taken into account in project preparation. Each year the OEO submits a consolidated report, extensively summarizing each project post-evaluation, to the Audit Committee of the Board of Executive Directors, giving a set of operational and strategic lessons learned and specific recommendations for their uptake. A follow-up report on uptake and implementation of the recommendations is later submitted to the Audit Committee. The OEO is expanding in size and scope, and the office is now being upgraded into a full-fledged department under the ongoing institutional reforms at the IsDB.
WB	From institutional resources at the country, sector, and project levels the World Bank draws good practices and lessons that are taken into account at the country level. A CAS Completion Report (CASCR), prepared at the end of the CAS implementation period to evaluate CAS program performance. The CASCR is validated by IEG to the Board, and it and Bank performance, is used as an input into the design of the new CAS. The new CAS briefly summarizes the main findings of the CASCR and discusses how lessons learned have been taken into account in the design of the new CAS and what the implications are for the Bank's program going forward. ***At the sectoral level,*** major sectors prepare Sector Strategy Papers, which are reviewed by the Board and are normally timed to encourage consideration of lessons learned from sectoral and/or thematic evaluations completed by the Independent Evaluation Group. ***At the project level,*** the lessons learned section of Implementation Completion Reports (ICRs) presents the most significant lessons learned from the operation's experience, drawing on the description and analysis of the operation's design, implementation, and outcome, and on assessments of the performance of the Bank, borrower, and stakeholders. The ICR indicates how these lessons are reflected in the arrangements for post-completion operation of the investments financed, follow-up operations, and any other next steps. The ICR also suggests which of the lessons have general applicability for similar operations in the sector/subsector, the country, or other countries. For development policy loans, to foster the use of good practices and lessons learned arising from implementation experience, the ICR summarizes key factors that contributed to successful implementation of the operation (or series of operations), or that led to problems (and how the problems were solved) including adequacy of government commitment, soundness of the background analysis in supporting the operation, quality of the operation's design, and relevance of the risks identified. Finally, QAG quality-at-entry and quality-of-supervision assessments and IEG evaluations assess the extent to which lessons learned informed the design and implementation of operations. These reports and assessments are taken into account in project design, and relevant lessons are incorporated into the Project Appraisal Document (PAD). The World Bank's DIME (Development Impact Evaluation) initiative builds clusters of impact evaluations of similar programs and uses the resulting evidence to produce evaluation syntheses. This effort promotes a new business model to reinforce analytical content and improve the quality of Bank operations. DIME uses a process of systematic learning based on effective development interventions and lessons learned from completed evaluations. In FY08, IEG has taken a further step in encouraging the use of good practices and lessons learned by producing a quick-turnaround note based on project-level data ICR Reviews. In addition, it produced 13 country briefs for incoming country directors on request.

Subcategory

5b

Evaluation of operational experience

MDB	Subcategory 5b: Evaluation of operational experience Is there a system for capturing lessons from project evaluations and applying them to new projects? (yes, no, description)
AfDB	The Operations Evaluation Department (OPEV) is intensifying electronic dissemination of lessons and development of evaluation products through strategic expansion of databases and websites and production of a CD-ROM and publications. The aim is to improve operational effectiveness by harnessing existing lessons, disseminating them broadly, and supporting operations staff in incorporating lessons and good practices into the design, implementation, and supervision of operations. OPEV is expanding its communications activities by publishing evaluation results summaries and Lessons Learned Packages (short papers collating evaluation results), as well as holding evaluation feedback seminars. An Evaluation Results Database, now under development, will be used to capture the main findings, recommendations, and lessons arising from OPEV's evaluations. OPEV is also working on the development of corporate lessons learned and best practices system to capture, disseminate, and apply lessons learned and best practices across the organization. ORQR conducts Readiness Reviews to ensure that evaluation lessons and recommendations are actually used in new operations and policies.
AsDB	Yes. Operations staff are required to discuss lessons from related projects and how they are to be injected into project proposals. AsDB's Independent Evaluation Department (IED) regularly updates the Evaluation Information System (EVIS), a repository of lessons and recommendations from Management Responses to IED reports. IED staff also review and comment on project documents, and participate in management and staff review meetings to ensure that appropriate lessons are incorporated into project designs. IED staff likewise interface with operations staff and in communities of practice on specific sectors and themes. In addition, IED's knowledge management unit systematically disseminates IED's findings and recommendations.
EBRD	Yes, such a system exists. Lessons learned are gathered and presented in the Lessons Learned Database, which is accessible by all staff involved in operations. Each Board report contains a section on "Lessons from past experience" that must refer to lessons used and remedies proposed in the project. If the section is of low quality, then the Evaluation Department requests rewriting of the section before the report is presented to the Board of Directors.
IADB	The Office of Evaluation and Oversight posts on its website its work in project evaluation. The reports are from various stages of the project execution. The most rigorous evaluations tend to be designed as the project is designed and include elements that take place before, during, and after project execution. Evaluation planning and design are also assessed. For projects with more than one phase, evaluations of an earlier stage serve as a baseline to inform project design for subsequent phases.
IFAD	The President's Report on the Implementation Status of Evaluation Recommendations and Management Actions (PRISMA) provides the Executive Board with information on the status of recommendations agreed at completion of evaluations: project/program interim evaluations, completion evaluations, country program evaluations, and corporate-level evaluations. PRISMA includes a breakdown of follow-up to the recommendations by regional divisions. The results-based COSOP also includes an overview of IFAD's previous operations and the lessons learned, particularly from evaluation studies, and integrates these lessons into future operational directions.
IsDB	Yes, as explained under 5A, there are formal requirements and mechanisms for capturing lessons from project evaluations and applying them to new projects. The project evaluation reports document lessons learned, which are disseminated for application to new projects through such mechanisms as participation in Technical Review Group Meetings, Operations Committee Meetings, dissemination of reports (project post-evaluations, country assistance evaluations, OEO annual reports), and workshops. Each project appraisal report includes a chapter providing lessons learned from previous operations in the country or sector concerned and indicating how the lessons are taken into account in project preparation.
WB	Yes. When developing new projects, Bank staff are required to research lessons learned from similar and ongoing projects in that area and reflect them in (a) the OPCS "Template and Guidelines for the Project Concept Note (PCN)" under section 2d, "What are the main lessons from AAA, previous Bank-assisted projects, and partner activities?" and (b) the OPCS "Template and Guidelines for the Project Appraisal Document (PAD)" under section B4, "Lessons learned and reflected in the project design." The World Bank's Operational Manual has a procedure for the "Memorandum and Recommendation of the President (MOP)," which is the basis on which the Executive Directors make decisions on a proposed investment lending operation. In the section "Lessons Learned from Previous Bank/IDA Involvement," the MOP summarizes relevant lessons learned from ongoing and completed operations. The World Bank Group has a searchable repository for the project-level Implementation Completion Report (ICR) Reviews, which include a lessons learned section that is accessible to all Bank staff.

Category 6 | Results-focused Human Resources Management

Subcategory

6a

Strengthening results-related skills among operational staff

MDB	Subcategory 6a: Strengthening results-related skills among operational staff
	Number and percentage of staff who participated in MfDR training[24] in FY08. Briefly describe the type and scope of training.
AfDB	304 staff (22%) participated in 13 programs related to budget preparation, project management, results-based log-frame, and development and management of performance indicators.
AsDB	Approximately 225 staff participated in the MfDR training program in 2008. The program covered the following subjects: project performance management system, preparation of country partnership strategies, sector roadmaps, results-based country portfolio management and review, and training of facilitators for results-based project design.
EBRD	All banking staff engaged with clients are trained to assist clients to identify, design, and implement improvements in their project management. EBRD environment and social sector experts and legal transition staff also engage with clients to strengthen capabilities. Consultants under the supervision of Bank staff play a key role in skills transfer.
IADB	20% (159 out of 794 of operational staff) participated in MfDR training at HQ and country offices in good practices in development effectiveness, performance-based budgeting, project management, preparation and evaluation of investment projects, among other areas.
IFAD	In 2008 IFAD built on training and results management initiatives undertaken in 2007 and is currently planning 2009 MfDR training, which will utilize experiences of other COMPAS members. 2008 activities have focused on results definition through log-frame analysis and regional project staff training on the Results and Impact Monitoring System (RIMS), notably in the Asia and Pacific region.
IsDB	89 (17%) staff members participated in formal MfDR-related training, specifically on logical framework, project design quality, and appraisal risk management.
WB	During FY08 2,397 (or 27%) of operational staff out of 8,794 participated in at least one MfDR training. Most of the training was in the form of courses (3- to 5-day activities) and workshops (1- to 2-day activities) although on-line activities were also available, in particular a comprehensive program (roughly equivalent to a 3-day course) that has several modules devoted to the MfDR agenda. As of Q3 2009, 51% of regional staff with less than 3 years' experience had completed basic operational learning. Fundamentals of Bank Operations is an entry-level corporate course that provides a basic overview of MfDR. Subject matter expertise for the MfDR topics was provided by OPCRX. FBO supersedes several earlier introductory operational courses. The networks had a 13% completion rate and other network anchors an 18% completion rate. FBO is delivered in a blended learning format, which includes a 9-module e-learning program, combined with a 2-day workshop based on a case study of Burkina Faso. Regional trainers were trained by OPCS and are responsible for deliveries in the Regions, and comprise the FBO Community of Practice.

[24] MfDR training includes, among other things, results-oriented planning, budgeting and monitoring, and evaluation

Subcategory

6b

Emphasizing results-related efforts and/or achievements while assessing operational staff performance

MDB	Subcategory 6b: Emphasizing results-related efforts and/or achievements while assessing operational staff performance Are development results-related achievements considered in staff evaluations, staff compensation, and incentives? (yes/no/description)
AfDB	Yes. On July 15, 2008, the Board approved a new compensation framework entitled "Compensation Framework 2008-2012: Proposals for Aligning the Compensation Framework with the New Human Resource Strategy." The main thrust of the new compensation policy is to (i) enable the Bank to manage its total compensation, including direct and indirect payments, to support pay for performance; (ii) ensure coherence of compensation policies between headquarters and field offices to support the decentralization agenda; and (iii) simplify rules and processes to increase efficiency. In addition, as part of the HR Strategy framework, management has implemented a new performance evaluation system that is expected to better capture performance by introducing a 360-degrees evaluation mechanism.
AsDB	Yes. Staff performance is assessed through the annual Performance and Development Plan (PDP) exercise, taking into account staff results/outputs and behavioral competencies during the review period. The Behavioral Assessment section of the PDP form details the Core Competencies, which include "Achieving Results."
EBRD	Yes. Transition impact is a key factor in the EBRD scorecard system for operational staff compensation.
IADB	As a result of the Realignment Implementation Plan, the Bank began revamping the Employee Performance Management framework to increase differentiation among staff and promote a results-based culture in the Bank. The framework gives "people managers" the necessary tools to provide greater employee differentiation based on results by identifying, developing, and rewarding high performers, as well as new tools and guidelines to manage poor performers. This new scheme is multi-rater, since feedback on employee performance and behaviors is collected from both line and matrix supervisors, as well as peers and subordinates. The rating score is averaged into the employee's overall rating. This framework has four sections: 1-Organizational goal/objectives, 2-expected results/accomplishments, 3-expected behavior, and 4-developmental goals.
IFAD	There is strong vertical integration between Corporate Management Results (CMRs) and department and divisional plans that follow though into the Performance Assessment Systems. This was embedded in the IT system in 2008 with the piloting of Peoplesoft e-performance, which enabled staff to link individual objectives to divisional management results and CMRs. The system will be fully rolled out in 2009. Staff evaluations and promotions take into account staff contribution to the CMRs.
IsDB	Yes, results-related achievements have been implicitly taken into consideration in annual staff performance planning and evaluations. The linkages between staff results-related achievements and incentives are being further strengthened under the ongoing institutional reforms at the Bank.
WB	Yes. Each member of the WB staff prepares an annual Results Agreement that articulates his/her operational commitments and is monitored by managers semiannually. In addition, Overall Performance Evaluations (OPEs) are conducted for all staff. For all managers in the operational complex, the OPE includes a review of their contributions to portfolio management and performance. The Bank is also actively looking at accountabilities of various positions and seeking to define these more clearly.

Category 7 | Harmonization and the Use of Country Systems among Development Agencies

Subcategory

7a

Brief description of activities pursued by MDBs to harmonize procedures and practices within the last year (all 7 MDBs).

Subcategory 7a: Brief description of activities pursued by MDBs to harmonize procedures and practices within the last year (all 7 MDBs).

Thematic area of cooperation	Objectives	Status
1. Operational Policy Round-table (OPR)	A coordination forum to promote and oversee harmonization efforts	**Completed** The 14th MDB Roundtable, hosted by the World Bank in Washington D.C. in November 2007. Joint participation in the Accra HLF on Aid Effectiveness (September 2008). Participation in the 2008 Survey on Monitoring the Paris Declaration, published in November 2008. **Current Focus and Next Steps** Joint participation in DAC working party on aid effectiveness.
2. Procurement	Joint analysis of procurement issues and work toward harmonization and best international procurement practices	**Completed** The Heads of Procurement (HoP) Working Group harmonized, to the extent possible, the following documents: ▸ Master Generic Procurement Documents (MPDs) ▸ Master Procurement Document for Works, Small Works, Plant Design, Supply and Installation, and Prequalification. The e-GP Working Group completed the following document: ▸ Master Bidding Documents for the Procurement of Information Technology and Information Systems. (pending HoP approval) **Current Focus and Next Steps** The MDBs are working on a strategy for the use and strengthening of country systems. By mainstreaming the use of and strengthening country systems, the MDBs will support a country's ownership of its own development agenda and will facilitate the alignment of MDB's programs with countries' priorities, leading to better and more sustainable results. The HoPs continue to cooperate with the Compliance Officers/Integrity Departments in their organizations to reach an agreement regarding cross-debarment and cross-sanctioning of bidders. Through a joint effort, the MDBs are assessing countries' procurement systems to better understand client needs. The MDBs are organizing a conference—to be held at the end of 2009—to support a regional approach to the effective introduction of e-GP. This will contribute to the reform and modernization of the public sector in the area of procurement. The June 2008 HoP meeting created working groups to discuss the following issues: (i) public-private partnerships (PPPs), (ii) new forms of contracts, (iii) MDB for the procurement of textbooks, and (iv) sustainable procurement. The HoP will initiate negotiations with FIDIC to modify specific conditions of contracts on the SBD Works, introducing core labor standards and equal opportunity. The HoP will meet in Barbados in March 2009. Each MDB will need to prepare its Bank-specific Standard Bidding Documents based on the newly cross-harmonized MPDs.
3. Disbursement	Work on joint diagnostics, sharing of information, and joint learning	**Completed** The MDB Harmonization Disbursement Working Group did not meet during 2008, and there have not been any recent formal MDB harmonization activities or initiatives in relation to disbursements. Information exchanges and discussions among MDBs continued, however. The last Working Group meeting was held by videoconference in October 2007. Aid predictability was measured in the 2008 Survey on Monitoring the Paris Declaration. **Current Focus and Next Steps** Aid predictability is an identified task in Cluster C of the Working Party on Aid Effectiveness; WB and other MDBs and partners will participate in this task.

Subcategory 7a: Brief description of activities pursued by MDBs to harmonize procedures and practices within the last year (all 7 MDBs).

Thematic area of cooperation	Objectives	Status
4. Managing for Development Results	Systematically share information. Form a standing body to provide a forum for the exchange of experiences, views, and comments on MfDR at each of the MDBs. Pursue initiatives to accelerate the results agenda. Provide a focal point to enable MDBs to interact and collaborate with other stake-holders.	**Completed** Ongoing inter-MDB dialogue and sharing of experiences in the context of the MDB Working Group on Managing for Development Results (created by the Heads of MDBs). Ongoing participation of MDBs in the OECD-DAC Joint Venture on MfDR. The 2006 COMPAS was coordinated by IADB, the 2007 COMPAS was coordinated by AfDB, and this 2008 COMPAS has been coordinated by the World Bank. The Asian Community of Practice (CoP) in MfDR, established in March 2006, conducted its 2008 Annual Meeting in Sri Lanka and a Workshop on results-based monitoring and evaluation in Lao People's Democratic Republic in 2008. The Vietnam RB-CSP preparation process has been noteworthy for its many good practices so far, such as the country consultation and earlier start, as well as close coordination and collaboration among AsDB, the World Bank, JBIC, DFID, and other development partners. The African Community of Practice on MfDR is a virtual community that successfully builds MfDR capacity through sharing of experiences, networking and building strong learning relationships between MfDR practitioners in Africa and around the world. Now in its third year, the community includes over 400 members from 55 countries, 32 of which in Africa, and has been supported collectively by AfDB, WB, the Dutch Ministry of Foreign Affairs, CIDA, IFAD, and USAID. The Latin American and Caribbean CoP in MfDR was launched in 2005, currently has 495 members, and is organized around six thematic clusters. During 2008 the CoP engaged with Asia and Africa counterparts at the OECD-DAC JV on MfDR, and CoP members were also present at the OECD meeting in Paris. In September, two representatives participated in the Accra High Level Forum. **Current Focus and Next Steps** The Working Group will continue to ▸ Plan and implement joint events. ▸ Develop a comprehensive knowledge base of examples of successes and failures in managing for development results in MDBs. ▸ Exchange information, regularly and systematically, on the strategies, processes, systems, practices, tools, and procedures each institution uses to better manage for development results ▸ Exchange experiences on using learning materials, and pursue possibilities for developing such materials jointly. ▸ Monitor actions taken by institutions and agencies, other than the MDBs, to manage for development results. The Working Group will work to involve developing countries in initiatives to pursue and manage for development results at the country level. **Specific plans:** Continue good coordination with other development partners during preparation of Vietnam's results-based CSP. Support the regional Communities of Practice in MfDR, and invite others to nominate participants from their regional representatives. Seek further contributions to the MfDR Fund from interested donors. Consider expanding the COMPAS to cover additional assessment requirements (including some bilateral assessments). Facilitate member country officials' continued expansion of the AfCoP for MfDR. For the Latin America and Caribbean CoP: ▸ Continue to incorporate more members in each cluster. ▸ Promote more participation of the clusters in integrated regional events, while maintaining the structure of peer groups. Continue to organize separate activities for every cluster while promoting the participation of experts between different clusters. ▸ Seek articulation and coordination among national and subnational governments in development effectiveness. ▸ Improve, deepen, and refine debates. ▸ Foster more consultation and information sharing through new technologies (Internet, video-conferences, chats, etc.). ▸ Find funding alternatives to sustain the CoP.

Subcategory 7a: Brief description of activities pursued by MDBs to harmonize procedures and practices within the last year (all 7 MDBs).		
Thematic area of cooperation	**Objectives**	**Status**
5. Evaluation Cooperation Group	Contribute to better evaluation standards and harmonization across MDBs.	The Evaluation Cooperation Group (ECG) aims to strengthen cooperation among MDB evaluators and harmonize evaluation methodology in its member institutions, so as to enable improved comparability of evaluation results while taking into account the differing circumstances of each institution. ECG also addresses issues related to accountability, learning from past experience, sharing these lessons, and strengthening their use. **Completed** ‣ Evaluation Good Practice Standards of Public Sector Operations. ‣ Evaluation Good Practice Standards of Private Sector Operations. ‣ Evaluation Good Practice Standards of Policy-based Lending Operations. ‣ Evaluation Good Practice Standards of Country Strategy and Program Evaluations. ‣ Evaluation Good Practice Standards of Technical Assistance Operations. ‣ Adoption of peer review framework for the MDB evaluation function, ‣ Three benchmarking exercises, undertaken to better harmonize evaluation practices and procedures of both public and private sector operations among ECG members, ‣ Adoption of harmonized actions to strengthen outsiders' perception of MDB evaluation units' independence. ‣ Joint evaluations by ECG members at project, sector, and country levels. **Current Focus and Next Steps** In 2009, the publication "Good Practice Standards [GPS] – Country Strategy and Program Evaluations" will be widely distributed to reach international development agencies and selected universities and training centers that run courses on development evaluation. The updating of GPS will be completed in 2009, and benchmarking will be carried out in 2010. The first benchmarking against the GPS for non-sovereign operations will take place by the end of 2009. The ECG meeting in April 2009 will discuss the progress of technical assistance cooperation evaluation. Terms of reference for the second phase of the evaluation of Paris Declaration implementation will soon be developed. More details will be available at the June 2009 meeting of the OECD-DAC Evaluation Network in Paris.
6. Performance-based and country performance assessments	Share improved methods for the allocation of scarce concessional resources	**Completed** The fourth MDB/MFI Technical Meeting on Performance-Based Allocation (PBA) Systems was hosted by the International Fund for Agricultural Development (IFAD), April 3-4, 2008, with participants from the following multilateral institutions: AfDB, AsDB, Caribbean Development Bank (CDB), Global Environmental Facility (GEF), IADB, World Bank (IDA), and IFAD (IMF and IsDB were unable to attend). The meeting focused on the following topics: (i) the recent PBA issues, particularly at the policy level, that had been discussed and reviewed during the completed (IDA & AfDB) and ongoing (AsDB) replenishment processes; (ii) issues related to implementation, particularly allocation adjustments; (iii) implementation of the Debt Sustainability Framework (DSF) grants framework; and (iv) emerging issues, including the impact of the Multilateral Debt Relief Initiative (MDRI) on future country allocations. In particular, the meeting discussed performance volatility, formulas, small states vulnerability, vulnerability and natural disasters, allocations for multicountry (regional) projects, post-conflict and fragile states, and the impact of MDRI (and the netting out effect) on country-level allocations. **Current Focus and Next Steps** MDBs plan several harmonization activities on PBA: (i) participation in the 5th MDBs Technical Meeting on PBA in Barbados; (ii) additional joint capacity-building activities on PBA; (iii) regional technical workshop on PBA for ADF-eligible countries in the Pacific; (iv) further work on harmonization of PBA assessments of portfolio performance; (v) participation in the MDB Meeting on Debt Issues; (vi) participation by regional development banks (RDBs) in the preparation of International Monetary Fund-World Bank-led debt sustainability analysis (DSAs); and (vii) capacity building on DSAs for RDBs.

Subcategory 7a: Brief description of activities pursued by MDBs to harmonize procedures and practices within the last year (all 7 MDBs).		
Thematic area of cooperation	**Objectives**	**Status**
7. Environment	Formulate harmonization and coordination approaches that will simplify and facilitate donor coordination, promote consistent communication with borrowers, encourage collaborative capacity building, reduce transaction costs for borrowers, and increase development effectiveness.	**Completed** The Multilateral Financial Institutions – Working Group on Environment (MFI-WGE) held meetings at the Council of Europe Bank in Paris (April 2008) and Asian Development Bank in Manila (November 2008). In Paris the topics included environment and climate change and how institutions are organized; experience with benefit sharing for major projects; environmental and social issues on project implementation; Third High Level Forum on Development Effectiveness; addressing changes in status of protected areas; climate change adaptation; and carbon footprint of operations. The Manila meeting discussed (i) country safeguard systems; (ii) status of safeguard policy updates among MFIs; (iii) developments on environment among MFIs; (iv) Third High Level Forum on Development Effectiveness; (vi) climate change adaptation; (vii) climate change funds; (viii) carbon footprint operations; (ix) use of independent external panels for complex projects; (x) application of free prior and informed consent in the Philippines; and (xi) core labor standards and labor retrenchment. The MFI-WGE has been used to discuss proposed revisions of environmental and social policies to allow for broadly harmonized and coordinated approaches, and as a forum to exchange information on the use of country systems for environmental and social policies. AsDB, EBRD, and IADB have all recently initiated or completed policy revision processes; WB has approved policies on the use of country systems, and IADB and AsDB are considering approaches and alternatives; and EBRD and EIB hosted meetings on this topic. Meetings were initiated to examine ways to harmonize approaches to the measurement of the environmental footprint of lending operations. Meetings were used to provide input and follow-up to the Third High Level Forum in Accra and implementation of the AAA. **Current Focus and Next Steps** The WB will host the next MFI Working Group meeting in Washington on April 20-22, 2009. The meeting will discuss: ▸ new policy developments at AsDB, EIB, and others, ▸ programs for addressing climate change, ▸ methodologies for assessing greenhouse gas emissions, ▸ updates on the measurement of the carbon footprint of operations, ▸ reduced emissions from deforestation and degradation, ▸ guidance for financing coal-fired power plants, ▸ harmonizing screening tools for climate vulnerability, ▸ coping with rapid urban development, and ▸ experience with implementing indigenous peoples policies. The MFI-WGE has continued to work on harmonization. In addition to its broader environment agenda, key current activities of the MFI-WGE include the following: ▸ An updated version of the Pollution Prevention and Abatement Sourcebook was completed on December 19, 2008, and the Environment, Health and Safety Guidelines are available on IFC website. ▸ Providing a forum for development of a coordinated work program on the use of country systems. ▸ Consultation on each agency's safeguard policy updates. ▸ Sharing experiences on environmental mainstreaming and the application of country environmental analysis. ▸ Sharing experiences on climate change adaptation. ▸ Joint work on the measurement of the carbon footprint of operations and developing a screening methodology for climate-proofing.

