



LISTENING ENGAGING IMPROVING

2014 IDB External Feedback System



Since its creation, the Inter-American Development Bank (IDB) has been committed to aligning its work with the unique and evolving development needs of its borrowing member countries.

In 2012, the Bank enhanced its ability to understand those needs by creating a system of surveys to capture the opinions of our partners regarding the Bank's products, services and comparative advantages. This is the External Feedback System (EFS).

The EFS identifies our clients' perceptions of what we do and how well we perform. This approach provides valuable insight to help us make informed strategic decisions about the Bank's future and enhance our products and processes. We are also actively using this information to update our Institutional Strategy and Corporate Results Framework.

More flexibility during project execution, less bureaucratic procedures and greater knowledge sharing are the key needs revealed by our partners.

We are committed to producing, analyzing, and sharing the EFS findings both within our institution and with our partners to help improve the relevance and the added value of our work in the Region.

We would like to thank everyone who participated in our surveys. We hope that you will take the time to read this report and that you will support us on this journey of continuous improvement.



Verónica Zavala

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Office of Strategic Planning and Development Effectiveness
Inter-American Development Bank



Leading strengths of the IDB, as described by our partners.

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Listening to Our Partners

The Inter-American Development Bank (IDB) is the largest source of development financing in Latin America and the Caribbean and is committed to achieving measurable results while adhering to high standards of transparency, integrity and accountability.

The External Feedback System (EFS) captured perceptions from more than 4,000 partners surveyed between 2012-2014 in government, civil society, public, and private sectors. These perspectives, from national leaders to those directly responsible for implementing projects in the field, as well as academics and representatives of other development

agencies, represent a critical asset as the IDB prepares to update its Institutional Strategy in 2015.

Listening to our partners is a core element of our commitment to continuous improvement. The key findings and trends presented in this report—gauging partner satisfaction to determine where the IDB excels, how the IDB can improve, and the attributes considered most important in a development institution—reflect the needs of our partners and will help us to improve the products we offer and the way in which these products are delivered.

TOP 5 TAKEAWAYS

From the 2012-2014 IDB External Feedback System

Results from the EFS help us understand how well the IDB Group's priorities and performance are aligned with its partners' expectations and perceptions. The survey results provide important insights about the IDB Group's performance in contributing to improving lives in Latin America and the Caribbean.

1

Broad Reach, Deep Participation

More than 4,000 partners from public and private sectors and the Civil Society participated in the surveys. All shareholders were represented in the sample of respondents.

Survey Captures the Perceptions of a Diverse Set of Partners



59%

Public Sector



13%

Private Sector



13%

Academia



11%

Civil Society
Organizations



3%

Development
Agencies

* The sum does not equal 100% due to rounding.

2

Why the EFS is Useful

The EFS:

- Helps the IDB Group understand the needs of our partners
- Offers inputs to update the Institutional Strategy
- Provides IDB Group with specific information to target areas for improvement
- Allows for systemic reporting on the Bank's operations performance

3

IDB Group Meets Top Partner Expectations Regarding:

- Expert advice to design and implement good projects
- Deep understanding of the country
- Pricing of financial products, such as the interest rate on a loan

4

The Path to Continuous Improvement

- Improve timeliness throughout the project cycle
- Find ways to increase flexibility while complying with safeguard policies and supporting countries to achieve their development goals
- Increase knowledge sharing efforts on lessons learned, best practices and experiences across countries
- Add more value to partners by providing more tailored solutions

5

Next Steps for the EFS

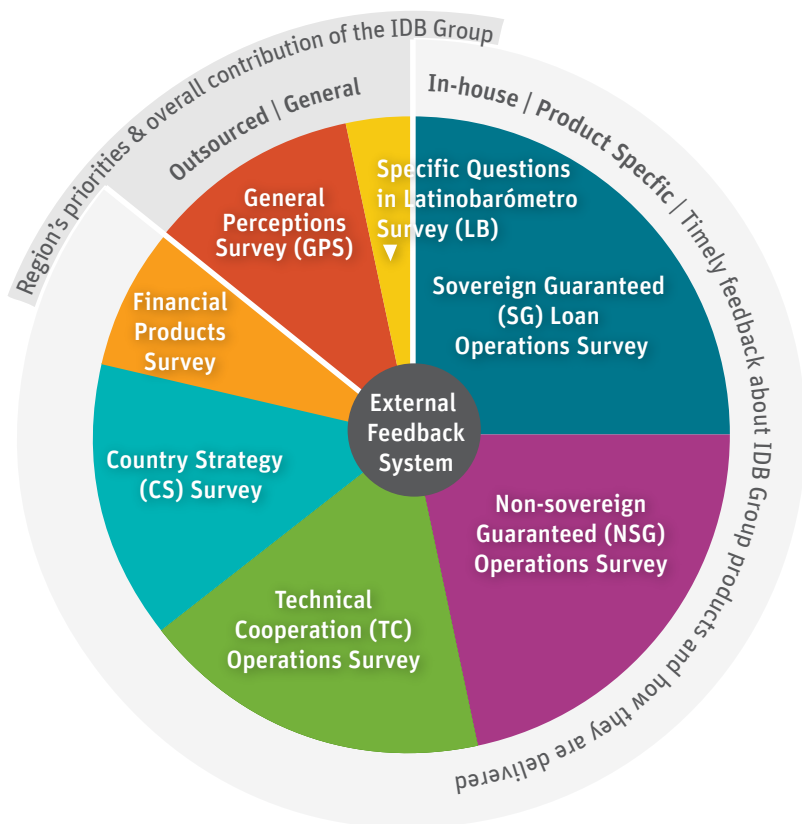
- Consolidate the EFS into the business practices of the IDB Group
- Combine EFS results with other data sources to provide a more comprehensive view of the IDB Group performance
- Inform other sources of Bank data with the perspectives of our external partners

