

CARIBBEAN DEVELOPMENT BANK

THIRD FORMAL NEGOTIATION MEETING OF CONTRIBUTORS

TO THE SPECIAL DEVELOPMENT FUND (UNIFIED)

TO BE HELD IN BARBADOS

JULY 19 AND 20, 2012

**REVIEW OF THE CARIBBEAN DEVELOPMENT BANK'S
AGENDA FOR MANAGING FOR DEVELOPMENT RESULTS**

The Bank engaged the consulting firm of Universalia to undertake a review of its Agenda for Managing for Development Results (MfDR). The assessment was based on the methodology developed by the Multilateral Organisation Performance Assessment Network (MOPAN) and also benchmarked the Caribbean Development Bank's performance against the performance of the Asian Development Bank and the Inter-American Development Bank. The attached Consultant's report contains the findings of this review which have been used to develop an Action Plan for dealing with the issues/challenges which are identified in the report.

A presentation of the proposed Action Plan will be made by Bank staff at the Third Formal Negotiation Meeting of Contributors to the Special Development Fund (Unified) scheduled for July 19 and 20, 2012.

**Review of CDB's
Agenda for
Managing for
Development
Results**

Final Report



June 2012

Executive Summary

Universalialia is pleased to present this report on the assessment of the effectiveness of the Caribbean Development Bank (CDB) in managing for development results (MfDR).

The specific objectives of the review were to:

- Conduct a review of CDB's performance using the assessment framework developed by the Multilateral Organisation Performance Assessment Network (MOPAN)
- Benchmark the CDB's performance against the performance of the Asian Development Bank (ADB) and the Inter-American Development Bank (IDB) (Shown in Appendix I)

This review is intended to inform the Corporate Planning Division (CPD) of the CDB and ultimately the Advisory Management Team (AMT) of the Bank.

Methodology

The review was conducted by the Universalialia Management Group Ltd, based on a review of Bank documents and stakeholder interviews and focus groups.

The document review assessed the CDB's performance in implementing MfDR through an examination of corporate documents and country programming documents from five borrowing member countries selected (Anguilla, Belize, Grenada, Jamaica, St Lucia). The assessment was based on criteria developed by the Multilateral Organisation Performance Assessment Network (MOPAN) to assess the effectiveness of multilateral organisations. MOPAN assessments provide a snapshot of four dimensions of organisational effectiveness – strategic management, operational management, relationship management, and knowledge management.

The interviews and focus groups targeted 41 CDB staff and managers and nine BMC stakeholders suggested by the Bank from the five BMCs selected. Interview protocols were based on MOPAN criteria.

The main findings of the assessment are summarised below.

Strategic Management

Following the adoption of its MfDR Results Agenda in 2001 and the development and implementation of a corporate Results Monitoring Framework (RMF) in 2008, the CDB has developed corporate strategies and plans that reflect good practices in managing for development results. The shift toward results-based management (RBM) at the Bank is gradually becoming visible at the country level, with further support and direction required from the CDB for improving the results focus of Country Strategy Papers (CSPs).

In providing direction for results, the lack of accessibility of key documents to the public reduces the CDB's transparency and impedes the Bank from providing clear direction to its BMCs. The Bank has a very strong corporate focus on results, as reflected in its *Development Effectiveness and Managing for Results* (2008) policy and its *Strategic Plan 2010-2014* (2010). In terms of its thematic priorities, the CDB is strongly committed to gender equality and to the environment to a lesser extent. While CDB's country strategies are results focused, with expected results consistent with national development plans and CDB's priorities, improvements are required for CDB's country strategies to better express expected outputs and outcomes as well as performance indicators.

Operational Management

In operational management, CDB's performance is considered uneven, with three indicators of performance rated negatively and three rated adequate or better. The greatest area of concern is linking the management of aid to performance – by reporting better on outputs and outcomes achieved, incorporating results-based budgeting, and releasing funding according to agreed schedules.

While the CDB shows concern for managing its human resources to improve performance, this area remains inadequate. The performance incentive system and criteria for managing senior staff performance are not clearly documented.

Relationship Management

In relationship management, the review examined CDB's support of national plans, its use of country systems, and harmonisation with other partners at the country level. The assessment found that, except for the Bank's Lending Policies, which align with the principles of national ownership, relationship management was one of the two weakest areas of the CDB. Among other factors, the Bank has insufficient information on harmonising procedures and its percentage of aid provided through common arrangements has declined.


Knowledge Management

While the CDB is committed to the dissemination of lessons learned with the implementation of its Evaluation Policy adopted in December 2011, the Bank inadequately monitors and reports on the results of its programming operations. Knowledge Management was found to be the other weak area of the CDB.


Summary Ratings of the CDB's Effectiveness in Managing for Development Results (based on the Document Review)

The chart below shows the document review ratings for the 16 key performance indicators that were used to assess the CDB's effectiveness in MfDR. It is important to note that these indicators were designed to measure organisational effectiveness (practices and systems) but not development results on the ground.

The Bank received ratings of adequate or better on 8 of the 16 key performance indicators assessed, with one rating of "very strong" (6). While there were no ratings of "very weak" (1), the remaining eight performance indicators were rated "inadequate" (3) or "weak" (2) signalling the areas where actions in the next period should probably be concentrated.

 Strong or above (5, 6)

 Adequate (4)

 Inadequate or below (1, 2, 3)

Average Score of Key Performance Indicators	1	2	3	4	5	6
Strategic Management						
1. Providing direction for results						
2. Corporate focus on results						
3. Focus on thematic priorities						
4. Country focus on results						
Operational Management						
5. Aid allocation decisions						
6. Linking aid management to performance						
7. Financial accountability						
8. Using performance information						
9. Managing human resources						
10. Performance-oriented programming						
Relationship Management						
11. Supporting national plans						
12. Using country systems						
13. Harmonising procedures						
Knowledge Management						
14. Monitoring external results						
15. Presenting performance information						
16. Disseminating lessons learned						

Acronyms

AMT	Advisory Management Team (CDB)
APEC	Audit and Post Evaluation Committee
ARPP	CDB Report on <i>Annual Review of the Performance of the Portfolio of Projects Under Implementation for the Year Ended December 31, 2010</i>
BMC	Borrowing Member Country
CDB	Caribbean Development Bank
CMDG	Caribbean-specific Millennium Development Goal
COMPAS	Common Performance Assessment System
CPI	Continuous Performance Improvement
CPIA	Country Poverty and Institutional Assessment
CSP	Country Strategy Paper
DP	Development Partners
DRF	Development Results Framework
EOV	Evaluation and Oversight Division
GE	Gender Equality
IAU	Internal Audit Unit
IFRS	International Financial Reporting Standards
KPI	Key Performance Indicator
LDC	Less Developed Country
MDG	Millennium Development Goal
MfDR	Managing for Development Results
MI	Micro-Indicator
MO	Multilateral Organisation
MOPAN	Multilateral Organisation Performance Assessment Network
MRF	Management Results Framework
OCR	Ordinary Capital Resources
ODA	Official Development Aid
OIE	Office of Independent Evaluation
OSF	Other Special Funds
PBA	Performance-based Allocation
PBL	Policy-based Loans
PD	Paris Declaration on Aid Effectiveness

A c r o n y m s

PIU	Project Implementation Unit
PORT	Performance of the Country's Portfolio of CDB Loans
PPES	Project Performance Evaluation System
PPI	Project Implementation Performance Index
PRES	Poverty Reduction Effectiveness Situation
PRF	Partnership Results Framework
RBM	Results-Based Management
RMF	Results Monitoring Framework
TA	Technical Assistance
SDF	Special Development Fund

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1. Introduction

Universalialia is pleased to present this report on the assessment of the effectiveness of the Caribbean Development Bank (CDB) in managing for development results (MfDR).

This review is intended to inform the Corporate Planning Division (CPD) of the CDB and ultimately the Advisory Management Team (AMT) of the Bank.

The Terms of Reference for this assignment are presented in Appendix II. The specific objectives of the consultancy were to:

- 1) Conduct a review of CDB's performance using the assessment framework developed by the Multilateral Organisation Performance Assessment Network (MOPAN)
- 2) Benchmark the CDB's performance against the performance of the Asian Development Bank (ADB) and the Inter-American Development Bank (IDB)
- 3) Develop an Action Plan recommending actions to be taken by the CDB in the short, medium and long term
- 4) Develop a training workshop on MfDR for all CDB staff.

This report responds to the first two objectives. The action plan and training workshop, which will be developed separately, will incorporate the recommendations that emerge from this review and from the Advisory Management Team (AMT).

Organisation of the Report

This final report is presented in three volumes.

- Volume I, the present document, contains the summary results of the performance assessment of the CDB (Objective 1 above).
- Volume II presents the detailed document review conducted as part of the assessment.
- Volume III presents the benchmark analysis (Objective 2).

The report is organised as follows. Following this introduction, Section 2 outlines the methodology of the evaluation, and Section 3 presents the findings of the review.

2. Methodology

2.1 Overview

The assessment was based on a review of Bank documents and interviews and did not include an assessment of development results on the ground.

Universalialia assessed the CDB using three methods: a review of documents published by the CDB; individual and focus group interviews with CDB staff and managers; and telephone interviews with a small sample of stakeholders from Borrowing Member Countries (BMCs).

Timeline/overview

- In February 2012, during an Inception mission at the CDB, Universalialia conducted focus groups with 29 staff members in six CDB departments and 12 individual interviews with supervisory level staff of the CDB. Upon completion of these interviews and focus groups a two-hour workshop was held with eight members of the Advisory Management Team (AMT) to present a summary of data collected at this stage of the consultancy and launch the next steps.
- Upon acceptance of the Inception report, Universalialia conducted the document review from February to mid-April.
- Telephone interviews were carried out with nine stakeholders from five BMCs (Anguilla, Belize, Jamaica, Grenada, and St. Lucia); names and contact details were provided by the Bank.
- In April 2012, a meeting was held with the Results Committee to review and explain the draft report on the document review. As a result, additional documents were identified and subsequently forwarded to the review team by the Bank.
- In April 2012, a full-day MfDR Workshop was held with the members of the AMT. The purpose of the workshop was to provide an overview of MfDR, present the results of the performance assessment and the benchmarking exercise, and test our preliminary recommendations for an Action Plan.
- In May 2012, a video conference was held with members of the Results Committee to discuss the revised document review report, as well as results of the telephone survey of BMC stakeholders.

The list of stakeholders consulted for this review (including focus groups, individual interviews, BMC interviews, and initial workshop with members of the AMT) is presented in Appendix III.

The list of documents reviewed is presented in Volume II.

The sections below provide a summary of each method.

2.2 Document Review

Purpose

The document review was intended to:

- Generate relevant, credible and robust information that CDB can use to meet its domestic accountability requirements and fulfil its responsibilities and obligations as bilateral donors;
- Provide an evidence base for the CDB and its direct partners to discuss organisational effectiveness and, in doing so, build better understanding and improve organisational effectiveness and learning over time; and

- Support dialogue among the CDB and its partners, with a specific focus on improving organisational effectiveness over time, both at country and headquarters levels.

The detailed results of the document review are presented in Volume II.

Background

The document review was based on a methodology developed by the Multilateral Organisation Performance Assessment Network (MOPAN) (www.mopanonline.org). MOPAN, which was established in 2002 in response to recommendations of international fora on aid effectiveness, calls for greater donor harmonisation and coordination. The purpose of the network is to share information and experience in assessing the performance of multilateral organisations (MOs). MOPAN supports the commitments adopted by the international community to improve the impact and effectiveness of aid as reflected in the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action. MOPAN's processes and instruments embody the principles of local ownership, alignment and harmonisation of practices, and results-based management (RBM).

MOPAN provides a joint approach (known as the Common Approach) to assess the organisational effectiveness of multilateral organisations. The approach was derived from existing bilateral assessment tools, and complements and draws on other assessment processes for development organisations, such as the bi-annual Survey on Monitoring the Paris Declaration on Aid Effectiveness (PD) and annual reports of the Common Performance Assessment System (COMPAS) published by the multilateral development banks. In the long term, MOPAN hopes that this approach will replace or reduce the need for other assessment approaches by bilateral donors.

Four dimensions of organisational effectiveness

MOPAN has defined organisational effectiveness as the extent to which a multilateral organisation is organised to contribute to development and/or humanitarian results in the countries or territories where it operates. It does not assess a multilateral organisation's contributions to development results.

MOPAN assessments provide a snapshot of a multilateral organisation's effectiveness in four dimensions:

- Developing strategies and plans that reflect good practices in managing for development results (**strategic management**);
- Managing operations by results to support accountability for results and the use of information on performance (**operational management**);
- Engaging in relationships with direct partners and donors at the country level in ways that contribute to aid effectiveness and that are aligned with the principles of the Paris Declaration (**relationship management**); and
- Developing reporting mechanisms and learning strategies that facilitate the sharing of knowledge and information inside the organisation and with the development community (**knowledge management**).

Key Performance Indicators and Micro-indicators

Within each of these four performance areas, organisational effectiveness is described using key performance indicators (KPIs) that are measured with a series of micro-indicators (MIs). The CDB was assessed using 16 KPIs and 47 MIs.

The indicators were assessed using data from a document review. The review of documents relied on a set of criteria that provided a basis for the assessment of each micro-indicator.

The document review considered documents available on the CDB's website and other documents provided by the Bank.¹ For most micro-indicators, five rating criteria were established which, taken together, were thought to represent good practice in that topic area. The rating on any micro-indicator depends on the number of criteria met by the organisation.

2.3 Interviews

The interview protocols for this review included questions very similar to the instrument used in MOPAN assessments.

- The protocol for telephone interviews conducted with six BMC representatives is presented in Appendix IV (which also contains the results of the interviews).
- The protocols for staff focus groups and interviews with CDB supervisors are presented in the Inception Report (Universalialia, February 2012).

Interviewees for this evaluation were presented with statements describing an organisational practice, system or behaviour and asked to rate CDB's performance on a scale of 1 to 6 as shown below.

Figure 2.1 Band Ranges and Descriptions

Score	Rating	Definitions
1	Very Weak	The multilateral organisation does not have this system in place and this is a source of concern
2	Weak	The multilateral organisation has this system but there are important deficiencies.
3	Inadequate	The multilateral organisation's system in this area has deficiencies that make it less than acceptable.
4	Adequate	The multilateral organisation's system is acceptable in this area.
5	Strong	The multilateral organisation's system is more than acceptable, but not "best practice" in this area.
6	Very Strong	The multilateral organisation's system is "best practice" in this area.

In some cases, not all survey questions were answered because the respondent indicated h/she had no knowledge or familiarity with a particular aspect.

¹ Some sources referenced in the report are publicly available on CDB's website. However, the Bank also provided many other documents to complete the analysis.

2.4 Strengths and Limitations of Methodology

The following strengths and limitations should be considered when reading this report on the CDB performance in MfDR.

Strengths

The interviews seek perceptual information from direct partners/clients of CDB. This is in line with the commitments made by donors to the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action regarding harmonisation, partner voice, and mutual accountability.

The document review complements the perceptual data from interviews, thus adding an additional data source. This should enhance the analysis, provide a basis for discussion of agency effectiveness, and increase the validity of the assessment through triangulation of data sources.

Limitations

Data sources

- Donor representatives at headquarters and in-country were not consulted.
- The document review component works within the limitations of the CDB's disclosure policy.

Data analysis

- While document review can comment on the contents of a given document, it cannot assess the extent to which the spirit underlying the document has been implemented within the organisation (unless implementation is documented elsewhere).

Sampling

- Country selection determined the set of country strategies and other documents reviewed. Documents were collected primarily for the five BMCs selected: Anguilla, Belize, Grenada, Jamaica, and St. Lucia.

Basis for judgment

- Although the document review used recognised standards and criteria for what constitutes good practice for a multilateral organisation, it should be noted that such criteria are a work in progress and should not be considered definitive standards.
- In the document review, low ratings may be due to unavailability of organisational documents that meet the MOPAN criteria (some of which require certain aspects to be documented explicitly).
- The document review assessment produces numerical scores or ratings that appear to have a high degree of precision, yet can only provide general indications of how the CDB is doing and a basis for discussion among the CDB and its clients and partners.

Despite the above-mentioned limitations, the Assessment Team believes that the data generally present a reasonable picture of the implementation of MfDR at CDB.

3. Main Findings

3.1 Introduction

This chapter presents the findings of the assessment based on individual and focus group interviews and the document review.

- Section 3.2 summarises the views of interviewees on the Bank's implementation of MfDR;
- Section 3.3 presents the overall ratings of the document review on key performance indicators;
- Section 3.4 provides detailed findings from the document review on each of the four areas of performance (strategic, operational, relationship, and knowledge management).

As per the terms of reference for this consultancy, results of the document review were also compared to those obtained in prior reviews of the Asian Development Bank and the Inter-American Development Bank. This comparison is presented in Volume III.

3.2 Stakeholder Views on the Implementation of MfDR

A number of key issues emerged from the interviews conducted during the field mission in February 2012:

- **Uneven level of familiarity with MfDR throughout the Bank:** The majority of staff interviewed during the field missions (apart from the Economics Department and the Results Committee) had varying levels of familiarity with MfDR. While most respondents had some conceptual understanding of MfDR, few, if any, had a good understanding of its implications for CDB and its practical implementation.
- **Ad hoc application of the MfDR approach:** Although most of the Bank's professional staff was provided with MfDR training in 2010, the implementation of the approach is neither systematic, nor systemic.
- **Congruence with MAR findings:** Initial findings emerging from the document review and interviews conducted during the field missions were generally congruent with the findings of DfID's Multilateral Aid Review (MAR) published in early 2011. Since then, CDB has drafted and implemented several new practices and policies, including the Document Disclosure Policy of October 2011. It is also actively engaged in the review of its Management Results Framework (MRF) as evidenced in its recently published first development effectiveness report.²
- **Some units are disconnected from MfDR:** While staff members in most divisions and departments have some knowledge of MfDR and its practical implications, staff members from the Legal Department, the Information and Technology Solutions Department, and Finance seemed almost disconnected from MfDR. Particularly staff members from the IT Department found it difficult to see the direct link between their function, which is mainly technical support, and the MfDR approach.
- **Limited transparency on results:** Reports on the performance of CDB's projects, programs and funds are not readily available and have to be requested from the Bank. As an example, CDB's website does not include any evaluations or other performance reports. In addition, key planning documents such as Country Strategy Papers and Project Appraisal Documents are not uploaded systematically to the website.

² CDB, *Development Effectiveness Review 2011*, Paper BD 61/12, May 2012.

- **Support from donors:** Although CDB received a low rating from the MAR, donor representatives (DfID, CIDA, and China) interviewed in a different context indicated that they appreciate the specific situation of the CDB – a small bank with limited possibilities for economies of scale – and are willing to provide further support to the Bank’s efforts to implement MfDR.
- **Factors affecting the implementation of MfDR:**
 - Lack of leadership (particularly from AMT); no clear sense of who is driving the MfDR agenda at the CDB and no sense that MfDR has been taken on as a corporate priority;
 - Lack of continuous training in the MfDR approach at all levels;
 - Multiple priorities of CDB (especially for a small MO): MfDR, climate change, public security, etc.;
 - Inadequate systems (IT hardware, software) and access to data;
 - Internal processes (e.g., legal processes, communication between Economics and Projects Departments in the preparation of CSPs);
 - Organisational Structure (e.g., lack of a central MfDR focal point);
 - Project management – planning, implementing, reporting (e.g., lack of a formal MfDR approach; some level of “ad hoc” implementation);
 - Stakeholder management;
 - Culture (e.g., some degree of “silo” mentality in the departments; risk aversion);
 - Capacity at country level (e.g., lack of systems and data to capture and monitor results; varying quality of data from PRAPs).

3.3 Overall Document Review Ratings of Key Performance Indicators

Figure 3.1 below shows CDB’s scores from the document review based on the key performance indicators (KPIs) of the MOPAN Common Approach in four areas of performance – strategic management, operational management, relationship management, and knowledge management.

CDB was perceived as performing adequately or better on 8 of the 16 of key performance indicators (one very strong, three strong, and four adequate) and inadequate or lower on the other 8 KPIs (four inadequate ratings and four weak ratings).

- Strategic management was considered the strongest area of performance of the CDB, which succeeded in developing corporate strategies and plans that reflect good practices in managing for development results (MfDR) over the last few years. This results-based approach now needs to become more visible at the country level. While showing recent improvements, Country Strategy Papers require more specificity and better targeting to facilitate monitoring and country programme evaluations.
- Operational management was considered inconsistent, with both strengths and weaknesses.
- Relationship management was considered one of the two weakest areas, although it received a “strong” rating in its support for national development plans. Among others, the Bank needs to improve the information it collects and its performance in relation to partnerships, harmonisation, and alignment.
- Knowledge management was the other weakest area. While the Bank is committed to the dissemination of lessons learned with the implementation of its *Evaluation Policy*, adopted in December 2011, its monitoring and reporting on the results of its operations are considered inadequate.

Figure 3.1 Overall Ratings on Key Performance Indicators (mean scores of document review ratings)

Strong or above (5, 6)
 Adequate (4)
 Inadequate or below (1, 2, 3)

Average Score of Key Performance Indicators	1	2	3	4	5	6
Strategic Management						
1. Providing direction for results						
2. Corporate focus on results						
3. Focus on thematic priorities						
4. Country focus on results						
Operational Management						
5. Aid allocation decisions						
6. Linking aid management to performance						
7. Financial accountability						
8. Using performance information						
9. Managing human resources						
10. Performance-oriented programming						
Relationship Management						
11. Supporting national plans						
12. Using country systems						
13. Harmonising procedures						
Knowledge Management						
14. Monitoring external results						
15. Presenting performance information						
16. Disseminating lessons learned						

3.4 CDB Performance in Strategic, Operational, Relationship, and Knowledge Management

3.4.1 Overview

This section presents the document review ratings for the KPIs in each quadrant (Strategic, Operational, Relationship, and Knowledge Management) as well as for each of their related micro-indicators (MIs).

Some comments from the telephone survey of BMC stakeholders are also included. The ratings obtained from these stakeholders averaged adequate or better in all categories, with the exception of the length of time it takes to complete CDB procedures, which received an average rating of 3.7 on the six-point scale shown in Figure 3.1 (i.e., inadequate but close to adequate). In general the ratings of the CDB obtained from the BMC stakeholders interviewed were quite positive and considerably higher than those stemming from the document review.




3.4.2 Strategic Management

In Strategic Management, the CDB succeeded in developing corporate strategies and plans that reflect good practices in managing for development results (MfDR) with the adoption of a MfDR Results Agenda about a decade ago and the development and implementation since 2008 of a corporate Results Monitoring Framework (RMF). This shift toward results-based management (RBM) at the Bank is gradually becoming visible at the country level, with further support and direction required from the CDB for improving the results focus of Country Strategy Papers (CSPs).

Figure 3.2 below shows overall document review ratings for the four KPIs in the strategic management quadrant. The CDB was rated weak or inadequate on two (provision of key documents to the public and focus on results at the country level) and was considered strong or above on the two other KPIs.

The Bank was rated strongest for its corporate focus on results, obvious through its *Development Effectiveness and Managing for Results* (2008) policy, its *Strategic Plan 2010-2014* (2010), and the *Development Effectiveness Report 2011* (2012). It was also rated strong for its policy focus on environment and gender equality, its two cross-cutting priorities.