Subcategory 7a: Brief description of activities pursued by MDBs to harmonize procedures and practices within the last year (all 7 MDBs).		
Thematic area of cooperation	**Objectives**	**Status**
8. Gender	Strengthen information sharing and collaboration among MDBs on gender equality in operations in client countries as well as within each MDB.	**Completed** The MDBs participated in the London Workshop on Strengthening the Development Results and Impacts of the Paris Declaration through work on gender equality, social inclusion, and human rights. MDBs, bilaterals, and UN agencies participated in the Accra High Level Forum on Aid Effectiveness. AsDB and WB participated in the 6th Meeting of the OECD/DAC Network Meeting on Gender Equality (GenderNet) on July 7-9, 2008, in Paris. The two MDBs discussed the future of the MDB Working Group on Gender in general, and one specific collaborative effort in particular: a workshop on gender and infrastructure that they would co-organize in Manila. In a subsequent meeting, JICA expressed interest in contributing to the workshop. WB and AsDB cosponsored a workshop on gender and infrastructure in Manila on November 10-11, 2008. The workshop objectives were to (i) develop the capacity of MDB staff and their partner countries to include gender considerations in their infrastructure project portfolios; and (ii) expand the community of practice to scale up the integration of gender and infrastructure. AsDB, WB, and IADB participated in the MDB Working Group on Gender meeting in Manila, November 12, 2008. AfDB and several bilateral organizations were represented at the Sixth African Development Forum (ADF VI), whose theme was Action on Gender Equality, Empowerment, and Ending Violence against Women in Africa. The Tunis African Economic Conference attracted a number of bilateral and multilateral organizations, including WB and UNIFEM. MDBs attended the Stockholm International Seminar on Measuring, Managing and Evaluating Gender Equality. AfDB contributed to the organization of the Workshop on Gender Statistics held in Addis Ababa, Ethiopia, December 8-9, 2008, whose purpose was to give impetus to mainstreaming gender statistics in national statistical systems, with a particular focus on the inclusion of gender statistics in the curricula of the African Statistical Training Centres (STCs) and in the population and housing censuses. **Current Focus and Next Steps** At the Danish International Development Assistance (DANIDA) MDG Torch Initiative, AsDB committed to increase its efforts to meet MDG 3 through the following: (i) implementation of its long-term strategy, which highlights gender equality as one driver of change for achieving development impact in Asia and the Pacific; (ii) strengthened monitoring of its contribution to gender equality results at the country and institutional levels; (iii) expanded partnerships with the United Nations and multilateral and bilateral agencies on improving the statistical capacity of countries in Asia and the Pacific to collect and update sex-disaggregated data and gender equality information; (iv) and improved policy research and advocacy services on the gender dimensions of vulnerabilities associated with such global challenges as the food crisis and climate change. In April 2008, WB President Robert B Zoellick announced six new World Bank Group commitments on gender equality: (i) to measurably improve the integration of gender equality into the Bank's agriculture and rural developments projects by the end of the implementation of the Gender Action Plan in December 2010; (ii) to channel, through IFC, at least $100 million in credit lines at commercial banks for women entrepreneurs, by the end of 2012; (iii) to have WB country directors report by June 1 on what the Bank is doing and what more it should be doing to empower girls and women economically in the countries the Bank works with; (iv) to launch a work program with private and public sector leaders on "young women count for economic development," at an event prior to the 2008 Annual Meetings; (v) to create a Private Sector Leaders' Forum to support the Gender Action Plan and convene their first meeting on the margins of the 2008 Annual Meetings; and (vi) to increase IDA Investments for gender equality financed through IDA16.

Subcategory 7a: Brief description of activities pursued by MDBs to harmonize procedures and practices within the last year (all 7 MDBs).		
Thematic area of cooperation	**Objectives**	**Status**
9. HIPC and debt sustain-ability	Coordinate with other international finance institutions on debt relief and debt management issues.	The HIPC Debt Relief Initiative has involved all MDBs that have eligible member countries. MDBs coordinate closely in assessing when countries reach the Decision Point and the Completion Point, which triggers the agreed levels of debt relief from each institution. The adoption of the Debt Sustainability Framework (DSF) has led to further coordinated activities, notably the in-country Debt Sustainability Analyses led by the IMF and WB but now carried out in close conjunction with AsDB and AfDB in their regions. The annual MDB meeting on Debt Issues, chaired by the WB, includes all current COMPAS members. In 2008 the meeting focused on progress in implementing the HIPC Debt Relief Initiative and the Multilateral Debt Relief Initiative (MDRI), commercial debt under HIPC, the role of concessionality in debt sustainability, reporting on debt relief delivery and new MDB flows to low-income countries, and debt management capacity building in low-income countries.
10. Capacity development, governance and anticorruption	Exchange of ideas, approaches, tools, and efforts to harmonize policies, guidelines, and operational procedures.	Some ad hoc collaboration and exchange is occurring across institutions, although a more formalized approach has been suggested to provide greater organization and structure. AsDB has informally discussed the possibility of hosting an initial meeting in Manila during 2009, bringing together governance staff from WB, AfDB, and IADB. **Completed** MDBs Integrity Forum, an informal consultative group comprising AfDB, AsDB, EIB, EBRD, IADB, and WB. The Forum met three times in 2008 and looked at several issues: agents' fees in procurement transactions; declaration of prior sanctions by bidders; and a possible common sanctions board for sanctions arising from fraud or corruption. A survey of all existing methodologies to assess governance, both quantitative and qualitative, was prepared. A workshop to discuss the survey developed the following recommendations: (i) harmonization of governance assessment practices is not possible in the near future; (ii) whenever possible, governance assessments should be conducted jointly and with participation of both government authorities and civil society; and (iii) the international community should continue exchanging knowledge and practices in this area. In April 2008, the AfDB, WB, IMF, and UNDP cohosted a regional training seminar in Libreville to encourage and support West and Central African countries in negotiating and implementing oil and gas contracts. The Guyana Governance Assessment, led by the IADB and conducted jointly with CIDA, DFID, UNDP, EU, and IMF, had strong participation by both government and civil society. AfDB arranged experience-sharing meetings with WB and NORAD in 2007 and 2008; another will be arranged in 2009. The purpose of these events is to discuss issues related to the institutions various activities in the extractive industries sector in Africa, including the EITI and other initiatives to support transparency along the whole governance chain in the extractive industries sector. In 2008, the AfDB, WB, IMF, and the European Commission Delegation jointly finalized the Public Expenditure Management and Financial Accountability Review (PEMFAR) for Côte d'Ivoire. In November 2008 AfDB and the EITI Secretariat cohosted a regional meeting for the Mediterranean countries with a special focus on natural resources such as oil, gas, and minerals. The aim was to bring together governments, companies, and civil society organizations to discuss the benefits that EITI could bring for enhancing resource management, economic growth, and secure energy supply in the region. AfDB and NORAD's Oil for Development organized a national seminar on the management of Uganda's oil revenues in July 2008. As follow-up to the seminar, AfDB will work closely with NORAD and the IMF to address a recent request from the authorities to strengthen capacity related to petroleum sector taxation in the Uganda Revenue Authority. **Current Focus and Next Steps** IADB is turning its governance indicators portal—www.iadb.org/datagob—into a global initiative. DFID, AfDB, and UNDP have expressed their willingness to provide resources to finance the initiative for the next three years and to collaborate in managing it.

Subcategory 7a: Brief description of activities pursued by MDBs to harmonize procedures and practices within the last year (all 7 MDBs).		
Thematic area of cooperation	**Objectives**	**Status**
11. Trust funds and cofinancing	Exchange views on MDBs' respective institutional mandates regarding trust fund and co-financing operations, including policies, processes, administration, and best practices.	There was progress in harmonizing grants financing practices in line with the commitments under the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action, and also in harmonizing grant financing policies and practices at the interinstitutional level. **Completed** MDBs Roundtable on Trust Funds and Cofinancing was hosted by AfDB in Tunis on December 4-5, 2008. Areas of discussion: ▸ Trust fund reform processes among MDBs: common approaches to the termination of trust funds that are financed with tied contributions. AsDB outlined its experience and harmonization approach to thematic trust fund management and presented key findings of its Independent Evaluation Department's assessment study on the performance of its two major poverty reduction trust funds. ▸ Approaches to recovering processing and administration costs of external grants. One common element in MDBs' cost recovery is the level of fees being charged for the management of trust funds. ▸ Developing common approaches to the monitoring and evaluation of technical cooperation operations. ▸ Paris Declaration on harmonization: MDBs are now moving boldly toward discontinuing tied grants. **Current Focus and Next Steps** EBRD will host the next Roundtable meeting in London, tentatively scheduled for June 2009.
12. MDB role in middle-income countries	Discuss common suggestions for a strong MDB response to new challenges.	**Completed** Joint regional consultations. **Current Focus and Next Steps** The Six Banks Group—comprising AsDB, Agence Française de Développment (AFD), Japan Bank for International Cooperation (JBIC), Korean Export-Import Bank (KEXIM), Kreditanstalt für Wiederaufbau (KfW), and WB—will explore how Vietnam could address its changing needs as it develops toward middle-income status. Options for discussion include subnational financing, the introduction of new financial products, and working through financial intermediaries. All IsDB member countries (low-income, middle-income, and high-income) are eligible for Bank financing. The focus in middle- and high-income countries is on infrastructure projects (transport, telecommunications, energy, gas, etc.).
13. Investment climate and BEEPs program	Cooperate on investment climate surveys and ensure that similar studies in other regions will be global MDB activities.	AsDB completed Investment Climate Assessments for four countries in Asia and the Pacific. AsDB commits to a joint global Business Environment an Enterprise Performance Study (BEEPS) with other international financial institutions. EBRD works with World Bank on the BEEPS survey and analysis of results IADB has prepared diagnostic studies of private sector issues as part of its country programming process and the Business Climate Initiative. So far 17 diagnostic studies have been prepared either as stand-alone reports (7 cases, including 4 subnational studies) or sections of the Bank´s Strategic Guidelines for Private Sector Development (11 cases). IADB has also cofinanced studies with WB using the BEEPs and ICA methodologies (7 countries) and activities of the World Economic Forum as part of the Global Competitiveness Report (2 countries). Finally, in collaboration with the OECD, IADB has financed review of national competition policies in 2 countries.

Subcategory 7a: Brief description of activities pursued by MDBs to harmonize procedures and practices within the last year (all 7 MDBs).		
Thematic area of cooperation	**Objectives**	**Status**
14. Financial management harmonization	Arrive at agreement on diagnostic methodologies, project financial management and reporting requirements, audit requirements, and auditor terms of reference to enable more efficient use of limited resources.	**Completed** The MDB FM Harmonization Technical Working Group (FMHG) has forged and strengthened partnerships with bilateral donors and accounting and auditing bodies that have contributed to the development of a robust framework for measuring and monitoring country public financial management (PFM) performance over time, as well as to partner countries' adoption of international standards in accounting and auditing and work to strengthen their PFM capacities. In October 2008 FMHG prepared Multilateral Development Banks' Financial Management Harmonization Group: Overview of Achievements, Challenges and Opportunities as an update to senior management that reflects the group's work on harmonizing financial management practices in line with the commitments under the Paris Declaration on Aid Effectiveness and outlines the challenges ahead. A workshop on PEFA was organized by the Joint Africa Institute in Tunis (an initiative of AfDB, WB, and IMF), September 15-19, 2008, with participants from some African member countries and Bank staff. AfDB participated in the HWG meeting held in Washington, DC, in May 2008 during the WB Fiduciary Forum. Several joint PFM assessments were carried out by WB and other donors. WB declared that the use of country systems is the default option for Bank-financed projects. **Current Focus and Next Steps** Common Assessment Framework to assess countries' PFM. This is a joint initiative of WB, EC, DfID, the Swiss State Secretariat for Economic Affairs, the French Ministry of Foreign Affairs, the Royal Norwegian Ministry of Foreign Affairs, and IMF to provide tools to assess PFM performance in any country. WB drafted a Guidance Note for assessing fiduciary risks in the use of country FM systems in Bank-supported projects. This draft will be finalized in April 2009 and circulated among donors. WB is planning to create a global partnership for a joint venture on PFM that supports supreme audit institutions in a more cohesive way. Continue the production of joint PFM assessments. Implement recommendations from the FMHG report to senior management (Overview of Achievements, Challenges and Opportunities). AsDB will host the next Working Group meeting in January 2009.

Subcategory

7b

Carrying out joint activities

MDB	Subcategory 7b: Carrying out joint activities Brief description of joint country-level activities carried out with other MDBs and bilaterals on MfDR
AfDB	‣ IFAD/AfDB joint evaluation of agriculture and rural development (ongoing). Status: meta-evaluation of IFAD/AfDB projects, country achievements of IFAD/AfDB agriculture development objectives. ‣ Uganda Country Assistance Evaluation with WB: assessment of development outcomes of the two institutions' assistance to Uganda during 2001-2007. ‣ Arabic Glossary of Evaluation and RBM Concepts with IsDB and the DAC Secretariat.
AsDB	‣ Joint preparation of country partnership strategies (CPS): Tajikistan, Nepal, and Mongolia. ‣ Coordination with other donors in developing CPSs: India, Nepal, Afghanistan, Pakistan, Tajikistan, Uzbekistan, Vietnam, and Mongolia. ‣ Coordination with other donors in developing country assistance programs: Tonga, Tuvalu, Bangladesh, India, Maldives, People's Republic of China, Afghanistan, Kyrgyzstan, Uzbekistan, Lao, Thailand, and in Central Asia sub-region and Greater Mekong sub-region. ‣ Joint country portfolio management and review: Solomon Islands, Bangladesh, Nepal, People's Republic of China, Afghanistan, Azerbaijan, Kyrgyzstan, Uzbekistan, Cambodia, Lao, Vietnam. ‣ Ten program-based approaches: Bangladesh, Indonesia, Philippines, Nepal, Cambodia, and Vietnam. ‣ Joint analytic work, for example, preparation of Northern Areas Economic Report in Pakistan.
EBRD	EBRD works closely with other MDBs in designing country strategies, cofinancing investment projects, and coordinating advisory initiatives with clients. EBRD's main partner in project cofinancing has been IFC. Close cooperation with other MDBs (and the IMF) has been a feature of initiatives in response to the financial crisis in the region.
IADB	Participated in regular activities of the OECD/DAC Joint Venture on MfDR, particularly a discussion of the best use of available MfDR tools, including the WB's SCAN and the IADB's PET. In the JV on MfDR framework, IADB contributed to the Sourcebook on Emerging Good Practice on MfDR. IADB and WB sponsored the 4th meeting of the Monitoring and Evaluation Network in Belo Horizonte, Brazil, in November 2008. IADB and IMF organized the Transparency and Budgeting for Results Conference in Sao Paulo, Brazil, in December 2008, Join procurement assessments with the WB in Mexico, Peru, Colombia, and Chile. Joint development with the WB of harmonized bidding documents for national competitive bidding in Honduras, Colombia, and Mexico. Joint development and implementation with WB of Procurement Plan Monitoring Tool (SEPA in Spanish) in Honduras, Argentina, and Paraguay. Joint PEFA assessments with WB and EC (either as coauthor or peer reviewer) in Colombia, Peru, Belize, and Honduras.
IFAD	IFAD and AfDB are undertaking a joint evaluation of agriculture and rural development in their respective Africa programs. To date the meta-evaluation of IFAD/AfDB projects and country achievements of IFAD/AfDB agriculture development objectives has been assessed. Participates in regular activities of the OECD/DAC Joint Venture on MfDR (including the MfDR Sourcebook in 2008), and sponsored the Africa Community of Practice on MfDR in 2008. As IFAD participates in sector-wide approaches in the agriculture sector—e.g., Tanzania in 2008—coordination of results-based approaches aligned with country objectives gives the basis for the development of mutual accountability mechanisms.
IsDB	Coordination with other donors in undertaking Country Poverty Assessments (CPAs), Country Assistance Evaluations (CAEs), and thematic evaluations and sector-level studies in 8 countries: CPAs in Bangladesh, Indonesia, Tajikistan, Uganda, and Yemen; CAEs in Burkina Faso and Pakistan; and thematic evaluations and sector studies in Indonesia, Guinea, and Yemen. Mutual sharing of CAEs for Mali and Sudan with IFAD. Joint work on preparing Arabic Glossary of Evaluation and RBM Concepts with AfDB and DAC Secretariat. Sharing of knowledge-base on evaluating a number of projects with the member donors of the Arab Coordination Group. Coordination/sharing of information with WB on country needs assessments in the context of the food crisis.
WB	WB continues to collaborate with partners and clients in carrying out ESW; it has continued its partnership efforts via the Public Expenditure and Financial Accountability (PEFA) Performance Measurement Framework. For example, during FY08 it collaborated with IMF, AfDB, EC, and DFID on the following PEFA assessments: Côte d'Ivoire, Georgia, Costa Rica, Ghana, Nigeria, and Tajikistan. WB and other MDBs are paying increasing attention to the special challenges posed by fragile states and working to identify opportunities for increased harmonization among donor approaches to fragile situations. Several reports—including Investment Climate Assessments, which generally take stock of the obstacles to private sector expansion, facilitate policy discussions, and support a pragmatic dialogue among governments, local businesses, and donors—were delivered for Angola, Burundi, and DRC.

Subcategory

7c

Use of country systems

MDB	Subcategory 7c: Use of country systems Number and percentage of countries where MDBs are using country systems, and a brief description of types of systems and names of countries
AfDB	The 2008 Paris Declaration Survey, shows mixed results for the AfDB on the use of country systems indicator. In the 18 countries surveyed the Bank's use of PFM systems increased from 33% in 2005 to 44% in 2007. Regarding the use of procurement systems in those same countries the rate decreased from 43% to 42%.
AsDB	AsDB's recent initiatives to help improve country systems: **Kyrgyz Republic:** AsDB, EBRD, and WB have agreed to set up an integrated PFM system. AsDB and other donors are supporting the government's initiative for merging project implementation units in each sector into a consolidated sectoral unit (initially, in the education sector, and in the roads, irrigation, and rural water-supply subsectors). **Nepal:** AsDB, Denmark, DFID, Finland, Japan, UNICEF, and WB are considering adopting a common monitoring and evaluation framework in the health and education sectors, using country systems. **Tajikistan:** AsDB and other donors are supporting capacity development in budget execution and auditing by assisting the Department of Treasury and Department of Auditing. The new public accounting system is expected to be in place by 2010. **Asia and the Pacific:** AsDB, UNDP, WB, Japan, and OECD-DAC are jointly supporting a capacity-development facility to reduce country-specific capacity constraints to implementing the Paris Declaration. This work includes improving country systems and developing country institutions to avoid using parallel project implementation units.
EBRD	In all countries of operation, EBRD clients (both public and private) use their own systems. Where needed, EBRD assists clients to strengthen their systems, including through TA.
IADB	**Public financial management:** Percentage of investment projects that use country PFM systems: 92% use the budget system, 70% use the treasury system, 19% rely on the country's external control, and 15% use accounting and reporting systems. As part of the Bank's institutional strategy, the use of country systems will be triggered by country clients' demand and will be gradual and country-by-country. Additionally, country strategies will reflect both the use and the strengthening of country fiduciary systems. **Procurement:** The Bank's policies do not explicitly contemplate the use of country systems (except in SWAps and performance-driven loan operations and operations with specific contractual clauses). A policy on strengthening and using country systems is under preparation and will be submitted for corporate review shortly. It includes a validation process for the use of fiduciary systems for the implementation of Bank-financed projects.
IFAD	The 2008 Survey on monitoring the Paris Declaration reported that, for 20 countries where IFAD is engaged, 83% of IFAD's assistance used country systems.
IsDB	100 % The IsDB encourages strengthening and use of country systems. It uses country systems for financial management and monitoring and evaluation (100 %). Any weaknesses in the systems are identified and rectified, and the Bank supports improvements of the country systems. For procurement, the IsDB requires that procurement of goods, works and consultant services be carried out in accordance with IsDB's "Guidelines for Procurement of Goods and Works" and "Guidelines for Selection of Consultants." However, as a signatory of the Paris Declaration on Aid Effectiveness, the IsDB committed itself to make greater use of countries' own systems and processes in its operations. Therefore, it is using some features of the procurement systems of some of its member countries (Tunisia, Morocco, Bangladesh, Surinam, and Malaysia). For an optimum and judicious application of a country's entire procurement system, IsDB must assess the system's suitability for and alignment with IsDB-financed projects before using it.
WB	**Use of country PFM systems:** Of the 55 Bank teams that participated in the 2008 Survey on Monitoring the Paris Declaration, 46—about 84%—reported that Bank disbursements in 2007 used at least one of the country PFM systems monitored through the Survey: national budget execution, national financial reporting, and national auditing systems (for Survey criteria, see www.oecd.org/dac/effectiveness/monitoring/survey). Countries where the Bank used at least one of these national PFM systems for at least some of 2007 disbursements are Afghanistan, Albania, Bangladesh, Benin, Bolivia, Burkina Faso, Burundi, Cameroon, Cambodia, Cape Verde, Central African Republic, Colombia, Dominican Republic, Egypt, Ethiopia, Ghana, Haiti, Honduras, Indonesia, Jordan, Kenya, Kosovo, Kyrgyz Republic, Lao PDR, Madagascar, Malawi, Mali, Moldova, Morocco, Mozambique, Nicaragua, Nepal, Niger, Papua New Guinea, Philippines, Peru, Rwanda, Senegal, Sudan, Tanzania, Tonga, Uganda, Ukraine, Vietnam, Yemen, and Zambia. **Use of country procurement systems:** Of the 55 Bank teams that participated in the 2008 Survey on Monitoring the Paris Declaration, 41—about 75%—reported that Bank disbursements used national procurement systems in 2007 (for Survey criteria, see www.oecd.org/dac/effectiveness/monitoring/survey). Countries where the Bank used national procurement systems for at least some 2007 disbursements are Afghanistan, Albania, Bangladesh, Benin, Burkina Faso, Burundi, Cameroon, Cambodia, Cape Verde, Central African Republic, Colombia, Dominican Republic, Egypt, Ethiopia, Ghana, Haiti, Indonesia, Jordan, Kenya, Kyrgyz Republic, Lao PDR, Madagascar, Malawi, Mali, Mauritania, Moldova, Mongolia, Morocco, Mozambique, Nicaragua, Nepal, Niger, Papua New Guinea, Philippines, Peru, Rwanda, Senegal, Tanzania, Uganda, Vietnam, and Zambia.

Category 8 | Private Sector

Subcategory

8a

Private sector business environment

MDB	Subcategory 8a: Private sector business environment	
	1. Number and percentage of countries whose business environment has been assessed in the last year	
	Number (%)	Description / Comments
AfDB	19 out of 53 client countries (36%)	The AfDB's Economic and Research Department periodically prepares private sector country profiles (PSCPs), which assess the business environment in a country. These assessments cover the sociopolitical and economic situation, business climate, profile of the private sector, and opportunities and constraints for the development of the private sector. Country strategy papers (CSPs) include an assessment of the business environment. To optimize its limited resources, the AfDB makes use of business environment data available from other institutions, such as the World Bank's doing business surveys and business environment snapshots. In addition, every time a project is undertaken, the AfDB conducts a detailed assessment of the business environment in the country where the project is located. In 2008, 19 CSP-related document included BU assessments.
AsDB	20 out of 40 developing member countries (50%)	Country partnership strategies (CPSs) are prepared for AsDB's developing member countries. The CPS contains a section assessing the private sector environment. In the years the CPS is not prepared, country business plans and midterm reviews contain updates of these assessments. Of 20 such documents, 6 were CPSs, 12 were Country Operational Business Plans, 1 was an interim CPS, and 1 was a CPS Midterm Review
EBRD	Not applicable	EBRD undertakes assessments of the business environment in its country strategies (see next section). EBRD does not undertake stand-alone assessments of the business environment.
IADB	6 of 26 client countries, including subnational diagnostics in 3 countries (23%)	In the past, the IADB prepared diagnostic studies of private sector issues as part of its country programming process and the Business Climate Initiative (BCI). The IDB also cofinanced studies with the World Bank using the Business Environment and Enterprise Performance Survey and Investment Climate Assessment methodologies (7 countries), and activities of the World Economic Forum as part of the Global Competitiveness Report (2 countries). In collaboration with the OECD, the IADB has financed reviews of national competition policies in 2 countries. For 2008, BCI assessments were conducted for 6 countries, which included subnational diagnostics in 3 countries.
IsDB	1 out of 56 countries (2%)	A self-standing assessment of business environment was undertaken in one country by the Investment Promotion Technical Assistance Program (ITAP). Assessments were conducted as part of project preparation in 12 countries: as part of its project processing, IsDB thoroughly reviews the country background, which includes a review of its business environment. In doing so, the Bank uses business assessment reports prepared by other MDBs and/or specialized entities where available.
WBG	153 of WBG clients (98%)	During FY08, the following business environment assessments were conducted in IFC client countries: The Doing Business survey and publication covered 181 economies, and included all IFC client countries and almost all 157 World Bank Group client countries (98% of WBG clients).See also www.doingbusiness.org. Enterprise surveys were conducted in 14 countries (see www.enterprisesurveys.org). 187 private sector-related analytic pieces were undertaken in 83 client countries, covering topics such as labor market assessments, microfinance, building competitiveness, and sustaining growth in transition countries. See http://rru.worldbank.org/BESnapshots

MDB	Subcategory 8a: Private sector business environment	
	2. Number and percentage of MDB country strategies approved in the last year that include an explicit strategy to promote private sector development	
	Number (%)	**Description / Comments**
AfDB	8 (100%)	All country strategic papers have a section on business environment and promotion of private sector development as the main engine for growth.
AsDB	6 (100%)	All CPSs and Interim CPS set directions and priorities for the promotion of private sector development.
EBRD	4 (100%)	All EBRD country strategies include explicit strategies to promote private sector development. EBRD Country Strategies are prepared on 3-year cycles, with annual updates. In 2008 the EBRD approved 4 Country Strategies with a thorough assessment of business environment; it expects to approve 14 more strategies in 2009.
IADB	4 (80%)	In 2008, the Board approved 5 country strategies (Bolivia, Colombia, Ecuador, Honduras, and Peru). For all except Bolivia, specific input to promote private sector development was prepared. In all strategies, support for the private sector constituted key activities, particularly for enhancing competitiveness, which included improvement of business climate, enhancement of access to finance, development of infrastructure, and support for enterprise.
IsDB	4 (36%)	Of 11 strategies approved, 4 included an explicit strategy for Private Sector Development. Ref. category 8A-1 for the types of strategies.
IFC	22 (100%)	22 country strategies and 1 regional integration strategy were completed in FY08. All 22 included explicit strategies to promote private sector development.