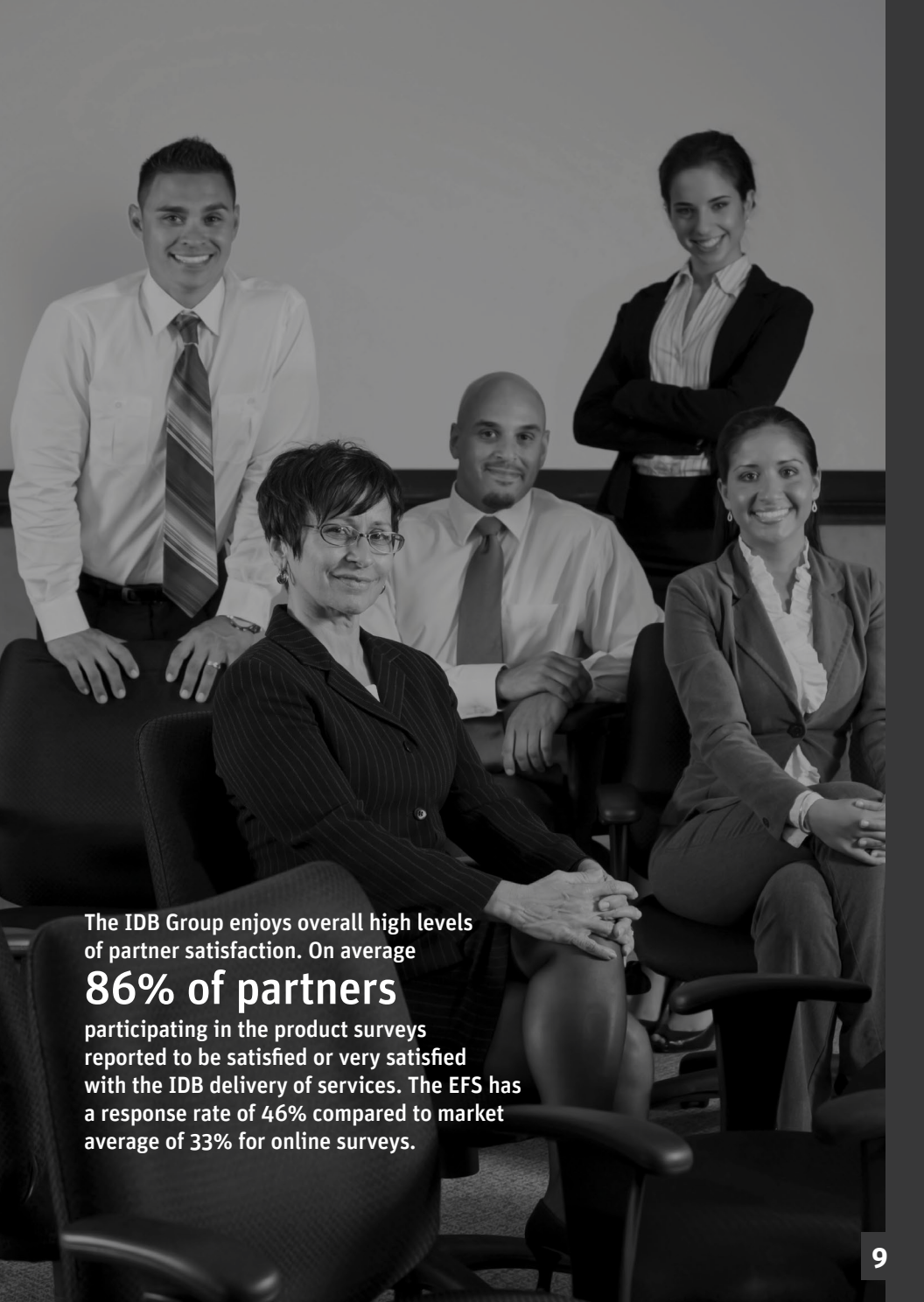


The EFS Family of Surveys

Partner feedback is collected through a family of online surveys that constitute the EFS. Two surveys, the General Perception Survey and the Latinobarómetro, are conducted by external organizations to help us identify the Region's development priorities and their perception of the IDB Group's contribution to their country's development. The product surveys are conducted by internal teams to ensure timely feedback about IDB products and how they are delivered. The EFS also includes surveys for the Inter-American Investment Corporation (IIC) and the Multilateral Investment Fund (MIF). As such, the term "IDB Group" will be used when reporting on aggregate results from all surveys.

The EFS Family of Surveys analyzes the experience of our partners across the project cycle.



