

Results Study

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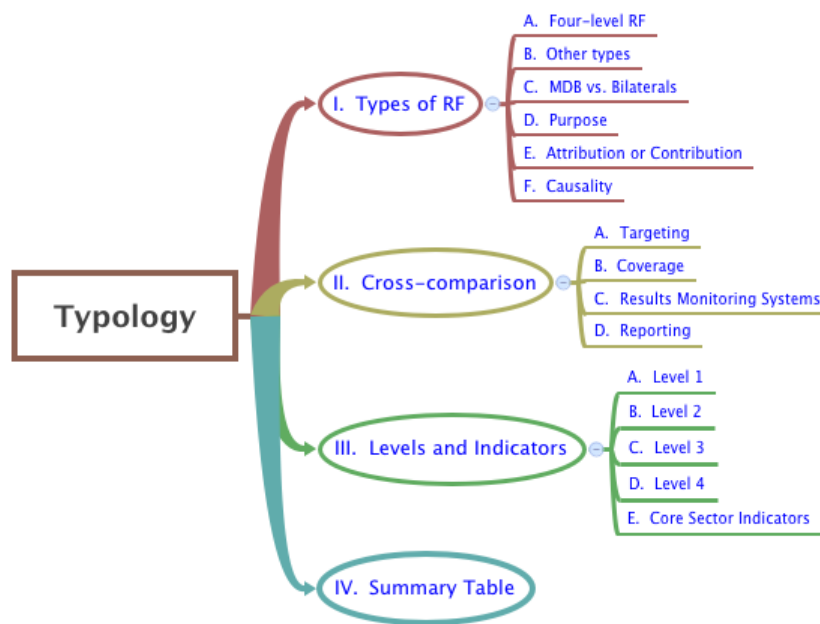
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Please note that the list of indicators and related methodologies are presented in a separate volume that can be found at:

<http://capacity4dev.eu/results-accountability/document/results-vol2>

This Study was prepared by Unit Quality and Results in the European Commission's Directorate General Development and Cooperation - EuropeAid with the assistance of an external consultant. It is based on material publically available on agencies websites as well as interviews with staff.

Part I – Typology



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A. Types of Results Frameworks

This section surveys the Corporate Results Frameworks (CRF) of seven development agencies with the aim to identify the various types that can be found among them. The section discusses three features of results frameworks that may be used to differentiate them:

i/ the purpose of the RF (management and/or accountability);

ii/ the alternatives in results computing methods (either attribution and/or contribution);

iii/ the issue of causality, which is a discussion about the validity of results chains when aggregating results up to the corporate level.

1/ The Four-Level Results Framework (RF)

The dominant reporting structure among the agencies surveyed is the four-level Corporate Results Framework, which is being used by the African Development Bank (AfDB), the Asian Development Bank (AsDB), the Inter-American Development Bank (IDB), the World Bank (WB) and the UK Department for International Development (DFID). Broadly, the definition and focus of the four levels of the results frameworks are similar across all five agencies:

- Level 1 provides background data on progress in economic development at the global or regional levels, with reference to the MDGs;
- Level 2 reports on the contribution of the agency to the development of countries in its area of intervention, in terms of outputs and intermediate outcomes;
- Level 3 is generally¹ focused on the agency's operational effectiveness, i.e. how well its operations managed;
- Level 4 offers data on the efficiency or the organizational effectiveness of the agency.

It should be noted that, in spite of this apparent uniformity, there is no 'gold standard'. The agencies surveyed consider their RF as a work in progress, as indeed they have been implemented for a rather short period of time (three years or less for the majority) and are being modified regularly (every two years on average).

Note: The four level RF model has also been adopted by other development agencies not part of this Study, notably the European Bank for Reconstruction and Development, the International Fund for Agricultural Development and the Islamic Development Bank.

¹ Except for IDB, where level 3 expresses the Bank's priorities and mandates through lending programme estimates and operational effectiveness and organizational efficiency are combined in level 4.

2/ Other Types of Results Frameworks

Beside the above listed five agencies this Study included the results frameworks of DANIDA and CIDA. Both agencies do not adopt the model described above and have each developed their own system. However, both agencies in early 2013 were in the process of revising their respective RFs. As a result the CIDA and DANIDA RF were not looked at in any more detail than the descriptions below (and no agency summaries were prepared). At the time of finalizing this report it unclear which type of RF these two agencies are now contemplating.

DANIDA

Danida's Results framework is presented according to the five stages of Management for Development Results:

1. Setting goals and agreeing on targets and strategies;
2. Allocating available resources to activities that will contribute to achievement of the desired results;
3. Monitoring and evaluating whether the resources allocated are making the intended difference;
4. Reporting on performance to the public; (both in donor- and partner countries);
5. Feeding back information to future decision making for better results.

Danida's framework focuses on the development results of level 2 in the four-tier model. Level 1 is not considered to be an integrated part of the framework but global goals and indicators inform the formulation of Danish policies and strategies. Level 3 and 4 indicators exists in the Danish framework but are currently considered to be for internal use.

Level 2 indicators in the Danish framework are key indicators selected from partners' results frameworks. There are no Danida standard indicators and results are not being aggregated across the results frame. The guidelines for programme management require that key indicators are identified for grant approval and reported on during implementation for grants of more than DKK 35 million. For smaller grants results on indicators are to be reported at project completion.

CIDA

CIDA prior to the review of its RF had a results monitoring and reporting mechanism in place which it called a Framework of Results and Key Success Factors, organized around two areas of focus: i/ Development Results; and ii/ Success Factors, each being subdivided in themes that do not map on the four-level Results Framework.

Development Results:

- i. Achievement of Results;
- ii. Cost-Effectiveness of Results;
- iii. Relevance of Results;
- iv. Sustainability of Results;

Success Factors:

- i. Partnership;
- ii. Appropriateness of design;
- iii. Appropriateness of Resource Utilization;
- iv. Informed and Timely Action

3/ Multilateral Development Banks vs. Bilateral Donors

All the five agencies that have been examined in detail by this Study² – four multilaterals and one bilateral – have adopted the four level RF model.

Yet, there is one difference of note: generally speaking it could be claimed that bilateral agencies face a much stronger pressure to account for the use of their monies, as governments feel obligated to report aid results to their tax-payers. This aspect appears to lead to a different emphasis on the purpose of the RF: Whereas multilateral agencies are putting forward the performance management function of their RF, DFID has been focusing primarily on the accountability function. However, this situation is changing as DFID has been increasingly focusing on the managerial character of the RF.

“DFID’s Results Framework is a tool that we will use to monitor and manage progress and report publicly on delivery. It sets out the development outcomes DFID is seeking to contribute to, the actual results we will deliver, and the metrics we will use to measure our organisational effectiveness and efficiency.”

4/ Purpose of Results Frameworks

Management and Accountability

Development agencies see two main purposes in the use of the four-level RF model: a managerial function and an accountability function. There are however variations in that mix: the AsDB emphasises greatly the use of the RF as a performance management tool, with accountability being a secondary function; the WB, and AfDB also insist on the managerial purpose of their RF but consider accountability just as important (in AfDB's phrase: “management over accountability”); and both IDB and DFID have been putting accountability first (although, as of this last year, DFID is more and more focused on the managerial functions of the tool).

African Development Bank: “Management over Reporting”

“When explaining the role of the Bank’s Results Measurement Framework, it is paramount to stress the importance of management over reporting. The fundamental goal of the Results Measurement Framework is to improve the Bank’s development effectiveness, which requires helping managers to manage better.

[...] Tracking progress against the Results Measurement Framework aims at enhancing the cycle of planning, encouraging periodic performance monitoring and fostering organisational learning. Although still very important, increasing accountability and improving external reporting are not the central purpose of this exercise.”³

Inter American Development Bank: “Accountability”

IDB Management currently considers the corporate results framework primarily as a tool for corporate accountability due to its origin in the IDB-9 process. For managerial purposes, Management uses several internal Bank-wide monitoring tools – with the needed flexibility, granularity, and reporting frequency to be effective tools for managing for results – including the

² AfDB, AsDB, IDB, WB and DFID.

³ From: Bank Group Measurement Results Framework, Quality Assurance and Results Department, African Development Bank, African Development Fund, p. 18.

Results-Based Budgeting performance indicators; Quarterly and Annual Business Reviews; and Employee Performance Management.

The Bank is analysing the relationship among these performance monitoring tools and the processes associated with them to ensure alignment/consistency among them and enhance their usefulness in guiding managerial decisions.⁴

Managing for Development Results (MfDR)

The development of results frameworks by Multilateral Development Banks has been presented consistently within the larger scheme of implementing the MfDR approach and the Aid Effectiveness agenda⁵.

A Continuum

“The 'One Bank' Results Measurement Framework [...] is founded on the tenet that planning, monitoring and assessing results is a continuum across all areas and sectors of the institution.”

From: Bank Group Measurement Results Framework, Quality Assurance and Results Department, African Development Bank, African Development Fund, p. 2.

5/ Attribution vs. Contribution

The Debate

When it comes to monitoring results at Level 2 of the results framework a methodological distinction is being made which, for external observers, can be hard to grasp: Should the observed development results be attributed to the agency's efforts, or should the agency simply state that its efforts contributed to development results obtained by client countries? For instance, the World Bank identifies its Level 2 reporting as “Country Results Supported by the Bank,” whereas DFID presents Level 2 under the banner “What results has DFID delivered and how well does DFID manage its resources?”

This debate is not simply academic: It has a direct impact on how results are reported, as the two methods – attribution and contribution – are based on two modes of computing which lead to different reported results, particularly in the case of projects with multiple funders.

The case of an education project that has received 30% of its funding from a bilateral agency, 50% from a multilateral development bank (MDB), and the remainder 20% from the government of the client country can be used as a simple illustration. Quite naturally, the government will claim all the results when reporting on the project. The bilateral funder will report⁶ that its efforts benefitted 30,000 students – in line with its funding share as pro-rated over the 100 000 students that the project had reached. The MDB will report that the government's project, to which it had contributed funding, has benefitted 100 000 students.

⁴ Contribution of IDB staff upon reviewing the draft version of this chapter.

⁵ As an illustration, both the AsDB and the AfDB publish their RF in publications which refer to development effectiveness in their title.

⁶ There is a specific issue when it comes to reporting results for bilateral fundings that were channeled through multilateral organizations. In this case DFID uses the results reported by the multilateral agencies (which generally report overall project results) and publishes with it the percentage of funding that came from DFID.

AsDB's Further Comments on Attribution

“The example above illustrates the difference in the concepts. However, the results of projects are often more messy and may be confounded by the roles of different funders. For example, some funders may earmark their funds to a particular project component or geographical area. Under attribution, this should limit the results they can report. Others may play the role of coordinator of the project, creating a different basis for attributing results than just money. The project may deliver a variety of outputs – textbooks, curricula, trained teachers, school construction, classroom equipment, scholarships, etc. Attribution according to a simple formula will claim 30% of each of these for the bilateral funder, depending on the exact circumstances may not make sense.”

The Divide

Within the development agencies themselves, the debate over attribution vs. contribution is considered as more or less settled, one way or the other. It appears that the stronger the political pressure to account for the use of monies, the greater the agency's inclination to attribute development results to its efforts. And the greater the autonomy of an agency, the more predisposed it will be to look at project results as results obtained by its clients.

| | AfDB* | AsDB | IDB** | WB | DFID |
|----------------------------|--------------|-------------|--------------|-----------|-------------|
| <i>Attribution</i> | | | | | |
| <i>Contribution</i> | | | | | |

*AfDB is considering switching to attribution completely, whereas at the moment the approach they use is a mix of contribution and attribution depending on the funding level provided.

**IDB's intention is to attribute results at level 2 of its results framework. It appears that this approach is not currently consistently implemented.

As such the choice in regards to which approach to use appears to be determined by the nature of the organisation and its operating environment. As a World Bank manager succinctly put it: “The authorising environment drives the distinction between attribution and contribution.” Thus DFID, which is under strong political pressure to justify the funding it receives computes the results that may be attributed to its bilateral funding, whereas the AsDB, which has a more arms' length relationship with its shareholders reports the overall project results, irrespective of its own contribution.

The Normative Perspective

A normative argument can be brought to bear on whether or not there is a good reason to consider one option as 'better' than the other. Over the last decade the debate in international aid has been shaped by the linked notions of “aid effectiveness,” “country ownership” and “managing for development results.” The notion of attribution of results, which puts forward the 'results' of the agency, runs counter this general consensus, while the contribution perspective does indeed put the onus on client countries rather than on development agencies, as has been called for by the Paris Declaration and the Busan Agenda.

6/ Causality

The Need for Theories of Change

The use of a Results Framework has its theoretical foundation in the assumed existence of a chain of results that links all four levels, or, as it is stated in the Managing for Results literature, the existence of a theory of change which allows one to derive results from inputs (with the RF measuring these flux).

“Thus, the development of a good results framework requires clarity with respect to the theory of change—the reasons why the project, programme, or strategy will lead to the outputs; why those outputs are likely to lead to the immediate or intermediate outcomes; and how those outcomes are (at least hypothetically) linked with longer-term outcomes or impact. The theory of change also requires knowing or estimating how long it will take to achieve each stage of the programme and how much of the outcome is likely to be achieved. Thus, defining cause-effect linkages for one or more development interventions lays the groundwork for a results framework.”⁷

If the soundness of having a theory of change and a chain of results as the cornerstones of the RF appears straightforward enough in theory, in practice development agencies have taken opposing stands on that issue. The contrast is clear when comparing the position taken by AsDB and the AfDB on that issue.

Contrasting Positions

At the AsDB, Level 1 of the corporate results framework is considered as providing the general context, and Level 2 as tracking the client countries results without implying any direct causality between the two levels – on the ground that the complexity of the phenomena being considered is too great to allow establishing deterministic, linear causal links between the two levels. This position has been staked only recently by AsDB, at the occasion of the most recent modification of its results framework (2013), which now stands with its Level 1 clearly separated from the other three levels of the results framework (see AsDB survey in Part II for details).

AsDB's Parsing of Causality⁸

“The results chain in results based management was developed specifically to be applied to an individual project. In the case of the AsDB corporate results framework the concept of the results chain is being applied to an entire organisation. Consequently, the AsDB framework does not match exactly with the levels of results and the causality in the results chain. This is primarily due to the aggregative nature of the corporate results framework. In order to capture corporate performance data must be aggregated across all AsDB operations and countries to the corporate level. This aggregation enables the AsDB to effectively track and report on corporate performance from inputs to outputs. However, it limits tracking and reporting on outcomes and to a greater extent on impacts.

In the AsDB’s core sectors a standardized set of sector output and outcome indicators have been developed that apply to the majority of AsDB projects in that sector. Standard indicators at the impact level cannot be developed as impacts are usually too varied to be standardized for specific sectors – for example, a road output may lead to impacts in the areas of health, education, employment, or trade.

⁷ *Designing a Results Framework for Achieving Results*, IEG, World Bank

⁸ This analysis was contributed by AsDB in response to the draft version of this chapter.

At level 2 aggregation of sector AsDB outputs, such as megawatts of power generated, is possible and meaningful across all projects and countries. Aggregation of sector outcomes, for example electricity consumption by manufacturers is also possible; but the level of attribution to AsDB is reduced. Aggregation of non-standard impacts, for example increased production, is possible, but it is only meaningful in relation to an AsDB project within a single country (or small sub-regions). This can be captured through project impact evaluations and country briefs. Aggregation of impacts across all countries, at a regional level, is rarely possible or meaningful.

Level 1 contains regional level aggregations of standard indicators at the output (paved roads), outcome (graduation rate), and impact levels (poverty rate). However, it is not possible to link changes in these regional aggregations to the results of AsDB projects.”

In contrast the AfDB sees Level 1 and 2 as causally linked: “Level 1 consists of indicators that represent development outcomes to which the Bank is seeking to contribute in countries in the region. [...] the outcomes indicate the development goals to which AfDB operations aim to contribute. Level 2 contains indicators measuring the AfDB’s key sector outputs and intermediate outcomes. They represent the AfDB’s tangible contribution to the development outcomes identified in Level 1.”

However, MOPAN in a 2012 assessment questioned the strength of the claimed causal links between level 1 and level 2 at the AfDB:

“There is a notable gap between aggregate outputs (and intermediate outcomes) achieved by Bank-supported projects and higher level outcomes in Africa. The Bank does not present a theory of change that could contribute to minimising the gap between these levels of results. This is a challenge that all multilateral development banks are facing.”⁹

A Generally Weak Link between Level 1 and Level 2

“The usefulness of a corporate results framework for evaluation and decision-making depends on the logic of the linkages between its levels. A weak link in the results frameworks of all the reviewed organizations is between Level 1, at the regional or global level, and Level 2, the contribution of the organization’s outputs to the higher objectives at Level 1. What is typically missing is an intermediate link in the chain, namely, at the outcome or intermediate outcome level. The other organizations reviewed are grappling with this issue, and some are making progress. For example, the AsDB requires for all projects, wherever feasible, a measure of outcome a year after completion of its execution (for example, data on the actual use of a road). It is also assessing the contribution of its operations at a country-sector level and then determining the best way to aggregate the results.”

(Source: Mid-Term Evaluation of IDB-9 Commitments, Corporate Results Framework, Background Paper, OVE, IDB, March 2013, p. 26)

⁹ Assessment of Organizational Effectiveness and Reporting on Development Results, African Development Bank, Volume 1, Multilateral Organization Performance Assessment Network (MOPAN), December 2012, p. xii.

B. Cross-Comparisons

This section focuses on operational aspects of corporate Results Frameworks (RF), comparing how the five agencies that use a four level results framework approach the following areas:

- *Target setting for indicators included in the RF;*
- *Level of coverage achieved by the RF;*
- *Monitoring system features of the RF;*
- *Reporting instruments.*

1/ Targets

No discernible pattern was detected in regards to the decision of whether or not to set targets for the indicators of the agencies' results frameworks.

Level 1

Level 1 indicators give a picture of the development context and trends in the areas covered by each development agency, and every agency has its own policy:

- ◆ The AsDB sets targets at the regional level, on the basis of UN data with population as weight.
- ◆ The IDB and the WB do not provide targets, although the WB is 'quoting' some of the global MDG targets.
- ◆ The AfDB does not provide targets *per se* for its indicators but compares Africa's progress with progress in Africa's peer group of low- and middle-income countries around the world, which may be considered as a form of implicit target setting.
- ◆ DFID follows the global progress towards the MDGs in its priority countries with a traffic-light code whose determination is based on existing MDG targets (green is for target already met or expected to be met by 2015; amber for progress insufficient to reach the target if prevailing trends persist; and red for no progress or deterioration).

Level 2

Different terminology in regards to targets is used by the five agencies surveyed. Some speak of targets, others of expected results and yet others of results commitments.

- ◆ The AsDB and IDB set targets.
- ◆ DFID has "results commitments" for a majority of its indicators covering bilateral aid¹⁰.
- ◆ The AfDB does not set targets but identifies 'expectations' in terms of results, and signals performance¹¹.
- ◆ The WB does not present targets in its Corporate Scorecard, but IDA does have targets at Level 2 of its results framework.

¹⁰ Indicators taken from multilateral partners results reports are not linked to targets

¹¹ Performance in this context is defined as the level of actually delivered outputs as a percentage of expected results. This is expressed with a traffic-light code. Green is for Bank operations which have achieved 95% or more of their targets; amber is for Bank operations which have achieved 60–94% of their targets; and red is for Bank operations which have achieved less than 60% of their targets.

Levels 3 and 4

The AfDB, the AsDB¹² and the WB¹³ have targets for their indicators at Levels 3 and 4. The IDB which organizes its results framework slightly differently also has targets for its lending priorities at Level 3 and operational targets for Level 4 (effectiveness and efficiency). DFID has no formal, well established indicators for levels 3 and 4.

2/ Coverage

Completed Projects and Projects under Implementation

For the computation of Level 2 indicators the AfDB and AsDB take into account only their completed projects, and the data is drawn from the Project Completion Report. The WB, DFID and IDB¹⁴ do include projects under implementation at Level 2; and the AfDB intends to move to this approach from 2014 onwards.

For levels 3 and 4 all agencies cover projects under implementation. For instance, AsDB has a measure of the quality of projects under implementation (one of the criteria is disbursements against the initial calendar).

Portfolio Coverage

Level 2 indicators do not cover the whole portfolio¹⁵ of the agencies but there has been no formal study of the level of coverage in any of the agencies surveyed here. The estimates below have been suggested by agencies' staff during interviews for this Study.

DFID: According to a DFID staff member, the Corporate Results Framework covers slightly less than half of DFID's bilateral projects, which represent about one quarter of the overall DFID budget (assertion based on a 2011 assessment). There has been no sectoral analysis to determine which areas are well covered, and which are not.

As regards multilateral programs funded by DFID, the RF monitors headline outputs delivered by 19 of the UK's core-funded multilateral organizations. However, the UK funds other multilateral partners which either have specialist mandates that do not lend themselves well to reporting quantifiable output results annually, or have less fully developed reporting systems that prevent the generation of headline results. The Climate Investment Funds (CIFs), which represent a significant level of funding, are not yet included, as robust output indicators are still in the process of being developed.¹⁶

AsDB: As regards coverage by Level 2 indicators, there are two cases: 1/ for physical outputs, data aggregation allows for coverage of about 2/3rd of activities; 2/ for quality-type indicators, there is a 100 per cent coverage.

¹² At AsDB indicators have either annual targets or targets set for 2016.

¹³ At the WB indicators are "monitored" where performance standard or target is not relevant.

¹⁴ Reporting of outputs and intermediate outcomes at the IDB is based on the Project Monitoring Report, which is completed twice annually during implementation.

¹⁵ Meaning completed projects.

¹⁶ Annual Report and Accounts 2011-12, p. 25

About 20 to 25 per cent of AsDB lending is policy based¹⁷ and for these so-called 'softer-results' there are output or outcome indicators for each individual project in the project level framework. However, as these indicators are extremely varied, they cannot be meaningfully aggregated into the corporate results framework. In this case, monitoring is done through indicators focused on the quality of operations and examples are provided of the types of outcomes and outputs achieved. At the end of the project, there will be an evaluation and separate reporting of the policy-based loans.

WB: There is no data on the overall coverage of the Corporate Scorecard. For the Sustainable Development Network (SDN), which is one of the WB four areas covered by the Scorecard, according to a Bank staff estimate Tier II of the Scorecard reflects about 80 per cent of lending. In the case of Tiers III and IV, the coverage is naturally one hundred per cent.

Fragile States

Not all agencies have to concern themselves with the difficulties of covering fragile states (The IDB covers only Haiti¹⁸, whereas DFID is concentrating a large part of its resources on fragile states). Covering results in fragile states naturally comes up against the problem of collecting reliable data.

AfDB: Disaggregating results and performance for a group of countries, such as fragile states, will be possible at all levels of the Results Measurement Framework once the Results Reporting System is operational.

AsDB: The AsDB will continue to assess the state of fragile and conflict affected states and AsDB operations in those countries by disaggregating data by country groups as Standard Explanatory Data¹⁹ where possible. This assessment will include the changes in the fragility of FCAS countries by reporting:

- ◆ The average change in FCAS country performance assessment scores (Level 1),
- ◆ FCAS-specific performance analysis on operational quality at completion (Level 2),
- ◆ Implementation quality and quality at entry (Level 3), and
- ◆ Efficiency and client orientation (Level 4).

WB: The WB identifies, for the four Tiers of its Scorecard, the indicators that have a linkage to the Bank's Post Crisis Directions: 1. Target the Poor and Vulnerable; 2. Create Opportunities for Growth; 3. Promote Global Collective Action; 4. Strengthen Governance; 5. Manage Risk and Prepare for Crisis. At Level 4, the WB also follows its sector actions related to post-crisis directions (support to agriculture and related sectors; support to sustainable infrastructure; support to health, nutrition, and population; support to education sector). However, the indicators related to Post-Crisis Directions do not refer to Fragile States per se, but to the World Bank strategic directions in response to the economic and financial crises of recent years.

¹⁷ Lending based on policy conditions or, in the finance sector, lending for support to capital markets and financial sector reform.

¹⁸ However, it must be noted that the IDB has been doing a major effort in Haiti. After the 2010 earthquake, the IDB pledged to provide Haiti more than \$2.2 billion in grants over the next decade to fund its recovery efforts and long-term development plans. The Bank also cancelled all of Haiti's outstanding debt and converted un-disbursed loan balances into grants. Since the earthquake the IDB has approved \$735.5 million in new grants and disbursed \$501.9 million for Haiti.

¹⁹ See description of SED in the Annex – Asian Development Bank.

There are also a few indicators in the Corporate Scorecard that directly track fragile situations: in Tier 3, “Satisfactory operations outcomes at completion – fragile situations”; and in Tier 4, “Client services in fragile and conflict-affected areas.”

DFID: Although fragile states represent a fair share of DFID's focus, they are not expected to contribute much to DFID's Results Framework, partly due to the difficulties in collecting reliable data.

3/ Results Monitoring Systems

The CRF is part of the toolbox that agencies have developed in their efforts to bring their organisations into a 'managing for results' mode. Below the systems developed by Multilateral Development Banks over the last seven years are presented (more detailed descriptions can be found in the Annex). One should keep in mind that these results monitoring systems are still in a state of flux and adjustment, and it is hard to predict what shape these will have five years from now.

Agency Level

| | AfDB | AsDB | IDB | WB |
|--|----------------------------|--------------------------|------------|---------------|
| Corporate level strategy linked to RF | | | | |
| Performance Scorecard | | | Abandoned | |
| Integrated 'automatic' data collection system* | | | | |
| Additional data systematically compiled | | SED | | |
| Sector strategy results frameworks | For some sector strategies | | | Some sectors |
| Regional strategy results frameworks | For some regions | For small Pacific States | | Some regions |
| External feedback system | | | | One indicator |

*: All MDBs are working on setting their own system up, as does DFID. The AfDB's Results Reporting System is to be launched in 2013.

Country and Project Levels

| | AfDB | AsDB | IDB | WB |
|--|-----------------------|-------------|------------------------------|-----------|
| Country Partnership Strategy Results Framework | Not all CPS have a RF | | No, but CS is aligned on CRF | |
| Project Performance Evaluation Report | | | | |
| Project Completion Report | | | | |
| Development Effectiveness Matrix | | | | |
| Project Monitoring Report | | | Every 6 months | * |

* At the World Bank it is called the Implementation Status and Results report

4/ Reporting

The AfDB, AsDB, IDB, WBG and DFID²⁰ all publish annual corporate-level reports on results, which present indicator data for the four levels of their Results Frameworks. All MDBs publish also results briefs, which capture their contributions to country, project and sector level development outcomes by illustrating results data alongside qualitative impact stories.

IDB Comparing MDBs' Corporate Reports to its Own

“OVE compared the Development Effectiveness Overview (DEO) with the overview reports produced in the World Bank, the Asian Development Bank, and the African Development Bank. This exercise has revealed that the DEO is more complete than most of them in several aspects. In particular, the IDB is the only Bank to report on projects evaluability²¹ and on the share of projects with economic analysis. All organizations rely heavily on the results of completion reports (PCRs or equivalent), and only the IDB and the overview report produced by the World Bank (the World Bank for Results, or WB4R) illustrate their analysis with impact evaluations. In the WB4R, as in the DEO, the selection criteria for the impact evaluations mentioned is not clear; instead, they are used as examples, and a more extensive analysis of the World Bank impact evaluations can be found on a website—similarly to what IDB Management is proposing for the coming years. In none of the overview reports is it possible to identify the recommendations from their independent evaluation offices²², except for of the overview report produced by the World Bank’s Independent Evaluation Group.”

Mid-Term Evaluation of IDB-9 Commitments, The Development Effectiveness Framework and the Development Effectiveness Overview, Background Paper, OVE, IDB, March 2013, p. 31.

There is however a tension within these annual reports; as they target different audiences at the same time – the board, management, stakeholders (Parliament among them) and the general public – they find it difficult to really cater to the needs of everyone. Should it be a tool for accounting, or should it be more focused on managerial issues? Should it address an internal audience, or an external one? Professionals or lay readers? This tension has been discussed at IDB:

“[...] there is a clear tension between the role of the Development Effectiveness Overview [IDB’s annual report] as an external communication tool and its ability to candidly highlight issues and problems so that corrective action can be taken. To date, the external communication role overwhelms the other use. Perhaps having an internal, operational version of the Corporate Results Framework (CRF) geared toward developing periodic corrective action plans would balance CRFs by reinforcing this second important function of continuously improving the work of the Bank. This would supplement the quarterly review of lending targets by the Operations Policy Committee.”²³

²⁰ DFID’s report, titled The Annual Report and Accounts, is done in response to an official obligation to report and is specifically addressed to the Parliament. For this reason probably it does not present the concrete project examples as all MDBs do in order to explain the logic of development to some of their readers.

²¹ The other reports provide some analysis of the quality at entry of their portfolio; however, the evaluability analysis prepared by IDB’s self-evaluation system goes beyond to address the question of how well projects can be evaluated at completion.