MDB	Subcategory 8a: Private sector business environment	
	3. Number and percentage of MDB country strategies approved in the last year that have been informed by an independent evaluation of the MDB's private sector activities	
	Number (%)	**Description / Comments**
AfDB	3 (38%)	3 Country Assistance Evaluations in Ethiopia, Cape Verde, and Uganda (last jointly with the WB-IEG).
AsDB	4 (67%)	2 CPSs that were not informed by independent evaluation were in countries for which the CPS was prepared for the first time.
EBRD	4 (100%)	There is no formal independent evaluation of EBRD Country Strategies. The Evaluation Department (EvD) contributes past experience material to the relevant section of new Country Strategies. Of the 4 strategies approved last year, all were informed of the EBRD's private sector activities by EvD via the provision of lessons learned. In EBRD country-level evaluation is being developed by EvD in cooperation with management, in line with the ECG's Good Practice Standards for Country Strategy and Program Evaluation.
IADB	5 (100%)	All 5 country strategies approved in 2008 were informed by Country Strategy Evaluations conducted by IADB's independent Office of Evaluation and Oversight (OVE), which included the Bank's activities for the private sector. They were also informed by various evaluations of private sector activities carried out by OVE. The specific issues that had been identified by OVE and were addressed in the strategies include (i) emphasis on competitiveness as a comprehensive strategy for poverty reduction and social development, (ii) better alignment of the Bank's strategy with the countries' development priorities, (iii) greater focus on support for inclusive business, and (iv) enhanced coordination among private sector windows as well as with the sovereign operations within the IADB Group,
IsDB	n/a	The Country Assistance evaluations that were carried out in 2008 related to strategies prepared in previous years. These evaluations did not inform CASs prepared in 2008.
IFC	12 (55%)	Of the 22 country strategies approved in fiscal year 2008, 12 were informed by some form of independent review of IFC's private sector activities by the Independent Evaluation Group (IEG-IFC). In the others, no independent review by IEG-IFC was undertaken as the underlying CASs being evaluated had not been joint Bank-IFC strategies. IEG-IFC conducts 3 types of evaluations (15 in total in FY08): field-based Country Impact Reviews (1), desk-based Country Evaluation Notes (4), and independent reviews of Country Assistance Strategy Completion Reports (10). In addition, 1 desk review from FY07 contributed to an FY08 CAS, and 4 reviews conducted in FY08 will inform CASs approved in the next fiscal year.

MDB	Subcategory 8a: Private sector business environment	
	4. Number and percentage of countries with activities to strengthen business environment through technical assistance or lending projects in the last year	
	Number (%)	**Description / Comments**
AfDB	1 of 53 member countries (2%)	The Bank has funded several projects, mainly through grants whose objective is to improve the enabling environment for private sector operations. One such project is the West African Monetary Zone Payment System. In addition, the TA provided by the private sector department is linked to specific projects; it does not address issues in the business environment at large. Projects approved in 2008 with assistance to improve the enabling environment cover the entire continent.
AsDB	21 of 40 developing member countries (53%)	These represent technical assistance and loans approved in 2008 to support regulatory reform in selected sectors, and private sector development in general.
EBRD	n/a	EBRD does not undertake activities specifically to enhance BEE. In fact, all operations undertaken by the EBRD carry a transition impact rating that reflects the extent to which operations advance the Bank's purpose to foster transition toward open market-oriented economies and to promote private and entrepreneurial initiative—i.e., the business enabling environment. Transition impact ratings are mandated by EBRD's Board of Directors to gauge improvements in the business environment to the extent that they capture advances in (i) the structure and extent of markets, (ii) the institutions and policies that support markets, and (iii) market-based behavior patterns, skills, and innovation.
IADB	25 of 26 client countries (96%)	Business Climate Initiative: The IADB's Business Climate Initiative (BCI) was launched in 2003 to provide technical assistance grants to develop diagnostics of business environment issues, build consensus-based actions plans with private and public sector actors, and carry out interventions to remove barriers to private sector development at both the national and subnational levels. In 2008, BCI work covered 11 countries and included diagnostics of business climate issues, development of secured transactions frameworks, simplification of business registration (subnational), and analysis of competition issues. Multilateral Investment Fund: MIF projects targeted at strengthening business environment focus on the following topics: regulatory framework, consumer protection, promotion of competition, public sector procurement, intellectual property, property rights, mediation and arbitration, financial sector reform, financial regulation and supervision, harmonization of capital market, capital market development, accounting and auditing standards, privatization, public-private sector partnerships, and reduction of regulatory burdens. In 2008, 24 countries were beneficiaries of activities to strengthen the business environment.
IsDB	25 of 56 client countries (45%)	Most of the business enabling activities were carried out by the IsDB's Investment Promotion Technical Assistance Program (ITAP), which advises governments on providing an enabling environment for Islamic finance, thereby facilitating access to financing for entrepreneurs. Specific activities included institution building, training, workshop for exchange of experience, etc.
WBG	71 (45% of WBG client countries)	In 2008, there were 171 active business enabling environment (BEE) advisory services projects in 71 client countries (45% of WBG clients) and in 6 Regions. These projects varied in scope, addressing topics such as investment climate legislative reforms, the cost of doing business, taxation and customs, specific sector reforms, etc. Business environment snapshots by country are publicly available online. See http://rru.worldbank.org/BESnapshots

MDB	Subcategory 8a: Private sector business environment	
	5. Number and percentage countries where the MDB's activities have resulted in measurable improvements in the business environment	
	Number (%)	Description / Comments
AfDB	n/a	AfDB activities and projects to improve the enabling environment for private sector are part of the global MDB effort to improve business environment. The specific objectives of AfDB's projects and activities are generally achieved. However it is difficult to pinpoint a particular improvement in the business environment and attribute it to the Bank's projects or activities.
AsDB	32 (80% of client countries)	The metric is based on relevant TA Completion Reports and Project/Program Completion Reports for 2008. Improvements include stabilization of prices, SMEs and rural finance development, discussions of regulatory reform options, and policy dialogues.
EBRD	n/a	As noted above, BEE is measured as part of transition impact of EBRD operations. The average transition impact ratings (rated on a scale of 1 to 8, with 1 being an excellent transition impact and 8 unsatisfactory) improved from 4.31 in 2007 to 4.17 in 2008, and the share of the Bank's portfolio of projects rated 1 to 4 increased from 57.04% in 2007 to 60.12% in the same time period.
IADB	17 out of 26 client countries (65%)	Business Climate Initiative: The Business Climate Initiative resulted in direct assistance to clients to improve laws and regulations, simplify procedures, and strengthen institutions. These activities contributed to the simplification of business procedures, revised secured transactions framework, updated legal codes for incorporation, and improved regulation of credit bureaus. For 2008, activities in 11 countries resulted in measurable improvements. Multilateral Investment Fund: For 2008, activities in 12 countries contributed to improvements in the business climate. MIF projects to strengthen business environment have focused on the following: accounting and auditing standards, capital market development, financial regulation and supervision, public-private partnerships, privatization, consumer protection, intellectual property, public sector procurement, property rights, and reduction of regulatory burdens. These projects contributed to results such as the adoption of international accounting standards by enterprise and regulatory agencies and the development of a one-stop-shop model as a vehicle for simplifying business registration procedures in 9 countries.
IsDB	n/a	IsDB does not directly measure improvements in the business environment of its member countries. However, activities related in particular to promotion of Islamic financing have had visible (albeit not measured) impact on development of small enterprises.
WBG	31 (20% of client countries)	The Doing Business Reforms Unit, together with Bank Group units, FIAS, and IFC Advisory Services, helped countries undertake 111 Doing Business-related reforms in 31 countries (20% of WBG clients), and 1 reform at the regional level. The joint Bank/IFC Group on Investment Climate/Business Enabling Environment supported 108 reforms in 23 countries, many of which contributed to as many as 51 improvements to Doing Business indicators, as reported in Doing Business 2009. IFC Advisory Services also contributed to 61 improvements to Doing Business Indicators. Moreover, using informal feedback from stakeholders and Bank Group staff, IFC has recorded that in FY08, inspired by the Doing Business Report, as many as 28 client countries were undertaking or had completed 80 reforms. To date, IFC has recorded 170 completed and ongoing reforms undertaken by governments in 65 countries (42% of WBG clients), which were inspired or informed by Doing Business.

Subcategory

8b

Private sector investment projects: ratings standards & criteria

Subcategory 8b: Private sector investment projects: ratings standards & criteria

1. Provide latest compliance score with good practice standards (GPS) for evaluation of private sector investment operations. Describe gaps and how they are being addressed.

MDB	Score (%)	Description
All	8%-92%	The Evaluation Cooperation Group (ECG), an alliance of MDBs, has established Good Practice Standards (GPS) for the evaluation of private sector operations to harmonize evaluation practices and standards, with the ultimate goal of making MDBs' evaluation results comparable. The first version of the GPS was issued in 2001 (GPS-1), the second in 2003 (GPS-2), and the third in 2006 (GPS-3). The ECG commissioned an external consultant to carry out two benchmarking exercises (the first, against GPS-1, was completed in 2002, and the second, against GPS-2, in 2005); a third, against GPS-3, is scheduled for 2009. The second benchmarking found consistency with GPS 2 ranging from 8% to 92%. In addition, MDBs are reporting on how they have addressed gaps over the last year, and how they are preparing to meet GPS-3. GPS-3 classifies standards as follows: ▸ Good Practice Standards lay down key principles and are essential to compliance. ▸ Best Practice Standards reflect detailed practices that are desirable, but not essential. ▸ Experimental Standards relate to indicators and benchmarks for rating business success. When they were originally proposed, objections were raised by various MDBs on their resource implications and their usefulness. Thus, they are deemed experimental so that MDBs can report back on their utility to ECG. The articulation of GPS has helped MDBs move toward harmonizing ***evaluation*** standards, performance criteria, and components within each criterion. Nevertheless, challenges remain in harmonizing development results ***monitoring*** systems. MDBs are at different stages in implementing their development results monitoring systems, and there are considerable differences between (i) the monitoring systems of the various MDBs, and (ii) the standards applied for monitoring and those for evaluation within each institution. For example, while the GPS clearly define ***Development Outcome*** as comprising four performance areas, some MDBs include other performance measures in the monitoring system for tracking Development Outcome. The GPS also distinguish between role and/or additionality and development outcome. Some MDBs have opted to combine the two elements in their monitoring systems. Such departures from the GPS present two challenges: (i) they make comparisons between the data from the monitoring and evaluation systems within each MDB difficult, and ii) they result in diverging monitoring systems among the MDBs. In addition, there are also differences in the processes for quality control and monitoring of development results.
AfDB	38%	AfDB was to put the new guidelines into effect in 2005 and to start reporting on findings. OPEV (the post evaluation department), in close consultation with the Private Sector Department, introduced a set of evaluation guidelines for private sector operations including lines of credit.
AsDB	48%	According to the second benchmarking review, before the independent evaluation unit (OED) issued private sector evaluation guidelines, AsDB's compliance score was 48%. In 2006, OED started using the revised guidelines for evaluation of private sector projects adapted from the GPS. In 2008 OED estimated private sector compliance with GPS at 97%.

MDB	Subcategory 8b: Private sector investment projects: ratings standards & criteria	
	1. Provide latest compliance score with good practice standards (GPS) for evaluation of private sector investment operations. Describe gaps and how they are being addressed.	
	Score (%)	**Description**
EBRD	76%	A self-assessment in 2008 based on the Third Edition of the GPS found EBRD compliance against GPS to be 94%—a significant improvement over the results of ECG's second benchmarking exercise, which assessed compliance at 76%. Further improvements based on GPS-3 standards have been implemented: 1. Evaluation timing, population, coverage and sampling; 2. Evaluation scope (definition of additionality); 3. The annual review provides sufficient information to make readers aware of possible biases in the sample of projects covered by the annual review; 4. The annual review discloses differences between independent and operating staff ratings and materiality of the differences; 5. The Chief Evaluator reports annually to management and Board on the quality and efficacy of EBRD's evaluation system, including the self-evaluation system. In addition, the GPS have been amended in the third edition to accommodate EBRD's Overall Performance rating and the concept of Transition Impact. The gap of 6% that remains relates to the application of the rating benchmarks for a project's financial and economic rate of return, as well as rates of return benchmarks on equity investments. EBRD does not apply standards for minimally satisfactory expected performance for all EBRD's investments. Instead it looks at each investment proposal and independently applies a rate of return on each Board-approved project, and not a minimum return standard applicable to all investments. However, all EBRD's investments must apply adequate sound banking standards, but sometimes the Board can accept riskier projects with lower expected return figures if the transition impact potential is high. In view of EBRD policy, this gap cannot be bridged. A special Reflection Group established by the ECG is studying the possibility of further harmonizing the rating categories applied by MDB evaluation departments.
IADB	8%	For IADB's non-sovereign guaranteed operations, the latest Benchmarking Report (January 2005) concluded that IADB evaluation practices met 8% of the ECG-GPS, because the IADB had just started implementing the self-evaluation exercise in accordance with GPS. Since then, IADB has conducted 2 cycles of self-evaluation in 2006 and 2007, and prepared 19 XPSRs (Expanded Project Supervision Reports). The results of the 2007 evaluation are yet to be confirmed. The 2007 evaluation incorporated some elements of ECG-GPS 3rd edition, including the inclusion of additionality as separate category.
IIC	82%	According to the Benchmarking Report (January 2005), IIC evaluation practices met 82% of the GPS. The score would improve if the IIC were to improve its assessments and its tracking of development impact indicators and ensure the application of lessons learned. IIC has since adopted several measures to improve appraisal documentation. In January 2008, IIC introduced the DIAS or Development Impact and Additionality Scoring system, which greatly facilitates assessments of portfolio performance. To better link the financial and development aspects of each project, IIC has adopted a "portfolio approach," which changed the previous "each-project-in-isolation" perspective. This allows IIC to provide a broader, more balanced view of its development performance along with the usual financial performance results. The DIAS system was tested throughout 2008. In September 2008, in a retrofitting exercise, the DIAS system was applied to 140 projects approved by the IIC between 2004 and 2007. The new system makes possible more detailed presentations of expected project benefits, providing supporting analyses, projections of results, and periodic performance ratings. Staff are required to provide quantified estimates if possible for expected outcomes along with baseline data. Internal guidelines for use by investment officers to measure development outcomes and additionality at project appraisal were prepared.
IsDB	n/a	The Operations Evaluation Office of the IsDB is not yet a member but only an observer of the Evaluation Cooperation Group. Therefore, it has not yet fully used the GPS, although many of the criteria that are mentioned therein are already considered in investment operations.
ICD	n/a	Same as IsDB

MDB	Subcategory 8b: Private sector investment projects: ratings standards & criteria	
	1. Provide latest compliance score with good practice standards (GPS) for evaluation of private sector investment operations. Describe gaps and how they are being addressed.	
	Score (%)	**Description**
IFC	92%	Among the participant MDBs, IFC's practices were determined to be the most in line with GPS-2. All shortfall areas have been addressed or no longer apply (see COMPAS 2007).The 4 areas of noncompliance with the GPS 2nd edition related to: ‣ Independence: The GPS require that the mandate of the independent evaluation group (IEG) states that it transmits its reports directly to the Board without management clearance or restrictions. While this was already established practice, and IEG's mandate has since been adapted to explicitly state this. ‣ Maturity: IFC's standards were judged noncompliant with respect to two aspects – maturity of financial markets projects and reporting on the maturity profile of evaluated projects. Both criteria have been refined in GPS-3, and IFC is now in compliance. ‣ Reporting on differences between IFC's practices and GPS: IEG-IFC has already done this for the second benchmarking review, and intends to do the same for the 2009 benchmarking review. **GPS-3:** On the basis of current practice, IEG-IFC deems IFC to be compliant with 95% of all GPS-3 standards. All but one of the areas of noncompliance relate to the experimental standards (IFC is 99% compliant with all other standards). Finally, IFC is currently compliant with 12 of the 15 best practice standards.

MDB	Subcategory 8b: Private sector investment projects: ratings standards & criteria				
	2. Reported share of success ratings (percentage) in the latest published annual evaluation reports for development /transition outcome and ratings on all four GPS criteria listed below.				
	Important caveat: "Success ratings" are not comparable across all institutions, given differing evaluation systems, frameworks, and ratings standards. For example, the extent to which institutions adhere to the Good Practice Standards for Private Sector Evaluation varies substantially (e.g., with respect to framework, sample selection, and sample size). Furthermore, not all institutions have an independent evaluation group that validates results.				
	Success rate (%)				
	(i) Development outcome	**(ii) Financial performance**	**(iii) Economic performance**	**(iv) Environ-mental & social performance**	**(v) Private sector development impact**
AfDB	100% (32 projects)	33% successful, 67% partially successful (of 32 projects)	67% successful, 33% partially successful (of 32 projects)	67% successful, 33% partially successful (of 32 projects)	67% successful, 33% partially successful (of 32 projects)
AsDB	67% (of 6 projects)	67% (of 6 projects)	67% (of 3 projects)	100% (of 6 projects)	67% (of 6 projects)
EBRD (Overall Performance)	55% (of 53 rated projects)	83% (of 53 rated projects)	n/a	82% (of 51 rated projects)	60% (of 53 projects rated on transition impact)
IADB	40% highly satisfactory, 60% satisfactory (of 5 projects)	40% highly satisfactory, 40% satisfactory (of 5 projects)	60% highly satisfactory, 40% satisfactory (of 5 projects)	40% highly satisfactory, 60% satisfactory (of 5 projects)	Of 5 projects, 40% highly satisfactory, 60% satisfactory
IIC	63% (of 16 projects)	56% (of 16 projects)	63% (of 16 projects)	87% (of 16 projects)	69% (of 16 projects)
IsDB	n/a	n/a	n/a	n/a	n/a
ICD	n/a	n/a	n/a	n/a	n/a
IFC	63% (of 439 projects)	57% (of 439 projects)	69% (of 439 projects)	70% (of 439 projects)	76% (of 439 projects)

MDB	Subcategory 8b: Private sector investment projects: ratings standards & criteria
	(i) Success standards for development outcomes
	Institutions with ECG rating scale: AsDB, AfDB, IADB, IIC, IFC
AfDB	In the XSR, a project's development outcome is measured across five indicators: business/company performance, impact on private sector development, economic sustainability (impact on enabling environment, economic growth, and living standards), environmental sustainability, and social effects. Development outcome ratings are based on these development outcome subdimensions, each measuring a distinct aspect of the performance of the project. The development outcome rating is a bottom-line assessment of the project's results on the ground and not an average of the indicators. **Investment Operations:** Excellent rating when a project has positive development outcomes with virtually no flaws. A project is rated satisfactory when it has some shortcomings, but with a clear preponderance of positive aspects. **Lines of Credit (LOC):** Highly successful rating when the LOC has overwhelming positive development outcomes, without any flaws - financial sustainability, job creation; value addition, poverty alleviation, etc. It is rated successful when there are no material shortcomings, or it has some very strong positive aspects that more than compensate for such shortfalls. LOC is rated mostly successful when it has some shortcomings, but with a clear preponderance of positive aspects.
AsDB	The rating is a synthesis of the overall impact of the project on developing member country economies and addresses how well the project contributed to fulfilling AsDB's development objectives. The development impact rating is a synthesis of four criteria: private sector development (PSD), business success (financial performance), contribution to economic development, and environment, social, health and safety (ESHS) performance. See Guidelines for Preparing Performance Evaluation Reports on Non-sovereign Operations. http://www.adb.org/Documents/Guidelines/Evaluation/PPER-prepguide-NonsovereignOperations.pdf
EBRD (transition outcome)	The overall performance rating is the composite of the following individual ratings: transition impact (see description under PSD impact below), environmental performance and change, the Bank's additionality, project and company financial performance, fulfillment of project objectives, the Bank's investment performance, and Bank handling of the project. Weightings of indicators vary with the sector/industry and country context, although transition impact is one of the prime factors in judging a project's overall performance. For details on the overall performance rating and the standards for component ratings, see EBRD's Evaluation Policy, Appendix 1, at http://www.ebrd.com/projects/eval/showcase/evalpolicy.pdf
IADB	Highly satisfactory: A project with overwhelming positive development impacts, and virtually no flaws. Indicates the type of project IADB should use to illustrate the contribution of private sector development. Satisfactory: A project that may have some shortcomings, but with a clear preponderance of positive aspects to justify IADB support to the private sector. For details, see http://www.iadb.org/ove/Documents/uploads/cache/1281467.pdf
IIC	Highly successful: A project with clearly positive development indicators, without any flaws. This type of project could be used to illustrate the contribution made by IIC to the development of small and medium size enterprises and the private sector in the region. Successful: A project without any material shortcomings, or with some very strong aspects that compensate for any shortfalls. Mostly successful: A project that may have some shortcomings, but has a clear prevalence of positive aspects.
IsDB	n/a; IsDB did not participate in ECG benchmarking.
ICD	See ISDB above. ICD applies a series of development impact indicators to evaluate its projects. Development impact is measured by a number of variables such as the income and employment effect, environmental effects, impact on private sector environment, and some indirect effects.
IFC	The development outcome rating is a synthesis of the overall effect of the project on the development of its host economy. A project's development outcome encompasses all its effects on a country's economic and social development; including all four performance areas: financial, economic, environmental and social performance, and private sector development impact. Development results are evaluated on a "with" versus "without" project comparison. Successful projects have a clear preponderance of positive aspects. For details, see http://www.ifc.org/ifcext/ieg.nsf/Content/EvalInvOps

MDB	Subcategory 8b: Private sector investment projects: ratings standards & criteria (ii) Success standards for financial performance
AfDB	The financial rate of return (FRR) is used as one indicator. Several financial ratios could also be applied to evaluate the financial soundness of the business. The guidelines indicate that the projected FRR set at appraisal (plus/minus 20%) is to be used as the standard benchmark for successful financial performance—i.e., if FRR set at appraisal is 18%, a successful financial performance would be in the range of 14.04%–21.6 % or better. **For Investment Operations:** Excellent: Project substantially raised the company's profitability. Satisfactory: Project has a neutral to positive effect on profitability (or adequate overall profitability, i.e., satisfactory long-run return for promoter(s). **For Lines of Credit (LOC):** Highly satisfactory when the LOC has been fully utilized for agreed purposes and has substantially raised the institution's profitability (net income). Satisfactory when the LOC has a neutral to positive effect on profitability (or adequate overall profitability, i.e., satisfactory long-term return for the institution, and/or funds are substantially used for the agreed purposes.
AsDB	A project's contribution to business success is measured primarily by the real after-tax financial internal rate of return (FIRR) or return on invested capital (ROIC) that is compared to the real weighted average cost of capital (WACC). An investment is rated Satisfactory when the FIRR /ROIC > WACC, and Excellent if FIRR/ROIC > WACC+700 bps. Guidelines for calculating FIRR are set out in "Guidelines for Financial Governance and Management of Investment Projects Financed by the ADB." See www.adb.org/Documents/Guidelines/Financial/2002/default.asp. In 2008 the range for FIRR was 2.4% to 14.5%.
EBRD	Success standard: "Indicators are in principle in line with appraisal estimates, but some problems (management, financial, economic, etc.) have been encountered that can influence the prospects of the project negatively." For details, see EBRD's Evaluation Policy, Appendix 1 www.ebrd.com/projects/eval/showcase/evalpolicy.pdf
IADB	Highly Satisfactory: FRR >= WACC + 2.5% Satisfactory: FRR >= WACC When WACC could not be calculated—i.e., project finance structured with "Special Purpose Companies"—the benchmarking should be applied as follows: Highly satisfactory = FRR higher than expected (or higher than 12%); Satisfactory = FRR as expected (or between 10% and 12%). Since all the projects evaluated in 2006 were project finance, their FRRs were compared with the predetermined benchmark. The FRR range was 8.9%-19.7%, with a median of 14.3%.
IIC	Where incremental costs and benefits can be quantified, the financial rate of return is the indicator. Where incremental costs and benefits cannot be quantified, the rate of return is based on returns on invested capital (ROIC). Success standards: FRR/IRR > = 15%, or ROIC > = WACC. For financial market operations: Growth and performance of SME portfolio (number of SMEs financed by FI; volume of SME lending). Success standard: SME portfolio grew at least the size of the IIC loan.
IsDB	n/a; IsDB did not participate in ECG benchmarking.
ICD	For investment projects, ICD uses a pass/no-pass criterion. A pass project is one that has an IRR equivalent to the required return by ICD based on the risk profile and sector characteristics. The minimum required rate of return is the weighted average cost of capital plus 2.5%. For term financing, a benchmark for a successful project is a minimum IRR of 12% and debt service coverage ratio of 1:1.
IFC	Projects are considered successful on financial performance when they generate a project financial rate of return at least equal to the company's cost of capital (inclusive of a 350-basis-point spread to its equity investors over its lenders' nominal yield). For financial sector projects, the associated subportfolios or asset growth must contribute positively to the intermediary's profitability, financial conditions, and business objectives. Success standards thus vary by company. For the evaluation period 2005-07, the real (inflation-adjusted) benchmarks ranged from 5%-14%, with a median of 10%. The average real FRR was 12% and the median 10%.

MDB	Subcategory 8b: Private sector investment projects: ratings standards & criteria (iii) Success standards for economic performance
AfDB	The best indicator of a project's contribution to economic growth is its ERR, which measures quantifiable net economic benefits. However, at the stage when an XSR is normally conducted, the ERR often cannot yet be calculated. Therefore, average growth in gross profit up until self-evaluation may be used as the indicator instead. No ERR Benchmarks are used. Important factors to consider include project impact on domestic product or services through enhanced competition, new products, improved services, etc; stronger local entrepreneurship or enhanced private ownership; new technology, development of management skills, and employee training; upstream and downstream linkages to new or expanding local businesses; and the company's governance quality, reputation, and business practices as a positive corporate role model and quality investment asset. Investment operations are rated Excellent when the project is highly economically viable and greatly contributed to the performance of the company and beyond, with substantial contribution to the improvement of living standards. A project is rated Satisfactory when it is economically viable and adequately contributed to the performance of the company and beyond, with positive contribution to living standards. Lines of credit are rated Highly Satisfactory when the vast majority of subprojects are economically viable, have made a substantial and widespread contribution to job creation, improved living standards, significantly contributed to poverty reduction, etc. They are rated Satisfactory when most subprojects are economically viable, have made a contribution to job creation, improved living standards, and contributed to reduction of poverty; etc.
AsDB	A project's contribution to economic development is measured primarily by its ERR. The economic return on invested capital (EROIC) is used as a proxy for corporate loan and equity funding that is not targeted at specific capital investment projects and expansion projects where the incremental costs and benefits cannot be separately quantified. An ERR of >20% is rated excellent, and an ERR >= 10% but less than <20% is rated satisfactory. Guidelines for calculating EIRR are set out in the Guidelines for the Economic Analysis of Projects. See http://www.adb.org/Documents/Guidelines/Eco_Analysis/default.asp
EBRD	n/a. Not rated by EvD.
IADB	**Project economic viability:** Highly satisfactory: For real sector, ERR>=20%; for financial market, when the vast majority of subprojects are economically viable, the project has made a substantial and widespread contribution to improving living standards, or the project has substantially increased the efficiency of financial markets. Satisfactory: For real sector, ERR >= 10%; for financial market, when most of the subprojects are economically viable or the project has positively influenced the efficiency of financial markets. **Project contribution to the country's living standards:** Highly Satisfactory: Quantitative measure: ERR > FRR. Qualitative measure: The project has helped to reduce the cost of goods and service for the population, improving consumer affordability; it has improved coverage and quality of service, improved the health and safety of the affected population and the surrounding environment, and increased employment. Satisfactory: Quantitative measure: ERR > FRR. Qualitative measure: The project has some shortfalls in one of the following areas: coverage and quality of service; health and safety affecting population and the surrounding environment; employment; cost of goods and service for the population.
IIC	For corporate projects: Where incremental costs and benefits can be quantified, ERR, employment generation, foreign-exchange generation, value added, and other nonquantifiable costs and benefits are the indicators. Where incremental costs and benefits cannot be quantified, the economic return on invested capital (EROIC) is the indicator. Successful standards: ERR/EROIC>10%. Employment generation: Success standards vary by industry, and range between 4 and 1000 per million US$ invested. Foreign Exchange Generation: Success standard: At least U$1 foreign exchange per US$ invested. Value Added: Success standard: At least US$2 per US$ invested. For financial market operations: Most of the subprojects are economically viable, or project has positively influenced the efficiency of financial markets.
IsDB	n/a; IsDB did not participate in ECG benchmarking.
ICD	ICD places a great emphasis on the economic performance of the projects through calculating ERR, especially for those feasibility studies that are conducted by independent consultants. In most cases a minimum ERR of 10% - 15% is quite satisfactory. In some cases, the ERR calculation is practically impossible and ICD instead applies other relevant variables such as employment and income generation, foreign exchange impact, and cost-benefit analysis on import substitution effects.
IFC	Where measurable, operations generate an economic rate of return (ERR) of at least 10%. This indicator takes into account net gains or losses by nonfinanciers. In the overall rating, nonquantifiable impacts and contributions to widely held development objectives are also considered. For financial markets projects, the success standard includes the project's and subprojects' effects on the local economy, taking into account economic distortions. For a satisfactory rating, the project has to have contributed to efficient asset allocation, and/or most subprojects have to be considered economically viable. For the evaluation period 2005-07, the average real ERR was 19% and the median was 16%.