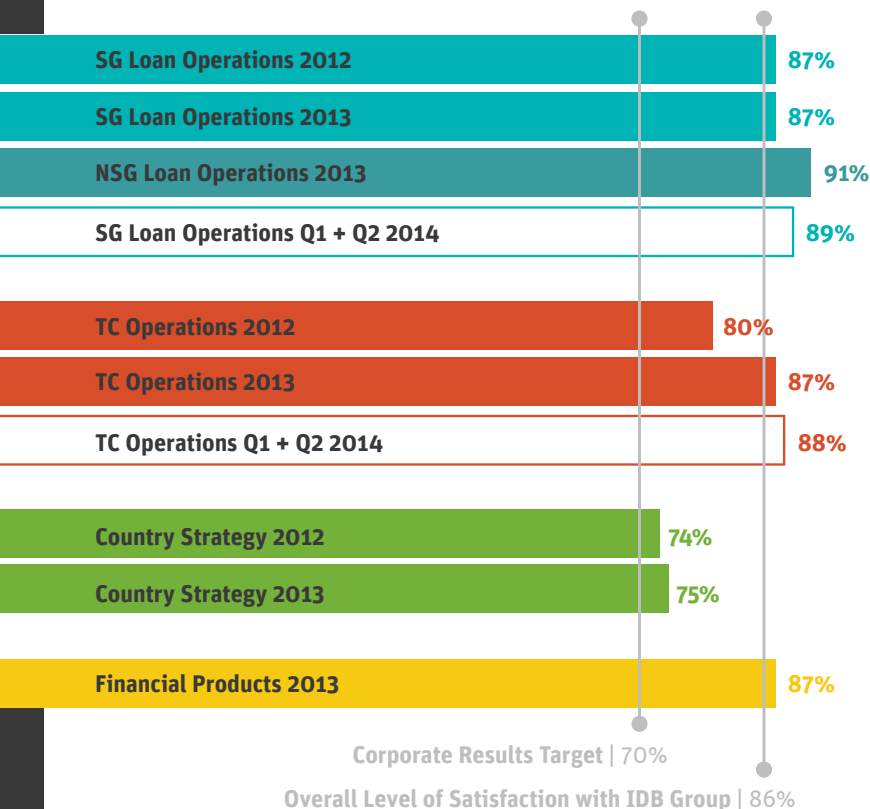


The IDB Group enjoys overall high levels of partner satisfaction. On average

86% of partners

participating in the product surveys reported to be satisfied or very satisfied with the IDB delivery of services. The EFS has a response rate of 46% compared to market average of 33% for online surveys.

2012-2014 Overall Satisfaction with IDB Group Delivery of Services by Product*



Question: Based on your most recent experience, how satisfied are you with the IDB Group delivery of services related to loan operations/TC operations/the country strategy preparation process/financial products and options to manage debt?

**Responses were captured on a 6 point scale and "Satisfaction" corresponds to "Satisfied" + "Very Satisfied". "Somewhat satisfied" responses account for about 9% and "Dissatisfaction" accounts for about 5% of the responses, and included "Very dissatisfied", "Dissatisfied" and "Somewhat dissatisfied".*

In 2014, the EFS has been a valuable input to the Bank's leadership in updating the IDB's Institutional Strategy. In addition, the EFS has helped to drive change in our day-to-day business practices and behaviors.

Perceived Strengths



Regarding the leading strengths of the IDB, as described by our partners, three clear areas were consistently highlighted: understanding the country's priorities, bringing specific sector knowledge, and collaborating effectively with governments.

Opportunities for Improvement

Partners suggested that the IDB should increase process flexibility, reduce its bureaucratic procedures, and improve knowledge sharing.

Processes, not people, appear to be the issue here as IDB staff are perceived to be very responsive and accessible, but the process of approving loans or technical cooperations is perceived to be slow by some partners. Despite this sentiment, satisfaction ratings in relation to timeliness are still high for most IDB products.

"I think that they are quite bureaucratic at times, they could be much more agile, more flexible in some cases, depending on the dynamic of each project that is being carried out." —In-depth interview, Colombia

Partners' Suggestions for Improvement:

MORE 

Flexibility during
project execution

LESS 

Bureaucratic
procedures

MORE 

Knowledge sharing

Partners would also like the Bank to be more flexible in its processes and improve its ability to adapt to changing circumstances. This is particularly the case for partners surveyed in the SG Loan Operations and Technical Operations Surveys, as "flexibility of project execution" is selected as one of the most important attributes for a partner.

Our partners defined "Flexibility" as:

"Being able to take into account real conditions of execution and interpret Bank policies with caution." —Director, Executing Agency, Haiti

“Experiences from other countries that the IDB shares with partners” ranked the lowest of the surveyed dimensions. Stakeholders were particularly interested in learning about the IDB’s experiences in other countries.

“Capacity building on technical design, procurement and monitoring is necessary. Implementing regional workshops would provide us with training in these sectors and allow us to share experiences with other stakeholders within the region.”
—Executing Agency, Guatemala

Most Important Attributes for Our Partners

Partners for SG loans and TC operations were asked to choose up to three attributes that they consider important when selecting a development institution.