Figure 3.1 Quadrant I: Strategic Management, Document Review Ratings

 Strong or above (5, 6)
  Adequate (4)
  Inadequate or below (1, 2, 3)

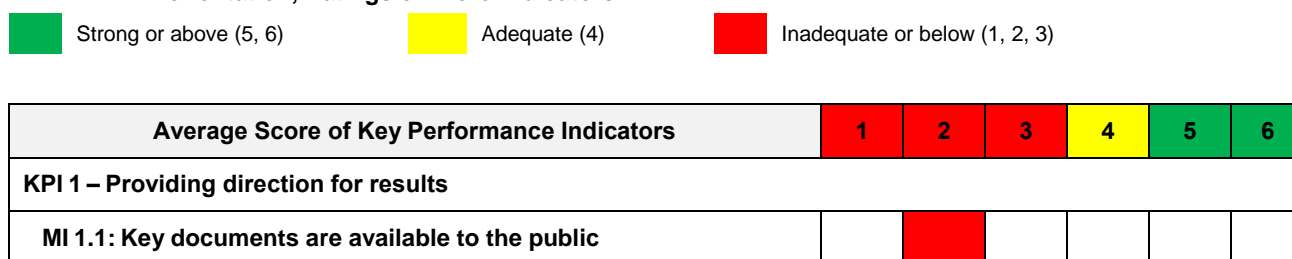
Average Score of Key Performance Indicators	1	2	3	4	5	6
Quadrant I – Strategic Management						
KPI 1. Providing direction for results						
KPI 2. Corporate focus on results						
KPI 3. Focus on thematic priorities						
KPI 4. Country focus on results						

KPI 1: Providing Direction for Results

Finding 1: The lack of accessibility of key documents to the public reduces the CDB's transparency and impedes the Bank from providing clear direction for the achievement of external/beneficiary results. (Vol. II, p. 1)

CDB's provision of direction for results was assessed through a single micro-indicator that looked at the availability of documents to the public. While the CDB has a central repository for publications and reports on its website, not all key public documents produced by the Bank are available.

Figure 3.2 KPI 1: Providing Direction for Results and having a value system that supports a results-orientation, Ratings of Micro-Indicators



MI 1.1 – Key documents available to the public

Although the CDB stores numerous documents on its website, many key documents are not available. For instance, no evaluation reports, Country Strategy Papers, or project-related documents could be found on the website during the document review; these and many other papers had to be requested directly from the Bank. Some key policy documents are also missing from the website, such as the CDB's *Information Disclosure Policy* (2011) that describes principles such as the types of information that will not be disclosed; this document is not presented under the "Policies and Strategies" section of the website.

While it is sometimes possible to find documents by typing keywords in the "Search" function on the CDB's website, the process is highly uncertain. This is partly due to the often confusing cataloguing of the documents listed in the search results. Since documents often cannot be accessed otherwise through the website's menu, this micro-indicator was given a weak rating.

KPI 2: Corporate Focus on Results

Finding 2: The CDB has a very strong corporate focus on results, as reflected in its *Development Effectiveness and Managing for Results* (2008) policy, its *Strategic Plan 2010-2014* (2010) and the *Development Effectiveness Report 2011* (2012) among others. The CDB could improve its support to its staff and BMCs in implementing the Bank's MfDR Results Agenda and there is also room for improvement of its RMF in order to more clearly detail and link outputs and outcomes.

In October 2002, the CDB adopted a results-based approach "to planning and managing its development activities and in particular the development, implementation, and monitoring of and reporting on, its annual work programme and budgeting exercise."³ A first Results Agenda (or the Bank's Managing for

³ Review of the Caribbean Development Bank's System of Management for Development Results and Related Results Management Framework – Terms of Reference, 2011, p.1.

Development Results (MfDR)) was later adopted while negotiating the SDF 6, but it was not until 2009,⁴ during SDF 7 negotiations, that a formal Results Monitoring Framework (RMF) would be adopted and implemented. The RMF allows the Bank to assess its results on four levels:

- Level 1: Selected Caribbean-specific Millennium Development Goal (CMDG) targets and development outcomes – which together with Level 2 indicators correspond to a Development Results Framework (DRF);
- Level 2: CDB contributions to country and regional outcomes – which together with Level 1 indicators correspond to a Development Results Framework (DRF);
- Level 3: Operational and Organisational Effectiveness – which corresponds to a Management Results Framework (MRF); and
- Level 4: Partnership, Harmonisation, and Alignment⁵ – corresponding to a Partnership Results Framework (PRF).

The RMF represents a key tool for the CDB to focus on its achievements and strongly reflects the Bank's mandate, as does the *Strategic Plan 2010-2014* (2010) through its goals, focus, and planned activities. The RMF has been updated in the *Development Effectiveness Review 2011*, including explanations as to how Level 2 outputs contribute to Level 1 outcomes.⁶ Nonetheless, the RMF would benefit from a few improvements, such as having the MRF (Level 3 indicators) distinguish better between its outputs and outcomes, something that would also facilitate their mutual linkages. Building upon its advancements in results-based management (RBM) in the last few years, the Bank could also improve its support to staff and to BMCs in implementing its MfDR Results Agenda.

Figure 3.3 KPI 2: Corporate Focus on Results, Ratings of Micro-Indicators

Strong or above (5, 6)

Adequate (4)

Inadequate or below (1, 2, 3)

Average Score of Micro-Indicators	1	2	3	4	5	6
KPI 2 – Corporate Focus on Results						
MI 2.1: Organisational strategy based on clear mandate						
MI 2.2: Organisational policy on results management						
MI 2.3: Plans and strategies contain results frameworks						
MI 2.4: Results frameworks link outputs to final outcomes/impacts						
MI 2.5: Plans and strategies contain performance indicators						

⁴ *Ibid.*, p.2.

⁵ Caribbean Development Bank, *Strategic Plan 2010-2014*, 2010, pp.38-39.

⁶ In the *Development Effectiveness Review 2011* (May 2012) there are several references to the lack of available data from BMCs (see pp. 2, 6, 14, 15). However, data on outputs from the Bank's operations should be timely and accurate, since it should be obtained from monitoring and progress reports, and project completion reports. It should be noted that the data contained in Table 11 (p. 11) indicates substantial weakness in the Bank's supervision, since only 25% of completed projects had PCRs in 2011 and data from the monitoring system was unavailable for 2011.

MI 2.1 – Organisational strategy based on a clear mandate (Vol. II, p. 2)

The Charter of the CDB mandates it “[...] to contribute to the harmonious economic growth and development of the member countries in the Caribbean [...] and to promote economic co-operation and integration among them, having special and urgent regard to the needs of the less developed members of the region.”⁷ This mandate has been amended several times since the establishment of the CDB in 1970.

The Bank’s *Strategic Plan 2010-2014* (2010) includes a section on “CDB’s Mandate and Portfolio Risk” that explains how CDB’s mandate is reflected in the composition of its support to BMCs.⁸ The most recent version of the Bank’s mandate is as follows:

“CDB intends to be the leading catalyst for development resources into the Region, working in an efficient, responsive and collaborative manner with our BMCs and other development partners, towards the systematic reduction of poverty in their countries through social and economic development.”

The link between the CDB’s mandate and its Strategic Plan is explicit, and very clear in acknowledging the CDB’s goals, focus priorities, and activities to implement the mandate. This micro-indicator was rated very strong.

MI 2.2 – Organisational policy on results-based management (Vol. II, p. 3)

The SDF 7 policy document *Development Effectiveness and Managing for Results* (2008) explains the nature and role of RBM in the CDB. Furthermore, it reviews and updates the Bank’s MfDR Results Agenda and includes a first version of the Bank’s Results Monitoring Framework (RMF).⁹

However, concrete guidelines for the implementation of MfDR in the organisation were not identified during the document review process. Moreover, it was not possible to identify documentary evidence of CDB’s support to BMCs and of CDB’s staff training in implementing MfDR, although verbal confirmation of staff training was provided later in the assessment process. This micro-indicator was rated adequate.

MI 2.3 – Plans and strategies contain results frameworks (Vol. II, p. 4)

The CDB *Strategic Plan 2010-2014* (2010) includes both a management and a development results framework – see Level 3 indicators for the MRF and Level 1 and 2 indicators for the DRF.¹⁰ Also, as indicated above, the Bank’s RMF has been updated in the *Development Effectiveness Review 2011*.

Level 1 indicators refer to Caribbean-specific MDG targets and development outcomes. While these outcomes cannot be attributed solely to CDB interventions, they provide a framework for tracking the progress of countries in addressing the CMDGs and the Caribbean-specific targets, and are indeed related to the application of CDB’s and other’s financing.

Level 2 indicators are results of Bank operations, and in the *Development Effectiveness Review 2011* the linkage to Level 1 outcomes is explained.

In most cases, but not all, the statements of results under Levels 1 and 2 (i.e., outcomes and outputs respectively) seem appropriate to their level.

⁷ *Agreement Establishing the Caribbean Development Bank* (As Amended), 2007, Article 1.

⁸ Caribbean Development Bank, *Strategic Plan 2010-2014*, 2010, pp.8-9.

⁹ The first version of the RMF appearing in *Development Effectiveness and Managing for Results* (2008) included only Levels 2, 3, and 4 of today’s RMF that appears in CDB’s *Strategic Plan 2010-2014*.

¹⁰ Level 4 indicators correspond to the Partnership Results Framework (PRF). Under this micro-indicator, the document review assesses the DRF and MRF.

This micro-indicator was rated adequate.

MI 2.4 – Results framework links outputs to final outcomes/impact (Vol. II, p. 5)

As noted above, in the section on Level 2 the *Development Effectiveness Review 2011* includes explanations, by sector, of linkages between the Bank's operations (in this case, outputs) to Level 1 outcomes.

For the MRF (Level 3 indicators), all indicators have been labelled as outputs, although arguably indicators #1 (portfolio performance rating for implementation), #5 (disbursement rate) and #6 (disbursement efficiency ratio) could be considered outcomes.¹¹

For this micro-indicator, the Bank was rated strong.

MI 2.5 – Plans and strategies contain performance indicators (Vol. II, p. 6-7)

The RMFs in the Bank's *Strategic Plan 2010-2014* (2010) and in the *Development Effectiveness Review 2011* have clear and adequate indicators at both output and outcome levels: Level 1 indicators are mainly outcomes; Level 2 indicators are mainly outputs; and Level 3 and 4 indicators are at both levels.

All indicators under Level 1 and 2 results are relevant to the strategic objectives and are organised under headings that correspond to the strategic focus areas. The outcome indicators under Level 1 correspond to selected CMDGs and thus are based on accepted international indices and data elements. The indicators under Level 4 are based on the Paris Declaration on Aid Effectiveness (PD) indicators (although not identical to PD indicators).

The majority of the indicators at all levels are monitorable. The output indicators include a previous period (e.g., 2005-2009) or baseline, targets and dates, while the outcome indicators also include baseline values. All these elements lead this micro-indicator to be rated very strong.

KPI 3: Focus on Thematic Priorities

Finding 3: The CDB is strongly committed to its two cross-cutting priorities, gender equality and the environment. Gender equality is better represented than the environment in the CDB's *Strategic Plan 2010-2014* (2010).

The assessment looked at two cross-cutting themes identified as priorities by the CDB: gender equality and the environment. The CDB seems to maintain focus on both through its strategic programming and, to a certain extent, through its internal management activities.

Figure 3.4 KPI 3: Focus on Thematic Priorities, Ratings of Micro-Indicators

Strong or above (5, 6)

Adequate (4)

Inadequate or below (1, 2, 3)

Average Score of Micro-Indicators	1	2	3	4	5	6
KPI 3 – Focus on Thematic Priorities						
MI 3.1: Gender equality						
MI 3.2: The environment						

¹¹ Unrelated to this MI, it should be noted that discrepancies were found in some baseline values, and especially in targets, between the data presented in the *Strategic Plan 2010-2014* and the *Development Effectiveness Review 2011*.

MI 3.1 – Gender equality (Vol. II, p. 8-9)

Recognising that there is a link between economic efficiency and effectiveness, poverty reduction, and gender equality, the CDB has decided to “[...] urgently address issues of gender inequality in order to enhance the capability and reduce the vulnerability of the poor. Hence, the Bank will treat gender equality as a theme cutting across all sector interventions, i.e., a cross-cutting theme for the purpose of broadening the poverty impact of its interventions.”¹² As such, the Bank developed and approved a *Gender Equality Policy and Operational Strategy* in 2008 and also has a brief *Gender Equality Policy* (2009) statement available on its website.

The CDB’s *Strategic Plan 2010-2014* (2010) identifies four key components where the Bank commits to developing its capacity to support gender mainstreaming through its *Gender Equality Policy and Operational Strategy* (2008):

- (a) building commitment/support for gender equality;
- (b) allocating resources to achieve gender equality results;
- (c) developing capacity and skills for CDB staff and stakeholders; and
- (d) monitoring the implementation of the Operational Strategy.¹³

Relating to the second component (gender equality results), the RMF in the *Strategic Plan 2010-2014* includes gender targets and indicators under Level 3 indicators on operational and organisational effectiveness – see, for instance, indicator 11 on the proportion of financing supporting gender equality, and indicators 16 and 17 on representation of women in the Bank’s professional staff and in middle and senior management positions. However, Level 2 development indicators do not include any that relate to gender mainstreaming.

The *Gender Equality Policy and Operational Strategy* is more detailed than the *Strategic Plan 2010-2014* regarding implementation, including resource allocation to gender priorities mainstreaming in the organisation. For instance, it suggests the hiring of a Gender Equality Advisor,¹⁴ something that was recently specified in the *Work Programme, and Administrative and Capital Budgets 2012-2013* (2011) for the strengthening of the Office of the Vice-President Operations.¹⁵

Relating to the last of the four components listed above (monitoring), the *Gender Equality Policy and Operational Strategy* explicitly states that the “[past Evaluation and Oversight Division, now the Office of Independent Evaluation] will need to evaluate the Bank’s corporate-level results on GE in 2012 or 2013. This will require that clear information and data on the baseline situation be gathered beginning in 2009.”¹⁶ As such, an assessment of gender equality mainstreaming is currently underway for the SDF 8 negotiations.

Overall, this micro-indicator was given a very strong rating in the document review.

¹² Caribbean Development Bank *Strategic Plan 2010-2014*, 2010, p.30.

¹³ Ibid., p.31.

¹⁴ *Gender Equality Policy and Operational Strategy*, 2008, p.13.

¹⁵ *Work Programme, and Administrative and Capital Budgets 2012-2013*, 2011, p.10.

¹⁶ *Gender Equality Policy and Operational Strategy*, 2008, p.18.

MI 3.2 – The Environment (Vol. II, p. 10-11)

In the previous CDB's strategy, namely the *Strategic Plan 2005-2009* (2005), environmental sustainability was cross-cutting to all other priorities of the Bank.¹⁷ In the most recent *Strategic Plan 2010-2014*, environmental sustainability has been replaced by gender equality and "supporting environmental sustainability" has been added to the strategic objectives of the CDB¹⁸, an objective that the Bank also sees as a development challenge in the region. Nevertheless, based on CDB's recent historical trends, environment seems to have remained a cross-cutting priority at the Bank.

The CDB does not clearly commit to environmentally responsible practices in its internal management activities. The Bank's website leads one to conclude that an Environment Policy is forthcoming,¹⁹ but it is difficult to determine if this policy will relate to internal management or only to programming.²⁰

In regard to programming, however, the CDB clearly commits to environmentally responsible practices as demonstrated, for instance, in the Bank's *Strategic Plan 2010-2014*,²¹ in its *Draft Environmental and Social Review Procedures*,²² and in the Basic Needs Trust Fund Environmental Considerations.²³

For now, no specific evaluation of the implementation of the CDB's environmental strategy is officially required in any of the above-listed documents. Perhaps such a requirement will be included in the forthcoming Environment Policy. In the meantime, organisation-wide evaluations of environmental guidelines seem to be undertaken from time to time: "In 2006, CDB's Evaluation and Oversight Division [today's Office of Independent Evaluation – see MI 14.1] carried out an independent evaluation of the application of the current Environmental Review Guidelines, which have been in use since 1994."²⁴

This micro-indicator was rated adequate in the document review.

KPI 4: Country Focus on Results

Finding 4: CDB's country strategies are results focused in that expected results are consistent with national development plans and also with CDB's priorities, including gender equality and the environment. Nonetheless, many improvements are required for CDB's country strategies to better express expected outputs and outcomes as well as performance indicators. The document review found the CDB inadequate on this key performance indicator.

CDB's focus on results among BMCs has been proportional to the evolution of RBM in the Bank and internationally. In the Country Strategy Papers (CSPs) of the five countries selected for performance

¹⁷ Caribbean Development Bank *Strategic Plan 2005-2009*, 2005, pp. 20 (fig.1) and 24.

¹⁸ Caribbean Development Bank *Strategic Plan 2010-2014*, 2010, pp. 22, 23 (fig.3), and 26.

¹⁹ CDB's Policies & Strategies:

www.caribank.org/titanweb/cdb/webcms.nsf/AllDoc/87632E2C143C86FF8725733700786892.

²⁰ *Environmental Sustainability and the Climate Change Agenda*, 2008, p.11. See, for instance, a description of the 1994 CDB Environmental Policy in this document, which shows that this first Environmental Policy was oriented toward programming rather than defining internal environmentally responsible practices.

²¹ Caribbean Development Bank *Strategic Plan 2010-2014*, 2010, p. 26.

²² *Draft Environmental and Social Review Procedures*, 2008, p. iv.

²³ Basic Needs Trust Fund, Environmental Considerations:

www.caribank.org/titanweb/cdb/webcms.nsf/alldoc/01e06559043119e2042578da003e1252?opendocument

²⁴ *Environmental Sustainability and the Climate Change Agenda*, 2008, p.11.

assessment (namely Grenada, Jamaica, St. Lucia, Anguilla, and Belize) the only CSPs that include a country level results framework are those dating since the adoption in 2008 of the SDF 7 policy document *Development Effectiveness and Managing for Results*.²⁵

Results frameworks should gradually be included in all CSPs as these are updated through the years. The CDB would benefit from improving existing and future CSPs' results frameworks by incorporating results at the output level – not only at the outcome level as is the case presently for the CSPs containing a results framework – and more precise and quantified (baselines, milestones, targets) performance indicators.

Thus, this key performance indicator was rated inadequate in the document review.

Figure 3.5 KPI 4: Country Focus on Results, Ratings of Micro-Indicators

Strong or above (5, 6)

Adequate (4)

Inadequate or below (1, 2, 3)

Average Score of Micro-Indicators	1	2	3	4	5	6
KPI 4 – Country Focus on Results						
MI 4.1: Country level results frameworks link results at project, program, sector, and country levels						
MI 4.2: Country level results frameworks include indicators at project, program, sector, and country levels						
MI 4.3: Expected results at country level consistent with national development strategies						
MI 4.4: Results for thematic priorities included in country level results frameworks						

MI 4.1 – Country level results frameworks link results at project, program, sector and country levels (Vol. II, p. 12-13)

Of the five Country Strategy Papers (CSPs) assessed, none included statements of expected outputs, and only the CSPs containing a results framework included statements of expected outcomes. This justified a rating of weak for this micro-indicator.

The results frameworks of the CSPs for Jamaica, Grenada, and Anguilla included a column with Country Development Goals to which the outcomes are linked, showing consistency between the various initiatives undertaken in the BMC under the CSP and consistency between the expected results at the country level.

Where statements of outcomes were expressed in narratives (rather than in results frameworks), the strategic priorities and activities that the CDB is engaged in, or expects to engage in, were mentioned but were only implicitly and inconsistently linked to expected results at the country level.

MI 4.2 – Country level results frameworks include indicators at project, program, sector, and country levels (Vol. II, p. 14)

Four of the five CSPs sampled did not have clear performance indicators, baselines, or targets. The CSP for Anguilla included some performance indicators, but these were inconsistent with the outcome level (there was confusion between output and outcome statements) and not all indicators were clearly measurable.

²⁵ That is, three CSPs out of five (Jamaica, Anguilla, and Grenada) and, to a certain extent, the CSP of St. Lucia for 2005-2009, which includes a “Summary of Proposed CDB Strategy for St. Lucia” that shares some commonalities with more recent CSP results frameworks.

Where performance indicators were identified, the data sources and data collection methods were not always identified. As such, this micro-indicator was given a weak rating.²⁶

MI 4.3 – Expected results at the country level consistent with national development strategies (Vol. II, p. 15-16)

The CSPs are drafted on the basis of national policies and strategies. In all CSPs, the CDB's *Strategic Plan 2010-2014* (2010) is described in relation to national priorities, and all CSPs emphasise that the strategy is based on national priorities and coordinated with other donors. In addition, all CSPs describe how their own strategy aligns with the country's poverty reduction strategy and other national strategies.

Nonetheless, the CSPs do not link CDB's country expected results with those identified in the national development strategies and not all CSPs are systematically reviewed in connection with changes in governments and priorities. These two factors explain why this micro-indicator was rated strong rather than very strong.²⁷

MI 4.4 – Results for thematic priorities included in country level results frameworks (Vol. II, p. 17)

The cross-cutting priorities of the CDB are gender equality and environment (see MIs 3.1 and 3.2 above). Of the five assessed CSPs, all include interventions in at least one of these two domains. The CSPs for Jamaica and Anguilla refer to interventions in gender equality and specify clear expected results. Four CSPs refer to interventions in environment (Jamaica, Anguilla, Belize, and St. Lucia) and also specify clear expected results. The CSPs for Jamaica and Anguilla are the only ones that integrate both cross-cutting themes with clear results. This micro-indicator was given a rating of adequate.

All the strategies sampled contain reference to international agreements, treaties and conventions concerning at least one of the two cross-cutting themes. For instance, in regard to the gender equality, Jamaica's CSP mentions "[...] Jamaica has also ratified several international instruments including: the Convention of the Elimination of all Forms of Discrimination against Women; the Convention on the Rights of the Child; the International Convention on Economic, Social and Cultural Rights; and the MDG."²⁸ Anguilla's CSP also refers to an international convention on gender,²⁹ while in regard to the environment, Grenada's SP mentions the United Nations Convention on Climate Change.³⁰

3.4.3 Operational Management

The CDB is seen as uneven in terms of Operational Management, with three indicators of performance rated negatively and three as adequate or better.

Figure 3.7 below shows overall document review ratings for the six KPIs in the operational management quadrant.

The greatest area of concern is linking management of aid to performance – by reporting better on outputs and outcomes achieved, incorporating results-based budgeting, and releasing resources according to agreed schedules.

²⁶ A review of more recent CSPs – Barbados (2010-2013), Belize (2011-2015), Dominica (2010-2012), and Trinidad and Tobago (2011-2014) – reveals that: (1) there still is considerable weakness in quantifying indicators (baselines, milestones, targets); and (2) there is some confusion regarding the concepts themselves and the differences between outputs and outcomes.

²⁷ The more recent CSPs reviewed seem to have corrected the issue of linkage to national development strategies.

²⁸ *Jamaica Country Strategy Paper 2009-2011*, 2009, p. 11.

²⁹ *Anguilla Country Strategy Paper 2010-2012*, 2010, p. 5.

³⁰ *Grenada Country Strategy Paper 2009-2011*, 2009, p. 23.

Also, while the CDB shows concern for managing its human resources in a manner that contributes to the Bank's performance, this area remains inadequate. Among other factors, the performance incentive system and the criteria for managing senior staff performance were absent from consulted documents.

Figure 3.6 Quadrant II: Operational Management, Document Review Ratings

Strong or above (5, 6)

Adequate (4)

Inadequate or below (1, 2, 3)

Average Score of Key Performance Indicators	1	2	3	4	5	6
Quadrant II – Operational Management						
KPI 5. Aid Allocation Decisions						
KPI 6. Linking Aid Management to Performance						
KPI 7. Financial Accountability						
KPI 8. Using Performance Information						
KPI 9. Managing Human Resources						
KPI 10. Performance-oriented Programming						

KPI 5: Aid Allocation Decisions

Finding 5: Aid allocation decisions at the CDB are made using a publicly available allocation formula that is performance-based. However, the document review indicated that the percentage of resources allocated by the CDB that are released according to planned schedules has declined appreciably since 2007, and consequently rated this key performance indicator as adequate.

Figure 3.7 KPI 5: Aid Allocation Decisions, Ratings of Micro-Indicators

Strong or above (5, 6)

Adequate (4)

Inadequate or below (1, 2, 3)

Average Score of Micro-Indicators	1	2	3	4	5	6
KPI 5 – Aid Allocation Decisions						
MI 5.1: Criteria for allocating resources publicly available						
MI 5.2: Resources released according to agreed schedules						

MI 5.1 – Criteria for allocating resources publicly available (Vol. II, p. 18)

In 2001, the CDB adopted a new performance-based allocation (PBA) formula for its SDF resources in which it details its criteria for allocating funding, such as country performance, country vulnerability, and average per-capita income.³¹ In 2010, SDF resources represented 12 per cent of all loans to Less Developed Countries (LDCs) and 17 per cent of total loans.