MDB	Subcategory 8b: Private sector investment projects: ratings standards & criteria
	(iv) Success standards for environmental and social performance
AfDB	Environmental and social performance should be evaluated against compliance with AfDB's specified standards/requirements at approval of the project and at the time of self-evaluation Environmental and social sustainability include the project's impacts on the physical environment and social issues (including occupational health and safety), which should be considered if they have entered into project performance or public perceptions of the operation. Investment Operations are rated Excellent when the project either has shown environmental and social commitment broader than AfDB requirements, or has set a good practice example and consistently met AfDB's "at approval" requirements and is acceptable on AfDB's current requirements. Projects are rated Satisfactory when they are in material compliance with either AfDB's current or at-approval requirements regarding environment and social sustainability. Lines of credit are rated Highly Satisfactory when the PFI and subprojects engage in practices or standards beyond those required for the type of operation. They are rated Satisfactory when the PFI and subprojects meet requirements for the type of operation.
AsDB	The main criterion is the extent to which the project materially complies with key standards in host country laws and regulations and those set by AsDB at approval. Improved overall ESHS performance in expansion projects can reasonably be attributed to the project and AsDB participation. Guidelines for environmental performance are set out in the Environmental Assessment Guidelines, (http://www.adb.org/documents/guidelines/environmental_assessment/default.asp) and guidelines for social performance are set out in the Handbook on Social Analysis, (http://www.adb.org/Documents/Handbooks/Social-Analysis/default.asp).
EBRD	EBRD calls this indicator Environmental Performance of the Project & Sponsor. Success Standard: "The appropriate environmental risk factors were properly identified and the sponsor is implementing the environmental action plan as prescribed." For details see EBRD's Evaluation Policy, Appendix 1, available at http://www.ebrd.com/projects/eval/showcase/evalpolicy.pdf
IADB	Highly Satisfactory: (i) All appropriate environmental and social measures are taken into account and all environmental covenants are implemented. (ii) The project (a) fully complies with all ESHS requirements in the loan agreement and with IADB policies and local requirements; (b) has not produced any irreversible environmental problem; (c) directly or indirectly reinforces positive environmental and social impacts and promotes good practices; and (d) has a demonstration effect or replicability in the country or the region; and (iii) the sponsor has developed additional services (infrastructure or community) raising industry standards. Satisfactory: (i) All relevant environmental and social measures are taken into account, all relevant environmental covenants are implemented, and there are no significant outstanding issues regarding ESHS; (ii) the project did not produce any irreversible environmental problem and has presented appropriate mitigation plans; and (iii) the borrowers comply with IADB transparency requirements related to information disclosure and public consultation.
IIC	Excellent: There was no Environmental Management System (EMS) in place, nor were there written procedures at the time of approval. Environmental, social, and occupational health and safety (OH&S) issues improved their performance by means of IIC's support. The company/institution was a leader in implementing measures to prevent or mitigate environmental, social, and OH&S impacts, according to the best international practices. Third-party certification of environmental practices (having Eurepgap, FSC, ISO, etc.) was mandatory according to company institution's goals or policy. Satisfactory: An EMS was in place at appraisal and written procedures were available. Measures to prevent or mitigate environmental, social, and OH&S impacts were being implemented, and training to employees on these matters was provided.
IsDB	n/a; IsDB did not participate in ECG benchmarking. However, it should be noted that environmental aspects are duly considered at the appraisal stage. During project implementation, the implementation of the environmental and social management plan is supervised.
ICD	The application of Equator Principles is not fully in place, but most of the negative externalities of a project are usually identified in the feasibility study for the project. The final decision to pass a project is based on the extent of any negative social and environmental externalities.
IFC	Operations must meet or exceed IFC's environmental, social, health, and safety standards and Bank Group policies and guidelines at approval, as well as local standards that would apply if the project were appraised today. IFC's sustainability policy and performance standards, which have formed the basis of the Equator Principles, are available at http://www.ifc.org/environment.

MDB	Subcategory 8b: Private sector investment projects: ratings standards & criteria (v) Success standards for private sector development (PSD) impact
AfDB	PSD impact includes the project's impact on domestic product or services through enhanced competition, new products, improved services, etc; stronger local entrepreneurship or enhanced private ownership; new technology, development of management skills and employee training; upstream and downstream linkages to new or expanding local businesses; and the company's governance quality, reputation, and business practices as a positive corporate role model and quality investment asset. An investment operations is rated Excellent when, relative to its size, the project made a substantial contribution to the growth of private enterprises beyond the company and to the enabling environment. The project is rated Satisfactory when it had some, but no major, positive impacts on the growth of private enterprises and on the enabling environment. A line of credit is rated Highly Satisfactory when, relative to its size, the LOC considerably improved the enabling environment or made a substantial contribution to the growth of private enterprises and private sector as well as to financial market development beyond the financial institution. It is rated Satisfactory when the LOC had some positive outcomes toward the growth of private enterprises and private sector development as well as to financial market development.
AsDB	PSD is deemed achieved if the project resulted in improved competition, improved linkages in the value chain, skills enhancement, demonstration of corporate governance, adoption of new technology, innovation in products and processes, and contributions to reform and regulation.
EBRD	EBRD's transition impact captures results on the ground in the country that can be verified during the evaluation process. It considers the project in the context of the transition challenges in the country, sector, and region, and in particular its contribution to seven transition objectives: (i) greater competitive pressures; (ii) market expansion via linkages to suppliers and customers; (iii) increased private sector participation; (iv) institutions, laws, regulations, and policies that promote market functioning and efficiency; (v) transfer and dispersion of skills; (vi) demonstration effects from innovation; and (vii) higher standards of corporate governance and business conduct. A satisfactory rating requires that "the project achieved acceptable progress toward a majority of the major relevant transition impact objectives, but did not make acceptable progress towards one major objective." For details see EBRD's Evaluation Policy, Appendix 1, available at http://www.ebrd.com/projects/eval/showcase/evalpolicy.pdf
IADB	Highly satisfactory: Projects that (i) improved or supported a regulatory, institutional, and legal framework that promotes private sector investments in the sector/country in a sustainable way, and (ii) already achieved clearly evidenced demonstration effects. Satisfactory: Projects that improved or supported a regulatory, institutional, and legal framework that promotes private sector investments in the sector/country, but there was no clear evidence that demonstration effects were achieved.
IIC	Excellent: Considering its size, the project made a substantial contribution to the growth of SMEs, the development of the private sector, or the efficiency of financial markets beyond the company. Satisfactory: The project had some, but no major, positive impacts.
IsDB	n/a; IsDB did not participate in ECG benchmarking.
ICD	ICD looks at a few qualitative as well as quantitative variables to assess impact, such as the impact on SMEs and the impact of a project on the promotion of competition, on privatization, and on employment generation.
IFC	Private sector development impact is rated satisfactory if a project has positive private sector development beyond the company, particularly through demonstration effects, creating sustainable enterprises capable of attracting finance, increasing competition, and establishing linkages.

MDB	Subcategory 8b: Private sector investment projects: ratings standards & criteria 3. Describe steps taken to harmonize and adopt similar measurement approaches by the MDBs
Joint MDB Activities	The COMPAS exercise is part of the knowledge sharing that is necessary for harmonizing MDBs' monitoring and evaluation practices. Evaluation: There has been much progress in harmonizing evaluation standards in recent years. The 2005 benchmarking assessment of compliance with GPS found that six of the seven participating institutions have taken steps to comply and that, overall, the MDBs' policies and practices were materially consistent with 59% of the good practice standards. Nonetheless, only four MDBs scored above 70% in the most recent assessment of their adoption of GPS. In 2006, the ECG issued the revised GPS in their 3rd edition. A benchmarking in 2009 will once again assess MDB compliance to complement MDBs' internal self-assessments, reported on below. The ECG Working Group on Private Sector Evaluation (WGPSE), which aims to promote harmonization of evaluation practices, meets twice annually and regularly compares evaluation practices and guidelines across organizations. There is emphasis on conducting a larger number of joint evaluations. Monitoring: MDBs are at different stages in implementing their development results monitoring systems. Several institutions have been sharing knowledge formally and informally to learn about each other's monitoring systems and to build as much as possible on the experience of the other MDBs as detailed below. IFC, EBRD, AfDB, AsDB, and IADB have all been engaged in regular information-sharing exercises bilaterally and in small groups. But as noted in Section 8B1 above, there are still considerable differences among the MDBs' monitoring systems. Greater harmonization of monitoring systems is likely to remain a challenge going forward.
AfDB	AfDB's Chief Economist Office worked on an ex ante "additionality and development outcome assessment" (ADOA) by comparing its approach to the approaches of IFC and EBRD. Further harmonization is expected after a 12-month trial. OPEV was involved in the working group on harmonization of rating scales. A joint workshop with IFC is scheduled in March 2009 to enhance harmonization and cooperation in evaluation approaches and methods.
AsDB	1. AsDB's Operations Evaluation Department adopted sampling guidelines against GPS starting in 2006. 2. In February 2007, AsDB revised the evaluation guidelines for private sector projects to adhere to the ECG's Benchmarking Standards for MDBs. 3. In July 2008, the use of ECG-GPS standards in the self-evaluation of non-sovereign operations was formalized by the revision of the relevant Project Administration Instructions for the writing of Extended Annual Review Reports (XARRs). The new instructions are available at http://www.adb.org/Documents/Manuals/PAI/pai-6.07-partB.pdf
EBRD	EBRD participated in the World Bank-IFC Donor Meetings in Paris in May 2008 to present the basic framework of the Transition Impact Monitoring System (TIMS), which was discussed in the context of the approaches used by the World Bank and IFC. In subsequent discussions with donors, EBRD closely collaborated with IFC on implementation of monitoring outcomes, and with the World Bank on data and methodologies to assess broader impacts of EBRD operations (in particular, the impacts on poverty reduction, gender equality, and the environment). As a result of these consultations during the COMPAS meetings, there is broad agreement among MDBs to collaborate on this work. See also Section 8B above, which describes actions to enhance harmonization through better compliance with Good Practice Standards for Private Sector Evaluation.
IADB	In March 2008, IADB introduced a new development effectiveness framework for its non-sovereign guaranteed operations, which includes a Development Effectiveness Matrix (DEM). The DEM contains 7 performance areas with up to 30 indicators and corresponding 5-scale ratings. Throughout the project cycle, the development effectiveness of a project is estimated, monitored, and evaluated with the DEM tool. This new framework based on the DEM is expected to make the Bank's development effectiveness framework consistent with the ECG-GPS through the entire project cycle, enhance the evaluability of projects, and harmonize the IADB's practice with that of other MDBs that use a similar approach for both ex-ante and ex-post analysis. OVE plans to evaluate the adequacy of the DEM. As part of the establishment of the new framework, IADB hosted two conferences (January and September 2008), in which MDBs and bilateral institutions were invited to share their practices on development effectiveness. In addition, several informal consultations took place with MDBs.
IIC	IIC's self-evaluation and ex-post evaluation system is essentially harmonized to the private sector evaluation good practice standards (GPS) of the ECG.
IsDB	IsDB has been an observer member of the ECG for the last few years and is expecting to become a full member.
ICD	ICD is going through a reform process. A benchmarking analysis has already been done and areas for improvement identified. So far, the risk management department has been established, the advisory service department has been approved by the Board, and a new IT system will be established in 2009.

MDB	Subcategory 8b: Private sector investment projects: ratings standards & criteria
	3. Describe steps taken to harmonize and adopt similar measurement approaches by the MDBs
IFC	In 2008, IFC gave presentations on its development results measurement system to MDBs, donors, bilateral development finance institutions, and advocacy and operational NGOs. For example, it hosted a presentation by the AfDB on its new system for reviewing and measuring development results during project appraisal; participated in a conference hosted by the IADB on best practice in establishing development results indicators; made a presentation on its development results measurement system at a conference cosponsored by the German Marshall Fund, GTZ, and IFC in Berlin; and cosponsored with DEG a CEO-level conference of international financial institutions where the unanimous consensus was to work on further harmonization of development results measurement systems both within MDBs and between MDBs and IFIs. In addition, during the Bank Group's Annual Meetings and other events, IFC made several other presentations on results measurement, at both senior management and technical levels, to NGOs and CSOs. IFC also regularly hosts conferences that debate and assess the relative merits of various approaches to monitoring and evaluation, and explore ways that results measurement can simultaneously ensure public accountability and improve program management. These conferences attract participants from universities, think-tanks, donors, and development agencies. Recent conferences have included "A Second Knowledge Sharing Forum: Impact of Monitoring and Evaluation Efforts on Design Implementation and Resource Allocation," in Berlin; "Measuring Development Results: A Community of Practice for Philanthropy," in Washington, and "Innovations in Evaluation for Development Assistance," in Delhi. IFC's Independent Evaluation Group is an active participant in the Evaluation Cooperation Group and conducts joint evaluations with other MDBs. For example, in 2008, IEG completed two joint evaluations with EBRD, one in the financial sector and one in infrastructure. IEG and EBRD also organized a two-day interagency workshop on evaluation methodology in mid-2008, and they will organize a training session with AfDB's evaluation unit for AfDB staff and staff from subregional development banks. Other joint evaluations are being considered for 2009.

Subcategory

8c

Private sector investments: results tracking through the project cycle

MDB	Subcategory 8c: Private sector investments: results tracking through the project cycle			
	1. Number and percentage of investment projects for which clear development objectives (according to the GPS evaluation framework) are: (i) defined at approval; (ii) tracked during supervision; (iii) assessed at evaluation.			
	Defined at Approval (%)	Tracked in Supervision (%)	Assessed at evaluation (%)	Comments
AfDB	32 (100%)	44 (100%)	6 (100%)	Development outcome assessment is also assessed as part of the private sector project selection process with the new ADOA framework. This assessment is done by a third party, the Economic and Research Department. A project is not processed without ADOA clearance.
AsDB	15 (100% of projects approved in 2008)	100% of projects in the portfolio but not all as per GPS	11 (100% of evaluated projects)	Approval: A design and monitoring framework (DMF) is included in each Report and Recommendation of President (RRP), the investment proposal for approval by the Board. The framework includes indicators to be used to monitor results of private sector projects. See DMF guidelines, http://www.adb.org/Documents/guidelines/guidelines-preparing-dmf/default.asp **Supervision:** Each quarter, private sector departments review all projects in the portfolio for development impact. The portfolio includes projects approved before the GPS evaluation framework was adopted; thus not all may articulate development outcomes as per GPS. However, development outcomes are tracked for all projects. **Evaluation:** Self-evaluation – 5 projects were evaluated by in 2008 through the XARRs. **Independent Evaluation:** OED conducted 6 project performance evaluations—3 for funds and 3 for physical infrastructure.
EBRD	302 (100%) of projects approved in 2008)	1,033 (100% of projects under supervision in TIMS in 2008)	53 (100% of projects evaluated in 2008 by EvD)	It is EBRD policy to incorporate in every project transition impact objectives, which are monitored during the project life and evaluated ex-post. The TIMS or Transition Impact Monitoring System enables EBRD to closely monitor transition effects of projects throughout their life cycle. Subsequently, EvD conducts ex-post evaluation of representative samples.

MDB	Defined at Approval (%)	Tracked in Supervision (%)	Assessed at evaluation (%)	Comments
	Subcategory 8c: Private sector investments: results tracking through the project cycle			
	1. Number and percentage of investment projects for which clear development objectives (according to the GPS evaluation framework) are: (i) defined at approval; (ii) tracked during supervision; (iii) assessed at evaluation.			
IADB	39 (95%)	n/a (expected to start from 2009)	14 (100% of evaluated projects)	With the introduction of the new framework based on DEM, assessment of the development outcomes in the whole project cycle is expected to be aligned to ECG-GPS. OVE plans to evaluate the adequacy of DEM. Development outcomes were assessed for all approved projects in 2008 (39 projects out of 41 projects were approved after the introduction of DEM). For guarantee lines under the Trade Finance Facilitation Program, assessment was done on a program basis. For supervision, no project supervised in 2008 contained DEM yet. Supervision based on DEM is expected to start from 2009. However, IADB has been conducting supervision activities focusing on financial, economic, and environmental aspects of the project through Project Supervision Reports and on the contribution to economic development through Project Performance Monitoring Reports (PPMRs), though these efforts have not been explicitly organized in accordance with the ECG-GPS framework. For evaluations, for the 2007 XSRs exercise, IADB covered 100% of the projects among those reached at the early operating maturity based on ECG-GPS.
IIC	63 (100%)	No systematic tracking yet. In 2009, 100% will be tracked during supervision	15 (100%)	In 2008, IIC implemented DIAS or the Development Impact and Additionality Scoring system, which will replace the Development Outcome and Additionality Matrix (COMPAS 2007). DIAS will be used over the life of each project and is consistent with the GPS. Investment officers will collect information on development indicators at appraisal and will select appropriate indicators to be monitored during supervision. As a result, in 2008 100% of the projects will be tracked during supervision. **Evaluation:** IIC evaluates 100% of the projects that have reached early maturity.
IsDB	n/a	n/a	n/a	IsDB is using logical frameworks at the project appraisal stage for its sovereign guaranteed projects. A similar approach is being considered for private sector projects.
ICD	27 (90%)	13 (10%)	n/a	The development results of ICD operations are mostly consistent with the GPS evaluation framework. The percentage indicated is based on common factors available in the GPS framework and ICD's criteria.
IFC	383 (100% of projects approved in 2008)	1,330 (100% of projects under supervision)	63 (100% of evaluated projects)	**Approval and supervision:** The Development Outcome Tracking System (DOTS) enables IFC to track development results of all active operations continuously throughout the project life. Using an evaluation framework similar to that used by the Independent Evaluation Group, DOTS has enhanced results measurement in IFC by both expanding the evaluation scope to the entire portfolio and shortening the time lag for evaluation. DOTS entries exclude some project approvals, which are tracked as part of a different project with the same company – the lead project. Further, there are some projects for which development results are tracked on a program rather than a project basis. In FY08, 96% of DOTS indicators had targets, and 95% had timelines by which they would be achieved. DOTS ratings are closely correlated with in-depth evaluations by IFC's Independent Evaluation Group. **Evaluation:** In 2008, IEG conducted in-depth evaluations of 63 projects, all applying the GPS framework. This random representative sample constitutes 51% of the 123 projects that had reached early operating maturity.

MDB	Subcategory 8c: Private sector investments: results tracking through the project cycle 2. Number and percentage of projects for which additionality is: (a) assessed at approval; (b) tracked during supervision; (c) evaluated			
	Assessed at approval	**Tracked in supervision**	**Evaluated**	**Comments**
AfDB	32 (100% of projects)	n/a	n/a	Additionality assessment is an integral part of the private sector project selection process via the ADOA framework. This assessment is done by a third party, the Economic and Research Department. A project does not progress if it does not pass the ADOA test. Additionality indicators were put in place only in 2008 and hence are not available for the supervision portfolio and evaluations.
AsDB	15 (100% of approved projects)	119 (100% of projects in the portfolio)	11 (100% of evaluated projects)	Assessment of AsDB additionality is based on whether (i) AsDB finance was a necessary condition for timely project realization, directly or indirectly, and (ii) AsDB's contribution to project design and function improved development impact. **Approval:** AsDB's additionality is discussed in the Proposed AsDB Assistance in the Report and Recommendation of the President. **Supervision:** Additionality is discussed in private sector investment management quarterly reports. **Evaluation:** Additionality is a specific criterion in self- and independent evaluation.
EBRD	302 (100% of projects approved in 2008)	n/a	53 (100% of projects evaluated in 2008)	Additionality is one of 3 key principles governing EBRD operations (along with sound banking principles and transition impact). As standard operational procedure, the project team, jointly with the Office of the Chief Economist, assesses the Bank's additionality in a project at an early stage, based on whether EBRD's presence is required to ensure that the project will proceed. While Bank additionality is a condition sine qua non for financing a project, it is not an explicit part of the Transition Impact Monitoring System (TIMS). The proportion of projects for which additionality is evaluated includes both self- and independently evaluated projects. At evaluation, the Bank's additionality in a project is assessed by judging to what extent the client would have been able to secure financing from market financiers on acceptable terms. Another necessary condition is the extent of EBRD impact on the design, existence, or functioning of a project to enhance transition impact. See http://www.ebrd.com/projects/eval/showcase/evalpolicy.pdf
IADB	41 (100% of approved projects)	n/a (expected to start in 2009)	14 (100% of evaluated projects)	At approval, all project proposals analyze additionality. With the introduction of DEM, the value added by IADB is assessed on: (a) financial additionality: provisions of amounts, tenors, and/or key terms and conditions not available in the market place; resource mobilization; (b) nonfinancial additionality: improvements in (i) project structure /risk allocation through financial engineering or innovative financial instruments, (ii) the project's context (e.g., regulatory framework) through use of TC or other intervention, (iii) corporate governance, and (iv) environmental and social standards. Supervision based on DEM is expected to start in 2009.
IIC	63 (100%)	N.A. will be done systematically in 2009	15 (100%)	IIC measures the extent to which it adds value to a project using two indicators: (a) Financial additionality: Assesses the degree to which IIC participation catalyzed private sector investments and whether the IIC terms were available in the market. (b) Nonfinancial additionality: Assesses the degree to which IIC participation improved a project's corporate governance, initiated innovative products or practices; and introduced improved social, environmental, health, or labor standards. Success standards: Excellent: IIC's additionality was essential for the project to proceed, and IIC made a major contribution. Satisfactory: IIC's additionality was in line with its operating principles.

MDB	Subcategory 8c: Private sector investments: results tracking through the project cycle			
	2. Number and percentage of projects for which additionality is: (a) assessed at approval; (b) tracked during supervision; (c) evaluated			
	Assessed at approval	Tracked in supervision	Evaluated	Comments
IsDB	6 (100%)	n/a	n/a	IsDB's role and contribution is assessed at appraisal. However, additionality is not yet tracked during supervision.
ICD	30 (100%)	n/a	n/a	ICD pays great attention to additionality at the approval stage. However, ICD has not been able to track these during the supervision and evaluation.
IFC	383 (100% of projects approved in 2008)	n/a	63 (100% of projects evaluated in 2008)	IFC's role and additionality are comprehensively reviewed for all projects at approval, and then again for all evaluated projects. While IFC's additionality is usually reviewed during annual project supervision in the supervision reports, to date there is no separate systematic tracking of additionality. IFC is putting in place a tracking system for additionality as part of enhancements to the DOTS system.

MDB	Subcategory 8c: Private sector investments: results tracking through the project cycle			
	3. Number and percentage of projects for which development reach is (a) assessed at approval; (b) tracked during supervision; (c) evaluated			
	Assessed at approval (%)	Tracked in supervision (%)	Evaluated (%)	Comments
AfDB	32 (100%)	44 (100%)	6 (100%)	The results-based logical framework matrix is an integral part of the project appraisal report (PAR). Expected development reach is clearly stated in the log-frame matrix. The results are tracked and evaluated during supervision and XSR.
AsDB	8 (53%)	n/a	5 (45%)	Reach is readily assessed for projects whose revenues are linked to the use of products and services provided by the client, such as roads and telecoms. For projects whose reach is not directly calculated, an indicator one or two steps removed from target stakeholder is identified and assessed. Reach is not tracked systematically during supervision.
EBRD	n/a	n/a	n/a	In 2009, EBRD is commencing collation of data on the number of beneficiaries on projects such as lending to microenterprises and SMEs and municipal services. Development reach is not measured at evaluation.
IADB	41 (100%)	25 (56%)	14 (100%)	IADB measures the following, for example: (i) For financial market transactions, increased portfolio to specific segments (SME, housing), number of SMEs and houses financed by financial institutions/ security issuances. For the Trade Finance Facilitation Program (TFFP), assessments are done at the program level. (ii) For infrastructure projects, increased number of customers and improved quality of services. (iii) For corporate transactions, employment. Reach indicators were specifically tracked during supervision only for projects with PPMR (excluding 9 issuing Bank lines for TFFP).
IIC	63 (100%)	FI: 25 (100%); Corporate projects: will be done systematically in 2009	15 (100%)	For corporate projects, IIC measures job creation, and amount of taxes paid by clients. As applicable, IIC measures number of people receiving services, amount of additional resources mobilized, etc. For financial intermediary projects, IIC measures the number of SMEs financed by FI; size of the loan, amount of additional resources mobilized, etc.
IsDB	6 (100%)	n/a	n/a	Development reach is assessed at the appraisal stage using sector-specific performance indicators. Development reach is not tracked during supervision.

