



DEO

Development
Effectiveness
Overview

2020

DEO Development
Effectiveness
Overview
2020

LESSONS IN DEVELOPMENT

GENERAL COORDINATION

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Acronyms

CRF	Corporate Results Framework
DEA	Development Effectiveness Analytics
DEF	Development Effectiveness Framework
DELTA	Development Effectiveness, Learning, Tracking, and Assessment tool
DEM	Development Effectiveness Matrix
DEO	Development Effectiveness Overview
DFI	Development Finance Institution
EFS	External Feedback System
E&S	Environmental and Social
FCR	Financial Contribution Rating
FSR	Final Project Supervision Report
GDP	gross domestic product
IDB	Inter-American Development Bank
iDELTA	Innovation DELTA
LAC	Latin America and the Caribbean
LBR	Loan Based on Results
LGBTQ+	Lesbian, gay, bisexual, transgender and other sexual orientations and gender identities

MDB	multilateral development bank
MSME	micro, small, and medium enterprise
NSG	Non-Sovereign Guaranteed
OAG	Office of the Attorney General
OVE	Office of Evaluation and Oversight
PCR	Project Completion Report
PMR	Progress Monitoring Report
PPP	Public Private Partnership
PSU	Project Status Update
SDG	Sustainable Development Goal
SG	Sovereign Guaranteed
SME	Small and Medium Enterprise
TC	Technical Cooperation
UIS	Update to the Institutional Strategy
XSR	Expanded Supervision Report

Note: All dollar amounts are in U.S. dollars, unless otherwise noted.

Message from the President

Life as we know it has changed drastically as the far-reaching social, economic, and financial effects of the coronavirus pandemic continue to shake the world. Arriving on the heels of widespread civil unrest across the region in 2019, the crisis has further exposed persisting problems of inequality, inadequate social safety nets, and uneven access to quality health services.

As the IDB Group, we have moved quickly to help our member countries and clients in Latin America and the Caribbean respond to the immediate public health emergency and ensuing social and economic impacts, with an eye towards helping the region recover and reignite economic activity in the medium and long term.

The IDB Group's support is about much more than providing financing. As a multilateral development bank, we strive not only to deliver development impact through our public and private sector operations, but also to foster knowledge-sharing and innovation to address the region's toughest challenges. If anything, this crisis has been humbling, showing us all just how much we do not know and making clear that global challenges require multilateral cooperation and shared solutions.

The pandemic has also reinforced the importance of generating and sharing timely data and lessons learned to improve global and local responses. The IDB Group's annual Development Effectiveness Overview (DEO) shares a similar spirit as each year the Group reflects on results from past projects and how we can improve the way we work. This

2020 edition closes our four-year reporting cycle on the 2016-2019 Corporate Results Framework (CRF), highlighting results achieved and support for the Sustainable Development Goals, opportunities for improvement, and tools that help promote the achievement of results.

We will be dealing with the effects of the pandemic for years to come, making the tools we have in place to select and design high-impact interventions and monitor and evaluate their results more important than ever. I am confident that the learning captured from our portfolio during this difficult time will help build the region's readiness to weather other crises in the future.

Continuing to learn from what we do and share knowledge will also help us seize the unprecedented opportunity we collectively have to reinvent how public services are provided, to double down on a green-growth focused recovery, and build a more sustainable, inclusive, and resilient region.

Luis Alberto Moreno

President

IDB Group

Washington, DC, July 2020



Executive Summary

Each year, the IDB Group reflects on the results of the interventions it supports in its Development Effectiveness Overview (DEO). This annual stock-taking exercise is an important opportunity to review what is working and what is not in meeting the development challenges of Latin America and the Caribbean. It is also an opportunity to review where the Group has successfully met its strategic objectives and where gaps remain.

As this DEO represents the closing of the period covered by the Corporate Results Framework (CRF) 2016-2019, much of the content reflects on the four-

year period as a whole. Nonetheless, the 2020 DEO cannot overlook the unprecedented pandemic-induced changes affecting the region and the world since early 2020, so linkages to this new reality are made throughout the document.

Since 2016, the IDB Group has supported each of its strategic priorities, which are critical to the region's development and closely aligned to the Sustainable Development Goals (SDGs). The Country Development Results indicators of the CRF provide a glimpse of these contributions, which range from



35.3 million
beneficiaries
of health
services





16.6 million
students
benefited by
education
projects

16.6 million *students benefited by education projects* and 35.3 million *beneficiaries receiving health services* to 14.4 million *tons of annual CO₂ equivalent emissions avoided* and 2.6 million *micro, small and medium enterprises financed*. Overall, the expected results for the period were met for 74 percent of the Country Development Results indicators, with an additional 11 percent reaching at least 80 percent of the expected results.

The indicators at the IDB Group Performance level of the CRF seek to measure the Group's advances on its operational guiding principles.ⁱ It is at this level of the CRF that performance results may be used most directly to inform IDB Group decision-making because many of these indicators measure areas that are under the span of control of the IDB Group. In total, more than half (11 out of 19) of the IDB Group Performance

indicators fully met their 2019 target and another two indicators made some progress against their baseline value. These include, for example, *lending to small and vulnerable countries*, and *mid- and senior-level IDB Invest staff who are women*. Among the most important performance indicators for the Group are those related to development effectiveness, particularly the achievement of results at project completion.

As a development institution, the most critical commitment of the IDB Group is driving toward development results. Each of the IDB Group institutions uses a series of processes and tools to ensure a focus on results during project design, to monitor projects in the active portfolio, and to assess the achievement of results at project maturity or completion. While the processes and tools differ, they share a common purpose of maximizing the likelihood of delivering results

ⁱ The operational guiding principles of the IDB Group's Update to the Institutional Strategy include: responsiveness; multisectorality; effectiveness and efficiency; leverage and partnerships; knowledge and innovation; and strategic alignment.



2.6 million
MSMEs
financed



and promoting a culture of continuous learning and improvement throughout the Group.

During execution, the IDB tracks project performance using the Progress Monitoring Report (PMR), which captures quantitative information on project costs as well as outputs, outcomes, and impacts to help ensure that activities and outputs are in line with the expected costs and timeframe. In 2019, 80 percent of IDB operations were classified as having satisfactory performance via the PMR. At IDB Invest, the DELTA in supervision is used to actively manage the portfolio for impact. In 2019, 75 percent of operations in supervision had a satisfactory performance classification. For IDB Lab's loan and equity investment operations, performance is monitored through the Project Status Update (PSU). In 2019, 69 percent of these operations were classified as "on track to high performance."ⁱⁱⁱ

After projects are completed, it is important to assess whether results are sustainable over time and to study lessons learned that can feed into the design and monitoring of future operations. All IDB Group operations are evaluated at project maturity or completion through a project closeout report—called Project Completion Reports at the IDB, Expanded Supervision Reports at IDB Invest, and Final Project Supervision Reports at IDB Lab. At IDB and IDB Invest, these reports are validated by the Office of Evaluation and Oversight (OVE). In 2019, the OVE-validated rating was favorable (i.e., "partly satisfactory," "satisfactory," or "highly satisfactory") for 52 percent of IDB projects and 58 percent of IDB Invest projects. As explained in Chapter 3, a range of factors have impacted success in those projects that did not satisfactorily meet their targets and both IDB and IDB Invest are working

ⁱⁱⁱ. While these supervision tools all serve the shared purpose of measuring project performance, they are tailored to the distinct types of operations financed by each IDB Group entity. Therefore, the results are not directly comparable.

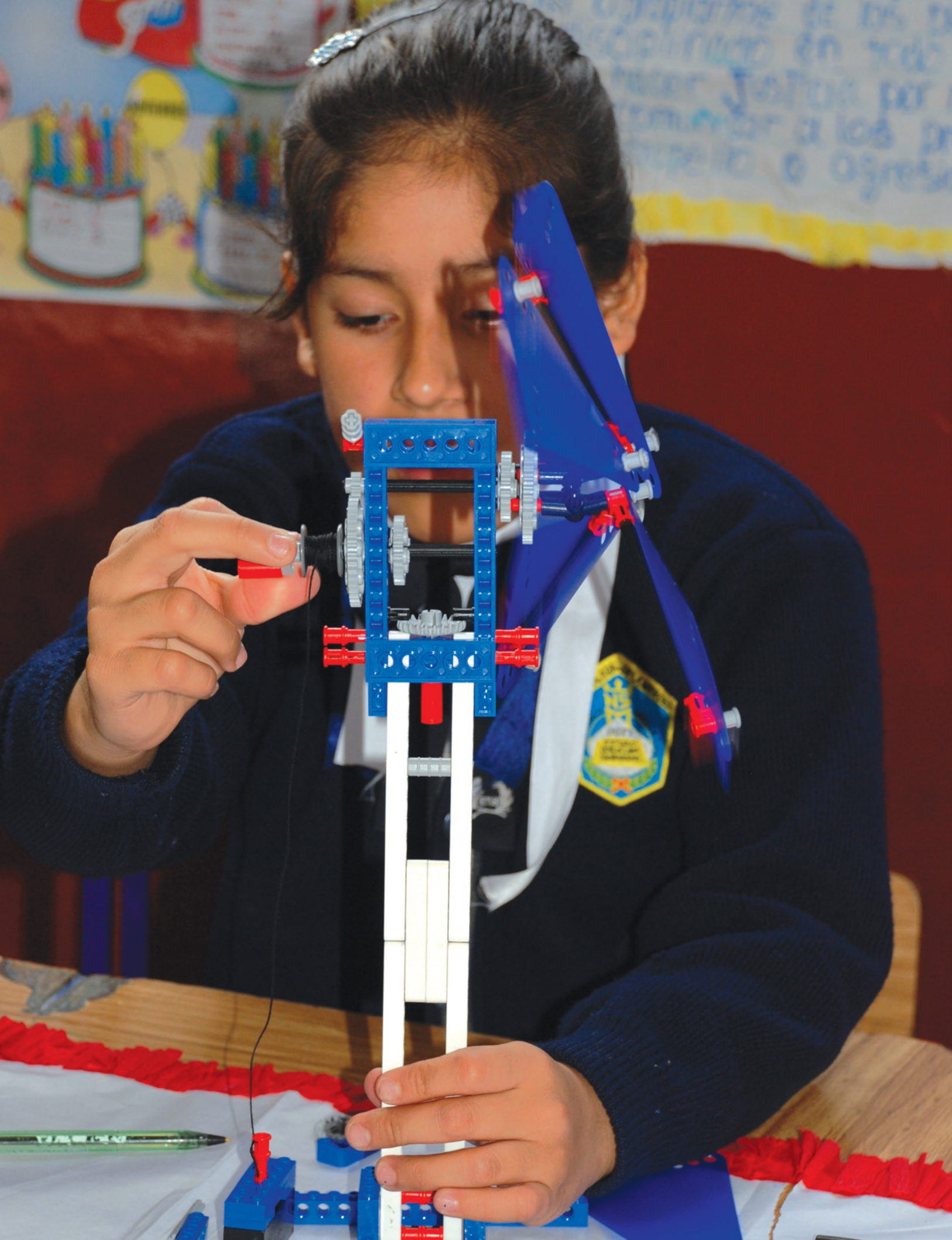
to close the gap between expected performance and results achievement at completion.

In addition to the specific tools discussed for each entity, impact evaluations are used throughout the IDB Group to measure the impact of operations in a rigorous way. In 2019, the IDB Group completed more than 60 impact evaluations spanning a wide range of sectors in 17 countries. As a knowledge broker, the IDB Group ensures that the results of impact evaluations and other studies are disseminated widely, using various channels.

This DEO marks the conclusion of a critical period. As the Group moves into a new decade, the focus on development effectiveness will be as vital as ever. We are now within the “decade of action” to achieve the SDGs by 2030 and the global community recognizes the need to accelerate progress on these goals. This has become increasingly complex as humankind faces the most threatening pandemic in a century, bringing new challenges for public health, social well-being, and economic growth.



14.4 million
tons of
annual CO₂
equivalent
emissions
avoided



Introduction

As the leading source of development finance for Latin America and the Caribbean, the IDB Group seeks to reduce poverty and inequality and achieve sustainable growth in the region.¹ The IDB Group's mission to improve lives is now more critical than ever as the COVID-19 pandemic has drastically changed the region's social, economic, and financial landscape.

The IDB Group provides financial solutions and practical development expertise to public sector institutions and private sector clients, supporting advancement toward the Sustainable Development Goals (SDGs) and addressing emerging issues in the region. The Group is comprised of the IDB, which works with governments throughout the region; IDB Invest, which works through the private sector; and IDB Lab, which works with the innovation ecosystem.²

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

operational and organizational targets. This DEO represents the closing of the four-year CRF cycle, so much of the content reflects on the 2016-2019 period as a whole.

The IDB Group 2016-2019

Last year marked the IDB's 60th anniversary. This milestone offered an opportunity to take stock of how the IDB Group has evolved over time and must continue to evolve in line with the region's changing needs. In the last four years alone, the IDB Group's drive to continually adapt and reinvent itself has been readily apparent.

In 2016 the Group consolidated its private sector operations into a new entity: IDB Invest. Since then, IDB Invest has solidified its capacity to finance impact investments (see Box 2.4), mobilize resources, provide expert advisory services, generate evidence-based knowledge, and amplify its impact far beyond pre-consolidation levels. Similarly, IDB Lab has undergone a transition of its own, strengthening its role as the innovation laboratory for the IDB Group with renewed focus on co-creating market solutions that support inclusive innovation. For its part, over the last four years the IDB made a number of changes to its organizational structure to better tackle critical issues ranging from

¹ For more information, see the [Second Update to the Institutional Strategy](#).

² While IDB Lab is a trust fund that is administered by the IDB, information on IDB Lab operations is presented separately throughout this report due to its distinct business model, priorities, and tools.

the mounting urgency of the global climate action agenda to the region's pressing migration challenges.

A core aspect of this evolution has been redefining what being a "Group" means, including by having a single country representative for both the public and private sectors in each IDB Group country office in Latin America and the Caribbean. The benefits of functioning as a Group have paid off in terms of offering more comprehensive solutions that complement upstream work with governments with the deployment of financial resources and support through the private sector (see Box 2.3). Similarly, a key development in 2019 was the appointment of four IDB Group Regional Coordinators, one in each hub (Bogota, Buenos Aires, Kingston, and Panama City), to help identify opportunities where the combined instruments of the IDB, IDB Invest, and IDB Lab could generate greater development impact.

Operational synergies across the Group have also increased over the past four years, with cross-participation of officers on public and private sector project teams in a range of sectors. In particular, IDB and IDB Invest have achieved operational synergies in infrastructure projects, such as port expansions, electricity generation, and road transport (See Chapter 2). For its part, IDB Lab is closely coordinating origination processes with other areas of the IDB Group through tools such as the Opportunity Canvas that help identify specific areas where IDB Lab's unique capacities can complement country efforts.

Marking another milestone, in 2019, an updated institutional strategy and Corporate Results Framework were approved for the IDB Group, reinforcing the distinct and complementary value added that each member brings to bear to address the region's development challenges. This updated strategy and the institutional changes implemented over the past four years leave the IDB Group better positioned to help its member countries respond to and recover from the

COVID-19 pandemic in a sustainable way, helping the most vulnerable members of society get through this unprecedented crisis and reigniting economic activity.

Evolution of the Region since 2016

The world has changed dramatically over the past four years, particularly in the first few months of 2020, presenting pressing new challenges for countries and cities in the region that will affect prosperity and development for years to come. Chief among these challenges is the emergence of the novel coronavirus (COVID-19) and its wide-ranging and long-lasting impacts on all aspects of life. By mid-2020, COVID-19 had already taken a significant human and economic toll, with its impact stretching far beyond public health to areas ranging from employment levels and poverty rates to economic growth and macroeconomic stability.

The COVID-19 crisis comes on the heels of a wave of mass protests that erupted across the region in 2019, reflecting broad dissatisfaction with persistent income inequality, social exclusion, and corruption, growing pressure for action in the face of climate change, as well as lack of access to economic opportunities and quality public services. Progress in poverty reduction had largely stalled in the last few years, and in some countries, gains in social conditions had begun to reverse even before COVID-19 began further jeopardizing the livelihoods of the most vulnerable members of society. Economic performance in the region has also lagged in recent years, with negative growth forecast for 2020 in light of the crisis (IMF, 2020).

The current uncertain outlook is further complicated by rising temperatures, changes in precipitation patterns, increased frequency and intensity of natural disasters, and other effects of climate change that represent a major threat to social and economic outcomes in the region. At the same time, many sectors are being disrupted by new technologies, demographic changes, and challenges to regional and



global commons. Meanwhile, the recent convergence of digital technologies has sparked innovations with powerful impacts across industries, offering immense potential as well as risks if LAC economies are not prepared to adapt to rapid technological change and its effects on the labor market.³ The need to adopt digital technologies is even more apparent today as workplaces increasingly shift operations online, schools move to distance learning, and telemedicine ramps up in response to the pandemic. The innovation ecosystem can play a critical role here. This shifting dynamic also represents a new challenge for skill training and retraining in the region. An adequate response requires more efficient and effective labor training programs that can adapt to rapidly changing labor market demands and keep the skill sets of the workforce up to date.

In parallel, these past four years have seen the SDGs gain traction as a universal roadmap and common framework for delivering and reporting on a wide range of development results. The region's countries have increasingly aligned their national development plans with the SDGs. Meanwhile, rising public concern about climate change, social inequality, and the role of business and capital in addressing these and other sustainability issues has led international financial institutions and asset managers to rethink finance. Addressing environmental, social, and governance concerns is becoming a business imperative in LAC and the rest of the world. However, the global response has not yet been ambitious enough to reach the SDGs by 2030, with progress sure to be further complicated in the face of the COVID-19 crisis. The pandemic is disrupting progress across the

SDGs—from devastating public health implications (SDG 3) and interrupted food supply chains (SDG 2) to unemployment and loss of income (SDG 1) and suspension of economic activities (SDG 8).

At the same time, recovering from the crisis offers an unprecedented opportunity to help countries in the region not only build back, but build back better as today's decisions will shape the region's economy for years to come. This includes, for example, enhancing regional cooperation and integration, making investments in a sustainable future, and moving towards a net zero emissions economy. In addition, it offers a chance for countries to reinvent the provision of public services, in line with transformational trends driven by new technologies and demographic shifts. Similarly, it is an opportunity to build back a more dynamic private sector that is sustainable, inclusive, and resilient.

The 2020 Development Effectiveness Overview

By design, the DEO reflects on the past as it is meant to report on results and performance achieved in the previous year. As the 2020 DEO reports on the closing of a four-year CRF cycle covering 2016 to 2019, this review of the past is even more critical. Nonetheless, the 2020 DEO cannot overlook the unprecedented pandemic-induced changes affecting the region and the world since early 2020, so linkages to this new reality are made throughout the document.

The IDB Group's Update to the Institutional Strategy (UIS) and CRF are guiding threads throughout the document as the UIS served as the Group's core strategic guidance for the 2016-2019 period and the CRF its key measurement tool. The CRF consists of

³ For more information on these trends, see the [Second Update to the Institutional Strategy](#) and the [IDB's 2020 Latin America and Caribbean Macroeconomic Report](#).

three levels of indicators: (1) Regional Context indicators that help provide a high-level picture of the state of the region's long-term development; (2) Country Development Results indicators that help illustrate the magnitude of the Group's contribution to specific development issues; and (3) IDB Group Performance indicators that reflect aspects of organizational and operational effectiveness and efficiency.

Chapter 1 focuses on how the IDB Group is addressing the key development challenges and cross-cutting issues outlined in the UIS, showcasing operational results in line with the SDGs.

Chapter 2 reviews the IDB Group's performance against its 2019 CRF targets to identify where the Group has successfully met its ambition and where matters fell short.

Chapter 3 presents findings from the IDB Group's development effectiveness tools, with a focus on monitoring results for the active portfolio and reporting on results at project completion or maturity.

As in previous years, this DEO aims to serve as a gateway to knowledge and resources about development effectiveness and the IDB Group. Readers can dig deeper into specific areas of interest using links throughout the publication as well as the development effectiveness homepages of the [IDB](#) and [IDB Invest](#) and [IDB Lab's impact page](#). The DEO is also complemented by other reports, including more detailed performance reports for each entity, individual project impact evaluations, and a forthcoming development effectiveness monograph that will review in detail lessons learned in a range of sectors over the decade since the development effectiveness framework was established.



Chapter 1

Operational Results

Introduction

This chapter highlights examples of the IDB Group's support to each of its strategic priorities, which are critical to the region's development and closely aligned to the Sustainable Development Goals (SDGs). These include the three development challenges of enhancing **social inclusion and equality**, fostering **productivity and innovation**, and improving **economic integration**, as well as the three cross-cutting issues of **gender equality and diversity**, **climate change and environmental sustainability**, and **institutional capacity and the rule of law**. While the COVID-19 crisis is rapidly changing the lens through which each of these priorities must be viewed, they nonetheless remain core aspects of the region's long-term development.