While findings varied slightly by country and by region, three attributes emerged as priorities shared by all IDB partners: flexibility during project execution, expert advice to design and implement good projects, and deep understanding of the country.

Most Important Attributes for the Selection of a Development Institution



48%

Flexibility during
project execution



46%

Expert advice to
design and implement
good projects



40%

Deep understanding
of the country

Source: Consolidated information from 1,179 respondents from SG loans and TC operations (524 and 655 respondents respectively)



98% of respondents surveyed on
SG loans and TC operations would
recommend the IDB
as a development partner for other projects.

GENERAL PERCEPTIONS SURVEY

Major findings for the General Perceptions Survey

The General Perceptions Survey (GPS) identifies the views of key stakeholders regarding current and emerging development priorities in their countries, as well as contributions of the IDB Group to support the countries in addressing their development challenges.

Participants

26

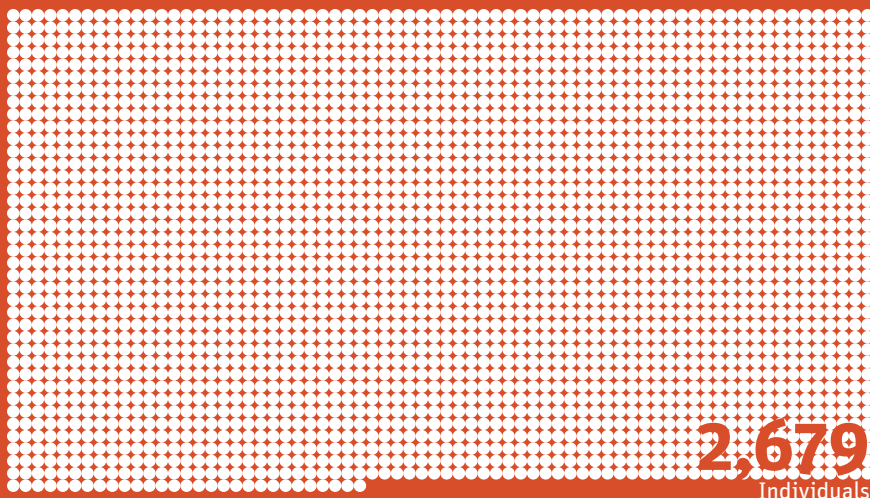
Borrowing Countries

18

Non-borrowing Countries



Respondents



Stakeholder's Expectations

Question: In your opinion, what are the most important characteristics of a development institution?

43%

Partner for problem solving |

35%

Competent |

34%

Transparent |

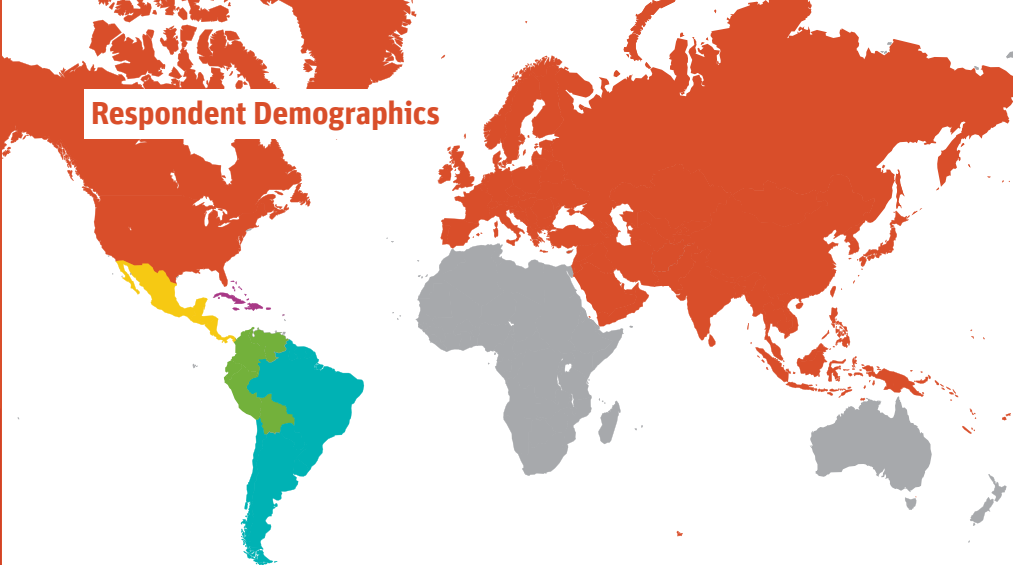
33%

Innovative |

33%

Responsive

Respondent Demographics



33%

Central America
& Mexico

28%

Andean Region

24%

Southern Cone

10%

Caribbean

5%

Asia, Canada, Europe,
and the United States



48%

Public Sector



18%

Private Sector



16%

Academia



13%

Civil Society
Organizations



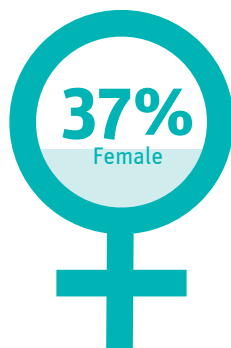
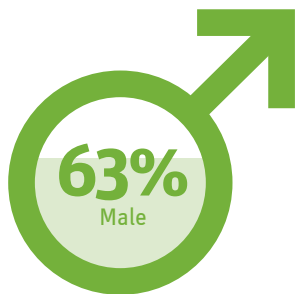
4%

