

CARIBBEAN DEVELOPMENT BANK



SPECIAL DEVELOPMENT FUND (UNIFIED)

**DEVELOPMENT EFFECTIVENESS AND
MANAGING FOR RESULTS**

July 2008

ABBREVIATIONS

AAA	-	Accra Agenda for Action
AfDF	-	African Development Fund
BMCs	-	Borrowing Member Countries
BNTF	-	Basic Needs Trust Fund
CARICOM	-	Caribbean Community
CARTAC	-	Caribbean Regional Technical Assistance Centre
CIDA	-	Canadian International Development Agency
CMDG	-	Caribbean-specific MDG Framework
COMPAS	-	Common Performance Assessment System
CPA	-	Country Poverty Assessment
CPS	-	Country Partnership Strategy
CSCR	-	Country Strategy Completion Report
CSP	-	Country Strategy Paper
CTCS	-	Caribbean Technological Consultancy Services Network
DFID	-	Department for International Development of the United Kingdom
EC	-	European Commission
EOV	-	Evaluation and Oversight Division
HLF	-	High-Level Forum
IDB	-	Inter-American Development Bank
IFIs	-	International Financial Institutions
IMF	-	International Monetary Fund
MDGs	-	Millennium Development Goals
MfDR	-	Managing for Development Results
NPRS	-	National Poverty Reduction Strategy
ODA	-	Official Development Assistance
OECS	-	Organisation of Eastern Caribbean States
PBA	-	Programme-Based Approach
PBL	-	Policy-Based Lending
PCR	-	Project Completion Report
PPMS	-	Project Portfolio Management System
PPP	-	purchasing power parity
PRODEV	-	External Pillar of the IDB Medium-Term Action Plan for Development Effectiveness
PSSDDG	-	Poverty and Social Sector Development Donors' Group
RAS	-	Resource Allocation Strategy
RMF	-	Results Monitoring Framework
SDF	-	Special Development Fund
SDF 6	-	Special Development Fund (Sixth Cycle)
SDF 7	-	Special Development Fund (Seventh Cycle)
SPARC	-	Support for Poverty Reduction and Assessment in the Caribbean
SwAps	-	Sector-Wide Approaches
TA	-	Technical Assistance
TORs	-	Terms of Reference
UNDP	-	United Nations Development Programme

\$ US dollar (unless otherwise specified)

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DEVELOPMENT EFFECTIVENESS AND MANAGING FOR RESULTS

1. INTRODUCTION

1.01 The Special Development Fund (SDF) Contributors have agreed in their meetings on SDF 7 to date that there would be four core themes for the SDF 7 replenishment. Three of these set the strategic focus for the operational programme. They are *Poverty Reduction and the Millennium Development Goals*;^{1/} *Environmental Sustainability and the Climate Change Agenda*; and *Regional Cooperation and Integration*. Separate papers are being submitted on each of these three strategic operational themes. The present paper addresses the fourth theme, which is *Development Effectiveness*, including Managing for Development Results (MfDR) and implementing the Paris Declaration.

1.02 The Paper sets out the context of the Paris Declaration, its five core objectives, to which development agencies have committed themselves, and the focus of the international development community on MfDR. The Paper then reviews and updates the Bank's MfDR Results Agenda, which was first endorsed by SDF Contributors in the SDF 6 Agreement, and which continues, with important elements of strengthening, to guide the Bank's work in this area. The Paper also sets out an overall results monitoring framework (RMF) for SDF 7. This uses the terminology and approach developed in other recent concessional fund replenishments, adapted to the particular requirements at this point in time of the Caribbean Development Bank (CDB) and SDF, in the context of the Millennium Development Goals (MDGs) and the Caribbean-specific MDG targets. It is intended that this overall RMF be further developed and strengthened over time, with a report on progress to be made to SDF Contributors for the SDF 7 Mid-Term Review.