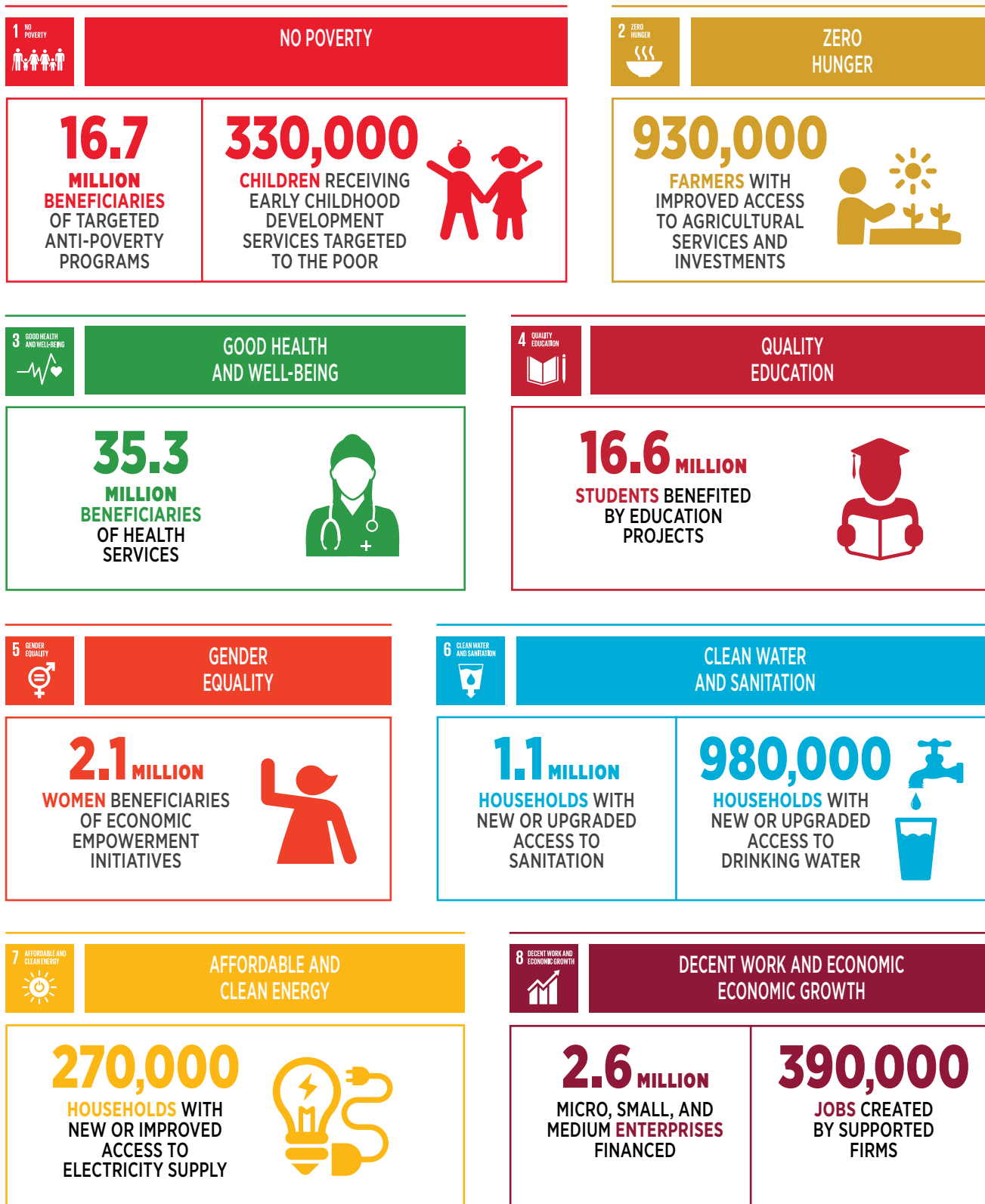
Highlights of IDB Group Support to the Region since 2016

The year 2016 was a critical moment on the global stage as the SDGs and the Paris Agreement took hold. The Country Development Results indicators of the CRF provide a glimpse of the Group's support to the SDGs since they took effect. These indicators

track the magnitude of the Group's contributions to the region's development priorities and allow the Group to aggregate data on outputs and outcomes supported through its operations. Figure 1.1 provides a snapshot of these results, showing their linkage to the SDGs.

More information on the results shown in Figure 1.1, including project-level contributions is available on the IDB Group's [CRF website](#). However, these are only a small portion of the Group's contributions to the SDGs as projects support a wide range of results, not all of which are captured through these standardized indicators. Box 1.1 highlights the Group's efforts to expand its ability to report on its contributions to the SDGs, and the remainder of the chapter focuses on how the Group supports each of its strategic priorities in the region, along with project case studies that link to the SDGs. These project spotlights illustrate how results reported through the CRF relate to higher-level outcomes, focusing on projects that have closed or generated substantial results in recent years in a range of countries and sectors.

Figure 1.1 Selected Operational Results, 2016–2019





INDUSTRY, INNOVATION AND INFRASTRUCTURE

8,000
KILOMETERS OF ROADS BUILT OR UPGRADED



5,200
KILOMETERS OF ELECTRICITY TRANSMISSION AND DISTRIBUTION LINES INSTALLED OR UPGRADED



REDUCED INEQUALITIES

2.1 MILLION
INDIGENOUS BENEFICIARIES OF TARGETED ANTI-POVERTY PROGRAMS



SUSTAINABLE CITIES AND COMMUNITIES

500,000
HOUSEHOLDS WITH SOLID WASTE DISPOSED IN A SANITARY LANDFILL

400,000
HOUSEHOLDS BENEFITING FROM HOUSING SOLUTIONS



RESPONSIBLE CONSUMPTION AND PRODUCTION

5,100
MEGAWATTS OF POWER CAPACITY FROM RENEWABLE SOURCES INSTALLED



CLIMATE ACTION

14.4 MILLION
TONS OF ANNUAL CO₂ EQUIVALENT EMISSIONS AVOIDED



LIFE BELOW WATER

15.3 MILLION
HECTARES OF TERRESTRIAL AND MARINE AREAS WITH IMPROVED MANAGEMENT



LIFE ON LAND

1.6 MILLION
BENEFICIARIES OF IMPROVED MANAGEMENT AND SUSTAINABLE USE OF NATURAL CAPITAL



PEACE, JUSTICE AND STRONG INSTITUTIONS

487
SUBNATIONAL GOVERNMENTS BENEFITED BY CITIZEN SECURITY PROJECTS



PARTNERSHIPS FOR THE GOALS

170,000
PROFESSIONALS FROM PUBLIC AND PRIVATE SECTORS TRAINED OR ASSISTED IN ECONOMIC INTEGRATION





eppendo

Social Inclusion and Equality

Ensuring that all people can improve their well-being, develop their potential, and participate in the social, political and economic aspects of life is both a moral imperative and essential for economic growth. The IDB Group has consistently promoted social inclusion and equality on many fronts, including supporting redistributive policies and social investments to reduce inequality, fostering economic opportunities for lower-income and excluded segments of the population, and improving basic and social services. As countries and

cities across the region confront the COVID-19 crisis, strengthening social safety nets and ensuring access to vital services, such as health, education, and water and sanitation is more critical than ever. Likewise, deficiencies in housing have become even more apparent as communities struggle to adopt physical distancing measures to fight the pandemic. The project spotlight in Box 1.2 highlights how the IDB Group addressed gaps in housing quality and basic services in two countries in the region.



Box 1.2 Project Spotlight:

Improving Housing Quality in Costa Rica and Trinidad and Tobago

When it comes to housing in Latin America and the Caribbean, the main deficit is not the quantity of homes available but rather their quality (IDB, 2019). Many low-income families end up in informal settlements on public lands, building their homes in vulnerable areas, with inadequate building and sanitary standards that put their health and safety at risk. Affordable housing is a major challenge in many cities and accessing reasonable financing options for making home repairs and improvements is often out of reach.

An IDB Invest project in **Costa Rica** (CR-L1073) set out to address housing quality deficits in partnership with the country's largest non-profit mutual association (*Mutual Cartago de Ahorro y Préstamo*). The project aimed to expand access to home improvement loans for 1,250 households, half of which would be low-income families (representing the base of the pyramid), a population segment that the financial institution was targeting. From 2015 to 2019, the project surpassed its loan target by 60 percent. Moreover, about 80 percent of the home improvement loan portfolio served low-income clients, far exceeding the project's initial target of 50 percent.

In **Trinidad and Tobago**, from 2011 to 2018, the IDB supported the Neighborhood Upgrading Program (TT-L1016), which worked to improve the living and housing conditions for low-income groups in marginal areas. This included basic infrastructure upgrades, housing subsidies, regularizing tenure in informal settlements and strengthening the capacity of the Ministry of Housing and Urban Development. By project completion, more than 3,300 families benefited from neighborhood upgrades, including improvements to basic infrastructure—mainly potable water, drainage, and paved road access. In addition, more than 2,800 households benefited from home improvement subsidies, and almost 1,000 more were delivered for the building or purchase of new incremental housing—more than half of which went to women-headed households. Furthermore, with support of the program the Land Settlement Agency was able to attend to 100 percent of its applications (22,700 in total) for the first stage of title regularization. For more information, visit the [PCR](#).

11 SUSTAINABLE CITIES AND COMMUNITIES



The projects contributed to SDG target 11.1: By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums.

Productivity and Innovation

Persistently low productivity rates and insufficient investment in innovation have long hindered the region's economic growth, a situation further compounded by the COVID-19 crisis. The mandatory lockdowns, shuttering of non-essential businesses, and physical distancing measures implemented to disrupt the spread of the virus have also disrupted everything from supply chains and consumer demand to the financial and labor markets. Micro, small and medium-sized enterprises (MSMEs) confront even deeper barriers to accessing the credit lifelines they need to survive in the immediate term and recover in the long term. IDB Group support to help countries and

clients improve infrastructure, firm productivity, and MSME financing, as well as to sustain and create jobs, remains critical for the region's recovery. Supporting policies and institutional frameworks that enhance the business climate, encourage technological development, and foster innovation are also key areas of intervention. In recent years, the Group has reinforced its focus on harnessing the potential of digital technologies, while at the same time helping the region adapt to the changing nature of work and technological disruptions.⁴ The project spotlight in Box 1.3 highlights IDB Invest support to reduce the SME financing gap in Brazil.⁵



⁴. The IDB Group's work in this area applies the [Principles for Digital Development](#), a collaborative initiative that has defined nine principles for encouraging more financially sustainable and socially beneficial results in development via digital methods.

⁵. For more information on IDB Group strategies to support SMEs impacted by the crisis, click [here](#).

Box 1.3 Project Spotlight:

Expanding Access to Financing for SMEs in Brazil

The financing gap for MSMEs in Latin America and the Caribbean is the second largest in the world after East Asia, leaving these key economic drivers without access to the capital they need to enhance productivity and grow. The region's biggest breach is in **Brazil**, and during the severe economic recession that hit the country from 2014 to 2016, the lending situation for smaller firms became even more dire. In this context, IDB Invest provided financing to Daycoval (BR3728A-03), a mid-sized Brazilian bank, to expand its SME lending portfolio, including reaching clients outside the country's main urban centers.

The Daycoval project surpassed expectations. From 2016 to 2019, the value of the bank's SME lending portfolio grew by 256 percent, with the share of SMEs in the overall loan portfolio nearly doubling. The ratio of non-performing loans remained stable, demonstrating that the bank was able to grow its SME lending rapidly without compromising the health of its portfolio. In addition, IDB Invest helped mobilize additional funds from other lenders, amounting to nine times the size of its initial loan. This increased injection of capital during the recession was a key factor in the bank's ability to significantly expand its reach to more underserved SMEs.

8 DECENT WORK AND ECONOMIC GROWTH



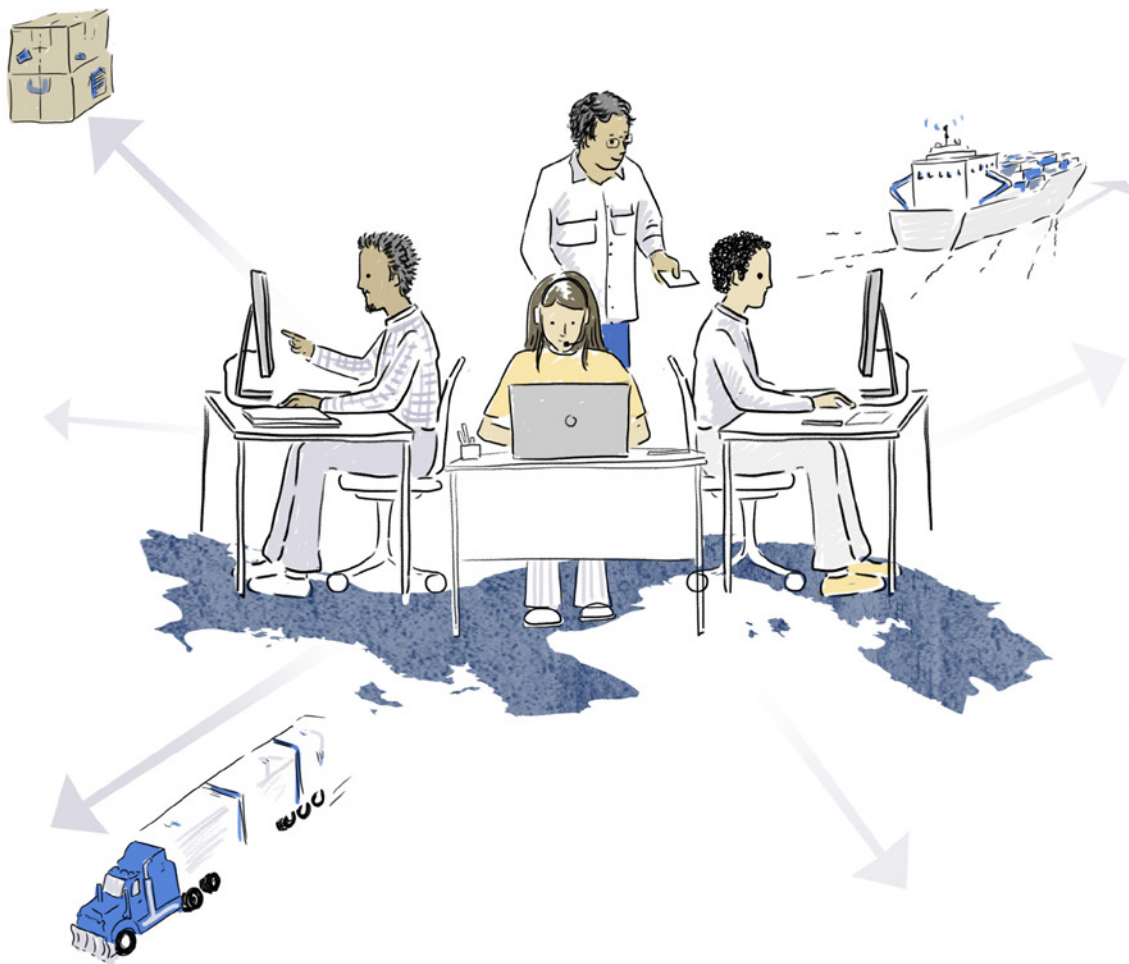
The project contributed to SDG target 8.3: Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.



Economic Integration

Deepening regional integration in Latin America and the Caribbean is crucial for propelling trade and economic growth. Likewise, as the COVID-19 pandemic has made clear, closer regional ties are essential not only for coordinating a response to the health emergency, but also for helping the region recover from this crisis, rebuild supply chains, and regain competitiveness in the long-term. The IDB Group supports economic integration in the region in many ways, including by improving the connectivity of national infrastructure investments, promoting cooperation initiatives and regional trade

agreements, and supporting regional value chains. Providing trade finance for the region's MSME importers and exporters is increasingly important given the pandemic-induced liquidity constraints. In addition, efforts to strengthen regulatory frameworks, streamline and digitalize procedures for trade and foreign investment, and upgrade and coordinate border processes to ensure the agile and secure flow of goods are also critical in the current context. The project spotlight in Box 1.4 highlights IDB support for transport infrastructure and logistics services in Panama.



Box 1.4 Project Spotlight:

Supporting Logistics Improvements in Panama

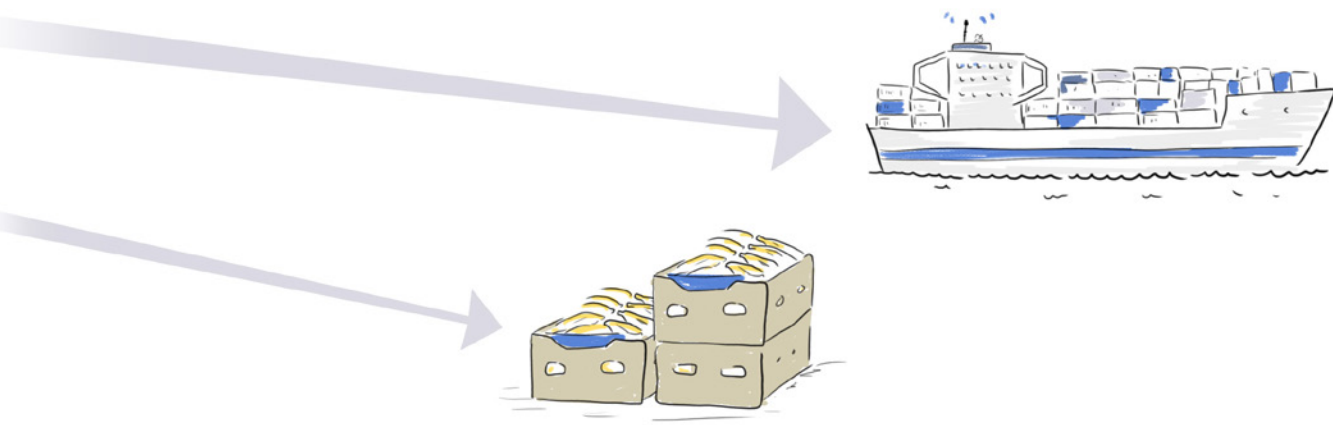
Strong transport infrastructure and logistics services are important facilitators of international trade. They are particularly critical in **Panama** given its role as a logistics hub within Mesoamerica. Since 2014, the IDB has approved three Policy-Based Loans aimed at implementing reforms in the transport and logistics sector to address lagging customs clearance times, suboptimal use of infrastructure, and an institutional framework that was not fully aligned with regional integration protocols. The third loan in this series ([PN-L1151](#)) focused specifically on consolidating the institutional framework for transport and logistics and strengthening planning and trade facilitation processes.

It included implementation of the master plan for complete digitization of the National Logistics System,

approval of regulations to simplify customs formalities and align with Central America’s regional customs protocols, and consolidation of planning processes for an improved use of Panama’s productive and logistical potential. By project completion, the average customs clearance time at the Paso Canoas border crossing—which accounts for more than 85 percent of outward freight to the region—was reduced by nearly 50 percent from the 2014 baseline. Additionally, the percentage of ports able to export national agricultural products and the percentage of logistics surface area in use increased by 17 percent and 74 percent, respectively. Panama’s performance on the [Logistics Performance Index](#) also increased by nearly 8 percent. For more information, see the project [PCR](#).