Development
Agencies



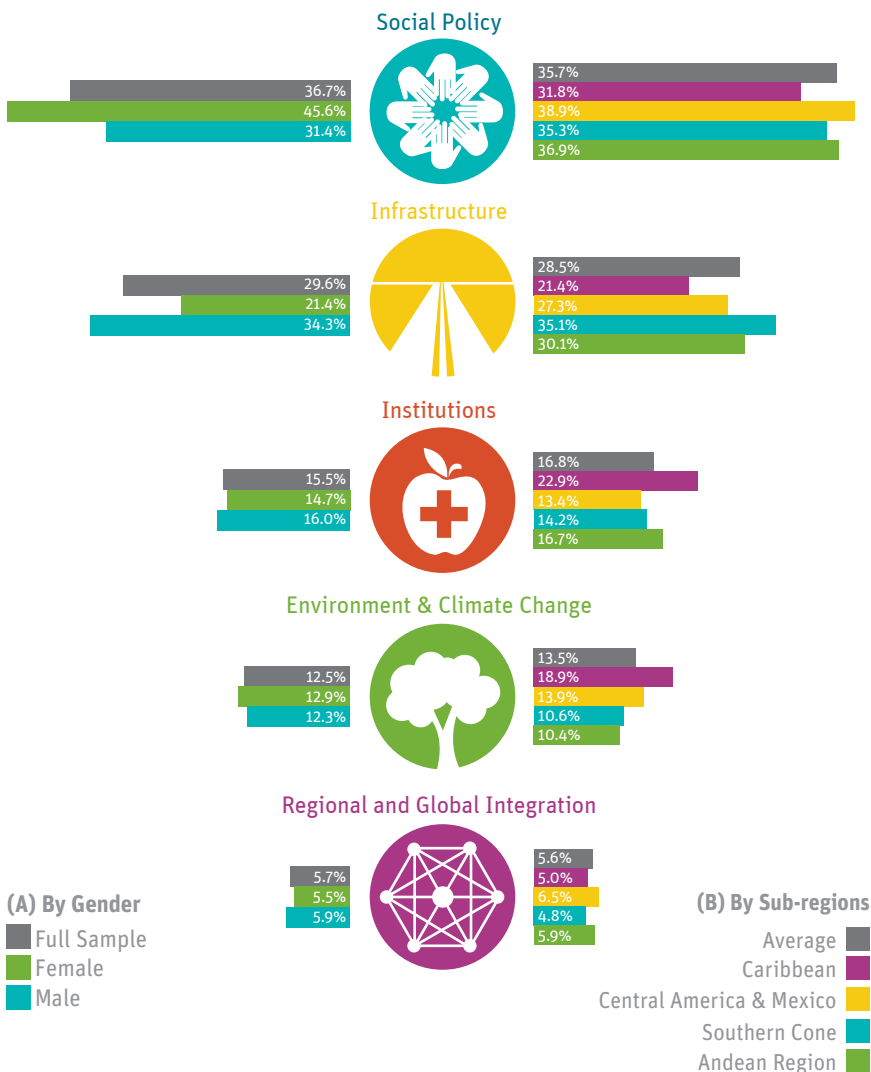
1%

Other



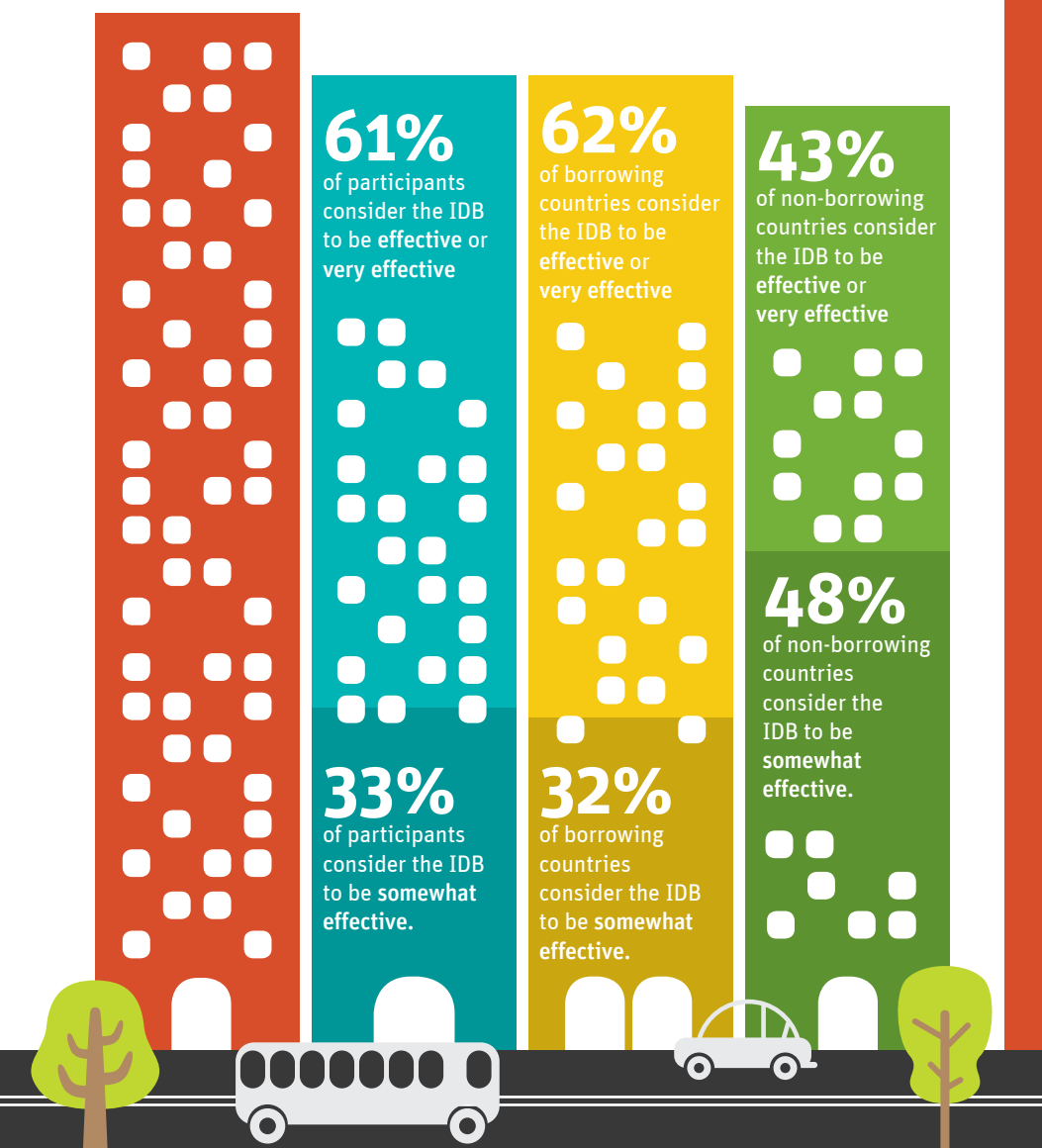
Top Priorities *Question: In your country, what do you think are the strategic priorities on which the IDB should focus?*

Social Policy and Infrastructure rank first overall in both categories, but there is a difference by gender. Sub-regions show subtle variation in priorities.



Note: Surveyed stakeholders were asked to rank priorities in order of importance. Non-Borrowing Member Countries share order of priority, but weight priorities differently.

IDB Effectiveness *Question: Based on your knowledge of [country], how effective is the IDB in supporting sustainable development?*



Note: The full sample includes: academia, the public and private sectors, development agencies, organizations of civil society, and other.

SOVEREIGN GUARANTEED LOAN OPERATIONS SURVEY

Major Findings about Sovereign Guaranteed Loan Operations

Sovereign guaranteed loans (SG) refer to financing that the IDB provides to its borrowing member countries with a sovereign guarantee, in order to contribute to their stated development objectives.



The majority of respondents come from the government (mostly Executing Agencies).

Partner Satisfaction

Question: Based on your most recent experience, how satisfied are you with the IDB delivery of services related to loan operations?