1.03 Development effectiveness — the extent to which the policies and programmes of developing countries contribute to the achievement of important social and economic development outcomes, and the extent to which external development agencies help to achieve those outcomes — has long been the objective in the development assistance relationship. It has also been increasingly recognised in the past decade or more that addressing development priorities at the country level requires a long-term and holistic vision or strategy, to which a range of different actions can contribute most effectively, as well as country ownership of that strategy and a country-led partnership with agencies supporting a country's development efforts.^{2/}

1.04 This integrated approach has been further strengthened since the MDGs were adopted by the world community in 2000, beginning with the Monterey Conference in 2002, followed by two High-Level Fora on the elements of aid effectiveness in 2003 and 2005.^{3/} Particular emphasis has also been given to *results* as the critical element in development effectiveness. This has included an emphasis on identifying intended development outcomes and on measuring, monitoring and managing for results, in particular in terms of the MDGs and their related targets.

1.05 The Paris Declaration issued by the second High Level Forum (HLF) in 2005 sets out a series of inter-related commitments that have been endorsed by 114 countries and 26 international agencies. These are structured in terms of five core objectives – *Ownership, Alignment, Harmonisation, Managing for Results* and *Mutual Accountability*.^{4/} These objectives and the associated commitments reflect the consensus of the international development community on how best to achieve aid and development

^{1/} As defined in the Caribbean MDG framework which sets out Caribbean-specific targets under each of the MDGs. The focus under this theme is on the poverty reduction and human development MDGs.

^{2/} A core statement of this recognition was the *Comprehensive Development Framework* formulated by the World Bank (WB) in 1998.

^{3/} Known as HLF 1 and HLF 2.

^{4/} See Appendix 1 for a summary of some of the key commitments under these five core elements of the Paris Declaration.

effectiveness, with a focus on *results*, including results in terms of the necessary improvements in operating procedures.^{5/}

1.06 The overall emphasis on results has been reflected in the work of three international Roundtables on Development Results, and in a series of working parties, learning networks and joint ventures, evaluation studies and reports on progress of various key agencies and the development community more generally. These have led to an emerging community of practice on MfDR and, for the multilateral development banks (MDBs), including CDB, to an institution-specific results agenda.

1.07 The emphasis on results and MfDR is a principal focus of HLF 3, to be held in Accra in September 2008, and of the extensive work programme of development agencies and many developing countries leading up to Accra and the planned Accra Agenda for Action (AAA). CDB will be a participant in the Accra HLF, and the agreements reached will be a factor in finalising the Bank's results agenda for the SDF 7 period, 2009-2012 – the last SDF Replenishment that will be able to make a significant input in helping the Bank's BMCs to achieve the Caribbean MDG targets within the intended timeframe.

The Bank's Results Agenda

1.08 Central elements in the agreement reached by SDF Contributors and the Bank in the SDF 6 Replenishment were the challenge presented by the MDGs^{6/} and a CDB *Results Agenda* of selected milestones in the Bank's work on MfDR, which included steps to support MfDR at the country level and to strengthen CDB's institutional and operational effectiveness, as well as progress on the core objectives of the Paris Declaration.^{7/} The Bank's progress against that agenda has been assessed in the SDF 6 Mid-Term Review and in reports considered by previous meetings of Contributors on SDF 7. As in the case of developing countries and other development agencies, MfDR and increasing development effectiveness are a work in progress, and further steps need to be taken in SDF 7.

1.09 Contributors have agreed that strengthening development effectiveness, including MfDR, should be a core theme for SDF 7. Increasing development effectiveness is, of course, a shared objective, with roles and responsibilities for both the Bank and BMCs. There are factors beyond the Bank's control that need to be addressed by BMCs, as well as other development partners. The Bank's agenda addresses only those steps that the Bank itself can take, including, where appropriate, in supporting BMCs in their MfDR and development effectiveness agendas, and in working with other development partners towards increased harmonisation and alignment.