The PBA formula is available online in English.³² This new resource allocation system and its criteria should “strengthen development results by targeting needs, placing resources where they are likely to be effective, and giving member countries an incentive to perform well.”³³ This micro-indicator was rated adequate.

MI 5.2 – Resources released according to agreed schedules (Vol. II, p. 19)

In its RMF, the CDB has adopted some of the Paris Declaration (PD) indicators – see Level 4 indicators in CDB’s partnership results framework (PRF).³⁴ However, the CDB did not adopt PD Indicator 7 on aid predictability but adopted PD Indicator 6 that looks at the percentage of capacity development support provided through coordinated programmes.

Nonetheless, in its RMF, Level 3 indicator 6 refers to the disbursement efficiency ratio, which is defined as “disbursements for the year expressed as a percentage of planned disbursements for the year for projects under implementation.” Although CDB’s disbursement efficiency ratio for the baseline year of 2007 was 93 percent, which would classify it as “very strong,” it dropped to 69 percent in 2010, and data was not available for 2011. Thus, this micro-indicator was rated adequate.

KPI 6: Linking Aid Management to Performance

Finding 6: While the CDB reports annually on its achievements as a function of its strategic focus and priorities, it does not do so in terms of outputs and outcomes. Similarly, it does not link its budgetary allocations and disbursements to expected and reported results. As such, the CDB’s linking of aid management to performance is weak.

The assessment looked at how the CDB reports on results and incorporates results-based budgeting, looking at its most recent annual reports and at the *Work Programme, and Administrative and Capital Budgets 2012-2013* (2011) among others. Documentary evidence shows that the Bank performs weakly in this area. Details on planned costs and final expenditures in relation to expected and achieved results, and details on financial and results’ variances, are missing from CDB’s annual reporting.

While the Bank only recently implemented its MfDR Results Agenda and RMF, and thus may require more time to link aid management to performance indicators, nothing in the documents consulted suggests that the Bank intends to move toward results-based reporting and budgeting in the coming years.

³¹ Allocation of the Special Development Fund Resources (5th cycle) Working Paper, 2001.

³² CDB’s Resource Allocation Formula:
[www.caribank.org/titanweb/cdb/webcms.nsf/AllDoc/BA8E7DF540CAB1740425750400607621/\\$File/ResourceAllocationFormula.pdf](http://www.caribank.org/titanweb/cdb/webcms.nsf/AllDoc/BA8E7DF540CAB1740425750400607621/$File/ResourceAllocationFormula.pdf).

³³ Review of the SDF (U) Resource Allocation System, 2007, p.5 of 40. There is some discussion about harmonizing CDB allocation formula with those of the World Bank, AfDB, IDB, ADB, etc. Yet it is unclear if anything has changed in this regard at CDB since 2007.

³⁴ Caribbean Development Bank *Strategic Plan 2010-2014*, 2010, Appendix 5, p.4.

Figure 3.8 KPI 6: Linking Aid Management to Performance, Ratings of Micro-Indicators

Strong or above (5, 6)
 Adequate (4)
 Inadequate or below (1, 2, 3)

Average Score of Micro-Indicators	1	2	3	4	5	6
KPI 6 – Linking Aid Management to Performance						
MI 6.1: Allocations linked to expected results						
MI 6.2: Disbursements linked to reported results						

MI 6.1 – Allocations linked to expected results (Vol. II, p. 20)

CDB's aid budget allocations are not presented in a results-oriented way. For instance, in the Bank's *Work Programme, and Administrative and Capital Budgets 2012-2013* (2011) no financial information is related to the Programmed Outputs 2012-13 that appear in appendices 2 and 6 of the document. Costs also are not presented from a DRF and MRF perspective; the outputs and outcomes of the CDB's RMF are not assigned costs.³⁵ Thus, it is not surprising that this information also does not appear in the 2012-2013 budget document. And although evaluations track overall costs of projects, this is not done from an activity to outcome perspective.

CDB assesses the performance and quality of the SDF portfolio and related projects using a Project Implementation Performance Index (PPI) based on the Project Performance Evaluation System (PPES) which has a cost efficiency component as one of the CDB's six analytical criteria.³⁶ However, the PPI and financial information are not detailed in CDB's *Annual Report 2010 and Financial Projections 2011-2013* (2011) i.e., costs are not specified. Given that financial information only applies to strategic objectives and corporate priorities/sectors (e.g., environmental sustainability, gender quality) and to SDF themes/projects rather than to more specific outputs and outcomes, this micro-indicator was rated very weak.

MI 6.2 – Disbursements linked to reported results (Vol. II, p. 21-22)

The CDB's *Annual Report 2010* (2010) presents the activities achieved as a function of the CDB's Strategic Focus and Priorities presented in the Bank's *Strategic Plan 2010-2014*;³⁷ however, it does not present the results achieved in terms of expected outputs/outcomes.

Instead, one has to refer to the CDB's *Annual Report 2010 and Financial Projections 2011–2013* (2011) to see results achieved as presented in the CDB's RMF, yet still with no financial information being associated with outputs and outcomes.

Expenditures variances are summarised in Part 1 of the CDB's *Annual Report 2010 and Financial Projections 2011-2013*. Part 3 of this same document also shows some variances between results achievement in December 2009 and those in December 2010 in comparison to targets set up in the CDB's RMF. However, explanations on expenditures' variances are only partial while explanations regarding variance in results are very limited, generally being very brief and not covering all variances.

³⁵ See the RMF in CDB's *Development Effectiveness and Managing for Results and Strategic Plan 2010-2014*.

³⁶ *Special Development Fund Annual Report 2010 and Financial Projections 2011–2013*, 2011, pp. 20 and 28, Appendix IV, and Appendix V p.3.

³⁷ Caribbean Development Bank *Annual Report 2010*, 2010, Part II, pp.13-28 and Caribbean Development Bank *Strategic Plan 2010-2014*, pp.23-31.











Thus, the document review found this micro-indicator weak; financial reporting at the CDB is not aligned with achieved results. No progress in this regard has been seen over time and no system seems to be in place for this situation to change anytime soon.

KPI 7: Financial Accountability

Finding 7: The CDB's financial accountability is considered adequate or better in many areas, but there is room for improvement in country/regional audits and financial risk management strategies.

The CDB has the necessary policies and processes in place for financial accountability, including rules for: corporate financial audits, anti-corruption to prevent financial fraud, managing financial irregularities, internal audit, and effective procurement and contract management processes. The only areas of weakness identified under this key performance indicator concern external financial audits at the regional, country, or project level and, critically, financial risk management, which seems totally absent from the operational management of the CDB.

Figure 3.9 KPI 7: Financial Accountability, Ratings of Micro-Indicators

 Strong or above (5, 6)	 Adequate (4)	 Inadequate or below (1, 2, 3)				
Average Score of Micro-Indicators	1	2	3	4	5	6
KPI 7 – Financial Accountability						
MI 7.1: Financial audits performed across the organisation						
MI 7.2: Financial audits performed at the regional, country or project level						
MI 7.3: Policy on anti-corruption						
MI 7.4: Systems for immediate measures against irregularities						
MI 7.5: Internal financial audit processes provide objective information						
MI 7.6: Effective procurement and contract management processes						
MI 7.7:Strategies for Risk Management						

MI 7.1 – Financial audits performed across the organisation (Vol. II, p. 23-24)

As evidenced in CDB's annual financial reports reviewed for the years 2003, 2004, 2006, 2008, and 2010, financial audits meeting recognised international standards are performed across the CDB for SDF resources, Ordinary Capital Resources (OCR), and Other Special Funds (OSF). The OCR statements are performed in accordance with International Financial Reporting Standards (IFRS), other specified accounting policies were used for audits of the SDF and OSF. All three types of financial resources are audited in accordance with the International Standards on Auditing, as confirmed by letters from the external auditors (PricewaterhouseCoopers was the external auditor for 2003, 2004, 2006, and 2008 while Ernst & Young audited for 2010). The performance of financial audits at the CDB was rated very strong.

MI 7.2 – Financial audits performed at the regional, country or project level (Vol. II, p. 25)

The *Status Report on the Internal Audit Unit's Work Programme* (Committee Paper AC-1/12) indicates that an external review of project loans in Barbados was to have been completed in March 2012 and that a similar review (for project loans in Guyana) is to be completed by October 2012. These country project audits were restarted with one for projects in Jamaica after several years of none being carried out.

The *Rules for the Special Development Fund* (1983) specify accounting and auditing rules for the operations of the SDF,³⁸ but none are available at the organisation-wide level. Also, these rules do not specify that audits should be carried out using international standards or national audit systems and procedures, only that the “CDB shall maintain accounts [...] in accordance with generally accepted accounting principles.”³⁹

This micro-indicator was rated as adequate, inasmuch as project audits have only recently been restarted, at an apparent rate of only two BMCs per year, and the above-mentioned Status Report indicates that “IAU has been further constrained by limited resources and activities brought over from 2011.”

MI 7.3 – Policy on anti-corruption (Vol. II, p. 26)

The CDB's *Code of Conduct* (2009) and *Guidelines for Procurement* (2000 and 2005) include some anti-fraud and anti-corruption rules, including clear roles and responsibilities for concerned staff and departments and some mechanisms for prevention and complaints. Still, the steps to denounce or cope with corruption cases could be more specific.

Chapter 9 of the CDB's *Code of Conduct* concerns Fraudulent Acts and specifies anti-corruption rules, and these are further supported by Article 22.01 of the Code, in which the Bank is required to issue directives or guidelines respecting any matter prescribed or required by the Code, so that they are put into effect.

Complementarily, Articles 1.15 and 1.16 of the last *Guidelines for Procurement* applying to projects approved after January 2006 (2005) specify some anti-fraud and anti-corruption rules for Recipients of CDB financing. Section 19 on Determination of Complaints sets procedural rules to pro-actively support solutions to counter corruption and any other breach of the Code of Conduct, at any level, including local. This section and Section 20 on Review of Determinations/Decisions also define the roles, responsibilities, and accountabilities of concerned staff and departments of the CDB in implementing and complying with the Code of Conduct, including its rules to prevent fraudulent acts.

However, in both documents there could be a clearer description about what to do in case of corruption. Section 19 of the *Guidelines for Procurement* (2005) could indicate more clearly the procedures to be followed in such situations, for instance by clearly referring staff to Section 20, i.e., by linking both sections of the document.

Also, even though the assessment of the adequacy and effectiveness of measures in place to combat fraud is the responsibility of the Internal Audit Unit, according to its Charter, no rule clearly commits the CDB to review its activities on combating fraud and corruption. This micro-indicator was considered strong.

³⁸ Since no separate rules exist for the OCR and the OSF, it appears that the Rules for the Special Development Fund also apply to these two other types of resources. That being the case, it would be pertinent for the CDB to make the necessary adjustments for a clearer understanding of these rules and of how the various funds of the Bank are managed.

³⁹ Rules for the Special Development Fund, 1983, pp.9-10.

MI 7.4 – Systems for immediate measures against irregularities (Vol. II, p. 27)

The CDB's *Charter of the Internal Audit Unit* (2010) and *Code of Conduct* (2009) provide guidelines for reporting on and managing financial irregularities.⁴⁰ However, these do not specifically mention external audits, or how audit recommendations are followed up by management remains to be determined. Similarly, there is no evidence that irregularities are reported to the Board of Governors. This micro-indicator was rated adequate.

MI 7.5 – Internal financial audit processes provide objective information (Vol. II, p. 28)

In accordance with the CDB's *Information Disclosure Policy*, internal audit reports are not made available. However, according to the Bank's *Charter of the Internal Audit Unit* (2010), approved by the AMT and the Audit and Post Evaluation Committee of the Board of Directors in Fall 2010, independent internal financial audit processes seem to be conducted by the Bank.

Independence and objectivity of the Internal Audit Unit (IAU) is also reiterated in the IAU's Charter, which mentions that the Unit should report to the CDB's President and to the Audit and Post Evaluation Committee (APEC) and also that it should not be involved in day-to-day control processes.

This micro-indicator was rated adequate.

MI 7.6 – Effective procurement and contract management processes (Vol. II, p. 29-30)

Clear procurement and contract management rules and processes exist at the CDB within its *Guidelines for Procurement* (2000 and 2005) governing the procurement of goods, works, related services, and consultancy services. These guidelines are easily accessible online. The CDB's website also has a section listing the awarded contracts for consultancy services and for procurement of good and works, in addition to published procurement notices.⁴¹

As specified on the website, the "responsibility for procurement management under Bank-financed projects rests with the Recipient of CDB financing. [...] The role of the Bank in these procurement undertakings is one of oversight to ensure that procurement is carried out in accordance with the Bank's procurement guidelines and the terms of the relevant financing agreement between the Recipient and CDB."⁴²

All goods, works and services financed in whole or in part from the CDB financing are to be "(a) of satisfactory quality and compatible with the balance of the project; (b) delivered or completed in a timely fashion; and (c) priced so as not to adversely affect the economic and financial viability of the project."⁴³

The CDB confirms that procurement processes are reviewed from time to time in the audit of project loans. A procurement audit is also slated for 2012. However, for now, no documentary evidence (i.e., no specific audit/evaluation/review) was found showing examination of the timeliness, efficiency and/or effectiveness of the CDB procurement and contract management processes.

This micro-indicator was given a strong rating.

⁴⁰ Charter of the Internal Audit Unit, 2010, p.1, and *Code of Conduct*, 2009, Articles 9.03-9.04 and Section 20, pp.10 and 22-25.

⁴¹ See Contract Awards in the following links:
www.caribank.org/titanweb/cdb/webcms.nsf/AllDoc/0E2E003FBF2284030425742C004F1F86?OpenDocument and see Procurement notices here:
www.caribank.org/titanweb/cdb/webcms.nsf/AllDoc/948A76AE500BDAB10425740400519180?OpenDocument

⁴² Procurement:
www.caribank.org/titanweb/cdb/webcms.nsf/AllDoc/056215D2CC8DFEF90425739B0076E86F?OpenDocument

⁴³ *Guidelines for Procurement of Goods and Works for Projects Approved after January 2006*, 2005, p.3 and *Guidelines for Procurement of Goods and Works for Projects Approved before January 2006*, 2000, p.4.

MI 7.7 – Strategies for risk management (Vol. II, p. 31)








The CDB has no strategy in place for risk identification, mitigation, monitoring and reporting. Rather, as specified by the CDB, the risk management function is spread across the Bank, with the various Departments responsible for managing their area of risk. Thus, this indicator was rated very weak. The CDB could benefit from a comprehensive risk management strategy that respects international standards, includes a description of roles and responsibilities of key actors, applies to all levels of activities of the Bank (i.e., corporate, regional, and country levels, as well as all Bank operations) and that requires monitoring and reporting to the Board.

KPI 8: Using Performance Information

Finding 8: The CDB is considered strong in using performance information to revise, adjust, and plan its policies, interventions, and allocate resources to countries and projects. However, the Bank could track its progress on implementation of accepted evaluation recommendations and report on these more systematically.⁴⁴

Four micro-indicators were assessed through document review to see how the CDB collects, analyses, and uses performance information on its results. Under this KPI, the CDB was seen to perform best in using performance information to revise and adjust policies and to allocate resources to countries. It was considered adequate in using performance information to plan new in-country interventions and acting upon evaluation recommendations.

Figure 3.10 KPI 8: Using Performance Information, Ratings of Micro-Indicators

 Strong or above (5, 6)	 Adequate (4)	 Inadequate or below (1, 2, 3)					
Average Score of Micro-Indicators		1	2	3	4	5	6
KPI 8 – Using Performance Information							
MI 8.1: Using information to revise and adjust policies							
MI 8.2: Using information to plan in-country new interventions							
MI 8.3: Evaluation recommendations are acted upon							
MI 8.4: Resources allocated to countries and projects based on performance							

MI 8.1 – Using information to revise and adjust policies (Vol. II, p. 32)

The CDB assesses progress towards outcomes in various ways – organisation-wide annual reviews, annual reports, evaluations, etc. – using performance data such as financial and project-related information, etc. The *Review of the SDF (U) Resource Allocation System* (2007) and the *Caribbean Development Bank Report on Annual Review of the Performance of the Portfolio of Projects Under Implementation for the Year Ended December 31, 2010* (2011), hereinafter the ARPP or the Portfolio Review) are two examples of where the CDB's performance is analysed.

⁴⁴ See also KPI 15.

Although it is not done systematically, management responses are provided for some issues identified through analyses of performance, with some specific actions being planned and implemented for revisions and adjustments to its programming and policies.

An example of policy revision ensuing from performance information appears in the Bank's *Strategic Plan 2010-2014* (2010) which mentions that "[w]hilst the [Private Sector] Policy Paper and Strategy [papers]⁴⁵ are still conceived as being relevant, it is widely held that the level of interventions over the past few years and degree of impact has not been as significant as envisaged.⁴⁶ In view of this, CDB will undertake a review of the implementation of the Policy and Strategy, analyse the obstacles leading to under-achievement of set goals and most importantly, consider recommendations in relation to the development and implementation of new activities relating to the private sector."⁴⁷

As another example, in July 2011, the CDB announced that it would revise its Housing Sector Policy and Strategy "[...] in order to improve the effectiveness of its interventions in the housing sector in its borrowing member countries (BMCs)."⁴⁸

This micro-indicator was rated very strong.

MI 8.2 – Using information to plan in-country new interventions (Vol. II, p. 34-35)

Although the CDB has not produced reports providing information on the Bank's overall country performance and progress towards outcomes, it produces some thematic country assessment reports that provide partial information in that regard, specifically on strategic objectives of the organisation. For instance, an *Assessment of the Caribbean Development Bank's Natural Disaster Risk Management Assistance for its Borrowing Member Countries (1998-2006)* was conducted in 2008 for Grenada, Jamaica, Belize, and St. Lucia.

In some, but not all, of the cases reviewed, there is also some evidence that collected performance information is used in planning new interventions. For instance, CDB's Country Strategy Paper (CSP) 2009-2011 for Grenada considered some weaknesses identified in the above-mentioned assessment for that country. More precisely, while the 2008 assessment identified institutional strengthening, capacity building, and other Natural Disaster Risk Management-related activities as a weakness, the CSP's Outcome 8 on risks related to climate change addressed the Government's request to strengthen its capacity by making more funds available for that purpose.⁴⁹

However, since available performance reports are thematic, they concern only a small fraction of all the possible country performance information that could be collected and used to plan CDB's interventions in its BMCs (i.e., to plan CSPs). Moreover, the CDB has not conducted evaluations of its CSPs, although this might occur in the future as the most recent CSPs integrate results frameworks (see previous analysis of KPI 4 under Strategic Management). Thus, this micro-indicator was rated adequate.

⁴⁵ Here, the Bank is most likely referring, among others, to the *Private Sector Development Strategy* published in 2004.

⁴⁶ Unfortunately, the source of this performance information is not mentioned in the CDB's Strategic Plan.

⁴⁷ Caribbean Development Bank Strategic Plan 2010-2014, 2010, p. 25.

⁴⁸ CDB to Revise its Housing Sector Policy and Strategy, News Release No.28/11, July 2011, available at: www.caribank.org/titanweb/cdb/webcms.nsf/AllDoc/D399F8BFC9FC3435042578D20042874F?OpenDocument

⁴⁹ *Country Strategy Paper Grenada 2009-2011*, 2009, p. 31 and *Draft Assessment of the Caribbean Development Bank's Natural Disaster Risk Management Assistance for its Borrowing Member Countries 1998-2006 – Grenada Country Assessment Report*, 2008, p. 42.

MI 8.3 – Evaluation recommendations are acted upon (Vol. II, p. 36-37)

The CDB adopted an Evaluation Policy in December 2011. While implementation of this policy has not yet begun, articles 70 to 74⁵⁰ require that evaluation recommendations be reported to the Board of Governors, acted upon, and followed up through management responses and actions plans. Management responses to evaluation recommendations are attached to evaluation reports when these are submitted to the APEC and Board of Directors. Yet there exists no systematic document or process at the CDB that tracks progress on implementation of accepted recommendations.

The Management Action Record in the ARPP “presents a summary of the recommendations made in 2006, 2007, 2008 and 2009 ARPPs and the actions taken to date to implement these recommendations.”⁵¹ However, such reporting has not been done periodically and systematically for all evaluations, and no evidence was found regarding how the Board of Directors follows up on these recommendations and actions.

Therefore this micro-indicator was rated inadequate.

MI 8.4 – Resources allocated to countries and projects based on performance (Vol. II, p. 38)

The CDB’s performance-based allocation (PBA) system “[...] measures country need and country performance”⁵² (also see MI 5.1). The resource allocation formula includes performance variables such as country performance on policy and institutions – Poverty Reduction Effectiveness Situation (PRES) variable, similar to the World Bank’s Country Poverty and Institutional Assessment (CPIA) variable and performance of the country’s portfolio of CDB Loans (PORT) variable). Both variables take into consideration some criteria that relate to, for example, governance, environmental sustainability, macroeconomic management, etc.

From the *Review of the SDF (U) Resource Allocation System* (2007), it appears that over time performance has become an increasingly important criterion for the CDB to allocate its resources. Before 2001, the allocation system was based solely on country groups and needs. The PBA system put in place in 2001 prioritises performance and the recommendations of the 2007 SDF review show that the adequacy of the performance criteria chosen for allocation remains very important to the CDB. Thus, this micro-indicator was rated very strong.

⁵⁰ *Evaluation Policy of the Caribbean Development Bank*, 2011, pp. 13-14.




⁵¹ *Annual Review of the Performance of the Portfolio of Projects Under Implementation for the Year Ended December 31, 2010, 2011*, p. 40.

⁵² *Review of the SDF (U) Resource Allocation System*, 2007, p. 5 of 40 and Appendix A, p. 4 of 9.

KPI 9: Managing Human Resources

Finding 9: CDB documentation illustrates that the Bank has put in place systems to manage its human resources for results. There is room for improvement of the system and in the implementation of the system.

Figure 3.11 KPI 9: Human Resources Management, Ratings of Micro-Indicators

 Strong or above (5, 6)	 Adequate (4)	 Inadequate or below (1, 2, 3)					
Average Score of Micro-Indicators		1	2	3	4	5	6
KPI 9 – Human Resources Management							
MI 9.1: Results-focused performance assessment systems in place for senior staff							
MI 9.2: Transparent incentives/rewards system for staff performance							

MI 9.1 – Results-focused performance assessment systems in place for senior staff (Vol. II, p. 39-40)

The CDB has developed a system for managing staff performance. A Continuous Performance Improvement (CPI) system has been in place since 2003. However, as reported in the *Human Resource Annual Update – 2010*, it currently pays little attention to assessing competencies⁵³ and the MRF also does not include an indicator in regard to performance assessment. This micro-indicator was rated as inadequate.

During the interviews, several issues were raised with respect to the CPI. First, the CPI system is not always linked to Departmental objectives because the assessment is often done late in the year and is out of sync with those objectives. Second, the CPI does not seem to be a reliable way of measuring performance, since almost all staff receive a “satisfactory” or “fully satisfactory” rating, suggesting some problems with candour. Third, the assessment process is not linked to incentives. Finally, according to some Operation Officers, some supervisors do not implement the CPI as a constructive learning tool, but rather as a punitive tool.

The CDB’s approach to CPI is to use a common tool for all staff and adjust the indicators according to the individual staff member (and level of staff). As such, there is no results-focused performance assessment system that applies to senior staff only. System senior staff are evaluated according to the following criteria: (i) achievement of workplan results, programmatically and managerially; (ii) role at senior management level; (iii) contribution to Bank’s policy; and (iv) contribution to the image of the Bank.

MI 9.2 – Transparent incentives/rewards system for staff performance (Vol. II, p. 41)

The CDB’s system for managing staff performance may be in operation, but it is not discussed in any of the available documents and there are no written details on the incentives or processes for rewarding and promoting staff.

