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# **DEO** Development Effectiveness Overview **2021**

## **Executive Summary**



# Executive Summary

Each year, the IDB Group takes stock of the results of the interventions it supports in its Development Effectiveness Overview (DEO), reviewing where the Group has successfully met its strategic objectives and where gaps remain. This is the first DEO that reports on progress made during a new Corporate Results Framework (CRF) cycle, covering 2020 to 2023.

The DEO is focused on reporting on 2020 results and lessons in development effectiveness, guided by the institutional strategy and CRF.



The highest-level targets for the IDB Group are those set through the CRF, covering aspects of organizational management and operational results. Progress towards these targets is driven by a range of action plans and initiatives focused on supporting institutional priorities and driving improvements over time, but it is also impacted by contextual factors, which played an outsized role in 2020 with the onset of the COVID-19 pandemic. See pages 6 and 7 of this

document to view 2020 progress compared to CRF targets.

These results for the first year of the new CRF indicate that efforts in many areas must be redoubled in 2021 for the Group to reach its targets for the end of the CRF period in 2023. The IDB Group is taking targeted actions to enhance performance on these areas, such as maintaining its emphasis on incorporating cross-cutting issues in the development of new projects and enhancing tools and processes to regularly evaluate progress against CRF metrics and channel efforts to achieve their targets.

As a development institution, the most critical commitment of the IDB Group is driving toward development results. All IDB Group projects are evaluated at maturity or completion with regard to four core criteria: relevance, effectiveness, efficiency, and sustainability.

For the 2020 exercise, 52 percent of completed IDB projects and 61 percent of IDB Invest projects reaching early operating maturity were rated positively by the Office of Evaluation and Oversight. Factors such as design issues, changes during execution, and measurement issues all affected performance on this indicator.

For 2020, **CRF indicators** are:

<b>51%</b> on track	<b>24%</b> on watch	<b>25%</b> off track
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to meet their targets

Visit the CRF website at [www.iadb.org/CRF](http://www.iadb.org/CRF) for further details



Although a negative rating does not necessarily mean that a project had no development impact, the IDB Group aims to maximize the percentage of operations with positive ratings and has taken action to address these gaps, including through the IDB’s new Operational Excellence initiative and IDB Invest’s Impact Management Framework.

In addition to assessing achievement of planned results at completion, the IDB Group reports on results during project execution through the standardized indicators established in Level 2 of the CRF. These indicators track the magnitude of the Group’s contributions to a range of development topics—from 14 million beneficiaries receiving health services and 1.1 million beneficiaries of enhanced disaster and climate change resilience to 960,000 micro, small, and medium enterprises financed and 19 million annual tons of CO<sub>2</sub> equivalent emissions avoided. Project cases help illustrate how aggregated results for the portfolio relate to higher-level outcomes. For example, a project in Belize that benefited 30,000 students led to significant improvements in both math and science learning.

A critical challenge faced by all development institutions and the IDB Group is systematizing lessons learned from operations and using this knowledge to inform future interventions, especially when addressing the rapidly evolving needs of the region and the world.



To improve its approach, the IDB Group uses its development effectiveness tools to identify lessons throughout the project cycle, conducts impact evaluations to determine project effects, and

establishes feedback loops to help institutionalize the application of learning into new projects.

Finally, periodic reviews of lessons learned by country, sector, and thematic area can help build a common understanding of leading practices and promising approaches as well as potential pitfalls that can hinder achievement of results.

In this year’s DEO, Women’s Economic Empowerment (WEE) was selected for a deeper dive into lessons learned given the importance of this line of work in addressing the region’s development gaps.



Some of the lessons learned from the IDB Group’s work supporting WEE in recent years include:

- Strengthening WEE requires first understanding women’s needs
- WEE initiatives should utilize tailored approaches
- Increasing women’s workforce participation requires breaking down structural and cultural barriers
- Having women in decision-making roles helps to empower other women