²² The Asian and African Development Banks include in their reports a list of actions defined by Management to respond to the recommendations of several parts of the Bank. However, they do not address all the recommendations from their independent evaluation offices. The Asian Development Bank has a tracking system to follow up on the recommendations of their independent evaluation office, but it is not directly translated into their Development Effectiveness Review (The actions are reported on in the DefR).

²³ Mid-Term Evaluation of IDB-9 Commitments, Corporate Results Framework, Background Paper, OVE, IDB,

C. Levels and Indicators

This section looks at the way the agencies are defining each level of their results frameworks, and looks for patterns in the selection of indicators. Whilst the four levels of the results framework (RF) are generally described in similar or equivalent terms, below this surface of commonality, differences do appear in the selection of indicators even if there have been a few initiatives to coordinate and harmonise across agencies.

1/ Identification of the Four Levels in Each Agency

| AfDB | AsDB | IDB | WB | DFID |
|---|--|--|--|--------------------------------------|
| Level 1 | | | | |
| What development progress is Africa making? | Development progress in Asia and the Pacific | Regional development goals | Development context | Progress on key development outcomes |
| Level 2 | | | | |
| How well is the AfDB contributing to development in Africa? | AsDB's contribution to development results | Output contributions | Country results supported by the Bank | DFID Results |
| Level 3 | | | | |
| Is the AfDB managing its operations effectively? | AsDB's operational effectiveness | Lending program targets | Development outcomes and operational effectiveness | Operational effectiveness |
| Level 4 | | | | |
| Is the AfDB managing itself efficiently? | AsDB's organizational effectiveness | Operational effectiveness & efficiency | Organizational effectiveness and modernisation | Organisational efficiency |

1/ Level 1

Definitions

There is a general agreement among agencies about what Level 1 stands for. The AfDB provides a very clear description with which all agencies surveyed as part of this Study could agree:

“The first level of the RMF tracks the region’s development progress through selected regional outcomes to which AfDB contributes. These outcomes cannot be attributed to AfDB alone; the Bank is one of many development partners that assist national governments in their journey toward better development outcomes. No evidence suggests that any result achieved at this level is the direct contribution of any given development partner. Indeed, country results are undoubtedly in great part the product of a country’s will and determination to develop. The Bank nevertheless monitors these developments as part of its results framework because they provide a horizon for assessing the effectiveness of the Bank’s services.”²⁴

March 2013, p. 18

²⁴ Bank Group Results Measurement Framework, p. 7

However, not all agencies find this level of analysis useful. At the AsDB, were it not for pressure from shareholders, staff in charge of monitoring would be inclined to do without a Level 1 for the Corporate Results Framework (see section on Causality above).

Indicators

Level 1 indicators cover the following domains: i/ Poverty and inequality; ii/ employment; iii/ health and education; iv/ agriculture (not as the AsDB); v/ infrastructure and access; vi/ trade and finance; vii/ governance; viii/ environment.

In some of these categories, the agencies have almost no indicator in common, which may be explained by the structural differences among themselves and between the regions they cover. However, they do have some common indicators that are related to the MDGs such as: Poverty rate; GDP per capita; under-5 child mortality; maternal mortality; ratios of girls to boys in education (not always at the same level); water and sanitation access (not at IDB); paved roads; households electrified. For more details, see document joined to the report: Table of MDBs' Results Framework Indicators.

2/ Level 2

Definitions

Level 2 is focused on the agency's contribution to development results in partner countries – meaning that it keeps track of the results of projects which development agencies funded, but with the understanding that these are country results, not the agency's results. There are, however, different ways of computing and presenting this data, as we have seen in the section above on Attribution vs. Contribution.

Indicators

Level 2 includes a mix of output and outcome indicators. The number of indicators varies from 27 at the IDB and WB to 30 at the AsDB²⁵. Naturally, as the domains of interventions differ from one agency to the other, the set of indicators vary among donors. Also, some donors identify targets for their indicators, when others do not (see Summary Table below).

The domains covered by Level 2 indicators can be mapped over Level 1 domains: i/ Poverty/social; ii/ employment; iii/ health; iv/ education; v/ agriculture; vi/ infrastructure (transport, energy, water); vii/ Trade/Finance; viii/ governance; ix/ environment.

At some agencies (AfDB and IDB) level 2 also includes indicators on quality at project completion.

3/ Level 3

Definitions

Level 3 refers to operational effectiveness for all agencies with the exception of the IDB whose Level 3 is focused on the bank's lending priorities. At DFID the monitoring of effectiveness is still work in progress, with yet no indicator firmly established (indicators that were published in 2012 were no longer presented in 2013).

²⁵ If DFID's bilateral level 2 indicators (25) and those taken from multilateral agencies reports to reflect results linked to core funding provided (49); the total would increase.

IDB's internal assessment of the structure of its CRF

“At IDB the inputs and activities are not linked. Operational Effectiveness and Efficiency are combined in the same level and table, whereas other organizations separate them into two levels and tables. Similarly, the link between activities and outputs is broken, in that Level 3 (Lending Priority Targets) considers only the allocation of loan finance and ignores other priority activities, such as technical cooperation, and knowledge and learning. While separating Operational Effectiveness and Efficiency would not automatically establish better results chain linkages, at least the distinction would be clear. This might create five levels rather than four, but this could be avoided by moving Lending Priorities to a category in the Operational Effectiveness Level, as the ADB does.”

(Source: Mid-Term Evaluation of IDB-9 Commitments, Corporate Results Framework, Background Paper, OVE, IDB, March 2013, p. 19)

Indicators

The agencies, which are part of the MDB Working Group on Managing for Development Results, have agreed in principle to a common set of indicators (as part of the Common Performance Assessment System (COMPAS)). However, each agency has tailored its set of indicators to its own specific needs, as is evidenced by the differences in the categories used (table below).

| AfDB (21 indicators) | AsDB (26 indicators) | World Bank (26 indicators) | IDB* |
|---|--|--|---|
| <p>6 categories</p> <ul style="list-style-type: none"> - quality-at-entry of strategies and operations; - portfolio performance; - aid effectiveness; - knowledge management; - gender mainstreaming; - climate change | <p>5 categories</p> <ul style="list-style-type: none"> - implementation quality - quality at entry - development finance - strategy 2020 development agendas and core operations - strategy 2020 drivers of change | <p>4 categories</p> <ul style="list-style-type: none"> - development outcome ratings; - lending operations; - knowledge activities; - use of country systems. | <p>4 categories</p> <ul style="list-style-type: none"> - country strategy; - loans; - technical cooperation; - partner satisfaction. |

*: IDB's effectiveness indicators are at Level 4 of IDB's Results Framework, but for the sake of comparison they are being shown here with the other agencies' Level 3 indicators on effectiveness.

4/ Level 4

Definitions

Level 4 indicators focus on the internal aspects of the organisation: budgetary and human resources, administrative processes, and also the implementation of internal reforms. As in Level 3, these indicators have targets, which is only natural since these are areas over which the agencies do have some control and capacity to intervene.

AfDB: “These indicators are a tool for ensuring coherence between the AfDB’s intended contributions to long-term country outcomes, and its management of its budget, its human resources, and its internal processes and policies.”

AsDB: “The fourth level aims to capture progress in increasing efficiency in the use of internal resources and implementing reforms.”

WB: “Organizational Effectiveness and Modernization – “Is the Bank managing skills, capacity, resources, and processes efficiently; is business modernization on track?”

DFID: Indicators that “aim to monitor improvements in the efficiency of DFID’s internal corporate processes to help improve capacity to provide more effective frontline delivery.” However, since there is no yet an established set of indicators, DFID is not part of the comparison table.

Indicators

| AfDB (11 indicators) | AsDB (9 indicators) | IDB (30 indicators) | WB (25 indicators) |
|---|---|--|---|
| <p>5 areas</p> <ul style="list-style-type: none"> - human resources; - business process and practices; - information technology; - decentralization; transparency | <p>3 areas</p> <ul style="list-style-type: none"> - human resources - budgetary resources - Process efficiency and client orientation | <p>3 areas</p> <ul style="list-style-type: none"> - cost of project preparation and implementation; - decentralization - human resources (including gender balance). | <p>4 areas</p> <ul style="list-style-type: none"> - resources and alignment; - capacity and skills; - business modernization; - Post Crisis Dvpt related sectors |

5/ Core Sector Indicators²⁶

Development agencies surveyed, with the exception of the IDB and DFID, have core sector indicators, and their numbers vary widely: from 140 at the WB to 23 at the AsDB.

It should be noted that the agencies keep adjusting their CSIs.

²⁶ The various agencies use slightly different definitions of core sector indicators but generally they can be understood as additional indicators over and above those included at level 2 of the corporate results framework; and which are predominantly used to provide management with more detailed information without overburdening the RF.

D. Summary Table

| | AfDB | AsDB | IDB | WB | DFID |
|-------------------------------|---------------------------------------|--------------------------------------|---|--------------------------|--|
| <i>Group level CRF</i> | yes (2010) | yes | N/A | not yet | N/A |
| <i>Agency level RF</i> | ADB, ADF, NTF | ADB and ADF | IDB | IDA, IBRD | DFID |
| <i>Strategy link</i> | Strategy 2013-2022 | Strategy 2020 | Corporate Strategy | WB Group Strategy | DFID Business Plan |
| <i>Timeframe of RF</i> | 3 years (2010-2012) | 4 years (2013-2016) | 4 years (2012-2015) | 1 year | 4 years (2011-2015) |
| <i>Launch year</i> | 2003 | 2008 | 2012 | 2011 | 2011 |
| <i>Modifications</i> | next large: 2013 last large : 2010 | January 2013 previous large: 2011 | next large: 2013 | next large: 2013 or 2014 | Levels 3 and 4 are in a state of flux next large: in 2014 |
| <i>Emphasis in purpose</i> | management over accountability | management | accountability primarily and management | management | accountability and management |
| <i>Scorecard</i> | results | performance | - | performance | - |
| <i># indicators - Level 1</i> | 27 | 22 | 23 | 31 | 22 |
| <i># indicators - Level 2</i> | 51 | 30 | 27 | 27 | 25 bilateral** |
| <i># indicators - Level 3</i> | 21 | 26 | 4 | 26 | na |
| <i># indicators - Level 4</i> | 11 | 9 | 30 | 25 | na |
| <i>Targeting at Level 2</i> | no*** | yes | yes | no | Yes, for bilateral indicators |
| <i>Core sector indicators</i> | 57 | 23 | - | 140 | - |
| <i>CRF frequency</i> | once a year | once a year | once a year | twice a year | once a year |
| <i>Level 1 frequency*</i> | once a year | once a year | once a year | twice a year | twice a year |
| <i>Level 2 frequency</i> | once a year | once a year | Twice a year | twice a year | twice a year |
| <i>Level 3 frequency</i> | every quarter | every quarter | once a year | every quarter | every quarter |
| <i>Level 4 frequency</i> | every quarter | every quarter | every quarter | every quarter | every quarter |

* The Level frequency refers to the data collection frequency for indicators at this level.

** Plus an additional 49 indicators to report results linked to core funding provided to multilateral agencies

*** The African Development Bank uses the terminology of but programmed results, which are the equivalent of the aggregation of expected outputs and outcomes

PART II

Survey of Results Frameworks in Five Development Agencies



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I. AFRICAN DEVELOPMENT BANK (AfDB)

A. Corporate Results Framework

This section presents the defining features of the organization's Corporate Results Framework (purpose, structure and coverage) and discusses how it addresses some of the issues confronted when monitoring results (choosing between attribution or contribution, use of targets, coverage of cross-cutting issues and role of core sector indicators).

1/ Overview

A new version of the Bank's Results Measurement Framework (2013-2016) is being developed. It was discussed at the African Development Fund (ADF) meeting in June, presented to the Board in September, and is scheduled for approval in December 2013. This new RMF builds on previous ones while making adjustments to bring it in line with the recently adopted Bank's Strategy (2013-2022). This is the fifth RMF since 2003, when the Bank first introduced this corporate management tool.

The RMF is a corporate tool to monitor progress in executing the Bank's Strategy for all its financing windows²⁷. The RMF is designed to filter information by variable (financing window, financing instrument, sub-region, country, and sector) and is used for the Bank's internal and external reporting needs.

The AfDB's RMF is largely harmonized with the results measurement frameworks of the World Bank, Inter-American Development Bank, and the Asian Development Bank.

2/ Purpose

The purpose of the AfDB corporate results framework was succinctly described in the document through which its 2010 version was presented, and a similar analysis was done for the preparation of the 2013 version of the RMF.

“When explaining the role of the Bank's Results Measurement Framework, it is paramount to stress the importance of management over reporting. The fundamental goal of the Results Measurement Framework is to improve the Bank's development effectiveness, which requires helping managers to manage better. Tracking progress on the Results Measurement Framework aims at enhancing the cycle of planning, encouraging periodic performance monitoring and fostering organizational learning. Although still very important, increasing accountability and improving external reporting are not the central purpose of this exercise.”²⁸

²⁷ i.e. the AfDB itself, the African Development Fund (ADF), and the Nigerian Trust Fund (NTF)

²⁸ AfDB, *Bank Group Results Measurement Framework*, 2010, p. 17.

The AfDB focus is on Managing for Development Results. The main objectives of the AfDB action are: i) to mainstream results as a management tool, not just as a monitoring and reporting tool and ii) to foster a results culture at country level, with a stricter engagement with the clients. The focus on Aid Effectiveness is also central, in line with the Busan Agreement and the shift in the development paradigm, moving from making aid delivery effective to making development more effective.

3/ Structure

The RMF is organized into four levels that capture all the stages through which Bank inputs are transformed into country results.²⁹

Level 1

What Development Progress is Africa Making? - 27 indicators

Level 1 consists of indicators that represent development outcomes to which the Bank is seeking to contribute in countries in the region. These outcomes cannot be attributed to the AfDB alone; they result from the collective action of countries and development partners. Tracking the outcomes is important, however, because the outcomes indicate the development goals to which AfDB operations aim to contribute.

Level 2

How Does the AfDB Contribute to Africa's Development? - 51 indicators

Level 2 contains indicators measuring the AfDB's key sector outputs and intermediate outcomes. They represent the AfDB's tangible contribution to the development outcomes identified in Level 1. Level 2 comprises output indicators and intermediate outcome indicators.

Level 3

Does the AfDB Manage its Operations Effectively? - 21 indicators

Level 3 contains indicators for monitoring the AfDB's operational effectiveness. Improvements at this level can lead to better delivery and higher quality of outputs, enabling the Bank to enhance its contribution to development outcomes through all of its financing windows.

Level 3 of the RMF measures operational performance through six categories: (i) the quality-at-entry of strategies and operations; (ii) portfolio performance; (iii) aid effectiveness; (iv) knowledge management; (v) gender mainstreaming; and (vi) climate change. These indicators account for project quality at time of entry, during implementation and at completion.

Level 4

Level 4: Does the AfDB Manage Itself Efficiently? - 11 indicators

Level 4 indicators aim to capture progress on internal reforms and processes. This progress permits the Bank to use its human resources more efficiently and improves the Bank's overall capacity to provide effective services to regional member countries.

Level 4 monitors indicators in five areas: (i) human resources; (ii) business process and practices; (iii)

²⁹ The description is taken from: AfDB, *Bank Group results Measurement Framework*, 2010, p. 5-6.

information technology; (iv) decentralization; and (v) transparency. Baselines and targets for Level 4 are only applicable to the Bank Group as a whole and do not require disaggregation by financial window.

4/ Coverage

The RMF includes indicators to measure policy-based operations, regional operations and private sector operations as part of a single reporting framework that covers all Bank interventions. Therefore in principle – “and to the extent possible” – the RMF covers all of AfDB's activities for the annual overall review.³⁰

The AfDB reporting mechanisms cover all the financial "windows" and they are organized around the institutional priorities described in the AfDB Medium-Term Strategy and summarized in the RMF.

As regards Level 2, the RMF covers only completed projects. Level 3 covers all aspects of the project cycle from design over implementation to evaluation.

5/ Attribution or Contribution - Causality

In the past the AfDB has used a contribution approach. All results of a project were reported, irrespective of the financial share of the AfDB and co-financing contribution by the government or other donors.

As sector wide approaches and joint projects have become more prevalent, the methodology for reporting against the RMF in the Annual Development Effectiveness Review has been refined; and contribution is claimed for projects in which the AfDB financial share is larger than 20%, whereas for projects with a financial input less than 20% only the equivalent share of the results are reported. Going forward the AfDB is considering switching to an attribution approach, similar to the one used by the UK Department for International Development.

In contrast to the position taken by the AsDB on the issue of causality, the AfDB finds an interest in trying to identify or define a causal link between Level 2 and Level 1 of its RMF, as well as between Level 3 and Level 4.

6/ Targets

For Level 2 the AfDB does not set overall targets but publishes the aggregation of expected results as programmed in the country portfolio. Reporting on programmed results avoids conflicting with principles of country ownership if sector outcome targets were set by the Bank. Targets are set for Levels 3 and 4.

7/ Cross-cutting Issues

The Results Reporting System (RRS) which AfDB is in the process of setting up (to be operational in early 2014) is expected to improve the coverage of cross-cutting issues.

³⁰ AfDB, Bank Group Results Measurement Framework, 2010

Gender

The RRS will disaggregate data on country results (Level 1) and on the Bank's contribution to results (Level 2) by gender. Level 2 gender-disaggregated indicators span sectors such as transport, water, climate change, and private sector development, as well as the more traditional social sectors. These indicators can be further disaggregated by subregion and country of intervention. In Level 3 the Bank tracks the quality of the design of all new operations against how well gender aspects are taken into account and mainstreamed in the operations and whether gender indicators are adequately used in the country strategies to monitor progress at country level. In addition, one indicator will track at Level 4 the Bank's own effectiveness in developing a diversified workforce that includes a significant number of women in professional positions.

Regional Operations

The RRS will provide data on country results (Level 1), on the Bank's contributions to results (Level 2), and on portfolio performance (Level 3), both for single country operations and for Regional Operations (RO).

While the Bank's statistical databases monitor Africa's progress to greater regional integration through a few key indicators (Level 1), the Bank's contribution to this progress has not been systematically recorded (Level 2). The inclusion of a dedicated set of CSIs for ROs will allow the RRS to isolate the outputs and outcomes of ROs and generate a better understanding of their contributions to development. In addition, the RRS will provide more accurate information about the portfolio performance of ROs.

The Bank also uses specialized publication such as the DER on regional integration to address Regional integration issues in more depth. In order to better track ROs, the Bank is refining its definitions of RO following the independent review on multinational operations.

Private Sector Operations

Private sector outcome are mainstreamed into the sectors. Private sector specific indicators are singled out if they cover results not already included in more general indicators covering both private and public sectors.

The RRS will generate reports that describe Africa's progress toward creating conducive environments for private sector participation (Level 1), to identify the Bank's key contributions to that progress (Level 2), and to measure the effectiveness of the Bank's private sector portfolio in delivering outputs and outcomes as planned (Level 3).

Although the Bank has selected a limited number of core sector indicators to track its contributions to private sector development as part of the RMF, a more comprehensive set of development outcome indicators are closely followed by the institution's ex-ante Additionality and Development Outcome Assessment.

Policy-Based Operations

Because the vast majority of the Bank's policy-based operations are delivered to strengthen economic and financial governance, indicators that track the Bank's contribution to good governance are a proxy to measure the most recurrent contribution of policy-based operations to country results.

Fragile States

The RMF tracks how the Bank contributes to sector results at the country level through a variety of lending instruments. Disaggregating results and performance for a group of countries, such as fragile states, is already possible, and the Bank has published a DER focused on fragile states.

Governance

For the preparation of the Development Effectiveness Review on Governance (2012) the AfDB devised a specific Results Measurement Framework focusing on governance operations, which is structured around the same four levels as in the general Results Measurement Framework.

Level 1 of the governance RMF comprises 23 indicators, divided among six categories:

- i. Public financial management (2)
- ii. Business enabling environment (8)
- iii. Macroeconomic management (4)
- iv. Political governance (2)
- v. Rule of law, transparency and corruption (3)
- vi. Governance effectiveness (4).

Level 2 comprises 18 indicators. In order to assess the AfDB contribution to changes in Level 1, the bank initially developed a system where indicators were computed for the 18 countries in which AfDB has governance operations and compared to a test group of similar countries in which the bank did not intervene. The system that has been adopted in 2013 calls for identifying a baseline for the indicators in countries where there are governance operations, result expectations to be set, and final results to be compared to the baseline.

8/ Core Sector Indicators

In May 2010, the AfDB issued Guidelines for the Use of Core Sector Indicators (CSIs). Core indicators for all the Bank's areas of intervention were established: (i) transport, power, and information communications technology; (ii) water supply and sanitation; (iii) regional integration; (iv) climate change and clean energy; (v) education, health and social protection; (vi) economic and financial governance; (vii) private sector operations; and (viii) agriculture. See list of indicators in Volume II of the Study Annex.

CSIs are subject to regular monitoring as part of project supervision. They are aggregated across projects and countries to facilitate corporate reporting. While waiting for the Results Reporting System to be fully operational, Sector Departments are already responsible for tracking aggregate results at the sector level.

Identification of Core Sector Indicators

Core Sector Indicators (CSIs) were developed through an extensively participatory approach. Staff reviewed project appraisal reports, Project Completion Reports and sector strategies of the last few years, with a view to compiling a long list of indicators that had been most frequently used in Bank operations. Based on this list, task teams from each sector proposed a shorter list of CSIs for Management's consideration. Each list was then refined, agreed upon and endorsed by Sector

Directors in sectoral workshops in which all sector staff participated. Both the final list of indicators and the present guidelines also reflect inputs from the Bank Economic Complex and OPEV [the Bank's independent evaluation department]. The CSIs thus represent each sector's best judgment of how to measure progress toward the development objectives of its operations.

In choosing CSIs, Sector Departments were guided by three main considerations. First, CSIs had to be easy to measure. Accordingly, CSIs represent a compromise between what the Bank would like to measure and what the Bank can actually measure. Second, CSIs had to measure results that could be directly linked to concrete Bank interventions. Finally, CSIs had to measure outputs and outcomes that corresponded to the Bank's operational priorities as articulated in its Medium-Term Strategy. The final set of CSIs therefore reflects both feasibility of measuring and reporting, and each sector's current strategic focus.

Bank Group Results Monitoring Framework, ASDB, 2010 p. 9.

At the same time as the new RMF 2013-2016 is being developed the CSIs are also being updated; and the core sector indicators will become the same as the RMF indicators. The difference between the two sets will be that CSIs will be further disaggregated. They may be disaggregated by sex and urban/rural; detailed in terms of quality (feeder roads/paved roads, highways) or scope (primary education, secondary education, vocational training, tertiary education, etc.).

B. Results Monitoring System

The Results Framework is an instrument which is part of a system that has been built for planning, budgeting, reporting results, and evaluating. This section provides a description of the various instruments, or organizational and management tools, used by the system to monitor results, at the apex of which stands the Results Framework.

1/ Agency Level

Strategy 2013-2022

Progress in the execution of the strategy is monitored through the Results Measurement Framework.

After two successive medium term strategies (2002-2007 and 2008-2012), a strategy has been developed with a ten year perspective: 2013-2022. The new strategy includes the following five operational priorities: i/ Infrastructure development; ii/ regional integration; iii/ private sector development; iv/ governance and accountability; and v/ skills and technology.

Results Measurement Framework

See description of the AfDB results framework in the preceding section.

Annual Development Effectiveness Review

The Annual Development Effectiveness Review (ADER) was introduced at the same time as the “One Bank” RMF of 2010, and may be considered as an integral part of the AfDB Results Measurement Framework. The ADER is presented to the Board on an annual basis.

Results Scorecard

A summary of the ADER, the Results Scorecard, is presented to the Senior Management Coordination Committee, with a copy to the Board for information. The intention was for the Results Scorecard to be published on a quarterly basis but this has not yet been implemented.

The RS uses a traffic light system to summarize progress toward achieving the targets of the RMF. It neither elaborates on a specific area of achievement nor does it provide substantial quantitative updates on each area.

The purpose of the RS is to highlight areas of the RMF where the Bank is not on track so that specific and timely remedial action can be taken. For areas highlighted as red, the RS succinctly describes challenges and identifies solutions. Remedial actions are reported on the RS of the following quarter.

2/ Region and Sector Levels

Sectoral Strategies

The AfDB adopts the RMF for its overall activities, which include sector-level results. The AfDB has developed a number of sector strategies, some of which have been fitted with a results

measurement framework (**in bold**):

- v. **Agriculture** – the latest sector strategy for 2010-2014 has a RMF with twelve short-term outputs (and relative indicators) and two medium-term outcomes or intermediate outcomes and five indicators
- vi. Climate Change – the Climate Risk Management and Adaptation Strategy has a Results (logical) Framework with a number of objectives and indicators but not a results framework as such.
- vii. **Economic and Financial Governance** – the Governance Action Plan 2008-2012 has a Results Framework attached, with a number of objectives and indicators for three Levels of intervention - Level 1: Improving core governance systems and institutions at the country level; Level 2: Mainstreaming and strengthening governance at the sector level; Level 3: Promoting regional integration and harmonization in governance.
- viii. Education – Education is now part of the new Bank Strategy for Human Capital Development in Africa, 2013-2017.
- ix. **Energy and Power** – the AfDB Energy and power policy plan has a Results Framework providing key results monitoring indicators to guide the implementation of the Policy, with four expected outcomes and a number of indicators. The Medium-Term Energy Sector Strategy (to be defined) will set specific targets for the identified results.
- x. Environment – the AfDB Environment Strategy is dated 2004. No results framework was attached to it.
- xi. **Human and Social Development** – in the area of human and social development, the AfDB has defined a Strategy for Urban Development 2010-2015 with a Results Framework attached (this is apparently the only recent strategic document). This strategy has a number of goals, expected results with medium-term country outcomes and a number of indicators.
- xii. Health – it is included in the new Bank Strategy for Human Capital Development in Africa, 2013-2017
 - Gender – the Gender policy document by the AfDB goes back to 2001, with an output-oriented logical framework and no RF attached to it.
- v. Water Supply and Sanitation – the African Water Facility has been sponsored by the AfDB, with a plan for 2005-2009, a logical framework, but not RF attached to it.
- vi. In the sectors of Information and Communication Technology, Infrastructure, Private Sector Development and Transport, where the AfDB operates, various policy guidelines have been proposed in the recent past, with no Results Frameworks attached.

Regional Strategies

There are a number of Regional Strategies for which the AfDB has started to adopt results-based management framework. The Regional Integration Strategy Papers 2011-2015 (RISP) for the four regions – Western, Easter, Central and Southern Africa – for instance, all have a Results Matrix highlighting two pillars – regional infrastructure and capacity building – , each with three areas of intervention, mid-term and final outputs and mid-term and final outcomes (but no progress indicators, besides deliverables and targets).

3/ Country and Project Levels

Country Partnership Strategy

The AfDB's project cycle is made of the usual stages from country programming – preparation, appraisal and approval – to project completion and implementation to post evaluation. The main document is the Country Partnership Strategy.

A number of Country Strategy Papers of the last generation have RMF's attached to the M&E plan. In these CSPs the Governments' objectives are supported by AfDB interventions through a series of key actions, with final outputs and outcomes and their relative mid-term and final output indicators.

Project Completion Report

Project completion reports are prepared by the project manager, but projects are also assessed by the independent evaluation department with its own set of criteria, and the two ratings are then compared. Bank staff in charge of overseeing this process have noted that over the last years the discrepancy between the two ratings has declined.

Data from the PCR is used to compute results for Level 2 indicators, but the AfDB is in the process of switching to real time reporting.

4/ Data Collection

Data in all cases come from the AfDB Statistical Department, which draws on internationally available data and country data. All the project data are internally produced by AfDB project staff.

The Bank's principal instrument for aggregating the outputs and outcomes of its operations is the Project Completion Report (PCR). PCRs report the main results achieved through Bank interventions and briefly describe the process that led to those results.

Up-Coming Results Reporting System (RRS)

The automated Results Reporting System (RRS), in the planning for the last three years, will fully launch in January 2014. It will link expected results (as per the logical frameworks in Project Appraisal Reports) to progress toward results (as documented in supervision reports) and results achieved (as reported in Project Completion Reports). The system will provide managers with a real-time view of their portfolio and their progress toward results.

Operating through a dashboard, the system will allow managers to filter data by variables (financing window, financing instrument, subregion, country and sector) that fit their information needs. It will allow Senior Management to generate ADF-only data across relevant levels of the RMF for the purpose of reporting to African Development Fund (ADF) deputies. It will allow Sector Directors to analyze aggregate sector results and track strategic sector performance. It will allow Regional Directors to both focus on results for individual countries and have an aggregate view of the region of their competence. Finally, it will allow stakeholders at large to have a simple, aggregate overview of the Bank Group's main contributions to development.