⁵³ The *Human Resource Annual Update – 2010* contains the following statement (p. 12): “[...] main focus of the existing performance management process is on assessing the objectives/business goal element, with little attention to assessments of competencies and the follow through to the formulation and implementation of the individual development plans. Assessments on technical and behavioural competencies are not part of the performance management process.”

However, the CDB's *Human Resource Annual Update – 2010* indicates that the relationship between staff performance and rewards is clearly understood in the Bank and that a performance assessment and reward/incentive system is being developed.

KPI 10: Performance-oriented Programming

Finding 10: The performance orientation of the CDB's programming is rated adequate, according to the document review. Social and environmental impact analyses are conducted as appropriate prior to project approval and are reported in the Bank's project appraisal reports. However, while these reports include Logical or Results Frameworks, the quality of these is inconsistent.

Figure 3.12 KPI 10: Performance-oriented Programming, Ratings of Micro-Indicators

Strong or above (5, 6)

Adequate (4)

Inadequate or below (1, 2, 3)

Average Score of Micro-Indicators	1	2	3	4	5	6
KPI 10 – Performance-oriented Programming						
MI 10.1: New initiatives subject to benefits/impact analysis						
MI 10.2: Milestones/targets set in rating progress of implementation of projects						

MI 10.1 – New initiatives subject to benefits/impact analysis (Vol. II, p. 42)

Prior to approval, projects at the CDB are normally subject to environmental and social impact analysis. The CDB's *Environmental and Social Review Procedures* (2008) provide guidelines to govern these impact analyses and to apply them to decision-making in policies, programmes, and investments projects.

The document review found that staff are informed and trained on the guidelines in the *Environmental and Social Review Procedures*, mainly through workshops, some of which were conducted in 2011; others are being planned for 2012-2013.⁵⁴

CDB's project appraisal reports show evidence of implementation of social, environmental, and some macroeconomic impact analysis guidelines⁵⁵ and their use for decision-making (i.e., for project approval). This micro-indicator was rated very strong.

MI 10.2 – Milestones/targets set in rating progress of implementation of projects (Vol. II, p. 43-44)

The CDB produces project appraisal reports that evaluate project/loan proposals in relation to development objectives, to the Bank's strategic objectives and priorities, and to the SDF in particular, assigning to the project a Project Performance Evaluation rating. A Logical Framework is included in most project appraisal reports and comprises some objectives and targets for project implementation. However, the quality of these is inconsistent: items labelled outputs and outcomes are frequently not such, targets do not always align with the activities described, frequently there are no baseline values for the outcome indicators used,

⁵⁴ Work Programme, and Administrative and Capital Budgets 2012-2013, 2011, p.7 (paragraph 2.27), p.15 (paragraph 3.27), and p.9 of Appendix 2.

⁵⁵ The reference to macroeconomic impact analysis refers to a \$55 million single-tranche PBL approved in 2010 for Anguilla.

and data sources are too general. Since there are few targets or baselines, there cannot be milestones. This micro-indicator was rated weak.⁵⁶

3.4.4 Relationship Management

Except for the Bank's *Lending Policies* (2008), which align with the principles of country ownership, the CDB is rated as weak in relationship management according to the document review.

Figure 3.14 below shows the document review ratings for the three KPIs in the relationship management quadrant.

Although the CDB has not adopted the indicators of the Paris Declaration on Aid Effectiveness (PD) and the Accra Agenda for Action, the Bank's RMF integrates a few indicators on partnership, harmonisation, and alignment (see Level 4 indicators) that seem inspired by the PD.

Results as of December 2010 for the indicators that were assessed in this document review (Level 4 Indicators 5, 6, 7, and 8) were either lacking information or irrelevant to rate the micro-indicator. That was the case for KPIs 12 and 13, where two micro-indicators could not be rated due to lack of information required for the assessment.

The CDB notes the number of joint missions it participates in, but does not report on the percentage of joint missions, and does not monitor the structures of its project implementation units (parallel versus not parallel).

Figure 3.13 Quadrant III Relationship Management, Document Review Ratings

<div></div> Strong or above (5, 6)	<div></div> Adequate (4)	<div></div> Inadequate or below (1, 2, 3)				
Average Score of Key Performance Indicators	1	2	3	4	5	6
Quadrant III – Relationship Management						
KPI 11. Supporting National Plans						
KPI 12. Using Country Systems						
KPI 13. Harmonising Procedures						

⁵⁶ Four additional recently-approved (December 2011) project appraisal reports were reviewed: Barbados - Education Sector Enhancement Project II; Dominica - Natural Disaster Management Rehabilitation and Reconstruction – Layout Flood Event; Haiti - Rural Community-Driven Development Project; and St. Vincent and the Grenadines – Technical and Vocational Education and Training Development Project. Although improvements have been made, there are still issues concerning the quantification of indicators and the linkage between the logical or results frameworks and the corresponding monitoring frameworks.

KPI 11: Supporting National Plans

Finding 11: The CDB strongly directs its aid programming at the country level. The Bank's *Lending Policies* align with the principles of country ownership. The CDB also follows up its approach to conditionality and the implementation of its lending policies.

Figure 3.14 KPI 11: Supporting National Plans, Ratings of Micro-Indicators

<div></div> Strong or above (5, 6)	<div></div> Adequate (4)	<div></div> Inadequate or below (1, 2, 3)				
Average Score of Micro-Indicators	1	2	3	4	5	6
KPI 11 – Supporting National Plans						
MI 11.1: – Conditionality draws on national government's benchmarks/indicators/results						

MI 11.1 – Conditionality draws on national government's benchmarks/indicators/results (Vol. II, p. 45-46)

While the document review found little evidence that the CDB encourages alignment with good practice principles for conditionality, the CDB's *Lending Policies* (2008) align with the principles of country ownership. As an example, policy-based loans (PBLs) are deposited into the consolidated fund of the concerned government to support specific improvements in the (macroeconomic) management of the development process by the government, as opposed to capital projects, where funds are instead used to purchase particular goods or services for a specific development output.⁵⁷

The CDB reviews its progress in terms of conditionality and implementing its lending policies, as shown in its *A Review of the Framework for Future Policy Based Lending by the CDB – Consultant's Report* (2011) and *Caribbean Development Bank - Management Response to the Consultant's Report on Policy-Based Loans* (2011). These documents are to be used to revise the CDB's policy-based lending framework.




This micro-indicator was rated strong.

⁵⁷ *Caribbean Development Bank Strategic Plan 2010-2014*, 2010, p. 11: See box entitled "The Role of the PBL as an Instrument for Influencing the Development Process in CDB's BMCs."

KPI 12: Using Country Systems

Finding 12: The CDB is considered weak in its use of country systems for disbursements and operations. Only 25 per cent of the Bank's financial support uses BMCs' procurement systems and the CDB does not report on the use of parallel implementation units.

Figure 3.15 KPI 12: Using Country Systems, Ratings of Micro-Indicators

 Strong or above (5, 6)	 Adequate (4)	 Inadequate or below (1, 2, 3)					
Average Score of Micro-Indicators		1	2	3	4	5	6
KPI 12 – Using Country Systems							
MI 12.1: Official development assistance (ODA) disbursements/support use national systems and procedures							
MI 12.2: Parallel implementation structures are avoided		Insufficient data					

MI 12.1 – Official Development Assistance (ODA) disbursements/support use national systems and procedures (Vol. II, p. 47)

In the CDB's Results Monitoring Framework (RMF) in the Bank's *Strategic Plan 2010-2014* (2010), Level 4 indicators are taken from the Paris Declaration on Aid Effectiveness (PD) to guide the CDB in its approach to partnership, harmonisation, and alignment (see MIs 2.5 and 5.2)

Level 4, Indicator 7 of the CDB corresponds to Indicator 5b of the PD, on the use of country procurement systems for ODA disbursements and support.⁵⁸ For this indicator, the CDB had a target for 2012 of 35 per cent of financial support using BMC procurement systems that either (a) adhere to broadly accepted good practices, or (b) have a reform programme in place to achieve these (very small countries in the region do not have their own procurement policies). In the most recent *SDF Annual Report 2010 and Financial Projections 2011–2013*, the status as of December 2010 was 25 per cent.⁵⁹ This indicates no progress since the baseline year of 2008. Thus, this micro-indicator was rated weak.

MI 12.2 – Parallel implementation structures are avoided (Vol. II, p. 48)

The CDB does not report on the use of its project implementation units (PIUs). Thus, this micro-indicator could not be rated. It is recommended that the CDB monitor and report on its performance in this area.




⁵⁸ Indicator 7 of the CDB's Level 4 indicators on Partnership, Harmonisation and Alignment concern procedures, and thus does not apply to Indicator 5a on national financial management systems.

⁵⁹ *Special Development Fund Annual Report 2010 and Financial Projections 2011–2013*, 2011, p. 29.

KPI 13: Harmonising Procedures

Finding 13: While the CDB makes some attempts to harmonise procedures with other programming partners (donors, UN agencies, etc.), it is not particularly active in joint missions and its use of coordinated programs and common arrangements has declined significantly since 2009.

Figure 3.16 KPI 13: Harmonising Procedures, Ratings of Micro-Indicators

 Strong or above (5, 6)
  Adequate (4)
  Inadequate or below (1, 2, 3)

Average Score of Micro-Indicators	1	2	3	4	5	6
KPI 13 – Harmonising Procedures						
MI 13.1: Participation in joint missions						
MI 13.2: Technical cooperation disbursed through coordinated programs						
MI 13.3: Official Development Aid (ODA) disbursements/support for government-led program-based approach						

MI 13.1 – Participation in joint missions (Vol. II, p. 49)

CDB's Level 4 Indicator 8 partially corresponds to Indicator 10 of the PD on the percentage of joint field missions and country analytical work. For that indicator, the CDB has a target for 2012 of eight joint monitoring missions (in absolute numbers, not in percentage).

In the *Development Effectiveness Review 2011*, in Level 4 of the RMF the Bank included a new indicator for "Partnerships," which is the "proportion of CSPs, other DP missions, project financings conducted jointly with at least one other DP," with a baseline (2008) value of 14 percent, a target for 2014 of 25 percent, and an achievement of 23 percent for 2011. Therefore, the rating for this micro-indicator is inadequate.

MI 13.2 – Technical cooperation disbursed through coordinated programs (Vol. II, p. 50)

The CDB's Level 4 Indicator 6 corresponds to Indicator 4 of the PD on the percentage of support provided to countries through programmes that are coordinated with partners. For that indicator, the CDB has a target for 2012 of 45 per cent of capacity development support provided through coordinated programs. In the most recent *SDF Annual Report 2010 and Financial Projections 2011–2013*, the status as of December 2010 was 21 per cent. This is not only below target, but also represents a decline of 11 per cent from 2009 (status of 32 per cent). It is also 14 per cent below the CDB's baseline value which was based on the years 2005-2008.⁶⁰ This micro-indicator was rated inadequate.

⁶⁰ *Special Development Fund Annual Report 2010 and Financial Projections 2011–2013*, 2011, p. 29.

MI 13.3 – Official Development Assistance (ODA) disbursements/support for government-led program-based approaches (Vol. II, p. 51)

The CDB's Level 4 Indicator 5 corresponds to Indicator 9 of the PD on the percentage of aid provided through common procedures or arrangements. For that indicator, the CDB has a target for 2012 of 35 per cent of interventions. In the most recent *SDF Annual Report 2010 and Financial Projections 2011–2013*, the status was 19 per cent, a decline of 7 per cent from 2009 (26 per cent), and 2 per cent below the baseline value of 2007. There is no explanation of this decline and this micro-indicator was rated very weak. It should be noted that one of the priorities of the CDB Operational Strategy for SDF 7 was to develop common structures and processes in BMCs based on best practices for supporting Regional Cooperation and Integration (RCI).⁶¹

3.4.5 Knowledge Management




While the CDB is committed to the dissemination of lessons learned with the implementation of its Evaluation Policy adopted in December 2011, the Bank inadequately monitors and reports on the results of its programming operations. Thus, the document review rates the overall performance of the CDB inadequate in regard to knowledge management.

Figure 3.18 below shows the document review ratings for the three KPIs in the knowledge management quadrant.

Of particular concern is the fact that the CDB has no policy or procedures for the quality control of its evaluations. (Evaluation guidelines that are to be issued sometime in 2012 should correct this weakness.)

The CDB does not report sufficiently on how performance information is used in planning or adjusting interventions, and is seen as inadequate in disseminating lessons learned.

Figure 3.17 Quadrant IV Knowledge Management, Document Review Ratings

 Strong or above (5, 6)	 Adequate (4)	 Inadequate or below (1, 2, 3)					
Average Score of Key Performance Indicators		1	2	3	4	5	6
Quadrant IV – Knowledge Management							
KPI 14. Evaluating External Results							
KPI 15. Presenting Performance Information							
KPI 16. Disseminating Lessons Learned							

⁶¹ Ibid., pp. 9 and 29.

KPI 14: Evaluating External Results

Finding 14: The document review rated the Bank as inadequate overall on this key performance indicator. Once the CDB's new *Evaluation Policy* (2011) is implemented, the Office of Independent Evaluation (OIE) should be able to adequately evaluate programming operations, and should benefit from the forthcoming CDB policy on quality control of evaluations. However, more details should be provided in the *Evaluation Policy* regarding the Bank's evaluation coverage.

Figure 3.18 KPI 14: Evaluating External Results, Ratings of Micro-Indicators

Strong or above (5, 6)

Adequate (4)

Inadequate or below (1, 2, 3)

Average Score of Micro-Indicators	1	2	3	4	5	6
KPI 14 – Evaluating External Results						
MI 14.1: Independent evaluation unit						
MI 14.2: Sufficient evaluation coverage of programming operations	Insufficient data					
MI 14.3: Quality of evaluations						

MI 14.1 – Independent evaluation unit (Vol. II, p. 52)

The CDB now has a structurally independent evaluation unit, the Office of Independent Evaluation (OIE), which replaced the Evaluation and Oversight Division (EOV) as of December 2011.⁶²

From the documents, it appears that once the new *Evaluation Policy* (2011) is implemented, the OIE will report to the Board of Directors but not to the Board of Governors.⁶³

The new *Evaluation Policy* plans that the “OIE will produce an annual report on evaluation results” once it is implemented. Yet, for now and in the past, the OIE/EOV has not prepared annual reports; the results of the work programme were instead included in the CDB Annual Report and will continue to be until the Evaluation Policy is implemented.

This micro-indicator was rated adequate.

MI 14.2 – Sufficient evaluation coverage of programming operations (Vol. II, p. 53-54)

Independent evaluation reports were available for some projects in at least half of the countries sampled. While the new *Evaluation Policy* (2011) only vaguely discusses how the work programme of the OIE will be established,⁶⁴ information on how evaluations will be planned and prioritised once the policy is implemented can be found in the CDB's *Evaluation and Oversight Division – The Work Programme and Two- year Rolling Budget 2011 – 2013* (2011). However, this document does not specify a percentage for evaluation coverage of projects and programmes and there was insufficient data to rate this micro-indicator. Reportedly, the evaluation coverage for the period 2000 – 2010 was 5 percent.

⁶² *Evaluation Policy of the Caribbean Development Bank*, 2011, p. 8.

⁶³ Ibid., pp. 4-5 and 8.

⁶⁴ Ibid., pp. 11-12.

MI 14.3 – Quality of evaluations (Vol. II, p. 55)

The CDB has no policy or procedures for the quality control of its evaluations and has not reviewed its evaluations within the last five years. This micro-indicator was rated very weak. Yet, it should be noted that evaluation guidelines are to be issued sometime in 2012 and improvements are expected.

In addition, as noted in the CDB's *Evaluation and Oversight Division – The Work Programme and Two-year Rolling Budget 2011 – 2013* (2011) an independent review of evaluations will be conducted every three years starting in 2014, with the independent Peer Review to be contracted for that purpose.⁶⁵

KPI 15: Presenting Performance Information

Finding 15: The CDB's reporting on results in the *SDF Annual Report 2010 and Financial Projections 2011–2013* (2011) is inadequate. While indicators are used to measure and report on performance based on the Bank's strategy, there is only partial reporting on outcomes, no country reporting on Paris Declaration-related and other targets, and there seem to be almost no programming adjustments made from performance information collected, only moderate policy adjustments.

Figure 3.19 KPI 15: Presenting Performance Information, Ratings of Micro-Indicators

Average Score of Micro-Indicators	1	2	3	4	5	6
KPI 15 – Presenting Performance Information						
MI 15.1: Reports on achievement of outcomes						
MI 15.2: Reports on performance using data obtained from measuring indicators						
MI 15.3: Reports against corporate strategy including results						
MI 15.4: Reports on Paris Declaration commitments using indicators and country targets						
MI 15.5: Reports on adjustments to policies/strategies based on performance information						
MI 15.6: Reports on country programming adjustments based on performance information						

MI 15.1 – Reports on achievement of outcomes (Vol. II, p. 56-57)

Organisation-wide reporting of the performance of the CDB can be found in the *SDF Annual Report 2010 and Financial Projections 2011–2013* (2011) and in the *Caribbean Development Bank Report on Annual Review of the Performance of the Portfolio of Projects Under Implementation for the Year Ended December 31, 2010* (2011, ARPP).⁶⁶ The former report describes a number of key outputs achieved in

⁶⁵ *Evaluation and Oversight Division – The Work Programme and Two-year Rolling Budget 2011 – 2013*, 2011, Appendix 2, p. 1 of 4.

⁶⁶ The Bank's project monitoring system is currently in the process of redesign. However, the extremely high percentage of projects under implementation rated "satisfactory," together with the very small number of projects

relation to the CDB's *Strategic Plan 2010-2014* and also includes some CMDG-related outcomes. However, these outcomes are not directly linked to CDB's interventions and activities; they only describe progress in relation to the CMDGs, and therefore it is not possible to establish a plausible link between CDB's outputs and the extent to which they have contributed to CDB's own outcomes and to CMDGs-related improvements.⁶⁷ Thus, this micro-indicator was rated inadequate.

However, from the *Two Hundred and Forty-Sixth Meeting of the Board of Directors to be Held in Trinidad and Tobago May 23, 2011 Paper BD 115/10 Add. 1 Caribbean Development Bank's Results Monitoring Framework* (2011) and the RMF's improvements that it suggests, some progress is expected in that regard (also refer to MI 2.4).

MI 15.2 – Reports on performance using data obtained from measuring indicators (Vol. II, p. 58-59)

As mentioned above, organisation-wide reporting of the performance of the CDB can be found in the *SDF Annual Report 2010* (2011) and in the Portfolio Review (2011, ARPP). The indicators of performance used to report on results that are included in the SDF report generally meet the SMART criteria (specific, measurable, achievable, relevant, and targeted) and CREAM criteria (clear, relevant, economic, adequate, and monitorable).⁶⁸ The Portfolio Review (ARPP) does not include this type of performance indicators.

Since the first SDF report was produced in 2009, there is no evidence of indicator data having been compared across years. However, baseline values are included for Level 1 indicators/results (CMDG outcomes) in the results framework, while targets are included for Level 2 outputs. Therefore, the document review rated the CDB adequate on its use of data obtained from measuring indicators in its performance reports.

MI 15.3 – Reports against corporate strategy including results (Vol. II, p. 60-61)

The *SDF Annual Report 2010 and Financial Projections 2011–2013* (2011) report on results achieved in relation to the objectives and indicators identified in the results framework of the CDB's *Strategic Plan 2010-2014*.⁶⁹ While the results frameworks in both documents are identical, the SDF report includes data on progress achieved against the objectives and describes the extent to which results identified in the Results Monitoring Framework (RMF) have been achieved for its four levels of results/indicators.

While major variances are reported upon in the SDF report (e.g., teacher training outputs being far lower than expected⁷⁰) adequate explanations for other variances in results achieved are not provided.

Also, even though the RMF has recently been reviewed by the Results Committee,⁷¹ thus far, no independent evaluation or review has confirmed the quality of the organisation's reporting on results.

This micro-indicator was rated adequate.

considered "problem" projects, when compared to corresponding data on disbursements, suggests that there may be an issue of candor in the monitoring ratings. This, in turn, suggests that an appropriate review process for the eventual project monitoring instrument to be applied by the Bank, including the use of other available data sources, should also be designed and implemented as a component of the new project monitoring system.

⁶⁷ *Special Development Fund Annual Report 2010 and Financial Projections 2011–2013*, 2011, Part 3, pp. 24-30.

⁶⁸ *Ibid.*, pp. 24-30.

⁶⁹ *Ibid.*, pp. 24-30. The *Development Effectiveness Review 2011* extends the information on most indicators to 2011.

⁷⁰ *Ibid.*, p. 26.

⁷¹ Two Hundred and Forty-Sixth Meeting of the Board of Directors to be Held in Trinidad and Tobago May 23, 2011 Paper BD 115/10 Add. 1 *Caribbean Development Bank's Results Monitoring Framework, 2011*: The review conducted by the Results Committee plans some changes to the RMF for its improvement – also see MIs 2.4 and 15.1.

MI 15.4 – Reports on Paris Declaration commitments using indicators and country targets (Vol. II, p. 62)

As mentioned previously (see MIs 2.5 and 5.2) the CDB did prepare its own indicators and targets for committing to some of the Paris Declaration (PD) principles. The *SDF Annual Report 2010 and Financial Projections 2011–2013* (2011) describes the extent of overall achievement of the CDB's performance against its own adapted indicators and targets.⁷² Unfortunately, apart from numbers, not many explanations are provided in the SDF report to explain the reasons behind success or failure to achieve or progress toward the PD-oriented indicators.

The CDB has no country-oriented targets/indicators relating to the PD. In the documents sampled for the selected countries, only the CSP 2007-2009 for Belize referred to PD principles and indicators.⁷³

This micro-indicator was rated inadequate.

MI 15.5 – Reports on adjustments to policies/strategies based on performance information (Vol. II, p. 63-64)

The *Caribbean Development Bank Report on Annual Review of the Performance of the Portfolio of Projects Under Implementation for the Year Ended December 31, 2010* (2011, ARPP) assesses the yearly performance of public and private sector investment-type, policy-based loans (PBLs), capital grants to Haiti, and technical assistance (TA) grants and loans of \$1 million and more under implementation. The ARPP provides an overview of the status and trends in the quality of the portfolio and makes recommendations for reviewing strategies and policies to improve portfolio performance and management (e.g., see section 4 "Management Action Record").⁷⁴ In addition, periodic independent evaluations such as the *Mid-term Review of the Seventh Cycle of the Special Development Fund (Unified)* (2011) provide performance information and recommendations in relation to strategies and policies.

The document review found that several policies and strategies have been adjusted or developed based on performance information. Examples include some private sector policy changes⁷⁵ (also refer to MI 8.1 above) the revision of the performance based allocation system,⁷⁶ and the formulation of the *Gender Equality Policy and Operational Strategy* (2008) that was largely based on a background study and assessment report recommending that such a policy be developed.⁷⁷

However, there is no documentary evidence in the *Work Programme, and Administrative and Capital Budgets 2012-2013* (2011) that performance information was used to adjust the 2012-2013 budget. Lastly, the Board of Directors does not seem to receive specific reports on strategy and/or budget changes based on performance information.

This micro-indicator was rated adequate.

⁷² *Special Development Fund Annual Report 2010 and Financial Projections 2011–2013*, 2011, pp. 29-30.

⁷³ Country Strategy Paper 2007-09 Belize, 2006, pp. 13, 33, and 37.

⁷⁴ Caribbean Development Bank Report on *Annual Review of the Performance of the Portfolio of Projects Under Implementation for the Year Ended December 31, 2010*, 2011, pp. 40-41.

⁷⁵ Caribbean Development Bank *Strategic Plan 2010-2014*, 2010, p.25.

⁷⁶ *Development Effectiveness and Managing For Results*, 2008, par. 2.23-2.24, pp. 6-7.

⁷⁷ *Gender Equality Policy and Operational Strategy*, 2008, pp. iv and 1-7: The assessment that led to the development of this document was entitled "Status of Gender and Development in CDB and the Caribbean, the Way Forward and CDB's Role."