88%
reported being **satisfied**
or **very satisfied** with the
IDB's delivery of services



Partner Expectations

Question: What are the three most important attributes for you when selecting a development institution to work with? (Please select up to three options.)



50%
selected: **Flexibility**
during project execution



45%
selected: **Expert advice**
to design and implement
good projects



39%
selected: **Deep**
understanding of
the country

Top 3 Rated Areas

Question: Based on your experience, how satisfied are you with the IDB regarding each of the following areas?

Understanding the Country's priorities:

90%

were satisfied or very satisfied.

Sector knowledge of the IDB relevant to the project:

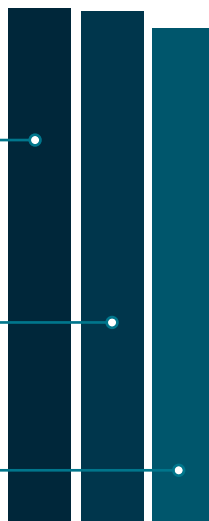
89%

were satisfied or very satisfied.

Collaboration with the Government:

86%

were satisfied or very satisfied.



Bottom 3 Rated Areas

Question: Based on your experience, how satisfied are you with the IDB regarding each of the following areas?

Relevance of the project indicators to measure expected outcomes:

71%

were satisfied or very satisfied.

Training provided by the IDB relevant to the project:

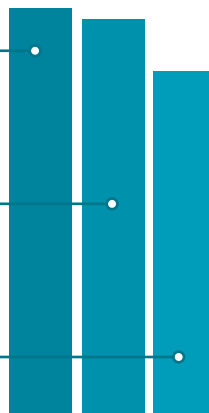
69%

were satisfied or very satisfied.

Experiences from other countries that the IDB shares:

60%

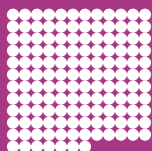
were satisfied or very satisfied.