The RRS does not only hold in one place the information necessary to report on all four levels of the RMF, it will also close an important information gap: it provides information on outputs and intermediate outcomes achieved through Bank operations that was not stored in any of the Bank's

existing databases.

5/ Reporting

The Development Effectiveness Review

The Development Effectiveness Review (DER), published since 2011, is the AfDB Group's primary corporate results reporting tool. The ADER is published with three different focus areas:

- ◆ The Annual DER, which follows the RMF four-level structure and presents results to stakeholders and the public at large;
- ◆ Thematic DER, which looks at specific development issues (in 2012: governance, fragile states, regional integration);
- ◆ Country DER, which analyzes a single country (in 2012: Rwanda).

Annual Portfolio Performance Review

The Annual Portfolio Performance Review (APPR) of the African Development Bank Group (the Bank) provides an overview of the size, composition and performance of the Bank's portfolio at the end of the fiscal year. It reviews public, multinational and private sector operations that were approved or were on-going between January 1 and December 31, drawing on data from the Bank's SAP system.

The APPR reviews the quality of the Bank's portfolio through the project cycle stages – at entry, during implementation, and at exit. It also assesses how proactive the Bank is in managing its portfolio. It concludes by presenting the Bank's actions to strengthen portfolio quality. Specific country portfolio issues are not covered in this paper but rather in the respective country portfolio reviews.

Results Scorecard

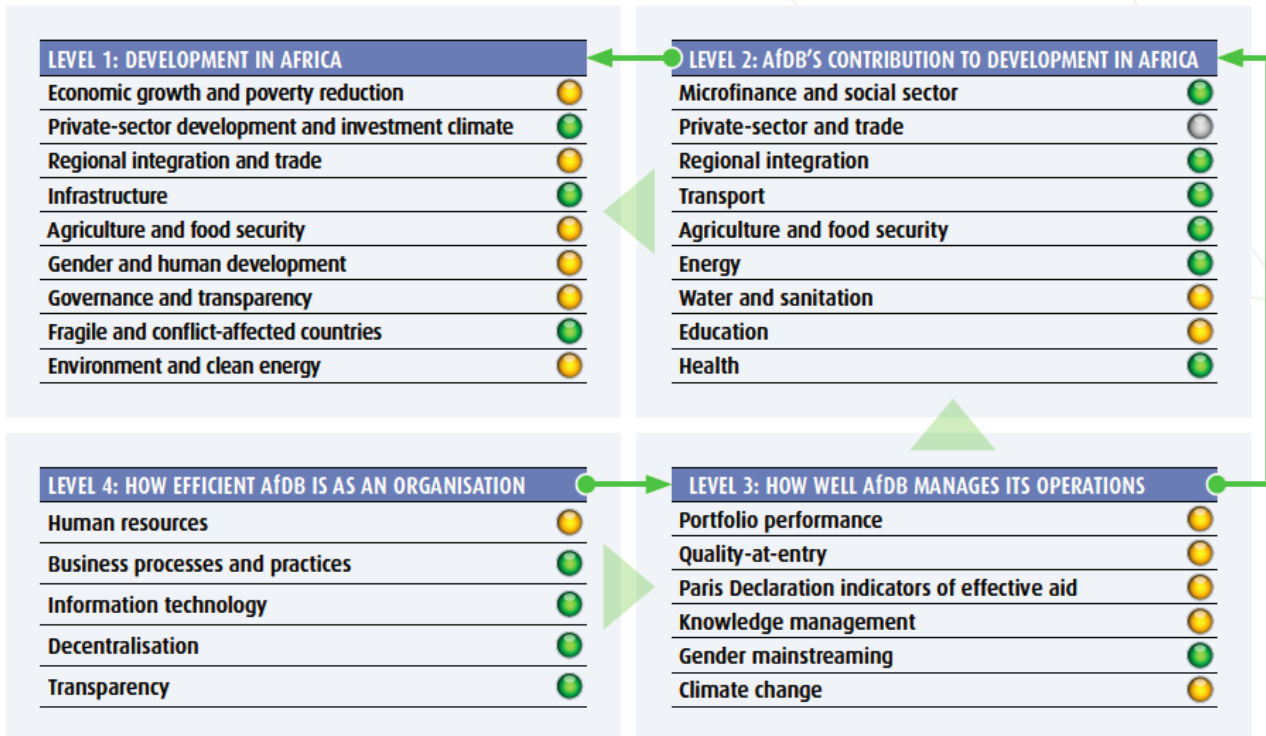
The Results Scorecard (RS) is a summary of key management indicators contained in the RMF that is produced quarterly for discussion at the Operations Committee and the Senior Management Coordination Committee.

The RS uses a traffic-light system to summarize progress toward achieving the targets of the RMF. The purpose of the RS is to highlight areas of the RMF where the Bank is not on track so that specific and timely remedial action can be taken. For areas highlighted as red, the RS succinctly describes challenges and identifies solutions. Remedial actions are reported on the RS of the following quarter.

Summary Performance Scorecard

A Summary Performance Scorecard is reported in the AfDB annual review, with a simple traffic-light rating showing progress towards the goals. For Level 1 Africa's relative performance is measured by comparing its progress with progress in Africa's peer group (low- and middle-income countries across the world); for Level 2 the AfDB's performance is measured by comparing expected and actual achievements for all operations that have been completed; for Level 3 and 4 the AfDB's progress is measured against its progress in achieving its 2012 targets set out in the Bank RMF.

Summary performance scorecard 2012



For Level 1 Africa's relative performance is measured by comparing its progress with progress in Africa's peer group (low- and middle-income countries around the world); for Level 2 the Bank's performance is measured by comparing expected and actual achievements for all operations that have been completed; for Levels 3 and 4 the Bank's progress is measured against its progress in achieving its 2012 targets set out in the Bank's Results Measurement Framework.

- **Good progress:** More than half of the indicators in the group improved over baselines or reference groups.
- **Moderate progress:** Results are mixed, with equal numbers of indicators showing improvement or little / no progress.
- **Progress stalled or regressed:** More than half of indicators in the group stalled or regressed.
- **Progress could not be measured.**

C. Links with Corporate Processes

This section focuses on how the implementation of the Results Framework intersects with some of the main processes involved in monitoring results within a perspective of Managing for Development Result.

1/ Data Collection

Level 1 Data

Data reported at Level 1 of the RMF are provided by the Bank's Statistical Department and are generally publically available data. For each indicator, the unit measure is reported, the baseline year for all countries and the AfDB member countries. A target value is generally provided. Data are reported annually for the Annual Review.

Country and economy-wide data are usually collected periodically from special evaluations, surveys and national sources that rely on pre-existing sources of data. Many development partners specialize in the collection of specific themes or sectors. In the Bank, ESTA systematizes and classifies these data before storing it in the Bank's Data Platform. Main sources are: AfDB, FAO, International Monetary Fund (IMF), Organisation for Economic Co-operation and Development (OECD), UNESCO, World Bank Group, and International Energy Agency.

Data availability is an issue, especially for Level 1; for instance, household-survey-based indicators are not regularly available and only for a limited set of countries at a time. This makes continuous reporting impossible. Where no alternatives exist – for example, for income inequality – AfDB uses statistical methods to construct meaningful indicators to compensate for gaps in data. In other cases, AfDB uses close proxies or alternative indicators such as the density of road network rather than access to roads as this data is more readily available; this is especially problematic for indicators on economic resilience.

Level 2 Data

Drawing upon best practice in comparable institutions, the AfDB focuses on a limited number of core sector indicators (CSI). These indicators were selected by Sector Departments at the Bank because they provide a snapshot of their actual contributions to higher-level outcomes that they can match with relevant data within a relatively short period of time, without setting up an array of complex and resource-intensive data collection systems. CSIs are aggregated across projects and countries to facilitate corporate reporting. While the Results Reporting System is not yet operational, Sector Departments are responsible for tracking aggregate results at sector level.

2/ Planning

Cascading

For the first time in 2011, AfDB's strategic objectives as captured in the corporate results framework were cascaded down to the department, division, and staff levels. However, this cascading principle – with the setting of targets in top-down fashion – applies only to performance

indicators, and not to output or outcome indicators (targets for outputs and outcomes are only set at project or country level). For instance, the target for the number of females in international staff was cascaded down to departments and divisions.

The cascading stream goes all the way down to staff members. At the beginning of every year, when staff are asked to prepare their individual work plan, they are asked to align their objectives with the objectives in Strategy 2020, with indicators. Similarly, individual performance indicators, if they do not have to be the same or correspond to the indicators in the results framework, have to be aligned to the results framework performance indicators.

3/ Budgeting

Budgeting processes at the AfDB have been reviewed, and the budget planning has been switched to a rolling three year budget plan. The targets of the RMF indicators are reflected in budget documents to inform on progress.

4/ Evaluation

The Bank's independent evaluation department (OPEV) checks the Bank's reporting at all levels to ensure the consistency and robustness of the data. OPEV selectively evaluates individual Bank operations to assess whether the operations actually produced the intended results, whether the results were achieved efficiently, and the extent to which the results led to the impacts desired. It also evaluates operational practices and business processes to highlight areas of successful functioning and areas in need of solutions.

Within AfDB, there is a Quality Assurance and Results Department (ORQR), established in 2008, which focuses on measuring and assessing the impacts of AfDB activities. It produces the Annual Portfolio Performance Review, ensures timely preparation of Project Completion Reports, and manages responses to, as well as tracking actions resulting from, evaluation recommendations.

While ORQR is part of the line management of the AfDB and reporting to the Chief Operating Officer, OPEV is not and instead reports directly to the Board of Directors.

5/ Capacity Building

The African Community of Practice on Managing for Development Results (AfCoP) is the leading network to help build capacity for development results in Regional Member Countries. It builds on the expertise of more than 2500 members across 43 African countries to advance the results agenda and improve national development processes. In May 2012, the Bank approved a project to support AfCoP in further mainstreaming results into the policies and strategies of RMCs and the regional economic communities. The Bank helped AfCoP to set up national chapters in eight African countries to instill a results culture at country level by promoting political leadership for results, strengthening national capacities and systems, and engaging non-state actors to hold governments accountable for results.

D. Implementation Path and Lessons

This section focuses on the Results Framework's development stages in recent years, the course of action the organization foresees itself taking, the benefits the implementation of the Results Framework have brought, the challenges encountered when setting it up, and the success factors that have been identified.

1/ Milestones

- The Bank first adopted a Results Measurement Framework for the African Development Fund (ADF) during the Mid-Term Review of the ninth ADF replenishment in 2003, as part of a broader commitment to the Global Agenda on Managing for Development Results.
- The Results Measurement Framework as a corporate tool to monitor progress toward the vision described in the Bank's Medium-Term Strategy, was outlined for the first time in the 2008-2012 AfDB Strategy.
- In 2010 the Bank launched the One Bank RMF for 2010-2012 to monitor progress toward the vision described in the Bank's Medium-Term Strategy 2008-2012.
- Since 2011, the Bank has been reporting its results against this RMF through its Annual Development Effectiveness Review (ADER). It also introduced a new series of thematic and country development effectiveness reviews in 2012

2/ Next Steps

The automated Results Reporting System (RRS) is currently being piloted and will be rolled out in 2014. The RRS will link expected results (as per the logical frameworks in Project Appraisal Reports) to progress toward results (as documented in supervision reports) and results achieved (as reported in Project Completion Reports). The system will provide managers with a real-time view of their portfolio and their progress toward results.

To strengthen country programming the Bank is revising its Results-Based Country Strategy Papers (CSPs define the Bank's intervention strategy and program, aligning them with the country's development vision and strategies). In addition, quality standards underlying the readiness review process for Results-Based CSPs will be refined and strengthened incorporating lessons from experience as well as the new guidance to be defined.

Impact evaluation is a critical learning tool, but it is costly. A limited number will be built into projects to establish sound baselines and incorporate the methodology into the design of the operation. The Bank will conduct additional impact evaluations to contribute to learning in areas where knowledge is required and where it will support operations planning. The Bank is also working to establish within its research department a technical work team on impact evaluation and a reference group to provide guidance on and pilot impact evaluation in the Bank. As a knowledge broker, the Bank will further engage in international partnerships and share findings from research as is most relevant to the Bank's priorities and challenges.

3/ Benefits

The main benefit of the introduction of the results measurement system (since 2003) has been, according to AfDB staff, the development of a results culture in the organisation, although it is recognized that there is still progress to be made.

4/ Challenges

AfDB staff identified three important challenges in implementing a results framework and developing a managing for development results culture:

- ◆ The biggest challenge, according to AfDB staff, is data, and particularly having quality data that is robust and readily available.
- ◆ The second challenge is the organisation's own results culture and getting management and staff to the understanding that this is a collective responsibility, and not simply the task of a specific department or unit.
- ◆ The fear of criticism, particularly with the use of the traffic light coding, which sends fairly blunt signals. Departments often get the impression that they are not judged fairly, that the red light really should be orange, etc.

5/ Success Factors

According to AfDB staff, the creation of a results framework is not a top down process; it has to be built from the bottom up, on the basis of existing logical frameworks, monitoring systems, project management tools, etc.

Methodologically, the intent to keep the system simple and workable has been helpful in gaining traction with AfDB staff for the implementation of the results framework. Also, the fact that the framework had four levels and followed the practice of other agencies was beneficial in getting the system accepted. Lastly, the communication strategy that was adopted around the results measurement framework, particularly the creation of the Annual Development Effectiveness Review and the Results Scorecard, has made it easier for staff to buy into the new system.

6/ External Assessment

There is a 2012 MOPAN assessment of the implementation of the Aid Effectiveness agenda by the AfDB.³¹ Relevant conclusions are:

“The AfDB remains strongly committed to a results-focused reform agenda and is improving its capacity to manage for development results. However, the frameworks and systems that it uses to manage for and report on organisation-wide results need further improvement, particularly in formulating and presenting the intended links between lower level and higher level results.

[...] The Bank has been implementing an ambitious set of reforms in recent years – focusing, among other things, on instilling a results-oriented culture throughout the

³¹ Assessment of Organizational Effectiveness and Reporting on Development Results – African Development Bank, Multilateral Organization Performance Assessment Network (MOPAN), Vol. 1, December 2012

organisation. [...] With the establishment in 2008 of the Quality Assurance and Results Department (ORQR) – which is responsible for managing results reporting and implementing the Bank’s results agenda – the Bank has strengthened its capacity in this area.

An important part of the Bank’s reform process included the revision of its results measurement frameworks (RMFs), which since 2010 have been consolidated into one results framework known as the “One Bank” results measurement framework. The reform process also led to the introduction of the Annual Development Effectiveness Review (ADER), an organisation-wide report on development effectiveness. The Annual Development Effectiveness Review represents a major improvement in the Bank’s reporting on results and provides an annual overview of its performance according to core sector indicators.

Links between outputs and final outcomes/impacts: The Bank’s RMF and reporting on results in ADER mainly focus on results achieved at the output level (apart from results under Level 1 that cannot be attributed to AfDB’s interventions). From this perspective, there seems to be a big leap between the output statements reported under Level 2 (outputs achieved by AfDB-supported projects) and the regional development outcomes included in Level 1. Neither the results framework nor the Medium Term Strategy 2008-2012 provide a theory (or theories) of change that could explain the link between outputs achieved by projects supported by the Bank and higher level results recorded on the African continent.

[...] Although the Bank’s country-level results are aligned with national priorities, the extent to which its operations contribute to the achievement of country-level goals or relevant Millennium Development Goals is not always clearly evident in its reporting.

E. Indicators

1/ Results Framework Indicators

The results framework indicators are presented in the Volume II of the Study, Annex – AfDB section, under the title “**Results Framework indicators.**”

It presents current indicators; new indicators are being planned for the new version of the RMF but are not available at this moment.

2/ Core Sector Indicators

The Core Sector Indicators are presented in the Volume II of the Study, Annex – AfDB section, under the title “**Core Sector Indicators.**”

II – ASIAN DEVELOPMENT BANK (AsDB)

A. Corporate Results Framework

This section presents the defining features of the organization's Corporate Results Framework (purpose, structure and coverage) and discusses how it addresses some of the issues confronted when monitoring results (choosing between attribution or contribution, use of targets, coverage of cross-cutting issues and role of core sector indicators).

1/ Overview

Since 2008 the AsDB has been using a corporate results framework to manage performance with a view to achieving the goals of Strategy 2020. Data from the results framework is available through the Annual Development Effectiveness Review and the Performance Scorecard. Furthermore, the framework is accompanied by standard explanatory data (see next page for more detail) to strengthen performance assessment and reporting.

In 2-013 the AsDB adopted a revised results framework, which has been structured in two sections and four levels, comprising 87 performance indicators with baselines and targets covering AsDB-wide and Asian Development Fund operations. The framework is constantly evolving, with small changes made every two years, and major changes, like the recent 2013 revision, every four years.

2/ Purpose

“The results framework is primarily a tool to manage strategies and challenges that are specific to each organization.”³²

The AsDB corporate results framework is a management tool that helps AsDB monitor and improve its performance to achieve the goals set out in Strategy 2020. It is set within a Managing for Development Results agenda, in line with the resolution adopted by the Multilateral Development Banks (MDBs) at the 2004 Monterrey Conference.

3/ Structure

The 2013 revised Results Framework is arranged in a two-section structure: Section I includes Level 1, and Section II includes Levels 2, 3 and 4 of the Results Framework. The number of indicators for Section II has been reduced to 65 (Levels 2, 3 and 4 of the 2012 framework had 77 indicators).

³² Review of the AsDB Results Framework, Strategy Paper, AsDB, December 2012

The New Two-Section Structure

Section I, consists of Level 1 (**22 indicators**) and tracks the state of development in the region. The AsDB uses this part of the results framework to monitor the relevance of Strategy 2020. It is not intended to assess the AsDB's performance.

Section II, consists of Levels 2, 3, and 4 and measures the development effectiveness of AsDB operations in executing Strategy 2020.

- ◆ Level 2 (**30 indicators**) measures the success of AsDB's completed operations and quantifies the results delivered;
- ◆ Level 3 (**26 indicators**) tracks AsDB's performance in managing its new and ongoing operations toward their eventual delivery of results; and
- ◆ Level 4 (**9 indicators**) assesses the adequacy of AsDB's organizational capacity to facilitate the effective management of its operations.

In addition to the results framework indicators the AsDB collected **Standard Explanatory Data (SED)** – information that will allow AsDB to systematically assess a broader range of performance data. The standard explanatory data will be reported in the annual Development Effectiveness Review report to supplement the performance analysis based on the results framework indicators. SED will allow reporting on issues of specific interest to some shareholders without over-burdening the results framework with too large a number of indicators. (See details in section C. Links with Corporate Processes – 1/ Data Collection).

Furthermore, Section II incorporates **Results Statements** to clarify the AsDB performance areas being assessed. Results statements articulate the objectives AsDB intends to achieve. The results areas – and the corresponding indicators – reflect more closely the key components of Strategy 2020: the strategic agendas, core areas of operations, and drivers of change.

Definitions of Results Levels

SECTION I – Level 1: Development Progress in Asia and the Pacific

Through Level 1, the AsDB monitors development progress in the region resulting from collective development efforts – including those by governments, the private sector, civil society, and development partners – over the long term.

The Level 1 indicators are organized in two groups:

- ◆ Income and non-income poverty, which draw mostly on Millennium Development Goal indicators;
- ◆ Other development outcomes, which include access to infrastructure, finance, and basic services; governance; regional integration; and the environment.

The AsDB uses Level 1 data and analysis to inform its strategic directions. Level 1 is not intended to assess AsDB's contribution to region-wide development progress. Such an assessment, in the AsDB's view, is not possible because AsDB is only one of many contributors to the region's development. More importantly, AsDB's contributions to results can only be measured meaningfully in the country context, as defined in country partnership strategies.

SECTION II: AsDB's Development Effectiveness

Level 2: AsDB contributions to development results.

This level tracks the development results that the AsDB, together with governments and co-financiers, has contributed through completed operations. It has two clusters of indicators that report:

- ◆ The quality (success ratings) of recently completed operations supported by AsDB country strategies and programs, and individual sovereign and non-sovereign operations and technical assistance projects – in delivering their intended development results;
- ◆ The quantity of results (outputs and outcomes) achieved by completed operations in Strategy 2020 core areas of operations – infrastructure, environment, regional cooperation and integration, finance sector development, and education. A standard set of indicators for outputs, outcome proxies, and outcomes are used to measure results.³³ Operations assessed at this level typically were designed 6–10 years earlier than the assessment year.

Level 3: AsDB operational management.

Successful output and outcome achievement measured at Level 2 depends in part on the relevance, selectivity, and quality of new and ongoing operations. Level 3 assesses how well AsDB is managing these operations. Thus, level 3 is causally linked to level 2. AsDB uses Level 3 to monitor its performance in:

- ◆ Aligning its operations with Strategy 2020 priority areas;
- ◆ Designing relevant, high-quality country partnership strategies;
- ◆ Financing, designing, and implementing individual operations focusing on results;
- ◆ Reinforcing operations with knowledge solutions and partnerships.

Because level 3 indicators assess newly approved and ongoing projects, they do not reflect the operational quality of completed operations assessed under level 2, which were approved much earlier. Sustained good performance at level 3 (operational management) underpins AsDB’s future success at level 2 (contribution to development results).

Level 4: AsDB organisational management.

The AsDB needs to manage its internal resources and processes effectively to successfully support its operations under Level 3, which in turn determine its performance at level 2. Therefore, Level 4 measures AsDB’s performance in three results areas: human resources, budget resources, and business processes.

- ◆ In human resources, sufficient staff resources and high levels of motivation and diversity are emphasized.
- ◆ Budget resource performance is measured based on efficiency and adequacy in allocating resources to ensure the most effective use of AsDB’s limited internal administrative budget.
- ◆ For business processes, the emphasis is on efficiency and client orientation.

Main Changes with Previous Results Framework (2008-12)

One of the main changes is the de-linking of Level 1 (Section I) from the other three Levels (Section II). This was undertaken so as to avoid giving the impression that AsDB was establishing a causal link between its activities and issues such as poverty reduction or MDGs at a regional level. It was thought that whilst it may be possible to establish a causal link between project activities and

³³ An outcome proxy is used where direct outcome measurement across the AsDB portfolio is not feasible. For example, proxy indicators for outcomes include “households connected to a new or improved water supply” as a proxy for “consumption of clean water.”

regional outcomes, it is not possible to make the same point about the activities of the bank as a whole and regional development outcomes.

Indicator changes predominantly took place at Level 2. The new results framework consolidates within Level 2 all indicators that track the delivery of outputs and outcomes through recently completed operations. Indicators assessing the quality of completed operations have been moved from Level 3 in the previous framework to Level 2 in the proposed framework, where they will complement the level 2 sector indicators assessing the quantity of results achieved through completed operations. The intention of moving the indicators is to eliminate the overlap in the existing framework between levels 2 and 3, and to tighten the causal link between the two levels.

The increase in the number of indicators is partly a result of the greater emphasis on capturing outcomes in the level 2 sector indicators. In addition, the revised framework includes more indicators on inclusive economic growth, gender equality, non-sovereign operations, and climate change – areas that in the AsDB's judgement would benefit from better measurement.

The increase of indicators in the results framework has been kept to a minimum through prioritization and by retiring a number of indicators where (i) their targets had been achieved, (ii) better indicators have been identified, or (iii) the available data had been found to be unsatisfactory.

4/ Coverage

The results framework follows completed projects, and AsDB doesn't report any results until a project is closed. However, there is a measure of the quality of projects under implementation (one of the criteria is disbursement against the initial calendar).

As regards to coverage by Level 2 indicators, there are two cases: 1/ for physical outputs, data aggregation allows for coverage of about 2/3rd of activities; 2/ for quality indicators, there is a 100 per cent coverage.

About 20 to 25 per cent of AsDB lending is policy based³⁴, and for these so-called 'softer-results' there are no output or outcome indicators that can be aggregated across all policy based operations. In this case, monitoring is based on indicators focused on the quality of operations and, at the end of the project³⁵, there will be an evaluation and separate reporting of the policy-based loans.

5/ Attribution or Contribution³⁶ – Causality

At the corporate level, the notion of attribution is not entertained. What can be seen from the data, as AsDB staff members explained, is that it is methodologically not possible to talk about attribution beyond the country level. When looking at the whole Asia-Pacific region, it's not possible to say that a change in the MDGs across the region has anything tangible and concrete that can be related to the bank itself - "it's just too broad a canvas."

³⁴ Lending based on policy conditions or, in the finance sector, lending for support to capital markets and financial sector reform.

³⁵ Each policy based operation does specify and measure its own outputs and outcomes. However, these are too varied and do not lend themselves to aggregation.

³⁶ Attribution vs. contribution: In the case of attribution, the observed development results are those that may be attributed to the agency (i.e., in proportion to its funding of the projects), and in the case of contribution, the observed results are those of the projects, irrespective of the level of funding by the agency.

Level 1 indicators are thus considered as providing information on the regional context. Level 2 indicators are providing information on the outputs and outcomes delivered and achieved by the AsDB operations, along with governments and other development partners. The percentage of financial support provided by AsDB to achieve these results is included to be transparent about the contribution.

The idea of avoiding the notion of attribution has been long ingrained in AsDB's culture, as is shown in the following quote from the findings of the 2003 Working Group on Managing for Results.³⁷

“At the aggregate level (outcome and impact levels) it is difficult, if not impossible, to attribute changes and results to certain projects and programs. Shared vision, joint accountability, and collective use of indicators and data help avoid these pitfalls. Managing for results is a tool for dialogue, partnership, and participation.”

6/ Targets

Almost every indicator in the results framework has a quantitative target, and is scored with a traffic light color code system for performance assessed on the basis of the results.

The new results framework (2013) consists of indicators with two target types:

- ◆ **2016 targets.** Indicators with 2016 targets expect gradual progress from the baseline value. Most indicators are assigned 2016 targets. Examples include completed sovereign operations rated successful (Level 2), direct value-added co-financing relative to AsDB financing approved (Level 3), and processing time for procurement contracts (Level 4). As it may be unrealistic to meet a challenging 2016 target in the earlier years of the new results framework, AsDB performance is assessed against implicit interim targets that are derived from the baseline and the 2016 target.
- ◆ **Annual targets.** Indicators with annual targets have minimum and/or maximum threshold values that need to be satisfied every year up to 2016. Examples include results achieved in Strategy 2020 core operational areas (Level 2), and budgeted international and national staff in operations departments (Level 4). Failure to meet an annual target is cause for immediate concern and will be flagged in the corporate scorecard as off track.

The Level 3 indicators for inclusive economic growth will be monitored without specific targets, because (i) the country context strongly influences the levels and types of AsDB operations, (ii) neither Strategy 2020 nor any other corporate action plan assigns corporate targets to these indicators, and (iii) it is nevertheless important for AsDB to continue monitoring these indicators to understand AsDB's overall operational emphasis and trends.

7/ Cross-Cutting Issues

Governance and Capacity Development

To better capture AsDB's contribution to governance and capacity development, a new indicator tracking the proportion of completed policy-based operations rated successful has been added under

³⁷ Presented in a report to the Asian Development Fund IX donors' meeting in December 2003

Level 2. In addition, the annual DEfR report will continue to track the proportion of completed technical assistance projects rated successful. It will also continue to report, as Standard Explanatory Data, the types of reform and capacity development results supported by policy-based operations and their achievement (Level 2). The DEfR will report on the qualitative achievements and challenges in helping developing member countries improve their policies and management capacity through policy and advisory, and capacity development technical assistance projects.

Inclusive Economic Growth

The new Results Framework (2013) assesses AsDB's strategic approach to supporting inclusive economic growth in its developing member countries.

At Level 1 a new indicator has been added to measure the degree of income inequality among the countries in the region. AsDB will also monitor and present in the DEfR report the region's progress on social protection using the social protection index as Standard Explanatory Data (SED).

Level 3 includes a new indicator measuring the quality of new country strategies and assistance programs in supporting inclusive economic growth. This indicator will focus on

- ◆ The quality of country diagnosis on inclusive economic growth and key constraints, applying the concept of the three pillars;
- ◆ The soundness of AsDB's approach to helping the government overcome these challenges;
- ◆ The consistency between AsDB's approach and its choice of country partnership strategy (CPS) focus areas;
- ◆ The consistency of AsDB's approach to supporting inclusive economic growth and its assistance programme.

In addition, three new indicators are included in Level 3 to monitor the proportion of AsDB's operations supporting the three pillars of inclusive economic growth: (i) growth and creation of jobs and opportunities, (ii) inclusive access to jobs and opportunities, and (iii) social protection. AsDB will assess the trends in its operations supporting each of the pillars and analyze any significant changes in the trends.

Gender Equality

Level 1 has two new indicators on gender equality: maternal mortality ratio (to measure women's reproductive health) and gross lower secondary education graduation rate (female and male). Sex-disaggregated data are added for under-5 mortality—an existing level 1 indicator—and for a new indicator on wage and salaried workers.