MI 15.6 – Reports on country programming adjustments based on performance information (Vol. II, p. 65-66)

Part of the performance information reported in the *Caribbean Development Bank Report on Annual Review of the Performance of the Portfolio of Projects Under Implementation for the Year Ended December 31, 2010* (ARPP) is provided by the BMCs. Performance here is based on a composite project performance index (PPI).⁷⁸ However, the reasons behind the obtained PPI scores are not explained in the ARPP.

Recommendations from the ARPP are organisation-wide rather than country specific.⁷⁹

The Country Strategy Papers (CSPs) partially report on portfolio performance. However, in the CSPs, as in the ARPP, when performance is reported, it is only in a very partial manner. Performance results are not organised by outputs and contributions to outcomes, and where PPI scores are mentioned, these are usually not explained or the explanations are very brief and incomplete.

Finally, apart from ARPP and the CSPs, which do not describe the implications of performance information for planning new interventions, no country report is available to provide such programming adjustment information.




In summary, although the CDB reviews the in-country performance of its portfolio, the performance information is rather minimal, with almost no details on its implications for planning new interventions, or changes required.

This micro-indicator was rated very weak.

KPI 16: Disseminating Lessons Learned

Finding 16: The CDB is committed to identify, collect, document, and disseminate internal and external lessons learned, and references appear consistently in CSPs and project appraisal documents. Yet it has no centralised unit or easily accessible system to access lessons learned, and is therefore rated adequate by the document review.

Figure 3.20 KPI 16: Disseminating Lessons Learned, Ratings of Micro-Indicators

 Strong or above (5, 6)	 Adequate (4)	 Inadequate or below (1, 2, 3)					
Average Score of Micro-Indicators		1	2	3	4	5	6
KPI 16 – Disseminating Lessons learned							
MI 16.1: Reports on lessons learned based on performance information							

⁷⁸ *Caribbean Development Bank Report on Annual Review of the Performance of the Portfolio of Projects Under Implementation for the Year Ended December 31, 2010*, 2011, pp. 19 and Annex 13.

⁷⁹ *Ibid.*, pp. 42-43.

MI 16.1 – Reports on lessons learned based on performance information (Vol. II, p. 67-68)

The CDB's *Evaluation Policy* (2011) – which has not been implemented yet – shows the Bank's commitment to identify lessons learned and specifies some responsibilities in that regard for key CDB managers and departments.

There is evidence that the Bank uses lessons learned from evaluations and experience to revise some of its management and programming practices:

- Proposals in the Strategic Plan are the result of substantive consultations and deliberation with many stakeholders.⁸⁰
- The CSP of Jamaica seems to have been developed based on lessons learned through the previous project cycle in order “to strengthen the development impact of planned assistance.”⁸¹
- There is also evidence of the use of lessons learned at the project level in the project appraisal reports of Jamaica, Grenada, and St. Lucia.⁸²

However, there is no centralised and easily accessible system for collection and dissemination of lessons learned and little evidence that the CDB shares lessons across the organisation. Even with the new policy, there is no centralised unit responsible for documenting and disseminating lessons learned.

This micro-indicator was rated adequate. However, the criteria may be more appropriate to larger organisations that have dedicated units for knowledge generation and dissemination. Because of its very small size, CDB is unable to replicate all of the units that much larger organisations may have.

Even though it has not been implemented yet because launched in December 2011, it appears from the Evaluation Policy that the CDB is committed to the identification of lessons learned, and the Policy has identified some responsibilities in that regard for key CDB managers and departments. However, it seems like there is no centralized and easily accessible system for collection and dissemination of lessons learned. Still, there are evidences that the CDB uses lessons learned from evaluations and experience to revise some of its management and programme practices, as reflected in the CDB Strategy 2010-2014 (p.1) and the Jamaica Country Strategy Paper 2009-2011 (p.27) and in some project appraisal reports.

⁸⁰ *Caribbean Development Bank Strategic Plan 2010-2014*, 2010, p.1.– “Proposals contained in the Strategic Plan are the result of substantive consultations and deliberation with many stakeholders. It builds on the Strategic Plan 2005–2009 and other approved sector and thematic policies and strategies, and draws on the lessons learned from the Multi-cycle Evaluation of SDF 4 and SDF V, and the Evaluation Study of Technical Assistance (TA) Operations of the Bank.”

⁸¹ *Country Strategy Paper 2009-11 Jamaica*, 2008, p. 27.

⁸² Appraisal Report on Agricultural Support – Jamaica, 2008, p.11; Appraisal Report on Market Access and Rural Enterprise Development Project – Grenada, 2010, p. 8; and, Appraisal Report on Settlement Upgrading Project – St. Lucia, 2011, p. 9.

Review of CDB's Agenda for Managing for Development Results

Benchmarking – A
Comparison of CDB, IDB
and ADB



June 2012



Document Review-Based Benchmarking of CDB's Management for Development Results (MfDR) Practices against IDB and ADB

Acronyms

APEC	Audit and Post Evaluation Committee
ARPP	Caribbean Development Bank Report on Annual Review of the Performance of the Portfolio of Projects Under Implementation for the Year Ended December 31, 2010
BMC	Borrowing Member Country
CDB	Caribbean Development Bank
CMDG	Caribbean-specific Millennium Development Goal
COMPAS	Common Performance Assessment System
CPI	Continuous Performance Improvement
CSP	Country Strategy Paper
DRF	Development Results Framework
EOV	Evaluation and Oversight Division
IAU	Internal Audit Unit
IFRS	International Financial Reporting Standards
KPI	Key Performance Indicator
LDC	Less Developed Country
MDG	Millennium Development Goal
MfDR	Managing for Development Result or Results Agenda
MI	Micro-Indicator
MO	Multilateral Organisation
MOPAN	Multilateral Organisation Performance Assessment Network
MRF	Management Results Framework
OCR	Ordinary Capital Resources
ODA	Official Development Assistance
OIE	Office of Independent Evaluation
OSF	Other Special Funds
PBA	Performance-based Allocation
PBL	Policy-based Loans
PD	Paris Declaration on Aid Effectiveness
PIU	Project Implementation Unit
PPES	Project Performance Evaluation System

PPI	Project Implementation Performance Index
PRF	Partnership Results Framework
RBM	Results-Based Management
RMF	Results Monitoring Framework
SDF	Special Development Fund

LEGENDS

Colour Legend:

Strong or above

Adequate

Inadequate or below



Scoring Legend:

Very Strong	6	Inadequate	3
Strong	5	Weak	2
Adequate	4	Very Weak	1

QUADRANT I – STRATEGIC MANAGEMENT

MI	Micro-Indicator	ADB	IDB	CDB	Comments
1. PROVIDING DIRECTION FOR RESULTS					
1.1	Key documents are available to the public.	Very Strong (6)	Very strong (6)	Weak (2)	<p>CDB</p> <p>Many documents produced by CDB are not available on its website. Indeed, no evaluation reports, Country Strategy Papers or Project Documents were identified on the website during the document review; they had to be requested directly from the Bank. CDB has an <i>Information Disclosure Policy</i> (2011) that describes the principles for disclosure of information. However, this policy is not presented on the website.</p> <p>ADB/IDB</p> <p>Both ADB and IDB present most of their key strategic documents on their websites. For example, IDB has issued a new Access to Information Policy in 2010 which clearly presents its disclosure practice. On their website, which follows this policy, the IDB provides documents such as strategic plans, annual reports, organisational structure and contact information. It also provides some financial information, minutes relating to the management of IDB and thematic reports.</p>
AVERAGE KPI SCORE		VERY STRONG (6)	VERY STRONG (6)	WEAK (2)	
2. CORPORATE FOCUS ON RESULTS					
2.1	The MOs organisation wide strategy is based on a clear definition of mandate.	Adequate (4)	Very strong (6)	Very Strong (6)	<p>CDB</p> <p>CDB's <i>Strategic Plan 2010-2014</i> (2010) includes a section on "CDB's Mandate and Portfolio Risk" that explains how its mandate is reflected in the composition of its support to BMCs and its contribution to the "harmonious growth and development of the member countries in the Caribbean". There is therefore an explicit link between the Mandate and the Strategic Plan.</p> <p>ADB/IDB</p> <p>Both banks have a strategy that is based on its respective mandate. For instance, the "development agendas" and "drivers of change" of the ADB's Strategy 2020 implicitly align with the functions of the ADB described in its Charter (<i>Agreement to Establish the ADB</i>, August 1996). The IDB also aligns its strategic plan with its mandate, yet doing so in a more explicit manner.</p>

MI	Micro-Indicator	ADB	IDB	CDB	Comments
2.2	The MO promotes an organisation-wide policy on results management	Adequate (4)	Strong (5)	Adequate (4)	<p>CDB</p> <p>The SDF document <i>Development Effectiveness and Managing for Results</i> (2008) explains the nature and role of RBM in the organisation and sets out the context of the Paris Declaration. Furthermore, it reviews and updates the Bank's results agenda and includes an overall results monitoring framework. However, concrete guidelines for the implementation of MfDR in the organisation were not identified during the document review process. Furthermore, it has not been possible to identify documentary evidence of CDB's support to BMCs in implementing MfDR.</p> <p>ADB/IDB</p> <p>Both the ADB and the IDB do have an RBM and/or MfDR organisation-wide policy. Yet, while the IDB does not provide training to its staff on RBM/MfDR, the <i>ADB Action Plan on Managing for Development Results 2009-2011</i> does not identify the purpose and benefit of RBM nor does it describe RBM processes.</p>

MI	Micro-Indicator	ADB	IDB	CDB	Comments
2.3	Organisation-wide plans and strategies contain frameworks of expected management and development results	Adequate (4)	Strong (5)	Adequate (4)	<p>CDB</p> <p>The CDB's <i>Strategic Plan 2010–2014</i> (2010) includes both a management and a development results framework - see Level 3 indicators for the former and Level 1 and 2 indicators for the latter (Level 4 indicators correspond to a partnership results framework). Level 1 indicators refer to outcomes. These outcomes cannot be attributed solely to CDB interventions but provide a framework for tracking the progress of countries in addressing the MDGs and the Caribbean-specific targets (i.e. the CMDGs), and are indeed related to the application of CDB's and other's financing. In most cases, the statements of results under Levels 1 and 2 (i.e. under the DRF) seem appropriate to their level, i.e. what are called outputs are actually outputs and what are called outcomes are actually outcomes. The same comment applies to the RMF presented in the <i>Development Effectiveness Review 2011</i>.</p> <p>ADB/IDB</p> <p>Both banks have development and management and management frameworks, with some variations as to how each understand and express outputs and outcomes statements. For example, the IDB's results framework (2010) allows the Bank to both monitor progress on output indicators and on operational effectiveness and efficiency as well as to measure its contribution to regional development goals. Yet, certain outputs and outcomes identified could be stated more clearly.</p>

MI	Micro-Indicator	ADB	IDB	CDB	Comments
2.4	Results frameworks have causal links from outputs through to impacts / final outcomes	Adequate (4)	Adequate (4)	Strong (5)	<p>CDB</p> <p>The <i>Strategic Plan 2010-2014</i> (2010) and the <i>Development Effectiveness Review 2011</i> include results frameworks with both management (MRF; Level 3 indicators) and development results (DRF; Level 1 and 2 indicators). For the DRF, in the latter document there is an explicit explanation of how the outputs described under Level 2 results will contribute to the CMDG outcomes described under Level 1 results, although not the extent of that contribution. The same applies to the MRF in Level 3 (and the partnership results framework ("PRF") in Level 4). For the MRF, there is also no clear distinction between outcomes and impacts and no description of outcomes linked directly to CDB outputs. There should also be a better distinction between outputs and outcomes.</p> <p>ADB/IDB</p> <p>Both ADB and IDB results frameworks link outputs to outcomes; yet, they could not be rated higher than adequate for various reasons. For instance, for the IDB, outcomes identified in the framework may not always involve explicit behavioural change. A sizable causal distance also exists between its outputs and certain regional development goals. The same is acknowledged at the ADB, where the results framework among other does not provide the contribution of near-term outcomes to final outcomes.</p>

MI	Micro-Indicator	ADB	IDB	CDB	Comments
2.5	Standard performance indicators included in organisation-wide plans and strategies at a delivery (output) and development results level	Strong (5)	Adequate (4)	Very Strong (6)	<p>CDB</p> <p>The CDB's <i>Strategic Plan 2010-2014</i> (2010) and the <i>Development Effectiveness Review 2011</i> include a results monitoring framework that have adequate indicators at both output and outcome levels: Level 1 indicators are mainly outcomes; Level 2 indicators are outputs; and, Levels 3 and 4 indicators are at both levels. All indicators under Level 1 and 2 are relevant to the strategic objectives as described in the <i>Strategic Plan 2010-2014</i> and are organised under headings that correspond to the strategic focus areas. The outcome indicators under Level 1 correspond to selected CMDGs and are based on accepted international indices and data elements. The indicators under Level 4 are based on the Paris Declaration (PD) indicators (although not identical to the PD indicators). The majority of the indicators at all levels are monitorable. The output indicators include targets and dates while the outcome indicators also include baseline values.</p> <p>ADB/IDB</p> <p>The IDB and the ADB have included some performance indicators in their results frameworks. In the case of the IDB for instance, most indicators are relevant and based on accepted international indicators (such as the MDGs indicators). Still, some indicators could not be judged adequate on the grounds that they were either perceived to be unclear or to be insufficiently robust for the outcomes specified.</p>
AVERAGE KPI SCORE		ADEQUATE (4)	STRONG (5)	VERY STRONG (6)	

MI	Micro-Indicator	ADB	IDB	CDB	Comments
3. FOCUS ON THEMATIC PRIORITIES					
3.1	Gender equality	Strong (5)	Adequate (4)	Very Strong (6)	<p>CDB</p> <p>The CDB has a brief <i>Gender Equality Policy</i> (2009) available on its website. Gender equality is also identified as a cross-cutting priority across all sector interventions of the CDB. The <i>Strategic Plan 2010-2014</i> (2010) refers to its <i>Gender Policy and Operational Strategy</i> (2008), identifying four key components where the CDB commits to developing its capacity to support Gender mainstreaming: “the Bank will intensify its mainstreaming of gender issues into the full range of its operational work, including the design of programmes and projects (...)” (p.31). One of these components includes allocating resources to achieving results. The RMF of the <i>Strategic Plan 2010-2014</i> includes gender targets and indicators under Level 3 – operational and organisational effectiveness. However, the current strategy does not include any development indicators related to gender mainstreaming. Nonetheless, it includes management results indicators related to the proportion of women in professional staff and in management positions. The <i>Gender Policy and Operational Strategy</i> (2008) is more detailed about implementation, including resources allocated to gender priorities mainstreaming in the organisation, with the 2012-2013 Budget specifically allocating resources for a Gender Equality Advisor. The <i>Gender Policy and Operational Strategy</i> also explicitly states that the “[Evaluation and Oversight Division (EOV)] will need to evaluate the Bank’s corporate-level results on GE in 2012 or 2013. This will require that clear information and data on the baseline situation be gathered beginning in 2009” (p.18). An assessment of gender equality mainstreaming is currently underway for the SDF negotiations.</p> <p>ADB/IDB</p> <p>The ADB and the IDB both have a gender equality policy. Following a decline in the integration of gender equality in its projects and country strategies between 2006 and 2009, the IDB has made some efforts to improve in this area, among other by integrating gender indicators in its results framework and by adopting the 2010 Operational Policy on Gender Equality in Development.</p>

MI	Micro-Indicator	ADB	IDB	CDB	Comments
3.2	Environment	Very Strong (6)	Adequate (4)	Adequate (4)	<p>CDB</p> <p>The CDB identifies environment as a cross-cutting priority and, if it does not clearly commit to environmentally responsible practices in its internal management activities, it clearly does so in its programming. No specific evaluation of the implementation of its environmental policy/strategy is officially required, yet organisation-wide evaluations of environmental guidelines seem to be undertaken from time to time.</p> <p>ADB/IDB</p> <p>Although they do so differently, both the ADB and the IDB mainstream protection of the natural environment in their operations, making it one of their priorities. The ADB gets a particularly strong rating with some Environmental Safeguards being included in its Safeguard Policy Statement (2009), its adoption of an ISO 14001 certified management system for its headquarters, and its Strategy 2020 that makes environmentally sound development one the ADB three agendas.</p>
AVERAGE KPI SCORE		VERY STRONG (6)	ADEQUATE (4)	STRONG (5)	

MI	Micro-Indicator	ADB	IDB	CDB	Comments
4. COUNTRY FOCUS ON RESULTS					
4.1	Country level results frameworks link results at project, programme, sector, and country levels.	Adequate (4)	Adequate (4)	Weak (2)	<p>CDB</p> <p>Only part of the assessed CDB country strategies include statements of expected results at the outcome level, with set targets. However, none include output statements that lead to those outcomes. The country strategies that do not include outcomes/outputs at least have narratives accounting the strategic priorities and the activities the CDB is engaged in or expects to engage in, and the description of CDB's initiatives and projects seem linked to expected results at the country level. The results frameworks of most sampled CSPs also include a column with Country Development Goals to which the CSP outcomes are linked. Still, most of the CSPs do not consistently or explicitly refer to sector strategies or policies. A review of more recent CSPs not included in the sample did not suggest that the rating should be modified.</p> <p>ADB/IDB</p> <p>ADB's country strategies are results focused, containing statements of expected results at outcome level and sometimes at output level. Still, if most of these strategies do link expected results at country level to expected results of sector strategies, they do not do so for expected results of projects and/or programs.</p> <p>In 2010, the IDB introduced a new format of country strategies that requires identifying outcomes in a detailed results matrix as well as outputs since each strategy is now linked to a country program. As such, program and sector strategies are also linked to results at the country level.</p>

MI	Micro-Indicator	ADB	IDB	CDB	Comments
4.2	Country level results frameworks include indicators at project, programme, sector, and country levels.	Strong (5)	Strong (5)	Weak (2)	<p>CDB</p> <p>Four of the five Country Strategy Papers (CSPs) consulted did not have clear performance indicators, baselines, or targets. As for the one that included some (Anguilla) these indicators were still inconsistent in relation to their level (some confusion between output and outcome statements) and not all indicators are clearly measurable. Where performance indicators appear, the CDB also does not clearly specify data sources and data collection methods. These comments also apply, albeit to a somewhat lesser degree, to the more recent CSPs examined.</p> <p>ADB/IDB</p> <p>The country strategies' results frameworks of both the ADB and the IDB do contain performance indicators. However, these indicators are not always clear, ADB's indicators not always expressing what exactly is to be measured, and IDB's indicators not specifying what the data sources and the data collection methods will be.</p>
4.3	Statements of expected results at country level are consistent with those in the PRSP or national plan.	Very Strong (6)	Strong (5)	Strong (5)	<p>CDB</p> <p>The CDB country strategies are drafted on the basis of national policies and strategies. CDB's strategy is also described in relation to national priorities in all Country Strategic Papers (CSPs), which emphasize that the strategy is based on national priorities and coordinated with other donors. All CSPs in addition describe how their strategy aligns with the country's poverty reduction strategy and other national strategies. Still, they do not link CDBs expected country results with those identified in the national development strategies. Also, not all CSPs are systematically reviewed in connection with changes in governments and priorities.</p> <p>ADB/IDB</p> <p>ADB is very strong in ensuring consistency of its statements of expected results with those in the countries' national development strategies. In each Country Partnership Strategy (CPS) reviewed in this assessment, reference is made to the country's national development strategy. In each case the link between ADB's expected results and those identified in the national plans is clear, with most CPS's results frameworks including a column showing this alignment.</p> <p>A similar practice is observed at the IDB, yet only in the most recent country strategies (those dating from 2010).</p>

MI	Micro-Indicator	ADB	IDB	CDB	Comments
4.4	Results for cross-cutting thematic priorities are included in country level results frameworks - gender equality and environment.	Strong (5)	Adequate (4)	Adequate (4)	<p>CDB</p> <p>The cross-cutting priorities of the CDB are gender equality and environment. If not all assessed Country Strategy Papers (CSPs) do refer to gender equality as a cross-cutting priority, all at least clearly implement interventions in this domain. Yet, only a minority of CSPs specifies clear expected results in that regard. Still, all CSPs refer to environment as a cross-cutting priority, with expected results specified in four out of five CSPs in the sample.</p> <p>ADB/IDB</p> <p>For ADB, all sampled country strategies identified organisationally relevant cross-cutting themes (e.g. gender equity, environment) and describe results that integrate some of these themes. Most also contained references to international agreements, treaties and conventions governing the theme in question, and described strategies and approaches to address or apply the theme/issue.</p> <p>The IDB was rated a bit lower since cross-cutting themes often were rather only briefly mentioned in country strategies, with most recent strategies not identifying results that would integrate relevant cross-cutting themes (note that older country strategies based on an earlier format model included results in these areas).</p>
AVERAGE KPI SCORE		STRONG (5)	STRONG (5)	INADEQUATE (3)	

QUADRANT II – OPERATIONAL MANAGEMENT

MI	Micro-Indicator	ADB	IDB	CDB	Comments
5. AID ALLOCATION DECISIONS					
5.1	The MO's criteria for allocating funding are publicly available.	Very Strong (6)	Adequate (4)	Adequate (4)	<p>CDB</p> <p>In 2001, the CDB adopted a new performance-based allocation (PBA) formula for its SDF (U) resources where it details its criteria for allocating funding (<i>Allocation of the Special Development Fund Resources (Fifth cycle) Working Paper</i>, 2001). This new resource allocation system and its criteria should “strengthen development results by targeting needs, placing resources where they are likely to be effective, and giving member countries an incentive to perform well” (<i>Review of the SDF (U) Resource Allocation System</i>, 2007, p.1). In 2010, SDF represented 12% of all loans to LDCs and 17% of total loans. The PBA formula is available online in English.</p> <p>ADB/IDB</p> <p>Both the ADB and IDB establish specific criteria for allocating concessional resources. At the IDB, concessional resources make up a small percentage of its total loan financing. The formula, which uses a distribution coefficient based on need, economic strength and country performance, is known as Enhanced Performance-Based Allocation and was implemented for the first time in 2009-2010. The criteria are described in general terms in the <i>Review of the Implementation of the Debt Sustainability Framework and Enhanced Performance-based Allocation</i> (2011), available on the IDB website in English and Spanish. However, this publication does not provide all the details of the allocation formula.</p>

MI	Micro-Indicator	ADB	IDB	CDB	Comments
5.2	Aid flows or planned resources (financial / technical co-operation, etc) are released according to agreed schedules (in-year).	Strong (5)	Inadequate (3)	Adequate (4)	<p>CDB</p> <p>In its results monitoring framework, the CDB has adopted some of the Paris Declaration indicators (partnership results framework (PRF) Level 4 indicators). Whereas the baseline value for 2007 was 93%, which would have resulted in a “very strong” rating, the ratio declined appreciably by 2010 (69%).</p> <p>ADB/IDB</p> <p>Both the ADB and the IDB have adopted Indicator 7 of the Paris Declaration that intends to halve the proportion of aid not disbursed within the year for which it was scheduled. The target for 2010 is 71%. At the ADB, in 2009, 77% of aid for government sector scheduled for disbursement was recorded in country accounting systems within the same year.</p> <p>At the IDB, it is 48% of aid disbursements that were released according to an agreed schedule in 2010.</p>
AVERAGE KPI SCORE		VERY STRONG (6)	ADEQUATE (4)	ADEQUATE (4)	