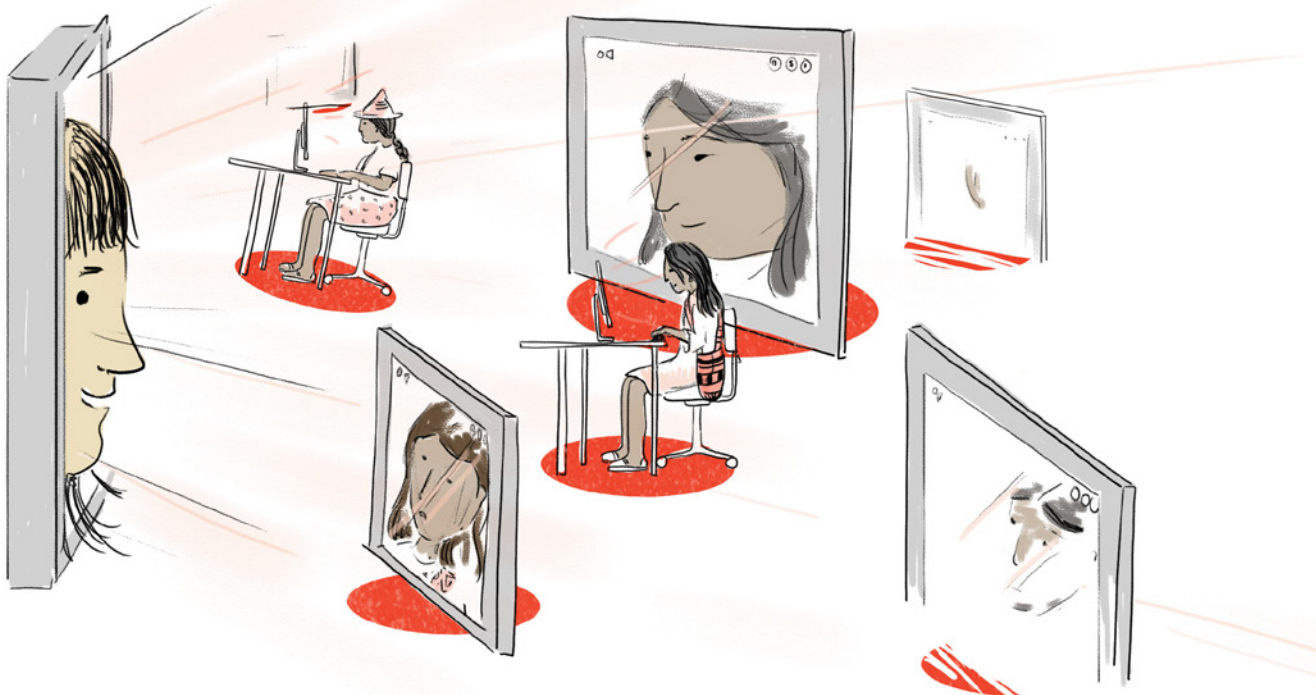
The project supported SDG target 17.11: Significantly increase the exports of developing countries, in particular with a view to doubling the least developed countries’ share of global exports by 2020.



Gender Equality and Diversity

Gender equality, development with identity, and the inclusion of diverse populations are key to maximizing prosperity and economic development in the region, especially given the heightened impacts of the coronavirus pandemic for these social groups.⁶ The IDB Group has continued to increase its support for gender equality, diversity, and inclusion in recent years. The IDB's first Diversity Action Plan for Operations was approved in 2019 to expand the Bank's work in favor of development with identity for indigenous peoples and inclusion of persons with disabilities, Afrodescendants, and persons excluded by reason of sexual orientation or gender identity. In gender, the Group supports areas such as increasing

female labor force participation, promoting the inclusion of a gender perspective in fiscal policies, supporting women entrepreneurs, promoting women's participation in leadership positions, and addressing gender-based gaps related to wages or access to services. This work is even more critical now as the economic downturn caused by COVID-19 has had a disproportionate impact on women in terms of lost income from predominantly service and informal sector jobs, increased unpaid care work, and rising gender-based violence (UN Women, 2020). The project spotlight in Box 1.5 showcases different ways the IDB Group is supporting women entrepreneurs in the region.



⁶ For example, see this [blog post](#) on the vulnerability of indigenous peoples to COVID-19 and the need for culturally appropriate responses.

Box 1.5 Project Spotlight: Spurring the Rise of Women Entrepreneurs

Science, Technology, Engineering, and Mathematics (STEM) fields are key drivers of innovation, economic growth, and social progress. When coupled with entrepreneurial skills, STEM innovations can turn into high-growth companies that offer solutions to pressing societal challenges and create jobs. While the gender gap in STEM education and careers remains, women entrepreneurs in STEM have been on the rise in Latin America and the Caribbean in recent years thanks to initiatives such as the IDB Lab-supported WISE program (Women in STEM Entrepreneurship; [RG-T3019](#)). Led by IAE Business School in **Argentina**, in partnership with business schools in **Colombia, Peru**, and most recently, **Ecuador**, WISE aims to help women studying in STEM fields start new ventures through training, mentoring, networking, and business support.

Since 2018, over 250 female students have completed in-person entrepreneurship courses and the program has offered mentoring support to nearly 100 women founders of tech-based startups. In 2019, in addition to launching a comprehensive [online platform](#) with resources for women STEM entrepreneurs, IAE Business School developed a free [online entrepreneurship course](#) on Coursera, further

expanding its reach.^a The program also has a strong knowledge sharing focus. In 2019, it carried out a [study and survey](#) with over 600 respondents, painting a clearer picture of the needs and characteristics of women STEM entrepreneurs in the region, information that can help further spur the upward trajectory of this burgeoning area of entrepreneurship.

The IDB is also supporting women entrepreneurs by working with national procurement entities and heads of procurement in the region to incorporate gender inclusive policies in government contracting and increase female participation as government suppliers. As one example, in the **Dominican Republic** ([DR-M1043](#) and [RG-T2778](#)), IDB Lab and IDB worked with the General Contracting Authority to identify and train women entrepreneurs with potential to provide goods and services to the government. Since the beginning of the market pairing exercise in 2013, 15,000 women-owned businesses have been registered as government suppliers, 60,000 contracts have been awarded, and amounts awarded to women-owned firms increased from \$15 million in 2012 to \$125 million per year on average from 2013-2019.



The project supported SDG target 5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.

^a It is worth noting that the program has swiftly shifted to a digital learning strategy in response to the COVID-19 crisis. Participation in the Coursera course has increased more than seven-fold from 45 average active learners in January 2020 to 350 in May, reaching women in additional countries such as Chile, Mexico, and Paraguay.

Climate Change and Environmental Sustainability

Climate change and sustainability concerns continue to be critical in Latin America and the Caribbean. The IDB Group's focus on supporting the region's climate change mitigation and adaptation efforts grew from 2016 to 2019, in line with increasing global attention to this priority and growing country demand. This includes investments in renewable energy, low-carbon transportation, and improved climate resilience across diverse sectors, as well as support to countries to formulate long-term decarbonization plans.⁷ The COVID-19 crisis

is likely to have dramatic consequences for advancing progress on climate change as countries focus on other urgent priorities and major global climate events are postponed (Hepburn, et al., 2020). At the same time, post-COVID-19 recovery efforts can be leveraged to foster sustainable, resilient growth and many countries are already building sustainability into their plans. The project spotlight in Box 1.6 highlights an IDB project focused on addressing climate change and environmental sustainability in Nicaragua.



⁷ For more information, consult the IDB's [2019 Sustainability Report](#) and the 2019 MDB Report on Climate Finance.

Box 1.6 Project Spotlight:

Integrated Watershed Management in Nicaragua

The Lake Apanás and Asturias Watershed in **Nicaragua** forms part of one of the most biodiverse regions of the world. However, this rich ecosystem is under threat by intensive use of its natural resources and high deforestation, which are depleting carbon stocks and water availability. A 2008 study estimated that the watershed's remaining forests would disappear by 2017 if action was not taken.

The Integrated Watershed Management project ([NI-X1005](#)) was a non-reimbursable investment grant aimed at addressing these critical climate and environmental issues. With support from the Global Environment Facility, the project supported sustainable land and forestry management practices, forest and biodiversity conservation, and local capacity build-

ing for land-use planning, soil conservation, and integrated watershed management. It also designed the first Public Payment Mechanism for Environmental Services for farmers and private owners of forested reserves to assure long-term sustainability in water use and micro-watershed management.

From 2012 to 2018, the project implemented sustainable land and forestry management practices in 7,126 hectares of Environmental Restoration Systems, and avoided or sequestered over 893,250 tons of CO₂ emissions. The project also established 1,375 hectares of wooded areas within the National Network of Protected Natural Reserves (a 900 percent increase) through the creation of 42 Private Wild Reserves. For more information, visit the [PCR](#).



The project contributed to SDG target 15.1: By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements.

Institutional Capacity and Rule of Law

Lasting development results depend on strong institutions that can address not only the challenges of the day, but new challenges as they emerge. The IDB Group supports institutional capacity and rule of law in a range of areas, including improving the state's capacity to capture and manage resources, deliver public services, digitize processes and services, promote transparency, fight corruption, and

enforce compliance with established rules and processes.⁸ This is more important than ever as an effective response to the COVID-19 pandemic requires strong, coordinated actions from across a range of institutions as well as citizen trust to comply with the measures needed to address the crisis. The project spotlight in Box 1.7 highlights efforts to strengthen transparency in Colombia.



⁸ Electronic invoicing can be a critical tool in improving the state's capacity in each of these areas by enhancing efficiency and transparency in revenue collection and supporting the fight against tax evasion. See [Electronic Invoicing in Latin America](#) for more information.

Box 1.7 Project Spotlight:

Strengthening Transparency and Accountability in Colombia

Transparency and integrity within public institutions is essential to effective management and citizen trust in government. From 2011 to 2018, the IDB supported the Office of the Attorney General (OAG) in **Colombia** (CO-L1098) to improve transparency in public management and regulatory compliance. The project focused on strengthening the OAG's preventive system, increasing levels of regulatory compliance, and increasing citizen oversight. The OAG plays a critical role in Colombia's public control system, with responsibilities that range from monitoring public sector employee conduct to ensuring transparency and access to information.

The project included actions to strengthen the comprehensive prevention system and foster effective social control against corruption to place greater emphasis on the preventative as opposed to the punitive functions of the office and to enhance the culture of lawfulness and citizen oversight. The project

supported six subnational locations and two national agencies with enhancements in information systems, trainings for staff, and enhanced citizen participation mechanisms to foster improved compliance with regulatory norms.

By project completion, more than 8,000 officials from OAG and other public entities and interested groups participated in training and socialization activities, supporting an improved culture of compliance. The six subnational locations monitored saw improved compliance, with the Municipality of Yopal, for example, experiencing a more than 270 percent increase in its rate of compliance, reaching 74 percent in 2017. Involvement in citizen participation mechanisms also increased, with nearly 3,000 citizens engaging in regional supervision, and other citizen participation actions—many of which started as pilots and were then institutionalized in a formal resolution. For more information, visit the [PCR](#).

16 PEACE, JUSTICE AND STRONG INSTITUTIONS



The project supported SDG target 16.6: Develop effective, accountable and transparent institutions at all levels.





Reflections

The results described throughout this chapter are just a small slice of the Group's support to the region's development needs and the SDGs. A deeper look at the projects contributing to each indicator can be accessed through the [Country Development Results page](#) of the CRF website. The expected results for each of these indicators were established in 2015 as a projection for what could be reached in the upcoming four-year period. The CRF website and Appendix A also show whether the expected results for each indicator were met for the 2016-2019 period.

Overall, the expected results were exceeded for the majority (74 percent) of indicators. For an additional two indicators (11 percent), at least 80 percent of the expected results were achieved. Only three indicators had progress that was less than 80 percent of their expected results. These include *MSMEs financed*, *beneficiaries of improved management and sustainable use of natural capital*, and *households benefiting from housing solutions*. Despite not fully reaching their expected results, more than 200 projects have contributed to progress on these indicators since 2016. Detailed contributions by project can be viewed on each indicator's page on the [CRF website](#).

An important lesson learned from the experience reporting on the Country Development Results indicators in recent years is that setting targets or ex-

pected results is not appropriate for aggregate portfolio results. Given the time required to prepare a project and begin reporting results, the achievement of targets during the CRF period is highly dependent upon the results of projects approved prior to the period, making lagging performance not actionable. Furthermore, corporate targets for aggregate results risk creating a perverse incentive to focus on quantity rather than quality (e.g., reaching a larger number of beneficiaries with a more superficial intervention rather than a smaller number through an intervention with a deeper impact). Aggregate corporate results targets may also create tensions with country priorities to the extent that these differ from corporate targets. Given the above, the CRF 2020-2023 no longer incorporates expected results for this level of the CRF.⁹ For more information on this and other lessons learned in the CRF 2016-2019, consult the [approved CRF 2020-2023](#).

Nonetheless, setting performance targets is a critical part of the IDB Group's efforts to assess performance and guide actions. The third level of the CRF (IDB Group Performance) is most suited for use as a tool to drive work planning, resource allocation, and decision-making. The following chapter discusses the indicators forming part of this level of the CRF in the 2016-2019 period and their evolution over time.

⁹ This approach is consistent with the IDB Group Country Strategy guidelines, which do not include targets.



Chapter 2

Monitoring Corporate Performance Indicators

A critical aspect of the annual stock-taking in the DEO is a review of the Group's progress on each of its targets for the IDB Group Performance indicators of the CRF. These indicators seek to measure the Group's advances on the comparative advantages and guiding principles set out

in the Update to the Institutional Strategy (see Figure 2.1). It is at this level of the CRF that performance results may be used most directly to inform IDB Group decision-making because many of these indicators measure areas that are under the span of control of the IDB Group.

Figure 2.1 IDB Group's Comparative Advantages and Operational Guiding Principles

Comparative Advantages



Operational Guiding Principles

The IDB Group saw substantial changes in its business processes and institutional setup during the 2016 to 2019 period—from establishing IDB Invest to reaffirming IDB Lab's role as the innovation laboratory of and for the IDB Group. These changes included enhancements to several tools used to measure development effectiveness, including the PMR, DELTA, and iDELTA. In addition, the process for measuring progress on some CRF indicators was further institutionalized during this period—most notably, in the case of capturing the achievement of project results at completion or maturity. This chapter reviews the course of each IDB Group Performance indicator

(Level 3 of the CRF) from 2016 to 2019 to identify areas where the Group achieved its targets and areas where progress fell short.

Client Focus: Delivering Responsive and Multisectoral Solutions

The IDB Group focuses on being responsive to the needs of its borrowing member countries and clients throughout all aspects of its business—from country strategy development and programming to project preparation and execution. The recent coronavirus crisis has illustrated the importance of the Group being able to adapt quickly to the region's

evolving needs. In 2019, the Group's responsiveness was evident when **The Bahamas** suffered unprecedented losses and destruction from Hurricane Dorian—the most powerful hurricane ever recorded to hit the country. The disaster triggered eligibility to disburse against a \$100 million contingent loan that was approved in 2018. Such emergency contingency loans are a key part of building country resilience. The IDB also responded with an emergency donation of \$200,000. These resources helped finance humanitarian and reconstruction efforts. The ability to quickly deploy these resources to cover unexpected public expenses arising from such crises is a critical part of the Bank's responsiveness to countries.¹⁰

Client focus and responsiveness is often best captured through these qualitative experiences at a country level as well as through feedback from countries, clients, and other stakeholders. As such, the CRF includes several indicators focused on stakeholder feedback (see Box 2.2 later in this chapter). Other client focus indicators aim to capture areas such as the extent to which the Group supports countries throughout the entire region, provides timely services, and delivers multi-sectoral solutions that respond to the interconnectedness of the region's development challenges (see Figure 2.2). One way the IDB Group focused on both responsiveness and multi-sectorality in 2019 was the approval of its migration initiative to address the large-scale migration experienced in the region (see Box 2.1).

The targets for *lending to small and vulnerable countries* for both IDB (35 percent) and IDB Invest

(40 percent) were met in 2019, reflecting the Group's commitment to meet the needs of this group of countries.¹¹ For its part, IDB Lab approved 54 percent of its operations in small and vulnerable countries, exceeding its commitment of 45 percent agreed on with its Donors Committee. IDB and IDB Invest have re-committed to their respective targets of 35 percent and 40 percent of approval and commitment volume for small and vulnerable countries in the 2020-2023 period and IDB Lab has recommitted to a target of 45 percent of the projects it approves supporting this group of countries.

Progress on other metrics of responsiveness was not as strong as that of support to small and vulnerable countries. For the indicator *operations meeting target preparation time* (an indicator only captured for the IDB, based on a target of six months or less to prepare policy-based loans and 12 months or less to prepare investment loans) the 2019 value of 83 percent fell below the target. Nonetheless, this indicator did reach substantially higher values in previous years, leaving the overall average for 2016 to 2019 above the 87 percent target. It is worth highlighting that responsiveness to countries goes beyond the speed of project preparation to include setting the right conditions for a smooth execution that facilitates the achievement of results. A comprehensive preparation process that fully considers project risks and pre-conditions to execution can help meet development objectives in a more effective and timely manner (see Chapter 3 for details on the IDB's development effectiveness tools).

^{10.} The IDB also supported an economic impact assessment to have a better appreciation for the magnitude of the damages and losses incurred by Hurricane Dorian and worked with the authorities to assess the areas of the existing portfolio that could be shifted to respond to the new reality and the reconstruction needs.

^{11.} Small and vulnerable countries are those with smaller and less developed economies and populations, including the following 19 IDB Group borrowing member countries: Bahamas, Barbados, Belize, Bolivia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Haiti, Honduras, Jamaica, Nicaragua, Panama, Paraguay, Suriname, Trinidad and Tobago, and Uruguay.

Box 2.1

Responding to Accelerated Intra-regional Migration

Intra-regional migration has been present in Latin America and the Caribbean for a long time—whether from Nicaragua to Costa Rica or Haiti to the Dominican Republic. However, migration flows have intensified dramatically since 2015 as more than five million Venezuelans had fled their country as of March 2020 (IOM, 2020), most often destined for other countries in the region, creating a new challenge for inclusive development. These sudden and massive migratory flows create stresses in already disadvantaged migrant host communities. In 2019, the IDB formally established migration as a new area of support to host countries to address the challenges associated with this mass migration, focusing on improving the lives of migrants and their host communities and contributing to inclusive development in the region.

The IDB's new Migration Unit supports knowledge-generation, dialogue to coordinate migration policies throughout the region, capacity building, and investments to support countries to provide a range of services to migrants, including access to migrant documentation; access to basic services such as water, sanitation and housing; access to social services such as health, education and social protection; and employment and economic opportunities.

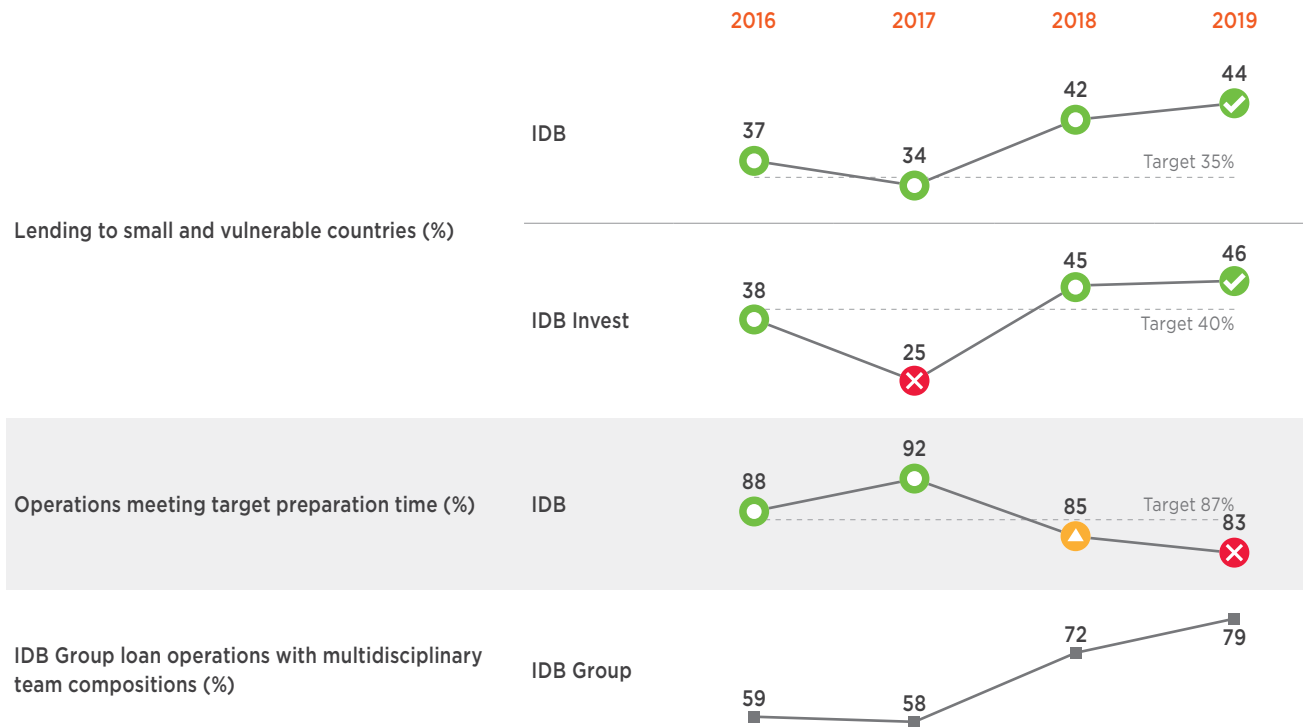
In 2019, the first operations under this initiative were approved. First, a project was approved for **Ecuador** ([EC-L1258](#)) to increase the response capacity of social protection, health, and education services in the main migrant hosting cities, encompassing a range of

services—from prenatal care and early childhood education services to temporary, safe accommodation for unaccompanied children. Anonymized cell phone data is being used to identify areas of migrant concentration to sharpen the roll out of services to reach newly formed communities. Services are being provided by three government ministries—the Ministry of Public Health, Ministry of Education, Ministry of Economic and Social Inclusion—as well as NGOs.