At level 2, indicators on students and teachers, as well as on micro-finance recipients, are disaggregated by sex. To measure the effectiveness of AsDB projects in promoting gender equality a new indicator is added in Level 2 to measure the proportion of completed operations that delivered their intended gender equality results. This supplements the existing Level 3 indicator on the proportion of projects supporting gender mainstreaming.

These indicators are supplemented by Standard Explanatory Data (SED) on the quality of new Country Partnership Strategies in integrating gender equality concerns (Level 3).

Climate Change

At Level 1, mitigation indicators include land area covered by forests and per capita carbon dioxide emissions. These are supplemented by three SED indicators: terrestrial and marine areas protected, carbon dioxide intensity of gross domestic product, and total carbon dioxide emissions.

At Level 2, the results of AsDB's mitigation efforts are captured by two new indicators – renewable energy generation capacity, and urban mass transit systems; and two existing indicators on railway construction and the reduction of greenhouse gas emissions through energy operations.

At Level 3, a new indicator is added to track the proportion of projects supporting climate change adaptation and/or mitigation. The breakdown of the indicator into three types of support—adaptation, mitigation, and both adaptation and mitigation—will be reported as part of SED.

These indicators are supplemented by SED that track the quality of new Country Partnership Strategies in integrating climate change concerns (Level 3). In addition, the amount of energy saved as a result of operations involving efficiency improvement is reported in the DEfR as SED (Level 2); and AsDB's support for disaster risk reduction and management, which reinforces climate change adaptation measures, will also be reported as SED (Level 3).

Fragile and Conflict-Affected Situations

AsDB will continue to assess the state of FCAS countries and AsDB operations in those countries by disaggregating data by country groups (ordinary capital resources only, blend, ADF only, and FCAS) as SED where possible. This assessment will include the changes in the fragility of FCAS countries by reporting:

- ◆ The average change in FCAS country performance assessment scores (Level 1),
- ◆ FCAS-specific performance analysis on operational quality at completion (Level 2),
- ◆ Implementation quality and quality at entry (Level 3),
- ◆ Efficiency and client orientation (Level 4).

8/ Core Sector Indicators

AsDB uses "core sector indicators" only at Level 2 to assess the quantity of results (outputs and outcomes) achieved by completed operations in Strategy 2020 core areas of operations: infrastructure, environment, regional cooperation and integration, finance sector development, and education (the indicators used for monitoring environmental result are taken from the other core areas).

B. Results Monitoring System

The Results Framework is an instrument which is part of a system that has been built for planning, budgeting, reporting results, and evaluating. This section provides a description of the various instruments, or organisational and management tools, used by the system to monitor results, at the apex of which stands the Results Framework.

1/ Agency Level

Strategy 2020

Strategy 2020, approved in April 2008, is AsDB's corporate-wide planning document. Strategy 2020 was important for the MfDR agenda as it introduced two major tools:

- ◆ **A Results Framework** to examine specific but wide-ranging indicators in line with Strategy 2020's vision and strategic direction to monitor progress, measure results, and take corrective actions where required; and
- ◆ **An annual Development Effectiveness Report (DefR)** to report to management on progress in implementing Strategy 2020 and to identify areas needing further efforts or corrective action.

AsDB's Corporate Results Framework

The framework, driven by AsDB's Strategy 2020, uses performance indicators and targets. Progress against these are reported in the annual Development Effectiveness Review and presented synthetically in the Performance Scorecard.

The Corporate Results Framework is generally harmonised with the results measurement systems of the International Development Association (IDA) and the African Development Fund (AfDF), and contributes to the harmonisation and alignment commitments of the Paris Declaration on Aid Effectiveness.

Performance Scorecard

The Performance Scorecard summarises the performance of the AsDB as a whole and the Asian Development Fund as a subset. It is published in an Annex of the annual Development Effectiveness Review (the 2012 Scorecard is a twelve-page document).

The Scorecard presents the base-line, the targets and progress against the indicators for the four levels. It uses a traffic light assessment: green for 'good' or 'target achieved', and red for 'poor' or target not achieved, and amber for 'mixed'.

The scorecard, which rates AsDB's performance against targets, drives decision making at AsDB and informs work planning and budgeting process.

Development Effectiveness Review

The Review is the main reporting mechanism for monitoring of both Strategy 2020 and Asian Development Fund (ADF) operations. The DEfR has evolved into an annotated corporate

performance scorecard and also provides examples from AsDB's country operations in order to better explain AsDB's contributions to results. It has recently been supplemented by new Country Development Effectiveness Briefs (CEfBs) for individual DMCs, to help provide a more complete picture of the results of AsDB's operations.

The DefR assessment is supplemented with other results-focused monitoring and reporting tools, including:

- ◆ The Annual Portfolio Performance Reports, which provide in-depth analysis of AsDB's portfolio issues and their underlying causes, and identify actions;
- ◆ Evaluation studies by the Independent Evaluation Department, including its annual evaluation reviews;
- ◆ Sector operational plans and their monitoring reports for AsDB-wide performance and trends. Annual development effectiveness reports on AsDB's non-sovereign operations will also inform the DEfR analysis.

Annual Portfolio Performance Report

The Annual Portfolio Performance Report (APPR) is viewed by the AsDB as an integral building block of its performance management information system and it complements the annual Development Effectiveness Review Report by providing a focused and in-depth analysis of the portfolio.

The APPR is a Management report on the state of the portfolio of the Asian Development Bank for sovereign and non-sovereign operations. It provides a snapshot of the performance of AsDB's ongoing operations by analysing key portfolio trends and systemic issues, and identifying possible changes in AsDB processes and procedures.

Results Dashboard

To support performance monitoring the AsDB has developed an information technology supported results dashboard.

2/ Region and Sector Level

Sector Results Framework

In principle, the Country Partnership Strategy (CPS) results framework guides the development or refinement of the sector results framework not only in terms of sector selection but also on the intended sector outcomes for achieving the national development goals.

In practice, since AsDB operations in a country rarely start from scratch, existing and regularly updated sector road maps (including results frameworks) will feed into the formulation of the next CPS results framework by providing information on specific sector needs and AsDB's comparative strengths.

The sector results framework also provides a critical link to the project designs in the sector by clearly stating the types and levels (amounts) of interventions and the intended outputs. Thus, the sector results framework reflects the links to the CPS results framework and project-level design and monitoring framework.

3/ Country and Project Levels

The AsDB's country and regional partnership strategies incorporate results frameworks to ensure that they are managed to achieve their intended development outcomes. In 2010 country and sector results frameworks were refined to improve results planning, monitoring, and reporting and to demonstrate their alignment with country development priorities.

Country Partnership Strategy Results Framework

As a planning and communication tool the CPS results framework illustrates how AsDB interventions in a country will help achieve specific country development goals and outcomes. It also sets out parameters for measuring progress and success. In this regard the CPS results framework aligns AsDB's program with national development priorities.

It consists of two main sections: country development goals and sectors selected for AsDB support. For the latter, more information is provided on intended sector outcomes and AsDB's planned interventions. A CPS results framework should be brief—not more than two pages.

Project Completion Report / Extended Annual Review Report

The Project Completion Report (PCR) for sovereign operations and Extended Annual Review Report for non-sovereign operations (XARR) are prepared by the project staff and the performance of the project is rated on relevance, effectiveness of outcomes, efficiency of outputs and outcomes, and likelihood of sustainability.

Project Performance Evaluation Report

The Project Performance Evaluation Report (PPER) is prepared by the Independent Evaluation Department (IED); about 70 to 80 per cent of PCRs / XARRs are assessed by IED.

4/ Data Collection

Standard Explanatory Data

In addition to the results framework indicators the AsDB started to track Standard Explanatory Data (SED) information to systematically assess a broader range of performance data. SED will be reported in the annual Development Effectiveness Review report to supplement the performance analysis based on the results framework indicators.

Indicators Computation

The new Results Framework has a 4-year time frame, 2013–2016. For most indicators, progress is assessed using annual data to fully reflect the most recent performance information. However, in some cases, multiyear data is used to ensure that the reliability of signals in the AsDB corporate scorecard is not undermined by limited data coverage or excessive indicator volatility.

Data Sources of Results Framework Indicators

The following description applies to the first (2008) Results Framework, but is still mostly current.³⁸

Level 1: Asia-Pacific Outcomes

Indicators at this level have emerged through a consensus in the international development community. Performance is understood to be the product of the collective action of development partners over the long term. This level has been largely harmonized with tier 1 of the results measurement systems of the International Development Association (IDA) and African Development Fund (AfDF). Eight indicators of poverty and human development and another group of nine indicators covering GDP per capita, regional cooperation and integration, access to basic infrastructure, governance, and environment have been selected to represent the major development outcomes AsDB is seeking.

The indicators for poverty and human development were drawn mainly from the Millennium Development Goals (MDGs) indicators. The only exception is the HIV indicator “women (aged 15 and above) living with HIV,” which was chosen over the MDG indicator “HIV prevalence among population aged 15 to 24 years,” because it focuses on a crucial and vulnerable target group (women) and is not confined to a limited age range. The source for this indicator is the Joint United Nations Programme on HIV/AIDS (UNAIDS).

The *baselines* use data from the latest year available. They have been estimated jointly by staff from the AsDB and the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), using weighted averages of individual country indicators for AsDB’s developing member countries (DMCs) with the appropriate reference populations as weights. The resulting indicators provide aggregate indexes of progress in these countries as a whole.

Targets for 2015 are based on the MDG target for the indicator. In the case of poverty, under-5 child mortality, and water and sanitation the targets were arrived at after working out the aggregate indicator values for 1990 and applying the targeted reduction or increase specified for the 2015 target year for the MDG target. However, for the share of women in nonagricultural wage employment, the MDGs do not specify any targets. In the case of women living with HIV, the target is directional, corresponding to the MDG formulation of “halting and beginning to reverse the spread of HIV/AIDS.”

The *other outcome indicators* comprise development outcomes closely associated with AsDB’s long-term strategic framework 2008–2020 (Strategy 2020).

- Those relating to gross domestic product per capita, fixed telephone lines and cell phone subscribers, access of rural population to an all-season road, household electrification rate, cost and time to start a business were derived from the World Development Indicators database. The indicator on carbon dioxide emissions is from the United Nations database on MDG indicators. Weighted averages were calculated for these indicators (using country populations as weight), except for cost and time for business start-up where simple averages were employed.
- The indicator on intraregional trade was obtained from the AsDB Asia Regional Integration Center website.
- ◆ The indicator on governance and public sector management is included in the country

³⁸ Source: Results Framework, AsDB, August 2008, Appendix 2.

performance assessments for the performance-based allocation of the Asian Development Fund (ADF) conducted by AsDB staff. Individual country scores, as rated by AsDB staff, are used to arrive at a simple average for all ADF countries. Although this indicator is based only on the ADF countries, it nevertheless represents a proxy indicator of governance in the region (showing the situation in the weakest countries), pending the identification of a better indicator.

Unlike the MDG targets, the other outcome indicators do not have internationally agreed-upon targets.

Level 2: AsDB's Contribution to Country Outcomes

Level 2 data is sourced from PCRs and XARRs (extended annual review report for non-sovereign operations), or where validated PCRs or XARRs, or PPERs are available, that data is used. For country strategies the data is sourced from Country assistance program evaluations and Country Partnership Strategy final review validation reports. For technical assistance projects data comes from technical assistance completion reports (TCRs).

For sector (transport, energy, water, education, and finance) outputs, outcome proxies, and outcomes, an annual achievement rate of 85% is set. Data from PCRs on each sector indicator is aggregated and the aggregated output is compared to the aggregated target value to calculate the overall achievement percentage.

Level 3: AsDB'S Operational Effectiveness

Indicators of operational effectiveness are classified into five main categories: operational quality and portfolio performance, finance mobilisation, strategic focus in operations, knowledge development, and partnerships. *Baselines* are for 2006 or for the average value for 2004–2006 (as indicated). Averages were used where data were volatile. For the same reason *targets* are reported for 2012 or for the average of 2010–2012 corresponding to baselines, which are 3-year averages. The target values were arrived at based on past trends and through consultation and consensus within the organisation.

The operational quality and portfolio performance category uses some common sets of measures adopted by multilateral development banks. Quality at entry is evaluated biennially by a task force that assesses the quality of all CPSs and a sample of projects. A set of criteria have been established by the first task force (2006); and these will continue to be employed to retain comparability. Project quality during implementation is measured through portfolio performance ratings. *The results of a partnership perception survey*, conducted for the first time in 2006 and to be repeated every 3 years, *will be used to track stakeholder and partner perceptions* of AsDB's effectiveness.

The finance mobilisation category emphasizes the volume of aid, measured by disbursements (rather than approvals) separately for public sector loans and for private sector loan and equity operations. This category also monitors mobilisation of direct value-added co-financing.

Indicators on the strategic focus in operations have been set up to monitor progress in allocating resources for priority areas identified in Strategy 2020. First, an indicator is used to measure the allocation of resources collectively towards the five Strategy 2020 priority areas comprising the core operational areas. Separate indicators also measure progress in allocation of resources to private sector development, environmentally sustainable development and regional cooperation and integration. Progress on gender mainstreaming is also included because of its importance as a measure of inclusiveness. The four strategic focus indicators will be measured using the thematic

classification system based on the proportion of projects emphasizing them. The composite indicator on allocation to the five core operational areas will be measured using the methodology that is being developed under a current review of the project classification system.

The partnership development category assesses the extent to which civil society organizations and other development partners are associated with AsDB operations.

Level 4: The AsDB'S Organisational Effectiveness

Level 4 of the proposed results framework aims to monitor improvements in efficiency in the use of human and budgetary resources and internal reforms undertaken by the AsDB. Progress against indicators at this level impact in terms of improvements on operational effectiveness (Level 3) and on more effective contribution to outcomes (Level 2). Three main areas are addressed in level 4: use of human resources, use of budgetary resources, and business processes and practices. A detailed discussion of reforms will be presented in the Development Effectiveness Review.

The first category combines measures of staff distribution (reflecting the current effort to strengthen operations departments and resident missions, as well as improving the gender balance) and overall staff satisfaction. An independent organisation conducts staff engagement surveys every 2 years to assess staff satisfaction. The survey includes 24 categories of questions.

The second category consists of measures of budgetary efficiency for project processing, disbursement, and implementation. The indicators measure the ratios of total internal administrative expenses to project approval volumes

The third category reflects the impact of reforms aimed at maintaining AsDB's proximity to its clients and improving its responsiveness. In the short to medium term shorter times for processing and disbursing loans will be critical, subject to the availability of resources.

5/ Reporting

Development Effectiveness Review (DER)

Target audience: Board's Development Effectiveness Committee, Board, public

Focus: Corporate performance

Frequency: Yearly since 2007

Content: The review assesses the progress the AsDB made in [year] toward implementing its long-term strategic framework, Strategy 2020, detailing AsDB's performance against the indicators and targets at the four levels of its corporate results framework. Based on this assessment, the DER identifies the main challenges AsDB faces and proposes remedial actions.

Development Effectiveness Country Briefs

Target audience: Board, Member Countries, public

Focus: Performance at country level

Frequency: To ensure the current set of the ASDB country briefs contains reasonably up-to-date information, a new brief is prepared and published for each DMC twice during a 5-year Country Partnership Strategy (CPS) cycle: (i) at completion of the second or third annual country portfolio review (CPR), and (ii) at CPS completion. For a 3-year CPS, one brief will be prepared at CPS completion.

Content: These publications are a blend of performance data and development stories that describe

how AsDB’s operations help improve people’s lives. They complement the annual Development Effectiveness Review in reporting on AsDB's performance using the AsDB Results Framework indicators. The Development Effectiveness Review reports on corporate performance while the briefs focus on country-level performance.

Summary Performance Scorecard

This is a one page summary of AsDB’s twelve-page Performance Scorecard, and is presented in the Executive Summary of the Annual Development Effectiveness Review. It presents a series of 14 composite indicators for the four Levels of the Results Framework.

Summary Performance Scorecard 2012

| Asia and Pacific Development Outcomes (Level 1) | ADB Countries | ADF Countries |
|---|----------------|----------------|
| Poverty and Human Development Outcomes | good | poor |
| Other Development Outcomes | good | good |
| ADB Performance | ADB Operations | ADF Operations |
| Core Outputs and Outcomes (Level 2) | | |
| Output Delivery | good | poor |
| Outcome Achievement | poor | poor |
| Operational Effectiveness (Level 3) | | |
| Quality of Completed Operations | poor | poor |
| Quality at Entry and Portfolio Performance | good | good |
| Finance Transfer and Mobilization | poor | mixed |
| Financing for Strategy 2020 Priorities | good | good |
| Gender Mainstreaming | good | good |
| Knowledge Management | mixed | mixed |
| Partnerships | good | good |
| Organizational Effectiveness (Level 4) | | |
| Human Resources ^a | good | good |
| Budget Adequacy ^a | poor | poor |
| Business Processes and Practices | good | good |

ADB = Asian Development Bank, ADF = Asian Development Fund.

- good: Two-thirds or more of key performance indicators (KPIs) that make up the composite indicator achieved a green signal.
- mixed: At least half but less than two-thirds of KPIs that make up the composite indicator achieved a green signal.
- poor: Less than half of KPIs that make up the composite indicator achieved a green signal.

Note: Gender mainstreaming is a KPI within the composite indicator “Financing for Strategy 2020 Priorities.”

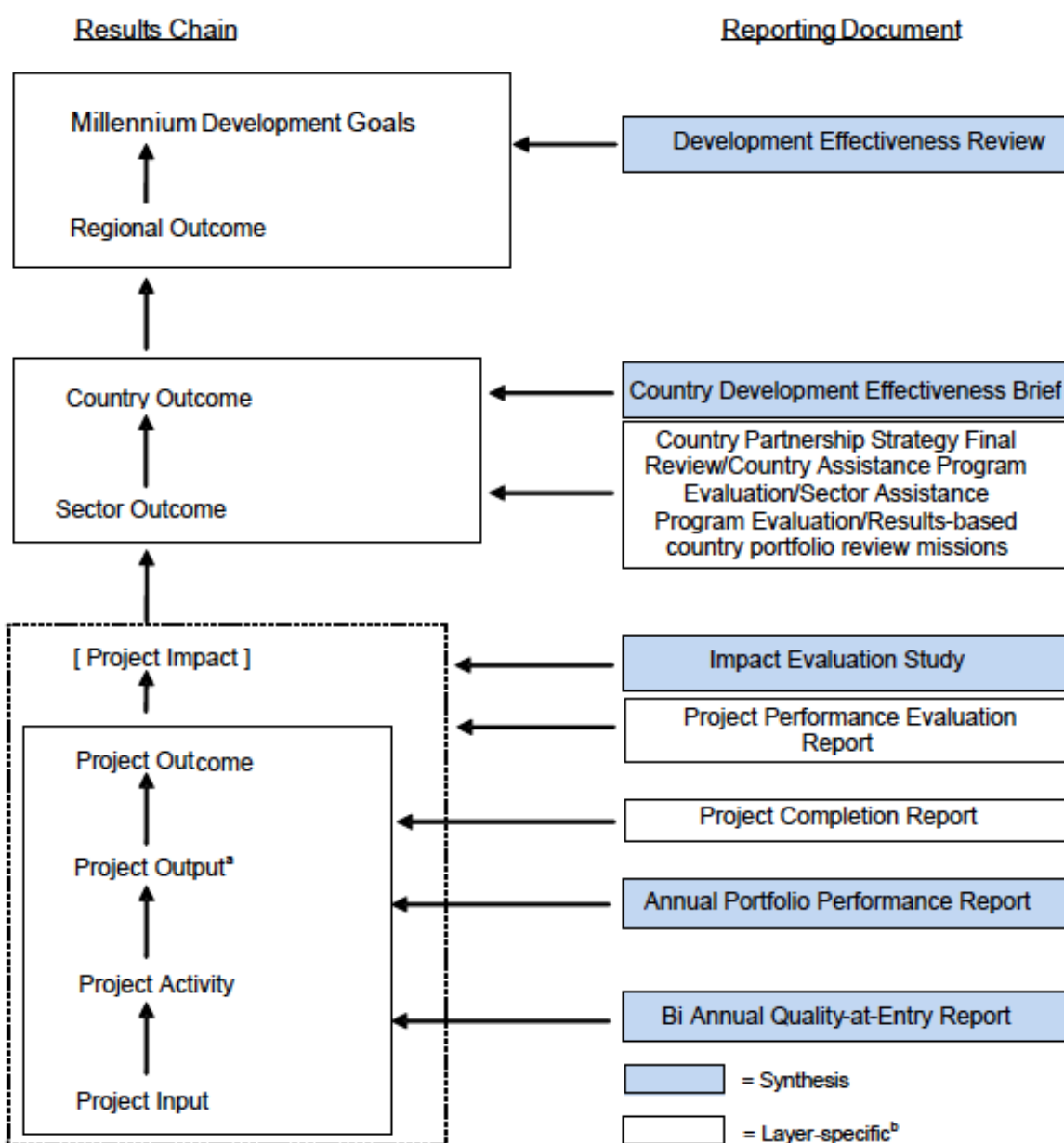
^a Indicators in this category measure ADB performance only.

Source: ADB Strategy and Policy Department.

Results Website

AsDB has set up a results website (<http://www.adb.org/site/development-effectiveness/results-adb-supported-operations>) where the bank reports on the aggregate outputs of operations since 2004. Data is available at the aggregated corporate level, as well as at the country and project levels.

Figure 2: Managing for Development Results Reporting—Current Practice



^a Aggregate project outputs are also reported by the Development Effectiveness Review and the Country Development Effectiveness Brief.

^b Layer refers to the three managing for development results (MfDR) tiers: corporate, country/sector and project.

Source: Independent Evaluation Department, MfDR special evaluation study team.

C. Links with Corporate Processes

This section focuses on how the implementation of the Results Framework intersects with some of the main processes involved in monitoring results within a perspective of Managing for Development Result.

1/ Data Collection

Level 2 Indicator Processing

For Level 2 indicators the ASDB aggregates the outcomes and outputs reported in PCRs annually for projects falling under the core operational areas in Level 2. The ASDB also consolidates success ratings of all PCR and reports them under Level 2.

The ASDB uses rolling 3-year averages in analyzing some indicators. This ensures that performance results are not skewed or undermined by limited data availability or excessive volatility. For example, when analysing the quality of completed country strategies and programs, the ASDB takes the average success rates from the last 3 years.

Costs

It is estimated that data collection costs have increased after the implementation of the results framework. This is in part because at the project level the results framework has made staff more serious about the output and outcome indicators used by their results framework and about data collection. At the corporate level, data aggregation has also had cost implications.

The ASDB's Results unit counts about 15 staff and consultants involved in managing and operating the framework (in addition to other duties). Furthermore, there are in each department between one and three focal points for results. The availability of such a structure around the results framework is considered by the Results Unit as a key factor for success.

Frequency

For most indicators, progress is assessed using annual data to fully reflect the most recent performance information. In some indicators, multi-year data is used to report on performance.

Standard Explanatory Data

In addition to the results framework indicators, the ASDB now includes in the annual Development Effectiveness Review (DEfR) report a standard set of performance data to reinforce the scorecard assessment. These are referred to as Standard Explanatory Data (SED). Although not formally part of the framework, the SED will enable ASDB to:

- ◆ Provide consistent and reliable performance information to external stakeholders;
- ◆ Assess performance more rigorously to identify bottlenecks and inform action planning;
- ◆ Collect baseline data for future indicators.

The SED will not have targets because their primary purpose is to supplement the results

framework indicators.

SED may generally be subdivided into disaggregated data, sub-indicators, informative indicators, and provisional indicators.

In the case of disaggregated data, available data broken down by sex, country, sector, or rural–urban classification will be reported as needed. Where possible, data will continue to be disaggregated by country group, i.e., OCR only, blend, ADF only, and fragile and conflict-affected situations (FCASs).

Sub-indicators are the constituent parts of a number of indicators that are based on composite ratings comprising several criteria (such as success rates of completed operations). The individual ratings on these criteria may be reported separately.

Informative indicators are indicators that may not have the required managerial relevance for inclusion in the results framework, but remain important to report in the DEfR. These include indicators that are proposed to be dropped from the existing results framework.

Provisional indicators comprise important indicators that lack robust data currently but could initially be reported as the SED for possible adoption in the 2017–2020 results framework.

2/ Planning

The Development Effectiveness Review forms the basis for an annual assessment of AsDB’s performance by AsDB Management. It identifies areas that need further attention. It is also an important input into the 3-year rolling work programme and budget framework, as well as in formulating the President’s planning directions for the subsequent year.

The DEfR is an important planning document

“The DEfR has evolved into a valued tool for reporting corporate results under the MfDR agenda. Over the course of the four DEfR issues published during 2007–2011, the report has proven its worth as a valued corporate results reporting tool. The fact that the DEfR report has moved from being simply a public accountability tool to also being an important internal planning document, which is integrated into the AsDB’s high-level planning processes, is an additional factor demonstrating the utility of the tool.

Special Evaluation Study on MfDR, AsDB Independent Evaluation Department, 2011, p.iii

Cascading

In 2011 the AsDB’s strategic objectives as captured in the corporate results framework were for the first time cascaded down to the department, division and staff levels. However, this cascading principle – with the setting of targets in top-down fashion – applies only to performance indicators and not to output or outcome indicators (targets for outputs and outcomes are only set at project or country level). For instance, the target for the number of females in international staff was cascaded down to departments and divisions.

The cascading stream goes all the way down to staff members. At the beginning of every year, when

staff are asked to prepare their individual work plan, they are asked to align their objectives with the objectives in Strategy 2020.

3/ Budgeting

For issues where an incentive structure was built up in order to improve performance budgeting is in some cases linked to results. For instance, in the cases of gender mainstreaming, co-financing and education, where AsDB was seen as underperforming, new corporate targets were set up and the departments which meet those targets receive additional resources.

4/ Evaluation

When a project is completed, the first evaluation is carried out by the project team, and after a year, the Independent Evaluation Department (IED) may undertake a validation of the team's project evaluation. About 70 to 80 per cent of project evaluations are assessed by IED.

5/ Capacity Building

The AsDB promotes learning and knowledge exchange on Management for Development Results in its developing member countries through the Asia–Pacific Community of Practice (APCoP), a network of government officials and development practitioners from AsDB developing member countries who work together to improve their capacity to apply MfDR to public sector management. APCoP develops change agents within governments by creating and disseminating knowledge products on MfDR, providing training opportunities for its members, and assisting in the formulation and implementation of country-level capacity development plans. APCoP also collaborates with other regional communities of practice on MfDR (the African, and the Latin American and Caribbean communities of practice) to share good practices.

D. Implementation Path and Lessons

This section focuses on the Results Framework's development stages in recent years, the course of action the organization foresees itself taking, the benefits the implementation of the Results Framework have brought, the challenges encountered when setting it up, and the success factors that have been identified.

1/ Milestones

2001

- Establishes the Development Effectiveness Committee at the Board of Directors

2002

- xiii. Endorses the Millennium Development Goals
- xiv. Endorses the Monterrey Statement committing to Managing for Development Results

2004

- xv. Launches the Managing for Development Results (MfDR) program
- xvi. Creates the Results Management Unit within the Strategy and Policy Department
- xvii. Endorses its first results-based country partnership strategy (Nepal)
- xviii. Launches the first **corporate results framework**

2006

- xix. Introduces MfDR Curriculum to promote staff learning at all levels
- vii. Adopts **MfDR Action Plan** (2006–2008)
- viii. Includes results frameworks in policy and strategy papers
- ix. Launches Asia–Pacific Community of Practice on MfDR

2007

- xx. Introduces **country briefs** to explain AsDB's contribution to national outcomes
- xxi. Consolidates the report on the implementation of the poverty reduction strategy, the report on the reform agenda, and the managing for development results reports into an annual **Development Effectiveness Review**.

2008

- xxii. Adopts a long-term strategic framework – **Strategy 2020** – a **Corporate Results Framework** and a **Performance Scorecard**

2009

- xxiii. Launches second MfDR Action Plan (2009–2011)

2011

- xxiv. Cascades corporate priorities to department and individual work plans

2013

- Adopts a revised Corporate Results Framework

2/ Next Steps

Harmonisation with Other Multilateral Development Banks

The 2012 Review of the Results Framework suggests that “opportunities for further harmonising AsDB’s results framework with those of other MDBs should be pursued, where appropriate.” At the same time the review notes that “the AsDB should remain mindful of the value of innovation and recognise that the results framework is primarily a tool to manage strategies and challenges that are specific to each organisation.”

3/ Benefits

A recent AsDB internal evaluation³⁹ states that “the corporate results framework strengthened the focus of operations on the key results of development effectiveness visualised under Strategy 2020. It also promoted a stronger culture of results and performance management within AsDB.”