MI	Micro-Indicator	ADB	IDB	CDB	Comments
6. LINKING AID MANAGEMENT TO PERFORMANCE					
6.1	Aid budget allocations (or lending) are linked to expected development results.	Inadequate (3)	Adequate (4)	Very Weak (1)	<p>CDB</p> <p>CDB's aid budgets allocations are not presented in a results-oriented way. For instance, no financial information is related to Programmed Outputs 2012-13. Costs also are not presented from a DRF and MRF perspective in the 2012-2013 Budget. Outputs and outcomes costs are not presented in the results framework, and thus not in the budget document either. Budgets are not presented from an output/outcome perspective. And although evaluations track overall costs of projects, this is not done from an activity to outcome perspective.</p> <p>ADB/IDB</p> <p>The IDB is currently working on implementing results-based budgeting (RBB) and adjusting its budget cycle by the end of 2013. The IDB's approach link budgetary inputs to lending program priorities and operational effectiveness and efficiency targets, the areas of the results framework that are more directly within the Bank's control. Once the approach is fully implemented, the IDB's contribution to outcomes will be tracked through a more strategic assessment provided by the Development Effectiveness Overview (DEO).</p> <p>As for the ADB, its annual budgets are not aligned with expected results. If a greater percentage of lending and grants have been aligned with the ADB's five core sectors in the last years, expected results from its Results Framework remain unaligned with financial amounts (results not costed), and there is no evidence of an accounting system to track costs from activity through to outcome.</p>

MI	Micro-Indicator	ADB	IDB	CDB	Comments
6.2	Aid or lending disbursements are linked to reported results.	Weak (2)	Inadequate (3)	Weak (2)	<p>CDB</p> <p>Financial reporting at the CDB is not aligned with achieved results. The <i>Annual Report 2010</i> presents the activities achieved as a function of the CDB's Strategic Focus and Priorities presented in the organisation's <i>Strategic Plan 2010-2014</i>; yet, it does not present the results (expressed as outputs/outcomes) achieved. Instead one must refer to the <i>Annual Report 2010 and Financial Projections 2011–2013</i> to see results, although these are still not associated with financial information. Variances between results achieved and those targeted in the results monitoring framework and in expenditures are summarized in that report, yet in a very limited manner, generally being very brief and not covering all variances. No system seems to be in place for this situation to change anytime soon.</p> <p>ADB/IDB</p> <p>The IDB and ADB also experience some weaknesses in linking disbursements to results. For instance, while at the project level, the IDB Progress Monitoring Report (PMR) links expenditures to outputs and outputs to outcomes, expenditures and results achieved are not linked at the corporate level. Something similar is seen at the ADB, where the only evidence of alignment of financial results with non-financial results is found at the country level, in Country Partnership Strategies and Country Operations Business Plans.</p>
AVERAGE KPI SCORE		INADEQUATE (3)	ADEQUATE (4)	WEAK (2)	

MI	Micro-Indicator	ADB	IDB	CDB	Comments
7. FINANCIAL ACCOUNTABILITY					
7.1	Financial audits (meeting recognized international standards) are performed across the organisation.	Very Strong (6)	Very Strong (6)	Very Strong (6)	<p>CDB</p> <p>Financial audits meeting recognized international standards are performed across the organisation, that is for OCR, SDF, and OSF. While only the OCR statements are performed in accordance with IFRS, all three are performed in accordance with the International Standards on Auditing.</p> <p>ADB/IDB</p> <p>External audits are performed across ADB and IDB. In both cases, each year's Annual Financial Report contains letters from auditors stating that the audit was conducted in accordance with standards generally accepted in the United States of America (usually with attestation standards established by the American Institute of Certified Public Accountants).</p>
7.2	Financial audits (meeting recognized international standards) are performed at the regional, country or project level (as appropriate).	Adequate (4)	Strong (5)	Adequate (4)	<p>CDB</p> <p>Country project audits restarted in 2011 after a long break. Countries done are Jamaica (2011) and Barbados (2012) with Guyana next. The Rules for the Special Development Fund (1983) specify some accounting and auditing rules for the operations of the SDF, although only at the organisation-wide level. The Internal Audit Unit reported a scarcity of resources in its most recent status report.</p> <p>ADB/IDB</p> <p>Both the ADB and IDB have rules for audits at the country and/or project level. The IDB has clear rules and procedures, with external audits of operations generally being completed yearly and being required to meet international standards. External audits are used for project executing entities and are conducted at the project level, but the IDB does not disclose external audit reports unless the borrower and beneficiary agree. The IDB internal audit function also audits at country and project level.</p>

MI	Micro-Indicator	ADB	IDB	CDB	Comments
7.3	The MO has a policy on anti-corruption.	Strong (5)	Very Strong (6)	Strong (5)	<p>CDB</p> <p>The CDB's <i>Code of Conduct</i> (2009) and <i>Guidelines for Procurement</i> (2000 and 2005) include some anti-fraud and anti-corruption rules, including clear roles and responsibilities for concerned staff and departments and some mechanisms for prevention and complaints. Still, steps to denounce/cope with corruption cases could be made more specific. There is also no documentary evidence that the CDB commits to reviewing its activities on combating fraud and corruption.</p> <p>ADB/IDB</p> <p>ADB and IDB policies on anti-corruption both are good, with the IDB showing particular commitment. The IDB mandates this responsibility to its <i>Oversight Committee on Fraud and Corruption</i> (OCFC) and to an <i>Office of Institutional Integrity</i> (OII). The IDB has operational policy measures such as <i>Reporting on Fraud and Corruption</i>, and <i>Whistleblower Protection to Counter Corruption</i>, and also has a <i>Code of Ethics and Professional Conduct</i>, and a <i>Code of Conduct of the Board of Executive Directors</i>, which show its commitment to integrity. The organisation reviewed its anti-corruption framework in 2008 and subsequently adopted measures to expand on it.</p>

MI	Micro-Indicator	ADB	IDB	CDB	Comments
7.4	Systems are in place for immediate measures against irregularities identified at the country (or other) level.	Adequate (4)	Adequate (4)	Adequate (4)	<p>CDB</p> <p>The CDB has guidelines in place for irregularities reporting and management, through its <i>Charter of the Internal Audit Unit</i> (2010, p.1) and “Code of Conduct” (2009, pp.10 and 22-25). However, these do not specifically mention external audits, and how audits recommendations are followed up by management remains to be determined. Similarly, no evidence shows that irregularities are reported to the Board of Governors.</p> <p>ADB/IDB</p> <p>At the IDB, the Office of the Executive Auditor (AUG) has a quality assurance and improvement program enabling compliance of audits with internal policies, procedures and standards to be assessed. The IDB also has norms and procedures in cases of non-compliance with financial management arrangements that include timelines for the response. Yet, the procedure to be followed is not described in detail.</p> <p>At the ADB, there exists some “Remedies for Poor Compliance” for submission of audited project accounts and financial statements that do not meet requirements. In addition to describing the procedure for a response to irregularities identified during an external financial audit, these instructions set timelines for the response to such irregularities.</p>
7.5	Internal financial audit processes are used to provide management / governing bodies with objective information.	Very Strong (6)	Very Strong (6)	Adequate (4)	<p>CDB</p> <p>As instructed by the <i>Charter of the Internal Audit Unit</i> (2010), there are independent internal financial audit processes conducted at the CDB, even though there is no specific requirement for direct reporting to the Board of Governors and even though no evidence of reports could be found showing that it receives internal audit information.</p> <p>ADB/IDB</p> <p>ADB has organisation-wide guidelines/policies for the practice of internal financial audits. The <i>Operations Manual, Bank Policies, Internal Audit, December 2003</i> shows that the internal audit function is separated enough from the programming areas to be able to provide an “independent” audit opinion. The internal audit function reports to the President, who reports to the Audit Committee of the Board. The <i>Annual Report of the Audit Committee Board 2008-2009</i> has a section entitled <i>Review of the Internal Audit Division's Status of Implementation</i> of its Work Program for 2008 and 2009 that confirm receipt of internal audit information.</p> <p>Similar evidences were found at the IDB.</p>

MI	Micro-Indicator	ADB	IDB	CDB	Comments
7.6	The MO's procurement and contract management processes for the provision of services or goods are usually effective.	n/a	Strong (5)	Strong (5)	<p>CDB</p> <p>Clear procurement and contract management guidelines and processes exist at the CDB (<i>Guidelines for Procurement</i>, 2000 and 2005), with all information in that regard being easily accessible online. The only missing documents are audits/evaluations/reviews of these guidelines and processes. A procurement audit is slated for 2012.</p> <p>IDB</p> <p>IDB's <i>Procurement of Goods and Works</i>, and <i>Selection and Contracting of Consultants</i> policies contain clauses that provide for timeliness of delivery and requirements regarding the quality and efficiency of products and services. On its website, the IDB provides ample information on contracts, opportunities, guidelines and summaries of the investigation and outcomes of potential violations and prohibited IDB practices. Finally, the IDB maintains a list of firms and individuals sanctioned by the IDB Group's Sanctions Committee on the grounds that they "engaged in fraud, corruption, collusion or coercion, in violation of the IDB Group's anti-corruption policies."</p>

MI	Micro-Indicator	ADB	IDB	CDB	Comments
7.7	The MO has strategies in place for risk identification, mitigation, monitoring and reporting.	Adequate (4)	Strong (5)	Very Weak (1)	<p>CDB</p> <p>The CDB has no strategy in place for risk identification, mitigation, monitoring and reporting. Rather, the risk management function is spread across the Bank, with the various Departments being responsible for managing their area of risk.</p> <p>ADB/IDB</p> <p>Both the ADB and the IDB have some strategies in place for risk management. Although it has no organisation-wide policy, framework, or set of guidelines on that topic, the ADB has an Office of Risk Management (ORM) with policies and guidelines on risk management in place in specific sectoral areas, including a comprehensive private sector lending credit policy for its non-sovereign operations, treasury investment and risk guidelines, and capital adequacy framework. A Risk Manual was also in completion at times of assessment.</p> <p>The IDB has been even more proactive by implementing a comprehensive and structured bottom-up approach to risk management, yet with some weaknesses at the project level. IDB standard for risk management of sovereign guaranteed operations has been updated July 2011, with new risk procedures consolidating several different methodologies previously used in country offices and incorporating best practices to provide a single standardised and flexible methodology to assess and manage risks at the project level.</p>
AVERAGE KPI SCORE		STRONG (5)	STRONG (5)	ADEQUATE (4)	

MI	Micro-Indicator	ADB	IDB	CDB	Comments
8. USING PERFORMANCE INFORMATION					
8.1	Revising and adjusting policies.	Adequate (4)	Strong (5)	Very Strong (6)	<p>CDB</p> <p>The CDB assesses progress towards outcomes in various ways – organisation-wide annual reviews, annual reports, evaluations, etc. – using various performance data such as financial information, project-related data, etc. The <i>Review of the SDF (U) Resource Allocation System</i> (2007) is one example of where performance is analyzed. Even though this is not done systematically, management responses are provided for some performance issues identified through performance analyses, with specific actions being planned and implemented for revisions and adjustments to its programming and policies.</p> <p>ADB/IDB</p> <p>ADB and IDB performance information is available and analysed in their development effectiveness reviews. At the IDB, Minutes of the Policy and Evaluation Committee suggest that adjustments are sometimes been made to IDB policies based on evaluation findings. Furthermore, internally-led reviews have also provided input to policy revision.</p> <p>At the ADB, implications of the performance information on ADB's policies and the changes that have resulted are explained in the review. There are also many examples of ADB making policy adjustments based on evaluation information.</p>

MI	Micro-Indicator	ADB	IDB	CDB	Comments
8.2	Planning in-country new interventions.	Adequate (4)	Adequate (4)	Adequate (4)	<p>CDB</p> <p>Although the CDB does not have reports providing information on the organisation's overall country performance and progress towards outcomes, it produces some thematic country assessment reports that provide partial information in that regard, here on strategic objectives of the organisation. There is no evaluation of the country strategies; the CDB portfolio is instead reviewed annually. In some, but not all, of the cases reviewed, there was also some evidence that the collected performance information served for planning new interventions.</p> <p>ADB/IDB</p> <p>Most IDB's country strategies contain an analysis of the Bank's past performance, with Country Program Evaluations being completed at the end of a Country Strategy cycle. These documents give information on IDB performance in the country and provide a set of recommendations that should be used to incorporate new elements into future country strategies. Yet, recommendations from country program evaluations are inconsistently used by management to introduce new interventions in subsequent country strategies.</p> <p>As for the ADB, there is only partial evidence that ADB annual country performance has implications in the planning of new interventions. At times of review, ADB was conducting trainings on how to use country and sector results information to adjust its country operational strategies and priorities. ADB also undertakes Country Assistance Program Evaluations (CAPEs) of ADB country programs on an irregular basis to assess the performance of ADB in each country and provide recommendations for changes to programming. There is evidence from management responses to these evaluations that adjustments were made to programming based on recommendations.</p>

MI	Micro-Indicator	ADB	IDB	CDB	Comments
8.3	Evaluation recommendations reported to Executive Committee/Board are acted upon by the responsible units.	Very Strong (6)	Inadequate (3)	Inadequate (3)	<p>CDB</p> <p>The CDB adopted an <i>Evaluation Policy</i> in December 2011. While implementation of this policy has only recently begun, its articles 70 to 74 require that evaluation recommendations be reported to the Board of Governors and acted and followed upon through management responses and action plans. Management responses to evaluation recommendations are attached to evaluation reports when these are submitted to the APEC and Board of Directors. However, there is no document or systematic process at the CDB allowing tracking of progress on implementation of accepted recommendations and requiring their subsequent evaluation. A Management Action Record appears in the <i>Caribbean Development Bank Report on Annual Review of the Performance of the Portfolio of Projects Under Implementation for the Year Ended December 31, 2010</i> (2011, ARPP) and “presents a summary of the recommendations made in 2006, 2007, 2008 and 2009 ARPPs and the actions taken to date to implement these recommendations.” However, such reporting has not been done periodically and systematically for all evaluations and no evidence was found regarding how the Board of Directors follows up on these recommendations and actions.</p> <p>ADB/IDB</p> <p>While at the IDB there is no formal system for tracking the implementation of recommendations from evaluations reported to the Board and accepted by management, the opposite is rather observed in ADB documents. The ADB <i>Operations Manual – Bank Policies</i> (BP) commends rigorous monitoring of the progress of actions on evaluation recommendations, with a management action record system having been established and being updated by management at least twice a year. The Independent Evaluation Department is then responsible of consolidating, analysing and communicating results to the executive through the <i>Annual Report on Acting on Recommendations</i>.</p>

MI	Micro-Indicator	ADB	IDB	CDB	Comments
8.4	Resources are allocated to countries and projects based on performance.	Very Strong (6)	Very Strong (6)	Very Strong (6)	<p>CDB</p> <p>The CDB's performance-based allocation (PBA) system "measures country need and country performance. The objective is to strengthen development results by targeting needs, placing resources where they are likely to be effective, and giving member countries an incentive to perform well" (<i>Review of the SDF (U) Resource Allocation System</i>, 2007, p.5 of 40, Appendix A p.4 of 9). The resource allocation formula includes performance variables such as country performance on policy and institutions (PRES, similar to the World Bank CPIA) and performance of the country's portfolio (PORT). Both variables take into consideration some clusters of criteria that relate, for example, to governance, to environmental sustainability, to macroeconomic management, etc. From the 2007 review of the resource allocation system, it appears that performance has become increasingly important through time. For instance, before the PBA system was put in place in 2001, the previous allocation system was based solely on country group and need. The 2001 system prioritizes performance. Moreover, the 2007 review shows that the adequacy of the performance criteria remains very important to the CDB.</p> <p>ADB/IDB</p> <p>Both the ADB and IDB also have a robust system for allocating resources to countries and projects based on performance. At the IDB, for instance, the Enhanced Performance-Based Allocation (EPBA) provides a formula for the allocation of concessional resources. The EPBA is based on a combination of country needs and performance and takes a number of factors into account. Apart from population and gross national income per capita of the country, it measures a weighted average of portfolio performance and the quality of the country institutional and policy evaluation (CIPE).</p>
AVERAGE KPI SCORE		STRONG (5)	STRONG (5)	STRONG (5)	

MI	Micro-Indicator	ADB	IDB	CDB	Comments
9. MANAGING HUMAN RESOURCES					
9.1	Results-focused performance assessment systems are in place for senior staff.	Strong (5)	Strong (5)	Inadequate (3)	<p>CDB</p> <p>While the document review found no evidence summarising the performance assessment system for senior staff, the CDB's approach is to use a common tool (the Continuous Performance Improvement – CPI – system) for all staff and adjust the indicators according the individual staff member (and level of staff). As such, senior staff are evaluated according to the following criteria: (i) achievement of workplan results, programmatically and managerially; (ii) role at senior management level; (iii) contribution to Bank's policy; and (iv) contribution to the image of the Bank. The CPI system does not seem to be a reliable way of measuring performance, pays little attention to assessing competencies, and is not linked to incentives.</p> <p>ADB/IDB</p> <p>Both the ADB and the IDB are rated strongly on this indicator. The <i>IDB Manual: Employee Performance Management</i> (2009) outlines the aims and content of a human resources performance assessment system, which provides a reasonable basis for managing all staff's performance, including for senior staff. Nevertheless, no evidence was found of compliance with this relatively new performance assessment system.</p> <p>A similar system is acknowledge at the ADB, where all staff are required to develop a Performance and Development Plan (PDP) to be agreed upon at each year and to align with ADB goals and departmental objectives.</p>

MI	Micro-Indicator	ADB	IDB	CDB	Comments
9.2	There is a transparent incentive and reward system for staff performance.	Adequate (4)	Adequate (4)	Inadequate (3)	<p>CDB</p> <p>As demonstrated in the <i>Human Resource Annual Update – 2010</i>, the relationship between staff performance and rewards has been clearly understood in the Bank and progress in preparing the performance assessment and rewards/incentives system seems to be underway. Still, the CPI system for managing staff performance does not provide details on the incentives and the processes of rewarding and promotion for staff performance.</p> <p>ADB/IDB</p> <p>The IDB is making efforts to link the assessment of staff performance with incentives and/or rewards. For example, an employee's final score in the performance review process is one of the primary factors for determining eligibility for merit pay and salary raise.</p> <p>The ADB also links the assessment of staff performance to merit pay and salary raise, having elaborated a bonus system for professional staff member among other to reward cooperation and team spirit.</p>
AVERAGE KPI SCORE		STRONG (5)	STRONG (5)	INADEQUATE (3)	

MI	Micro-Indicator	ADB	IDB	CDB	Comments
10. PERFORMANCE-ORIENTED PROGRAMMING					
10.1	Prior to approval, new initiatives are subject to benefits/impact analysis (economic, social, etc).	Strong (5)	Adequate (4)	Very Strong (6)	<p>CDB</p> <p>The CDB has <i>Environmental and Social Review Procedures</i> (2008) that apply to decision-making in policies, programmes, and investments projects. These procedures, which seem to have been officially adopted, include guidelines for staff on the types of analysis to be carried out prior to approval. It also seems that staff are being informed and trained on the guidelines included in the <i>Environmental and Social Review Procedures</i>, mainly through workshops conducted during 2011 and also planned for 2012-2013. CDB project appraisal reports show evidence of implementation of social, environmental, and even macroeconomic impact analysis guidelines and their use for decision-making (i.e., for project approval).</p> <p>ADB/IDB</p> <p>Both the IDB and the IDB use impact analysis systems prior to approval. The IDB has a Development Effectiveness Framework (DEF) that provides for economic analysis, program logic, monitoring and evaluation, and risk management to rate projects at entry prior to their approval.</p> <p>At the ADB, the <i>Guidelines for the Economic Analysis of Project, 1997</i> contains guidelines on how to conduct economic analyses at the appraisal stage and early in the project life cycle, and the <i>Financial Management and Analysis of Projects</i> states that “ADB requires that projects be subjected to financial benefit-cost analyses.” All project documents sampled also included some type of benefits analysis, either a financial, economic, environmental and/or social analysis. However, there was no evidence that an initiative’s design is altered in response to findings from a benefit analysis.</p>

MI	Micro-Indicator	ADB	IDB	CDB	Comments
10.2	Milestones / targets are set to rate the progress of (project) implementation.	Very Strong (6)	Adequate (4)	Weak (2)	<p>CDB</p> <p>The CDB produces project appraisal reports that evaluate project/loan proposals in relation to its development objectives, to the CDB's strategic objectives and priorities, and to the SDF in particular, assigning to the project a Project Performance Evaluation rating. While a logical framework is included in most of these project appraisal reports, the quality of these is inconsistent, even for the more recent ones examined. For example, while the logical frameworks establish some results and targets for project implementation, targets do not always align with the activities described, these activities do not always correspond to the level described (with outcomes listed sometimes corresponding to outputs) and mostly there are no baseline values for the outcome indicators used. Targeting is also a problem. More recent documents suggest that although improvements have been made, the main issues mentioned above remain and thus the rating was unchanged.</p> <p>ADB/IDB</p> <p>At the IDB, preceding project implementation, most loan proposals contain a description of proposed milestones and baselines in addition to activities. In terms of rating progress during project implementation, each Progress Monitoring Report usually contains a clear list of milestones and targets. However, only a small number contain all baseline values for the indicators at outcome and output levels. While there is improvement in that regard today, COMPAS Report 2009 suggested that 54 per cent of IDB projects had explicit baseline data for the outcomes to be achieved.</p> <p>At the ADB, all <i>Project Administration Manuals</i> describe outputs and their targets, as well as the timeframe and implementation schedule, with most manuals also describing activities with milestones. The milestones/targets in all manuals align with activities described in the project implementation (there is a section entitled "Activities with milestones" identifying milestones for every activity) and dates are established for milestones/targets.</p>
AVERAGE KPI SCORE		VERY STRONG (6)	ADEQUATE (4)	ADEQUATE (4)	

QUADRANT III – RELATIONSHIP MANAGEMENT

MI	Micro-Indicator	ADB	IDB	CDB	Comments
11. SUPPORTING NATIONAL PLANS					
11.1	The MO conditionality (if any) draws on national / government's own agreed benchmarks / indicators / results.	Adequate (4)	Strong (5)	Strong (5)	<p>CDB</p> <p>CDB's <i>Lending Policies</i> (2008) align with the principles of country ownership. As an example, policy-based loans (PBLs) are deposited into the consolidated fund of the concerned government to influence the development process at a broader level by supporting improvements in the (macroeconomic) management of the development process by the government (through fiscal sustainability) beyond capital projects where funds are instead used to purchase particular goods or services for a specific development output and/or outcome. Yet, no other evidence was found showing that the CDB encourages alignment with other good practice principles for conditionality. However, the documents <i>A Review of the Framework for Future Policy Based Lending by the CDB – Consultant's Report</i> (2011) and the <i>Caribbean Development Bank - Management Response to the Consultant's Report on Policy-Based Loans</i> (2011) show that the Bank reviews its progress in terms of its approach to conditionality and in terms of implementing its Lending Policies. These documents are to be used to revise the CDB's policy-based lending framework.</p> <p>ADB/IDB</p> <p>At the ADB, a review of Report and Recommendations of the President (RRP) for a small number of program loans approved in the sample countries in 2009 and 2010, suggests that conditionalities are drawing on government's agreed benchmarks. ADB has carried out studies on its policy-based lending in the past that identify factors that support or limit the use of conditions in this modality of financing. At times of review, it was also finalising a comprehensive review of its program-lending policy, which was last reviewed in 1999.</p> <p>The IDB aligns government strategy priority areas (also known as National Development Strategy) with its country strategies which, once validated, are then used to align individual projects. Recent revisions to country strategy and the emphasis on country ownership keep the IDB's conditions in line with government benchmarks.</p>
AVERAGE KPI SCORE		ADEQUATE (4)	STRONG (5)	STRONG (5)	