NON-SOVEREIGN GUARANTEED OPERATIONS SURVEY

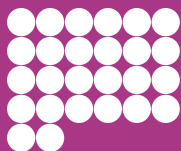
Major Findings for Non-Sovereign Guaranteed Operations

Non-sovereign guaranteed loans (NSG) refer to financing that the IDB Group provides to private sector projects or projects without a sovereign guarantee that contribute to development in member countries.



139
Participants

26
Countries



Respondents are clients from the MIF, IIC, the Opportunities for the Majority, or the Structured Corporate Finance Departments.

Partner Satisfaction

Question: Based on your most recent experience, how satisfied are you with the products provided by the IDB Group?

91%

reported being **satisfied** or **very satisfied** with the products provided by the IDB Group



Partner Expectations

Question: What are the three most important attributes for you when selecting a development finance institution with which to work? (Please select up to three options.)



62%

selected: **Time it takes to access financing**



56%

selected: **Pricing**



42%

selected: **Flexibility of financial products to meet client needs**

Top 3 Rated Areas

Question: Based on your most recent experience, how satisfied are you with the IDB Group regarding each of the following factors?

**Authority of the team leader
(to make decisions):**

82%

were satisfied or very satisfied.

Ability to convene strategic partners:

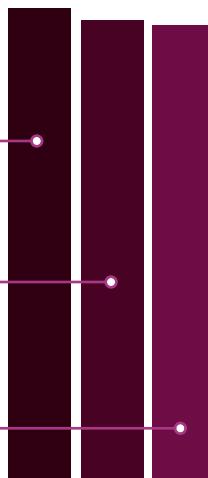
80%

were satisfied or very satisfied.

Pricing:

79%

were satisfied or very satisfied.



Bottom 3 Rated Areas

Question: Based on your most recent experience, how satisfied are you with the IDB Group regarding each of the following factors?

Ability to mobilize additional resources for your project:

65%

were satisfied or very satisfied.

Fees:

60%

were satisfied or very satisfied.

Time it takes to access financing:

39%

were satisfied or very satisfied.



TECHNICAL COOPERATION OPERATIONS SURVEY

Major Findings for Technical Cooperation Operations

The IDB finances technical cooperation (TC) activities to transfer know-how and expertise for the purpose of supplementing and strengthening the technical capacity of entities such as national governments and civil society organizations in developing member countries. Financing is determined largely on the basis of the field of activity into which a project falls and the relative development status of the region, country, or countries involved.



The majority of respondents come from the government (mostly Executing Agencies) and a few come from civil society, academia, and think tanks.

Partner Satisfaction

Question: Based on your most recent experience, how satisfied are you with the IDB delivery of services related to TC operations?

85%
reported being **satisfied**
or **very satisfied** with the
IDB's delivery of services



Partner Expectations

Question: What are the three most important attributes for you when selecting a development institution to work with? (Please select up to three options.)



49%

selected: **Flexibility**
during project execution



48%

selected: **Expert advice**
to design and implement
good projects



43%

selected: **Deep**
understanding of
the country

Top 3 Rated Areas

Question: Based on your experience, how satisfied are you with the IDB regarding each of the following areas?

Understanding the Country's priorities:

87%

were satisfied or very satisfied.

Understanding the country's development challenges:

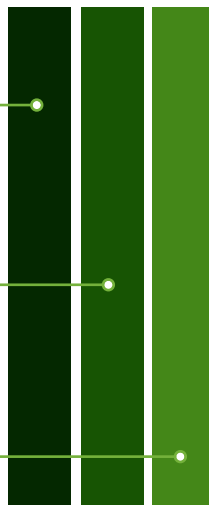
87%

were satisfied or very satisfied.

Deliverables resulting from the technical cooperation:

87%

were satisfied or very satisfied.



Bottom 3 Rated Areas

Question: Based on your experience, how satisfied are you with the IDB regarding each of the following areas?

Training provided by the IDB relevant to the project:

70%

were satisfied or very satisfied.

Time to approve the technical cooperation:

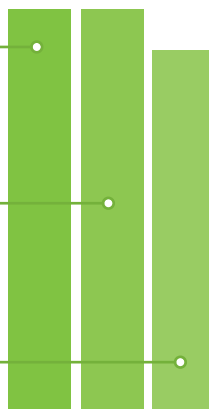
70%

were satisfied or very satisfied.

Experiences from other countries that the IDB shares:

63%

were satisfied or very satisfied.



COUNTRY STRATEGY SURVEY

Major Findings for Country Strategies

Country Strategies refer to the set of key parameters that are the subject of Bank-country agreement. These parameters are the guidelines for programming decisions throughout the strategy period. Country Strategies include an overview of a country's current economic situation. They are based on analytical work conducted by the IDB and other parties on a wide range of economic and social sectors.

Country Strategies

Countries surveyed:
Belize, Brazil, Colombia,
Dominican Republic, Ecuador,
Guatemala, Guyana, Jamaica,
Mexico, Nicaragua, Peru,
and The Bahamas



*The majority of respondents are from the government and civil society, and the rest are from private sector and knowledge groups. *Country strategies approved 2012-2013.*

Partner Satisfaction

Question: Based on your experience, how satisfied are you with the Country Strategy preparation process?