A more detailed analysis of the benefits brought by the introduction of the corporate results framework has been presented in the April 2013 Annual Development Effectiveness Review of the AsDB:

“The 2012 Review found that the development effectiveness review process introduced in 2008 has successfully propagated a results culture across the AsDB. This has led to improved performance in most areas of the results framework measuring AsDB’s operational and organizational effectiveness. As a result the AsDB has been able to meet an increasing proportion of its targets. It has also expanded AsDB’s contributions to development outcomes in the region.

Compared with 2008,

- ◆ AsDB operations are more focused on Strategy 2020 priorities, including gender mainstreaming;
- ◆ The quality at entry (QAE) of country partnership strategies and sovereign operations is consistently high and the QAE of non-sovereign operations has improved significantly;
- ◆ Project start-up is more efficient;
- ◆ Co-financing has increased considerably;
- ◆ AsDB coordinates more closely with other development partners and shares knowledge more effectively;
- ◆ AsDB has more staff to support operations, and almost half of them work in resident missions to increase responsiveness to clients;
- ◆ Resident missions are more empowered;
- ◆ AsDB staff are more engaged and motivated;
- ◆ The gender balance at AsDB has improved significantly.”

³⁹ MfDR - Relevance, Responsiveness & Results Orientation, AsDB, 2012, p. xiii

4/ Challenges

Many of the challenges that had been identified in the 2012 Review of the AsDB Results Framework appear to have been addressed by the revision of the Results Framework which was adopted in early 2013.

5/ Success Factors

The effectiveness and success of the AsDB's Results Framework reflects the success in implementing the Managing for Development Results approach, which has deep roots in the AsDB and to which its leadership has shown a strong commitment. The unfolding of this effort over the last 14 years was described in a 2011 evaluation led by the AsDB's Independent Evaluation Department and points to a series of success factors: i/ an early commitment of Management to the Managing for Development Results approach; ii/ the creation of an ad-hoc unit to carry the implementation effort; iii/ the adoption of a long term Corporate Strategy document to which the Corporate Results framework has been linked; iv/ the adoption of a time-bound implementation plan.

“Initially, MfDR was introduced in AsDB in 1999 as a part of its commitment to enhance development effectiveness under the overarching goal of its Poverty Reduction Strategy. An AsDB-wide working group laid the foundations for its results-based management in 2003. In the same year, the Results Management Unit (SPRU) was formally established in the Strategy and Policy Department to lead the AsDB-wide effort to instill results-based management in AsDB, with the aim of enhancing development effectiveness. “

“Implementation of the results agenda was to be an AsDB-wide responsibility with SPRU responsible for analyzing and facilitating the design and implementation of results management policies, actions, practices, and procedures. It is noted that while mainstreaming of MfDR has to be done in a phased approach because of its substantial resources requirement and the need to get ‘buy-in’ from both DMC clients and AsDB management and staff, there is also a need to move into the next phase of MfDR— implementation on the ground to achieve development effectiveness.⁴⁰ “

“Emphasis on MfDR was given further impetus with the adoption of the long-term strategic framework 2008–2020 (Strategy 2020), which envisaged the development of a new corporate results framework to monitor the effectiveness of realizing its vision of an Asia and Pacific region free of poverty. A corporate results framework was prepared in 2008 containing baselines and intermediate targets set for 2012 to be used for steering the implementation of Strategy 2020. “

“Earlier (2003–2005), there had been two initial MfDR action plans and the third formulated in 2006 was a time-bound MfDR action plan. In 2009 a new time-bound action plan was formulated covering the period 2009–2011 with the aim of fully transforming the AsDB into an organization where management routinely makes decisions based on results information. The SES’s assessment of achievement of the outcomes and outputs under the 2009–2011 action plan indicates that these were largely achieved.”

⁴⁰ Special Evaluation Study (SES) on Managing for Development Results, Independent Evaluation Department, AsDB, 2011, p. ii.

E. Indicators

1/ Results Framework Indicators

The process of identifying the RF indicators was one of “deselecting,” as over 100 indicators had been initially suggested. The AsDB limited the selection of indicators to those that were most relevant to corporate decision making. The selection process involved assessing achievements and challenges in the use of the framework, examining good practices and consulting key stakeholders on areas that needed to be strengthened. Indicators were carefully examined to determine which had actual data, could be assigned a target, etc, which led to many indicators being deselected on technical grounds. The final step was one of negotiation amongst stakeholders.

The definitions and data compilation methodologies for the AsDB results framework indicators are presented in the Volume II of the Study, Annex – AsDB section, under the title “**Supplementary Appendix A: Indicator Definitions.**”

2/ Standard Explanatory Data

The definitions and data compilation methodologies for the AsDB standard explanatory data (SED) are presented in the Volume II of the Study, Annex – AsDB section, under the title “**Supplementary Appendix B: Standard Explanatory Data Definitions.**”

3/ Core Sector Indicators

The list of Core Sector Indicators is presented in the Volume II of the Study, Annex – AsDB section, under the title “**List of Core Sector Indicators.**”

III - INTER-AMERICAN DEVELOPMENT BANK (IDB)

A. Corporate Results Framework

This section presents the defining features of the organization's Corporate Results Framework (purpose, structure and coverage) and discusses how it addresses some of the issues confronted when monitoring results (choosing between attribution or contribution, use of targets, coverage of cross-cutting issues and role of core sector indicators).

1/ Overview

The Corporate Results Framework (CRF) was developed as part of the Ninth General Capital Increase (GCI)⁴¹, to provide the Bank with an accountability mechanism to measure and report on progress on institutional priorities. It includes best practices adopted by other multilateral and bilateral development organizations and covers both SG and NSG operations. In 2010 and 2011 the Results Framework was not yet officially launched but it was being set up, tried and monitored. It was officially launched in 2012, and is currently being reviewed in the light of the assessment done by the Office of Evaluation and Oversight (OVE) and published in March 2013.

The basic structure of the CRF consists of four tiers, or Levels. Level 1 provides a regional background picture, with indicators which only have baselines, whereas the other three Levels have specified baselines (average of 2006-2009) and targets (end of 2015). Level 2 covers Bank outputs (and some intermediate outcomes), Level 3 is focused on lending priorities and Level 4 is looking at effectiveness and efficiency issues. Levels 3 and 4 are thus organized slightly differently from the other MDBs.

The 2011 CRF tables published in the Development Effectiveness Overview make use of color-coded symbols, which it calls “status symbols,” to indicate the direction of change—whether the most recent indicator is moving toward the target. These metrics signal whether an indicator is judged to be “on track” (green), “no clear trend” (yellow), or “off track” (red).

2/ Purpose

The Board of Governors of the Inter-American Development Bank (IDB), in its 2010 *Report on the Ninth General Increase in the Resources of the Inter-American Development Bank (IDB-9)*, requested the implementation of a bank-wide corporate results framework, as part of IDB’s efforts to use empirical evidence to manage for development results and to ensure accountability for results.

The IDB-9 requirements for the CRF were mapped into the five functionalities of the Managing for Results cycle: i/ set corporate goals; ii/ monitor corporate progress; iii/ evaluate corporate

⁴¹

IDB-9, adopted in 2010, led to an increase in the financial capacity of the IDB, but also a new Institutional Strategy and an agenda to improve efficiency, transparency and governance at the Bank.

performance; iv/ reinforce corporate accountability; and v/ support corporate decision making.

The CRF structure is virtually identical to the IDB Corporate Strategy. The Corporate Strategy is a statement of future purpose and a plan to get there, derived from the consideration of client needs, the Bank’s comparative advantages and the cost-benefits of alternative options to obtain the same results. The CRF is designed to provide a snapshot, or a series of successive snapshots, reflecting the Bank’s progression along the selected path.

There is an on-going debate within the IDB as to whether the results framework is first and foremost an accountability tool or a management tool, with some thinking that “the needle does not move enough for it to be a real management tool.”

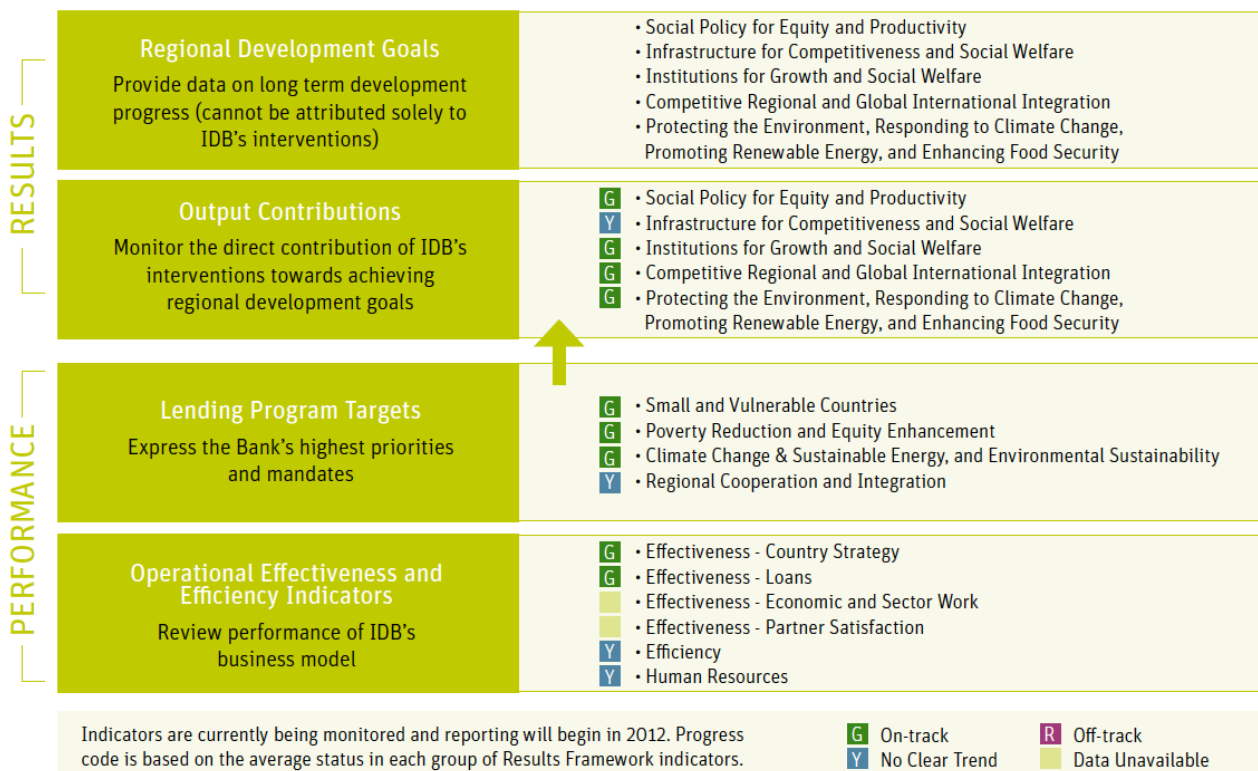
3/ Structure

Level One⁴²: Regional Development Goals – 23 Indicators

Key regional development indicators reflecting the five institutional priorities (see list in graph below), with the recognition that progress on these indicators cannot be attributed solely to IDB interventions given that the IDB often makes a relatively small contribution to the attainment of the goal.

IDB reports baseline values (for assorted years, depending on the indicator) and most recent values (also for assorted years) for all of these indicators.

Monitoring IDB-9



⁴² Note: Level 1 was Level 2 until the 2011 DEO

Level Two⁴³: Output Contributions to Regional Goals – 27 Indicators

Indicators measure the direct contribution of IDB’s interventions towards achieving regional development goals and promoting accountability in the use of the IDB’s resources. Each output indicator has a link to regional development goals (Level 1) in the same institutional priority area.

IDB reports values of aggregated output indicators for a four-year baseline period, 2005-2008, and newly collected baseline values of disaggregated output indicators for 2012. IDB also reports target values of aggregated indicators for the period 2012-2015 and traffic-light color-coded symbols to indicate *direction of change*—whether the indicator is moving toward the target.

The majority of these indicators are disaggregated by sex and ethnicity.

Level Three⁴⁴: Lending Program Priorities – 4 Indicators

This level is an expression of the Bank’s “highest priorities and mandates”. It consists of four lending targets, expressed as percentages of total lending:

- x. Small and vulnerable countries (27% at 2006-2009 baseline to 35% target at end of 2015);
- xi. Poverty reduction and equity enhancement (40% at 2006-2009 base to 50% target end of 2015);
- xii. Climate change, sustainable (including renewable) energy, and environmental sustainability (5% at 2006-2009 baseline to 25% target at end of 2015);
- xiii. Regional cooperation and integration (10% at 2006-2009 baseline to 15% target at end of 2015).

Level 3 uses the same color-coded rating used for Level 2 indicators.

Level Four: Operational Effectiveness and Efficiency – 30 Indicators

Level 4 is comprised of three groups:

- 📁 ① Effectiveness of all Bank development interventions – including loans and knowledge and capacity-building products (KCPs) – and client satisfaction measured through the External Feedback System, using evaluability, results at completion, and other performance indicators;
- 📄 ① Efficiency indicators that monitor reduction in transaction costs for project preparation and implementation, including documentation requirements, and increased decentralization of decision-making to country offices;
- 📄 ① Human resources, aimed at increasing gender equality and the number of professional staff based in country offices (R3.42).

The overall goal of the efficiency indicators is to “address the commitment to responsiveness to the clients.”

IDB reports baseline (2006-2009), most-recent observed (2012), and projected (2015) values of Level 4 indicators. It includes the same color-coding system used for Levels 2 and 3.

⁴³ Note: Level 2 was Level 3 until the 2011 DEO

⁴⁴ Note: Level 3 was Level 1 until the 2011 DEO

4/ Coverage

IDB intends coverage of its RF to be 100% complete and data from 100% of operations is considered. However, this does not mean that 100% of Bank financing is covered by the results reported in the CRF. For example, operations in new areas of business (e.g. broadband internet) are not captured. In actual fact, at the moment the IDB has not yet developed a system to compute the level of coverage of its results framework.

5/ Attribution or Contribution – Causality

There is an on-going debate within the IDB about the attribution versus contribution issue; and no clear general position appears to have been established. According to IDB Management, the intention is to attribute results reported at Level 2.

However, it is not certain that this principle is fully applied. According to the OVE mid-term evaluation of IDB-9, “it is unclear what rules are used for the accounting of Level 2 outputs when the Bank is only a partial, and perhaps very minor, contributor to the production of these outputs. There is currently no explicit indication of the specific output contributions attributed to Bank-only efforts vs. the efforts of other development partners in a project. In these cases are outputs accounted in proportion to the Bank’s contribution, or fully credited to the Bank?”⁴⁵

Causality

Establishing a link between outputs and higher-level results is a challenge and IDB has been struggling with this problem, as have other MDBs and donors. The issue has been looked at in detail by the IDB when it set up its current Corporate Results Framework, as is illustrated by the following discussion:

“Every effort has been made to link outputs with regional goals, but it should be noted that their relationship is imperfect at best, and the achievement of an output does not necessarily mean that it will affect the related outcome because of other intervening factors. Links between outputs and regional goals have been identified in the same priority areas. However, links should not be considered exclusive, as there are some outputs which also contribute to Regional Development Goals in other priority areas. For example, better maintained roads which reduce transport time can contribute to a woman with complications in labor to reach a health unit faster, thus potentially reducing maternal mortality.”

In that perspective, IDB has attempted to formalise the links between outputs and goals for each of its five priority areas. These links are shown in the tables below.⁴⁶

⁴⁵ Mid-Term Evaluation of IDB-9 Commitments, Corporate Results Framework, Background Paper, Office of Evaluation and Oversight (OVE), 2013, p. 12.

⁴⁶ Annex 1 – IDB Results Framework 2012-2015, p. 15-6, in Report on the Ninth General Increase in the Resources of the Inter-American Development Bank, Board of Governors, IDB, 20 May 2010.

Priority area 1: Social policy for equity and productivity

| Projects (OUTPUTS) | Regional Goals (OUTCOMES) |
|--|--|
| Expected Result | Goals |
| Individuals (all, Indigenous, Afro-descendant) receiving targeted anti-poverty program | Extreme Poverty Rate reduced |
| | Gini coefficient reduced |
| Individuals (all, Indigenous, Afro-descendant) receiving a basic package of health services | Maternal mortality ratio reduced |
| | Infant mortality ratio reduced |
| Students benefited by education projects (girls, boys) | Share of youth ages 15 to 19 who completed 9 th grade increased |
| Teachers trained | |
| Individuals (all, men, women, youth) benefited from programs to promote higher labor market productivity | |
| Number of jobs added to formal sector | Share of formal employment in total employment increased |

Priority area 2: Infrastructure for competitiveness and social welfare

| Projects (OUTPUTS) | Regional Goals (OUTCOMES) |
|--|--|
| Expected Result | Goals |
| Households with new or upgraded water supply (Indigenous and Afro-descendants) | Incidence of water borne diseases (per 100,000 inhabitants) reduced |
| Households with new or upgraded sanitary connections (Indigenous and Afro-descendants) | |
| Km of inter-urban roads built or maintained/upgraded | Paved road coverage increased |
| KM of electricity transmission and distribution lines installed or upgraded | % of households with electricity or quality of services increased |
| # of households with new or upgraded dwellings (Indigenous and Afro-descendants) | |
| | Proportion of urban population living in dwellings with hard floor increased |

Priority area 3: Institutions for growth and social welfare

| Projects (OUTPUTS) | Regional Goals (OUTCOMES) |
|---|---|
| Expected Result | Goals |
| Micro/Small/Medium productive Enterprises financed | % of firms using Banks to finance investments increased |
| Public Financial systems implemented or upgraded (budget, treasury, accounting, debt, and revenues) | Ratio of actual to potential tax revenues increased |
| Persons incorporated into national registries (women, men, Indigenous and Afro-descendants) | Increase in % of children under five whose birth was registered |
| Municipal and other sub-national governments supported | Increase in public expenditure managed at the decentralized level as % of GDP |
| Cities benefitted with citizen security projects | Reduction in homicides per 100,000 inhabitants |

Priority area 4: Competitive regional and global international integration

| Projects (OUTPUTS) | Regional Goals (OUTCOMES) |
|---|---|
| Expected Result | Goals |
| # of public trade officials and private entrepreneurs trained in trade and investment (men and women) | Trade openness (trade as % of GDP) increased |
| Number of international trade transactions financed | Foreign Direct Investment net inflows as % of GDP increased |
| Mobilization volume by NSG financed projects/companies | |
| Regional and sub-regional integration agreements and cooperation initiatives supported | Intra-regional trade in LAC as % of total merchandise trade increased |

Priority area 5: Protect the environment, responding to climate change, renewable energy, and enhancing food security

| Projects (OUTPUTS) | Regional Goals (OUTCOMES) |
|---|---|
| Expected Result | Goals |
| Percentage of power generation capacity from low carbon sources over total generation capacity funded by IDB | CO2 emissions (kilograms) per \$1 GDP (PPP) |
| # of people given access to improved public low carbon transportation system (Indigenous and Afro-descendant) | |
| Climate change pilot projects in agriculture, energy, health, water & sanitation, transport, and housing | |
| National frameworks for climate change mitigation supported | Countries with planning capacity in mitigation and adaptation of climate change increased |
| | Annual reported economic damages from natural disasters decreased |
| # of projects with components contributing to improved management of terrestrial and marine protected areas | Proportion of terrestrial and marine areas protected to total territorial area increased |
| Farmers given access to agricultural services and investments (women, men, Indigenous, and Afro-descendants) | Annual growth rate of agricultural GDP (%) increased |

Internal Assessment

The OVE issued in 2013 a critical assessment⁴⁷ of the links – or rather, the lack thereof – between levels in the IDB’s Corporate Results Framework:

“Corporate performance evaluation requires that there be a sense of connection between inputs, activities, outputs, and outcomes. These connections are supported by strong attribution and causality claims.”

“[...] Other organizations – the ADB, African Development Bank (AfDB), World Bank, and the United Kingdom’s Department for International Development (DFID) – clearly separate and strengthen this logic in their CRFs. At IDB the inputs and activities are not linked. Operational Effectiveness and Efficiency are combined in the same level and table, whereas other organizations separate them into two levels and tables. Similarly, the link between activities and outputs is broken, in that Level 3 (Lending Priority Targets) considers only the allocation of loan finance and ignores other priority activities, such as technical cooperation, and knowledge and learning. While separating Operational Effectiveness and Efficiency would not automatically establish better results chain linkages, at least the distinction would be clear. This might create five levels rather than four, but this could be avoided by moving Lending Priorities to a category in the Operational Effectiveness Level, as the ADB does.”

6/ Targets

The CRF has targets at three levels: lending priorities for Level 3, output targets for Level 2 and operational targets for Level 4.

There is however an issue with the level at which some of the targets have been set in Level 3, where, according to the 2013 Office of Evaluation and Oversight (OVE) report, three of the four targets have been surpassed or nearly met four years before the target date⁴⁸. As the OVE remarks,

⁴⁷ Mid-Term Evaluation of IDB-9 Commitments, Corporate Results Framework, Background Paper, Office of Evaluation and Oversight (OVE), IDB, March 2013, p. 19.

⁴⁸ Lending to support climate change initiatives is at 33%, compared to a target of 27%; lending to small and vulnerable countries is at 36%, compared to 35%; and lending for poverty reduction and equity enhancement is at

in such a case “the realism of the target-setting process could be questioned.”

Targets at Level 2, for the current Results Framework, were set at the Governors and Directors levels. With the evolution of the system, it is expected that target setting will go through a more “bottom up” process.

7/ Cross-cutting Issues

Gender issues: The Bank has stated its committing to disaggregate outputs by sex, race, and ethnicity where it is most pertinent. Data disaggregated by sex and ethnicity were presented for the first time in the 2012 DEO. Of 26 possible disaggregated data points, the 2012 DEO reports on 20. Of the 6 data points that are not disaggregated, 4 are for Afro-descendants and 2 are for indigenous peoples.

Climate Change Indicators: The IDB has produced a document discussing the identification of indicators for climate change projects: Indicators to Assess the Effectiveness of Climate change Projects, Impact Evaluation Guidelines, Technical Notes No. IDB-TN-398, Office of Strategic Planning and Development Effectiveness, IDB, April 2012.

8/ Core Sector Indicators

The Bank has not yet developed Core Sector Indicators. Further work is under way to develop a set of Core Sector Indicators.

49% compared to 50%.

B. Results Monitoring System

The Results Framework is an instrument which is part of a system that has been built for planning, budgeting, reporting results, and evaluating. This section provides a description of the various instruments, or organizational and management tools, used by the system to monitor results, at the apex of which stands the Results Framework.

1/ Agency Level

Corporate Results Framework

The IDB-9 (2010) called for the creation of a Bank's Results Framework to monitor, through quantitative and qualitative measures, progress made on reaching the expected results agreed upon by the Bank's Governors.

The basic structure of the CRF consists of four tiers, or Levels (see Section A for details). Levels 3 and 4 cover lending priorities and effectiveness and efficiency issues; Levels 1 and 2 are organized around the five institutional priority categories of IDB:

- ◆ Social policy for equity and productivity;
- ◆ Infrastructure for competitiveness and social welfare;
- ◆ Institutions for growth and social welfare;
- ◆ Competitive regional and global international integration;
- ◆ Protecting the environment, responding to climate change, promoting renewable energy, and enhancing food security.

Balance Scorecard

The implementation of the Balanced Scorecard (BSC) was abandoned in late 2010 after a two year effort. The failure to implement the BSC, according to an audit, was due to weak internal processes, management deficiencies, and a lack of ownership.

The BSC was geared to drive performance in four dimensions: financial performance, operational efficiency, people, and partners and stakeholders. Information in the BSC was to be rolled down to lower levels (VPs, Departments, Divisions and Country Offices) and used in the Employee Performance Management Framework to link employee performance to organizational goals and promote a better alignment of performance with rewards.

The process of developing a corporate BSC yielded positive impact and many of the indicators of the BSC are now part of the Results Based Budgeting effort, Corporate Results Framework, dashboards and other reporting tools. For example, 70 % of the CRF Level 4 indicators are the original BSC indicators and roughly 80% of the Vice-Presidency for Private Sector (VPP)'s RBB indicators were derived from the BSC.

External Feedback System

The External Feedback System (EFS) is still in the early stages of implementation. It is designed to collect information through a survey from civil society and public and private sectors on the

perception of the Bank's services and comparative advantages. Data collected from the EFS are used to report on the partner satisfaction indicators of the CRF.

EFS surveys would be carried out through a combination of collection methods: online surveys, interviews with high-level officials, and public consultations. The basic indicators would be (i) percent of external partners satisfied with the Bank's delivery of services for Country Strategies, (ii) percent of external partners satisfied with the Bank's delivery of services for loan operations, and (iii) percent of external partners satisfied with the Bank's delivery of services for technical cooperation. To be useful, the survey data must be longitudinal to see trends, and must be analyzed in depth to determine reasons for satisfaction and dissatisfaction to inform appropriate actions.

2/ Region and Sector Levels

The Bank has introduced a new regulatory framework of instruments to govern the Bank's operational work; these instruments now include sector strategies, cross-sectoral policies, sector framework documents, and sector guidelines. Sector Framework Documents (SFDs) are to be narrower in scope than a strategy, and seek to articulate concretely, in the context of a specific sector, the aspirational statements and directives that characterize a strategy. At the sector level the Bank will be preparing 20 Sector Framework Documents (SFDs) between 2013 and 2015.

3/ Country and Project Levels

At the country level the Bank is currently revisiting the formal role and content of Country Strategies and Country Programming Documents to balance the need for strategic selectivity with the essentially demand-driven character of the Bank.

Development Effectiveness Framework

In 2008 the Bank's Board of Executive Directors approved the Development Effectiveness Framework (DEF), which consists of tools through which projects are assessed, monitored, and evaluated from their design until their completion. The DEF is composed of three tools:

- ◆ The Development Effectiveness Matrix (DEM) is used to assess a project's ability to report on results at completion—that is, its evaluability;
- ◆ The Progress Monitoring Report (PMR) is used to monitor outcomes, outputs, and output costs throughout the execution of the project; and
- ◆ The Project Completion Report (PCR) is produced for each project at completion, showing evidence of, and discussing, the achievement of the development objectives of the project vis-à-vis their intended objectives, and the sustainability of those achievements.

Development Effectiveness Matrix

Development Effectiveness Matrix (DEM) is used as a common instrument for rating the evaluability of projects at entry (before approval). The DEM has three categories: strategic relevance, development outcome, and additionality of the Bank's contribution. Country strategies, public and private sector operations have their specially designed DEMs.

The DEM evaluates projects based on:

- ◆ The quality of the diagnosis of development problems and possible solutions;

- ◆ The results of economic feasibility studies to establish whether the project provides reliable methodologies to evaluate its development impact;
- ◆ Provisions to properly monitor and ensure the project is well executed;
- ◆ Whether the project identifies the risks and ways to address them.

The Bank has been working with two different types of DEM – one for SG and one for NSG⁴⁹ projects. The SG DEM included an evaluability self-assessment from the beginning, while the NSG DEM was initially designed to be a development results assessment tool and an assessment of evaluability was added in 2011. The two DEMs use different formats and criteria.

The NSG DEM serves two purposes. First, it justifies an IDB intervention by rating the project's potential development outcomes, its potential contribution to IDB's/country's strategic priorities, and IDB's additionality. Second, it attempts to assess project evaluability through a review of its Development Outcome Section. An evaluability score from 0 to 10 is given to each indicator, and the overall evaluability score is computed on the basis of a weighted average of the indicator scores⁵⁰.

Project Monitoring Report (PMR)

The PMR was launched in 2009 as one of the Development Effectiveness Framework's results-based tools. It is the principle instrument for collecting information to report on progress made towards achieving the goals of the IDB-9 as presented in the Results Framework.

The PMR incorporates the results framework, the risk mitigation matrices, the Environmental Review Report, the Loan Results Review and the DEM in order to enable project teams to monitor the outputs and outcomes of the project, and their delivery in terms of both cost and time. The PMR collects most of the information for reporting on progress of the results framework outputs. Furthermore, it facilitates reporting on the links between project outputs and outcomes, outcomes and priorities in country strategies.

Project Completion Report (PCR)

The PCR has been designed to be the main instrument for reporting on the effectiveness of completed operations. The PCR documents progress in implementing the project, the achievements of the project against its stated objectives, the sustainability of results, and the performance of the Bank and the borrower/executing agency. The PCR is to serve two purposes: an accountability tool for the Bank's shareholders and clients, and a means of learning from experience to inform the design of future operations.

PCRs look at three core dimensions: (i) the likelihood that the project will meet its development objectives (with ratings of unlikely, low, medium or high probability of achieving the objectives); (ii) the sustainability of the project (very unsustainable, unsustainable, sustainable, or highly sustainable); and (iii) project implementation. PCRs also include information completed by the borrower in which they report on the Bank's performance as either very unsatisfactory, unsatisfactory, satisfactory or highly satisfactory.

⁴⁹ SG: Sovereign Guarantee; NSG: Non-Sovereign Guarantee.