1.10 The Bank's MfDR Results Agenda builds on progress to date and steps already underway, but also sets out additional measures. Taken together, the elements of the MfDR agenda should make a significant difference over the next four years; particularly as new performance indicators will strengthen the incentive structure for further progress. The agenda is ambitious, but realistic and formulated in terms of the Bank's work priorities. It responds to key findings in recent evaluations that have helped to identify weaknesses in current processes and in results orientation.^{8/} Most importantly, it will provide

^{5/} Performance indicators for monitoring and evaluating progress on the five core elements of the Paris Declaration were included with the Declaration. Several of these were included as an initial reporting framework in CDB's commitments under the SDF 6 Agreement (*Report of Contributors*, p. 31, Box 3). The Paris Declaration indicators to be used by CDB were also to be reviewed and further modified as appropriate.

^{6/} In the case of BMCs, reference to the MDGs and MDG targets refers to the Caribbean MDG framework developed by Caribbean countries with CDB assistance. The Caribbean MDG targets are adapted to ensure direct relevance to Caribbean circumstances and priorities.

^{7/} *Report of Contributors on SDF 6*, October 2005, Chapters 2, 4 and 5.

^{8/} The Multi-Cycle Evaluation of SDF currently being prepared for presentation to SDF Contributors is expected to confirm some of these findings and will be taken into account in further development of the Bank's Results Agenda.

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more effective support for the results orientation of the SDF 7 operational programme and the three strategic operational themes for the Replenishment.

1.11 The Results Agenda will be paralleled by a RMF, which will be similar to that adopted by other MDBs in recent replenishment discussions, although incremental and adapted to CDB's particular operational priorities and capacities.

1.12 The RMF, as requested by Contributors,^{9/} will be linked to the MDGs, particularly those that are most relevant to the Bank's operational programme, and will include more consistent identification, monitoring and reporting of results at various levels. It will include performance indicators to measure progress in terms of institutional and operational effectiveness.

1.13 Results identification in country and project planning documents and reporting of results in supervision and project completion reports (PCRs) will themselves be monitored as performance indicators,^{10/} and the overall monitoring and reporting system will allow the Bank and SDF Contributors to assess progress in implementing the results agenda, both annually and at the SDF 7 Mid-Term Review.

2. DEVELOPMENT EFFECTIVENESS: THE MfDR AGENDA

2.01 During the SDF 6 period, the Bank has worked with a Results Agenda structured in terms of three pillars – *MfDR at the country and regional level*, *MfDR at the institutional or corporate level*, and *MfDR through partnerships, harmonisation and alignment*, including objectives set by the Paris Declaration. This structure has been similar to that of other MDBs over the same period, but has reflected priorities specific to CDB and its BMCs.

2.02 The structure has worked well,^{11/} and has been reflected in the Bank's strategic planning and performance framework, although there is still progress to be made in internalising a results' culture. It is proposed to continue and build on the three-pillar structure for at least the SDF 7 period, with additions and sharpening of focus, particularly in results orientation and incentives for management by results. Use of the existing three pillars is likely to be more effective in work planning and performance assessment, and in building greater momentum for MfDR, than a new and different structure.

2.1 PILLAR 1: COUNTRY AND REGIONAL LEVEL

2.03 The Bank's results agenda at the country and regional level will continue to be focused on measures that support the efforts of BMCs to strengthen MfDR and accelerate progress towards the MDGs and the Caribbean-specific MDG targets. In doing so, the Bank will continue to work with development partners, such as the Poverty and Social Sector Development Donors Group (PSSDDG), which is a model of collaboration in supporting poverty reduction initiatives, including the review of poverty assessments and poverty reduction targeting, and the Inter-American Development Bank (IDB), which CDB has joined in the Programme to Implement the External Pillar of the IDB's Medium-Term Action Plan for Development Effectiveness (PRODEV) initiative.^{12/} In addition, support will be continued for selected regional and sub-regional initiatives, as well as the efforts of individual BMCs, in strengthening management for results and targeting the MDGs and key development outcomes. The

^{9/} *Report of Contributors on SDF 6*, para. 2.05, and *SDF 6 Action Plan*, milestone 24.d.