In 2019 the IDB also approved an operation to strengthen inclusive employment policies in **Colombia** to include migrants ([CO-L1250](#)). The modernization of the Employment Service includes a search engine with artificial intelligence that will power a portal with a specific route for migrant job-seekers. The use of algorithms will reduce the risks of discrimination based on country of origin, race or gender.

The projects' innovative methodologies aim to provide replicable platforms for channeling the IDB Group's multisector support and reaching the most vulnerable. Additional projects to support inclusion of migrants in their host countries and communities are currently under development in Belize, Colombia and Costa Rica. These efforts are being complemented by the *JuntosEsMejor* Challenge, an initiative led by IDB Lab and the U.S. Agency for International Development and co-created with the rest of the IDB Group that seeks to identify, finance, and scale up innovative solutions that support Venezuelan migrants and their host communities in the region.

Figure 2.2 Progress on Selected Responsiveness and Multi-sectorality Indicators, 2016-2019



Progress for 2019 is classified as: ✓ Achieved; ▲ Some Progress; or ✗ Not Achieved.

For 2016-2018, progress is classified as: ○ On Track; ▲ On Watch; or ✗ Off Track.

A gray marker signals that the indicator did not have a target.

In terms of multisectorality, the CRF indicators do not have targets. However, 2019 data shows a high percentage of IDB loan operations (79 percent) with multidisciplinary team compositions, reflecting the continued importance the institution grants to

cross-sector collaboration. By contrast, stakeholder feedback on satisfaction with the Group’s use of a multisectoral approach reached only 71 percent in 2019 (see Box 2.2 for further details on the External Feedback System).

Box 2.2

External Feedback System

Since 2012, the IDB Group has used the External Feedback System (EFS) of surveys to capture the perceptions of government, civil society, and private sector partners regarding the Group to assess how well country and client needs are met in a number of areas. Three CRF indicators had targets that came from the EFS.

For the indicator *partners satisfied with IDB Group development solutions*, 88 percent of respondents in 2019 indicated that they were “very satisfied” or “satisfied,” exceeding the target of 85 percent.^a By contrast, the percentage indicating they were “very satisfied” or “satisfied” with the Group’s ability to convene other partners and innovative solutions were 62 percent and 68 percent respectively. These two indicators did not meet their 2019 target. Nonetheless, when those indicating they were “somewhat satisfied” are included, in both cases more than 80 percent of respondents answered favorably.

The 2020 Satisfaction Survey will improve upon the 2019 version, aiming to better capture the factors driving stakeholder perceptions. The 2020 survey will also capture data for the two perception indicators included in the CRF 2020-2023. These new external perception indicators regarding knowledge and innovation focus on the concept of the Net Promoter Score—a metric used in customer experience programs to measure customer willingness to recommend an organization to peers.^b The information gained from this score and associated qualitative insights from respondents will be used to help the IDB Group increase client satisfaction over time regarding provision of knowledge and innovative solutions. Among the areas for improvement cited by respondents in the 2019 surveys were better disseminating knowledge, moving more quickly in the adoption of new technologies, and forming strategic alliances to increase innovation and promote knowledge-sharing in the region.

^a Figures reported for *partners satisfied with IDB Group development solutions satisfaction* should be interpreted with caution due to the very small number of respondents (16 in 2019) meeting the indicator’s definition, which relies on the perspective of stakeholders that participate in the IDB Group’s programming exercise.

^b For more information, visit the approved [CRF 2020-2023](#).

Promoting Effective Development

Promoting effective development is at the core of the IDB Group mandate. Effective development requires a set of tools and processes from project design to completion, ensuring a rigorous analysis along the project cycle. Chapter 3 details achievements on development effectiveness, specifically project performance during monitoring and at project completion.

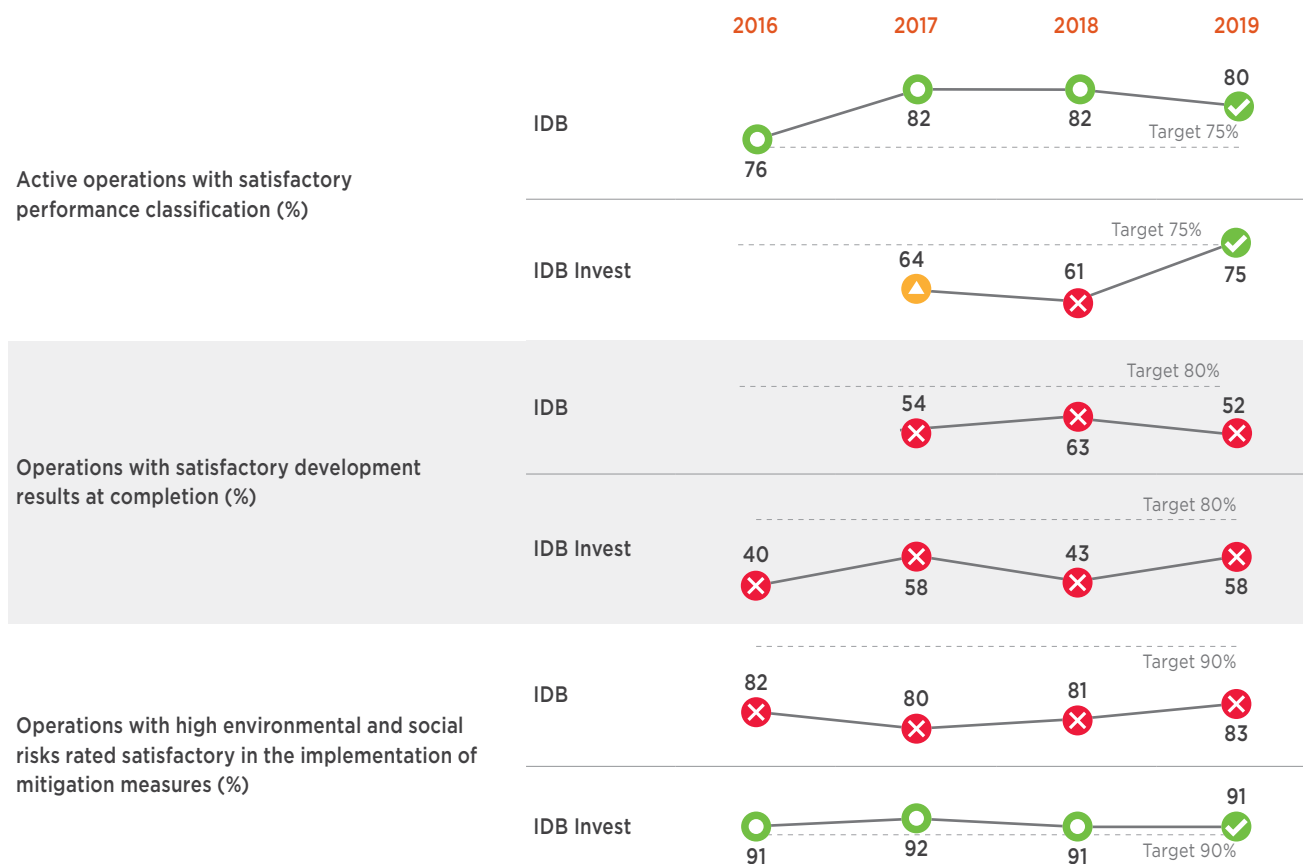
The CRF also includes several indicators to measure the effectiveness of IDB Group projects, which are discussed in the following paragraphs and summarized in Figure 2.3.

The indicator *active operations with satisfactory performance classification* reflects project performance for operations in execution. Both IDB and IDB Invest met their 2019 target for this indicator, with 80

percent and 75 percent of active projects performing satisfactorily (see Chapter 3 for further details). For the 2020-2023 period, the targets are revised reflecting the nature of each portfolio. For IDB and IDB Invest, targets are 80 and 70 percent respectively and IDB Lab's target for its loan and equity operations will be 60 percent with satisfactory performance classification for the 2020 to 2023 period.

In 2019, 54 percent of active technical cooperation (TC) operations met or exceeded the established progress threshold. Notably, this marks the first year in which there was a net increase in the value of this indicator since its inclusion in the CRF in 2016. The increase occurred in the context of a Bank-wide effort to improve TC performance, including a coordinated outreach campaign to enhance planning and report-

Figure 2.3 Effectiveness Indicators



Note: 2016 data for IDB on the indicator *operations with satisfactory development results at completion* is not included in the above graph given that data for 2016 was based on Management's assessment and is not comparable to data for 2017-2019, which is based on ratings validated by OVE.

Progress for 2019 is classified as: Achieved; Some Progress; or Not Achieved.

For 2016-2018, progress is classified as: On Track; On Watch; or Off Track.

ing quality as well as systems improvements. Beginning in 2020, satisfactory TC performance will be captured in the main performance table for the 2020-2023 period, with a target of 75 percent.

Regarding *operations with satisfactory development results at completion*, as of 2017, both IDB and IDB Invest began relying on the validated ratings of the Office of Evaluation and Oversight (OVE) to determine the degree to which projects satisfactorily achieved their results. For IDB, 52 percent of projects satisfactorily achieved their results (compared to 63 percent in 2018).¹² For IDB Invest, 58 percent of projects received a favorable rating (compared to 43 percent in 2018). For the 2020 to 2023 period, IDB and IDB Invest have established targets of 70 percent and 65 percent respectively. See Chapter 3 for further details on this indicator.

In the case of *operations with high environmental and social risks rated satisfactory in the implementation of mitigation measures*, the story is mixed. For IDB, the value of 83 percent observed in 2019 was the highest of the CRF period, with progress for the prior three years ranging from 80 to 82 percent. Nonetheless, it fell short of the ambitious target of 90 percent. One critical factor was the extension of environmental and social (E&S) supervision to a greater number of operations in recent years, which led to an increase of approximately 80 percent in the total number of projects subject to supervision by E&S specialists.¹³ As a result, additional projects with compliance issues have been identified, in particular in countries with lower E&S management capacity, which had implications

for the achievement of the 90 percent target. In the CRF 2020-2023, IDB set a target of 84 percent for 2023, reflecting its ambition to improve performance over time. The IDB will drive toward that target with the continued strengthening of E&S specialist support to the region as well as training activities to build the capacity of IDB personnel and executing agencies on these topics. Starting in 2020, the IDB will also put in place an independent Environmental and Social Risk Management and Quality Assurance function of its portfolio that will sit within the Risk Management Office. This new function will strengthen portfolio oversight regarding E&S risk and participate in key project milestones to ensure the quality of the E&S solutions in IDB operations.

For IDB Invest, the percentage of high-risk projects with a satisfactory rating has remained steady and above target since 2016, reaching 91 percent in 2019. IDB Invest has continued strengthening the supervision of high-risk projects by: (1) hiring new staff in the field to be closer to clients; (2) providing training for the Social, Environmental, and Corporate Governance team and investment officers originating and supervising projects; (3) training clients in E&S risk management; and (4) improving IT systems to track projects' E&S performance and enhance data analytics. In 2019, IDB Invest created a new function focusing on Quality Enhancement and Knowledge Management to further strengthen portfolio oversight of E&S risk, identify areas for improvement, and develop knowledge products to enhance the work of E&S specialists and

¹² Note that the percentage of operations achieving development results at completion is not directly related to the percentage of active operations with satisfactory performance classification as the former is focused on the achievement of intended project outcomes, whereas the latter is based on how the execution of outputs compares to planned execution and country benchmarks.

¹³ During execution, projects may be classified as having high, substantial, moderate, or low risk and this classification may evolve over time. In 2017, the IDB was actively supervising 60 percent of high and substantial risk projects and this increased to 100 percent by the end of 2019. As reporting on the CRF indicator is dependent upon the availability of monitoring data for those projects under active supervision, the denominator used to calculate those with satisfactory performance has increased over time.

clients. In addition, IDB Invest created a Stakeholder Engagement and Crisis Management function in order to engage more proactively with stakeholders on an ongoing basis and to prevent and respond to crises. For the CRF 2020-2023, IDB Invest has maintained a target of 90 percent for this indicator.

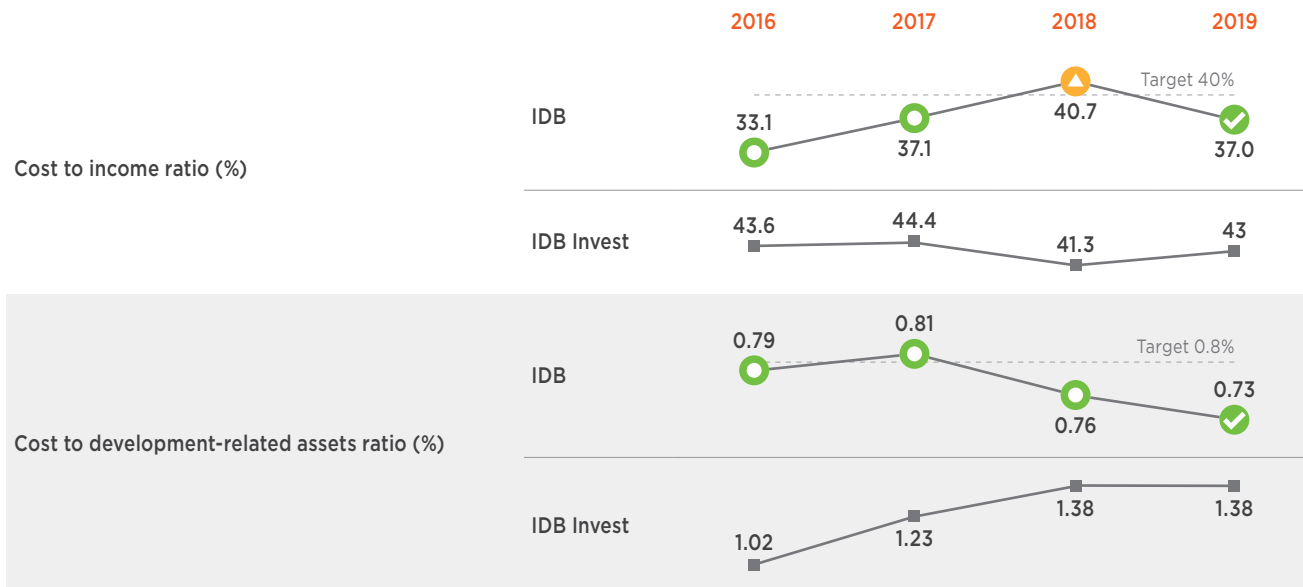
Efficiency

The CRF also includes two cost ratios: (1) the *cost to income ratio*, which compares administrative costs to income; and (2) the *cost to development-related assets ratio*, which compares administrative costs to the portfolio. Together, these indicators provide insight into the degree to which the IDB Group is financially sustainable and efficient in its use of resources (See Figure 2.4). The IDB continues to maintain healthy cost-to-income and cost-to-development-related-assets ratios, with the

cost-to-income ratio at 37 percent in 2019, in line with its target to remain under 40 percent, and the cost-to-development-related-assets ratio at 0.73 percent as compared to its target to remain below 0.80 percent. For the 2020-2023 period, the IDB targets for each of these ratios are the same as those set for 2016-2019.

Targets were not set for IDB Invest for these ratios for the 2016-2019 period as fluctuations were expected, reflecting the consolidation of the new institution during this timeframe. These fluctuations have been driven by various factors, including workforce growth to strengthen organizational capabilities and achieve portfolio growth and strategic business objectives, investments in information technology, and the deployment of new financial products. As IDB Invest will be further consolidated in the 2020-2023 period, targets have been set for that period (<60

Figure 2.4 Efficiency Indicators



Progress for 2019 is classified as: Achieved; Some Progress; or Not Achieved.

For 2016-2018, progress is classified as: On Track; On Watch; or Off Track.

A gray marker signals that the indicator did not have a target.

percent for cost to income and <1.3% for cost to development related assets).

Playing a Catalytic Role

The IDB Group strives to have an impact beyond the financing it brings to individual projects by building knowledge, fostering innovation, and mobilizing additional resources for the region's development. To this end, leveraging operational synergies across the IDB Group is key. For instance, IDB Invest and IDB Lab have been increasingly collaborating in topics such as financial inclusion, bringing to bear their complementary instruments to expand the reach of financial institutions to underserved MSMEs. IDB Lab also launched

a new joint sourcing model to increase impact and scalability of operations with the IDB Group, starting with the IDB's Infrastructure and Energy sector. Of the 19 projects pitched by this sector, 11 were given eligibility for \$5.6 million. These projects will test solutions for achieving inclusive access to services, through new technologies and business models in transportation, energy, and water. In addition, IDB Lab collaborated with the social sector to roll out [fAir LAC](#)—an initiative to ensure the responsible use of artificial intelligence, and with the information technology division to deploy the LACChain project to accelerate the use of blockchain for development (see Box 3.4 in Chapter 3).



The consolidation of the Group in the last several years has brought an increased focus on supporting effective public-private synergies not only at the corporate level, but also operationally. IDB and IDB Invest specialists have worked collaboratively in the development of a range of projects, including a project to improve electricity access in **Haiti** ([HA-L1140](#)), a desalination plant in **Mexico** ([12436-01](#)), and a debt fund providing structured loans to fintech companies across the region ([12711-01](#)), among others. Box 2.3 provides an example of how a coordinated approach to IDB and IDB Invest support was applied in Paraguay.

Knowledge

The IDB Group's knowledge products and services are wide-ranging, from offerings such as research and regional policy dialogues to Massive Open Online Courses and fee-based services. The establishment of the Knowledge, Innovation, and Communication Sector in 2018 contributed to enhancements in knowledge generation and dissemination, promotion of an internal culture of innovation, and enhanced internal and external communications. The CRF aims to capture the results of some of these efforts through two specific indicators.

Box 2.3

Public Private Synergies in Paraguay

The private sector is a strategic partner for infrastructure investment and development, bringing to bear its innovation, asset management, and resource mobilization capacities. While the region has significantly increased the use of Public-Private Partnerships (PPPs) for infrastructure development, private participation is still limited, representing on average 30 percent of total investments. In countries such as **Paraguay**, PPPs have recently started to emerge thanks to IDB Group support, which has included institutional strengthening and comprehensive training for public officials on the design and implementation of PPPs.

The Ruta PY02 highway expansion project is the first privately financed contract signed under Paraguay's PPP Law, which seeks to attract foreign direct investment to the country. To develop this road project, the IDB supported the prefeasibility and feasibility studies for Highways 2 and 7 (today called Ruta

PY02). IDB Invest guided the financial structuring of the project, providing a financing package of \$200 million out of the approximately \$500 million required for the investment, including a guarantee for the initial construction risk and a long-term loan that is to be disbursed upon payment of the guarantee. The remainder was raised through a bond issuance, which mobilized international investors. Through this innovative structure, IDB Invest is supporting the development of capital markets for infrastructure finance in Paraguay.

The project will double the lanes on 140 kilometers of Highway PY02, which is the main economic artery in the country, handling 70 percent of its cargo. The driving time between the capital Asunción and Ciudad del Este will be reduced by roughly 40 percent to about three and a half hours. Better road quality will also reduce transportation operating costs and improve road safety.

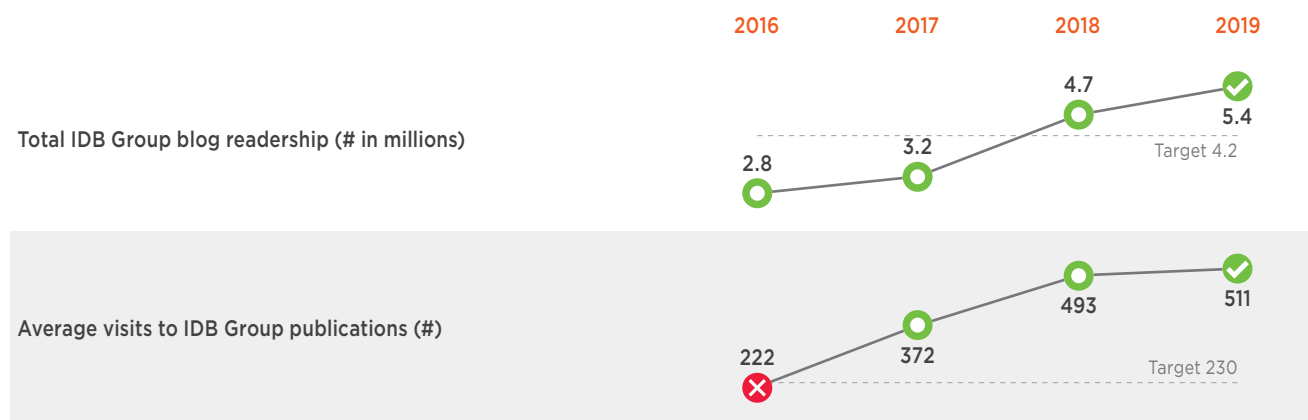
The reach of the IDB Group’s knowledge products grew throughout the CRF period, with both CRF indicators exceeding their 2019 targets (see Figure 2.5). The *average annual visits to IDB Group publications* grew substantially from its baseline of 139 in 2014 to 511 in 2019, well above its target of 230.¹⁴ Similarly, *total IDB Group blog readership* increased from its baseline of 2.1 million in 2014 to 5.4 million in 2019, exceeding its 2019 target of 4.2 million. Part of this increase can be attributed to the upgrades to IDB’s blogs platform in early 2019, which focused on improving site performance (site speed and load times), branding, and Search Engine Optimization. These factors contributed to increased traffic to the site via greater visibility of IDB blog content in search engines, sending more organic traffic to the blogs site, and greater recogni-

tion and usage of the site due to an improved user experience. In addition, the total number of blog posts available via the platform also grew during this period—from approximately 2,800 in 2014 to nearly 10,100 by the end of 2019.