⁵⁰ The evaluability score is computed through a weighted average of a set of binary criteria to which a YES (1) or NO (0) should be assigned. The criteria refer to the project diagnosis, project logic, results matrix, economic analysis, monitoring and evaluation plan, and risk assessment. The final score ranges from 0 to 10.

In 2013, the Office of Evaluation and Oversight (OVE) is expected to begin an annual validation of PCRs and will report its findings to the Board of Directors.

The PCR was to be replaced by an Expanded Performance Monitoring Report (XPMR), which would have used the information of the PMR system and would have included a discussion on the achievement of final outcomes. In 2012 IDB decided against this approach, choosing instead to strengthen the existing PCR and to integrate it with the DEM and the PMR.

4/ Data Collection

Project outputs and outcomes are measured mainly through two instruments: The Project Monitoring Report and the Project Completion Report (see descriptions above). Project Monitoring Report data is collected twice a year. See section below for a description of data collecting processes linked to the RF.

Project Monitoring System

A Project Monitoring System that allows the Bank to ensure that project outputs are on schedule and that costs stay within budget has been in full implementation since 2011. The system enables the Bank to collect key information about projects systematically twice a year in a way that is easy to visualize, so “red flags” can be detected and management can act upon them more quickly.

Under the system, projects can be rated as “satisfactory,” “alert,” or “problem” based on indices showing their deviations from the planned schedule and costs. In 2012, 60 percent of the IDB’s public sector projects were rated satisfactory in their implementation.

5/ Reports

Development Effectiveness Overview

The Development Effectiveness Overview (DEO), a publicly available document, is Management’s annual report on IDB’s effectiveness. The DEO mostly draws on information produced by the Development Effectiveness Framework tools (see details above in sub-section on Country and Sector Levels).

OVE's assessment of the Development Effectiveness Overview

“[...] there is a clear tension between the role of the DEO as an external communication tool and its ability to candidly highlight issues and problems so that corrective action can be taken. To date, the external communication role overwhelms the other use. Perhaps having an internal, operational version of the CRF geared toward developing periodic corrective action plans would balance CRFs by reinforcing this second important function of continuously improving the work of the Bank.”⁵¹
OVE is the Office of Evaluation and Oversight

The first DEO was published in 2010, reviewing the data of the 2008/2009 report. The first DEO had a simpler format and used an annex for most of the discussion on the effectiveness of the operations supported by the Bank. The 2012 edition (the DEO fourth edition) has brought some

⁵¹ Mid-Term Evaluation of IDB-9 Commitments, Corporate Results Framework, Background Paper, IDB, March 2013, p. 18.

innovations, the most significant of which is that this is no longer a static publication: much of the information, data, and documents in this report can be downloaded (at www.iadb.org). In addition, the results of several projects discussed in the report can be viewed on a special mapping tool called MapAmericas (developed in 2011).

The Annual Business Review (ABR) is included as an annex. The ABR is a year-end compilation Quarterly Business Reviews. A second annex reports on the Bank's progress toward the Paris Declaration commitments.

Quarterly Business Reviews

The Quarterly Business Reviews (QBR) report on outputs, lending programme priorities and organisational indicators on a quarterly basis. These reviews allow management to track the expected progress of the indicators included in the RF, and on the micro indicators for each unit. This constant monitoring allows timely identification of deficiencies and effective implementation of measures to address them. Annual Business Reviews (ABR) aggregate the results for the year reported in the QBRs, providing an overall performance review of the Bank for the purpose of reassessing priorities within a four-year planning, and two-year programming cycles.

C. Links with Corporate Processes

This section focuses on how the implementation of the Results Framework intersects with some of the main processes involved in monitoring results within a perspective of Managing for Development Result.

1/ Data Collection

Results Framework Linked Processes

The project-level Development Effectiveness Framework (DEF) corresponds to the bank-wide Corporate Results Framework (CRF), and they interact with each other. Data from biannual Project Monitoring Reports (PMR) is the primary source for the CRF indicator output and intermediate outcome values reported annually in the *Development Effectiveness Overview*.

The reporting against CRF indicators is one of several activities designed to monitor IDB's corporate progress, including:

- xxv. The Operations Policy Committee reviews progress on achievement of lending targets each quarter;
- xxvi. The Development Effectiveness Framework generates a stream of project-specific information beyond its contribution to the CRF, from economic rates of return to risk matrices and lessons learned;
- xxvii. The External Feedback System surveys civil society and public and private sectors on perceptions of Bank services and comparative advantages;
- xxviii. Results-Based Budgeting (RBB) performance indicators contained in Departmental Business Plans and in the Semi-Annual Program and Budget Execution Reports to the Board;
- xxix. Quarterly and Annual Business Reviews (QBR and ABR);
- xxx. Employee Performance Management (administered through CareerPoint).

Project Monitoring Report

The PMR monitors the implementation of a project's results matrix. It provides quantitative and qualitative information about project progress on the delivery of outputs in the short term and outcomes in the longer term. Monitoring progress in the PMR includes comparing planned versus actual time and planned versus actual cost for the delivery of outputs twice a year. The methodology identifies delays early in project implementation and the implications for achieving project outcomes. Information collected during project design and scored at-entry is used to monitor performance during execution through the PMR.

IDB project team leaders inform the Project Monitoring Reports based on information from executing (government) agencies. Staff produce two PMRs per year for each project in execution: one in March, reporting on the achievements of the entire previous year, and one in September, reflecting the achievements of the first half of the year.

Based on the project's planned and actual data, the PMR system uses the Earned Value Method

(EVM) to calculate a Performance Index (PI) which uses quantitative indicators to classify a project's performance according to deviations in planned and actual costs and time. The PI provides quantitative information which is cumulative for each project and allows for comparable data at portfolio level.

Performance Index (PI) Calculation

The PI is a cumulative indicator representing the relation between completed physical outputs and the actual costs incurred by the team to achieve those outputs. It provides a holistic picture of both physical and financial project progress.

The project PI is a tri-dimensional measure of project progress (scope, cost and schedule) calculated on the basis of two indexes: the Cost Performance Index (CPI) and the Schedule Performance Index (SPI) where $PI = CPI \times SPI$. The PI provides an index to classify projects in three areas based on performance: Good (PI = 1), Alert (PI between 0.8 and 1) and Problem (PI below 0.8).

The PI Index is monitored through a dashboard aimed at providing early warning to specialists and team leaders when actions need to be taken during execution. When a project $PI < 1$, a list of outputs with low performance shall be identified along with an explanation indicating the reasons behind delays. Then a plan of action shall be prepared listing actions to be taken, their corresponding resources allocated to implement those actions as well as the person(s) responsible and the timeframe. When $PI = 1$, no further action is required, as the project is on track.

Data validation

There are a number of checkpoints in the current process. A technical definitions annex lays out data collection/measurement processes for each CRF indicator. This definitions annex was drafted based on extensive consultations with relevant units from across the Bank leveraging the knowledge and experience from a network of experts in order to ensure consistency and accuracy of classification and accounting for each of the indicators. Project team members are responsible for entering all the required data to report on progress made on the results matrix targets.

Each sector has a PMR "focal point," whose responsibility it is to ensure the quality of PMRs and their associated CRF indicators. The Division Chief and subsequently the Country Representative validate the PMR. The Office of Strategic Planning and Development Effectiveness provides guidance on the content and quality of the information and reviews a sample of projects.

OVE's assessment of data validation processes

"The sort of scrutiny applied to these results, including the lack of an independent evaluator's or auditor's opinion, is much lower than that for the Bank's financial statements. Similarly, there is no certification of the system that produces the developmental information, nor of its accuracy. Quality control could be accomplished by such means as validation of a sample of data reported for the CRF. In the absence of credible quality assurance, inconsistent and patently erroneous results can and do slip through."⁵²

⁵² Mid-Term Evaluation of IDB-9 Commitments, Corporate Results Framework, Background Paper, Office of Evaluation and Oversight (OVE), IDB, March 2013, p. 21.

Data Collection Frequency

The IDB reports on its Corporate Results Framework once annually, in its Development Effectiveness Overview (DEO). Outputs and intermediate outcomes (level 2) indicators are captured twice annually through the Project Monitoring Report (PMR). Many of the efficiency and effectiveness indicators (level 4) are also reported on a quarterly basis through the Quarterly Business Review.

2/ Planning

Alignment of Results Framework and Country Strategy

By identifying broad strategic objectives, the Results Framework of the IDB-9 sets IDB's aggregate prioritisation. More specific prioritisation at the country level takes place during the definition of Results-based Country Strategies (R-BCS), and in the yearly programming exercises.

In order to define the areas in which the Bank will work with partner countries, a strategic planning exercise with the country is carried out to identify which issues could benefit significantly from IDB's financial and technical support. An assessment of priorities is undertaken during the strategic dialogue stage, and is reflected in a multi-year Country Strategy (CS). If the CS collects the country's priorities, and while most of them are aligned with the IDB's institutional priorities, it is not expected that CSs will have 100% alignment to IDB-9.

The CS provides the strategic guidance to programming, which takes place in the annual Country Program Document (CPD). Both CSs and CPDs are designed with a results-based perspective, in order to provide a framework for the work of the Bank in each country.

The strategic guidance provided through the RF and by the CS programming exercises has resulted in strong alignment between these two frameworks. In 2011, according to an IDB assessment⁵³, 84 percent of the projects approved were aligned to the CS and to the RF lending priorities; 14 percent of the projects were not fully aligned to the CS, and there were a few cases (less than two percent) where to meet country's priorities, the Bank approved projects that were not aligned to the most recent country strategy and that did not directly contribute to the RF lending program.

3/ Budgeting

A Results Based Budget Framework aligned to the RF

For the last three years the IDB has been transitioning to a comprehensive Results-Based Budgeting (RBB) strategy and methodology that: (a) assigns resources to achieve the key performance targets of the results framework; (b) measures costs of achieving these results; (c) adapts budget classifications to link resources and outcomes clearly; (d) adjusts budget procedures to ensure that results are considered in a timely manner in the decision-making process; (e) assigns institutional responsibility for resource usage and the delivery of results; (f) modifies Bank information systems to capture and monitor results-based budget allocation and execution; and (g) reports to the Board regularly on results achieved, resources utilized and the percent distribution of the administrative budget between Bank operational and support programs.

⁵³ Development Effectiveness Overview 2011, IDB, p. 32-3

Toward this end a Departmental Working Group headed by the Budget Department was established in 2010 with participation from SPD, VPC, VPP, VPF and EVP's office⁵⁴ to discuss potential approaches to RBB, define relevant taxonomy (e.g. definition of inputs, outputs, outcomes, results, etc.), and fine tune and refine Bank activities currently available in departments, for timesheet reporting, and charging non-personnel (NPC) expenses.

4/ Evaluation

The evaluation function at the IDB includes several instruments, which are complemented by outside midterm and final evaluations. The Development Effectiveness Matrix (DEM) is the Bank's evaluability tool at entry, the Project Monitoring Report is the tool that tracks project performance and focuses on outputs and efficiency delivery, while the Project Completion Report is the self-reporting tool on the achievement of results, which since 2012 is subsequently validated by the Bank's independent Office of Evaluation and Oversight (OVE).

Evaluability

Project evaluability: At entry, operations at the Bank that are assessed for their degree of evaluability (meaning the "extent to which an operation can be evaluated in a reliable and credible fashion"), through the Development Effectiveness Matrix (DEM). In order to ascertain this evaluability, proposals are reviewed to ensure the diagnostic and the proposed solution are empirically supported, to be certain that provisions of the project's implementation (the production of outputs as planned in terms of time, cost and quality) and to perform valid evaluations at project completion.

Country evaluability: Evaluability at the country level is a measure of how well a proposed strategy or program sets out criteria and metrics to be used in its subsequent evaluation, and it reflects the work of the governments' with the Bank to define and agree on such metrics.

Evaluability reviews at country level entail an in-depth analysis of three key areas: (1) the quality of the country and sector diagnostics; (2) the link between diagnostics and strategic objectives, and (3) the quality of the country-strategy results framework, to determine whether indicators that will be used for monitoring and evaluation are SMART—specific, measurable, achievable, realistic and timely.

5/ Capacity Building

In 2010 linked to the introduction of the Project Monitoring Report's (PMR) new technology and systems the IDB developed a capacity building program to help teams to transition to the new tool. The support to teams included: (1) training, (2) review of a group of projects, and (3) one-on-one support.

The objective of the review was to analyze the completeness and accuracy of the information entered in all the fields in the PMR system (incomplete sections in the PMR prevent the Performance Index from being calculated, particularly in the outputs section). Projects were reviewed twice, in March and September. Team leaders received their corresponding checklist project scores as well as getting one-on-one support to improve the content of their PMRs until the autumn cycle.

⁵⁴ **SPD:** Strategic Planning and Development Effectiveness Department; **VPC:** Vice President for Countries; **VPP:** Vice President for Private Sector and Non-Sovereign Guaranteed; **VPF:** Vice President for Finance and Administration Operations; **EVP:** Executive Vice President.

D. Implementation Path and Lessons

This section focuses on the Results Framework's development stages in recent years, the course of action the organization foresees itself taking, the benefits the implementation of the Results Framework have brought, the challenges encountered when setting it up, and the success factors that have been identified.

1/ Milestones

During IDB-8 (1994-2009), the Bank laid several building blocks for a corporate results framework (CRF), including:

- **1999** Creation of the Office of Evaluation and Oversight (OVE) as an independent, results focused unit reporting to the Board.
- **2004** Presentation to the Board of a Medium Term Action Plan for Development Effectiveness.
- **2005** Establishment of the Development Effectiveness and Strategic Planning Department (replaced in 2007 by the new Office of Strategic Planning and Development Effectiveness - SPD).
- **2006** Launch of the Development Effectiveness Overview (DEO), reporting annually on selected measures and examples of development effectiveness.
- **2007** Launch of Quarterly and Annual Business Reviews, reporting on selected measures of operational effectiveness and efficiency; Oversight note by OVE discussing the principles of Results Based Budgeting, making five recommendations for improving performance-based budgeting at the IDB.
- **2008** Submission to the Board of Executive Directors of the Development Effectiveness Framework (DEF).
- **2009** Introduction of Development Effectiveness Matrix (DEM), a preparation and approval tool required for every sovereign-guarantee operation.

The IDB-9 Report found that while success stories had been collected from almost all member countries of the region during the IDB-8 period, the bank was not able to show results systematically. Also, the scarcity of targets in IDB-8 was considered to be an insufficient form of guidance from governors to management.

The governors wanted the IDB to meet the standards set by other multilateral development banks for results measurement and management. The IDB-9 report called for the development and adoption of a CRF that would serve as the bank's main tool to strengthen target-setting for the organization in a more comprehensive and meaningful manner.

The implementation of the effectiveness agenda has not been entirely smooth, and the Balanced Scorecard project was stopped in late 2010 after more than two years of efforts. According to the OVE, "the failure to implement the BSC was due to weak internal processes, management deficiencies, and a lack of ownership. Many vice presidential units have implemented "dashboards," but these do not provide the corporate level strategic planning and management system for Bank Management and the Board that a well-designed BSC would represent."

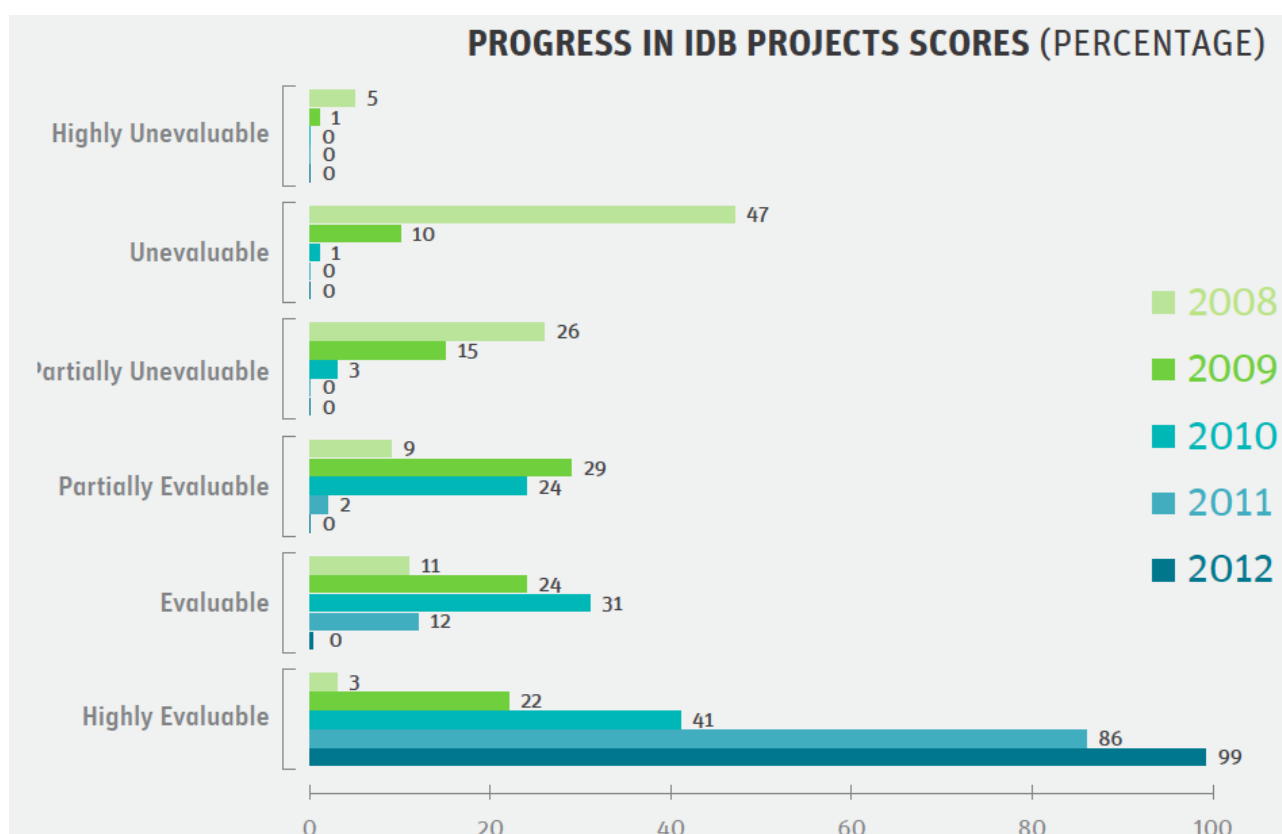
2/ Next Steps

The most important next step will be the continued implementation of the Results Based Budgeting.

According to the 2011 MOPAN report by the end of 2013 the IDB is planning to establish relevant metrics for performance information; apply performance information within the budget cycle; create incentives to achieve results; and ensure managerial capabilities to execute planned objectives. The Bank's approach will link budgetary inputs to lending program priorities and operational effectiveness and efficiency targets, the areas of the results framework that are more directly within the Bank's control. The IDB's contribution to outcomes will be tracked through a more strategic assessment provided by the Development Effectiveness Overview (DEO).⁵⁵

3/ Benefits

The IDB has reached the conclusion that its results-based agenda has brought about a noticeable increase in the utilisation of rigorous methods for evaluating interventions. For example, the increase in the number of projects that are using impact evaluation methods (which establish counterfactuals and thus net effects or results) has increased from eight to 31 percent of all operations approved in just four years.



Furthermore, projects that adopt rigorous monitoring and evaluation methods receive higher DEM scores. This system has created a strong incentive for IDB staff to use cutting-edge evaluation methodologies. IDB has tracked the resulting progress in project scores over the last five years, and

⁵⁵ Inter-American Development Bank, Organizational Effectiveness Assessment, MOPAN, December 2011, p. 28.

it shows a strong increase (see graph⁵⁶ above).

4/ Challenges

In its mid-term evaluation of IDB-9, the OVE highlighted some of the challenges that the CRF has to confront. Below are some of the most significant,⁵⁷ most of which resonate with concerns expressed by other MDBs regarding their own CRF:

“The IDB has made significant progress in moving toward managing for development results anchored in a CRF. The Bank deserves credit for what it has accomplished. Interviews conducted for this study consistently indicate that the organizational culture is moving toward a results orientation. As one respondent put it: “It is in the environment: it’s in everybody’s minds”. But staff tend to express uncertainty about what to do with results information, and how to use it for budget and personnel decision-making. Without progress on this front, the shift in culture could be reversed.

“CRF structure. The inconsistencies and gaps in the CRF structure reduce the value of the CRF for purposes of setting corporate goals and future (post-2015) targets, monitoring corporate progress, evaluating corporate performance, reinforcing corporate accountability, and supporting corporate decision-making. The deficiencies include:

- ፳፲. Lack of full alignment between lending and institutional priorities.
- ፳፲፱. Unclear rationale for indicator selection in each of the four CRF levels.
- ፲፮. Lack of indication of the specific output contributions attributed to Bank-only efforts versus those of other development partners in a project, or of whether Bank output contributions are in annual or cumulative terms.
- ፮. The process of engagement by which baseline and target values are set is not always evident.
- ፮፲. Lack of realism for some targets.
- ፮፲፱. Inconsistent inclusion of baseline values.
- ፮፲፱. Confusion regarding the target date.
- ፮፲፳. Confusion regarding portfolio coverage of the lending priorities.
- ፮፲፳. Continuing absence of values for five key operational effectiveness indicators.

“Link between outputs and results. The absence of information linking Bank project outputs (Level 2) to higher-level results weakens the usefulness and credibility of the CRF. This is a challenge confronting other MDBs and donors that are attempting to move to a more holistic, systematic MfDR approach. But some organizations, such as the ADB and World Bank, are making progress, and others are intending to initiate a similar effort.

“Resource decisions. Except in a few cases, the use of results frameworks for decision-making on budget and personnel resources in the Bank is weak or nonexistent.

“Weak governance and quality control. The governance of the CRF, the related issue of

⁵⁶ Development Effectiveness Overview, 2012, p. 9.

⁵⁷ Mid-Term Evaluation of IDB-9 Commitments, Corporate Results Framework, Background Paper, Office of Evaluation and Oversight (OVE), IDB, March 2013, p. 28-9.

quality control of data inputs to the CRF, and other aspects of accountability are weak. Country counterparts are also not involved in the design and implementation of the system (except for the Country Department Andean Group (CAN)).”

5/ Success Factors

In its mid-term evaluation of IDB-9, the OVE showcases the implementation of the Managing for Development Results approach that has been run since 2007 by one of IDB's country departments (CAN). OVE notes that “CAN is an operational unit that appears to have successfully⁵⁸ addressed a number of the key issues in pursuing MfDR.” The OVE document lists the managerial elements which were identified a-priori as necessary by the department to instill a “managing for results culture”:

- ◆ Leadership buy-in and political support;
- ◆ Recognition that staff require considerable time to adjust to the new way of working;
- ◆ An organizational alignment consistent with results-based dynamics;
- ◆ Real delegation of responsibilities and decentralization of the decision-making process as well as transparency and inclusiveness in that process;
- ◆ Education/training in project management focused on managing for results and made available to managers/staff at all levels of the organization;
- ◆ An inclusive planning process and tools that help translate strategy into well-defined results at the key levels of a clearly articulated logical framework; and
- ◆ Feedback on results to all stakeholders, including from the Bank’s partners. An essential feature is considered to be generating the interest and commitment of counterparts in central ministries and executing agencies.

6/ External Assessment

MOPAN assessed the IDB in 2011 but since the assessment was undertaken as IDB started to implement its results framework, only a few observations are directly relevant to the topic under study in this report.

- “[...] respondents recognise improvement over IDB 8, which did not identify specific results or indicators for monitoring. Although certain outputs and outcomes identified in the results framework could be stated more clearly (e.g., anticipated development changes are not always explicit), the framework is clearly a step in the right direction.”
- “A majority of respondents (60 per cent) thought that the Bank’s results framework adequately linked outputs to final outcomes and impact. Document review shared this assessment [...]. The Bank’s results framework identifies outputs and their contributions to regional development goals. The results framework always implicitly links outputs to outcomes. Moreover, outcomes identified in the results framework may not always involve explicit behavioural change. As with the frameworks at other institutions, a sizable causal distance exists between outputs and certain regional development goals.”
- “A majority of respondents (73 per cent) rated the IDB adequate or higher on the quality of its performance indicators. A document review also found IDB indicators adequate. The IDB 9 results framework is modeled after best practices from other development organisations.

⁵⁸ Note that there has not yet been a formal assessment of the results of this approach, but one is being planned.

Most of the indicators in IDB results frameworks are relevant and based on accepted international indices (including Millennium Development Goals). Certain indicators were not judged adequate on the grounds that they were insufficiently robust for the outcomes specified. Others were perceived as unclear. The IDB has made an effort to disaggregate indicators by sex, race, and ethnicity, where relevant.”

- “Despite improvements in the DEO, further work remains to be done. The DEO does not explain variances between actual results and planned results identified in the results framework. This is likely because the results framework targets are set to be achieved in 2015. In addition, the Bank does not yet report on every result and indicator in its results framework. Reporting on the results framework is considered transitional until 2012. Nonetheless, the IDB is clearly moving in the right direction with regard to performance reporting.”

E. Indicators

1/ Results Framework Indicators

The IDB Results Framework indicators are presented in the Volume II of the Study, Annex – IDB section, under the title “**Bank's Results Framework 2012-2015.**”

Indicator selection

Regional goals (level 1): The criteria to select indicators included: (i) relevance to the Bank’s priorities; (ii) whether it is a Millennium Development Goal (MDGs) or whether it has links to MDGs; (iii) the Bank’s comparative advantage and future areas of expansion; and; (iv) whether it is included in the results frameworks or used by other international cooperation partners. Of the 23 regional goals selected, 19 are either MDGs or used by other partners and out of the 27 outputs, twenty are also measured by others.

Program outputs (level 2): Because outputs are direct products and services that result from the execution of a project’s activities, they are a better measure of the Bank’s direct contribution. The indicators selected represent a big portion of the Bank’s interventions, and reflect the institutional priorities, but are not to be considered exclusive. There are other outputs that are collected at project level and other outcomes for which the Bank contributes, but that are not reported in the RF.

Outputs will monitor the direct contribution of Bank interventions towards the achievement of the regional goals and will promote accountability of the Bank’s resources. They will be collected at project level, country and aggregated levels.

Effectiveness indicators: They are based on the Development Effectiveness Framework. Indicators were selected to measure progress on setting clear standards and metrics for the evaluation of all development interventions. Effectiveness indicators are divided in three groups: (i) country strategies; (ii) loans (SG and NSG); and (iii) Knowledge and Capacity Building Products (KCPs). Indicators selected for country strategies will help understand how individual interventions contribute to country level goals, but it is also important to ensure effective programming. Reporting on country level outcomes allows the Bank to determine how it is contributing to a country’s development goals.

Efficiency: Three indicators regarding budget describe, as a percentage of total expenses, the expenses allocated to lending (what is the total cost of lending?), the expenses on disbursement (what is the cost of the internal mechanisms that manage the delivery of lending resources?), and the expenses on support functions (what is the cost of overhead, i.e. activities not budgeted to specific products?). These measures address allocation efficiency at the most aggregate level.

IV – WORLD BANK (WB)

A. Corporate Results Framework

This section presents the defining features of the organisation's Corporate Results Framework (purpose, structure and coverage) and discusses how it addresses some of the issues confronted when monitoring results (choosing between attribution or contribution, use of targets, coverage of cross-cutting issues and role of core sector indicators).

1/ Overview

The World Bank is made of the International Bank for Reconstruction and Development (IBRD)⁵⁹ and the International Development Association (IDA)⁶⁰. It is itself part of the World Bank Group, which also includes the International Finance Corporation (IFC), the Multilateral Investment Guarantee Agency (MIGA) and the International Center for the Settlement of Investment Disputes (ICSID).

In September 2011, the World Bank released its first integrated results and performance framework, known as the Corporate Scorecard. The World Bank Corporate Scorecard will be revised by the 2014 Spring Meetings so that it is aligned with the new World Bank Group-wide goals and Strategy. This revision will be part of a broader effort to develop a Group-wide results framework, with a World Bank Group Corporate Scorecard as its apex.

This Study principally examines the results framework of the World Bank (IBRD and IDA). It must be noted that the IFC also has a Corporate Scorecard, and that MIGA uses a set of Key Performance Indicators, but these will not be covered by this Study.

2/ Purpose of the CRF

“The Corporate Scorecard is designed to provide a snapshot of the Bank’s overall performance, including its business modernization, in the context of development results. It facilitates strategic dialogue between Management and the Board on progress made and areas that need attention.”⁶¹

The Corporate Scorecard is the latest tool adopted by the World Bank in its efforts to implement the Managing for Development Results (MfDR) agenda. The MfDR approach is not limited to a corporate Results Framework – the World Bank has set up systematic results frameworks for lending projects, programs, and country assistance strategies.

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IBRD lends to governments of middle-income and creditworthy low-income countries.

⁶⁰ IDA provides interest-free loans – called credits – and grants to governments of the poorest countries.