## Progress on IDB Group Performance Indicators, 2020

Indicator	Institution	2020 Progress	Status	Target 2020-2023
3.1 Projects supporting social inclusion and equality (% of new approvals/commitments)	IDB	78%	-	-
	IDB Invest	56%	-	
	IDB Lab	69%	-	
3.2 Projects supporting productivity and innovation (% of new approvals/commitments)	IDB	60%	-	-
	IDB Invest	49%	-	
	IDB Lab	85%	-	
3.3 Projects supporting economic integration (% of new approvals/commitments)	IDB	12%	-	-
	IDB Invest	8%	-	
	IDB Lab	5%	-	
3.4 Support for small and vulnerable countries (%)	IDB	56%	🟢	≥ 35%
	IDB Invest	40%	🟢	≥ 40%
	IDB Lab	44%	🟡	≥ 45%
3.5 Climate finance in IDB Group operations (% of approved/committed amount)	IDB	15%	🔴	≥ 30%
	IDB Invest	23%	🔴	≥ 30%
	IDB Lab	24%	🟡	≥ 30%
3.6 Projects supporting climate change mitigation and/or adaptation (% of new approvals/commitments)	IDB	41%	🔴	≥ 65%
	IDB Invest	48%	🟢	≥ 40%
	IDB Lab	32%	🟡	≥ 40%
3.6.a Projects supporting agriculture, forestry, land use, and coastal zone management (% of new approvals/commitments)	IDB	1%	🔴	≥ 10 %
	IDB Invest	4%	🔴	≥ 8 %
	IDB Lab	18%	🔴	≥ 25 %
3.7 Projects supporting gender equality (% of new approvals/commitments)	IDB	54%	🟢	≥ 70% (2023 target)
	IDB Invest	29%	🟢	≥ 25%
	IDB Lab	53%	🟡	≥ 60%
3.8 Projects supporting diversity (% of new approvals/commitments)	IDB	20%	🟢	≥ 20%
	IDB Invest	8%	🟢	≥ 5%
	IDB Lab	10%	🔴	≥ 20%
3.9 Projects supporting institutional capacity and rule of law (% of new approvals)	IDB	58%	🟡	≥ 60%
3.10 Projects aligned to country strategies (% of new approvals/commitments)	IDB	83%	🟡	≥ 90%
	IDB Invest	86%	🟢	≥ 79%
	IDB Lab	84%	🟡	≥ 90%
3.11 New country strategies considering country's official commitments on climate (%)	IDB Group	-	-	≥ 100%

Strategic Alignment

	Indicator	Institution	2020 Progress	Status	Target 2020-2023
Development Effectiveness	3.12 Active projects with satisfactory performance classification (%)	IDB (loans)	83%	🟢	≥ 80%
		IDB Invest	61%	🟡	≥ 70%
		IDB Lab (loans and equity)	77%	🟢	≥ 60%
		IDB (TC)	54%	🔴	≥ 75%
	3.13 Projects with satisfactory development results at completion (%)	IDB	52%	🔴	≥ 70%
		IDB Invest	61%	🟡	≥ 65%
	3.14 Projects with higher environmental and social risks rated satisfactory in the implementation of mitigation measures (%)	IDB	90%	🟢	≥ 84% (2023 target)
		IDB Invest	83%	🟡	≥ 90%
	3.15 Projects with considerable disaster and climate change risk that applied risk analysis to identify resilience actions (%)	IDB	22%	🔴	100% (2023 target)
	Leverage and Partnerships	3.16 Direct third-party financing deployed (\$ billion)	IDB Group	\$2.8	🟢
3.16.a Private direct third-party financing deployed (\$ billion)		IDB Group	\$1.7	🟢	≥ \$6.0
3.17 Indirect third-party financing deployed (\$ billion)		IDB Group	\$3.5	🟡	≥ \$16.5
3.18 Stakeholders that consider the IDB Group to be effective in fostering public-private synergies (%)		IDB Group	67%	🔴	75% (2023 target)
Efficiency	3.19 Cost to income ratio (%)	IDB	39.9%	🟢	< 40%
		IDB Invest	64.8%	🟡	< 60%
	3.20 Cost to portfolio ratio (%)	IDB	0.71%	🟢	< 0.8%
		IDB Invest	1.30%	🟢	< 1.3%
		IDB Lab	5.67%	🟢	< 7.3%
	3.21 Credit rating agencies granting targeted ratings to IDB Group entities (#)	IDB	3	🟢	3
IDB Invest		3	🟢	3	
Knowledge and Innovation	3.22 Average downloads of IDB Group publications (#)	IDB Group	2,219	🔴	≥ 3,000 (2023 target)
	3.23 Total IDB Group blog readership (# million)	IDB Group	11.4	🟢	≥ 5.5 (2023 target)
	3.24 Net Promoter Score: IDB Group as a provider of relevant knowledge (NPS)	IDB Group	34	🟢	≥ 38 (2023 target)
	3.25 Net Promoter Score: IDB Group as a provider of innovative solutions (NPS)	IDB Group	16	🔴	≥ 27 (2023 target)
Internal Alignment to Cross-Cutting Issues	3.26 IDB Group facilities and fleet emissions (tons of CO <sub>2</sub> equivalent)	IDB Group	7,135	🟢	≤ 9,600 (2023 target)
	3.27 Mid and senior-level IDB Group staff who are women (%)	IDB and IDB Lab	41%	🟢	≥ 43% (2023 target)
		IDB Invest	38%	🟢	≥ 38% (2023 target)
	3.28 Actions to promote diversity and inclusion at the IDB Group (#)	IDB Group	38	🟢	≥ 80
	3.29 Aid Transparency Index score	IDB	95	🟢	≥ 90 (2023 target)

Progress is classified as: 🟢 On track 🟡 On watch 🔴 Off track. A dash signals that the indicator did not have a target or that 2020 progress data is not available. Details are available in the [Traffic Light Methodology](#).

# DEO

Development  
Effectiveness  
Overview

**2021**

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