Resource Mobilization

In terms of leverage and partnerships, mobilization of third-party resources, particularly those from the private sector, continues to be of critical importance to the IDB Group in supporting the region’s development and the Group’s commitments under the Billions to Trillions agenda toward meeting the SDGs. Likewise, the launch of the Operating Principles for Impact Management in 2019 is helping to clarify what it means to invest for impact, bolster-

Figure 2.5 Knowledge Indicators



Progress for 2019 is classified as: Achieved; Some Progress; or Not Achieved.

For 2016-2018, progress is classified as: On Track; On Watch; or Off Track.

¹⁴ The average of 511 downloads reported for 2019 includes all publications with at least one download in the year and, therefore, includes downloads for many publications published in prior years, which are available, but not always actively promoted. While a similar indicator has been included in the CRF 2020-2023, it has been defined differently in order to focus on the performance of peer-reviewed knowledge products during the first year after their published date, which will allow for more precise monitoring of trends and greater actionability. For more information, consult the approved CRF 2020-2023.

ing opportunities to mobilize private capital toward SDG-enabling investments (see Box 2.4). From 2016 to 2019, IDB Invest mobilized resources through a range of instruments, including A/B loans, bonds, co-loans, guarantees, and unfunded credit protection to reach a total of \$5.4 billion in core mobilization. Overall a total of 114 syndicated transactions with 98 different participants were closed in that period. Additional financing from third parties contributed to reach a total catalytic mobilization of \$15.5 billion (see Figure 2.6).¹⁵ In 2019, IDB Invest's core mobilization reached \$1.4 billion, while catalytic mobilization reached \$5.2 billion.

IDB Invest is increasingly positioning itself as a conduit between the various investor classes in the global capital pool and its clients in the region. This means constantly adapting and developing new products to attract both international and local institutional investors. For example, IDB Invest's B-bond product, which is unique among MDBs, has been successfully deployed in various transactions to mobilize institutional investment for infrastructure projects. In addition, IDB Invest seeks to replicate platforms to attract sovereign wealth and private institutional investor funding to its transactions, similar to the China Co-Financing Fund.

Box 2.4

Operating Principles for Impact Management

Investors are increasingly targeting investment opportunities that generate positive social and environmental impact alongside financial returns. At the same time, the SDGs have become a benchmark for measuring, managing, and communicating impact, and many investors are aligning their portfolios with these global goals. As the appetite for impact continues to grow, it is increasingly important to converge around a shared understanding of what it means to invest for impact.

To address this challenge, a group of MDBs, DFIs, banks, impact asset managers and owners, and industry associations, including IDB Invest, developed

the [Operating Principles for Impact Management](#), which provide nine common guidelines for managing investments for impact throughout the project cycle. To foster accountability and transparency, signatories must publicly disclose the alignment of their impact management systems with the Principles and have this alignment independently verified.^a Launched in April 2019, IDB Invest was among the first group of 60 signatories to the Principles, collectively representing \$350 billion in impact assets under management, and was elected as a member of the Advisory Board. One year after launch, over 90 investors have signed on to the Principles as they continue to gain traction.

^a. IDB Invest published its [disclosure statement](#) and [independent verification of alignment](#) in April 2020.

¹⁵. The \$15.5 billion total mobilized by IDB Invest from 2016-2019 is complemented by \$8.8 billion mobilized by IDB and \$1.4 billion mobilized by IDB Lab in the same period.

Figure 2.6 Mobilization Indicator



Progress for 2019 is classified as: Achieved; Some Progress; or Not Achieved.

For 2016-2018, progress is classified as: On Track; On Watch; or Off Track.

For the 2020-2023 period, mobilization targets have been set for the entire Group, including for direct third-party financing deployed and the portion of it that is private financing, as well as for indirect third-party financing. In order to achieve the target of \$25.5 billion for the 2020-2023 period, the IDB Group has a new Mobilization Roadmap focused on enhancing existing mobilization efforts, promoting domestic mobilization, and catalyzing private financing. The roadmap includes a range of key actions that will support achievement of this target, which include: (1) integration of mobilization considerations in the country strategy and programming processes; (2) outreach to existing and potential partners regarding instruments, conditions, and partnership services; (3) development of new or enhanced instruments to facilitate mobilization; (4) creation of internal incentives to shift the corporate culture toward mobilization and cross-departmental collaboration; and (5) enhancement of monitoring and reporting practices to track results.

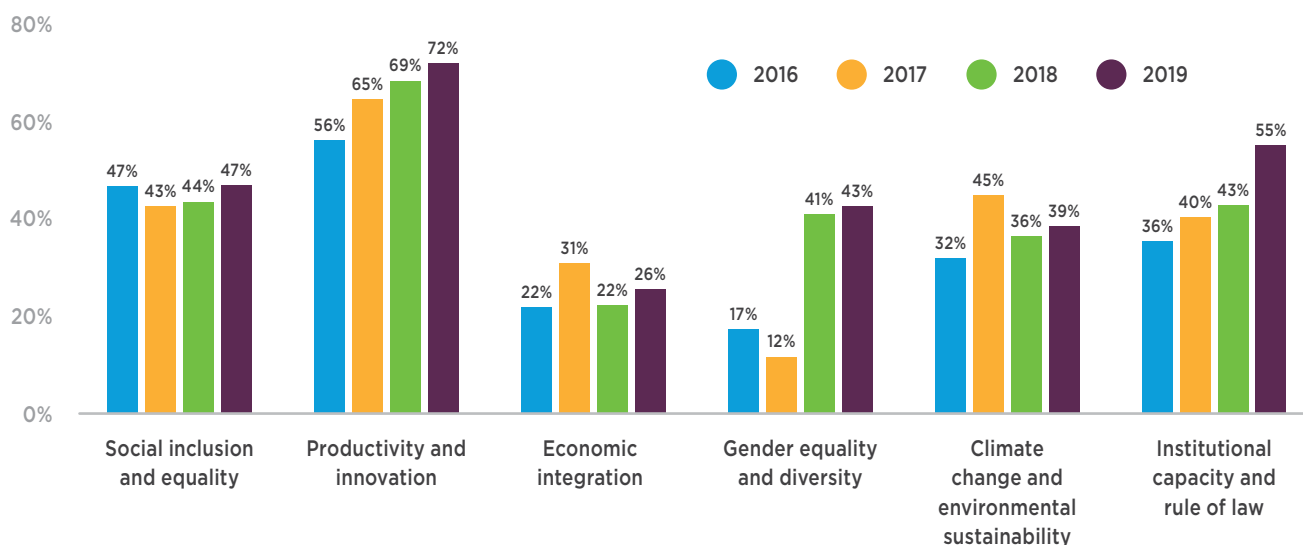
Strategic Alignment

The strategic alignment of new operations to UIS priorities was high throughout the period, with the largest portion of Group financing aligned to productivity and innovation (see Figure 2.7). The evolution throughout the period also reflects increased efforts across the IDB Group to mainstream the three cross-cutting issues, as alignment to gender equality and diversity, climate change and environmental sustainability, and institutional capacity and rule of law all experienced growth during the four-year period.

As one example, strategic alignment to gender equality for IDB operations increased in part due to the implementation of a process to screen the full pipeline early in the year to identify priorities for gender mainstreaming as well as efforts by Gender and Diversity Division staff to provide more systematic technical support for gender mainstreaming during project preparation.¹⁶ Similarly, for IDB Invest alignment to gender equality increased over this

¹⁶ The methodology for determining strategic alignment to gender equality and diversity was also revised in 2017 to better capture projects that included gender and diversity analysis, actions and results in their design.

Figure 2.7 2016-2019 Strategic Alignment by IDB Group Priority as Percentage of Approved Amount



Note: Strategic alignment to climate change and environmental sustainability is higher than the total percentage of climate finance for each year given that it also includes support for environmental sustainability. In 2018, the IDB criteria for strategic alignment to gender equality and diversity was modified to allow all projects with a gender or diversity analysis, related actions and at least one related result indicator to be considered as aligned. It was no longer a requirement that these three gender or diversity elements be directly aligned with the project’s main objective and central vertical logic. Detailed information on strategic alignment by IDB Group institution as well as by project can be found on the [indicator webpage](#) of the CRF website.

period due to a combination of management incentives to originate projects addressing this strategic issue and constant pipeline reviews by the Gender and Diversity team to identify and support gender mainstreaming opportunities.

Reflecting on 2019 specifically, it is worth noting that after a drop in its alignment to gender equality and diversity in 2018, IDB Lab took action to identify and finance solutions related to these key priorities. For example, it created a gender mainstreaming task force, helping to quadruple the percentage of IDB Lab resources going towards closing gender gaps. The growth observed in IDB Lab in these areas was mirrored by growth across the other parts of the IDB

Group in 2019. Notably, in 2019 IDB Invest designed its first projects focusing on the inclusion of Afro-descendants, Indigenous and Traditional People, and people with disabilities. The updated CRF sets ambitious targets to further mainstream these issues for the 2020-2023 period, in addition to an IDB target for institutional capacity and rule of law.

The IDB Group’s commitment to gender equality goes beyond its work in Latin America and the Caribbean. In alignment with its strategic priorities for the region, the Group also has a commitment to striving for gender equality in the workplace, as described in Box 2.5.

Box 2.5

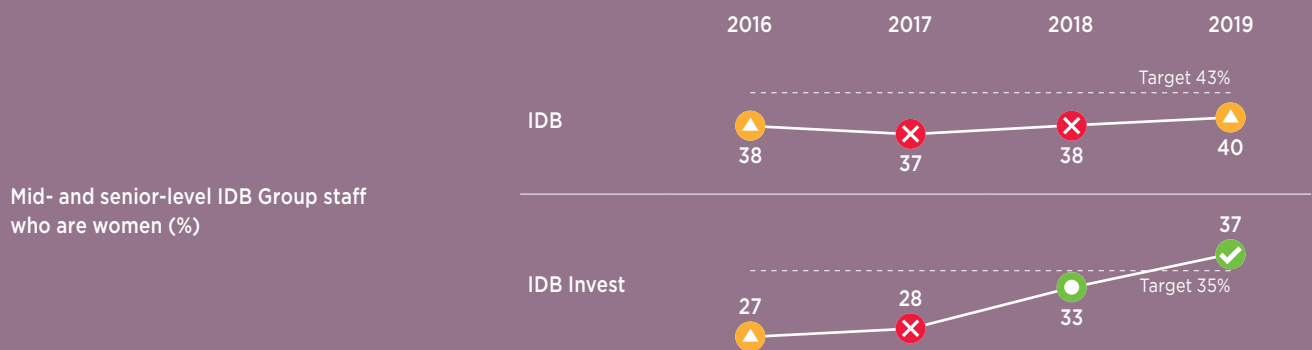
Gender Equality in the Workplace

Increasing the representation of women in mid- and senior roles across the IDB Group has been a priority for many years. During the 2016-2019 period, both IDB and IDB Invest saw progress on the CRF indicator *mid- and senior-level IDB Group staff who are women*.

IDB Invest exceeded its target of 35 percent, with 37 percent of positions at this level filled by women at the end of 2019 (compared to 27 percent in 2016). Some of the factors contributing to the increase in this four-year period included proactive recruitment of strong female candidates, concerted efforts by hiring managers to prioritize closing gender gaps, and the growth in IDB Invest staff overall during this period. Given these results, and that staff growth has stabilized, IDB Invest has set a target of 38 percent for 2023.

The IDB also made progress during this four-year period, with an increase to 40 percent of female representation in mid- and senior level grades at the end of 2019. The IDB continues to work towards its target of 43 percent and is enhancing previously implemented measures while implementing new ones. For example, the IDB is proactively deploying targeted social media campaigns, leveraging audience intelligence technologies. IDB has also increased its participation in virtual career fairs for women and enhanced the sophistication of its talent pipeline creation. Additional measures include strengthening the Employee Resource Groups so that they may support efforts to identify talented professional women, enhancing mentoring programs to target specific groups, and monitoring and communicating progress through quarterly updates.

Figure 2.5.1 Mid- and senior-level IDB Group Staff Who Are Women, 2016-2019



Progress for 2019 is classified as: ✓ Achieved; ▲ Some Progress; or ✗ Not Achieved.

For 2016-2018, progress is classified as: ● On Track; ▲ On Watch; or ✗ Off Track.



Reflections

The Group's experience with the Performance indicators from 2016 to 2019 revealed several important lessons, including the need to be strategic in determining which indicators are subject to targets and how they are set. Other lessons include the need for ownership throughout the institution for the CRF to be an effective management tool, and the need to systematically capture and report on performance data frequently and at a granular level to understand patterns and focus improvement efforts. Presenting performance data by sector, country, and other relevant variables is valuable in understanding patterns, driving actions, and linking progress to specific business units and teams. These lessons were a critical input to the development of the CRF 2020-2023 proposal, which includes a commitment to report many indicators more frequently and with greater disaggregation as well as adjustments in the use of target-setting.

Overall, more than half (11 out of 19) of IDB Group Performance indicators fully met their 2019 target.

Another two indicators made some progress against their baseline value and six indicators had a final value in 2019 that did not show any improvement as compared to their baseline. The limited progress on several indicators can be attributed to factors ranging from a lack of clear business owners to drive progress on the indicator to the level of ambition of targets.

Among the most critical performance indicators for the Group are those related to development effectiveness, particularly the achievement of final results. This is one area where the Group institutionalized more robust measurement criteria in the middle of the 2016 to 2019 period, rendering the achievement of targets more challenging than initially anticipated. Chapter 3 takes a deeper look at those indicators as well as the IDB Group's development effectiveness framework as a whole.



Chapter 3

Promoting Effective Development

As a development institution, the most critical commitment of the IDB Group is ensuring a focus on results throughout the project lifecycle and gathering knowledge of what works and what does not to increase project effectiveness. Each of the IDB Group institutions uses a series of processes and tools to ensure a focus on results during project design, to monitor projects in the active portfolio, and to assess the achievement of results. While the processes and tools differ, they share a common purpose of maximizing the likelihood of delivering results and promoting a culture of continuous learning and improvement throughout the Group.

In the 2016 to 2019 period the Group's development effectiveness tools evolved substantially. With the establishment of IDB Invest in 2016, a new suite of tools was developed, which evolved in the following years based on learning from their implementa-

tion. IDB Lab also adopted new tools based in part on those of IDB Invest, but tailored to its unique role as an innovation laboratory. The IDB's tools were also finetuned to continue enhancing their utility in driving project performance. See Appendix B for a summary of development effectiveness tools by institution.

This chapter reviews highlights from 2019 for each institution separately in terms of the enhancements to and findings derived from the tools used during project preparation, monitoring, and evaluation. It is worth highlighting that for IDB and IDB Invest, 2019 represented the third year for which Project Completion Reports (PCRs) for IDB and Expanded Supervision Reports (XSRs) for IDB Invest were validated by OVE. In addition to the specific tools discussed for each entity, impact evaluations are used throughout the IDB Group to measure the impact of operations in a rigorous way. See Box 3.1 for more information.

Box 3.1

IDB Group Snapshot: Impact Evaluations, Studies, and Dissemination

Impact evaluations allow for rigorous measurement of project effects, producing the highest standard of knowledge by demonstrating what types of interventions work best, under what circumstances, and for whom. In addition to fostering accountability, they are a powerful learning tool, as the evidence they generate can be fed into the design of new interventions or used to improve existing operations.

In 2019, the IDB Group completed more than 60 impact evaluations spanning a wide range of sectors in 17 countries. For instance, IDB used data from a large-scale randomized controlled trial in **Peru** regarding school-based financial education to take stock of the impact of such programs on financial literacy and broader academic outcomes. On a related theme, IDB Invest disseminated an [evaluation on financial inclusion](#) in **Paraguay** in 2019 to assess whether gaining access to credit makes underserved borrowers better or worse off. The results of this evaluation were further distilled into a two-page summary ([DEBrief](#)) and [blog](#) to expand audience reach. Similarly, IDB Lab produced a [thematic case study](#) on the ProSavings program comparing the experiences of eight projects that helped financial institutions develop savings products for low-income populations,

including results from an impact evaluation of one of these projects in Peru.

As a knowledge broker, the IDB Group ensures that the results of impact evaluations and other studies are disseminated widely, using various channels. For example, in 2019, the IDB released a quarterly newsletter to share results, impact evaluations, and knowledge products developed by both the public and private sectors with a broader audience. Similarly, in 2019 IDB Invest continued to publish the results of its impact evaluations, sector knowledge gap analyses, and other studies in the *Development through the Private Sector* peer-reviewed technical note series. As in the example above, each technical note is accompanied by a [DEBrief](#) and blog, and shared using various communication channels. For its part, IDB Lab continued generating and sharing knowledge in the innovation space, including a regional study on [agtech innovations](#) and the most extensive [survey of women STEM entrepreneurs](#) in LAC, with 1,150 respondents.

Appendix D contains the complete list of IDB Group impact evaluations completed in 2019, some of which will be discussed in greater detail in the forthcoming IDB Group impact evaluation report.

IDB

IDB's Development Effectiveness Framework (DEF) was launched more than a decade ago to increase the effectiveness of its projects, providing standards and metrics for the evaluation of all development interventions as well as the associated guidance and business processes. The DEF consists of three critical tools corresponding to different stages of the proj-

ect's lifecycle: the Development Effectiveness Matrix (DEM), the Progress Monitoring Report (PMR), and the Project Completion Report (PCR). The focus on results has also been incorporated into a specific lending instrument that links disbursement of funds to the achievement of results (see Box 3.2).

Box 3.2

Loans Based on Results

The Loan Based on Results (LBR) instrument offered by the IDB links the disbursement of funds directly to the achievement of predefined, sustainable results. The aim is to help countries improve the design and implementation of their own development programs and achieve lasting results by strengthening good governance and fostering a results-based management culture. The LBR modality also minimizes transaction costs for the executing agency by allowing them to follow their own procurement rules and fiduciary systems (as opposed to those of IDB, which apply to other types of operations).

Since the IDB revamped the LBR instrument in 2017, four LBRs have been approved for **Uruguay**—more than in any other borrowing member country—focusing on a range of areas. As one example, the first LBR approved ([UR-L1141](#)) aimed to improve student learning and competencies at the primary and lower secondary education levels by enhancing pedagogical practices and investments in technological platforms.

Disbursements under UR-L1141 were based on indicators measuring areas such as student achievement in English and the level of student participation in an adaptive mathematics platform that adjusts to each student's learning pace. This project built on the IDB's prior support for Uruguay's Plan CEIBAL, which fo-

cus on enhancing learning through use of information and communication technologies.

In the two years since the operation's approval, more than 1,300 new deep learning activities have been created by professors and shared in the platform, students across the country have taken almost two million tests over the platform, and the percentage of urban students achieving an A2 level of English has increased by 10 percent.^a Overall platform usage also increased by 27 percent between 2018 and 2019. The results of this operation have become exceptionally critical in the context of the coronavirus pandemic as Uruguay was well-positioned to transition rapidly to distance learning. For example, more than 70 percent of primary school students had registered and connected to their teachers through the Plan CEIBAL platforms in the first two weeks after in-person classes were suspended because of the virus.