⁶¹ Source: World Bank Corporate Scorecard April 2012

The World Bank results oriented approach is set in the larger framework of the Aid Effectiveness agenda.⁶²

3/ Structure

The Corporate Scorecard is organised in a four-tier structure that groups indicators along the results chain at an aggregate level. Two of the tiers track elements of development results (Tiers I and II), and the other two capture elements of performance (Tiers III and IV). It presents a high-level view and is not intended to provide country or activity-level information.

Results chain: The Corporate Scorecard monitors whether the Bank is functioning efficiently and adapting itself successfully (*Tier IV*), and whether it is managing its operations and services effectively (*Tier III*) to support countries in achieving results (*Tier II*) in the context of global development progress and priorities (*Tier I*).

Tier I : Development Context – 31 indicators

What is the development progress in Bank client countries as a group?

Tier I indicators show the long-term development outcomes that countries are achieving. These high-level outcomes, such as those monitored as part of the Millennium Development Goals (MDGs) cannot be attributed directly to the Bank since countries and their development partners all contribute to these achievements over the long term. These indicators are also affected by external factors such as global crises.

Tier II : Country Results Supported by the Bank – 27 indicators

How is the Bank supporting countries in achieving results?

Tier II highlights development results that countries have achieved with Bank support. Most of the Tier II indicators represent data collected through the *standardised sector indicators*. The data show development results supported by on-going and completed operations in countries. Aggregate targets are not set for these results (with the exception of IDA). Instead, the Corporate Scorecard monitors these results by comparing current values to baselines, giving a sense of progress over time.

Tier III : Development Outcomes and Operational Effectiveness – 26 indicators

Is the Bank managing the performance of its activities effectively to achieve results?

Tier III focuses on the effectiveness of the Bank's products and services in supporting development results. Most Tier III data comes from internal systems and it also includes the aggregate ex-post evaluation ratings given by the Independent Evaluation Group (IEG) of the development outcomes of Bank-supported programs and country strategies, which signal the overall development effectiveness of these activities.

Tier IV : Organizational Effectiveness and Modernization – 25 indicators

Is the Bank managing skills, capacity, resources, and processes efficiently; is business modernisation on track?

Tier IV focuses on the following four management areas:

⁶² “Aid Effectiveness is about improving the delivery and management of aid so partner countries can more easily achieve their development objectives. Since its formal inception through the 2005 Paris Declaration (PD), the World Bank has embraced and championed the global aid effectiveness agenda (...).” Source: *Aid Effectiveness Issues Brief, April 2012*

- xxxi. Resources and Alignment: Is the Bank efficient in allocating and using its resources? These indicators measure whether the Bank has been improving its organizational effectiveness.
- xxvii. Capacity and Skills: These indicators follow how the Bank is doing in aligning the skills and capacity of its staff with its strategic priorities through the business modernisation programme.
- xxviii. Business Modernisation. These indicators assess the Bank's efforts to improve its ability to measure, report on, and learn from results; share data, knowledge, and expertise effectively and generate knowledge with others; and respond to countries with agility.
- xxxiv. Post-Crisis Directions Related Sectors: These indicators track how the Bank meet its lending commitment projections in key sectors to support post-crisis initiatives in Agriculture, Infrastructure, Health and Education sectors.

4/ Coverage

For Tier II, data for indicators includes both completed projects and projects being implemented.

There is no data available to assess the level of the Corporate Scorecard coverage. However, it has been possible to draw an approximate picture of coverage at the level of the Sustainable Development Network; the information presented here was obtained through interviews, and only represents estimates.

In the case of the Sustainable Development Network (SDN), about 40 to 45 per cent of projects have adopted at least one indicator from the list of Core Sector Indicators that were developed for that sector. The objective is to reach an up-take level of 65 to 75 per cent.

For SDN, according to a Bank staff estimate, Tier II of the Scorecard reflects about 80 per cent of lending (SDN is not targeting a one hundred per cent coverage). In the case of Tiers III and IV, the overall coverage is in principle complete, although coverage varies by indicator depending on the scope and definition.

5/ Attribution vs. Contribution

The World Bank does not give importance to the notion of attribution. In keeping with the principle that Bank activity is demand driven, the results published in Tier II of the Bank Scorecard are understood as country results obtained with the support of the Bank, not as Bank results.

6/ Targets

For all four Tiers the Corporate Scorecard establishes a baseline value and year against which progress can be measured. Targets are set only at levels 3 and 4 of the Scorecard. In the case of Tier 2, there was a strong pushback from countries when the idea of setting targets for indicators at that level was circulated, but the IDA Results Measurement System (RMS) does include performance standards for Tier II indicators (the IDA RMS was established well before the Corporate Scorecard).

7/ Cross-Cutting Issues

IDA's Results Measurement System, which was established during the IDA 13 replenishment⁶³, initially covered five key sectors (education, health, roads, water and sanitation); cross-cutting issues such as gender, institutions and governance have been added in the context of the Scorecard. These cross-cutting issues are measured through the use of outcome indicators.

8/ Core Sector Indicators

In July 2009 the Bank introduced the collection and aggregation of standardised data for projects supported by IDA and IBRD. Currently there are standardized sector indicators in 24 sectors. See list and definitions of Core Sector Indicators in the Annex attached to the Report.

The identification of the Core Sector Indicators was led by Sector Boards in discussions with operational staff. The Boards' mandate was to select five or six indicators per sector which would represent about 60 to 80 per cent of their portfolio and their up-coming pipeline. According to a Bank staff, reaching a consensus on those five or six indicators was difficult.

In the case of the Sustainable Development Network, which accounts for about 2/3rd of lending, around 100 Core Sector Indicators have been developed. These indicators are used for the network own Scorecard (not all networks in the WB have developed their own scorecard).

For Tier II of the corporate scorecard about half of the indicators are core sector indicators. Prior to the creation of the core sector indicators data had to be computed manually from relevant project documents and aggregated to create a global (region, sector, etc.) indicator. This was a very labor intensive process, which was undertaken mostly for accountability purposes.

During project preparation the Task Teams are asked to select in the list of core sector indicators those which would fit their project, and, if possible, to plan for a disaggregation of the data.

⁶³ See more details on the RMS below in B – 4. Data Collection.

B. Results Monitoring System

The Results Framework is an instrument which is part of a system that has been built for planning, budgeting, reporting results, and evaluating. This section provides a description of the various instruments, or organisational and management tools used by the system to monitor results, at the apex of which stands the Results Framework.

1/ Agency Level

Corporate Scorecards

The Corporate Scorecard was established in 2011 around a year after the introduction of Core Sector Indicators. A World Bank Group Corporate Scorecard is currently being developed.

The Corporate Scorecard is designed to provide a bi-annual snapshot of the Bank's overall performance, including its business modernisation, in the context of development results. For all four tiers the Corporate Scorecard establishes baseline values and years against which progress can be measured.

Management Dashboard

Management is developing a web-based dashboard in order to give users easy access to results information, such as results briefs, development indicators, and project results with various levels of disaggregation. It is a management and monitoring tool which is built on the same structure as the Corporate Scorecard but it includes indicators over and above those included in the Scorecard. The system started in 2012 and is being further developed in a phased approach.

For this system all data necessary for the computation of scorecards indicators is collected into a single database and made available on a single screen, where it can be broken down by regions, countries, etc. This data is available to all Bank staff from anywhere and is expected to allow everyone to know where, in terms of results, the gaps are. Prior to the development of the dashboard there were a lot of processes that did not talk to each other, and a lot of manual operations to compute results.

The Management Dashboard aims to make everyone more accountable, to react to the gaps and thus to improve the reactivity of the system to its results. The Management Dashboard is, according to one Bank manager, "the best investment made in years."

Results Measurement System

The IDA Results Measurement System (RMS), established during the IDA13 replenishment (2002) and considerably enhanced during IDA14, became an integral part of the World Bank's effort to enhance its results orientation. The RMS was built to focus on both development effectiveness and agency effectiveness with two tiers of indicators, corresponding to the first two Tiers of the current Corporate Scorecard. The RMS was expanded to include IBRD countries and became a building block for the Corporate Scorecard.

2/ Region and Sector Levels

The World Bank is going through an internal change process that will reorganise the current matrix organisation into Global Practices. Therefore the results frameworks associated with networks and regions will change over the next year.

Network Scorecards

Some of the World Bank networks⁶⁴ have recently developed their own Scorecards, which parallel the Corporate Scorecard.

Memorandum of Understanding

Starting in fiscal year 2013 network and region managers are expected to each sign a Memorandum of Understanding reflecting the objectives and results outlined in the Corporate Scorecards and for which they will be held accountable. The MoU is designed to align regions and networks' commitments with the corporate strategy.

3/ Country and Project Levels

Implementation Status and Results Report

The policy is that each region should report on the results of ongoing-projects at least once a year (most report twice a year). The Implementation Status and Results Report has been in place for around twenty years.

Project Implementation Completion Results Report

When a project is completed and closed at the end of the loan disbursement period the World Bank and the borrower government document the results achieved, any problems encountered, lessons learned as well as knowledge gained from carrying out the project. A World Bank operations team compiles this information and data in an Implementation Completion and Results Report (ICR), using input from the implementing government agency, co-financiers, and other partners and stakeholders. It includes an update of the Key Performance Indicators/Log Frame matrix.

The ICR report is independently evaluated by the Independent Evaluation Group (IEG) and is submitted to the Bank's Board of Executive Directors for information purposes. The knowledge gained from this results measurement process is intended to benefit similar projects in the future. All (100%) ICRs are reviewed by the Independent Evaluation Group.

4/ Data Collection

The Operations Portal is the main platform for Task Team Leaders to introduce results data for the individual projects as part of the Implementation Status and Results report. When in the field or returning from the field project teams enter the data collected into the Portal and core sector indicators data is automatically aggregated at the corporate level.

⁶⁴ The World Bank is organised in six regions and five knowledge-sharing networks (Environmentally and Socially Sustainable Development; Finance, Private Sector & Infrastructure; Human Development; Poverty Reduction and Economic Management; Operational Core Services). The whole system is expected to be completely reorganised over the next two years.

As part of the process to update the Corporate Scorecards the ICRs completed during the year are reviewed to extract data on the Tier II indicators. These are then aggregated with data provided in the Implementation Status and Results (ISR) reports for ongoing projects.

Frequency

Indicators for Tiers I and II are updated annually. Internally, information systems provide real-time updates on some operational and organizational indicators, whereas others are updated on a quarterly/semiannual basis.

5/ Reporting Documents

Open Data Initiative

The Bank has made major advances in sharing knowledge and data more effectively with its clients. The Open Data Initiative has facilitated better informed development decisions, the Open Knowledge Repository opened in April 2012 and geo-mapping for all Bank-supported projects has been completed.

World Bank Corporate Scorecard [April, year]

The Corporate Scorecard is published once a year, and updates to the Board are provided bi-annually. The Corporate Scorecard is available in print or Pdf format and is also accessible in a web-based version at: <http://corporatescorecard.worldbank.org/>.

Target audience: Board, management, general public

Focus: World Bank overall performance

Frequency: Once a year, although data for Tiers III and IV is updated quarterly

Content: Indicators for four levels of monitoring

For all four tiers the Corporate Scorecard establishes a baseline value and year against which progress can be measured.

For Tiers III and IV which assess performance it indicates the overall status using a color-coded traffic light system. The color codes indicate Management's rating of the current status based on changes from previous reporting periods or comparison against an established performance benchmark.

Green (On-Track): Increase from baseline, or for indicators with performance standards, achievement meets or exceeds performance standard

Yellow (Watch): No increase or decrease, or for indicators with performance standards, achievement is close to performance standard but does not meet performance standard

Red (Off-Track): Decrease from baseline, or for indicators with performance standard, achievement is not close to performance standard

For Tier I color-coded traffic lights are not assigned as Tier I sets the overall development context. Tier II presents country results achieved with Bank support showing the current status. No ratings are assigned to the individual indicators as the results 'belong' to countries.

Results [year] Report

The Results Report was first published in 2011. It aggregates results that countries have achieved with Bank support against the backdrop of global development results. It also assesses operational and organisational performance at the corporate level. Complementing the World Bank Corporate Scorecard, the Results report provides examples of World Bank interventions in client countries and showcases significant achievements.

Target audience: World Bank's shareholders, partners, and external stakeholders, general public

Focus: Development context, country results, WB operational and organisational effectiveness

Frequency: Once a year

Content: Indicators for the four Tiers and description of specific interventions

Mapping for Results

Target audience: Public

Focus: Geographical repartition of aid efforts

Frequency: Continuous

Content: Maps

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'IDA at Work' and 'World Bank at Work'

Quantitative data is complemented by **qualitative overviews** at the country, sector, thematic and project levels. These qualitative reviews illustrate how IDA and IBRD are supporting government development programs—whether the effort is bolstering governance to reduce poverty in Bangladesh, boosting agricultural competitiveness in Burkina Faso or assisting the judicial system in Ethiopia.

Over 500 results country briefs, sector and project stories illustrate the “human face” of development efforts. The briefs and stories are presented in several languages, using the Web, multimedia, and social media tools.

C. Links with Processes

This section focuses on how the implementation of the Results Framework intersects with some of the main processes involved in monitoring results within a perspective of Managing for Development Results.

1/ Data Collection

World Bank projects have spent an estimated \$2 billion on monitoring and evaluation (M&E) from 2000 to 2010, about a quarter of this in data collection. The funds were used to hire M&E consultants, collect baseline, midterm and follow-up data for monitoring purposes, build monitoring systems and prepare M&E reports. A review of 162 projects approved in fiscal 2009 revealed that 51% of projects had baseline statistics for all the main indicators in their results framework and 87% of project had summary statistics for at least some of their indicators.⁶⁵

Data sources for the Corporate Scorecard

Tier I. MDG and other global data are collected and reported through World Development Indicators (WDI), the United Nations, and other reliable public sources. Most indicators are available on the Open Data web site. Because these indicators change gradually, it takes time (3–5 years) to observe aggregate movement.

Tier II. Country results supported by Bank operations are collected from the Bank's operational data systems and documents. Each Bank operation has a results framework with indicators. During the lifetime of an operation progress against these indicators is tracked through Implementation Status and Results Reports (disclosed). These are updated every 6–12 months and captured in the Bank's data systems for real-time reporting, including through the use of standardised indicators. Data also come from the Implementation Completion and Results Reports, which are prepared by staff and clients when an operation is completed.

Tier III and Tier IV. Most of the data come directly from the Bank's information systems. Data on the ratings of development outcomes of completed Country Assistance Strategies and Bank operations (Tier III-A) come from independent evaluations by IEG. Bank portfolio performance indicators (Tier III-B) are captured in Bank systems along with disbursements and (Tier IV) lending volume, resources/costs, trust funds, staffing, and diversity indicators. Indicators of quality (Tier III-B) are based on a corporate assessment that is currently carried out every two years. Retrospective desk reviews, which are undertaken annually, provide the data on a number of operational effectiveness indicators, such as results frameworks and gender mainstreaming. For the Use of Country Systems indicators (Tier III) three Paris Survey indicators are used: procurement, financial management, and collaborative analytical and advisory activities. Others are monitored by the Bank. The modernisation program (Tier IV) is monitored by Management through a broader set of indicators, some of which are included in the Scorecard.

Links with country systems: There appears to be no systemic links with results tracking systems

⁶⁵ Development Impact Evaluation Initiative: A World Bank-Wide Strategic Approach to Enhance Developmental Effectiveness, Arianna Legovini, Head, Development Impact Evaluation Initiative, World Bank, June 29, 2010, p. 33.

that would be operated by the countries themselves.

Data Aggregation

For most Tier II indicators the Corporate Scorecard uses a three-year estimate based on 11 years of data aggregated by the year of approval of Bank-financed operations. Simple aggregation is used for indicators where limited historical annual data is available.

The reason to provide 3-year averages is to align with the IDA RMS as IDA follows a 3-year cycle. Averages are necessary to smooth out inter-annual variations in the Tier II indicators as annual data greatly depends on the number and size of operations closing during the previous 12 months.

The 3-year estimate is based on a formula which estimates a 3-year aggregate of results of projects approved in the last 11 years, giving less weight to older project results (by approval date). Due to the complexity of the calculation, however, this formula is expected to be revised in the next issue of the Corporate Scorecard.

Project Data

According to a staff estimate about 70% of projects use government systems to collect the data necessary for the project's monitoring and evaluation.

2/ Planning

Cascading

The Bank has Results Frameworks at various levels of operations: regions, sectors and countries; and the coordination of these frameworks has been an issue. Regions used to develop their own scorecards, which sometimes were aligned with the Corporate Scorecard, and sometimes not. This mis-alignment was solved with the implementation of the principle of cascading down, meaning that objectives are set at the top.

According to a Bank manager the principle of cascading is a critical part of the Results Framework process. Before adopting the cascading principle very few staff knew about the existence of the Corporate Scorecard and as a consequence a lot of the strategic and incentive information embedded in the scorecard was lost.

The Corporate Scorecard at the level of Tier 3 and Tier 4 is meant to be top down. However in practice the system operates both top down and bottom up. Indeed, in the process of defining the Memorandum of Understanding (MoU) each Vice-President turns to the directors under her or him and ask for an assessment of what can be realistically accomplished in the year to come.

3/ Budgeting

IFC's corporate scorecard, unlike that of the Bank, is used as a performance management tool to influence incentives directly. IFC's strategic goals cascade down from the Corporate Scorecard through regional and departmental scorecards. Although the incentive system is currently limited to departments dealing with IFC investments (not including advisory and support departments), those departments that achieve the strongest overall results on scorecard indicators receive annual performance awards. Similarly, IFC has linked staff performance awards to development results (as

measured by XPSR ratings, DOTS scores, or appropriate proxies) and to the financial results of operations in which individual investment staff members have been involved.

4/ Evaluation

The Development Impact Evaluation (DIME) Initiative⁶⁶

World Bank Group staff work closely with government agencies in developing countries to design impact evaluations of World Bank-supported projects and build on the lessons learned. These impact evaluations compare the outcomes of a program against what would have happened to beneficiaries without the program.

Created in 2005 in the Bank's Chief Economist Office DIME was re-launched in 2009 as a broad-based decentralised effort to mainstream the use of impact evaluation in the Bank. The effort is led by a high level steering group coordinated by a secretariat based in DEC [Research department], and implemented by all networks and regions. DIME's objective is to improve the quality of the Bank's operations, strengthen country institutions for evidence-based policy making and generate knowledge in 15 strategic development areas.

With 170 completed and 280 active studies in 72 countries to date DIME is the largest initiative in the world designed to systematically learn from development experience on the basis of rigorous impact evaluation. To implement this effort DIME works in collaboration with 80 World Bank researchers and with academics from more than 100 institutions.

There is no direct link between DIME and the Scorecard. However, data from DIME feeds back into the design of future operations and as such is part of the effort to improve results on the ground.

Independent Evaluation Group

The Independent Evaluation Group (IEG)⁶⁷ of the World Bank is also involved in assessing the WB's results. The IEG reviews all the project Implementation Completion Reports and publishes yearly a global report on the effectiveness of World Bank Group operations:

Results and Performance of the World Bank Group

Target audience: Board, Management, general public

Focus: World Bank effectiveness

Frequency: Yearly (since 2011)

⁶⁶ See: Development Impact Evaluation Initiative: A World Bank-Wide Strategic Approach to Enhance Developmental Effectiveness, by Arianna Legovini, Head, Development Impact Evaluation Initiative, June 29, 2010

⁶⁷ The Independent Evaluation Group (IEG) is an independent unit within the World Bank Group. It reports directly to the Boards of Executive Directors, which oversee IEG's work through the Committee on Development Effectiveness. IEG is charged with evaluating the activities of the World Bank (the International Bank for Reconstruction and Development and the International Development Association), the International Finance Corporation (IFC), and the Multilateral Investment Guarantee Agency (MIGA).

5/ Capacity Building

The World Bank Group helps partner countries to develop the capacity to build their own statistical, information and learning systems and design and implement effective programs. Financing and training is provided notably through the donor-supported Statistics for Results Facility. This support is not limited to agencies that implement Bank-supported projects but also includes offices responsible for national planning and budgets.

The Bank has increased support through financing and partnerships, including the Trust Fund for Statistical Capacity Building, the Statistics for Results Catalytic Fund and the Partnership in Statistics for Development in the 21st Century.

By making available self-assessments tools - such as the Capacity Scan for Managing for Results - the Bank helps countries to decide how to strengthen their capacity to measure and monitor results and use the data to gauge program effectiveness.

African Community of Practice on Managing for Development Results (AfCoP)

The AfCoP Secretariat is based at the World Bank, and operates under the guidance of the 24 members of the AfCoP's Core Management Team.

D. Implementation path and lessons

This section focuses on the Results Framework's development stages in recent years, the course of action the organisation foresees itself taking, the benefits the implementation of the Results Framework have brought, the challenges encountered when setting it up and the success factors that have been identified.

1/ Milestones

- xiv. In **2002** for the 13th replenishment of IDA13 the Bank adopted the Results Measurement System; becoming the first multilateral development institution to use a framework with quantitative indicators to monitor results and performance.
- xv. January **2003** finalisation of the Implementation Action Plan for managing for development results (the conceptual framework was developed in 2002, after the Monterrey Conference)
- xvi. In February 2003 establishment of the Results Secretariat. The secretariat provides guidance, support and disseminates evolving practice in the results field across the Bank (management and staff) and between the Bank and donor partners and indirectly, country partners.
- xvii. In **2005** IFC launched its DOTS system
- xviii. In **2009** development of the first Core Sector Indicators.
- xix. In September **2011** the Bank released its first integrated results and performance framework, known as the Corporate Scorecard
- xx. In April **2012** the Bank launched an interactive, Web-based electronic Corporate Scorecard, giving online access to the Bank's shareholders and stakeholders
- xxi. In 2012 the Bank started to include key performance indicators in the Memoranda of Understanding between Senior Management and Vice Presidents

2/ Planned Next Steps

At the 2012 Spring Meetings the Board of Governors endorsed two goals that will guide the World Bank Group's collective action:

- Ending extreme poverty: reduce the percentage of people living on less than \$1.25 a day to 3 percent by 2030; and
- Promote shared prosperity: foster income growth for the bottom 40 percent of the population in every country.

A new World Bank Group Strategy is being developed to align the institution's focus on these two goals. The development of the Strategy is supported by an internal change process to strengthen the focus on results and client impact. The entire results framework and supporting systems are being revisited as part of the process.

The World Bank Group Corporate Scorecard will be a brief document aggregating results across the institution and will be launched in spring 2014. A revised World Bank Corporate Scorecard, the IFC Corporate Scorecard and the MIGA Key performance indicators will sit below the World Bank

3/ Benefits

As a Bank staff remarked the Scorecard was introduced in 2011 and Core Sector Indicators in 2009, and the organization is still in the learning process.

However, it was felt that the introduction of Core Sector Indicators has allowed greater efficiency in data collection.

4/ Challenges

IEG's 2012 report – Results and Performance of the World Bank Group – has identified a series of challenges that the Bank needs to address in order to improve the effectiveness of its Corporate Scorecard. The main points are summarized below.

According to IEG, there is room to expand the Scorecard to capture additional critical elements of the Bank's business, while still keeping it simple. Tier II, which captures country results using data from Bank operational systems, can be strengthened in three areas.

First, priority should be given to filling the gap in capturing the results of the Bank's knowledge work. The Bank's knowledge work – including analysis, policy advice and knowledge sharing – grew from 24 percent of the Bank's budget in 2002 to 31 percent in 2011. However, there is still no system to measure and assess the results of knowledge services.

Second, measurement can be improved to put more emphasis on showing how Bank-financed activities have helped countries and people in Tier II. The current scorecard includes the level of Bank involvement for some indicators but these can be seen more as inputs than outputs or outcomes (that is, the extent to which assistance has been provided, not what it produced or what it has achieved from a development perspective).

Third, Tier II indicators provide highly aggregated numbers. Providing links to data on each measure by region, country, and country type (such as fragile and conflict affected states, low-income countries, and middle-income countries) would greatly enhance the information. It also would be useful to note the number of countries included under each indicator and to clarify whether a few large country programs are driving the results. Finally, many of the data presented show "the last three year aggregate" of Bank staff estimates over different periods (FY00–10 for most, FY01–10 for some others). What this means is unclear. If multiyear values (rather than annual data) are presented to even out expected fluctuations, the annual values are still likely to provide important information.

5/ Success Factors

There has been no study of success factors – and there has also been no statement that the Scorecard is a success, even though its adoption has been moving on briskly over the last three years.

The World Bank has established a very sophisticated data collection and analysis system, which has probably helped to facilitate the adoption of Core Sector Indicators. On an institutional level, it is hard to pinpoint any single factor but the early adoption of a Managing for Development Results

framework by the Board (in 2002) and of an Implementation Plan is likely to have helped the organization's focus on results.

6/ External Assessment

The Multilateral Organisation Performance Assessment Network (MOPAN), established in 2002, assesses the performance of multilateral organizations in order to improve the impact and effectiveness of aid as reflected in the Paris Declaration on Aid Effectiveness, the Accra Agenda for Action and the Busan High Level Forum. Below are excerpts of its latest (2012) assessment of the World Bank, focusing on areas where MOPAN sees room for improvement.

“The World Bank has demonstrated strategic leadership in managing for and reporting on development results. While the Bank is viewed as a leader in this area, some shortcomings were noted in the frameworks and systems that it uses to measure and report on organisation-wide results. [...]”

“At the corporate level, the management results framework contains a set of implicit assumptions about the results chain between Tiers II and IV. However, the development results framework does not provide any links between country-level outputs and outcomes and the Bank's organisation-wide development outcomes. In addition, the indicators under Tier II focus on results achieved at the country level, but there is no theory of change that provides a complete picture of how the organisation conceives its contributions to development change. [...]”

“The Bank has developed mechanisms to report on performance, some of which are still being refined; in the Corporate Scorecard and its companion report, World Bank for Results, the links between outputs and organisation-wide outcomes need to be strengthened. [...]”

E. Indicators

1/ Corporate Scorecard Indicators

For a list of indicators for the four Tiers of the Scorecard, as well as a definition of these indicators, see the following document provided in the Annex to this Report:

World Bank Corporate Scorecard, April 2013

2/ Core Sector Indicators

For a list of the Core Sector Indicators for the 24 sectors covered, as well as a definition of these indicators, see the following document (105 pages) provided with this Report:

Core Sectors Indicators and Definitions, Results Platform, World Bank, August 2012

V – DEPARTMENT FOR INTERNATIONAL DEVELOPMENT (DFID)

A. Corporate Results Framework

This section presents the defining features of the organization's Corporate Results Framework (purpose, structure and coverage) and discusses how it addresses some of the issues confronted when monitoring results (choosing between attribution or contribution, use of targets, coverage of cross-cutting issues and role of core sector indicators).

1/ Overview

The DFID Results Framework (DRF) has been developed under accountability constraints which are more strenuous than those generally experienced by multilateral organizations. The 2006 International Development (Reporting and Transparency) Act requires that DFID report annually to Parliament on development policies and programmes and the provision of aid to partner countries and the way it is used.

Furthermore, the change of government in 2010 has led to a series of shifts and commitments which brought their own constraints. The Coalition Government decided that by 2013 it would provide 0.7 per cent of Gross National Income as aid. This renewed commitment, made at a time of budget cuts in almost all other Government departments, has strengthened the need to report results as well as the “responsibility to extract the greatest possible value for money.”⁶⁸

DFID published its results framework in November 2011. The development of the framework has been informed by best practice in other donor institutions, and its design drew heavily from the frameworks of multilateral organizations such as the Asian and African Development Banks and the International Development Association.⁶⁹

The Results Framework indicators are aligned with DFID’s strategic priorities as set out in its Business Plan. The selection of the indicators has also been informed by the outcome of the aid reviews and the resulting operational plan process. For Level 3 the Results Framework does not present indicators but simply identifies the performance areas on which DFID will be reporting, and it explains that “work will continue to refine a set of key indicators to track overall effectiveness of DFID operations.” The Annual Report 2012-13 presents a discussion of performance against the four areas surveyed under Level 3 (see discussion on Level 3 below).

⁶⁸ Annual Report and Accounts 2011-12, p. 10

⁶⁹ Quoted from: Further written evidence submitted by DFID, International Development Committee, House of Commons, December 2010

2/ Purpose

The following statement captures well the purpose of the DFID Results Framework: “DFID’s Results Framework is a tool that we will use to monitor and manage progress and report publicly on delivery. It sets out the development outcomes DFID is seeking to contribute to, the actual results we will deliver, and the metrics we will use to measure our organizational effectiveness and efficiency.”⁷⁰

DFID’s results framework “has a number of uses, including to inform progress against many of the results commitments DFID has made publicly – which include the results outlined within the ‘UK aid: Changing lives, delivering results’ document and ‘DFID’s Strategic Vision for Girls and Women’.”⁷¹

According to a DFID staff member, “the genesis of the Results Framework was as a communication tool, a framework of indicators around commitments the Government wanted to make,” as indeed “from a political point of view [DFID has] to justify how money is being spent.” However, nowadays, and more particularly over the last twelve months, the Results Framework is also strongly used as a “a performance management tool.”