MI	Micro-Indicator	ADB	IDB	CDB	Comments
12. USING COUNTRY SYSTEMS					
12.1	% of the MO's overall ODA disbursements / support using national systems and procedures.	Strong (5)	Inadequate (3)	Weak (2)	<p>CDB</p> <p>One of CDB's Level 4 indicators on Partnership, Harmonisation, and Alignment, Indicator 7, corresponds to Indicator 5b of the Paris Declaration on the use of country procurement systems (on procedures; not Indicator 5a on national financial management systems). For that indicator, the CDB has a Target for 2012 of 35% of financial support using BMC procurement systems that either (a) adhere to broadly accepted good practices, or (b) have a reform programme in place to achieve these. In the most recent <i>SDF Annual Report 2010 and Financial Projections 2011–2013</i>, the status is 25%. This value shows no progress since the baseline year of 2008 and the target for 2012 (35%) would still be rated weak.</p> <p>ADB/IDB</p> <p>The ADB is rated strong overall on this indicator, but with important differences between its use of financial management and procurement systems. At times of assessment, about 92% of the ADB aid that was disbursed to DMCs used their public financial management systems for national budget execution, financial reporting and auditing procedures, which is very good considering the Paris Declaration target for Indicator 5a of 80% for 2010. The ADB's progress has been more limited in terms of use of DMC procurement systems, which is at 45% of its aid disbursements, which is well below the Paris Declaration target of 80% and the ADB's own target of 60% for 2010. However, one limitation in meeting these targets is that it is required to provide equal opportunity to firms in all of its member countries to bid for any project using international competitive bidding procedures. In addition, it is not always possible to use national procurement systems when these systems do not meet the fiduciary standards of ADB or donor requirements.</p> <p>As for the IDB' 45% of its aid flow uses country public financial management systems (financial reporting, budget procedures, and national audit systems) and 34% uses country procurement systems. These percentages again fall below the Paris Declaration illustrative targets of 80% for 2010.</p>

MI	Micro-Indicator	ADB	IDB	CDB	Comments
12.2	The MO avoids parallel implementation structures.	Very Strong (6)	Adequate (4)	Insufficient Data (no rating and not considered in the average rating for the KPI)	<p>CDB</p> <p>No data is available at the CDB to rate this indicator. However, the CDB should monitor its performance in this area.</p> <p>ADB/IDB</p> <p>The Paris Declaration sets the target of reducing by two-thirds (66%) the number of donor PIUs between 2005 and 2010 (Indicator 6). In 2005, ADB had a reported total of 95 PIUs. ADB's latest data notes that as of 2009 only five PIUs (that meet the definition clarified by the OECD in 2008) still exist. This represents a reduction of more than 90%.</p> <p>As for the IDB, in 2010, it reported an average of 6.6 PIUs per country, which represents a reduction of 59% from 2007.</p>
AVERAGE KPI SCORE		STRONG (5)	INADEQUATE (3)	WEAK (2)	
13. HARMONISING PROCEDURES					
13.1	The extent to which the MO participates in joint missions (coordination, analysis, design, evaluation).	Very Strong (6)	Very Strong (6)	INADEQUATE (3)	<p>CDB</p> <p>The percentage given for 2011 in <i>the Development Effectiveness Review 2011</i> was 23%; the target for 2014 is 25%, which would still rate as inadequate.</p> <p>ADB/IDB</p> <p>The Paris Declaration target for Indicator 10a is that 40% of donor missions to the field should be joint missions. Based on the review of ADB's own data, 54% of its missions were being carried out jointly as of 2009.</p> <p>In the case of the IDB, 67% of its missions were conducted as joint missions at the time of assessment.</p>

MI	Micro-Indicator	ADB	IDB	CDB	Comments
13.2	The extent to which MO technical cooperation is disbursed through coordinated programmes.	Strong (5)	Very Strong (6)	Inadequate (3)	<p>CDB</p> <p>One of CDB's Level 4 indicators on Partnership, Harmonisation, and Alignment, Indicator 6, corresponds to Indicator 4 of the Paris Declaration on the percentage of support provided through coordinated programmes. For that indicator, the CDB has a Target for 2012 of 45% of capacity development support provided through coordinated programs. In the most recent <i>SDF Annual Report 2010 and Financial Projections 2011–2013</i>, the status is 21%, a decline of 11% compared to 2009 (was 32% in 2009) and 14% below the CDB's baseline value (based on baseline years 2005-2008).</p> <p>ADB/IDB</p> <p>The Paris Declaration illustrative target being to implement 50% of technical cooperation flows through coordinated programs by 2010, the ADB scores high on this indicator with about 53% of its technical assistance programs being coordinated to support DMC capacity development in 2009 (yet with uneven progress among its developing member countries).</p> <p>The IDB surpassed the Paris Declaration target, with 65% of its technical cooperation provided through coordinated programs in 2010.</p>

MI	Micro-Indicator	ADB	IDB	CDB	Comments
13.3	% of the MO's overall ODA disbursements / support that is for government-led program-based approach (SWAps, basket funding, etc).	Adequate (4)	Strong (5)	Very Weak (1)	<p>CDB</p> <p>One of CDB's Level 4 indicators on Partnership, Harmonisation, and Alignment, Indicator 5, corresponds to Indicator 9 of the Paris Declaration on the percentage of aid provided through using common procedures or arrangements. For that indicator, the CDB has a target for 2012 of 35% of interventions. In the most recent <i>SDF Annual Report 2010 and Financial Projections 2011–2013</i>, the status is 19%, a decline of 7% compared to 2009 (was 26% then) and 2% below the CDB's baseline value (baseline year is 2007). No justification is provided to explain this decline. Nonetheless, it might be pertinent to mention that one of the priorities of the CDB Operational Strategy for SDF 7 is to develop common structures and processes in BMCs based on best practices for supporting Regional Cooperation and Integration (RCI).</p> <p>ADB/IDB</p> <p>55% of ADB's aid was disbursed through program-based approaches in 2009, a level similar to the 2005 baseline and still below the Paris Declaration target of 66% for 2010. Still, it should be noted that the number of ADB projects approved in 2009 that should use program-based approaches rose significantly, following clarifications issued for staff on the definition of program-based approach and how it applies to ADB lending modalities. Thus, disbursements through program-based approaches should have increased since assessment.</p> <p>IDB data for 2010 show that 80% of its disbursements is provided through program-based approaches, an increase over 2007. However, it should be noted that this rating is based on 10 countries and that the use of program-based approaches is not as widespread in all countries of the IDB portfolio.</p>
AVERAGE KPI SCORE		STRONG (5)	VERY STRONG (6)	WEAK (2)	

QUADRANT IV – KNOWLEDGE MANAGEMENT

MI	Micro-Indicator	ADB	IDB	CDB	Comments
14. MONITORING EXTERNAL RESULTS					
14.1	The MO has a structurally independent evaluation unit within its organisational structure that reports to its Executive Management or Board.	Very Strong (6)	Very Strong (6)	Adequate (4)	<p>CDB</p> <p>The CDB has a structurally independent evaluation unit, the Office of Independent Evaluation (OIE), which replaces the past Evaluation and Oversight Division (EOV) since December 2011. From documents, once the new <i>Evaluation Policy</i> (2011) is implemented, the OIE will report to the Board of Directors but not to the Board of Governors. And while the <i>Evaluation Policy</i> indicates that the “OIE will produce an annual report on evaluation results” once it is implemented, thus far the OIE/EOV has not prepared annual reports; the results of the work programme rather were included in the CDB annual reports and will continue to be until the Evaluation Policy, which is adequate in that regard, is implemented.</p> <p>ADB/IDB</p> <p>Both the ADB and the IDB have very strong rating on this indicator. Taking the ADB as an example, the Bank’s evaluation policy is contained in the <i>Review of the Independence and Effectiveness of the Operations Evaluation Department</i> (2008 policy paper), which emphasises the independence of the evaluation department, and clarifies its relationship with ADB staff and management. The IED provides a number of annual reports to the Board, including evaluation reviews, reports on acting on recommendations, and reports on portfolio performance. The IED also publishes reports on its Country Assistance Program Evaluations, Impact Evaluations, Sector Assistance Program Evaluations, Special Evaluation Studies and Project/Program Performance Evaluations. The IDB has practices similar to the ones of the ADB.</p>

MI	Micro-Indicator	ADB	IDB	CDB	Comments
14.2	The evaluation function provides sufficient coverage of the MO's programming activity (projects, programmes, etc.).	Adequate (4)	Very Strong (6)	Insufficient data	<p>CDB</p> <p>Independent evaluation reports were found available for at least half of the countries sampled. While the new <i>Evaluation Policy</i> (2011) only vaguely discusses how the work programme of the OIE will be established, the information on how evaluations will be planned and prioritised once this policy is implemented can instead be found in the CDB's <i>Evaluation and Oversight Division – The Work Programme and Two- year Rolling Budget 2011 – 2013</i> (2011). Although they are not expressed in percentages, the evaluation coverage of projects and programmes and the quantity of programming that requires an independent evaluation are specified in this last document. Reportedly, coverage was 5% for the 2000 – 2010 period.</p> <p>ADB/IDB</p> <p>Based on data provided by the COMPAS Report 2008, 12 projects (six sovereign and six non-sovereign operations) were evaluated by the ADB's Independent Evaluation Department, accounting for 16.3% of the average number of projects completed annually during the past 5 years. This is only considered adequate, since less than 30% of projects are subject to independent evaluation.</p> <p>The IDB's performance for this micro-indicator was rated based on different criteria than those of the ADB and was considered to score higher. At the IDB, ex-post performance and sustainability assessments are conducted on at least 20% of completed projects, and ex-post impact evaluation reports on at least two projects completed in the previous four years or more. Project evaluability must be reported annually to the Board of Executive Directors, reported results for completed projects must be validated, and an evaluation of the implementation of the Cancun Declaration reforms must also be delivered to governors by the Office of Evaluation & Oversight (OVE). Most OVE evaluation reports are available on the IDB website</p>

MI	Micro-Indicator	ADB	IDB	CDB	Comments
14.3	The MO ensures quality of its evaluations.	n/a	Adequate (4)	Very Weak (1)	<p>CDB</p> <p>The CDB has no policy or procedures for the quality control of its evaluations and also has not reviewed its evaluations within the last five years. However, as mentioned in the CDB's <i>Evaluation and Oversight Division – The Work Programme and Two- year Rolling Budget 2011 – 2013</i> (2011) an independent review of evaluations will be conducted every three years starting in 2014, with an independent Peer Review to be contracted for that purpose. Evaluation guidelines are also to be issued sometime in 2012.</p> <p>IDB</p> <p>The IDB has in place some policies and procedures to ensure the quality of its evaluations. For instance, each evaluation report goes through a review process by internal and external peer reviewers. The final evaluation report is sent to the Board for consideration once the review is completed. In 2010, the Board commissioned an external review of the evaluation function, which has been the most comprehensive effort to assess quality of evaluation at the IDB. The IDB respects relevant evaluation standards such as the criteria from the Organisation for Economic Cooperation and Development, Development Assistance Committee (OECD/DAC) for evaluating development assistance. The Office of Evaluation & Oversight (OVE) also is a founding member of the OECD/DAC Network on Development Evaluation (NODE). Both groups collaborate on the development of good practice standards for evaluation.</p>
AVERAGE KPI SCORE		STRONG (5)	STRONG (5)	INADEQUATE (3)	

MI	Micro-Indicator	ADB	IDB	CDB	Comments
15. PRESENTING PERFORMANCE INFORMATION					
15.1	Reports on the achievement of outcomes, not just inputs, activities and outputs.	Adequate (4)	Adequate (4)	Inadequate (3)	<p>CDB</p> <p>Organisation-wide reporting of the performance of the CDB can be found in the SDF Annual Report 2010 and Financial Projections 2011–2013, in the Annual Review of the Performance of the Portfolio of Projects Under Implementation for the Year Ended December 31, 2010, and recently in the Development Effectiveness Review 2011. The SDF report and the <i>Development Effectiveness Review 2011</i> describe a number of key outputs achieved in relation to the Strategic Plan 2010-2014 and also include CMDG-related outcomes. Although in the Development Effectiveness Review there is an explanation of how outputs contribute to outcomes, it is not possible to establish the extent to which Bank-financed outputs have contributed to CMDG-related improvements.</p> <p>ADB/IDB</p> <p>Both the ADB and the IDB do some reporting on their achievements of some outcomes, inputs, activities and outputs. For instance, since 2008-2009, the IDB has been publishing a Development Effectiveness Overview (DEO), tracking its progress with regards to its results framework for 2012-2015. The DEO provides data on the IDB's contribution to outputs and outcomes. The ADB has a similar system.</p>

MI	Micro-Indicator	ADB	IDB	CDB	Comments
15.2	Reports performance using data obtained from measuring indicators.	Very Strong (6)	Adequate (4)	Adequate (4)	<p>CDB</p> <p>Organisation-wide reporting of the performance of the CDB can be found in the SDF Annual Report 2010, in the Annual Review of the Performance of the Portfolio of Projects Under Implementation for the Year Ended December 31, 2010 (ARPP and Portfolio Review) and, more recently, in the first <i>Development Effectiveness Review 2011</i> (Paper BD 61-12, May 2012). The indicators included in the SDF Annual Report 2010 and the Development Effectiveness Review generally meet the SMART and CREAM criteria. The Portfolio Review does not include this type of performance indicators. Because the first SDF report was produced in 2009, and the first Development Effectiveness Review was produced in 2012, it is not yet possible to see trends in measurement over a period of time, i.e., there is no evidence yet of indicator data having been compared across years. Still, baseline values are included for Level 1 indicators/results (MDG outcomes) while targets are indicated for Level 2 outputs. As such, the CDB was rated adequate on its use of data obtained from measuring indicators in its performance reports.</p> <p>ADB/IDB</p> <p>The ADB's annual performance report, the Development Effectiveness Review, provides a clear identification of the indicators measured, which are identical to the indicators the ADB's Results Framework, and for which trends in measurement over time are demonstrated. The report also compares indicator measurement to baseline and 2012 targets.</p> <p>The IDB's annual performance report, the Development Effectiveness Overview (DEO), also reports on the indicators of its results framework. The DEO compares indicator measurements to baseline and estimated targets and thus illustrates trends over time.</p>

MI	Micro-Indicator	ADB	IDB	CDB	Comments
15.3	Reports against its Corporate Strategy, including expected management and development results.	Very Strong (6)	Inadequate (3)	Adequate (4)	<p>CDB</p> <p>The <i>SDF Annual Report 2010 and Financial Projections 2011–2013</i> reports on results achieved in relation to the objectives and indicators identified in the results framework of the CDB Strategy 2010-2014. The results framework of the SDF Annual Report is identical to the one of the CDB strategy, but the SDF report includes data on progress achieved against the objectives and describes the extent to which results identified in the development results framework (DRF) and the management results framework (MRF) have been achieved. The <i>Development Effectiveness Review 2011</i> has an improved RMF. However, while major variances are reported (e.g., teacher training outputs being far lower than expected) explanations of variance in results achieved are not provided. And while the results monitoring framework has recently been reviewed by the Results Committee, thus far no independent evaluation or review has confirmed the quality of the organisation's reporting on results.</p> <p>ADB/IDB</p> <p>Both the ADB and the IDB report against their respective Corporate Strategy.</p> <p>ADB's Development Effectiveness Review (DEfR) makes reference to the expected management and development results identified in the results framework. Although there are no actual results statements in ADB's Results Framework, only indicators grouped by category, the DEfR clarifies expected and actual results for the organisation.</p> <p>The IDB's Development Effectiveness Overview (DEO) contains expected development and management results identified in the Bank's results framework. An entire section of the DEO is dedicated to reporting components of the results framework: lending program priorities, regional development goals, outputs contribution to regional goals and operational effectiveness and efficiency. Yet, despite improvements in the DEO, further work remains to be done such as improving explanations on variances between actual results and planned results identified in the results framework and reporting on every result and indicator in its results framework.</p>

MI	Micro-Indicator	ADB	IDB	CDB	Comments
15.4	Reports against its Paris Declaration commitments using indicators and country targets.	Strong (5)	Inadequate (3)	Inadequate (3)	<p>CDB</p> <p>The CDB prepared its own indicators and targets for committing to some of the Paris Declaration (PD) principles. The <i>SDF Annual Report 2010 and Financial Projections 2011–2013</i> and the <i>Development Effectiveness Review 2011</i> describe the extent of overall achievement of the CDB's performance against its own adapted indicators and targets. Unfortunately, apart from numbers, not many explanations are provided in the SDF report to explain the reasons behind success or failure to achieve or progress toward the PD-oriented indicators. Moreover, these indicators are organisation-wide, not country-oriented nor country reported.</p> <p>ADB/IDB</p> <p>Both the ADB and the IDB report on their Paris Declaration commitments. Yet, both do so in a brief manner and do not always report on country-level performance.</p> <p>The IDB reported to the Board on its performance against its Paris Declaration commitments for the first time in 2010. A submitted table on the subject contained data from the IDB's results framework linked to indicators in the Paris Declaration. The IDB's annual reporting on its Paris Declaration commitments is brief and does not cover all indicators. It also does not describe the extent of achievements to date.</p> <p>The ADB is better rated here. In 2008, ADB published an evaluation study reporting on its implementation of the Paris Declaration. In February 2010, ADB published its <i>Aid Effectiveness Report 2009 and the Way Forward</i>, which is a survey report assessing ADB's progress on its Paris Declaration commitments. This was updated in April 2010. Although not produced annually and not containing reference to indicators measured, the <i>ADB Aid Effectiveness Report 2009</i> (Appendix 6) describes the extent of achievements to date of Paris Declaration commitments.</p>

MI	Micro-Indicator	ADB	IDB	CDB	Comments
15.5	Reports on adjustments made or recommended to the organisation wide policies and strategies based on performance information.	Strong (5)	Adequate (4)	Adequate (4)	<p>CDB</p> <p>The CDB's <i>Annual Review of the Performance of the Portfolio of Projects</i> (2011, ARPP) assesses the yearly performance of public and private sector investment-type, policy-based loans (PBLs), capital grants to Haiti, and technical assistance (TA) grants and loans of one million dollars and more under implementation. The ARPP provides an overview of the status and trends in the quality of the portfolio and makes recommendations for reviewing strategies and policies to improve portfolio performance and management. In addition, periodic independent evaluations such as the <i>Mid-term Review of the Seventh Cycle of the SDF</i> (2011) provide performance information and recommendations in relation to strategies and policies. Several policies and strategies have been adjusted or developed based on performance information. Examples include some private sector policy changes, the revision of the performance based allocation system, and the preparation of the <i>Gender Equality Policy and Operational Strategy</i> (2009) that was largely based on a background study and assessment report recommending that such a policy be developed. However, there is no evidence in the 2012-2013 budget that performance information was used to adjust this budget. Finally, the Board of Directors also does not seem to receive specific reports on strategy and/or budget changes based on performance information.</p> <p>ADB/IDB</p> <p>The ADB's 2009 Development Effectiveness Review (DEfR) describes changes made as a result of performance information in its "Action" section. It mentions changes made to ADB's Project Administration Instructions (PAI) and the adoption of Our People Strategy, based on performance results reported in this document.</p> <p>At the IDB, the Executive Board receives periodic updates based on performance information, often through its Standing Committees (SC), evaluation studies (OVE) and reviews, and self-evaluation (DEO). Some evaluation studies and reviews have had an impact on the adoption of new policies (e.g., the new DEF and IDB 9). Nevertheless, no evidence was available on adjustments made to policies or strategies following recommendations from the DEM and DEO.</p>

MI	Micro-Indicator	ADB	IDB	CDB	Comments
15.6	Reports on country (or other) level programming adjustments made or recommended based on performance information.	Strong (5)	Strong (5)	Very Weak (1)	<p>CDB</p> <p>Although the CDB reviews the in-country performance of its portfolio, the performance information is rather minimal (usually consisting of a number representing a composite index) with no details being provided on why that performance is such (or only very few in CSPs) on what its implications are for planning new interventions, and on changes that would be required. Moreover, the Country Strategy Papers in the sample do not indicate that performance information is used to modify new interventions, or at least do not confirm that new interventions have been implemented according to some required changes.</p> <p>ADB/IDB</p> <p>Both the ADB and the IDB do show evidence of adjustments made to programming on the basis of country program evaluation recommendations. At the IDB for instance, most country program evaluations review results achieved in the countries assessed and contain lists of lessons learned as well as recommendations bridging performance information and plans for future interventions. Moreover, most country strategies include a section describing changes to plans for new interventions, and reporting on new interventions implemented in accordance with these changes.</p>
AVERAGE KPI SCORE		STRONG (5)	ADEQUATE (4)	INADEQUATE (3)	

MI	Micro-Indicator	ADB	IDB	CDB	Comments
16. DISSEMINATING LESSONS LEARNED					
16.1	Reports on lessons learned based on performance information.	Very Strong (6)	Adequate (4)	Adequate (4)	<p>CDB</p> <p>Even though it has not been fully implemented yet since it was approved in December 2011, it appears from the Evaluation Policy that the CDB is committed to the identification of lessons learned, and the Policy has identified some responsibilities in that regard for key CDB managers and departments. However, there is no centralized and easily accessible system for collection and dissemination of lessons learned. Nonetheless, this criterion may be more appropriate to larger organizations that have dedicated units for knowledge generation and dissemination. Because of its very small size, CDB is unable to replicate all of the units that much larger organizations may have. Nonetheless, there is considerable evidence that the Bank uses lessons learned from evaluations and experience to revise some of its management and programme/project practices, as reflected in the Strategic Plan 2010-2014, in the Jamaica CSP and in most project appraisal reports.</p> <p>ADB/IDB</p> <p>For both the IDB and the ADB, institutional learning is important and is reflected among other in their capture and dissemination of lessons learned through various means. The ADB was rated particularly high on this indicator. Among the reasons behind this, the ADB 2008 evaluation policy requires evaluations to contain lessons learned and the Independent Evaluation Department (IED) and the Development Effectiveness Committee (DEC) to ensure that these are then incorporated in new operations, policies, procedures, projects, and programs at all levels; the ADB has a Find Lessons database; the IED prepares syntheses of evaluation findings and lessons and for each major report, it disseminates a two-page "Learning Curves" communiqué; etc.</p>
AVERAGE KPI SCORE		VERY STRONG (6)	ADEQUATE (4)	ADEQUATE (4)	

SUMMARY OF CDB KEY PERFORMANCE INDICATORS

Colour Legend:

Strong or above
Adequate
Inadequate or below



Scoring Legend:

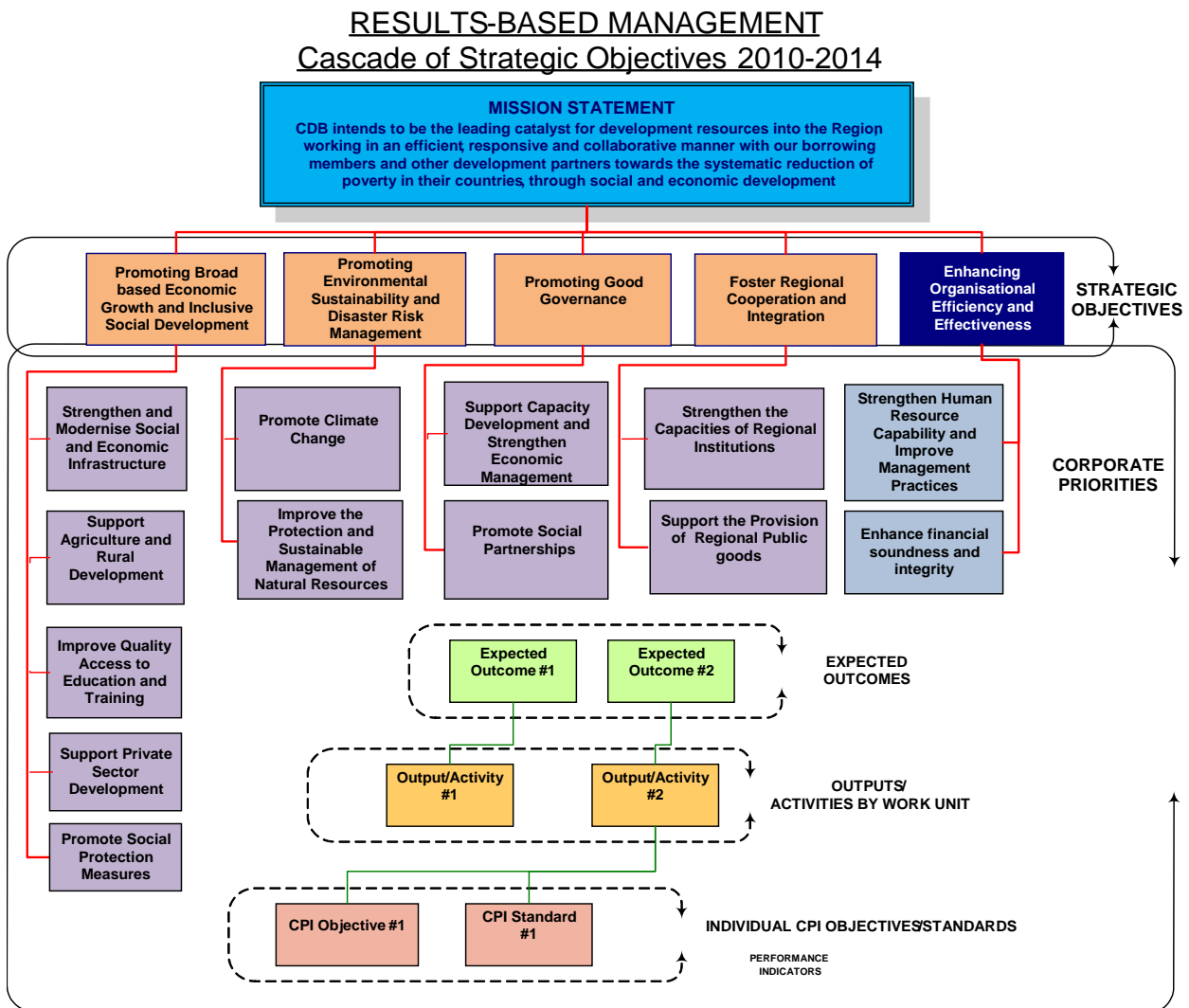
Very Strong	6	Inadequate	3
Strong	5	Weak	2
Adequate	4	Very Weak	1

AVERAGE KPI SCORE of Key Performance Indicators		1	2	3	4	5	6
STRATEGIC MANAGEMENT	1. PROVIDING DIRECTION FOR RESULTS		X				
	2. CORPORATE FOCUS ON RESULTS						X
	3. FOCUS ON THEMATIC PRIORITIES					X	
	4. COUNTRY FOCUS ON RESULTS			X			
OPERATIONAL MANAGEMENT	5. AID ALLOCATION DECISIONS				X		
	6. LINKING AID MANAGEMENT TO PERFORMANCE		X				
	7. FINANCIAL ACCOUNTABILITY				X		
	8. USING PERFORMANCE INFORMATION					X	
	9. MANAGING HUMAN RESOURCES			X			
	10. PERFORMANCE-ORIENTED PROGRAMMING				X		
RELATIONSHIP MANAGEMENT	11. SUPPORTING NATIONAL PLANS					X	
	12. USING COUNTRY SYSTEMS		X				
	13. HARMONISING PROCEDURES		X				
KNOWLEDGE MANAGEMENT	14. MONITORING EXTERNAL RESULTS			X			
	15. PRESENTING PERFORMANCE INFORMATION			X			
	16. DISSEMINATING LESSONS LEARNED				X		

Appendix II Terms of Reference

1. BACKGROUND

1.01 In October 2002, the Caribbean Development Bank (CDB) adopted a result-based approach to planning and managing its development activities and in particular the development, implementation, and monitoring of and reporting on, its annual work programme and budgeting exercise. In addition, the Bank adopted a Results Cascade for linking its Strategic Objectives to the series of outputs which would contribute to achieving these objectives. Figure 1 below sets out the current results cascade which is at the centre of CDB's results-based approach.