MDB	Subcategory 8c: Private sector investments: results tracking through the project cycle			
	3. Number and percentage of projects for which development reach is (a) assessed at approval; (b) tracked during supervision; (c) evaluated			
	Assessed at approval (%)	Tracked in supervision (%)	Evaluated (%)	Comments
ICD	(80%)	n/a	n/a	Depending on the nature of financing and mode of finance, specific indicators are considered at the time of approval. For example, in the operation of lines of financing, the number of SMEs benefited by the line is measured.
IFC	On average, reach indicators were available for 67% of IFC's new investments in FY08. The coverage of reach indicators for business approved in FY08 varied by indicator, and ranged from 48% - 100%.	On average, reach indicators are available for 60% of active IFC client companies. The coverage of indicators— i.e., number of companies reporting—varies across indicators ranging from 43% - 100%.	n/a	IFC annually tracks and reports on a set of standard reach indicators that help it articulate the development outcomes of its new and existing investment clients. Examples include employment, taxes paid to governments, purchases from local suppliers, number and volume of loans to micro, small, and medium enterprises, etc. Some indicators are tracked corporation-wide, and others apply to specific industries. A list of the reach indicators and explanations of them is available at www.ifc.org/results. Reach indicators are reported in IFC's Annual Report. All new IFC investments are expected to report on their expected development reach. IFC also annually tracks and reports on the development reach of its entire portfolio of active clients. Reach indicators have only been introduced in the last 3 years, and thus these investments have yet to be evaluated.

MDB	Subcategory 8c: Private sector investments: results tracking through the project cycle	
	4. Number and percentage of portfolio projects supervised by environmental/social specialists	
	Number (%)	Comments
AfDB	5 (11%) Site visits for all 5 projects with identified E&S risk.	All supervision missions on projects susceptible to significant negative environmental and social impacts include environmental and social experts. Environmental and social issues are systematically discussed during supervision and, as needed, a specific mission to address these issues is conducted on the back of routine supervision. In 2008, there were 5 projects (11%) with such supervision missions. For the 39 projects with no site visits, annual reports were received and reviewed.
AsDB	34 (100%) of Category A and B projects	All projects are classified according to the degree of social and environmental impacts expected, and mitigative measures are agreed at approval. • Category A projects: potential to have significant adverse environmental impact • Category B projects: potential to have adverse environmental impact but to a lesser degree than Category A • Category C projects: unlikely to have adverse environmental impact • Category FI: financial intermediaries In 2008, all projects in the portfolio were reviewed by environment and social specialists, and the specialists participated in missions that require more detailed assessment. AsDB social and environmental specialists review annual monitoring reports that clients are required to submit to assess the effectiveness of social and environmental management plans.

MDB	Subcategory 8c: Private sector investments: results tracking through the project cycle	
	4. Number and percentage of portfolio projects supervised by environmental/social specialists	
	Number (%)	**Comments**
EBRD	648 (100%)	EBRD has adopted a risked-based approach to monitoring. Following the introduction of EBRD's 2008 Environmental and Social Policy and Procedures, each project has a tailored monitoring plan. Projects are assigned a risk rating that takes account of their environmental and social risks and impacts and the client's ability to adequately manage these issues. The risk ratings are used, among other things, as a guide to the frequency of monitoring visits to direct investment projects. Currently these are: High Risk (47 projects) - every 2 years High-Medium (141 projects) - every 3 years Low-Medium (263 projects) - opportunistically/as required Low Risk (197 projects) - not visited All projects are required to submit Annual Environmental and Social Reports (AESRs). Additionally, particularly high-risk projects may be subject to in-depth periodic audits by independent consultants. In 2008, site visits were conducted for 46 projects (10%) of eligible direct investment projects, excluding low-risk projects. Financial Intermediaries are also monitored, through the review of AESRs and an ongoing program of country visits and environmental and social training for banks. In 2008, 21 financial Intermediaries were monitored through visits.
IADB	49 (100%)	The IADB Policy on Environment and Safeguards Compliance Policy (Directive B.7) requires the Bank to monitor (supervision) activities of projects to ensure implementation of, and compliance with, the project-specific environmental, social, and health and safety components and requirements stipulated in the legal agreements. The IADB 's approach for defining the type, frequency, and approach of the monitoring activities to assess the project's effectiveness in properly minimizing, mitigating, and controlling adverse environmental, social, and health and safety impacts and risks is determined by the project's characteristics, its environmental classification, and the findings of the Bank's environmental and social due diligence activities. Typically the environmental specialist involved in the assessment of a project continues to monitor the project during the life of the IADB loan. The monitoring activities include a desk review of environmental reports prepared by the borrower and, if warranted, site visits. The frequency of monitoring activities depends on the issues associated with the project's different stages (construction, operation, decommissioning, etc.), and ranges from quarterly to annual. All operations are monitored at least on an annual basis. For operations with complex environmental and social components (all Category A and many Category B), an external environmental consultant is typically contracted to assist the IADB in project monitoring. In 2008 the Monitoring Reports for 36 projects were reviewed annually, semiannually, or quarterly. In addition, 29 projects were reviewed by external consultants and 53 site visits were conducted for 25 projects.
IIC	139 (100%)	Each project at all stages of the project cycle is supervised by the environmental specialist. A total of 116 (80%) of the environmental reporting documents were received and reviewed by environmental staff. A total of 23 of the 139 annual environmental monitoring reports currently required are overdue. The standards against which they were assessed for corporate projects are the Environmental Management Plan annexed to each corporate loan agreement. This EMP outlines the company's corrective actions and the implementation schedule developed in order to ensure they comply with IIC's environmental requirements, and local environmental and labor laws. For FIs, the standard against which the annual report is assessed is primarily whether the FI's subprojects complied with local environmental and labor laws, the IIC's exclusion list, and the IIC's requirement to develop an Environmental Management System (which should include the FI's environmental policy, environmental review procedures, as well as monitoring procedures.) In 2008, 93 field visits were conducted.
IsDB	n/a	For all projects, the environmental and social management plan is a very important aspect. Therefore, environmental and social experts are hired during the appraisal to develop the plan.
ICD	n/a	ICD usually addresses environmental concerns at the approval stage. If the need arises, independent consultants are hired to supervise projects.

MDB

Subcategory 8c: Private sector investments: results tracking through the project cycle

4. Number and percentage of portfolio projects supervised by environmental/social specialists

IFC

Number (%)	Comments
1,085 (100%)	IFC has a risk-based approach to managing environmental and social (E&S) risk in its projects: projects with higher risk and those performing poorly receive greater attention. All active IFC investment projects are assigned an E&S specialist and are supervised, with two exceptions: (i) Category C projects, which by definition do not have E&S risk, and (ii) projects in litigation or liquidation, for which IFC may not have access to the site or to E&S information. IFC supervises projects against requirements specified in legal documents through desk reviews of Annual Monitoring Reports (AMRs) received from clients, visits to clients' premises, and at times phone interviews. A significant part of IFC's portfolio follows the World Bank Group Safeguard Policies and guidelines in the 1998 Pollution Prevention and Abatement Handbook. In 2007, IFC implemented a new framework to guide frequency of supervision site visits based on the Environmental and Social Risk Ratings (ESRR). The ESRR is IFC's tool to estimate potential E&S risk and takes into consideration the investment's performance. The ESRR is attributed at a company level (i.e., a company with several projects in the portfolio has one ESRR score, ranging from 1 – best to 4 - worst). The environmental category and ESRR score are used to determine the supervision site visit frequency, as follows:

E&S supervision category	Frequency
Category A companies with projects in construction	Annual
Category A and Category B companies with ESRR of 3 & 4	
High-risk FI projects	
Category A companies with ESRR of 1 & 2	Every 2 years
Category B companies with ESRR of 1 & 2	Every 3 years

This supervision strategy ensures that all active companies are visited at least once in three years, in addition to annual client reporting. (A specialist can require additional visits.)

As of June 30, 2008, IFC's portfolio included 1,327 companies, of which 1,085 companies have some environmental or social risk (this includes companies with and without reporting requirements and companies for which first reporting is not yet due; it does not include projects or companies that may be active but have no outstanding balance due to IFC). In FY08, 359 clients submitted AMRs and 269 companies were physically supervised through site visits (155 in FY07).

Subcategory

8d

Reporting on private sector development results

MDB	Subcategory 8d: Reporting on private sector development results				
	1. Comprehensiveness and coverage of external results reporting (check all that apply):				
	(i). Comprehensiveness: Results reporting is based on				
	Entire portfolio	Random sample (describe selection)	Other (describe selection)	Not at all	Comments
AfDB			Yes		Result reporting is based on the following sample selection. All projects must have reached maturity stage (at least 18 months after implementation). Different criteria are applied to determine the project cohort to be evaluated. For example, for evaluations conducted in 2008, the selection criteria include type of project (investment, line of credit, or equity) as well as the wealth of lessons a project is expected to yield.
AsDB	Yes		Yes: Purposive Sampling		All projects are evaluated through XARRs. In 2008, 5 XARRs were completed and published on AsDB's website. OED also selects projects for evaluation each year based on predetermined themes.
EBRD	Yes	Yes			Self-evaluation takes place on 100% of projects. Up to and including the 2008 work program, projects for independent evaluation have been selected through a structured sampling methodology leading to a representative sample of EBRD's portfolio. The sampled projects form the basis for external reporting of the independent Evaluation Department through the Annual Evaluation Overview Report (AEOR), available at http://www.ebrd.com/projects/eval/showcase/0806-1.pdf The selection methodology for independently evaluated projects is described in detail in Appendix 3 of EBRD's Evaluation Policy, at http://www.ebrd.com/projects/eval/showcase/evalpolicy.pdf Starting with the 2009 work program, EBRD has moved to a completely random sampling technique for selecting projects for evaluation. The sample is of sufficient size to establish, for a combined three-year rolling sample, success rates at the 95% confidence level, with sampling error not exceeding ±5 percentage points. The Chief Evaluator also selects specific projects for in-depth evaluation, but their performance ratings do not contribute to the assessment of EBRD's overall performance unless they were also selected by the random selection methodology as part of the sample.
IADB		Yes (XPSR)	Yes (PPMR)		"Other" sample selection applies for development outcome monitoring. "Random sample" applies for self-evaluation. Development results monitoring: A summary of PPMR ratings on the expected achievement of development outcome of selected projects approved after 2003 is provided in the Development Effectiveness Overview Report or IDB Sustainability Review Report, which is made public. For 2007, 25 out of 45 projects in the portfolio were monitored. http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=1003882 and http://www.iadb.org/sustainability/review2007/template.cfm?page=18&language=English Independent evaluation of representative random sample: A random sample is applied based on ECG-GPS. A summary of ratings on all four areas (development outcome, IADB's profitability, additionality, and IADB's work quality), validated by the Office of Evaluation, is made public. (http://www.iadb.org/ove/Documents/uploads/cache/1278855.pdf)
IIC	Yes				In 2008, for the second time, a summary of the 2007 Evaluation Findings was posted on IIC's external website for all 15 evaluated projects. This included data on development outcome, the 4 GPS components, IIC's investment outcome, and work quality (including additionality).
IsDB				Yes	
ICD				Yes	

MDB	Subcategory 8d: Reporting on private sector development results				
	1. Comprehensiveness and coverage of external results reporting (check all that apply):				
	(i). Comprehensiveness: Results reporting is based on				
	Entire portfolio	Random sample (describe selection)	Other (describe selection)	Not at all	Comments
IFC	Yes	Yes			**Development results monitoring for entire portfolio:** IFC uses DOTS to report on overall development results and on the 4 GPS performance criteria for its entire portfolio. IFC's 2008 Annual Report focused on 439 active projects approved during 1999-04 (this excludes active investments that are too immature to measure results reliably on, and those that are older and thus less relevant for today's operations). However, some indicators (e.g., reach indicators such as services provided by IFC's client companies) are reported for all active companies. DOTS success ratings are similar to ratings from independent evaluations. In a recent assessment, IEG-IFC found that on a binary scale (successful and unsuccessful projects), DOTS ratings are only 2% higher than independent evaluation ratings. **Independent evaluation on representative random sample:** Each year, IEG conducts in-depth evaluations of a randomly selected representative sample of projects, approved 5 years earlier, that have reached early operating maturity. The selection represents about 50% of all relevant projects and ensures proportional distribution of evaluations among departments. IEG's annual reports are based on evaluations that occurred in the three prior years. In 2008, IEG reported on development results of 174 projects evaluated during 2005-07; these were selected randomly and represented 52% coverage of all qualifying 332 operations.

MDB	Subcategory 8d: Reporting on private sector development results				
	(ii) Coverage includes:				
	Development outcome	Components of development outcome[25]	Additionality	Work quality	Comments
AfDB	Yes	Yes	Yes	Yes	Expanded Supervision Reports (XSRs) for private sector operations are conducted by independent consultants in collaboration with the Private Sector Department and must be validated by the Evaluation Department. The terms of reference of the XSR cover all four aspects mentioned herein.
AsDB	Yes	Yes	Yes	Yes	Since 2006, independent evaluators have revised guidelines for preparing performance evaluation reports on non-sovereign operations, adopted from the ECG GPS. In 2008, the GPS-based guidelines were issued for the self-evaluation instrument (XARR), which reports on all 4 aspects noted here.
EBRD	Yes	Yes	Yes	Yes	Self-evaluation reports (XMRs) produced by operational staff are inputs to EVD's independent evaluation reports. There is no difference between the areas covered by self- and independent evaluation, or in benchmarks and evaluation criteria used. Both types of evaluation include ratings for all four subcategories listed in this section: overall development outcome, the 4 GPS components of financial, social and environmental performance, and private sector development impact ("transition impact"), as well as additionality and work quality ("bank handling"). See Appendix 1 for a full description and set of benchmarks for each of the indicators at http://www.ebrd.com/projects/eval/showcase/evalpolicy.pdf .

[25] Refers to GPS 4.3 components: financial, economic, social and environmental performance, private sector development impact.

MDB	Subcategory 8d: Reporting on private sector development results				
	(ii) Coverage includes:				
	Development outcome	Components of develop-ment outcome[25]	Additionality	Work quality	Comments
IADB	Yes	Yes (PPMR & XPSR)	Yes (XPSR)	Yes (XPSR)	For monitoring development outcomes, a summary of ratings on expected development results is reported at approval. At evaluation, all performance areas (development outcome, its components, additionality, and work quality) are reported.
IIC	Yes	Yes	Yes	Yes	Summary information on the IIC website now includes devel-opment outcome, the components of development outcome, IIC's investment outcome, and IIC's work quality (including additionality).
IsDB	n/a	n/a	n/a	n/a	
ICD	n/a	n/a	n/a	n/a	
IFC	Yes (DOTS & XPSRs)	Yes (DOTS & XPSRs)	Yes (XPSRs)	Yes (XPSRs)	IEG's independently validates Expanded Project Supervision Reports (XPSRs) prepared by task teams on a representative random sample of projects. IEG's validations include ratings of all four aspects: development outcome, GPS performance areas, additionality, and work quality. DOTS reports on ratings for overall development outcome and 4 GPS performance areas for the entire active portfolio annually. Currently, additionality is tracked ex-ante and on completion through XPSRs. Tracking additionality during supervision via DOTS is planned for the next fiscal year. Work quality is assessed only in XPSRs.

MDB	Subcategory 8d: Reporting on private sector development results		
	2. Validation mechanism for external reporting and tracking of development outcomes		
	By independent evaluators	By other external parties	Description
AfDB	No	No	OPEV's role is to validate ratings provided by operations and to track development outcomes of operations. There is no separate validation mechanism for reporting results.
AsDB	Yes	No	The XARRs are validated by the independent evaluator (OED). Thematic evaluation studies are posted on the external website to make them available for review and validation by other parties. OED engages external consultants for evaluating projects, either individually or within a theme. Other than regular OED reports, there is no validation mechanism for reporting purposes.
EBRD	Yes	No	The Annual Evaluation Overview Report is posted on EBRD's external website, where it is avail-able for review and validation by outside organizations and individuals. It is also distributed to EBRD's Board of Governors for independent review, and Governors' comments are welcomed by EvD.

MDB	Subcategory 8d: Reporting on private sector development results 2. Validation mechanism for external reporting and tracking of development outcomes By independent evaluators	By other external parties	Description
IADB	IADB: Yes MIF: No	IADB: No MIF: Yes	IADB: The results of project self-evaluations are validated by the Office of Evaluation as an independent evaluation unit, and a summary of ratings is reported outside the Bank. MIF projects: All MIF technical assistance projects undergo at least one and sometimes two evaluations by external consultants, one at midterm and another at project completion. Starting in 2009, selected projects will undergo ex-post impact evaluations (2-4 years after completion), conducted by external consultants. Combined, the three types of evaluations are intended to track, measure, and validate implementation progress and achievement of development outcomes and results.
IIC	No	No	There is no formal validation mechanism.
IsDB	No	No	
ICD	No	No	ICD usually conducts self-evaluation. Independent evaluation has not been conducted, except for the institution itself.
IFC	Yes	Yes	Since FY07, IFC's Annual Report provides comprehensive information on the development results of IFC's active portfolio. An external assurance provider reviews the quality and accuracy of the development results reported in IFC's Annual Report. Such external assurance provision is a first among MDBs. For the assurance statement, see www.ifc.org/annualreport. A comprehensive independent evaluation of IFC's Development Results is also published annually by IFC's Independent Evaluation Group. IEG is independent from IFC's management and reports directly to IFC's Board.

Subcategory 8e

Institutional learning from private sector operational experience

MDB	Subcategory 8e: Institutional learning from private sector operational experience 1. Is there a formal mechanism to routinely feed synthesis development results into (i) strategy; (ii) new operations? (yes/no, describe). Strategy	New operations	Description
AfDB	Yes	Yes	The AfDB's Private Sector Department has a well-staffed portfolio management division whose main role is to manage the Bank's private sector investments and feed back lessons learned in the origination process. This feedback mechanism will be reinforced by the newly created Quality and Results Department, which is formalizing this mechanism in collaboration with the Private Sector Department and the Evaluation Department.
AsDB	Yes	Yes	Strategy: Private Sector Assessments (PSAs), which contain lessons from AsDB's private sector operations, feed into Country Program Strategies CPSs. New operations: The RRP contains a section that discusses AsDB's previous operations in the country and sector.
EBRD	Yes	Yes	Lessons learned from previous experience, provided both by EvD and the Transition Impact Monitoring System, are an explicit part of the Country and Sector Strategies and of new operations. In addition, the Evaluation Department independently evaluates industry sector policies and their implementation shortly before a new sector policy is prepared. The evaluation's findings and recommendations provide an important input into the preparation of the new policy. The evaluation report is also presented to the Audit Committee of the Board of Directors for review and in-depth discussion, before the first draft of the new policy is presented. In this way its findings inform the Board's consideration of the new policy.
IADB	Yes	Yes	For strategy, please see the description on the IADB public sector operations. For operations, development results are synthesized through monitoring and evaluation activities, and lessons learned are identified and transmitted to divisions in charge of originating and structuring new operations. New loan/guarantee proposals are required to contain relevant lessons learned from previous operations.

MDB	Subcategory 8e: Institutional learning from private sector operational experience		
	1. Is there a formal mechanism to routinely feed synthesis development results into (i) strategy; (ii) new operations? (yes/no, describe).		
	Strategy	**New operations**	**Description**
IIC	n/a	Yes	
IsDB	n/a	Yes	The Operations Evaluation Office (OEO) undertakes evaluation at the country, sector, and project levels with the objective of identifying good practices and learning lessons from experience. Evaluation reports are systematically presented to management and to the concerned operational department, including a basic project data sheet and an executive summary highlighting main findings of the evaluation and the development impact of the project.
ICD	n/a	Yes	ICD management regularly discusses the success and failure of ICD's operations in different countries. The results of the discussions are considered by the risk management department for future operation. Management has placed special emphasis on the due diligence process in light of the recent financial crisis.
IFC	Yes	Yes	Development results routinely feed into departmental portfolio reviews and strategy discussions. Each department is specifically asked how it has incorporated past results and lessons into its strategy, and how it intends to improve its development results going forward. Departmental strategies in turn feed every year into IFC's 3-year strategy ("Roadmap"). Informed by project-level and aggregate results, as well as other factors such as a sector's or country's growth prospects, market trends and demand for services, IFC adapts its activities. For example, based on increasing environmental concerns, this year IFC added climate change as one of its focus areas, and in view of the global financial crisis, IFC has also emphasized its countercyclical role. More information is available on IFC's website (http://www.ifc.org/results). IFC analyzes results from the development outcome tracking system (DOTS) and findings by the IEG, seeking lessons on how to enhance IFC's development effectiveness. IEG deliberately times the delivery of the annual Independent Evaluation of IFC's Development Results ahead of the strategy so that the strategy can be informed by the findings. Lessons learned are also discussed at portfolio and annual departmental strategy meetings, which in turn feed into the corporate strategy.

MDB	Subcategory 8e: Institutional learning from private sector operational experience	
	2. Is there a system for capturing lessons from project evaluations and applying them to new projects?	
	Yes/No	**Description**
AfDB	Yes	The Private Sector Department has a well-staffed portfolio management division whose main role is to manage the Bank's private sector investments and feed back lessons learned in the origination process. Each project team systematically includes a professional from the Portfolio Management Division who brings in lessons and experiences from past operations. In addition, appraisal documents for private sector operations contain a section highlighting the lessons learned from experience and how they are taken into account in the design of the new operation.
AsDB	Yes	The Evaluation Information System (EVIS) aims to assist the operational departments in easily acquiring evaluation information relevant to their work. An enhancement to EVIS, the Management Action Record System (MARS), will track management actions on OED recommendations and be pilot-tested in mid 2009 (see next question).
EBRD	Yes	Lessons learned are gathered and presented in a lessons learned database that is accessible by all staff involved in operations. Each Board report contains a section on "Lessons from past experience," which must refer to lessons used and remedies proposed in the project for presentation to the Board. If the section is of low quality, the Evaluation Department requests rewriting of the section before the report is presented to the Board.
IADB	Yes	Lessons learned are identified through the project monitoring reports and self-evaluation reports (XPSR). For XPSR, the team is advised to identify at least one lesson learned for each of three key performance areas. These lessons are reflected in the loan/guarantee proposal for new projects. The Bank is considering revamping its lessons learned database.
IIC	Yes	A "Lessons Learned Database" was created. Lessons learned are derived from analysis of XASRs and are grouped by sector and subject. New lessons learned are added to the database as they are identified. Investment officers are expected to check the database before appraising a new operation.

MDB	Subcategory 8e: Institutional learning from private sector operational experience	
	2. Is there a system for capturing lessons from project evaluations and applying them to new projects?	
	Yes/No	**Description**
IsDB	Yes	Project evaluation reports from the Operations Evaluation Office (OEO) documents lessons, which are disseminated for application to new projects through such mechanisms as OEO participation in Technical Review Group Meetings, Operations Committee Meetings, dissemination of reports (project post evaluation, country assistance evaluations, OEO annual reports), and workshops. Furthermore, each project appraisal report includes a chapter on lessons learned from previous operations in the country or sector concerned, indicating how the lessons are taken into account in the new project's preparation. However, no private sector project has been evaluated yet by OEO.
ICD	Yes	Lessons learned are incorporated in to ICD policy through risk management mechanisms and a new IT system that will be in place in 2009. The follow-up division of ICD usually takes note of these lessons, and they are considered by the investment committee of the institutions at the time of project approvals.
IFC	Yes	**Investments:** Two to four lessons are submitted with each of about 50-70 expanded project supervision reports (XPSRs) that are prepared in a given calendar year. These lessons are saved in IFC's document management system (iDocs) and are available to IFC staff. Lessons are also added to the Independent Evaluation Group's (IEG) E-LRN, a searchable lessons database (which is being rolled out to staff). IEG also maintains a database of good practice XPSRs, which is accessible to staff. IEG also operates a help service with a dedicated phone number and e-mail address and responds to specific requests for lessons from IFC staff. At the early review stage for every new investment, staff are asked to articulate what lessons apply. **Advisory services:** Lessons learned are captured and disseminated in four important ways: (i) IFC's Project Approval Documents ask staff to explain how lessons from previous work have been incorporated into program planning and design. (ii) Project Completion Documents ask staff to comment on lessons learned over the project life cycle. (iii All external evaluation reports are available/searchable on IFC intranet and distributed to a targeted internal audience, and evaluation findings are summarized for an external audience in IFC Results Measurement Unit's "Monitor Notes" series (available on the external website). (iv) Smart Lessons is an IFC/World Bank Group awards program that enables development practitioners to share lessons learned in advisory services and investment and financial operations. The program has established an online library of 345 lessons and now receives about 150 new lessons per year.

MDB	Subcategory 8e: Institutional learning from private sector operational experience	
	3. Number and percentage of accepted recommendations made by the independent evaluation unit that have been implemented by management	
	Number (%)	**Comments**
AfDB	n/a	
AsDB	3 (60%)	In 2008, an evaluation study for private equity funds was presented to the Development Effectiveness Committee. Management accepted all 5 recommendations and implemented 3; the other 2 have not been fully implemented because of resource constraints.
EBRD	33 (100%)	A system of following up on evaluation recommendations has recently been introduced. The first report on this issue was prepared jointly by the Evaluation Department and management and presented to the Board in April 2008. Over the period covered by the report, 33 recommendations were accepted by Management and the Audit Committee, and all of them are now under implementation.
IADB	6 (100%)	Management believes it has implemented the 6 recommendations provided by the first 2006 OVE evaluation. OVE will assess the implementation of these recommendations in its upcoming report about the 2007 exercise. Of 8 major lessons learned, Management has addressed 6, which include strengthening project evaluability, improvements in coordination among IADB areas, and close monitoring of project execution. For recommendations, overall, please see the description of IADB's sovereign guaranteed operations. In 2007, the Office of Evaluation evaluated the IADB's action plan for private sector development in smaller countries. Most recommendations were related to the preparation of country-specific private sector development strategies, and management decided to mainstream such strategies into the broader country strategy. Other recommendations were implemented, including the reduction of costs of operations for smaller countries.