3/ Structure

DFID’s results framework is organized into four levels that capture each of the main stages through which inputs are transformed into developing country results.

Level 1: Progress on Key Development Outcomes – 22 indicators

What progress is there on development?

Level 1 consists of indicators that represent development outcomes to which DFID is seeking to contribute in partner countries. These outcomes cannot be attributed to DFID alone; they result from the collective action of countries and diverse development partners. The focus of Level 1 is progress against a relevant subset of the internationally agreed Millennium Development Goal (MDG) standard indicators.

DFID’s Level 1 results indicators are a subset of MDG indicators with one additional DFID-specific indicator relating to children who can read with sufficient fluency. DFID has incorporated this indicator to reflect the importance of monitoring this key educational outcome in DFID’s priority countries.

Level 2: DFID Results 25 bilateral indicators and 49 multilateral indicators

What is DFID’s contribution to development results?

Level 2 indicators measure the outputs and outcomes that can be directly linked to DFID programmes and projects – whether delivered through bilateral country programmes, or through contributions to multilateral organisations.

- The bilateral indicators were selected primarily through analysis of expected results set out in individual DFID country operational plans. They reflect those outputs and outcomes where it is possible to aggregate results across different countries and so do not capture all

⁷⁰ DFID’s Results Framework/Managing and Reporting DFID Results, (DFID, undated – but after the 2011-2012 Annual Report)

⁷¹ Annual Report and Accounts 2011-12, p. 15

the results that DFID is delivering. Results from multilateral organisations that can be attributed to DFID are also counted for a small number of indicators. Multilateral indicators were selected from multilateral organisations' results frameworks.

- Multilateral results are reported in terms of the overall results achieved by multilateral partners rather than the results that can be attributed to DFID linked to the core funding it provides. These are presented alongside the UK's funding share of the multilateral organisation, in order to show the extent of the UK's contribution. The table of multilateral outputs was published for the first time in the 2011-12 Annual Report.

A subset of the Level 2 results indicators are also monitored as part of DFID's Business Plan (impact indicators) along with information relating to the costs of these results (input indicators).

Level 3: Operational Effectiveness

Operational Effectiveness: How well does DFID manage its operations?

Level 3 contains indicators for monitoring DFID's operational effectiveness. DFID seeks to report at least annually against the following performance areas:

- ◆ Portfolio quality – a measure of the extent to which DFID's interventions are on track to deliver their expected outputs and outcomes;
- ◆ Pipeline delivery – data on DFID's pipeline of programmes either approved or under design to help assess whether DFID has sufficient plans in place to ensure that it will achieve results commitments and spend its budget effectively;
- ◆ Monitoring and evaluation – data on the extent to which DFID is actively reviewing its programmes and learning lessons for the future;
- ◆ Structural reform – data to assess how well DFID is delivering against its corporate objectives and areas of Coalition priority.

Level 4: Organisational Effectiveness

Does DFID Manage Itself Efficiently?

Level 4 indicators aim to monitor improvements in the efficiency of DFID's internal corporate processes to help improve capacity to provide more effective frontline delivery.

An important consideration in determining DFID's overall efficiency is benchmarking against other organisations. DFID's Business Plan sets out a list of efficiency indicators which are monitored across all UK government departments. DFID is already publishing information on a quarterly basis against key corporate service areas including human resources, employee engagement, workforce diversity, finance, procurement, estates and environment.

4/ Coverage

Level 1

Level 1 indicators are focused on the overall contribution of international aid to MDG goals in the 28 countries in which DFID is operating; and based on MDG assessments made in each of these countries.

Coverage of Bilateral Programs

According to a DFID staff member, the Corporate Results Framework covers about half of DFID's bilateral projects, which represent roughly one quarter of the overall DFID budget (assertion based on a 2011 assessment). There has been no sectoral analysis to determine which areas are well covered, and which are not.

The analysis made by a DFID staff member is that by trying to track everything, DFID would “end up with hundreds of indicators, which would not be a useful tool in itself.”

Coverage of Multilateral Programs

The DFID results framework monitors headline outputs delivered by 19 of the UK's core-funded multilateral organisations. In addition, the UK funds other multilateral partners which either have specialist mandates that do not lend themselves well to reporting quantifiable output results annually, or have less fully developed reporting systems that prevent the generation of headline results. The Climate Investment Funds (ICF), which represent a significant level of funding, are not yet included, as robust output indicators are still in the process of being developed.⁷²

5/ Attribution or Contribution – Causality

DFID's results reporting for its bilateral operations is based on an attribution approach. Results are calculated linked to the share of financial inputs provided. Most of DFID's results at level 2 of its results framework are outputs. For the outcomes included at level 2 (e.g maternal lives saved) DFID is currently in the process of finalizing indicator methodologies.

Results linked to core funding going through multilateral agencies are reported in terms of the overall results achieved by the multilateral agencies as reported in their own results reports. These multilateral results are presented alongside the UK's funding share of the multilateral organisation in order to show the extent of the UK contribution.

6/ Targets

DFID has set targets for a majority of the Level 2 indicators for bilateral aid but not for indicators following results of aid channeled through multilateral agencies. Targets, called results commitments, were presented in the publication ‘UK Aid: Changing Lives Delivering Results’⁷³ of March 2011 and in subsequent announcements.⁷⁴ According to a DFID staff member, there are discussions in DFID over whether targets are a requirement for the next DFID Results Framework”

The seven bilateral indicators which do not have targets are the following:

- xxxv. Number of children completing primary education supported by DFID (per annum);
- xxxvi. Number of insecticide-treated bed nets distributed with DFID support;
- xxxvii. Number of people reached with emergency food assistance through DFID support;

⁷² Annual Report and Accounts 2011-12, p. 25

⁷³ This is not a technical publication, but rather a communication tool aimed at the general public. It does present targets in broad terms.

⁷⁴ New target of 20 million for the number of children under 5 and pregnant women reached through DFID's nutrition-relevant programmes; Water and sanitation: a new target of at least 60 million people with sustainable access to clean drinking water sources, improved sanitation facilities or access to improved hygiene through DFID support.

- xxxviii. Number of people who vote in elections supported by DFID;
- xxxix. Numbers of people supported by DFID funding to cope with the effects of climate change;
- xl. Number of people with improved access to clean energy as a result of DFID funding;
- xli. Number of hectares where deforestation and degradation have been avoided.

The following four indicators have a target which will be met by combining bilateral and multilateral results:

- xl.ii. Number of people with access to financial services as a result of DFID support;
- xl.iii. Number of children under five and pregnant women reached through DFID's nutrition-relevant programmes;
- xl.iv. Number of additional women using modern methods of family planning through DFID support;
- xl.v. Number of unique people reached with one or more water, sanitation or hygiene promotion intervention.

7/ Cross-Cutting Issues

DFID uses sector results frameworks – on issues such as malaria, climate change, violence against women and girls.

In the case of the UK's Framework for Results for improving reproductive, maternal and newborn health in the developing world (published under the title: Choices for women: planned pregnancies, safe births and healthy newborns, DFID, December 2010), a core set of indicators is to be tracked across programs. These are the following indicators:

- xlvi. Women's lives saved during pregnancy and childbirth – calculated from changes in maternal mortality rates
- xlvii. Newborn lives saved – calculated from changes in neonatal death rates
- xlviii. Number of women using family planning – calculated from change in contraceptive prevalence rate (CPR) for women of reproductive age (15–49) using modern methods; for all women, the poorest 40% and young women aged 15–19
- xl.lix. Number of unintended pregnancies prevented – calculated from couple years of protection supported
- 1. Number and percentage of safe deliveries – births with skilled attendance for all women and the poorest 40%.

The document announces that, in that context, the UK will invest in stronger monitoring systems and robust evaluation and help strengthen the capacity of partner countries to track their progress.

Gender

Nine of the 25 bilateral Level 2 indicators are sex-disaggregated and are used to measure progress against the results outlined within DFID's Strategic Vision for Girls and Women. These are:

- li. Number of people with access to financial services as a result of DFID support
- lii. Number of people supported through DFID to improve their rights to land and property

- liii. Number of children supported by DFID in primary education (per annum)
- liv. Number of children supported by DFID in lower secondary education (per annum)
- lv. Number of children completing primary education supported by DFID (per annum)
- lvi. Number of births delivered with the help of nurses, midwives or doctors through DFID support
- lvii. Number of additional women using modern methods of family planning through DFID support
- lviii. Number of maternal lives saved through DFID support
- lix. Number of women and girls with improved access to security and justice services through DFID support

Sector results (for both multilateral and bilateral aid) are disaggregated by sex when data is available (the data is provided in tables in DFID's Annual Report and Accounts).

8/ Core Sector Indicators

DFID had developed a set of core sector indicators in 2009, which included six outcome indicators as well as 14 output level indicators. This system has since been abandoned, and core sector indicators are no longer part of DFID's tool set (at least under this appellation).

B. Results Monitoring System

The Results Framework is an instrument which is part of a system that has been built for planning, budgeting, reporting results, and evaluating. This section provides a description of the various instruments, or organisational and management tools, used by the system to monitor results, at the apex of which stands the Results Framework.

1/ Agency Level

DFID's Business Plan

The DFID Business Plan for 2011–15 set out a number of priorities for the Department aimed at supporting achievement of the MDGs. These priorities are to:

- ix. Honor international commitments and support actions to achieve the MDGs
- xi. Drive transparency, value for money and open government
- lxii. Boost wealth creation
- lxiii. Strengthen governance and security in fragile and conflict-affected countries and make the UK's humanitarian response more effective
- lxiv. Lead international action to improve the lives of girls and women
- lxv. Combat climate change

Corporate Results Framework

“DFID’s results framework is organized into four levels that capture each main stage through which inputs are transformed into developing country results.”⁷⁵ See Section A for details.

| |
|--|
| <p>Level 1: Progress on key development outcomes</p> <p>MDG1: Eradicate extreme poverty and hunger MDG2: Achieve universal primary education MDG3: Promote gender equality and empower women MDG4: Reduce Child Mortality MDG5: Improve maternal health MDG6: Combat HIV&AIDS, malaria and other diseases MDG7: Ensure environmental sustainability</p> |
| <p>Level 2: DFID Results</p> <ul style="list-style-type: none"> • Bilateral programme results • Multilateral programme results |
| <p>Level 3: Operational Effectiveness</p> <ul style="list-style-type: none"> • Portfolio Quality • Pipeline Delivery • Monitoring and Evaluation • Performance against Structural Reform Plan |
| <p>Level 4: Organisational Effectiveness</p> <ul style="list-style-type: none"> • Human Resources • Employee Engagement • Workforce diversity • Finance • Procurement • Estates |

⁷⁵ DFID’s Results Framework/Managing and Reporting DFID Results

2/ Region and Sector Levels

DFID uses sector results frameworks – on issues such as malaria, climate change, violence against women and girls – so as to be able to measure progress in more details than the Corporate Results Framework allows.

In the view of a DFID staff member, there are two concerns as regards the development of multiple sector results frameworks: i/ having many sectoral frameworks will limit DFID in terms of its capacity to achieve what it wants to achieve; and ii/ this leads to following hundreds of indicators, which means there is no actual prioritizing.

Multilateral and bilateral results by sector⁷⁶ are presented in specific tables in the Annual Report which DFID sends to Parliament. These tables present results disaggregated by sex where relevant.

A regional summary of results is presented in DFID's Annual Report for each of the regions in which DFID intervenes (using the model of the country summary presented below).

3/ Country and Project Levels

Operational Plans

Operational Plans set out the vision, priorities and results that will be delivered in each of DFID country programmes, and Heads of Country Offices report against the Plans' indicators. Each operational plan includes up to eight headline indicators, and it is from these that the Results Framework bilateral indicators were sourced.⁷⁷ Headline indicators are in general more closely related to the country context than the Level 2 bilateral indicators in the results framework.

Operational Plans and the results indicators included in them are used as management tool, and discussed on a 6 monthly basis with Regional Directors. Data for indicators are collected every six months, in March and September, but published only once a year on DFID's web site (after the March data treatment).

The Operational Plans are published as part of DFID's commitment to making aid fully transparent to citizens in both the UK and developing countries (as required by the UK Aid Transparency Guarantee).

Country Results

DFID publishes in its Annual Report and Accounts an analysis of results at country level for each of its priority countries. Each country page documents the effectiveness of DFID's bilateral programs in contributing towards the MDGs and summarizes key priorities, contributions and results (as set out in country and regional Operational Plans), as well as spending by sector. See example on the next page.

DFID furthermore published results achieved against Operational Plan Commitments annually on its website.

⁷⁶ Sector refers to the nine categories of the Level 2 of the corporate results framework: Wealth Creation; Poverty, Vulnerability, Nutrition & Hunger; Education; Malaria; Reproductive, Maternal and Neo-Natal Health; Water and Sanitation; Humanitarian and Emergency Response; Governance and Security; Climate Change.

⁷⁷ The headline indicators included in the results framework are aggregatable across countries, in line with overall DFID strategic priorities and were used by several offices .

Bangladesh

Country summary and top priorities

Bangladesh is a poor and politically fragile country, highly vulnerable to natural disasters and already experiencing the effects of climate change and rapid urbanisation. Good progress has been made on development outcomes; income poverty and maternal deaths have fallen and more girls are in school. Many challenges remain, however; 1 in 19 children die before they reach 5 years old and around 120,000 newborns die every year.

Top priorities:

- managing risks to development, including political governance/stability and climate related shocks
- targeting off track MDGs and accelerating progress; helping the country keep pace with its expanding population and urban migration
- supporting Bangladesh to achieve target growth rates through a strengthened investment climate, increasing access to jobs and developing skills to increase income for the poorest

Contribution to the MDGs

Bangladesh is on track to halve income poverty by 2015, yet large inequalities remain. DFID is targeting the extreme poor, particularly women, with direct transfers of assets (eg livestock) and providing training to help them set up viable businesses. Because high levels of undernutrition among women and children persist, we target them with nutritional support. Enrolment in primary education is high, particularly among girls, but drop out rates are high too. DFID is improving the quality of teaching in schools and focusing on those who remain excluded. Despite good progress on fertility and maternal health, over 7,000 pregnant women die each year and there is still an unmet need for family planning. DFID focuses on making sure more women can give birth safely and fewer babies die, as well as ensuring family planning is available for all who need it, using the private sector to help. Bangladesh is off track on water and sanitation targets; 19% of the population lack access to an improved water source and 44% lack access to adequate sanitation facilities, so DFID continues to work on providing safe water sources and improved toilets to the poor, particularly in urban slums.

Progress towards DFID headline results

Governance and security: An additional 480,000 registered taxpayers since 2010–11.

Wealth creation: A net accumulated increase of \$127.5 million in income for 1.4 million farmers and small businesses.

Education: 170,000 children supported to complete primary education in 2011–12, of which 93,000 were girls.

Health: 210,000 births attended by skilled personnel since 2010–11.

Poverty, hunger and vulnerability: 710,000 people lifted out of extreme poverty since 2010–11, of which 390,000 were women and girls.

Climate change: 24 million people can access interactive voice response system for warning and information for floods and cyclones.

Water and sanitation: 880,000 people have been provided with access to clean drinking water since 2010–11, of which 430,000 were women and girls.

Water and sanitation: 2.4 million people have been provided with access to adequate sanitation since 2010–11, of which 1.2 million were women and girls.

Progress towards the MDGs

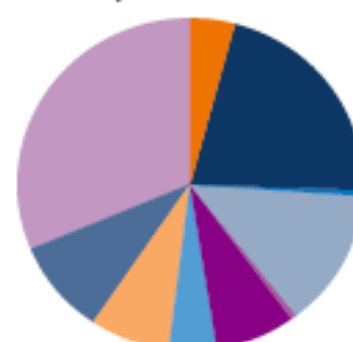
| MDG Indicator | Current assessment |
|---|--------------------|
| Proportion of population below \$1.25 a day | Green |
| Net enrolment in primary education | Green |
| Ratio of girls to boys in primary education | Green |
| Under 5 mortality ratio | Green |
| Maternal mortality ratio | Green |
| HIV prevalence, 15–49 years old | Green |
| Improved water source | Red |

Key statistics

| | |
|--|-------------|
| Population | 150 million |
| Percentage living below \$1.25 a day (Data year) | 43.3 (2010) |
| Fertility rate | 2.3 |
| % GDP growth rate | 6.1 |

Bangladesh programmes by sector 2012–13

Total spend £196.0 million



- Climate change 4.4%
- Education 21.3%
- Global partnerships 0.4%
- Governance and security 13.4%
- HIVAIDS 0%
- Humanitarian 7.6%
- Other health 7.6%
- Poverty, hunger and vulnerability 4.3%
- Reproductive, maternal and newborn health 7.4%
- Water and sanitation 9.2%
- Wealth creation 31.3%

Business Case

DFID introduced a new standard Business Case template in January 2011 which must be completed for all new projects, including budget and sector support programs, regardless of level of spending. The Business Case sets out why the planned programme demonstrates good value for money and provides reassurance that stated objectives can be achieved. Project managers are required to set expected results in the Business Case.

Each Business Case must contain a Monitoring Strategy (including a logframe) which is to be clearly linked to the theory of change. Data for monitoring are collected at the start of the project (baseline), at annual intervals during the project (milestones) and at the end of the project (target). Results identified in the Business Case are formally monitored through Annual Reviews and Project Completion Reviews.

Annual Reviews and Project Completion Reviews

DFID carries out Annual Reviews of all of its programs to assess progress against the objectives contained in the logframe, and to check if the program is on track, and if any adjustments need to be made. At the end of a project, DFID undertakes a Project Completion Review.

Data from the Annual Reviews and Project completion Reviews form the basis of DFID's results reporting. The monitoring and evaluation data is disaggregated wherever possible to effectively track results for girls and women (i.e. by gender and age) and for the poorest and most vulnerable (i.e. by income quintile and defined vulnerable groups where relevant).

4/ Data Collection

Data collection is based on a system of spreadsheets. A new web-based system is being developed. DFID's efforts to improve statistical capacity, however, are not linked to the DRF; these efforts had begun beforehand.

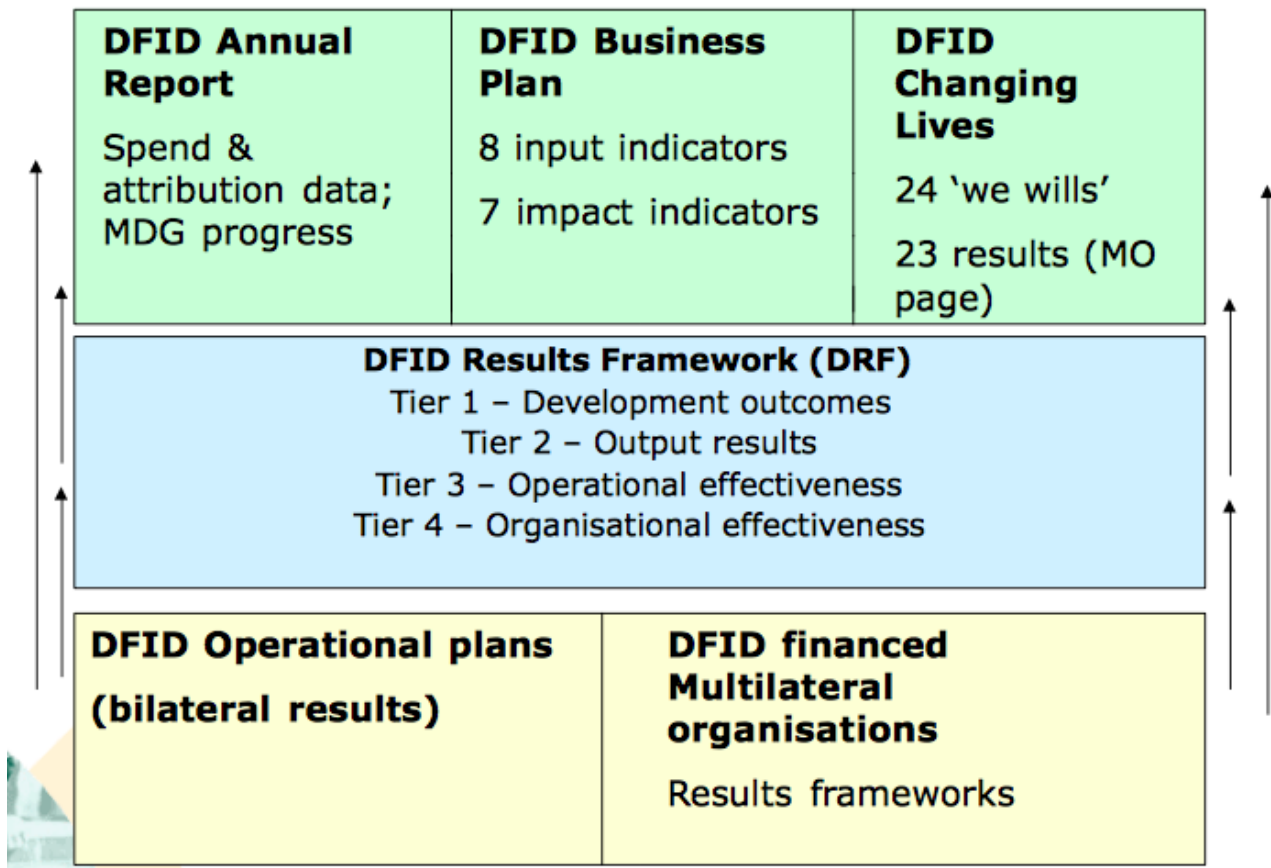
5/ Reports

Annual Report and Accounts

Target audience: Parliament and general public

The main vehicle for reporting DFID results is the Annual Report, which is produced to meet the requirements of the International Development (Reporting and Transparency) Act 2006. The main requirement of this Act is for DFID to report the effectiveness of its aid programme in delivering the MDGs in its partner countries and those countries which its multilateral partners serve.

The report now includes a Results Scorecard which contains a summary of the key indicators identified in the results framework. The Scorecard provides a comparison of current and previous period performance against each indicator and use a traffic light system to help identify those areas which may require corrective action.



Executive Management Committee Report (quarterly)

Target audience: DFID Management

These reports include data from the Results Framework indicators, some of which are updated every six months and even in some cases every quarter.

C. Links with Corporate Processes

This section focuses on how the implementation of the Results Framework intersects with some of the main processes involved in monitoring results within a perspective of Managing for Development Result.

1/ Data Collection

Level 1

DFID's Level 1 results indicators are a subset of MDG indicators with one additional DFID-specific indicator relating to children who can read with sufficient fluency (DFID is working with its global partners to develop data systems and tools to measure progress against this indicator).

Data in this section is taken from the United Nations Statistical Division (UNSD) website for the MDGs. DFID consults its country offices on the appropriateness of the UNSD data and in instances where country office staff feel that other data sources, such as health, demographic or household surveys, have more recent data, longer time series or more accurately reflected the position of the country, this data is used instead. As such, some of the data used for the assessment here may differ from UNSD data.⁷⁸

Level 2

DFID has developed methodological guidance for each indicator to ensure consistency of measurement across countries and permit meaningful aggregation of results. A description of the methodologies used for many of these indicators is provided in a document adjoined to this report: DFID Indicator Methodology.

The indicators have been selected primarily through an analysis of expected results outlined in individual country Operational Plans, which in turn are built up from logframes from individual business cases for each project. While each plan takes into account DFID's own strategic objectives, the priority measures have been identified within a particular country context rather than derived from a top down central target.

On the multilateral side, the key results from partners' results frameworks have been selected.

Level 3

Portfolio quality is assessed through aggregation of individual project scores. These scores are derived annually for each individual project as part of a formal review process carried out by DFID staff. Since the start of 2012, DFID has changed the way it reviews and scores projects. The new project scores assess actual performance against expected milestones and targets as opposed to likelihood of achievement.⁷⁹

Data on Level 3 indicators are drawn primarily from DFID's performance management systems. Data on individual project Business Cases and annual reviews are available through the project database on DFID's website.

⁷⁸ Annual Report and Accounts 2011-12, p. 43

⁷⁹ Annual Report and Accounts 2011-12, p. 30

Level 4

An important consideration in determining DFID's overall efficiency is benchmarking against other organizations. DFID's Business Plan sets out a list of efficiency indicators which are monitored across all UK government departments. This data forms the basis of DFID's monitoring and reporting of its overall efficiency. In addition DFID tracks a number of key metrics in each of the main corporate service areas: human resources; finance; procurement; and estates and environment.

Updating Frequency

Level 2 indicators are updated every six months, but results are published only once a year. Levels 3 and 4 results are also published once a year, although data collection frequency varies depending on the indicators, and may sometime be done on a quarterly basis. Internally, DFID will formally review progress against the framework quarterly.

3/ Planning

The introduction of DFID's Results Framework, following the 2009 Bilateral Aid Review, has led to a change in planning processes. DFID country offices now provide results data (forecast results and achieved results) twice a year to the Executive Management Committee (ECM), which takes decisions on whether it wants to seek an increase in results for any particular indicator. In that case the EMC may call for additional programme bids against those indicators.

3/ Budgeting

As in the case of planning, the introduction of the Results Framework has led to changes in processes for administrative and operational budgets.

However, unlike recent trends at some MDBs, no link is being planned between the results framework and the staff incentive systems, the main reason being that DFID operates in an environment which is highly unpredictable and challenging (DFID has been refocusing its activities towards fragile states and low income countries).

4/ Evaluating

The focus on results in DFID has been accompanied by a change in the way the evaluation function in DFID is being managed. There has been a large increase in the focus on evidence from evaluations (including in Business Cases) and evaluators have been embedded in country offices.

5/ Capacity Building

The Country Offices increased responsibility for results reporting necessitated additional staffing capacity.

Also, in the context of the Paris Declaration, it must be noted that DFID is the largest bi-lateral funder of statistical capacity building projects in client countries.

D. Implementation Path and Lessons

This section focuses on the Results Framework's development stages in recent years, the course of action the organization foresees itself taking, the benefits the implementation of the Results Framework have brought, the challenges encountered when setting it up, and the success factors that have been identified.

1/ Milestones

- 2010 – the new Government decides to bring the UK aid budget to the 0.7 percent threshold.
- March 2011 – Publication of the Bilateral Aid Review technical report.
- Following the Review, DFID developed Operational Plans for countries and regions and Business Cases for individual interventions.
- March 2011 – DFID publishes “UK Aid: Changing lives, delivering results”
<https://www.gov.uk/government/publications/uk-aid-changing-lives-delivering-results>
- November 2011 – Based on the “Changing Lives” document, DFID publishes its Results Framework
- June 2012 – Annual Report for 2011-12 is published; it includes, for the first time, results achieved against DFID’s results framework.
- June 2013 – Annual Report for 2012-13 is published; additional tables for the first time show DFID Results Framework, Operational Plan and multilateral results by sector
<https://www.gov.uk/government/publications/dfid-annual-report-and-accounts-2012-13-datasets>

2/ Next Steps

The DFID *Business Plan 2011-2015* identifies two forthcoming actions:

- xxii. Develop a strategy to progress DFID’s Results-Based Aid/Financing (January 2013-March 2014); and
- xxiii. Publish progress against the DFID Results Framework on an annual basis” (through March 2015).

It is DFID’s stated intention to publish information on the results it achieves annually via an official statistics publication, commencing from 2012/13 reporting onwards. According to a DFID staff member, the prototype of central data base has been put in place in September 2013, and is being tested across a selection of pilot countries/central spending departments. It will allow staff to enter information into a common web-based system, with data being then exported to an analytical package. DFID aims to roll out that database by Spring 2014.

3/ Benefits

In the view of a DFID staff member, the main benefits of the Results Framework are the following:

- It is a communication tool;

- It is at the same time a managerial tool;
- It concentrates the accountability and the responsibility in the organisation.

However, given how recent DFID's Results Framework is, it is still very early to do an analysis of its benefits to the organisation.

4/ Challenges

One of the current challenges is to reduce the cost of reporting results, which takes two to three months of an individual's time per country office. Increasing country offices' analytical capability to report results has often implied the hiring of additional statisticians and results advisors. The web-based data base is expected to help reduce these costs.

5/ Success Factors

Leadership was identified as a key factor in the change of culture at DFID; and the Secretary of State at the time, Andrew Mitchell, is perceived as having been instrumental in the drive towards a greater emphasis on the managerial features and possibilities of the Results Framework. As it was said in an interview with a DFID staff member, “political momentum is everything.”

6/ External Assessment

None was found.

E. Indicators

1/ Results Framework Indicators

Indicators for the DFID Results Framework are listed in the Volume II of the Study, Annex – DFID section, under the title “**DFID Results Framework Indicators.**”

The methodology for some of the results framework indicators has been described in a DFID internal document, which can be found the Volume II of the Study, Annex – DFID section, under the title “**DFID Indicator Methodologies.**”

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