^{10/} CDB currently uses an extensive set of performance indicators, in which the identification of intended results in country strategies and project documents and regular reporting on results in supervision and PCRs, as well as the results themselves, will be included.

^{11/} It is also very similar to the three pillars that the Asian Development Bank (AsDB) has used in its approach to and reporting on MfDR, and this parallelism has been helpful in drawing on the experience of others.

^{12/} PRODEV.

Bank will also work towards the development of a *Community of Practice* on MfDR for the Bank and BMCs.

2.04 **Strengthening public sector capacity.** The Bank's technical assistance (TA) operations, which will be an important element of SDF 7, will be developed with a more strategic focus to address key constraints in public sector management, including project management and strengthening MfDR, as well as the improved statistical capacity needed to adequately measure, monitor and assess progress towards the MDGs and the Caribbean MDG targets.

2.05 Country strategy papers (CSPs) will be expected to address capacity constraints in terms of good governance, public sector management, and poverty reduction and MDG programming and project implementation, particularly in areas where the Bank is considering investment project operations, including support for capturing the benefits of regional public goods (RPGs). TAs will be viewed in a medium-term perspective, rather than as single discrete interventions, with attention given to the supporting actions and follow-up necessary for improved results and sustainability.^{13/}

2.06 TA policies and operational guidelines will be reviewed to strengthen this results focus. Greater use will also be made, where appropriate and possible, of TA and capacity-building programming missions and of opportunities for capacity-building partnerships with other agencies such as the Caribbean Regional Technical Assistance Centre (CARTAC), United Nations Development Programme (UNDP), and IDB.

2.07 The Bank's recently relaunched project cycle and project management training will be an important feature of TA operations,^{14/} with courses to be delivered in French for Haiti, as well as in English for other BMCs. Course content and curriculum will be reviewed to ensure that a results focus and emerging good practice in MfDR is adequately captured. Consideration will be given to adapting and including available on-line training modules on MfDR and use of the MfDR Good Practice Sourcebooks.^{15/}

2.08 Support will be continued for statistical capacity-building to measure and monitor progress towards the MDG targets, particularly for the Organisation of Eastern Caribbean States (OECS) countries, including the regional three-year programme of six-week courses in Demographic Analysis and support for regional statisticians in developing and refining the indicators for measuring progress towards the MDGs.^{16/}

2.09 With the exception of Haiti, all BMCs have had staff participate in country-delivered workshops to launch the Bank's revised "*Guidelines for Procurement*" of goods, works and related services. Three hundred and seventy participants have been trained region-wide and have begun to demonstrate the benefits which have accrued from the use of guidelines harmonised among MDBs (particularly the WB, IDB and CDB). While it is too early to measure them, these benefits include improved project supervision techniques resulting from their familiarity with and necessity to know only one set of procedures for this type of procurement.

2.10 During the period 2008-2009, CDB proposes to revise its procedures for the selection and engagement of consultants so that these will also be harmonised with those of other MDBs. In addition, the Bank intends to assist at least two BMCs with the development of country (national) procurement

^{13/} These were recommendations in the recent evaluation of CDB's TA operations.

^{14/} See *Status Report on SDF 6* (SDF 7/1-NM-2), Current Status of SDF 6 Action Plan, milestone 4.

^{15/} *Emerging Good Practice in Managing for Development Results: Sourcebook*, First Issue (OECD and WB, 2005) and Second Edition (2007).

^{16/} One of the key MDG indicators that the Bank proposes to use in its own RMF, for example, needs further work to develop a common index that can be used by BMCs.

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systems. WB has expressed an interest in collaborating with CDB to jointly sponsor and facilitate a workshop in Jamaica to discuss and demonstrate “best practice” procedures. Other BMCs have indicated a need for TA with their country procurement system. The development of effective, efficient and transparent country procurement systems will not only enhance good governance in the Bank’s BMCs but will contribute to the building of institutional capacity as well.