Rated Areas (Only 4 areas were included in survey)

Question: Based on your experience, how satisfied are you with the IDB regarding each of the following areas?

Understanding your country's context:

89%

were satisfied or very satisfied.

Understanding country's priorities and development challenges:

85%

were satisfied or very satisfied.

Quality of the dialogue with country authorities to define priority areas:

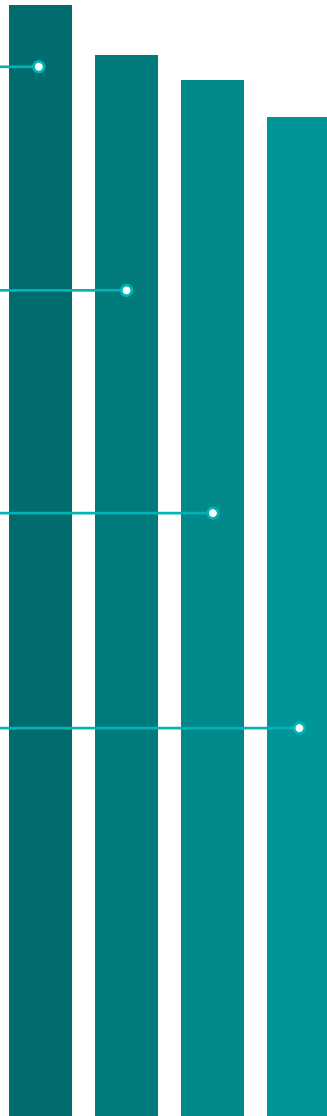
83%

were satisfied or very satisfied.

Quality of the technical inputs related to each priority area:

80%

were satisfied or very satisfied.



FINANCIAL PRODUCTS SURVEY

Major Findings for Financial Products

The IDB provides financial products and services to counterparts working in public debt management offices within the Ministries of Finance and Planning. These products and services include loan financial terms and conditions, and options to manage debt with the IDB.



22
Countries

46

Participants



All respondents come from the public debt management offices of the countries.

Financial Products Partner Satisfaction

Question: Based on your most recent experience, how satisfied are you with the IDB's financial and debt management options?

85%

reported being **satisfied** or **very satisfied** with the IDB's delivery of services



Partner Expectations

Question: What are the three most important attributes for you when selecting a development institution to work with? (Please select up to three options.)



63%

selected: **Competitive interest rates**



46%

selected: **Appropriate financial terms**



37%

selected: **Flexibility for managing the current risk in a loan**

Top 3 Rated Areas

Question: Based on your experience, how satisfied are you with the IDB regarding each of the following areas?

Option to tailor-make the amortization schedule of a loan:

90%

were satisfied or very satisfied.

Financial terms of the loan:

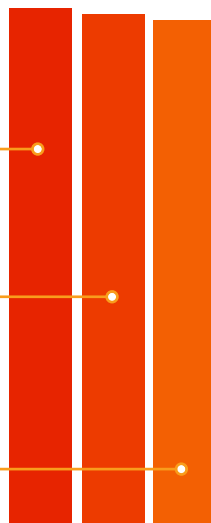
89%

were satisfied or very satisfied.

The option to manage interest rate risk in a loan (for example fix interest rates in dollars):

88%

were satisfied or very satisfied.



Bottom 3 Rated Areas

Question: Based on your experience, how satisfied are you with the IDB regarding each of the following areas?

The IDB's Financial Portal (iadb.org/finance) is easy to access:

76%

were satisfied or very satisfied.

Lending charges:

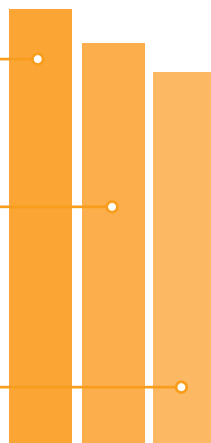
70%

were satisfied or very satisfied.

Knowledge and experiences from other countries that the IDB shares:

65%

were satisfied or very satisfied.



About the IDB

The Inter-American Development Bank is the leading source of development financing for Latin America and the Caribbean, with a strong commitment to achieve measurable results, increased integrity, transparency and accountability. The Bank has an evolving reform agenda that seeks to increase its development impact in the region in a sustainable, climate-friendly way.

About the EFS

The EFS is coordinated by the Office of Strategic Planning and Development Effectiveness (SPD) with the support of an Interdepartmental Committee of client-interfacing departments to foster continuous improvement of IDB Group processes, products and services.

About the Office of Strategic Planning and Development Effectiveness

The Office of Strategic Planning and Development Effectiveness (SPD) is responsible for ensuring that the corporate strategy is reflected in a corporate plan and in departmental planning, which guide resource allocation and key decisions aimed at the achievement of development results.

The office monitors the quality control of the Bank's lending program by setting quality standards and safeguards for both the design and the implementation of the Bank's products in consultation with relevant departments; monitoring and ensuring compliance with standards and safeguards; leading the development of operational instruments and policies; producing progress reports on development effectiveness and portfolio performance; and assessing the quality of the Bank's corporate information systems. SPD is made up of the Strategy Development and Strategy Monitoring Divisions.



Office of Strategic Planning and Development Effectiveness

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