Other LBRs in Uruguay have been similarly successful in achieving their intended results, including mobilizing private sector investment in innovative ventures and achieving savings in government expenditures. For instance, the Uruguay Global program ([UR-L1150](#)) has promoted digital skills focused on internationalization of services by providing technical training by MIT and Harvard to more than 50

^a Deep learning is a pedagogical approach that is framed in problem-based learning experiences and seeks to connect interdisciplinary knowledge in a better way. A2 is the upper basic level according to the Common European Framework of Reference for Languages.

students. As another example, the Business Innovation and Entrepreneurship Project ([UR-L1142](#)) supported increased private sector productivity through programs providing technical advisory services and seed capital to entrepreneurs, among others. A subsequent operation ([UR-L1158](#)) was approved under the same Conditional Credit Line for Investment Projects (CCLIP) with a focus on fostering research and entrepreneurship in the country by financing innovative ventures, post-doctorate studies, and scientific research projects.^b

The selection of the right instrument for each project depends on what it aims to achieve. Just as an investment loan may provide up-front liquidity to support new infrastructure investments and a policy-based loan is a tool for advancing policy changes, LBRs help create incentives to improve existing programs or operations. In addition to Uruguay, LBRs are also underway in Brazil and the Dominican Republic.



^b A CCLIP is an instrument that can finance programs involving one or multiple sectors, and aims to increase the agility of the processes to prepare and approve loans, reduce loan-processing costs, and reward borrowers for good performance in executing projects.

Project Design

At the IDB, the DEM is used to rate loans during the design phase to ensure that they adequately diagnose the relevant development challenges, incorporate evidence-based solutions, safeguard resources by including an ex-ante economic analysis, and allow for proper measurement of results throughout the life of the project. Since 2010, all projects have been required to meet a minimum evaluability threshold before being sent to the Board of Directors for approval. In 2019, the average evaluability score was 8.8 out of 10 (as compared to 8.7 in 2018). The DEM also includes a risk assessment component to ensure that teams apply IDB's standard methodology when both evaluating project risks and defining any corresponding mitigation measures.

Monitoring

During execution, the IDB tracks project performance using the PMR—the Bank's principal instrument for monitoring its operations and strengthening overall management for results at a project level. The PMR captures quantitative information on project costs as well as outputs, outcomes, and impacts in the project's results matrix to help ensure that activities and outputs are being generated in line with expected costs and timeframe. It is also a tool for project teams to document qualitative information on a project's implementation status, lessons learned during execution, and the likelihood that development outcomes will be achieved. The quantitative and qualitative data on project progress in the PMR aims to help management improve its decision-making and accountability by supporting targeted course corrections during the execution of a specific project as well as improved systematization of lessons learned to improve the design and implementation of future projects.

The PMR is also used to rate the execution of each project on an annual basis as “satisfactory,” “alert,” or “problem” based on how the execution of outputs com-

pares to planned execution and country benchmarks. The specific factors used to determine the rating vary depending upon the project's stage of execution. In 2019, 80 percent of the 469 operations classified via the PMR were rated as “satisfactory.” The percentage of projects rated satisfactory ranged from 76 percent for the Infrastructure and Energy Sector department to 88 percent for the Integration and Trade Sector department. By region, the percentage of projects rated satisfactory ranged from 74 percent for the countries covered by the Country Department Central America, Mexico, Panama and Dominican Republic to 83 percent for the Andean Group. Understanding the most common issues that negatively affect project performance during execution is important to inform the preparation and execution of similar operations. Of the operations not rated as satisfactory in 2019, lessons learned related most often to project management capacity, project design, and coordination.

Project management capacity challenges were cited most frequently in lessons learned and range from the technical capacity of those responsible for the design and execution of the operation to the structure and turnover rate of the executing agencies. For example, low quality technical studies have been noted as a cause of increased costs and delays in execution, compromising the timely achievement of physical and financial targets. Close supervision by the IDB team and an executing unit with fully dedicated staff and strong institutional backing at a high level can help keep execution on track, particularly in complex projects. Project design was the second most frequently cited issue in 2019. Project complexity or lack of maturity at approval has implications throughout its execution that may compromise the timely achievement of results. Finally, another factor in underperformance relates to coordination—that is, issues regarding the roles and responsibilities of different actors involved in project implementation,

both within the borrower's structure as well as with other project stakeholders. The availability of coordination mechanisms for agencies responsible for the implementation of the project is seen as highly beneficial, especially in cases of complex and multisectoral operations.

Project Completion

At completion, IDB projects are rated based on four core criteria: relevance, effectiveness, efficiency, and sustainability. An objectives-based approach is used to evaluate performance against the specific objectives the project intended to achieve, as measured at closure by the concrete results identified for each objective. The PCR document presents the results of this assessment and is prepared by the IDB unit responsible for the project, with results independently validated by OVE. The production and dissemination of PCR findings serves an important accountability function as well as a learning function to help enhance the design and execution of other projects.

In 2019, 62 PCRs were completed and submitted to OVE for validation of the overall effectiveness rating based on harmonized guidelines for evaluation of projects at completion that were established in 2018.¹⁷ The complete list of PCRs and their associated ratings and PCR documents can be found in Appendix C. These projects were approved between 2009 and 2018 for a total amount of \$4.2 billion. They spanned a wide range of sectors and covered 21 countries. Overall, the OVE-validated rating was favorable for 52 percent of the projects (compared to 63 percent for 2018).¹⁸ The

greatest proportion of favorable ratings was for projects corresponding to the Climate and Sustainability Sector department, with 60 percent of projects rated as either "partly successful," "successful," or "highly successful." The sub-region with the greatest proportion of favorable ratings was the Andean group, with 56 percent of projects rated as either "partly successful," "successful," or "highly successful."

The majority of PCRs reviewed for the 2019 cycle correspond to projects designed and approved prior to the adoption of the current PCR guidelines. As such, they were evaluated based on criteria that were not considered when the project was developed, which may have contributed to underperformance on this indicator. In addition to this methodological factor, each PCR includes a synthesis of key findings and lessons learned from project design and implementation, which address questions such as what the project did well and what could have been done differently to optimize results. Factors influencing project success range from the strength of the executing agency and its assigned human resources to the quality of the project design and planning. Some of the common factors cited in projects that fell short of their intended results were challenges associated with monitoring and evaluation, stakeholder coordination, and institutional capacity. Furthermore, in some cases, the project's macroeconomic or political context changed substantially over the life of the operation, affecting its implementation.

It is worth highlighting that a non-favorable PCR rating does not imply that a project did not achieve any of its intended objectives and/or outcomes. For example, a

^{17.} Since 2018, this indicator has been reported based on the level of achievement of outcomes—as validated by OVE—established at project initiation, whereas in prior years the approach considered adjustments to indicators and targets made during project execution and also took into consideration project outputs. The PCR guidelines specify that achieved project results must be compared against those indicators and targets established when projects were approved as well as any changes in outcomes that were established within 60 days of the project reaching eligibility.

^{18.} Favorable refers to an overall rating of "partly successful," "successful," or "highly successful" on the six-point scale used to evaluate the project overall.

project approved in 2010 to strengthen the agricultural innovation system in Argentina ([AR-L1064](#)) fell short on several targets related to small scale farming and improving agricultural extension services. On the other hand, the majority of its targets related to improving capacity to generate and transfer new technology, products, and processes were met. For instance, the number of patents obtained exceeded its target by 50 percent and the number of laboratories with accreditation surpassed its target by 71 percent. Thus, while the project underperformed with respect to the totality of its expected results, it did make important contributions to strengthening the agricultural innovation system.

Closing the gap between expected performance and results at completion is a critical priority for IDB. Given that the achievement of results relies upon quality design and effective execution, the IDB has been expanding its Operations Learning Program and associated learning activities to provide more tools and resources to support effective project development and execution. This includes resources for project teams related to identifying and managing project risks as well as external learning materials that are available to Executing Agencies and other stakeholders. In addition, more than 7,000 professionals in the region (IDB employees and government personnel) have been trained since 2012 via the Project Management for Results (PM4R) Program, which helps strengthen planning and management skills as well as promote the adoption of best practices. The IDB has also compiled a consolidated database of lessons learned since 2013 from PCRs, PMRs, and other sources and is developing an integrated search tool platform to explore these lessons. In addition, there is an ongoing pilot with the Southern Cone countries to strengthen the feedback loops during project preparation by providing team leaders with a compilation of lessons relevant to the profile of a new operation (Lessons Learned Review).

IDB Invest

IDB Invest's Impact Management Framework is an end-to-end series of tools and practices that support the complete project lifecycle, with a strong focus on portfolio management. It is grounded in a portfolio approach (Portfolio 2.0) that integrates both impact and financial sustainability into investment decision-making using two key tools: the Development Effectiveness Learning, Tracking, and Assessment tool (DELTA), which scores project impact potential and tracks impact throughout implementation, and the Financial Contribution Rating (FCR), which measures the financial contribution of each operation to IDB Invest, based on the risk-adjusted return on capital (RAROC). Other key tools include the Strategic Selectivity Scorecard at origination, the DELTA in supervision, the Development Effectiveness Analytics Platform, and the Expanded Supervision Report (XSR) at completion.

Project Selection and Design

Among the highlights in 2019, IDB Invest piloted the Strategic Selectivity Scorecard with 117 operations in nine sectors. This tool helps steer origination towards the main development gaps in each sector and country, in line with IDB Group country strategies and corporate and institutional targets. Another key achievement was the implementation of a new methodology to assess projects' expected SDG contributions, which is embedded within the DELTA. IDB Invest analyzed and mapped its entire active portfolio to the SDGs and will measure SDG contributions against expectations throughout project supervision. (See Box 1.1 for more details).

The DELTA score at approval is a combined assessment of the project's expected development outcome and IDB Invest's additionality. The median DELTA project score has increased year-on-year

since the launch of IDB Invest, reaching 8.9 (out of 10) in 2019.¹⁹ Compared to 2018, median scores increased across all three business segments, reaching 9.2 for infrastructure and energy, 8.3 for financial institutions, and 8.5 for corporate projects.²⁰

On the development outcome side, a larger share of infrastructure and energy and financial institution projects approved in 2019 included a component focusing on poor and vulnerable populations compared to 2018. Similarly, in the financial institution segment in particular, projects included a greater focus on gender equality, reflecting IDB Invest's ongoing efforts to increase access to finance for women and women-led SMEs. Focusing on specific DELTA category scores, notably, market linkage scores were up across segments, signaling the wider systemic effects that IDB Invest projects can have by integrating and strengthening value chains and fostering trade.

Related to financial additionality, resource mobilization improved particularly for infrastructure projects, with nearly two-thirds attracting additional investment, and also for corporate projects. Regarding non-financial additionality, one aspect the DELTA assesses is to what extent IDB Invest is building client capabilities by strengthening corporate governance practices, making operational improvements, or helping clients introduce innovations. Projects scored higher in this category across the board compared to 2018, especially in the corporate and financial institution segments. Likewise, scores related to client improvements in environmental and social (E&S) management increased for both the in-

frastructure and energy and corporate segments. Taken together, these increases in capabilities, such as corporate governance (see Box 3.3), and E&S management reflect the mounting importance of non-financial risk management for private sector projects and the value added that IDB Invest brings in this regard.

Finally, the DELTA also assesses project design at entry to enable proper results measurement during the monitoring and evaluation stages. The average evaluability score was 8.5 in 2019, up slightly from 2018, with improvements across all three business segments.

Monitoring

To actively manage the portfolio for impact in the supervision stage, each project's DELTA score is updated annually, allowing IDB Invest to identify which projects in the portfolio are on or off track in terms of development impact targets and help clients take action accordingly. The monitoring process is designed to shorten the learning curve by extracting lessons learned from projects early on that can then be applied to improve performance both at the individual project and portfolio levels. Operations are pre-classified as "satisfactory," "alert," or "problem"²¹ based on both the absolute DELTA score in supervision and the deviation between that score and the DELTA score at approval. The final classification also considers relevant DELTA sub-scores, results matrix performance, and other complementary information as needed.

^{19.} Starting in 2020, IDB Invest will report on median DELTA scores at approval only for committed operations.

^{20.} The corporates sector refers to loans to companies in agribusiness, manufacturing, telecommunications, and tourism.

^{21.} A classification of "alert" refers to projects that are mostly on track but may be facing delays or are not meeting certain development targets. When a project is at high risk of not reaching its development goals, it is classified as "problem".

Box 3.3

Building Client Capabilities in Corporate Governance

Companies that are well-run tend to do better in the long-run, and can have a greater impact on the region's development. This means integrating good practices such as accountability, transparency, responsibility, and equitable treatment into corporate decision-making and stakeholder engagement. Therefore, helping clients adopt good corporate governance practices that meet internationally recognized standards is a core part of IDB Invest's work. To this end, IDB Invest's [corporate governance methodology](#) assesses clients' existing practices to determine whether they meet certain thresholds, also identifying challenges and opportunities for improvement. In turn, the DELTA captures the additional capacity building support that IDB Invest may provide to clients in the non-financial additionality section of the project score.

IDB Invest corporate governance support covers a range of tailored capacity building efforts in line with client needs. For example, among projects approved in 2019, IDB Invest worked with an agribusiness cooperative in **Uruguay** to improve board effectiveness and succession planning, as well as to enhance internal policies regarding related party transactions, conflicts of interest, and rotation of external auditors. Similarly, corporate governance support for a company in the machinery industry in **Mexico** will include among its activities integrating independent members into the board of directors and creating an internal compliance department. IDB Invest will also help a port construction project in **Colombia** adopt best practices related to conflict of interest policies, internal control processes, and shareholder information disclosure.

In 2019, a total of 181 operations were under supervision,²² of which 18 projects (10 percent) were unable to be classified due to evaluability issues or unclear or incomplete data from clients. Notably, the share of projects classified as "lack of data" continues to decrease thanks to strengthened collaboration with the portfolio management team around data collection and more stringent loan agreement reporting requirements.

Of the 163 operations in supervision that were classified in 2019, 75 percent were "satisfactory," 14 percent were in "alert," and 11 percent were "problem."²³ Overall the portfolio reflects similar trends as previous years. Most infrastructure projects are expected to reach their development objectives, even those that have faced construction delays. Corporate projects are progressing well overall, with "problem" classifications driven mainly by weather conditions, price volatility, or the macroeco-

^{22.} At any point in time, the supervision universe includes all operations which have already disbursed and have not yet reached the Expanded Supervision Report (XSR) stage. In previous DEOs, supervision data was reported as of the end of the year. Given that the supervision universe may evolve over the course of the year (since projects leave the supervision universe when they reach the XSR stage) and in order to provide a more complete picture of annual performance, the figures reported above include all projects that received a supervision classification in 2019.

^{23.} In the context of the COVID-19 crisis, in April 2020 IDB Invest performed a stress test on DELTA scores in supervision considering three different shock scenarios, as well as country- and sector-specific contexts, in order to analyze the extent to which the crisis could affect expected development impact results and the performance classifications reported above.

conomic context. For financial institutions, while the share of projects classified as “problem” has improved, dropping from 33 percent in 2018 to 23 percent in 2019, the segment as a whole has a higher risk of not meeting expected impact targets. This is mostly due to targeted portfolios not growing as originally intended.

It is also worth noting how the composition of the supervision portfolio has evolved since the launch of IDB Invest in 2016. Over half of the portfolio (57 percent) is now made up of projects approved with the DELTA tool. If we look at the performance of this subset of 95 projects for 2019 which could be classified,²⁴ 84 percent were “satisfactory,” 9 percent were in “alert,” and only 6 percent were classified as “problem.”

Furthermore, IDB Invest continued to gain efficiencies and streamline the supervision process in 2019 by centralizing all supervision data together with approval data in the project management system. This allows for a more seamless assessment of project progress, including the evolution of the DELTA score over time, as well as the annual project classifications and relevant contextual information. As part of this streamlined approach, projects’ results matrix indicators have been aligned to IDB Invest’s standard indicators, which in turn are tagged to their corresponding CRF indicators and SDG targets, facilitating results aggregation at the portfolio and industry level.

Project Completion

In 2019, IDB Invest prepared 36 Expanded Supervision Reports (XSRs) for projects that reached early operating maturity and were approved from 2013 to 2015 for a total amount of \$493 million (plus an additional \$438 million in mobilized funds). Overall, the

OVE-validated project development outcome rating was favorable for 58 percent of these projects (compared to 43 percent in 2018).

The majority of these XSRs (28 projects; 78 percent) were for financial institution projects, focusing on sub-sectors including financial markets, financial inclusion, banking market development, and housing. Five projects (14 percent) were from the corporate segment, including three projects in agribusiness and two in sustainable tourism. Finally, there were three projects in infrastructure (eight percent), two of which financed solar energy production and one that financed social infrastructure focused on health.

In terms of performance, 61 percent of financial institution projects, 40 percent of corporate projects, and 67 percent of infrastructure projects had favorable ratings. Similar to previous years, key success factors for favorably rated projects overall include the selection of high-quality sponsors with good track records, clear alignment between IDB Invest and client objectives, strong demand for the products and services offered, and substantial additionality in terms of the long-term financing and technical assistance provided.

When looking at financial institution projects specifically, performance was better when the clients had experience serving the targeted market, versus when they were entering new and unfamiliar markets, such as by using technological platforms to reach rural areas or developing new portfolios for internationalizing SMEs. This cohort of financial institution projects also demonstrates that having clear definitions for indicators is key to capture results. Projects that relied on financial institutions’ existing SME definition to track project performance had fewer data collection issues than projects that introduced new definitions, which

²⁴ In 2019, eight percent of projects approved after the merge out could not be classified due to unclear or incomplete data or evaluability issues.

created an extra reporting burden and affected data quality. Finally, adverse external conditions such as economic and political crises were also a factor in project underperformance.

In general, while it is difficult to make year-over-year comparisons of project performance at completion since the sample sizes are small and the types of projects included in each XSR cohort vary, several factors have contributed to this indicator being lower than the 80 percent CRF target for 2016 to 2019. First, all XSRs completed to date were for projects designed using different standards than those now used to evaluate them at completion, making evaluability an ongoing issue. Next, adverse external conditions, which were not foreseen at approval, have also affected project performance. Another factor is the nature of IDB Invest projects, which encourage private sector clients to innovate and take risks when it comes to their development impact.

With these factors in mind, IDB Invest has taken several actions to help close the gap between expected performance and results at completion. First, projects approved by IDB Invest starting in 2016 have been designed and monitored with a set of tools and consistent methodologies that enhance evaluability and are in line with XSR standards. Next, to better account for potential external shocks that may affect project performance, there is greater emphasis on sensitivity analysis during project design. In addition, IDB Invest deploys technical assistance to support clients and help mitigate the risk of underperformance inherent to innovation.

Finally, IDB Invest has significantly improved the supervision process, which now involves building a continuous relationship with clients to identify potential issues in execution and help them get back on track. For

example, IDB Invest is proactively working with clients to address data collection issues, as lack of or unclear data is a common factor in unfavorable XSR ratings at completion. Similarly, in cases where project activities have been delayed, IDB Invest is engaging with clients to identify constraints and provide technical support accordingly. This more hands-on, proactive approach to supervision also allows IDB Invest to capture and apply operational learning more effectively, and in times of crisis, to predict potential problems through portfolio stress tests and take action.

It is also important to consider that project performance ratings at completion are not “all or nothing”. If a project is deemed “unsuccessful” or “partly unsuccessful” for not meeting all of its targets, this does not mean that it had no positive development impacts. For example, following XSR guidelines, a project with a hotel in the **Caribbean** was appropriately classified as “partly unsuccessful” for not achieving one of its four objectives, i.e., sourcing from local suppliers. However, the project met or exceeded its targets in terms of sales, hotel occupancy rates, and above all, job creation. While the project did not increase local sourcing as expected, which was one of its key development objectives, it had positive impacts on other levels.

IDB Lab

IDB Lab has continued efforts to better align its results measurement framework with the experimental nature of an innovation lab. In 2019, IDB Lab reviewed its existing results framework, as well as the practices of other innovation-driven organizations, to propose adjustments to its key performance indicators moving forward.²⁵ The main changes include a new hierarchy across strategic, corporate, and portfolio-level

²⁵ IDB Lab's proposal was approved by the Donors Committee in January 2020. IDB Lab will start reporting on results using the updated Key Performance Indicators for the 2019 calendar year. Key Performance Indicators are reported annually, directly to the Donors Committee.

indicators, with emphasis on scaling innovation, and the introduction of indicators to measure knowledge, connections, experimentation, and learning, among other adjustments.

Project Design

This marked the second year of deploying the iDELTA, a management tool and scoring system to measure project impact, innovation, and scalability.²⁶ The iDELTA serves to guide project design in line with IDB Lab's mission, is integrated with IDB Lab's updated results framework, and continues to be a source of data for many key performance indicators.

The iDELTA project score captures each project's potential development outcomes, level of innovation, scalability, and resource mobilization capacity. In 2019, the average iDELTA project score was similar to 2018 at 7.9 out of 10. Innovation scores continued to increase with 60 percent of projects introducing new products or services, half of which were introduced at the country-level. The portion of projects using technology remains strong at 92 percent, with a greater share targeting poor and vulnerable populations in 2019 (64 percent versus 56 percent in 2018), reflecting IDB Lab's mission to support inclusive tech-enabled solutions.