2.11 **Country Poverty Assessments (CPAs) and Poverty Reduction Strategies (PRSs).** The preparation and updating of CPAs for the Bank’s BMCs are key factors in being able to target poverty reduction in BMCs, including by the Bank itself as well as other development partners. Support for CPAs is a critical element in CDB’s support for poverty reduction, and the current programme for updating CPAs during the balance of 2008 and 2009 is largely on schedule. A programme for ten CPA updates is in process, with Cayman Islands and St. Kitts and Nevis currently being undertaken, and Anguilla, Dominica, Grenada and Montserrat in the programme for 2008, and Barbados, Belize, British Virgin Islands and Turks and Caicos Islands in 2008/09. CPAs for Antigua and Barbuda and St. Lucia were also completed separately in 2007.

2.12 Together with WB-supported CPAs for Guyana, the annual surveys undertaken by Jamaica, and CPAs being done by the Bahamas and Trinidad and Tobago, this covers almost all of the Bank’s BMCs. In the case of Haiti, the last Household Budget and Expenditure Survey was carried out in 2001, but data have been updated by WB.

2.13 CDB’s support for CPAs is being implemented in collaboration with Canadian International Development Agency (CIDA), Department for International Development (DFID) and UNDP, and both the Terms of Reference for each CPA and the final draft reports are reviewed with a larger inter-agency group that also includes the European Commission (EC), Economic Commission for Latin America (ECLAC) and other United Nations’ (UN) agencies active in the region, the Caribbean Community (CARICOM) and the OECS Secretariat. A coordinating mechanism established by PSSDDG, known as Support for Poverty Reduction and Assessment in the Caribbean (SPARC), provides multi-agency support for data collection and analysis for social policy formulation and poverty reduction by regional countries themselves.

2.14 CPAs are used in the design and results-targeting of various poverty reduction initiatives, such as BNTF, Social Investment Funds (SIFs), rural enterprise development projects and human settlements projects by BMCs and CDB, as well as initiatives supported by other development agencies.

2.15 SDF is also providing support for follow-up action in several cases to develop a full National Poverty Reduction Strategy (NPRS). In the case of BNTF countries, this will build on the initial Poverty Reduction Action Plans used under BNTF 5. CDB has provided support to date for NPRSs for Belize, Dominica and St. Kitts and Nevis. Arrangements are currently being made to support the preparation of NPRSs for other countries that have recently completed CPAs, such as Antigua and Barbuda and St. Lucia. Both CPAs and NPRSs are essential for helping BMCs to target the MDGs, particularly MDG 1, and in providing a basis for effective partnerships and country ownership for poverty-targeted development programmes.

2.16 **SDF 7 Operational Programmes.** The MfDR agenda will provide strong support for the objectives and intended results in respect of the three strategic operational themes (poverty reduction and the social and human development MDGs, environmental sustainability and the climate change agenda, and regional cooperation and integration) and the operational programme as a whole. Results reporting in each of these areas will be an important part of the implementation of SDF 7.

2.2 PILLAR 2: INSTITUTIONAL AND OPERATIONAL LEVEL

2.17 Significant progress has been made in developing and applying some of the key elements of MfDR at the institutional level, including an overall results-based strategic planning and work programme/budget framework. The milestones in the SDF 6 Action Plan under Pillar 2 have been largely met or put in train.^{17/} In a number of cases, however, the measures will continue to be a work in progress during SDF 7. These are continuing priorities, but there are also additional improvements that are needed in terms of operational processes to strengthen the “results culture” within the Bank.

2.18 The Bank’s MfDR agenda for the SDF 7 period is intended to consolidate and carry forward progress to date at the institutional level, particularly on the Bank’s overall implementation of results-based management, and to achieve a quantum jump in results orientation at the operational country and project level in terms of the ability to measure, monitor and evaluate results.

2.19 Work is underway to ensure an integrated approach to MfDR throughout the project cycle, and to provide for systematic assessment of the quality of key documentation at each of the principal stages of the project cycle, particularly with respect to the attention given to results. The objective is to strengthen project quality and overall results achievement.

