



December 5, 2011

Lars-Henrik Worsøe
MOPAN Secretariat
Chief Adviser – Multilateral Development Issues, Dept for Quality Assurance of Development
Assistance Ministry of Foreign Affairs, Copenhagen
larwor@um.dk

Dear Mr. Worsøe,

Subject: Inter-American Development Bank Management Response to MOPAN 2011

We would like to thank the MOPAN Secretariat for sharing the report of the 2011 MOPAN assessment of IDB. We also wish to thank the institutional leads, Spain and Denmark, for their support during the process.

We found the report to be well-balanced. IDB was rated as adequate or better for 18 out of 19 indicators. As particular strengths of the IDB, the report highlights that IDB staff is one of the Bank's greatest assets, that the Bank has solid practices for financial accountability, and the Bank's quality contribution to policy dialogue and increased focus on results.

We also acknowledge areas for improvement identified in the report and would like to take the opportunity to provide some additional information as well as present some of the actions the Bank is taking to address these.

Results Reporting

The IDB's corporate results strategy is reported on annually in the Development Effectiveness Overview. Specific Results Framework targets have been set for the 2012-2015 period. Data is available beginning in 2010 for information purposes.

The IDB has been committed to the principles of the Paris Declaration from its onset. IDB reported on progress against Paris Declaration commitments in the Development Effectiveness Overview. Now that the final survey has been conducted, IDB will be closely involved following the High Level Forum in Busan as indicators are revised or updated. The Development Effectiveness Overview will continue to be the forum for reporting on these commitments.

Since 2010, the IDB has linked results achieved, expenditures and disbursements for every project in execution, and has monitored their implementation progress through its project monitoring system. This forms the basis for corporate reporting.

Country systems

The IDB's "Strategy for strengthening and use of country systems" was approved in late 2009. The first step in implementing the strategy is the assessment of the national systems of all borrowing



member countries. To date, procurement systems have been assessed in 16 countries and national public management systems in 21 countries. In addition, since 2010 all country programming exercises and country strategies have incorporated recommendations regarding the strengthening and use of country systems as foreseen in the strategy.

Notably the MOPAN document review for country systems relied on the 2010 Survey on Monitoring the Paris Declaration data. However, it is worth highlighting that not all IDB borrowing countries participated in the survey. Additionally, for those countries that did report, data only covers concessional resources. This results in an incomplete picture of IDB performance in some areas.

Corporate information systems and processes

The IDB has an initiative underway, the Optima Program, which aims to optimize operational and corporate processes through significant business process redesign supported by the implementation of an integrated information technology solution. MOPAN survey respondents expressed concern that lengthy procedures may affect project implementation. The combination of streamlined procedures and supporting technology introduced by Optima should help to address any effect the length of time for procedures has on implementation.

MOPAN's findings show that IDB could benefit from a formal system to track evaluation recommendations. Such a tracking system has already been included as part of the 2012 capital budget and will help IDB make better use of evaluation recommendations.

IDB found the MOPAN process to be constructive and is looking forward to continued collaboration. As noted in the report, IDB has recently undergone numerous reforms. With time, the full benefits of these reforms will become more visible.

Sincerely,

A handwritten signature in black ink, appearing to read 'K. Echebarria', is written over a horizontal line.

Koldo Echebarria
Manager and Chief Development Effectiveness Officer
Office of Strategic Planning and Development Effectiveness

cc: Ms. Katzman, Executive Vice-President, IDB
Mr. Giorgio, Chief of Staff, IDB
Ms. Ana de Vicente Lancho, Ministry of Finance, Madrid
Ms. María Jesús Calvo Romerales, Ministry of Finance, Madrid
Mr. Bakdal, Executive Director for Denmark, IDB