MDB	Subcategory 8e: Institutional learning from private sector operational experience 3. Number and percentage of accepted recommendations made by the independent evaluation unit that have been implemented by management Number (%)	Comments
IIC	15 (79%)	Of the 19 recommendations contained in OVE's 2006 Report, IIC has implemented 9 and is making positive progress in 7. The remaining 3 recommendations applied to financial intermediaries: for 1 there was insufficient data to evaluate, and for the remaining there were no financial intermediary projects to evaluate in 2007.
IsDB	n/a	There is no formal tracking, but the annual report of the Operations Evaluation Office shows that most of their recommendations are being implemented.
ICD	n/a	Most of the recommendations made in the independent evaluation study have been considered by management.
IFC	38 of 39 or 46 of 50 (92% - 98%)	IFC uses the Management Action Tracking Record (MATR) to monitor implementation of recommendations of IEG's evaluations. IFC launched a new corporate MATR in April 2008 following an internal review of the MATR system in 2007. (This review made several suggestions to provide better reporting, ensure the integrity of the system, and respond to demands for greater disclosure of IFC action on recommendations.) The newly launched MATR has two stages. In the first stage, IEG and IFC agree on indicators by which to assess implementation of each new recommendation. In the second stage, the status and level of adoption of each active recommendation are periodically updated and reported. IEG and IFC ratings need not be the same. Recommendations are made inactive when they are no longer relevant, or when they are implemented or superseded. Recommendations not accepted by IFC management are not tracked. For 2008, the MATR was backfilled with 193 recommendations from IEG reports published between January 1, 2000, and December 31, 2006. Of these, IFC rates 39 recommendations to be active and IEG rates 50 as active. This difference is mostly attributable to IFC's assigning recommendations a rating of "Inactive (implemented)" where IEG chose to rate them "Active (to be made inactive)." IFC rated 38 of 39 active recommendations (98%) to have been either highly or substantially implemented. IEG found that that IFC has highly or substantially implemented 46 (92%) of its 50 active recommendations. IFC and IEG rated implementation of the remaining recommendations "medium," indicating that they have progressed beyond the initial implementation phase.

MDB	Subcategory 8e: Institutional learning from private sector operational experience 4. Staff-hours of training provided to staff on development results measurement systems and processes Training (Staff-hours)	Comments
AfDB	n/a	Specific training programs on measuring development results have not yet been offered. A training seminar is programmed for 2009 with IFC in Tunis.
AsDB	3,525	Three-day to week-long workshops were conducted on the credit assessment of projects and companies and on the evaluation of equity investments. Training on development results measurement systems and processes specific to the private sector are embedded in MfDR training.
EBRD	n/a	There is no systematic tracking of staff-hours spent on training, although several training programs are provided: ▸ TIMS training is provided to all operational departments. ▸ Credit training is provided to all operational and advisory departments. ▸ Induction training covers transition impact, environment, and credit in addition to project financing and related operational topics. ▸ XMR training is provided to new operational staff who are required to prepare or contribute to XMRs (self-evaluation reports)
IADB	4,466	Staff of structured and corporate finance departments participated in 35 training courses held in 2008. The courses ranged from workshops on the new development effectiveness framework and best practices in development effectiveness to case studies on thematic areas (securitization, international project finance) and successful transactions, financial analysis skills (corporate valuation, financial modeling), the credit risk system, and model loan agreements.

Subcategory 8e: Institutional learning from private sector operational experience

4. Staff-hours of training provided to staff on development results measurement systems and processes

MDB	Training (Staff-hours)	Comments
IIC	150	In 2008, 25 investment officers attended two retreats where they were trained for 6 hours on the DIAS system. In addition, the Additionality Officer continuously advises investment officers on how to apply the DIAS to individual operations. Also, during the course of end-of-project evaluation, the Evaluation Officer is in contact with investment officers to assist them as they prepare information for the XASRs. This contact represents an excellent training opportunity.
IsDB	n/a	Specific training programs have not been yet offered for the measurement of development results.
ICD	n/a	Specific training programs have not been yet offered for the measurement of development results.
IFC	43,183	**Investments:** IFC's Development Effectiveness Unit conducts a variety of training programs to train and refresh staff on the Development Outcome Tracking System. These include day-long workshops, customized training and presentations to departmental staff and managers, and training on data analysis on development results. (see table below) **Credit courses:** IFC conducts a week-long course for non-investment officers and a 6-week intensive credit training course for investment officers. In FY08, 567 staff spent 28,712 hours on credit review and assessment training (for details, see IFC's 2008 Annual Report, page 123). Credit courses also contain development results training. **Induction training:** IFC staff induction program (5 days/40 hours) sensitizes new staff on IFC's mandate and strategic development objectives, and includes an orientation on IFC's development results measurement systems for both investments and advisory services. In FY08, 316 staff (12,640 hours) completed induction training.

Type of training (duration)	No. of events	No. of participants	Staff-hours trained
Development Impact Workshops (8 hours)	10	191	1,528
Clinics - professional staff (1 hour)	2	52	52
DOTS systems training (2 hours)	5	51	104
Customized manager /staff training (1 hour)	2	55	55
Clinics - support staff (1 hour)	6	102	102

Subcategory

8f

Results-focused human resources management

Subcategory 8f: Results-focused human resources management

1. Are development/transition results-related achievements considered in staff evaluations?

MDB	(Yes/No)	Description
AfDB	Yes	Individual staff members' performance evaluation is partially based on the success of projects they implemented, and the success of a project is partially measured against the development results achieved. Hence development results achieved by a project are factored into the performance evaluation of each investment officer in the private sector department.
AsDB	Yes	Please see description of public sector operations.
EBRD	Yes	Transition Impact is a key component of corporate, departmental, and individual scorecards. Individual scorecards affect individual performance assessment and remuneration.
IADB	Yes	Please see description of public sector operations.
IIC	Yes	Project scores at appraisal for the DIAS system are taken into account in staff performance evaluations. In 2008, IIC began using the developmental quality of operations as an integral part of investment officers' performance evaluation and bonus pay decisions.
IsDB	Yes	Results-related achievements are implicitly considered in annual staff performance planning and evaluations. The linkages between staff results-related achievements and incentives are being further strengthened under the ongoing institutional reform, including study of a staff incentive scheme.

MDB	Subcategory 8f: Results-focused human resources management	
	1. Are development/transition results-related achievements considered in staff evaluations?	
	(Yes/No)	Description
ICD	Yes	Staff evaluation is based on staff contribution to the achievement of operational goals of each department and of the whole institution.
IFC	Yes	IFC' staff evaluations assess results against corporate goals and reflect incentive systems at all levels. Scorecards cascade incentives from corporate to departmental and individual levels. **IFC's Corporate Scorecard** holds Senior Management accountable to the Board and shareholders for IFC's performance in the areas of development impact, client satisfaction, and financial performance. Development results targets are agreed with the Board at the corporate level and reflect IFC's five strategic priorities. **Departmental and director scorecards** reflect corporate strategy. They measure and compare performance among investment departments and draw on DOTS ratings, supplemented by evaluation findings as needed. Director scorecards align incentives of IFC's departments with corporate goals and Bank Group priorities. **Scorecard awards** reward individuals and teams that contributed the most in any fiscal year to achieving the departmental scorecard objectives set out at the beginning of that fiscal year. Reflecting IFC's goal of expanding its activities in the most challenging markets, supplemental award funding was granted to departments that met their FY08 target for commitments in IDA countries. **Staff and manager performance:** Directors evaluate managers against their performance on annual objectives that meet unit goals, which in turn are influenced by departmental scorecards. To reinforce the link between individual and corporate goals, staff are eligible for performance rewards of up to 15% of their salary for outstanding achievements.[26] **Long-term performance awards** acknowledge that development results take time to materialize by recognizing outstanding teams and individuals based on actual development results of projects brought into the portfolio 5-8 years earlier. Long-term performance awards may be up to 20% of the recipient's salary. In FY08, 38% of eligible staff received awards under these programs.[27] By linking corporate and individual incentive systems to development results, IFC aims to drive performance improvements and strengthen accountability—thus focusing the entire Corporation on development results.

Subcategory

8g

Private sector advisory services and technical assistance: results tracking through the project cycle

MDB	Subcategory 8g: Private sector advisory services and technical assistance: results tracking through the project cycle			
	1. Number and percentage of TA and advisory services projects for which clear development objectives are (i) defined at approval; (ii) tracked during supervision; (iii) assessed at evaluation.			
	Defined at approval	Tracked in supervision	Assessed at evaluation	Comments
AfDB	16 (100%)	n/a	n/a	Development results objectives are clearly specified in Board and other approval documents for specific TA and advisory services programs. These objectives are tracked during supervision and assessed at evaluation.
AsDB	55 (100%)	n/a	n/a	Figures at approval include all TA with a private sector development theme provided to both public sector and private sector clients. TA can have multiple themes and is classified in the AsDB's database by theme only at approval. It is difficult to track TA at supervision and evaluation by theme. **Approval:** Each TA proposal includes a design and monitoring framework, including indicators to be used to monitor results. **Supervision:** All active TA projects are required to have TA Performance Reports (TAPR) annually in which they discuss development objectives. See TAPR guidelines at www.adb.org/Documents/Manuals/PAI/PAI-6.09.pdf. **Evaluation:** OED guidelines for assessing TA performance were reviewed in 2008, and OED temporarily halted evaluation of TA. Department-level self-evaluation continued with TA Completion Reports.

[26] Through IFC's incentives programs, staff are eligible to receive up to 15% of market reference pay, but a limited number of investment staff may be eligible to receive up to 20% of MRP in performance-based pay annually.
[27] Figures include regular staff, as well as temporaries and consultants who are eligible for awards.

MDB	Defined at approval	Tracked in supervision	Assessed at evaluation	Comments
	Subcategory 8g: Private sector advisory services and technical assistance: results tracking through the project cycle			
	1. Number and percentage of TA and advisory services projects for which clear development objectives are (i) defined at approval; (ii) tracked during supervision; (iii) assessed at evaluation.			
EBRD	432 (100% of TC projects)	5,165 TC projects committed and/ or disbursing (100%)	41 (12.2% of 336 TC operations completed in 2008 were reviewed through TC OPERs or PCR assessments).	These figures relate to TC assistance to all EBRD clients, not just private sector clients: the corporate nature of many of EBRD's "public sector" projects makes it difficult to draw a clear line between public and private sectors. All EBRD TC projects are required to have clear objectives and success indicators, which are tracked during implementation. They are also required to submit progress and completion reports to the donor. In 2008, 12.2% of 336 eligible and completed TC operations (20.8% by volume) were evaluated through OPERs or PCR Assessments.[28] All had clear development objectives that were assessed in the evaluation. Cumulatively, since 1993, EvD has evaluated 14.1% of all TC commitments ready for evaluation (18.8% by volume).
IADB	IADB: n/a MIF:100% (131/131)	IADB: n/a MIF: 100% (492/492)	IADB: n/a MIF: 100% (107/107)	IADB: All proposals for technical cooperation (TC) are expected to specify their purpose and results, including monitoring and evaluation activities. However, most of the TCs that are prepared in association with NSG operations are for studies of specific areas/topics or analysis of projects to serve specific Bank projects or the Bank's operations as a whole. Objectives of the TC are considered in this context. MIF: MIF technical assistance projects are designed using a logical framework approach, which includes identifying development objectives, tracking them during supervision, and assessing them at evaluation. The MIF's tracking of development objectives is usually complemented by two external evaluations, one conducted at project midterm and one at the end. These external evaluations include an assessment of achievement of development objectives. In 2008, 107 such final evaluations were scheduled. Starting in 2009, the MIF intends to conduct ex-post evaluations of selected projects.
IIC	n/a	n/a	n/a	In July 2008, IIC created a special business area for TA provision and value-added services to SMEs. The objectives are to (i) increase provision of nonfinancial products to SMEs through direct assistance; (ii) expand IIC's network of alliances with public and private sector entities; and (iii) support the region's SMEs' coordination with IDB and MIF. The program will focus on areas critical to IIC's Business Plan: Finpyme, renewable energy and energy efficiency, and governance of family-owned SMEs. A manual with policies and guidelines is being developed.
IsDB	1 (17%)	1 (17%)	n/a	The one TA with clear development objectives is ongoing.
ICD	n/a	n/a	n/a	ICD will establish its advisory service department in 2009.
IFC	314 (100%)	658 (100%)	423 (100%)	All IFC advisory services projects are required to have clear development objectives defined at approval, tracked during supervision, and assessed at evaluation.

[28] Including operations evaluated through Special Studies, the number rises to 30% by number, or 31% by volume.

MDB	Subcategory 8g: Private sector advisory services and technical assistance: results tracking through the project cycle		
	2. Number and percentage of TA and advisory services projects for which development outcome is assessed		
	Number	**%**	**Comments**
AfDB	n/a	n/a	Development outcomes will be tracked for TC operations going forward.
AsDB	n/a	n/a	The criteria for assessing TA projects are available online at www.adb.org/Documents/Manuals/PAI/pai-6.08-jun06.pdf. The achievement of anticipated outcomes is assessed for each completed TA. As discussed in 8G1, it is difficult to track TA at evaluation by theme, thus a number cannot be provided in this section.
EBRD	5,165 TC projects whose status is either committed or disbursing end 2008	100%	Outcomes of all 5,165 TC assignments committed or disbursing are assessed against objectives established at the commencement of the assignment. When a TC is part of an investment operation, the outcomes recorded in the TIMS system are linked to the assessment of the TC. Development outcome is self-assessed in 100% of TCs, for which Project Completion Reports (PCRs) are prepared on completion. In addition, development outcomes have been independently assessed by the Evaluation Department for the 14.1% of completed TCs that have been evaluated through PCR Assessments or TC OPERs (12.2% in 2008).
IADB	IADB: n/a MIF: 107	IADB: n/a MIF: 100%	IADB: Most of the TCs that are prepared in association with the NSG operations are for studies of specific areas/topics or analysis of projects to serve for the Bank's operations as whole or individual projects. Outcome of these TCs are considered in this context. MIF: The development outcomes of all MIF TA projects are assessed. Following a logical framework approach, the MIF defines its development outcomes as the immediate results achieved upon completion of all project activities and components. In 2008, 107 final evaluations were scheduled.
IIC	n/a	n/a	See 8G1.
IsDB	n/a	n/a	
ICD	n/a	n/a	
IFC	423	100%	Development results were assessed for all 423 IFC advisory services projects at project completion. In projects expected to have relatively limited impact (e.g., feasibility studies), IFC adjusts expectations accordingly and measures only short-term results

MDB	Subcategory 8g: Private sector advisory services and technical assistance: results tracking through the project cycle
	3. Describe how and when cost-efficiency is assessed for the institution's technical assistance and advisory services projects
AfDB	TA projects are designed bearing in mind an efficient use of resources allocated. TA projects are monitored during implementation for efficiency and rated on efficiency at completion.
AsDB	Efficiency is assessed at completion, normally by determining if the expected outputs and outcomes were achieved within the anticipated costs. Client satisfaction, quality of output, and timeliness of delivery are the major criteria for evaluating outputs and outcomes. The criteria for assessing TA projects are available online at www.adb.org/Documents/Manuals/PAI/pai-6.08-jun06.pdf.
EBRD	All TC assignments in EBRD must be reviewed and approved by the TC Review Committee, whose mandate is to approve the scope, purpose, TOR, and budget for each assignment. The Consultants Services Unit, which is part of the TC Committee, is responsible for ensuring that cost-efficiency is achieved in terms of fee rates, number of days, and other related items. Cost-efficiency is strengthened through enforcement of EBRD procurement rules, which promote competition among providers of consultancy services. The Consultancy Services Unit is responsible for issuing contracts and monitoring performance during the TC implementation period. At evaluation, cost-efficiency is an input into the Overall Performance rating of TC operations. It has been independently assessed for the 14.1% of completed TCs that have been evaluated through PCR Assessments or TC OPERs (12.2% In 2008).[29] It is self-assessed in 100% of TCs for which Project Completion Reports (PCRs) are prepared on completion.
IADB	**IADB:** Cost-efficiency of the TC has been assessed mainly by focusing on whether the funds provided by the TC are utilized efficiently. **MIF:** Cost-efficiency of MIF technical assistance projects is tracked during execution using detailed procurement plans that guide executing agencies (grantees) in the best use of resources in the procurement of goods and services.
IIC	A manual containing policies and guidelines is being developed (see 8G1).

[29] One of the countries received both TA and loan financing

MDB	Subcategory 8g: Private sector advisory services and technical assistance: results tracking through the project cycle 3. Describe how and when cost-efficiency is assessed for the institution's technical assistance and advisory services projects
IsDB	No system in place yet, as advisory services are very limited in number.
ICD	n/a
IFC	IFC assesses project efficiency by considering whether: (1) costs were reasonable relative to potential results; (2) resources were utilized economically; and (3) there were cheaper ways of accomplishing the same results. For all IFC Advisory Services projects, these three dimensions of efficiency are assessed at project closure, and an efficiency score is assigned and reported in Project Completion reporting. Project Completion efficiency scores are validated by IFC's Independent Evaluation Group (IEG). In CY09, IFC will also be requiring ex-ante cost-benefit assessments in approval documents, and as of January 2009, cost-benefit assessment methodologies are being actively piloted. For more information, and examples of cost-benefit frameworks (with manuals and spreadsheets customized for projects across IFC's advisory service business lines), see http://www.ifc.org/advisoryresults

MDB	Subcategory 8g: Private sector advisory services and technical assistance: results tracking through the project cycle 4. Describe the pricing policy for different types of advisory services and technical assistance, including cost-recovery and cost-sharing arrangements with clients
AfDB	TAs are provided only as grants.
AsDB	In general, the cost of project preparatory TAs is recovered through composite pricing of the financial package. Advisory TAs are financed by grants. The pricing policy for TAs can be found in AsDB's operations manual: http://www.adb.org/Documents/Manuals/Operations/OMD12.pdf
EBRD	EBRD uses the principle of cost-sharing in all TC assignments. The extent of the burden placed on the beneficiary varies according to the transition objectives being sought, conditionalities attached to a loan, the extent of in-kind contribution, and ability to pay.
IADB	**IADB:** For TC projects that are associated with NSG operations, clients' contribution to the project's direct and indirect expenses, including the amount and modality, is determined on a project-by-project basis. **MIF:** MIF technical assistance projects are typically below $2 million: in 2008, MIF grants for technical assistance averaged $759,000. All MIF technical assistance projects require between 30% and 50% counterpart funding or cost-sharing to complement the MIF's contribution. The required cost-sharing percentile depends on the country, financial standing of the executing agency (grantee), and the geographic location of beneficiaries. The MIF is also able to administer contingency recovery grants for certain technical assistance projects.
IIC	A manual containing policies and guidelines is being developed (see 8G1).
IsDB	Some advisory services are provided on a grant basis. Others are priced as follows: ‣ Retainer fee: A fixed amount paid monthly to IsDB. The amount is expected to cover all expenses incurred by IsDB in providing the advisory service. In addition, the client also pays costs related to the recruitment of third-party consultants if needed. ‣ Success fee: A negotiable amount, calculated according to the level of difficulty in successfully completing the structuring and implementation of the project.
ICD	Not available in ICD.
IFC	The pricing of IFC's TA and advisory services is based on two overarching principles: ‣ Any subsidies embedded in the pricing should be justified by the balance of public and private benefits reflected in the particular intervention. ‣ Even when a substantial subsidy is justified, some level of client contribution is often appropriate to strengthen commitment to implementation. IFC has a differentiated cost-sharing strategy, depending on the nature of the services and the client. This policy is likely to be significantly revamped beginning in 2009.

Appendix I: Corporate Profiles of MDBs

AfDB Corporate Profile

AsDB Corporate Profile

EBRD Corporate Profile

IADB Corporate Profile

IFAD Corporate Profile

IsDB Group Corporate Profile

WBG Corporate Profile

AfDB Corporate Profile

Operational Highlights

In 2008, the **African Development Bank (AfDB)** took important institutional measures to implement its commitments for managing for development results (MfDR) at the corporate level. A Bankwide task force composed of 21 departments met and developed a concerted Action Plan on Results (APR) to strengthen the Bank's focus in this area. In addition, to improve the Bank's capacity to deliver results, the Board approved the establishment of the Quality Assurance and Results Department (ORQR) in July 2008. ORQR has since assumed overall leadership for the Bank's results agenda. Additional measures to ensure the quality of operations—including developing standard indicators, strengthening the review process, and ensuring results-focused supervision—are under way.

Vision

The African Development Bank Group (AfDB) strives to be the leading development finance institution in Africa, dedicated to providing quality assistance to African regional member countries in their poverty alleviation efforts.

Mission

Contribute to the sustainable economic development and social progress of its regional members individually and jointly.

Members

Shareholders include 53 African countries (regional member countries—RMCs) and 24 non-African countries from the Americas, Asia, and Europe (non-regional member countries—non-RMCs).

Offices

AfDB is headquartered in Abidjan, Côte d'lvoire. However, because of political instability, the AfDB Governors' Consultative Committee (GCC) moved the Bank to its temporary location in Tunis, Tunisia, in February 2003. It has 25 field offices across Africa.

Staff

AfDB has about 1381 budgeted staff

Financial Resources

As of December 31, 2008:

- Authorized capital: UA 21.87 billion.
- Subscribed capital: UA 21.82 billion.

Recent Initiatives in MfDR

Key areas of progress and needs for improvement

The AfDB Boards of Directors approved the 2008-2012 Medium-Term Strategy, which is guided by the need for greater focus on results; more selectivity in areas of engagement and rigor in implementation; continued improvement in business processes and efficiency; intensified country dialogue; and more systematic matching of resources with priorities.

Structure and responsibilities for development effectiveness

The Quality Assurance and Results Department (ORQR) has a primary function of assessing and monitoring the impact of Bank Group operations in its regional member countries. The Department leads the development of the corporate action plan to strengthen the focus on results. It develops advocacy tools, engages in the design of new business process tools, and helps to strengthen countries' capacity to manage for results. In 2009 the Private Sector and Microfinance Department became the first operations department to appoint a Lead Results Officer to strengthen its results tracking and reporting system.

Reports on development effectiveness

- ADF-11 Mid-term Review Report.
- Information notes to the Board of Directors.

Main operational activities*

	2004	2005	2006	2007	2008*
Lending					
Amount (UA millions)	3,617.04	2,689.92	4,117.76	5,718.29	
Number of approvals	52	36	43	46	
Disbursements (US$ millions)	3,138.00	2,625.40	2,810.41	4,060.84	1173.3
Equity investments					
Amount (US$ millions)	7.68	71.21		472.16	540
Number of approvals	1	1		6	
Grants					
Amount (US$ millions)	516.83	855.48	1,116.93	771.71	
Number of approvals	33	15	25	5	
Technical assistance					
Amounts (UA millions)	238.37	66.65	130.12	15.27	
Number of approvals	33	15	25	5	
Cofinancing					
Amount (US$ millions)	4,677.74	3,838.77	9,614.79	10,563.57	
Number of approvals	28	19	35	28	
Total operations	**7,703**	**9,749**	**12,085**	**13,443**	

Note: The conversion rate used is that for 30 December 2008.

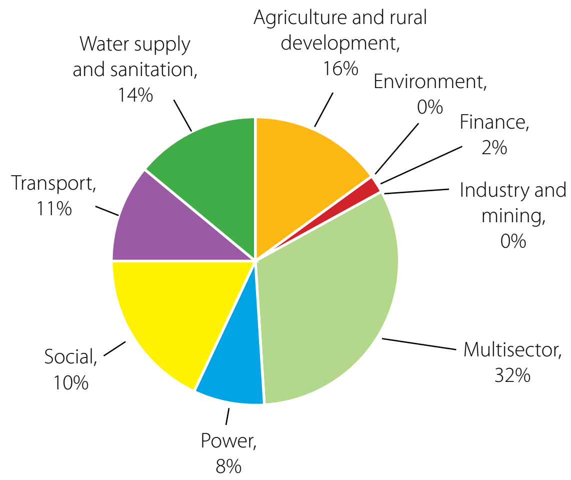
1/ Comprises: (i) Project Cycle Activities of which Private Sector; (ii) Institutional Support of which Private Sector; and (iii) Middle Income Countries Grant.

* data as of December 2008 (preliminary data).

Top ten recipients of loans, 2008

Top ten recipients of disbursement of public loans (US$ millions)	
Country	**Amount**
Morocco	190.17
Egypt	71.18
Ethiopia	55.44
Tunisia	54.57
Tanzania	48.51
Uganda	44.49
Ghana	36.49
Senegal	36.00
Burkina Faso	34.71
Madagascar	33.14

Distribution of lending by sector, 2008



AsDB Corporate Profile

Operational Highlights

In 2008, the **Asian Development Bank (AsDB)** launched its new long-term strategic framework (LTSF), which sets out its vision and priorities for 2008 to 2020. To implement the LTSF effectively, AsDB is consolidating its results management system: it has adopted a corporate results framework and reinforced its results reporting system. This will also help AsDB better manage its Asian Development Fund operations targeted at its poorer client countries.

Vision

An Asia Pacific region that is free of poverty.

Mission

Help the developing member countries in the Asia and Pacific region reduce poverty and improve the living conditions and quality of life of their citizens.

Members

67 members: 48 from the Asia Pacific region and 19 from other parts of the world.

Offices

AsDB has its headquarters in Manila, Philippines. It has 31 other offices around the world.

Staff

Over 2,000 employees from over 50 countries.

Financial Resources

Authorized and subscribed capital stock: US$54.89 billion, as at 31 December 2008.

Special funds as at 31 December 2008:

- Asian Development Fund: US$33.5 billion.
- Other Funds: US$3.52 billion.

Recent Initiatives in MfDR

- Adopted a new long-term strategic framework for 2008–2020 and a corporate results framework to ensure successful implementation of the LTSF.
- Issued the 2007 Development Effectiveness Review, the first annual results-based corporate performance report.
- Reviewed the independence and effectiveness of the operations evaluation department.
- Reviewed resident missions' operations to expand their role in increasing operational effectiveness.

Planned initiatives 2009

- Consolidate corporate results management using the corporate results framework.
- Develop a corporate results information system.
- Improve country-level results monitoring, evaluation, and reporting.
- Implement MfDR learning and development program.

Structure and responsibilities for development effectiveness

- Operations departments: ensure overall operational quality.
- Strategy and Policy Department (SPD): coordinate development effectiveness (Paris Declaration) initiatives.
- Results Management Unit, SPD: mainstream results management across the institution.
- Independent Evaluations Department: Evaluate the development effectiveness of AsDB operations independently.