Regarding scalability, iDELTA results overall show an improved picture compared to 2018. Projects approved in 2019 have more clearly identified their potential path to scale, with half of executing agencies planning to scale the solution themselves (versus 40 percent in 2018). Similarly, the quality of project scale plans has improved by nearly 10 percent, in line with an increase in the portion of executing agencies that are considered strong partners (25 percent in 2019

versus 21 percent in 2018). Despite improved planning in the design phase, a fundamental factor for reaching scale is the potential size of the market for the solution. In this regard, fewer projects approved in 2019 expect to multiply their reach by at least 10 times (23 percent versus 30 percent in 2018).

Finally, in 2019, the iDELTA was adapted to the specific needs of investment funds. This new version of the tool aims to better assess each fund's potential to reach targeted beneficiaries through the investments it makes by analyzing elements such as the fund manager's track record, the relevance of the fund's investment thesis, and the pipeline of possible investee firms.

Monitoring

In 2019, IDB Lab continued efforts to upgrade and modernize tools for project supervision and portfolio management, moving toward a data-driven and knowledge-based approach. This entailed revamping the project management platform for grants, which will be launched in 2020, along with the digitalization of the loan and investment project management platform. In addition, IDB Lab and IDB Invest started to pilot the use of the iDELTA during supervision. IDB Lab expects to incorporate the iDELTA supervision measurement in 2020, as it continues to develop and roll out its digital tools (see Box 3.4 for an example of results achieved during supervision). Finally, portfolio management focal points were designated for both the grant and investment teams, helping to build installed capacity to extract market insights and lessons learned from operations throughout supervision.

Regarding IDB Lab's loan and equity investment operations, performance is monitored through the

²⁶ For a more detailed description of the iDELTA, see Chapter 3 of the [2018 DEO](#).

Box 3.4

Blockchain Ecosystem-building Program Yields Quick Results

To fulfill its role as an innovation laboratory, IDB Lab needs to be agile, able to extract and share results and learning from experiments as they evolve. This is especially true with projects centering on harnessing emerging digital technologies to generate social impact at scale. One such technology is blockchain. In essence, blockchain technology enables an immediate, secure, and reliable digital transfer of economic value. It can help bypass traditional ways of doing business and delivering goods and services to make markets work more efficiently, transparently, and inclusively.

While there are many ideas and use cases for social good applications of this technology across Latin America and the Caribbean, the underlying ecosystem—including technological infrastructure, regulations, standards, and public-private partnerships—to enable the scaling of these solutions is nascent. The [LACChain Global Alliance \(RG-T3370\)](#) aims to accelerate the development of the blockchain ecosystem in the region. Since launching in 2019, this joint IDB

Lab and IDB initiative has made great strides in this fast-moving space. The program deployed the inter-regional LACChain blockchain network, which is setting global standards for public-permissioned blockchains and has been recognized as a benchmark by the International Telecommunication Union, a specialized standard-setting agency of the United Nations.

So far, the program is supporting public-private partnerships in six countries (**Argentina, Chile, Colombia, Costa Rica, Mexico, and Peru**) and the LACChain network is hosting 15 use cases by over 25 entities. These include blockchain applications for financial inclusion in Peru and Mexico, academic credentials in the Caribbean, secure data exchange across the four customs administrations in the Pacific Alliance countries, and a smart procurement platform in Honduras, among others. Likewise, LACChain is building operational synergies within the IDB Group. LACChain is leveraging the contributions and investments of 18 partners to date, a network that will continue to grow as the initiative gains traction in the region.

Project Status Update (PSU). As of December 2019, IDB Lab had an outstanding loan and equity investment portfolio of \$158.8 million, distributed among 87 operations. In terms of portfolio quality, 69 percent of operations were classified as green flag (“on track to high performance”); 17 percent as yellow flag (“underperforming, minor losses expected” for

equity investments and “in breach of covenant and likely to default” for loans); and 14 percent as red flag (“underperforming, major losses expected” for equity investments and “in default with risk of principal loss” for loans).²⁷ The percentage of green flag operations slightly decreased both in the loan and equity investment portfolios compared to 2018. Red

²⁷ In the context of the COVID-19 crisis, IDB Lab has been closely monitoring its outstanding operations in order to analyze the extent to which the crisis could affect the performance classifications reported above.

flag operations represented \$23.5 million in risk exposure, or 15 percent of the outstanding amount at the end of 2019. Performance as of December 2019 reflects IDB Lab's risk appetite and continues to be consistent with IDB Lab's current provision policy and long-term financial projections.

Project Completion

Upon project completion, IDB Lab documents cumulative results of each of its grant operations in the final edition of its Project Supervision Report. In 2019, 68 IDB Lab projects were completed. These projects were approved between 2000 and 2017 for a total amount of \$69.5 million.²⁸ Due to the small ticket size and innovative nature of operations, OVE does not conduct a validation of these instruments. Rather, OVE provides periodic assessments of IDB Lab where it evaluates IDB Lab operations. OVE's workplan calls for it to initiate its third independent evaluation of IDB Lab in 2020.

One of IDB Lab's key measures of success is the degree to which the innovations it supports are replicated or scaled up by the IDB Group or others. Of projects completed in 2019, 29 percent were replicated or scaled (compared to 25 percent in 2018), above IDB Lab's 20 percent target. Sometimes an IDB Lab project lays the groundwork for future expansion through the private sector. For example, as part of the IDB Group's women entrepreneurship Banking program, in 2017 IDB Lab partnered with the bank, Banistmo, in **Panama** ([PN-T1162](#)) to develop products and services tailored to the needs of emerging women-led businesses. In addition to financing, women entrepreneurs also received capacity building support through workshops, mentoring, and business assessments.

Building on this foundation, IDB Invest partnered with Banistmo in 2019 to issue the region's first [gender bond](#), the proceeds of which will deepen access to finance for women-led SMEs in Panama.

Another path to scale for IDB Lab-supported innovations is through the public sector. For example, a project in **Bolivia** ([BO-M1064](#)) developed a training methodology to build the life skills and employability of indigenous youth in El Alto, using a combination of game-based interventions, technical training, career counseling, and paid internships with companies. The career counseling, life skills, and employability curricula have been transferred to the Municipality of El Alto, which adapted content to be shared via Facebook during the COVID-19 pandemic. In addition, the Ministry of Planning is financing the expansion of the model countrywide through the national network of technical training institutes (INFOCAL), aiming to boost the employability of 3,000 youth in 12 cities.

Reflections

The development effectiveness tools used across the IDB Group are essential to maximize the value the Group is able to deliver to the region. They are complemented by other tools and sources of information that also play an important role in enhancing the Group's work.²⁹

Designing each project based on the best evidence available, monitoring its achievement of results while they are in execution, and assessing results at completion are all essential aspects of striving for the effective development solutions. Looking at this information across the entire portfolio and over a lon-

^{28.} Given the long-term horizon of equity investments in VC funds, the earliest approval in this cohort was in 2000.

^{29.} For example, the Evaluation Recommendations Tracking System tracks recommendations made by OVE and endorsed by the Board of Executive Directors as well as their associated action plans.

ger time horizon is crucial to identify patterns and extract lessons learned that can enhance the design and implementation of future operations. Results must also be sustainable over time and strategies for achieving results must continue to adapt to an ever-changing world.

This DEO marks the conclusion of a critical period. As the Group moves into a new decade, the focus on development effectiveness will be as vital as ever. We are now within the “decade of action” to achieve the SDGs by 2030 and the global community recognizes the need to accelerate progress on these goals. This has become increasingly complex as humankind faces the most threatening pandemic in a century, bringing new challenges related to public health, social well-being, and economic growth.

The IDB Group’s expertise in a range of sectors, deep knowledge of each country in the region, and focus on learning leave the Group well-positioned to help the region address the complex challenges presented by COVID-19. The Group’s experience supporting the prevention and control of infectious disease in the region as well as responding to crises ranging

from natural disasters to macroeconomic crises will be critical in helping mitigate the immediate effects of COVID-19 and designing reforms for the recovery period. Furthermore, lessons learned in projects that support vulnerable populations, build social protection, and promote economic growth will be critical in the years to come. For instance, Group-wide support on access to finance for MSMEs has yielded important lessons regarding how to target resources toward segments where lending will have the greatest impact on the functioning of the economy and the well-being of society. Overall, the Group-wide response to the COVID-19 pandemic is being informed by prior operational experience, focusing on helping the countries in the region not only with the health response, but also with support for fiscal needs, support for MSMEs and the employment they provide, and support for the wellbeing of vulnerable populations.³⁰

As the region and the world face a rapidly evolving reality, the effectiveness of IDB Group interventions will depend upon its ability to regularly evaluate the programs and projects it supports to ensure they are delivering the best value for money to the region.

³⁰ More information on the IDB Group’s response to the COVID-19 pandemic is available on the [IDB Group’s Coronavirus Platform](#).
















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


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Appendix A.

CRF Indicators

Level 1. Regional Context Indicators^a







Indicator	Baseline	Year	Progress	Year	IDB Group Strategic Priorities ^b
Poverty headcount ratio (US \$3.10 per day PPP) (%)	13.4	2013	14.5	2018	
Gini coefficient	0.492	2013	0.496	2018	
Social Progress Index	68.7	2015	70	2019	
Growth rate of GDP per person employed (%)	1.4	2013	1.5	2019	
Global Innovation Index (LAC average)	33.5	2014	30.4	2019	
Research and development expenditure as a percentage of GDP (%)	0.63	2011	0.64	2017	
Intraregional trade in goods (%)	16	2014	15.3	2018	
Growth rate of the value of total exports of goods and services (%)	-1.99	2014	6.8	2018	
Foreign direct investment net inflows as percentage of GDP (%)	3.7	2012	3.6	2018	
Greenhouse gas emissions (kg of CO ₂ equivalent per \$1 GDP (PPP))	0.45	2012	0.45	2016	
Proportion of terrestrial and marine areas protected (%)	13.3	2014	NA	-	
Government effectiveness (average LAC percentile)	48.6	2013	44.1	2018	
Rule of law (average LAC percentile)	39.8	2013	39.6	2018	













- ^a The specific country mix included in the progress values reported varies according to the data available for each indicator. Data is reported based on the most recently available data for each indicator from each data source. For more information and links to original data sources, visit the [Regional Context page](#) of the CRF website. NA = not applicable. External sources include: Social Progress Imperative, World Development Indicators, Global Innovation Index, RICYT, World Resources Institute (CAIT Climate Data Explorer); UN Department of Economic and Social Affairs, and the World Bank. LAC = Latin America and the Caribbean; PPP = purchasing power parity; RICYT = Red de Indicadores de Ciencia y Tecnología Iberoamericana e Interamericana; The World Development Indicators are produced by the World Bank.
- ^b The Update to the Institutional Strategy outlines a number of strategic priorities, organized into the following three challenges and three cross-cutting issues:  Social inclusion and equality;  Productivity and innovation;  Economic integration;  Gender equality and diversity;  Climate change and environmental sustainability,  Institutional capacity and the rule of law.

Level 2. Country Development Results Indicators^a

Indicator	IDB Group Strategic Priorities ^b	Progress 2016-2019	Expected Results 2016-2019 ^c	Status ^d
Reduction of emissions with support of IDB Group financing (annual million tons CO ₂ e)		14,369,323	8,000,000	
Students benefited by education projects (#)		16,629,592	15,790,000	
Beneficiaries receiving health services (#)		35,309,425	38,000,000	
Beneficiaries of targeted anti-poverty programs (#)		16,736,019	8,000,000	
Beneficiaries of improved management and sustainable use of natural capital (#)		1,646,862	4,900,000	
Households benefitting from housing solutions (#)		401,148	850,000	
Beneficiaries of on-the-job training programs (#)		950,890	875,000	
Jobs created by supported firms (#)		387,590	140,000	
Women beneficiaries of economic empowerment initiatives (#)		2,094,388	1,300,000	
Micro / small / medium enterprises financed (#)		2,550,378	3,400,000	
Micro / small / medium enterprises provided with non-financial support (#)		925,769	260,000	
Households with new or upgraded access to drinking water (#)		976,632	950,000	
Households with new or upgraded access to sanitation (#)		1,140,664	1,300,000	
Installed power generation capacity from renewable sources (%)		100	80	
Roads built or upgraded (km)		8,005	6,300	
Professionals from public and private sectors trained or assisted in economic integration (#)		171,678	40,000	
Regional, sub-regional and extra-regional integration agreements and cooperation initiatives supported (#)		45	28	
Subnational governments benefited by citizen security projects (#)		487	52	
Government agencies benefited by projects that strengthen technological and managerial tools to improve public service delivery (#)		641	150	

Level 2. Country Development Results Indicators^a (continued)

Indicator	IDB Group Strategic Priorities ^b	Progress	Years	Expected Results 2016-2019 ^c	Status ^d
Countries in the region with improved learning outcomes according to PISA (%)		Math: 27 Reading: 36	2018	-	-
Maternal mortality ratio (number of maternal deaths per 100,000 live births)		74	2017	-	-
Property value within project area of influence (% change)		112	2016	-	-
Public agencies' processing times of international trade of goods and services (% change)		-73.3	2016-2018	-	-
Formal employment of women (%)		45.9	2018	-	-
Percent of GDP collected in taxes (%)		22.3	2018	-	-

- a. Data reported for the Country Development Results indicators relies on the monitoring processes and tools described in Chapter 3, including the PMR for IDB operations, the DELTA for IDB Invest operations, and the PSR/PSU for IDB Lab operations. For most indicators, data is provided by executing agencies and clients with subsequent validation by IDB Group project teams. For more information, visit the [Country Development Results](#) page of the CRF website or [Appendix I](#) of the [CRF Technical Guidance Note](#).
- b. The UIS outlines a number of strategic priorities, organized into the following three challenges and three cross-cutting issues:  Social inclusion and equality;  Productivity and innovation;  Economic integration;  Gender equality and diversity;  Climate change and environmental sustainability;  Institutional capacity and the rule of law.
- c. Six Country Development Results indicators do not have expected results because they capture higher-level intermediate outcomes that materialize over a longer time frame. For several of these indicators, it is not feasible to quantify the IDB Group's contribution to progress. Instead, the IDB Group tracks which projects align to these indicators and reports this information on each indicator's page of the CRF website. For the indicators "property value within project area of influence (% change)," and "public agencies' processing times of international trade of goods and services (% change)" progress is reported only for years in which projects with the corresponding indicator in their results matrix were completed.
- d. Each indicator for which expected results were established has been categorized into one of the following three statuses based on the [Traffic Light Methodology](#):  Achieved;  Mostly Achieved;  Not Achieved. For previous years, indicators were categorized into the following statuses:  Achieved;  On Track;  Moderate Progress;  Off Track.

Level 3. IDB Group Performance Indicators^a

Indicator	Institution	Baseline (Year)	2016 Progress	2017 Progress	2018 Progress	2019 Progress	2019 Target ^b	
Responsiveness	Partners satisfied with IDB Group development solutions (%)	IDB Group	74 (2015)	79	-	-	88	85
	Lending to small and vulnerable countries (%)	IDB	37 (2014)	37	34	42	44	35
		IDB Invest	38 (2016)	38	25	45	46	40
	Operations meeting target preparation time (%)	IDB	83 (2014)	88	92	85	83	87
Multisectorality	Partners satisfied with IDB Group use of multi-sector approach (%)	IDB	92 (2015)	89	-	-	71	-
	IDB Group loan operations with multidisciplinary team compositions (%)	IDB Group	54 (2014)	59	58	72	79	Monitor
Effectiveness	Active operations with satisfactory performance classification (%)	IDB	69 (2014)	76	82	82	80	75
		IDB Invest	64 (2017)	-	64	61	75	75
	Operations with satisfactory development results at completion (%)	IDB	- ^c	- ^c	54	63	52	80
		IDB Invest	40 ^c (2016)	40	58	43	58	80
	Operations with high environmental and social risks rated satisfactory in the implementation of mitigation measures (%)	IDB	88 (2014)	82	80	81	83	90
		IDB Invest	91 (2016)	91	92	91	91	90
	Mid- and senior-level staff who are women (%)	IDB and IDB Lab	37 (2014)	38	37	38	40	43
		IDB Invest	27 (2016)	27	28	33	37	35

^a. For more information, visit the [IDB Group Performance page of the CRF website](#). B = billion; M = million; NSG = non-sovereign-guaranteed; TC = technical cooperation; A dash indicates that data is unavailable. For some indicators, preliminary data is reported early in the year in other reports. The data reported in this DEO reflects the final, validated data.

^b. Each indicator for which a target has been established and for which progress is available for 2019 has been categorized into one of the following three statuses based on the [Traffic Light Methodology](#): Achieved, Some Progress, Not Achieved. For previous years, indicators were categorized into the following statuses: On Track; On Watch; Off Track

^c. Note that data for IDB prior to 2017 is not included in the above table given that it was based on Management's assessment and is not comparable to data for 2017-2019, which is based on ratings validated by OVE. The 2016 data for IDB Invest has been updated to reflect the final validation rating of the Office of Evaluation and Oversight (OVE) of 40 percent favorable. The rating reported in the 2016 DEO (66 percent favorable) was not OVE-validated because the validated ratings were not available at the time the report was published.

Level 3. IDB Group Performance Indicators^a (continued)

Indicator	Institution	Baseline (Year)	2016 Progress	2017 Progress	2018 Progress	2019 Progress	2019 Target ^b	
Efficiency	IDB	40.3 (2014)					40	
	IDB Invest	43.6 (2016)				43	-	
	IDB	0.84 (2014)					0.80	
	IDB Invest	1.02 (2016)				1.38^d	-	
Leverage and Partnerships	Mobilization volume by NSG financed projects / companies (US\$)	IDB Invest	8.9 B (2012-2014)				15.5 B^e	21.3 B ^f
	Partners satisfied with IDB Group's ability to convene other partners (%)	IDB Group	72 (2015)		-	-	62	75
Knowledge and Innovation	Partners that consider IDB Group solutions to be innovative (%)	IDB Group	81 (2015)		-	-	68	85
	Total IDB Group blog readership (#)	IDB Group	2.1 M (2014)				5.4 M	4.2 M
	Average visits to IDB Group publications (#)	IDB Group	139 (2014)				511	230
Strategic Alignment	New approvals aligned with at least one challenge or cross-cutting issue of the Update to the Institutional Strategy (% of lending and TC volume)	IDB Group	99.4 (2016)	99.4	99.8	98.9	98.4	-
	Social inclusion and equality	IDB Group	47	47	43	44	47	-
	Productivity and innovation	IDB Group	56	56	65	69	72	-
	Economic integration	IDB Group	22	22	31	22	26	-
	Gender equality and diversity ^g	IDB Group	17	17	12	41	43	-
	Climate change and environmental sustainability	IDB Group	32	32	45	36	39	-
	Institutional capacity and rule of law	IDB Group	36	36	40	43	55	-

^d. The denominator for IDB Invest's cost-to-development-related-assets includes the IDB NSG portfolio since IDB Invest's administrative expenses include costs associated with the origination of new operations for the IDB, and the management of its existing portfolio as per the terms of the capitalization scheme, cross-booking arrangements, and service level agreements between the IDB and IDB Invest.

^e. Mobilization data reported for 2019 reflects cumulative progress for 2016-2019.

^f. The target of 21.3 B is a cumulative target for 2016-2019.

^g. In 2018, the IDB criteria for strategic alignment to gender equality and diversity was modified to allow all projects with a gender or diversity analysis, related actions and at least one related result indicator to be considered as aligned. It was no longer a requirement that these three gender or diversity elements be directly aligned with the project's main objective and central vertical logic.

Appendix B.