1.02 During the negotiations for the replenishment of the Special Development Fund for a sixth cycle (SDF 6), CDB, as part of its efforts to improve its development effectiveness, adopted a Results Agenda based on selected actions for strengthening:

- (a) The Bank's capacity to focus on managing for results;
- (b) The capacity of BMCs to manage for and achieve development results; and
- (c) Partnerships with other development agencies and BMCs.

1.03 The proposed Results Agenda was structured in terms of three pillars; i.e.:

- Pillar 1: Managing for Development Results at the Country and Regional Level
- Pillar 2: Managing for Development Results at the Institutional or Corporate Level
- Pillar 3: Managing for Development Results through Partnerships, Harmonisation and Alignment.

1.04 In 2009, as part of the SDF 7 negotiations, the Bank agreed that further strengthening of its development effectiveness should be one of the strategic themes for SDF 7, building on and extending achievements to date, including the Results Agenda that was a feature of SDF 6. It was further agreed that the core elements of the approach to enhancing development effectiveness during SDF 7 should be:

- (a) The further development of the Bank's Managing for Development Results (MfDR) or Results Agenda;
- (b) Priority for the Bank's institutional reform and capacity strengthening agenda;
- (c) The use of a Results Monitoring Framework (RMF), which would cover development outcomes in the framework of the Millennium Development Goals, as well as institutional and operational performance measures and progress in relation to the Paris Declaration and the Accra Agenda; and
- (d) The development of a separate, operationally-oriented results framework for each of the three programming themes for SDF 7. It is intended that these results frameworks would provide a selected set of indicators for the overall RMF.

1.05 The Bank has made considerable progress in many of these areas and it is proposed that a report and assessment of progress on the implementation of the Results Agenda will be prepared for the SDF 8 replenishment negotiations. The report will also include recommendations for strengthening the Bank's programme on MfDR as well as enhancements to the Bank's RMF.

2. OBJECTIVES

2.01 The main objective of this consultancy is to enhance CDB's approach to MfDR and its implementation. The consultancy will:

- (a) Undertake a review of CDB's MfDR agenda, including:
 - (i) the stocktaking and assessment of progress made on the implementation of MfDR at CDB;
 - (ii) a comparison with the status of implementation of MfDR approaches at other multilateral development banks (MDBs) including a focus on the organisational conditions for implementing results-based approaches, including the setting out of the full implications of adopting the MfDR approach; and
 - (iii) a review of the recently adopted RMF, [including the links to Country Strategy Papers (CSPs); project results framework; and operational results frameworks for poverty reduction and human development, environmental sustainability and climate change, and regional cooperation and integration] and recommendations for its enhancement;

- (b) Make recommendations on (i) the changes or adjustments that may be needed at different levels in order to enhance CDB's MfDR approach including, but not limited to, a results framework for MfDR in CDB; (ii) the development of an appropriate curriculum for the training of CDB's staff in MfDR and related results-based tools; and (iii) an implementation/action plan; and
- (c) Sensitise management and staff to the full implications of the implementation of the Bank's Results Agenda, particularly in terms of leadership support and strategic focus.

3. SCOPE OF WORK

3.01 The services shall be carried out in accordance with generally accepted standards of professional practice following contemporary evaluation principles and practices. The Consultants scope of work is understood to cover all activities necessary to accomplish the stated objectives of the services, whether or not a specific activity is cited in these Terms of Reference. The main activities to be undertaken by the Consultants are:

- (a) The review and assessment of CDB's MfDR approach and agenda, including the assessment of clarity of the agenda, strategic directions, business processes, human resources, technical expertise and capacities for MfDR in the various departments of the Bank; the review should set out the full implications for the Bank of adopting its MfDR approach;
- (b) The review of progress in implementation of CDB's MfDR agenda with benchmarking against other MDBs;
- (c) The recommending of adjustments and changes to the Results Agenda and approach to implementation in order to enhance its contribution to the Bank's development effectiveness;
- (d) The development of a results framework and action plan for the implementation of the amended Results Agenda;
- (e) The review of the recently adopted RMF and related performance indicators, including the links to CSPs and projects result framework, and operational results framework for poverty reduction and human development, environmental sustainability and climate change, and regional cooperation and integration, with recommendations for its enhancement; and
- (f) The development of a Curriculum and Training Programme for improving organisational/staff capacity to implement and manage the MfDR agenda and to build a culture of results within the Bank.

4. METHODOLOGY

4.01 The Consultants will be expected to review all relevant documents, including, but not limited to, the Strategic Plan 2010-2014, Contributors' Report on SDF 7, CDB's RMF and the corresponding policies, strategies and action plans of other development agencies. The Consultants will be expected to interview key stakeholders, including, but not limited to, management, staff and members of the Bank's Results Committee, and persons from other institutions, as deemed necessary. CDB will provide the Consultants with all relevant internal documentation to facilitate the completion of the assignment, as well as facilitate access to the relevant CDB personnel.

5. QUALIFICATION AND EXPERIENCE

5.01 The Consultants should possess at least 15 years' experience in the conduct of evaluations and/or performance reviews and have previously led results-based management initiatives for other international development agencies. In addition, the Consultants should be internationally recognised as experts in their field and have the following competencies:

-
- (a) Fluency in English; and
 - (b) Professional experience working with MDBs and international development agencies.

6. DELIVERABLES

6.01 The Consultants will be required to submit the following reports:

- (a) An Inception Report within two (2) weeks of the commencement of the assignment, that includes an assessment matrix and a work plan and schedule for the consultancy. The CDB will provide comments within one (1) week of receipt and the Consultants will adjust the work plan having regard to the comments received.
- (b) An Interim Report within five (5) weeks of the commencement of the assignment, detailing the findings/results of the assessment derived from the application of the assessment matrix and the benchmarking exercise together with any required adjustment to the work plan resulting from these findings. CDB will provide comments within two (2) weeks of receipt and the Consultants will adjust the work plan having regard to the comments received.
- (c) A Draft Report within nine (9) weeks of the commencement of the assignment, detailing the results conclusions and recommendations. The Draft Report shall include (i) a status report on the implementation of CDB's Results Agenda; (ii) proposals for the enhancement of the MfDR agenda and an action plan for its implementation; (iii) the review of the RMF with recommendations for its enhancement; and (iv) a Curriculum and Training Programme for supporting the implementation of the Results Agenda. An oral presentation of the Draft Report will be made to the Results Committee and to the Bank's Advisory Management Team. CDB will provide comments within one (1) week of the presentation.
- (d) A Final Report incorporating the comments of CDB within one (1) week of receiving its comments. The Final Report shall include an executive summary with full cross-referenced findings and recommendations.

6.02 The Consultants shall also develop and deliver a presentation to senior and middle management on the implications for the Bank of implementing its revised/amended MfDR agenda. The presentation(s) will be made within ten (10) weeks of the commencement of the consultancy.

7. REPORTING

7.01 The Consultants will report to the Director (Ag.), Finance and Corporate Planning Department, or such other person assigned by him. The Corporate Planning Division will be responsible for the administrative management of the consultancy.

8. DURATION

8.01 It is expected that the consultancy will be executed over a period of twenty (20) weeks.

Appendix III List of Stakeholders Consulted

Advisory Management Team, Workshop 7 February 2012

Dr. Wm. Warren Smith, President

Mrs. Tessa Williams Robertson, Acting Vice-President (Operations)

Mr. Mark Taitt, Director, Information and Technology Solutions Department

Mrs. Yvette Lemonias Seale, General Counsel

Mr. Adrian Debique, Acting Director, Finance and Corporate Planning Department

Mrs. Yvonne Moses-Grant, Acting Director, Projects Department

Dr. Juliet Melville, Acting Director, Economics Department

Ms. Dorla Humes, Adviser to the President

Focus Group Interviews

Department	Names of Persons in Focus Groups
Projects Department	Deidre Clarendon/Dionne O'Connor/ Patrick Carryl Luther St. Ville/Martin Baptiste/ William Ashby
Evaluation and Oversight Division	Egene Baccus-Latchman/Paul Morgan/ Everton Clinton
Information and Technology Solutions Department	June Boyce/Alan Chung/Neil Crichlow/ Colin Henry/ Andre Foster/Teddy Rajan/ Shawn Niles/Mathew Humphrey/ Patrick Quan Kep/Beverley Hosein
Finance and Corporate Planning Department	Faye Hardy/Deborah Lynch Theobalds/ Stephen Nicholls/
Legal Department	Yvette Lemonias Seale/George Kirnon/ Gail Royer/Dave Waithe/Leah Bobb-Semple
Human Resources and Administration Department	Fay Alleyne Kirnon/Anne Thompson

CDB Officers Interviewed

Mrs. Tessa Williams-Robertson, Vice-President (Ag), Operations

Mrs. Yvette Lemonias Seale, General Counsel

Mr. Mark Taitt, Director, Information and Technology Solutions

Mrs. Yvonne Moses-Grant, Director (Ag), Projects

Mr. Philip Brown, Director, Human Resources & Administration (by telephone)

Mr. Adrian Debique, Director (Ag), Finance & Corporate Planning

Ms. Monica LaBennett, Deputy Director (Ag), Corporate Planning Division

Mr. Norman Cameron, Division Chief, Project Services Division

Mr. Andrew Dupigny, Division Chief (Ag), Economic Infrastructure Division

Mr. Carlyle Assue, Deputy Director (Finance)

Mr. Clairvair Squires, Division Chief (Ag), Social Sector Division

BMC Stakeholders Interviewed

Country	Name	Position / Organisation
Anguilla	Dr. Aidan A. Harrigan	Permanent Secretary Finance / Ministry of Finance, Economic Development, Investments and Tourism
Belize	Mrs. Yvonne Hyde	CEO / Ministry of Finance and Economic Development
Grenada	Mr. Mervin Haynes (*)	Director of Economic and Technical Cooperation / Ministry of Finance * country MfDR focal point
	Mr. Desmond John	Grenada EPA Implementation Unit
Jamaica	Mrs. Rose Lemonius Stewart	Director, Loan Administration, Monitoring and Disbursement / Ministry of Finance and Planning
	Ms. Carol Nelson	Senior Director, International Financial Institutions Unit / Ministry of Finance and Planning
St. Lucia	Mr. Isaac Anthony	Permanent Secretary / Director of Finance / Ministry of Finance and Economic Affairs
	Ms. Cointha Thomas (*)	Budget Director, Office of the Budget / Ministry of Finance and Economic Affairs * country MfDR focal point
	Ms. Yvonne Agard	St. Lucia Coalition of Service Industries

Appendix IV Results of the Telephone Survey on CDB's MfDR Practices

(simple averages)

COUNTRY

- ☐ 1. Anguilla
- ☐ 2. Belize
- ☐ 3. Jamaica
- ☐ 4. Grenada
- ☐ 5. St Lucia

NAME

WELCOME

Welcome to this telephone survey on the Caribbean Development Bank's (CDB) Effectiveness Assessment and many thanks for agreeing to participate. Your name was suggested to us by the Bank.

The CDB intends to mainstream Management for Development Results (MfDR) in its operations, and your contribution to this discussion will help us recommend the appropriate actions and measures that the Bank should undertake in this endeavour.

The methodology and survey questions we are using will enable us to compare the CDB's MfDR practices with those of the Asian Development Bank (ADB) and the Inter-American Development Bank (IDB), which we assessed in 2010 and 2011.

Please give your answers based on your perceptions of the CDB as well as your knowledge from doing business with the Bank.

Please be assured that your answers will remain confidential. Any comments you make will not be attributed to you, or be used in any way, which might identify you or your organisation. Findings will be reported in aggregate form only.

Since we are cognizant of your time restrictions, we are sending this telephone survey questionnaire prior to our conversation, in order not to take more than 15-20 minutes of your time. Therefore, we kindly ask you to read this questionnaire and tick the appropriate answer for each question or statement prior to our phone discussion, at the agreed-upon date and time.

INTRODUCTION

1. Which of the following best describes how often you, in your professional role, have contact with the CDB?
 - ☐ 1. Daily
 - ☐ 2. Weekly
 - ☒ 3. Monthly

☐ 4. A few times per year or less

☐ 5. Seldom

In the following sections, you will see a series of statements that describe the “state-of-the-art” practices, systems or behaviours in a multilateral organisation. Please rate how you think the CDB performs in those areas, as compared to other multilateral organisations and development partners with which you are familiar. You will see a scale from 1 to 7, as described below. The scale will remain the same for all statements.

Definition of the Scale Used in the Following Sections

1 - Very weak = The CDB does not have this practice, behaviour or system in place and this is a source of concern.

2 - Weak = The CDB has this practice, behaviour or system, but there are important deficiencies.

3 - Inadequate = The CDB's practice, behaviour or system in this area has deficiencies that make it less than acceptable.

4 - Adequate = The CDB's practice, behaviour or system is acceptable in this area.

5 - Strong = The CDB's practice, behaviour or system is more than acceptable, yet without being "best practice" in this area.

6 - Very strong = The CDB's practice, behaviour or system is "best practice" in this area.

7 - Don't know = The respondent has no knowledge of the practice, system or behavior mentioned.

The statements are divided into four section/areas: Strategic Management, Operational Management, Relationship Management, and Knowledge Management.

5. Strategic Management

Corporate Governance

To start with, we would like to know your perspectives on the **CDB's corporate governance**. According to what you know about the CDB, how do you think it performs in relation to the practices, systems or behaviours described in the following statements?

		1.	2.	3.	4.	5.	6.	7.
		Very weak	Weak	Inadequate	Adequate	Strong	Very strong	Don't know
2.	CDB has a value system that supports a results-orientation and a direct partner focus. 4.8	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.	CDB makes key documents readily available to the public (either in paper format or on its website). 4.5	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SOME USEFUL DEFINITIONS

Client-focused = Emphasis on the organisations that receive a direct transfer of finances or technical assistance from a multilateral organisation - such as national government departments, civil society organisations and private entities.

Results management = Management for development results, or Results-Based Management (RBM). That is, managing and implementing aid in a way that focuses on the desired results and uses information to improve decision-making.

Key documents = Documents that describe strategies, policies, key financial information, and other types of reports at organisation-wide, country, and/or project/program level.

Cross-Cutting Priorities

Now we would like you to know your perceptions on how the **CDB approaches 'cross-cutting' priorities**. According to what you know about the CDB, how do you think it performs in relation to the practices, systems or behaviours described in each of the following statements?

		1.	2.	3.	4.	5.	6.	7.
		Very weak	Weak	Inadequate	Adequate	Strong	Very strong	Don't know
4.	CDB mainstreams gender equality in its operations. 5.5	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.	CDB mainstreams environment in its operations. 5.0	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

CDB Country, Sector and Thematic Strategies

Now we would like to know your perceptions regarding the **CDB's strategies at the country, sector and thematic levels**. According to what you know about the CDB, how do you think it performs in relation to the practices, systems or behaviours described in each of the following statements?

		1.	2.	3.	4.	5.	6.	7.
		Very weak	Weak	Inadequate	Adequate	Strong	Very strong	Don't know
6.	CDB's country strategy links results at project, sector and country levels. 5.0	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.	CDB's results include well-specified indicators at all levels (country, sector and project). 4.7	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8.	Recent and good-quality data related to CDB's results indicators is readily available in your country. 4.3	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9.	Wherever data for results and indicators is not adequately available , CDB provides a special provision for data collection ? 4.5	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10.	CDB's country strategy contains statements of expected results consistent with those in national development strategies. 5.2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

		1.	2.	3.	4.	5.	6.	7.
		Very weak	Weak	Inadequate	Adequate	Strong	Very strong	Don't know
11.	CDB consults with clients to develop its expected results. 5.2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12.	CDB's country strategy includes results for the thematic areas it defines as cross-cutting priorities (e.g., gender equality, environment, climate change, governance). 4.2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

6. Operational Management

Financial Resources and Risk Management

We would like to know your perceptions on the **CDB's financial resources and risk management**. According to what you know about the CDB, how do you think it performs in relation to the practices, systems or behaviours described in each of the following statements?

		1.	2.	3.	4.	5.	6.	7.
		Very weak	Weak	Inadequate	Adequate	Strong	Very strong	Don't know
13.	CDB performs appropriate audits on programmes and projects at a country level. 4.7	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14.	CDB has appropriate systems in place to follow up on financial irregularities 4.8	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15.	CDB procurement and contract management processes for the provision of services or goods are usually effective. 5.3	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.	CDB procurement and contract management processes respond adequately and timely to country needs , in comparison to other multilateral organisations and development partners active in the Caribbean 4.3	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

7. Relationship Management

Ownership

Now we would like to know your perceptions on how the CDB supports the principle of **country ownership**. According to what you know about the CDB, how do you think it performs in relation to the practices, systems or behaviours described in each of the following statements?

		1.	2.	3.	4.	5.	6.	7.
		Very weak	Weak	Inadequate	Adequate	Strong	Very strong	Don't know
17.	CDB supports funding proposals designed and developed by the national government or clients. 5.2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18.	CDB applies conditionalities that correspond with the national government's goals and benchmarks. 4.7	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19.	CDB procedures are easily understood and followed by clients. 5.2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20.	The length of time it takes to complete CDB procedures does not affect implementation. 3.7	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21.	CDB adjusts overall portfolio in country quickly, to respond to changing circumstances . 4.7	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22.	CDB flexibly adjusts its implementation of individual projects/programmes as learning occurs. 4.5	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Alignment

Now we would like to know from your perceptions on how the CDB respects the **principle of alignment**. According to what you know about CDB, how do you think CDB performs in relation to the practices, systems or behaviours described in each of the following statements?

		1.	2.	3.	4.	5.	6.	7.
		Very weak	Weak	Inadequate	Adequate	Strong	Very strong	Don't know
23.	CDB uses country systems (e.g., procurement, public financial management, etc.) as a first option for its operations where appropriate. 5.0	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

		1.	2.	3.	4.	5.	6.	7.
		Very weak	Weak	Inadequate	Adequate	Strong	Very strong	Don't know
24.	CDB provides valuable inputs to policy dialogue. 5.3	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
25.	CDB respects the views of clients when it undertakes policy dialogue. 5.3	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Harmonisation

Now we would like you to think now about issues related to **harmonisation** with activities of other multilateral organisations and/or development partners that are active in the Caribbean. According to what you know about the CDB, how do you think it performs in relation to the practices, systems or behaviours described in each of the following statements?

		1.	2.	3.	4.	5.	6.	7.
		Very weak	Weak	Inadequate	Adequate	Strong	Very strong	Don't know
26.	CDB often participates in joint missions with other multilateral and/or bilateral development partners. 4.8	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
27.	CDB's technical assistance is provided through coordinated programmes with other development partners in support of capacity development. 5.2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
28.	CDB participates in programme-based approaches (other than through budget support). 5.3	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

8. Knowledge Management

Performance Evaluation

In this section, we would like to know from your perceptions on what extent the CDB considers performance evaluation. According to what you know about the CDB, how do you think it performs in relation to the practices, systems or behaviours described in the following statement?

		1.	2.	3.	4.	5.	6.	7.
		Very weak	Weak	Inadequate	Adequate	Strong	Very strong	Don't know
29.	CDB involves clients and beneficiaries in evaluations of its projects or programmes. 5.5	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	1.	2.	3.	4.	5.	6.	7.
	Very weak	Weak	Inadequate	Adequate	Strong	Very strong	Don't know
30. CDB communicates the results of its evaluations to clients and beneficiaries. 5.0	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

CONCLUDING COMMENTS ON CDB'S OVERALL PERFORMANCE

31. Thinking about the CDB and the way it operates, what do you consider to be its greatest strength?

- **Continuous, consistent and constant follow-up and guidance in implementation.**
- **Projects are targeted to national needs.**

32. Still thinking about the CDB and the way it operates, what do you consider to be the area where it most needs improvement?

- **Shortening time between project submission and implementation time.**

33. How would you rate the overall **internal effectiveness** of the CDB?

Definition of Effectiveness = "being organized to support clients/partners to produce and deliver expected results."

- ☐ 1 - Very weak = The CDB's overall internal effectiveness is very weak / low.
- ☐ 2 - Weak = The CDB's overall internal effectiveness is weak / low.
- ☐ 3 - Inadequate = The CDB's overall internal effectiveness is below average / less than acceptable.
- ☐ 4 - Adequate = The CDB's overall internal effectiveness is average / acceptable.
- X** ☒ 5 - Strong = The CDB's overall internal effectiveness is strong / high.
- ☐ 6 - Very strong = The CDB's overall internal effectiveness is very strong / very high.
- ☐ 7 - Don't know = The respondent has no answer that fits the categories above.

Thank you very much for sharing your insights and for taking the time to answer this survey, which is aimed at improving the dialogue on organisational learning and effectiveness of the CDB.

Your time spent in participating in this discussion is very much appreciated.