Reports on development effectiveness

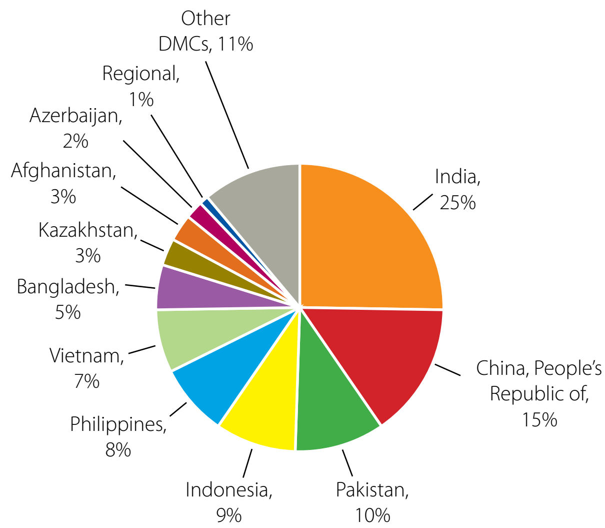
- Development Effectiveness Review: results-based annual corporate performance assessments.
- Country development effectiveness briefs: report on AsDB's contribution to specific country development outcomes.
- Biennial sector and thematic reports: assessment of operational effectiveness in specific sectors and themes.
- Biennial quality-at-entry assessment of projects and country partnership strategy.
- Economic Analysis Retrospective: quality-at-entry assessment of the quality of economic analysis of AsDB's public sector investment projects.

Main operational activities

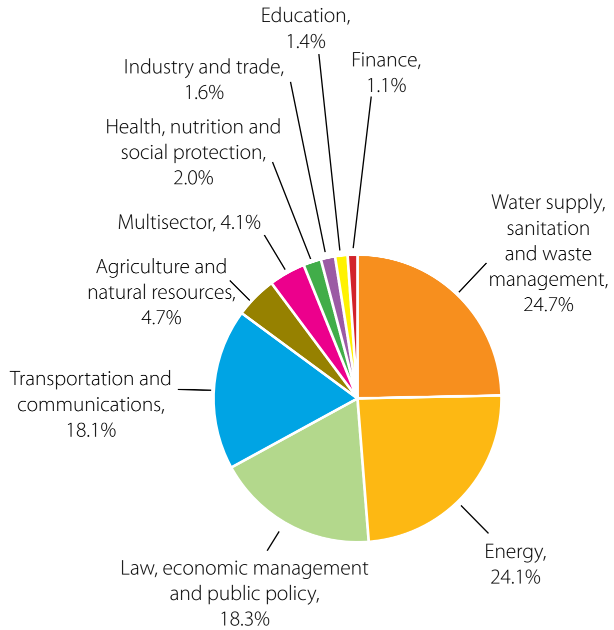
	2005	2006	2007	2008
Lending				
Commitments (US$ millions)	5,761	7,264	9,966	10,494
Number of projects	63	64	79	86
Disbursements (US$ millions)	4,745	5,758	6,852	8,515
Equity investments				
Amount (US$ millions)	177	231	80	123
Number of Investments	7	12	5	7
Grants				
Amount (US$ millions)	1,152	534	673	811
Number of Projects	50	41	39	49
Technical assistance				
Amount (US$ millions)	197	240	253	275
Number of Projects	297	259	242	299
Co-financing				
Amount (US$ millions)	396	1,354	888	1,654
Number of Projects	111	101	77	101
Total operations	**7,683**	**9,623**	**11,860**	**13,357**

Distribution of loans

Top ten recipients of loans, grants, and TA, 2008



By sector, 2008



EBRD Corporate Profile

Operational highlights

The **European Bank for Reconstruction and Development (EBRD)** has maintained a very high level of operational activity in 2008, investing € 5.1 billion in the region; about 72% of the total was committed to the Commonwealth of Independent States (CIS) and Mongolia, 20% to South East Europe, and 8% to Central Europe and the Baltic states.

Vision

The attainment of higher living and working standards through market economies that function well – where businesses are competitive, where innovation is encouraged, where household incomes reflect rising employment and productivity, and where environmental and social conditions reflect peoples' needs.

Mission

To help countries from Central Europe to Central Asia make the transition towards well-functioning market economies by investing mainly in the private sector and with associated technical cooperation, legal reform, and policy dialogue.

Members

EBRD is owned by 61 countries and two intergovernmental institutions.

Offices

EBRD has its headquarters in London, United Kingdom. The Bank has 34 resident offices in 26 of its 30 countries of operations (as of December 31, 2008).

Staff

As of December 2008, EBRD has 1,407 employees, including 308 in resident offices.

Financial Resources

EBRD has a subscribed capital totalling € 20 billion (€ 5 billion paid-in and € 15 billion callable) and enjoys a credit rating of AAA from Standard & Poor's, Aaa from Moody's, and AAA from Fitch.

Recent Initiatives in MfDR

EBRD contributes to MfDR through support for improved management, institutional development, and accountability at the individual client level, and through stand-alone advisory assistance to private and public sector entities. Each investment project is assessed for its transition impact, measured against the transition challenges faced by the country and sector. Effective scrutiny and control are exercised through internal authorization processes, backed by independent assessment carried out by the Evaluation Department. Recent initiatives have included expanding the scope of advisory assistance by establishing the EBRD Shareholder Special Fund, and launching advisory initiatives to help countries address the financial crisis as part of a coordinated international effort.

Key areas of progress and needs for improvement

EBRD has improved MfDR through increased operational focus on key areas, including sustainable energy and climate change initiatives, and through adaptation of transition impact assessment to address the changing challenges in countries of operation. EBRD has enhanced its Transition Impact Monitoring System (TIMS) to enable tracking of all phases of the transition process over the life of each project, a major step in managing for results. In the coming year, TIMS will be further aligned to monitor responses to the global financial crisis, and additional reporting on impact assessment results will be published.

Structure and responsibilities for development effectiveness

Responsibilities for results and quality are divided among several units across EBRD. For investment projects, authority rests with the Credit, Environment & Sustainability and Chief Economist's departments to ensure that projects adhere to the main criteria dictated by the Bank's mandate: (a) achievement of transition impact, (b) additionality of financing, and (c) sound banking principles. The Bank's Operations Committee reviews and evaluates all investment projects, which in turn are submitted to the Board of Directors for approval. For technical cooperation (TC), the TC Review Committee reviews all TC proposals. The Evaluation Department independently evaluates all aspects of EBRD operations and advisory work.

Reports on development effectiveness

Each year, EBRD publishes a series of reports reviewing and assessing its activities.

- The Annual Report reviews the Bank's operational and financial status and covers sector activities and environmental impacts.
- The Sustainability Report describes the Bank's investments in sustainable development, focusing on its impact on people and the environment in its countries of operations. It also describes how the Bank operates internally.
- The Donor Report highlights the key donor-supported program and sectors that prepare the way for Bank projects, fostering reform and improving the investment climate.
- The Transition Report provides an overview of the macroeconomic developments and issues for the region as a whole and for each country in transition.

Main operational activities

Main operational activities	1991-2008	2004	2005	2006	2007	2008
Lending						
Commitments (€ millions)	32,344	3,429	3,706	3,929	3,908	3,809
Number of projects	2,100	213	225	245	263	232
Disbursements (€ millions)	26,246	3,188	2,007	2,949	3,070	3,850
Equity investments						
Commitments (€ millions)	9,489	704	572	1,008	1,676	1,085
Number of projects	920	59	61	64	91	76
Grants						
Commitments (€ millions)	n/a	13	11	0	10	28
Number of projects	n/a	3	2	0	1	2
Technical assistance						
Commitments (€ millions)	n/a	82	78	74	98	82
Number of projects	n/a	247	287	382	474	432
Commercial cofinancing						
Amount (€ billions)	n/a	n/a	1.9	2.6	3.2	2.1

Note: The 2008 figures of Lending and Equity commitments are the reported signed commitments made by the Bank within the year, less cancellations or sales of such commitments within the same time period.

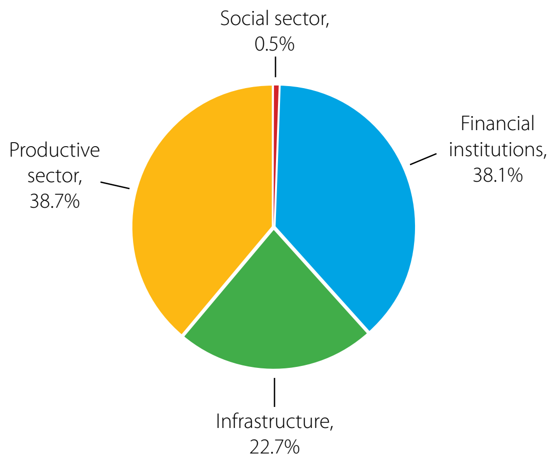
Note: Grant figures refer to grant cofinancing of projects led by the EBRD (mainly from the Northern Dimension Environmental Partnership). 2008 includes a € 6 million grant from the EBRD's own fund, the Shareholder Special Fund.

Top recipients of financing

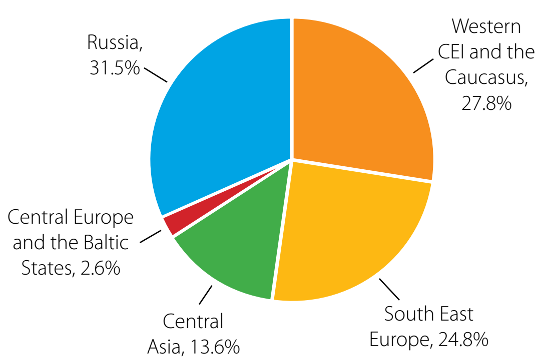
Top recipients of EBRD financing, cumulative 1991-2008 (€ millions)		
Country	**Net cumulative business volume**	**Share**
Russia	11,743	27.2%
Ukraine	4,397	10.2%
Romania	3,880	9.0%
Poland	3,671	8.5%
Kazakhstan	2,255	5.2%
Hungary	1,935	4.5%
Croatia	1,893	4.4%
Bulgaria	1,753	4.1%
Serbia	1,419	3.3%
Slovak Republic	1,325	3.1%
Other	8,935	20.7%
Total	**43,207**	**100.0%**

Distribution of loans

By sector, 2008



By region, 2008



IADB Corporate Profile

Operational Highlights

In 2008, lending by the **Inter-American Development Bank (IADB)** reached an all-time record of US$13.5 billion. The Bank's response to the 2008 financial crisis was strongly based on investment lending (representing 75% of total lending) and fast-disbursing emergency and policy-based operations (the remaining 25%). Non-sovereign guaranteed investment lending accounted for 22% of the 2008 total, up substantially from the 8% average over the 2000-2006 period.

Mission

The Bank's mission is to contribute to the acceleration of the process of economic and social development of the regional developing member countries, individually and collectively.

Members

The IADB is owned by 48 members; 26 are from Latin America and the Caribbean, and 22 are from other parts of the world.

Offices

IADB has its headquarters in Washington, D.C., and it has offices in all 26 of its borrowing countries, as well as in Paris and Tokyo.

Staff

The IADB has approximately 2030 staff.

Financial Resources

Authorized and subscribed capital stock is US$101 billion.

Special funds: the Fund for Special Operations (FSO) totals US$9.6 billion. For 2008 gross income, including revenue and net realized gains, was US$ 2.1 billion

Main Operational Activities

Total sovereign and non-sovereign guaranteed lending for 2008 was $13.5b,[1] and technical cooperation approvals increased significantly over 2007 levels. In 2008 investment loan disbursements reached a record level of $5.8b, and technical cooperation disbursements increased 24% over 2007.

Recent Initiatives in MfDR

The Corporate Performance Framework and the Development Effectiveness Framework are the main initiatives the Bank has undertaken during the last year to improve internal (organizational) efficiency to achieve external (with countries) effectiveness. At the end of 2008 the Bank proposed to the Board of Directors the New Operational Framework, designed to implement the Bank's institutional strategy and align Bank capacities with client needs.

Key areas of progress and needs for improvement

In December 2006, the Board approved a realignment of the Bank to increase the development effectiveness of Bank activities through greater country focus, deeper sector expertise, and improved management based on risk and attainment of results; and to increase organizational efficiency by better integrating corporate operations and scaling up the various functions.

In 2008 the Development Effectiveness Framework (DEF) was approved. The DEF is an effort to increase the effectiveness of all Bank activities by (a) setting clear standards and metrics for the evaluation of all development interventions (sovereign and non-sovereign guaranteed operations, country and regional strategies, and knowledge and capacity-building products); (b) providing clear guidance to staff about analytic requirements for meeting these standards; (c) aligning governance structures to comply with established good practice standards; (d) creating a results framework and incorporating it into the Corporate Performance Framework to monitor progress through key development effectiveness indicators; and (e) devising an action plan for the successful implementation of this framework. The DEF is being implemented as of January 1, 2009, for all products approved during the year.

The Corporate Performance Framework is the corporate-level monitoring instrument that sets targets for performance to meet strategic institutional objectives. A Balanced Scorecard (BSC) is being implemented as the internal strategic planning and performance management tool, allowing vertical and horizontal alignment of management functions, processes, and accountability across departments. All these instruments are expected to be implemented through the next 18 months.

Structure and responsibilities for development effectiveness

Vice-presidencies (VPs) are responsible for ensuring that interventions are designed and executed according to the applicable good practice standards, and that self-evaluations are conducted in a timely manner. To achieve the latter, VPs establish a delivery schedule for completion reports, which are the reporting tool for self-evaluations of interventions.

The Strategic Planning and Development Effectiveness Department (SPD) is part of the self-evaluation system of the Bank, reporting directly to the Executive Vice-President. It supports the self-evaluation function across interventions, including the development and application of evaluation guidelines and standards, and the identification of problems encountered.

[1] Total includes $1.3b of approvals against 2009 lending ceiling and $0.7b of uncommitted guarantees of the private sector.

Reports on development effectiveness

The Development Effectiveness Overview is the reporting instrument through which the Bank will provide the Board of Directors with the overall assessment of compliance with the development effectiveness standards; analyze the outcomes achieved at a more aggregate level; report on the results achieved through its interventions; present the lessons learned through self-evaluation; and assess the Bank's contribution to the development goals of the region.

Main operational activities

Total loans and guarantees	Board year				
	2004	2005	2006	2007	2008
Approvals (US$ millions)	5,609	7,148	6,273	7,144	11,370
Number of projects	77	94	111	99	147
Disbursements (US$ millions)	4,233	5,345	6,500	7,144	7,641
Approvals	552	410	605	152	137
Number of projects	27	20	24	19	18
Disbursements (US$ millions)	463	424	398	393	415.0
Approvals	57	90	104	217	202
Number of projects	340	427	442	430	374
Approvals	3,101	2,168	3,600	2,643	1,469
Number of projects	24	29	38	38	46
Loan and equity investments	2004	2005	2006	2007	2008
Approvals (US$ millions)	164	342	338	455	301
Number of projects	31	37	46	61	64
Disbursements (US$ millions)	153	197	288	391	256
Amount (US$ millions)	130	100	173	138	300
Number of projects	4	2	5	5	6

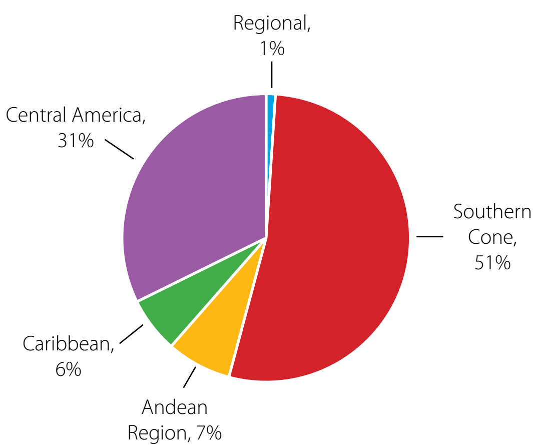
Note: A program or project may be financed through more than one loan or DSF grant, and thus the number of loans and DSF grants may differ from the number of programs and projects.

Top ten recipients of loans, 2008

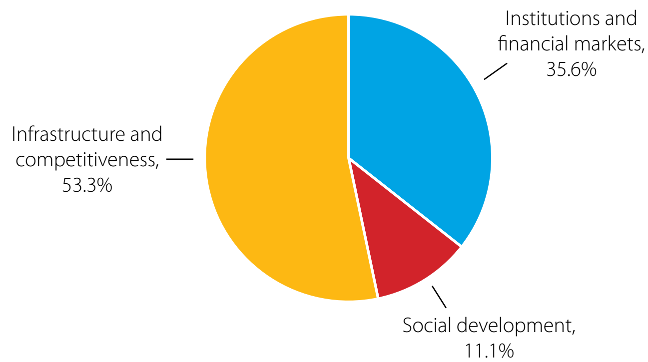
Top ten recipients of loans (US$)	
Country	Amount
Brazil	2,893,893,525
Mexico	1,591,683,961
Argentina	1,385,500,000
Panama	650,200,000
Chile	580,000,000
Colombia	524,185,000
Uruguay	382,817,783
Costa Rica	361,000,000
Guatemala	353,500,000
Jamaica	292,000,000

Distribution of loans

By sector, 2008



By region, 2008



IFAD Corporate Profile

Operational Highlights

The **International Fund for Agricultural Development's (IFAD)** program of work in 2008, including new loans and grants, totalled US$602.3 million. Disbursements also reached a record high of US$436.1 million. During the year, the Board approved 28 loans and 10 DSF grants in support of 30 investment programs and projects. Over 77% of the total amount approved was in the form of DSF grants and highly concessional loans. At the end of the year, IFAD was financing a total of 204 effective programmes and projects in 88 countries and one territory. IFAD's investment in these activities was worth a total of US$3.4 billion.

Vision

Enabling the rural poor to overcome poverty.

Mission

IFAD is an international financial institution and a United Nations specialized agency dedicated to eradicating poverty in the rural areas of developing countries, where the majority of the world's poorest people live. The focus is on poor, marginalized, and vulnerable rural people. They are small farmers, landless people, laborers, herders, artisanal fishers, and small-scale entrepreneurs who depend on agriculture and related activities to survive. IFAD gives special attention to gender differences and to empowering women, who account for a disproportionate number of the world's extremely poor. IFAD recognizes the particular needs of indigenous peoples and ethnic minorities, especially in Latin America and Asia.

Members

Membership in IFAD is open to any State that is a member of the United Nations, any of its specialized agencies, or the International Atomic Energy Agency. The Fund's 166 Member States are classified as follows: List A (primarily OECD members); List B (primarily OPEC members); and List C (developing countries).

Offices

Main headquarters in Rome, Italy. Country presence officers are being established in 17 countries, four Country Portfolio Managers are out-posted, and a further 10 country offices are planned.

Staff

At the end of 2008, IFAD had 466 staff members, including the staff of the independent Office of Evaluation. There were 233 professional and higher-category staff, excluding the President and Vice-President, and 233 General Service staff.

Financial Resources

IFAD seeks Replenishment from Member States every three years and uses these resources, together with loan reflows and investment income, to provide the resources available for annual commitment. IFAD is completing its 8th Replenishment, for the period 2010-12, and a total program of work of US$ 3.0 Billion has been agreed, with $1.2 billion set as a target for the replenishment from member contributions. This amount will be augmented by specific supplementary funds that may be provided by individual donors.

Recent Initiatives in MfDR

IFAD has adopted an MfDR approach to focus the organization on achieving and measuring development results. The approach is underpinned by (a) clearly defining and stating IFAD's strategic objectives in the Strategic Framework; (b) focusing all systems, processes, and resources (human and financial) on achieving those strategic objectives; (c) ensuring that all systems, processes, and resource uses are consistent and aligned with each other; (d) closely monitoring progress in achieving the strategic objectives, and using this information in decision-making and learning; and (e) creating an MfDR culture across the organization. The approach is used to bring operational and organizational performance together into an integrated and coherent system of planning, monitoring, and accountability.

Key areas of progress and needs for improvement

IFAD is also building capacity for MfDR in its Member States. For example, by introducing results-oriented annual work plans and budgets in the projects it supports, it is tightening the links between project planning and monitoring and evaluation, and in a number of countries it is also strengthening country-level monitoring and evaluation and statistical capacities. IFAD also supports an initiative of the Joint Venture for MfDR to establish communities of practice in Asia and the Pacific, Africa, and Latin America and the Caribbean, as model cases for South-South cooperation and peer-to-peer learning in MfDR approaches.

Key to IFAD's efforts in MfDR is the ongoing change in its relations with national partners launched under the Action Plan for Improving IFAD's Development Effectiveness. These changes involve stronger country presence and country programming for better integration into and harmonization with national initiatives; and expanded direct supervision to improve support to national program and project implementation capacities.

Strengthening the MfDR process increases the necessity for stronger project-level M&E systems. IFAD has been doing much to strengthen project M&E, but it is still not strong. This situation is far from unique to IFAD, suggesting that there are fundamental issues to be solved at the level of national capacity for development management. Working in close collaboration with national institutions, IFAD will further reinforce M&E systems at the project level (and, as a consequence, the RIMS). IFAD will also improve the results frameworks of its own country programs and projects, placing greater emphasis on the robustness of the logical causal chain and on the consistency of monitoring requirements with national institutional capacities and priorities.

Structure and responsibilities for development effectiveness

MfDR is one of the central themes of the organization's recent reform agenda, the Action Plan for Enhancing IFAD's Development Effectiveness. The key deliverables in the context of MfDR include the following:

- Strengthened capability for strategic planning, resource alignment, and results measurement and reporting through a reformulated IFAD Strategic Framework 2007-2010; establishment of a results measurement framework with program performance targets for 2010; introduction of a results-based program of work and budget; and development of an annual report on IFAD's development effectiveness.
- Enhanced program quality, performance, and impact through new results-based country strategic opportunities programs (RB-COSOPs); new project design guidelines and processes that enhance quality at entry by focusing discussion with partners on key success factors; and a new arms-length quality assurance system, which ensures that projects meet minimum standards for design quality. Achievement of IFAD's strategic objectives is in turn sustained through organizational-level results—corporate management results (CMRs)—which are managed within the Corporate Planning and Performance Management System (CPPMS).

Reports on development effectiveness

The annual Report on IFAD's Development Effectiveness (RIDE) is organized to report on performance in three broad areas:

- **Relevance** of IFAD's mandate and operations in the context of the changing framework of international development assistance;
- **Development effectiveness** of IFAD-financed operations in generating development results "on the ground" that support national and global efforts to reduce rural poverty and contribute to achieving the Millennium Development Goals, particularly the first MDG; and
- **Organizational effectiveness and efficiency** of IFAD in delivering those results through improved internal performance management.

Main operational activities

	Board year				
	2004	2005	2006	2007	2008
Approvals (US$ millions) of loans and DSF grants*	408.7	499.3	515.0	563.1	561.4
Loans (Number, incl. suppl.)	24	31	31	27	28
DSF grants (no., incl. suppl.)	0	0	0	13	10
Number of projects	24	31	27	35	30
Loan disburs. (US$ historic)	313.7	343.5	387.5	399.1	433.8
Grant disburs. (US$ historic)	18.6	21.95	39.5	37.7	39.4

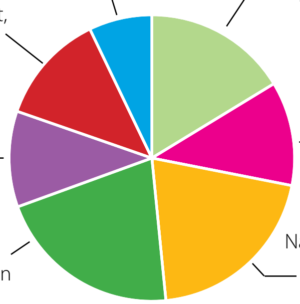
Note: A program or project may be financed through more than one loan or DSF grant, and thus the number of loans and DSF grants may differ from the number of programs and projects.
*In addition, US$ 40.9 million was approved for global, regional and country grants.

Top ten recipients of financing, 2008

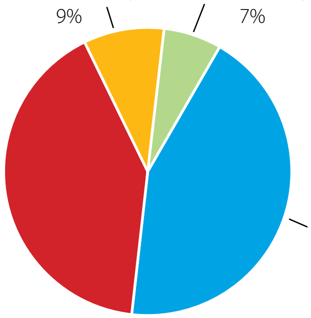
Top ten recipients of financing	
Country	**IFAD Approved Financing (USD '000)**
Indonesia	68 530
Tanzania	56 000
China	31 875
Mozambique	31 135
India	30 969
Philippines	27 120
Congo, D.R.	23 326
Viet Nam	21 000
Rwanda	20 446
Madagascar	19 188

Distribution of financing

By sector, 2008



By region, 2008



IsDB Group Corporate Profile

Operational Highlights

The **Islamic Development Bank (IsDB)** is a multilateral development financing institution that was established to foster the economic development and social progress of member countries and Muslim communities in accordance with the principles of Islamic Law (this translates, in particular, into the modes of financing that are used).

Vision

By the year 2020, IsDB shall have become a world-class development bank, inspired by Islamic principles, that has helped significantly transform the landscape of comprehensive human development in the Muslim world and helped restore its dignity.

Mission

The mission of IsDB is to promote comprehensive human development with a focus on priority areas of alleviating poverty, improving health, promoting education, improving governance, and prospering the people.

Members

The IsDB has 56 members from four continents. All members may benefit from IsDB financing.

Offices

IsDB has its headquarters in Jeddah (Saudi Arabia). It has four Regional Offices in Kazakhstan, Malaysia, Morocco, and Senegal.

Staff

The total number of staff is 1014.

Financial Resources

- Authorized capital: ID 30.0 billion.
- Subscribed capital: ID 16.0 billion
- Gross income: ID 347.9 million.

The IsDB Group comprises, in addition to the Bank itself, the Islamic Research and Training Institute (IRTI), the Islamic Corporation for the Development of the Private Sector (ICD), the Islamic Corporation for Insurance of Investment and Export Credit (ICIEC), and the International Islamic Trade Finance Corporation (ITFC).

Main Recent Initiatives

- Establishment of an Islamic Solidarity Fund for Development that aims at combating poverty in member countries through new approaches and new types of projects.
- Development of a program to enhance the Islamic financial services industry (product development, diversification of services, setting standards and regulatory framework, etc.).
- Increased support to public- private partnerships.

Reform at IsDB Group

The Islamic Development Bank Group is undergoing institutional reform to ensure that the Bank is relevant in addressing the needs of its member countries, and is well-equipped to facilitate the achievement of the IsDB 1440H Vision. Hence, the reform looks at realigning the Bank's focus and priorities.