IDB Group Development Effectiveness Tools

IDB Group Development Effectiveness Framework Tools

	At origination/At entry	During execution	After completion/At maturity	
IDB	<p>The Development Effectiveness Matrix (DEM) is used to rate all loans to ensure that they adequately diagnose the relevant development challenges, incorporate evidence-based solutions, safeguard resources by including an <i>ex ante</i> economic analysis, and allow for proper measurement of results throughout the life of the project.</p>	<p>The Progress Monitoring Report (PMR) captures results generated during project execution on a semi-annual basis as well as project costs over time.</p>	<p>The Project Completion Report (PCR) is used to evaluate completed loans in terms of the extent to which they were effective in achieving results, efficient, relevant to local needs, and sustainable.</p>	<p>Impact evaluations are used to estimate the causal effect of projects, particularly in areas where knowledge gaps exist.</p>
IDB Invest	<p>The Impact Management Framework includes a series of tools to support the operational cycle from beginning to end:</p> <p>The Strategic Selectivity Scorecard is a tool for <i>ex ante</i> identification of areas with the highest potential development impact. It is tailored to IDB Invest's business segments, reflects corporate and institutional targets, and feeds into and is informed by IDB Group country strategies.</p> <p>The Development Effectiveness Learning, Tracking and Assessment (DELTA) tool is used to score all IDB Invest investments in terms of their development impact and level of IDB Invest additionality (project score). It also ensures the investment's alignment with the strategic priorities of the IDB Group, IDB Invest, and countries, as well as assesses project contributions to the SDGs. Finally, the DELTA assesses the quality of the design at entry for the proper measurement of results throughout the life of the investment.</p> <p>The Financial Contribution Rating (FCR) complements the DELTA by measuring the financial contribution of each transaction to IDB Invest, based on the Risk-Adjusted Return on Capital (RAROC).</p> <p>Together, the DELTA and FCR comprise Portfolio 2.0, which provides a comprehensive view of the portfolio's development impact and financial contribution.</p>	<p>The DELTA in supervision tracks the achievement of project results during execution on an annual basis. It measures progress against targets and expected SDG contributions, identifies opportunities to take corrective action as needed, and provides information about project performance.</p> <p>The Development Effectiveness Analytics (DEA) platform systematizes data collected on results and impact throughout the project cycle to produce portfolio-level insights for IDB Invest stakeholders and to inform strategic decision making. Real-time analytics dashboards visualize data captured by the DELTA at the approval and supervision stages, including portfolio-level SDG contributions. The DEA also includes a repository of lessons learned from completed operations.</p>	<p>The Expanded Supervision Report (XSR) is used to evaluate projects once they reach operating maturity. It assesses the extent to which the project was effective and efficient in achieving results that are relevant to local needs and sustainable. The report for projects approved after 2016 will include a DELTA at maturity.</p>	
IDB Lab	<p>The iDELTA scores all IDB Lab projects in terms of their development impact, innovation level, scale potential, and resource mobilization (project score). It also ensures project alignment with strategic IDB Group and IDB Lab priorities. Finally, the iDELTA assesses the quality of the design at entry for the proper measurement of results throughout the life of the project.</p>	<p>The Project Supervision Report (PSR) (grants) and the Project Status Update (PSU) (loans and equity) capture the progress of project execution, achievement of milestones, completion of project objectives, and financial performance in the case of investments. In addition, mid-term evaluations are deployed to provide sector expertise needed to realign or re-design projects that are off track.</p>	<p>The Final Project Supervision Report (FSR) is used to evaluate projects at completion. It is the main tool for reporting on project implementation and results, providing early evidence of replication and scaling, and offering lessons learned.</p>	

Appendix C.

Ratings of IDB Project Completion Reports, 2019

Ratings of IDB Project Completion Reports, 2019

Country	Number	Name	Lending Instrument	OVE rating
Climate change and sustainable development sector				
Argentina	AR-L1064	Strengthen the Agricultural Innovation System	ESP	Partly Unsuccessful
Brazil	BR-L1084	Integrated Urban Development and Social Inclusion Program of Aracaju	GCR	Unsuccessful
Brazil	BR-L1103	Bahia Environmental Development Program	ESP	Successful
Brazil	BR-L1212	National Tourism Program-PRODETUR Nacional-Pernambuco	GOM	Successful
Guyana	GY-G1002	Institutional Strengthening in Support of Guyana LCDS	IGR	Partly Successful
Honduras	HO-L1031	Disaster Risk Prevention and Mitigation Project	ESP	Partly Successful
Honduras	HO-L1088	Program for Integration and Urban Coexistence	ESP	Successful
Jamaica	JA-L1012	Agricultural Competitiveness Programme	ESP	Unsuccessful
Nicaragua	NI-L1067	Sustainable Agricultural Productivity Development Program	ESP	Highly Unsuccessful
Trinidad and Tobago	TT-L1016	Neighborhood Upgrading Program	ESP	Partly Successful
Infrastructure and energy sector				
Argentina	AR-L1045	First Productive Road Infrastructure Program	ESP	Partly Successful
Bolivia	BO-L1034 BO-X1004	Water and Sewerage Program in Periurban Areas	ESP IGR	Partly Successful
Chile	CH-L1136	Energy Sustainable Program	PBL	Successful
Colombia	CO-L1028	Water and Sanitation Program for the Municipio of Pasto	GOM	Partly Unsuccessful
Colombia	CO-L1111	Support National Road Safety Policy	TCR	Partly Unsuccessful
Ecuador	EC-L1128	Electrification Program for Rural and Marginal Urban Areas- II	ESP	Successful
El Salvador	ES-L1046 ES-X1002	Rural Water and Sanitation Program	ESP IGR	Partly Successful
El Salvador	ES-L1050	Transportation Program for the San Salvador Metropolitan Area	ESP	Highly Unsuccessful
Guyana	GY-L1030	East Bank Demerara Four Lane Extension	ESP	Partly Unsuccessful
Guyana	GY-L1037	Sustainable Operation of the Electricity Sector and Improved Quality of Service	ESP	Partly Successful
Haiti	HA-L1035	Rehabilitation of the Electricity Distribution System in Port-au-Prince	ESP	Unsuccessful
Honduras	HO-L1189	Programmatic Support for Structural Reforms in the Electricity Sector Third Loan	PBP	Successful
Mexico	ME-L1147	Sustainability of Water Supply for Rural Communities	GOM	Partly Unsuccessful

Ratings of IDB Project Completion Reports 2019 (continued)

Country	Number	Name	Lending Instrument	OVE rating
Nicaragua	NI-X1005	Integral Management of the Apanas and Asturias Watershed	IGR	Partly Successful
Panama	PN-L1151	Support For Panama's Transport and Logistics Sector Reform Program III	PBP	Partly Unsuccessful
Paraguay	PR-L1022 PR-X1003	Water and Sanitation Program for Rural and Indigenous Communities	ESP IGR	Successful
Institutions for development sector				
Argentina	AR-L1074	Citizen Security and Inclusion Program	ESP	Partly Unsuccessful
Argentina	AR-L1127	Program for Strengthening Provincial Institutional & Financial Management Stage II	ESP	Partly Successful
Brazil	BR-L1020	Innovation and Dissemination Local Cluster Competitiveness State of Pernambuco	INO	Unsuccessful
Brazil	BR-L1252	National Program to Support the Administration and Fiscal Management Brazilian Municípios	PFM	Partly Unsuccessful
Brazil	BR-L1269	Program for Modernization of Pension System Management II	PFM	Partly Unsuccessful
Brazil	BR-L1442	Financing Program for Sustainable Energy	GCR	Partly Successful
Chile	CH-L1134	Competitiveness and Productive Diversification Support Program	PBP	Partly Successful
Colombia	CO-L1098	Strengthen the Office of the Attorney General - Phase Two	ESP	Partly Successful
Colombia	CO-L1124	CTF Energy Efficiency Financing Program for the Services Sector	GCR	Partly Unsuccessful
Colombia	CO-L1227	Program to Deepen Fiscal Reform in Colombia II	PBP	Partly Successful
El Salvador	ES-L1089	Financing Productive Development for El Salvador	GCR	Successful
Guatemala	GU-L1160	Fiscal Consolidation Program for Guatemala	ESP	Unsuccessful
Guyana	GY-G1003	Micro and Small Enterprise (MSE) Development and Building Alternative Livelihood	IGR	Partly Unsuccessful
Mexico	ME-L1163	Sixth Global Credit Program for Mortgage Market Development	ESP	Partly Successful
Mexico	ME-L1190	Second Program for the Financing of Rural Sector Production Restructuring and Investments Projects	GCR	Successful
Peru	PE-L1087	Modernization of the Public Financial Administration System	ESP	Unsuccessful
Uruguay	UR-L1062	Local Public Safety Integrated Management Program	ESP	Partly Unsuccessful
Uruguay	UR-L1065	Program to Support E-Government Management in Uruguay II	ESP	Partly Unsuccessful
Uruguay	UR-L1071	Program to Support Future Entrepreneurs	ESP	Successful

Ratings of IDB Project Completion Reports 2019 (continued)

Country	Number	Name	Lending Instrument	OVE rating
Integration and trade sector				
Argentina	AR-L1078	Strengthen the Ministry of Foreign Relations, International Trade and Worship II	ESP	Partly Unsuccessful
Honduras	HO-L1055	Puerto Cortés Customs Modernization	ESP	Partly Unsuccessful
Social sector				
Bahamas	BH-L1030	Social Safety Net Reform Program	ESP	Highly Unsuccessful
Bolivia	BO-L1051	Program to Support Employment	ESP	Successful
Brazil	BR-L1053	Support for Social Reforms in Ceará - PROARES Phase II	PFM	Partly Unsuccessful
Brazil	BR-L1122	Program of Integrated Public Policies for Fortaleza Youth	GOM	Partly Successful
Brazil	BR-L1287	Social Inclusion and Opportunities for Youth in Rio de Janeiro	ESP	Highly Unsuccessful
Chile	CH-L1064	Program to Support SENCE's Effectiveness	ESP	Partly Successful
Dominican Republic	DR-L1047	Support to the Social Protection Program - Third Fase	PFM	Partly Unsuccessful
Guatemala	GU-L1022	Improved Access and Quality of Health and Nutrition Services - Phase I	PFM	Partly Unsuccessful
Jamaica	JA-L1037	Integrated Social Protection and Labor Program	ESP	Partly Successful
Nicaragua	NI-L1054	Improving Family and Community Health in Highly Vulnerable Municipios	ESP	Highly Successful
Nicaragua	NI-L1059	Program to Accompany Implementation of the National Early Childhood Policy in Targeted Communities	ESP	Partly Successful
Nicaragua	NI-L1081	Extending Health Care to Communities in the Dry Corridor Region	ESP	Partly Successful
Panama	PN-L1152	Program for Transparency and Equity in Spending on Social Protection III	PBP	Partly Unsuccessful
Uruguay	UR-L1050	Secondary and Technical Education and Teachers Training Support Program	ESP	Partly Unsuccessful
Uruguay	UR-L1093	Support for Primary and Secondary Math and English Education Program	ESP	Highly Successful

Note: PCRs are only available in the original language in which they were written. PCR overall effectiveness scores range from 1 to 6. A project is considered to be Highly Successful if its score is equal to 6, Successful if its score is equal to 5, Partly Successful if its score is equal to 4, Partly Unsuccessful if its score is equal to 3, Unsuccessful if its score is equal to 2, and Highly Unsuccessful if its score is equal to 1. CCLIP = Conditional Credit Line for Investment Projects; ESP = Specific Investment Operation; GCR = Global Credit Operation; GOM = Global of Multiple Works Operation; IGR = Investment Grant; IRF = Immediate Response Facility for Emergencies; OVE = Office of Evaluation and Oversight; PBP = Programmatic Policy Base Loan; PFM = Multi-Phase Lending Project.

Appendix D.

IDB Group Impact Evaluations Completed in 2019

IDB Group Impact Evaluations Completed in 2019

Country	Evaluation Title	Methodology	Institution
Climate Change and Sustainable Development Sector			
Brazil	Program Favela Bairro. Impact Evaluation	Difference-in-difference	IDB
Dominican Republic	Direct and Spillover Effects of Agricultural Technology Adoption Programs: Experimental Evidence from the Dominican Republic	Random experiment in two steps	IDB
Ecuador	Clear but Don't Invest: Protected Areas Discourage Some Land Uses More Than Others	Mixed methods	IDB
Ecuador	National Social Housing Program, Stage II MIDUVI II Impact Assessment	Mixed methods	IDB
Nicaragua	Impact Evaluation of Component 1 of the Environmental Program for Disaster Risk Management and Climate Change (PAGRICC)	Difference-in-difference	IDB
Institutions for Development			
Argentina	Imperfect Attention in Public Policy: A Field Experiment during a Tax Amnesty in Argentina	Randomized-controlled trial	IDB
Chile	Innovation, Productivity, and Spillover Effects: Evidence from Chile	Fixed-effects techniques	IDB
Colombia	The Importance of Clarity: Impacts of Colombia's 'Lenguaje Claro' Program on Reducing Administrative Burdens	Randomized-controlled trial	IDB
Peru	On the Role of Resource Reallocation and Growth Acceleration of Productive Public Programs: Effectiveness of a Peruvian Dynamic Entrepreneurship Program and the Implications of Participants' Selection	Synthetic control	IDB
Peru	The Impact of Financial Education for Youth	Randomized-controlled trial	IDB
Regional	Compliance Spillovers Across Taxes: The Role of Penalties and Detection	Randomized-controlled trial	IDB
Regional	Transparency and Trust in Government: Evidence from a Survey Experiment	Randomized-controlled trial	IDB
Regional	Who's Calling?: The Effect of Phone Calls and Personal Interaction on Tax Compliance	Randomized-controlled trial	IDB
Infrastructure and Energy			
Bolivia	A Surrogate Video-Based Safety Methodology for Diagnosis and Evaluation of Low-Cost Pedestrian-Safety Countermeasures: The Case of Cochabamba, Bolivia	Randomized-controlled trial	IDB
Bolivia	Light for Chiquitania Communities: The Benefits of Rural Electrification with Renewable Energy in Bolivia	Randomized-controlled trial	IDB
Brazil	Impact of Shutdowns on Hydroelectric Generation in Brazil	Multiple methods	IDB
Paraguay	Impact Evaluation on Vecinal Rural Roads Improvements Program in Paraguay: Line Reference Report	Propensity score matching and difference-in-difference	IDB
Peru	Do Bus Rapid Transit Systems Improve Accessibility to Jobs? The Case of Lima, Peru	Multiple methods	IDB IDB Invest

IDB Group Impact Evaluations Completed in 2019 (continued)

Country	Evaluation Title	Methodology	Institution
Regional	Improvement of Vehicle Safety Standards in Latin America and the Caribbean through the Adoption of UN Regulations and Consumer Information Systems: Final Report of the Regional Public Goods Project	Multiple methods	IDB
Regional	Development Effects of Electrification: A Meta-Analysis for Income, Labor and Educational Outcomes	Multiple methods	IDB Invest
Social Sector			
Argentina	Effectiveness of a Collaborative Strategy to Improve the Counter-referral of Patients with Cardiovascular Disease in the Public Sector of the Republic of Argentina: A Cluster-randomized Clinical Trial	Randomized-controlled trial	IDB
Argentina	Evaluating the Effectiveness of a Collaborative Strategy to Increase Colorectal Cancer Screening in the Public Health Care Sector in Argentina: A Cluster-randomized Clinical Trial	Randomized-controlled trial	IDB
Barbados	Sports for Development Program (A Ganar) in Secondary and Post-secondary Institutions	Propensity score matching	IDB
Bolivia	Active Labor Market Policies in a Context of High Informality: The Effect of PAE in Bolivia	Difference-in-difference	IDB
Bolivia	Impact Evaluation of the Early Childhood Development Program “Creceer Bien para Vivir Bien” in Bolivia: Children’s Centers Modality	Randomized-controlled trial	IDB
Bolivia	Impact Evaluation of the Early Childhood Development Program “Creceer Bien para Vivir Bien” in Bolivia: Modality Home Visits	Randomized-controlled trial	IDB
Brazil	Does Technical Education Improve Academic Outcomes? Evidence from Brazil	Regression discontinuity	IDB
Brazil	Experimental Evaluation of the Impact of Parental Information on ECD Attendance Rates	Natural experiment	IDB
Brazil	Do Multiple School Jobs Affect Teacher Performance? Evidence from Brazil	Multiple methods	IDB
Chile	Tax Returns and Savings for Retirement in Chile	Randomized-controlled trial	IDB
Chile	Can Financial Incentives Help Disadvantaged Schools to Attract and Retain High-performing Teachers? Evidence from Chile	Regression discontinuity	IDB
Chile	Does Gamification in Education Work? Experimental Evidence from Chile	Randomized-controlled trial	IDB
Chile	Financial and Provisional Education Through the ‘Ahorra desde Ahora’ Workshop: Evidence of an Impact Evaluation in Chile	Randomized-controlled trial	IDB
Chile	The effects of Accountability on the Allocation of School Resources: RD Evidence from Chile	Regression discontinuity	IDB
Chile	The Effects of the Chilean School Accountability System on Teacher Turnover	Regression discontinuity	IDB
Chile	Training, Soft Skills and Productivity: Evidence from a Field Experiment in Retail	Difference-in-difference	IDB
Colombia	Emails to Encourage Savings for Retirement in Colombia	Randomized-controlled trial	IDB
Colombia	Remedial Education: Evidence from a Sequence of Experiments in Colombia	Randomized-controlled trial	IDB

IDB Group Impact Evaluations Completed in 2019 (continued)

Country	Evaluation Title	Methodology	Institution
Colombia	SMS to Encourage Retirement Savings Among Low-income and Informal Workers in Colombia	Randomized-controlled trial	IDB
Colombia	The Impact of Decentralized Decisionmaking on Student Outcomes and Teacher Quality: Evidence from Colombia	Regression discontinuity	IDB
Colombia	What is the Price of Freedom? Estimating Women's Willingness to Pay for Job Flexibility	Multiple methods	IDB
Colombia	Center-based Care for Infants and Toddlers: The aeioTU Randomized Trial	Randomized-controlled trial	IDB Lab
Colombia	Experimental Evaluation of Gender and Racial STEM Stereotypes in Preschoolers	Natural experiment	IDB
Dominican Republic	Impact Evaluation of Program 'Progresando con Solidaridad'	Randomized-controlled trial	IDB
Dominican Republic	Results-Based Financing Model in the Dominican Republic: Effects on Health Indicators	Fixed-effects techniques and interrupted time series	IDB
Ecuador	Sustainable Communities: Socio-cultural Evaluation of the 'Socio Bosque' Program	Multiple methods	IDB
Ecuador	Using Behavioral Insights to Attract Teachers to Isolated and Hard-to-Staff Schools in Ecuador	Randomized-controlled trial	IDB
Guatemala	SPOON: Continuous Program to Improve Nutrition: Results of the Baseline Survey in Baja Verapaz, Guatemala	Randomized-controlled trial	IDB
Haiti	A Randomized-controlled Trial to Assess the Impact of School Report Cards on School Choice Outcomes in Haiti	Randomized-controlled trial	IDB
Honduras	Cash, Conditions, and Child Development: Experimental Evidence from a Cash Transfer Program in Honduras	Randomized-controlled trial	IDB
Honduras	The Long-Term Impacts of Honduras' CCT Program: Higher Education and International Migration	Randomized-controlled trial	IDB
Jamaica	Are Benefits from Parenting Interventions Delivered Through the Health Services Sustainable? Medium-run Impact of a Randomized Evaluation in Jamaica	Randomized-controlled trial	IDB
Mexico	Encourage Pension Savings Through Social Networks: Design and Evaluation of an Advertising Campaign on Facebook to Promote Voluntary Savings in Mexico	Randomized-controlled trial	IDB
Mexico	Long-term Effects of Public Health Insurance on the Health of Children in Mexico: a Retrospective Study	Difference-in-difference	IDB
Mexico	SMS to Encourage Savings for Retirement in Mexico	Randomized-controlled trial	IDB
Mexico	Commercial Networks to Facilitate Pension Savings	Difference-in-difference	IDB
Nicaragua	Cost-Effective Public Daycare in a Low-Income Economy Benefits Children and Mothers	Instrumental variables	IDB
Panama	Experimental Evaluation of Intercultural Bilingual Preschool Mathematics	Natural experiment	IDB

IDB Group Impact Evaluations Completed in 2019 (continued)

Country	Evaluation Title	Methodology	Institution
Peru	Altrusim or Money? Breaking Teacher Sorting Using Behavioral Interventions in Peru (RCT)	Randomized-controlled trial	IDB
Peru	Does Gamification in Education Work? Experimental Evidence from Peru	Randomized-controlled trial	IDB
Regional	Experimental Long-Term Effects of Early-Childhood and School-Age Exposure to a Conditional Cash Transfer Program	Randomized-controlled trial	IDB
Regional	How Much Time Do You Have Left for Pension? Redesign of Account Statements of Pension Contributions to Improve Understanding	Randomized-controlled trial	IDB
Regional	Promotion of Voluntary Savings Among Banco Estado Personas Clients	Randomized-controlled trial	IDB
Small and Medium Enterprises and Financial Inclusion			
Argentina	The Impact of Guarantees on SMEs Access to Credit and Employment	Matching with Fixed-effects techniques	IDB Invest
Chile	Effects of Default Payments, SMS Reminders, and Savings Strategies	Randomized-controlled trial	IDB Invest IDB Lab
Jamaica	The Impact of Soft-Skills Training for Entrepreneurs in Jamaica	Randomized-controlled trial	IDB IDB Invest IDB Lab
Paraguay	Personalizing or Reminding? How to Better Incentivize Savings Amongst Low-income Individuals	Randomized-controlled trial	IDB Invest



LESSONS IN DEVELOPMENT