Undertaking additional responsibilities means that the Bank will need to make changes to its organizational structure and enhance its capacity and resources. This work will include streamlining its business process by realigning its organizational structures, corporate governance, mission, and the functions of different entities to eliminate redundancies in functions, empowerment, and responsibilities and enhance transparency, disclosure, and accountability. At the same time, the roles of the Board, management, and stakeholders will be enhanced to increase efficiency. Through this exercise, IsDB will redesign its business processes to be closer to its customers, improve project cycle time, strengthen its results management, and increase overall impact.

Phase 1 of the IDB Group Reform has been concluded and is being implemented. Phase 1 covers three focal areas: vision strategy (implementation framework), rolling plans and key performance indicators; governance and organizational design; and change management.

IsDB Group response to food crisis: The Jeddah Declaration Initiative

In response to the food crisis, in mid-2008 the IsDB announced the Jeddah Declaration Initiative, a package of US$1.5 billion to be used over a period of 5 years to support member countries, particularly the least developed countries, in strengthening their food security and revitalizing their agriculture sector. The scope of the package covers immediate, short-term, and medium- to longer-term measures.

The short-term measures include assistance mainly for acquiring agricultural inputs to boost local food production. In the medium to longer term, the assistance aims at revitalizing the agriculture sector to increase overall productivity and rural income in member countries through

- enhanced access to agriculture inputs and services, including access to good-quality fertilizers, improved seeds, and animal feed;
- improved agricultural infrastructure, including water infrastructure, and
- strengthened agricultural institutions.

Between June and December 2008, the Bank approved US$200 million for its member countries.

In the coming years, the IsDB Group will further boost its overall support to the food and agriculture sector in member countries through a comprehensive longer-term strategy for sustainable and pro-poor agriculture development, not only through the Jeddah Declaration initiative, but also through such other major initiatives on poverty alleviation as its Islamic Solidarity Fund for Development (ISFD) and the Special Program for the Development of Africa.

For implementing these initiatives, the Bank is strengthening its partnerships with international, regional, and local partners, and is looking forward to joint initiatives and cofinancing with other donors and development agencies.

Main operational activities*

IsDB Group financing	1975-09	2004-05	2005-06	2006-07	2007-08	2008
Lending						
Approvals (ID millions)	15,994.67	1,254.11	1202.00	1273.90	1501.40	1699.40
Number of operations	1717	175	114	106	85	126
Equity investments						
Approvals (ID millions)	564.73	130.25	205.10	235.20	213.50	141.20
Number of operations	170	15	26	22	26	27
Technical assistance						
Approvals (ID millions)	228.00	13.58	10.00	11.07	11.27	22.63
Number of operations	857	55	49	62	76	107
Cofinancing						
Approvals (US$ millions)	26,582.09	620.05	1177.42	788.97	2817.67	2241.70
Number of operations	512	20	18	11	30	36
Trade financing						
Approvals (ID millions)	23,597.40	1911.78	1168.70	1984.10	1817.40	1654.30
Number of operations	2095	142	89	130	81	85
Special assistance						
Approvals (ID millions)	520.80	13.82	9.30	12.60	17.00	13.00
Number of operations	1264	67	44	47	62	54

Note: Financing includes loans, leasing, installment sale, istisna'a, profit sharing and lines of financing. ID stands for Islamic Dinar, a unit of account of IsDB. One Islamic Dinar is equivalent to one Special Drawing Right (SDR) of the IMF.
* The IsDB's fiscal year is the Hijrah (lunar) year, and all data in this report are based on it. However, for ease of reading, each Hijrah year is referred to in the nearest corresponding Gregorian Year.

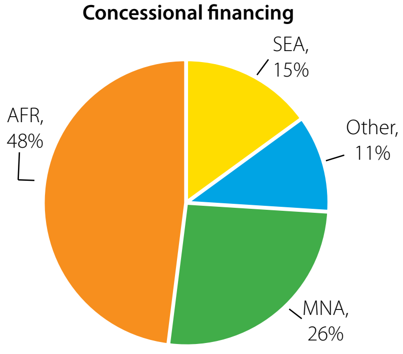
Top recipients of (OCR) project financing, 2008

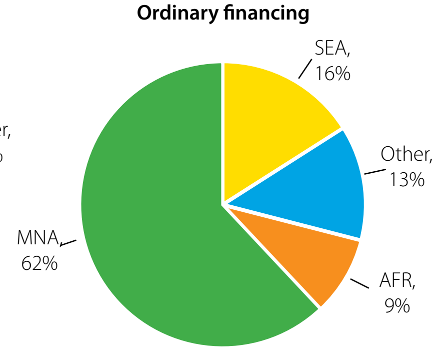
Country	Amount (ID, millions)	Amount (US$, millions)	Percentage of total
Tunisia	193.07	316.10	12
Pakistan	157.76	243.20	10
Qatar	138.00	225.00	9
Iran	129.23	201.46	8
Turkey	108.05	167.73	7
Morocco	94.87	158.07	6
Saudi Arabia	91.30	142.42	6
Uzbekistan	68.93	109.65	4
Gabon	66.00	106.83	4
Sudan	61.03	92.30	4
Total	**1,108.23**	**1,762.77**	**70**

Top recipients of concessionary project financing, 2008

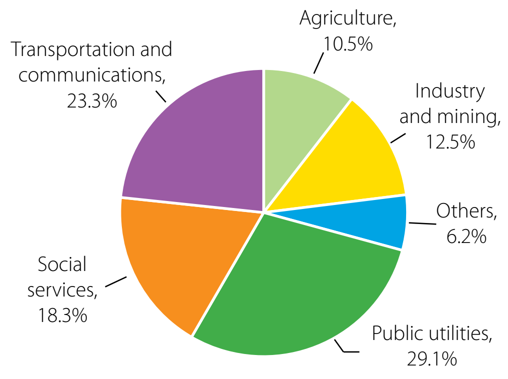
Country	Amount (ID, millions)	Amount (US$, millions)	Percentage of total
Bangladesh	25.67	39.90	11
Burkina Faso	18.81	29.97	8
Yemen	14.12	22.62	6
Mauritania	12.54	19.98	5
Djibouti	12.21	19.10	5
Chad	11.81	18.02	5
Niger	10.51	16.84	4
Mozambique	10.50	16.51	4
Tajikistan	9.11	14.17	4
Albania	8.61	13.35	4
Total	**133.88**	**210.45**	**57**

Cumulative distribution of OCR financing by region, as of 2008





Cumulative distribution of approved financing by sector, as of 2008



WBG[2] Corporate Profile

Operational Highlights

World Bank: During fiscal year 2008 WBG committed $38.2 billion in loans, grants, equity investments, and guarantees to its members and to private businesses in member countries. IDA commitments were $11.2 billion, and IBRD commitments were $13.5 billion. During the year, WB achieved a record-setting IDA15 replenishment of SDR 27.3 billion ($41.7 billion).

IFC: During fiscal year 2008 IFC committed $14.6 billion in loans, equity investments, and guarantees for 372 projects across 9 industries in 85 countries. IFC mobilized $4.8 billion through syndications, structured and securitized products, sales of IFC loans, and parallel loans.

Vision

World Bank: It is the vision of the World Bank Group to contribute to an inclusive and sustainable globalization – to overcome poverty, enhance growth with care for the environment, and create individual opportunity and hope.

IFC: People should have the opportunity to escape poverty and improve their lives.

Mission

To fight poverty with passion and professionalism for lasting results. To help people help themselves and their environment by providing resources, sharing knowledge, building capacity, and forging partnerships in the public and private sectors.

Members

IBRD has 185 member countries, IDA has 167, and IFC has 179.

Offices

The headquarters of WBG is in Washington, D.C. It has over 100 other offices around the world.

Staff

Some 10,000 development professionals from nearly every country in the world work at WBG. Approximately one-third of them work in country offices throughout the developing world.

Financial Resources

US$ billions, FY08	IBRD	IDA	IFC
Operating income	2.271	1.818	1.438
Loans outstanding (IBRD), development credits outstanding (IDA), total committed portfolio (IFC)	99.050	113.542	32.342
Total assets	233.599		49.471
Total equity	41.548	123.619	18.261

[2] In this case, WBG refers to IBRD, IDA, and IFC.

World Bank: The Results Platform is a comprehensive results monitoring and reporting system that will facilitate a more streamlined and systematic analysis of the results orientation of WB projects and programs. It comprises a Bankwide Results Measurement System and a Country Portfolio Results Monitoring Tool, both of which are being developed and rolled out more broadly.

IFC: IFC investments and advisory work in countries served by IDA now account for 40 percent of our projects. Additionally, IFC defines standards in the world financial community as banks adopt the Equator Principles. Finally, IFC's system for monitoring and evaluation is helping set best practice standards for assessing the results of private sector engagement in emerging markets.

Structure and responsibilities for development effectiveness

The Results Unit is responsible for providing guidance and support to operational teams and networks on the results orientation of WB operations, programs, and analytic and advisory services. The Results Unit's work includes internal support to results achievement in WB, and also external support to capacity development in results achievement for partner country governments. The internal activities of the Results Unit focus on strengthening WB strategies, instruments, and projects to ensure a focus on measuring, monitoring, and achieving results. The external program includes liaising with country partners, donors, and other organizations on the international MfDR agenda; developing country capacity for MfDR; and international outreach (such as the Sourcebook on MfDR, the MfDR Cap-Scan, and the African Community of Practice on MfDR). The aid effectiveness unit is responsible for mainstreaming into WB operations the commitments of the international aid effectiveness agenda, as defined in the Paris Declaration and Accra Agenda for Action.

At IFC, the Development Effectiveness Unit in the Office of the chief Economist is responsible for establishing systems to measure, monitor, and report on the development results of IFC's investment operations. A dedicated M&E Unit in the Advisory Services Vice-Presidency coordinates development results measurement and reporting for IFC's advisory activities. IFC uses a tool called the Development Outcome Tracking System (DOTS) to measure the development effectiveness of investment and advisory operations. IFC operational staff identify clear, standardized, and monitorable indicators with baselines and target at the outset of a project in DOTS. Staff then track performance against these targets during supervision, for feedback into the operations

Reports on development effectiveness

- The Annual Report on Portfolio Performance provides the Board and senior management with a strategic overview of the effectiveness of WB's lending and analytic and advisory services portfolio in delivering results to its clients. The report examines the likely trends and challenges to the portfolio over the medium term and reviews progress in implementing the WB's results agenda.

- The IDA14 Retrospective and the IDA15 Midterm Review, now underway, will report on selected aggregated project outputs in four sectors (health, education, transport, and water) through the implementation of the IDA Results Measurement System (RMS). WB will also report on progress on aid effectiveness commitments made in IDA-15.
- IFC has reported on the development results of its portfolio along with its financial results in its Annual Report since 2007. An external firm reviews the application of its methodology and results, as part of the assurance for nonfinancial aspects of its reporting.
- IFC publishes the Annual Portfolio Performance Review. In addition, the Independent Evaluation Group publishes an Independent Evaluation on IFC's Development Results annually, the Biennial Report on Operations Evaluation in IFC, and specific country, sector and thematic evaluations.

Main operational activities for IBRD and IDA

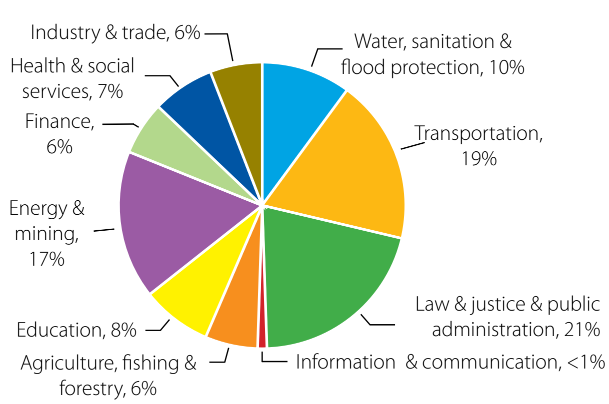
	2004	2005	2006	2007	2008*
IBRD + IDA lending					
Commitments (US$ millions)	20,080	22,307	23,641	24,696	24,703
Number of projects	245	283	286	300	298
Gross disbursements (US$ millions)	17,044	18,672	20,743	19,634	19,650
Cofinancing					
Amount (US$ millions)	11,758.3	9,107	5,459	6,405	4,530
Number of projects	109	126	124	124	88

Ten largest IBRD/IDA borrowers, 2008

Borrower	Commitments	
	(US$ billions)	% of total
India	2.154	8.7%
Brazil	1.914	7.7%
China	1.513	6.1%
Indonesia	1.295	5.2%
Azerbaijan	1.267	5.1%
Turkey	1.203	4.9%
Vietnam	1.193	4.8%
Colombia	0.940	3.8%
Egypt, Arab Republic of	0.835	3.4%
Bangladesh	0.753	3.1%
Total	**13.067**	**52.9%**

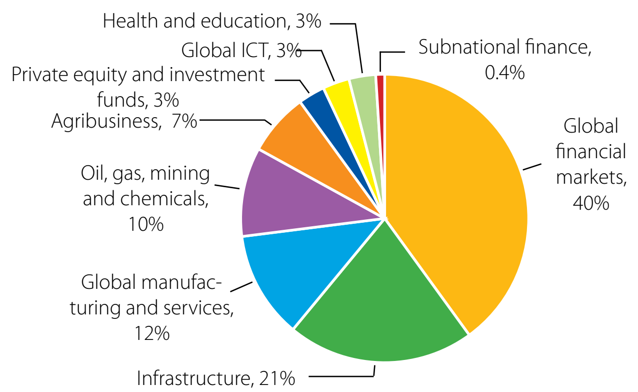
IBRD-IDA lending by sector, FY08

Total lending: $24.7 billion



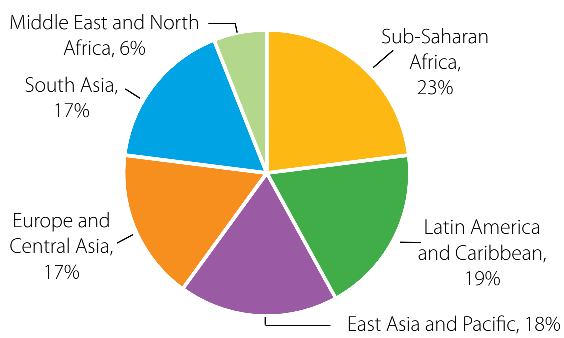
IFC investments by industry, FY08

Total investments: $11.4 billion



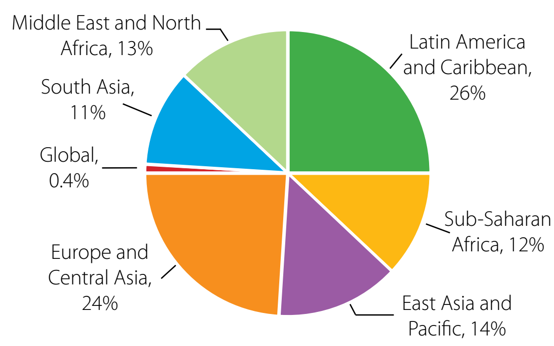
IBRD-IDA lending by region, FY08

Total lending: $24.7 billion



IFC investments by region, FY08

Total investments: $11.4 billion



Appendix II: Institutional Profile of Private Sector Operations of MDBs

	AfDB[9]				AsDB[10]				ERBD			
	2005	2006	2007	2008	2005	2006	2007	2008	2005	2006	2007	2008
Investment portfolio[1] - total	**$943.3**	**$1,003.0**	**$1,773.4**	**$2,431**	**$1,328.5**	**$2,181.1**	**$2,505.6**	**$3,194.0**	**$13,845.2**	**$23,262.2**	**$28,521.5**	**$30,256.5**
Of which loans	$840.9	$898.4	$1,496.2	$2,014	$730.4	$1,266.7	$1,451.9	$2,379.0	$10,278.7	$18,696.1	$21,669.3	$22,684.4
Non-performing loans (principal)[2]	$16.4	$19.3	$18.5	$17	$49.2	$29.7	$16.5	$1.7	$49.7	$16.2	$31.9	$130.5
Loan write-offs	n/a	n/a	n/a	n/a	$0.7	$20.5	$8.6	$1.9	$42.7	$27.1	$2.6	$2.7
Of which equity	$95.3	$89.5	$261.6	$376	$598.2	$914.4	$1,053.6	$815.0	$3,566.5	$4,566.0	$6,852.2	$7,572.1
Equity write-offs	n/a	n/a	n/a	n/a	$2.3	$0	$0	n/a	$26.5	$37.0	$10.7	$19.3
Number of portfolio companies[3]	46	47	58	67	109	122	140	143	781	n/a	1,341	1,416
New commitments - total	**$851.4**	**$822.2**	**$1,364.8**	**$1,043.0**	**$777.9**	**$1,410.3**	**$1,716.1**	**$2,253.3**	**$3,838.8**	**$5,199.5**	**$7,081.8**	**$6,150.2**
Of which real-sector projects	$332.9	$365.5	$634.3	$644.0	$507.3	$887.6	$900.1	$1,797.7	$2,152.2	$2,291.6	$3,965.6	$3,290.4
Of which financial services	$518.5	$456.7	$730.5	$396.0	$185.0	$330.0	$796.0	$355.6	$1,350.3	$2,644.5	$2,527.4	$2,649.9
Of which funds	$52.4	$81.9	$111.2	$114.0	$85.5	$192.7	$20.0	$100.0	$336.4	$263.4	$588.8	$209.9
Droppages[4]/ approvals	0.7%	0.2%	0.3%	0.1%	9.6%	17.3%	0.3%	32.6%	8.7%	n/a	n/a	n/a
Cancellations[5] / commitments	5.3%	1.1%	0.8%	3.5%	5.6%	0.7%	0.3%	0.9%	7.1%	24.0%	21.0%	33.0%
Mobilization ratio[6]	5.0	4.0	5.0	n/a	0.09	0.40	0.42	0.26	n/a	0.65	0.65	0.61
Advisory services/technical assistance												
Project expenditures[7]	n/a	n/a	n/a	n/a	$0.2	$0.3	$0.7	$0.5	n/a	$135.0	$136.2	n/a
Staff[8]												
# of staff working on investments	12	16	16	35	55	56	66	70	1,116	406	443	465
# of staff working on advisory services	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	16	16	16

	IaDB[11]				IIC[12]				IsDB[13]			
	2005	2006	2007	2008	2005	2006	2007	2008	2005	2006	2007	2008
Investment portfolio[1] - total	**$1,771.2**	**$1,959.2**	**$2,785.6**	**$4,573.8**	**$511.0**	**$687.0**	**$793.0**	**$1,037.0**	**$650.0**	**$943.0**	**$1,436.0**	**$2,029.7**
Of which loans	$1,664.6	$1,832.2	$2,642.6	$4,296.2	$432.0	$619.0	$734.0	$986.0	$650.0	$943.0	$1,436.0	$2,030.0
Non-performing loans (principal)[2]	$196.0	$66.0	$2.0	n/a	$5.0	$29.0	$20.0	$19.0	$0	$0	$23.2	n/a
Loan write-offs	$6.0	$42.0	$21.0	n/a	$4.0	$9.0	$5.0	$0	$0	$0	$0	n/a
Of which equity	$106.5	$127.0	$143.0	$277.6	$78.0	$67.0	$60.0	$42.0	$0	$0	$0	n/a
Equity write-offs	$0	$0	$0	$13.7	$2.0	$0	$1.0	$0	$0	$0	$0	n/a
Number of portfolio companies[3]	125	130	152	165	37	46	52	63	14	20	26	34
New commitments - total	**$456.0**	**$1,091.1**	**$1,226.9**	**$2,277.1**	**$206.0**	**$303.0**	**$212.0**	**$296.0**	**$125.0**	**$293.0**	**$493.0**	**$593.7**
Of which real-sector projects	$206.0	$257.8	$639.0	$1,549.5	$52.0	$63.0	$44.0	$125.0	$125.0	$293.0	$443.0	$578.7
Of which financial services	$41.8	$462.8	$584.6	$560.6	$154.0	$240.0	$168.0	$171.0	$0	$0	$0	$15.0
Of which funds	$37.1	$119.0	$3.6	$167.0	$0	$0	$0	$0	$0	$0	$50.0	n/a
Droppages[4]/ approvals	46.0%	24.0%	0.2%	3.7%	14.9%	9.8%	19.1%	0%	0%	0%	0%	0%
Cancellations[5] / commitments	1.0%	1.6%	2.4%	0%	4.0%	11.1%	0%	0%	0%	0%	0%	0%
Mobilization ratio[6]	n/a	n/a	1.68	1.34	n/a	n/a	n/a	1.9	n/a	n/a	n/a	n/a
Advisory services/technical assistance												
Project expenditures[7]	$72.8	$77.3	$107.6	$109.0	n/a	n/a	n/a	$2.4	$0	$0	$12.0	n/a
Staff[8]												
# of staff working on investments	57	57	70	104	96	91	91	97	4	4	4	4
# of staff working on advisory services	49	56	75	65	n/a	1	1	2	n/a	n/a	1	1

	ICD[14]				IFC[15]			
	2005	2006	2007	2008	2005	2006	2007	2008
Investment portfolio[1] - total	**$350.6**	**$486.3**	**$616.3**	**$986.7**	**$19,274.0**	**$21,627.0**	**$25,410.0**	**$32,342.0**
Of which loans	$257.8	$316.2	$369.7	$581.2	$15,926.6	$17,627.5	$20,526.1	$25,777.0
Non-performing loans (principal)[2]	$5.3	$14.4	$17.2	$28.4	$633.8	$447.1	$377.9	$369.0
Loan write-offs	n/a	$0	$0	$0	$143.2	$114.3	$39.2	$51.0
Of which equity	$92.8	$170.2	$246.6	$405.5	$3,326.6	$3,911.6	$4,885.0	$6,565.0
Equity write-offs	n/a	$0	$0	$0	$459.8	$72.8	$45.4	$146.0
Number of portfolio companies[3]	66	91	97	132	1,314	1,368	1,410	1491
New commitments - total	**$141.7**	**$175.2**	**$113.4**	**$102.8**	**$5,373.0**	**$6,703.0**	**$8,220.0**	**$11,399.0**
Of which real-sector projects	$116.7	$152.4	$89.8	$87.5	$2,988.0	$3,859.0	$4,540.0	$6,267.0
Of which financial services	$25.0	$22.7	$23.6	$15.3	$2,197.0	$2,535.0	$3,404.0	$4,605.0
Of which funds	$0	$0	$0	$0	$188.0	$309.0	$276.0	$527.0
Droppages[4]/ approvals	39.3%	14.2%	15.1%	11.2%	10.0%	3.0%	9.0%	3.2%
Cancellations[5] / commitments	0.1%	0%	0%	0.4%	12.1%	13.5%	13.5%	9.0%
Mobilization ratio[6]	n/a	n/a	0.40	0.61	n/a	0.43	0.47	0.42
Advisory services/technical assistance								
Project expenditures[7]	n/a	n/a	n/a	n/a	$84.4	$82.0	$117.0	$380.0
Staff[8]								
# of staff working on investments	21	28	36	49	1,025	1,155	1,269	1,302
# of staff working on advisory services	n/a	n/a	n/a	n/a	730	978	1,087	1,185

Note: US$ millions (except company/staff numbers mobilization ratio and returns on Loan and Equity)

1. Investment Portfolio: Disbursed and outstanding as well as committed portfolio.
   IIC: 2008 investment portfolio data include disbursed and outstanding (US$933) and committed (not yet disbursed) portfolio (US$103). 2007 data include only disbursed and outstanding portfolio.
   EBRD: Investment portfolio refers to stock amounts (total commitments less reflows).
2. IIC: Includes past due and non-accrual loans.
3. EBRD: 2007 and 2008 data refer to portfolio projects, not companies.
   IIC: Total: 211; 2008: 63.
4. Droppages: An approved investment that has failed to become a signed agreement.
   AsDB: Amount of facilities cancelled in 2008 / amount of facilities approved in 2008.
   IIC: 1 project of U$0.2 was dropped/total approvals: U$296.05.
5. Cancellations: An undisbursed, committed balance of an equity investment, loan or guarantee cancelled by mutual consent between the MDB and a project company.
   IIC: 1 project of U$0.2 was cancelled.
6. Financing from entities other than the MDB that becomes available to the MDB's clients because of the MDB's direct involvement in raising resources, expressed as ratio per $ of original commitment of the MDB. Resource mobilization includes parallel loans and participations, partial credit guarantees, securitizations, and risk sharing facilities. This indicator was introduced this year. Information for prior years is noted where available.
   IIC: Includes only 2008 financing.
   IADB: 2007 data do not include MIF.
7. Expenditures by MDB, including donor resources administered by MDB.
8. AfDB: Excludes Young Professionals, technical assistants, and adminstrative staff and includes only experienced, professional staff.
   AsDB: Includes administrative staff.
   EBRD: # of staff working on investments includes bank-funded professional staff on board in the Banking Department. # of staff working on advisory services refers to fully employed staff in the EBRD'sTAM/BAS programme (consultants amount to over 500).
   IFC: In addition to the staff working on investment and advisory services, staff engaged in IFC Service Departments (such as Human Resources, Legal, etc.) amounted to 778 in 2007, 747 in 2006, and 678 in 2005.
9. AfDB and IsDB Group have adjusted prior year data in this report for greater consistency in information provided by other partners. It also includes new information not available last year. The data in this report replace all data published in 2007 COMPAS.
10. AsDB's write-off in 2005 was a result of a change in accounting method, such that the existing provision for the investment at that time had to be written off. After which, the current fair value is compared against the adjusted cost basis to determine the unrealized gain / (loss). AsDB's new commitment total for 2005 is net of droppages.
11. IADB: Loan portfolio subtotal includes guarantees. Some of the 2007 results published in last year's report have been updated to reflect the data that became available afterwards or that belongs to units which were included from this year's exercise.
12. IIC provides Advisory Services to support investment operations, but not as stand-alone operations. This year's investment portfolio includes disbursed and outstanding portfolio wirth $933 million and committed (not yet disbursed) portfolio of US$103 million. For 2007, the data included only disbursed and outstanding portfolio.
13. IsDB has adjusted some prior year data in this report to reflect greater consistency in the information provided by other partners and includes new information not available last year. These changes replace the data published in the 2007 COMPAS.
14. ICD: Some data from previous years have been revised to reflect refined definitions.
15. IFC: Numbers by respective fiscal year (ending June 30).