2.20 **Strategic Planning and Results-Based Management (RBM)**. The Bank has implemented a multi-year work programming and budgeting cycle as a complement to the results-based cascade of objectives which is used for planning and managing the work of the Bank and for operationalising the programmes outlined in the Strategic Plan. Furthermore, the Bank has commenced preparation for the development of the next long-term Strategic Plan that envisions an even more inclusive process than previously applied in which consultations will be held with regional development partners among others on the way forward. In this exercise, it is proposed to make considerable use of the outputs from both the BMCs national visioning exercises and the regional development vision adopted by the CARICOM Heads of Government.

2.21 The Bank is also seeking to establish a seamless linkage between the RBM Cascade of Objectives and the Continuous Performance Improvement (CPI) system which is used for assessing staff performance and identifying areas for staff improvement. It is hoped that this measure would contribute to enhancing the Bank’s development effectiveness and improve the productivity of its human resource complement. In this regard, it has commenced the automation of the RBM-CPI performance management process which will provide the foundation for more precisely tailored learning strategies aimed at improving job effectiveness at the individual level. This will also allow for improved alignment of work plans and performance monitoring.

2.22 **Performance-Related Resource Allocation**. CDB has now had experience with a performance-related resource allocation strategy for SDF over two replenishment periods, SDF 5 and SDF 6. The objective is to strengthen the effectiveness and results from the use of SDF resources for individual BMCs, taking into account performance factors as well as need, and reflecting also specific considerations relevant to the Bank’s BMCs, particularly vulnerability and smallness.

2.23 The Bank has also participated in the review of concessional resource allocation strategies with other MDBs, to ensure that international best practice is drawn upon, with some simplification and tailoring for the particular circumstances of CDB and its BMCs. A formal review of CDB’s system was completed during the first half of 2007. The review included the consideration of CDB’s experience with

^{17/} Status Report on SDF 6, Current Status of SDF 6 Action Plan.

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the allocation system during the period 2002 to 2006 and the formulation of alternative options for improvement given the experience of the other MDBs with the use of similar systems.

2.24 The main recommendations of the review were, that country performance scoring as the basis of the allocations should be undertaken with more senior management participation, that the portfolio performance variable in the allocation formula should be reformed, and that reallocations by formula be more frequent to help avoid ad hoc adjustments. The implementation of these recommendations will support the adoption of a results-based culture within the Bank and in BMCs.

2.25 **Results-Based Country Strategies.** Contributors in SDF 6 endorsed the Bank’s intention that a strengthened country strategy process should be the principal means of targeting and focusing all of CDB’s country programme interventions.^{18/} The Bank’s approach has recognised, to cite a principal report prepared for the Paris HLM, that “Results-based country programming can be a powerful tool to improve strategic selectivity, enable a better allocation of resources to country priorities, and provide a framework to help manage to achieve results. The process of designing a results-oriented country programme can improve the multi-sectoral dialogue toward outcomes, foster a dialogue with clients and partners on objectives, and promote a results focus across the programme.”^{19/}

2.26 The Bank has been piloting the preparation of a new series of CSPs that are intended to be more results-oriented and make more effective use of key operational strategies, in particular the Poverty Reduction Strategy (PRS) and that on good governance, for both of which “toolkits” have been developed for this purpose. Some new CSPs have been put in place during the SDF 6 period, while others have taken longer to complete than anticipated.

2.27 Several CSPs are currently in progress (Dominica, Grenada, Jamaica, St. Vincent and the Grenadines, and Turks and Caicos Islands), for all of which an effort is being made to develop a strengthened results framework. Work is also scheduled to begin on other CSPs shortly (Antigua and Barbuda, Barbados, and Haiti).

2.28 The recent reorganisation of the Economics Department will permit a greater focus of available staff resources on key priorities, in particular the preparation of CSPs and supporting economic analysis. A major review of the guidelines for preparation of CSPs is also underway, as part of the development of a quality assurance system for country strategies, projects and programmes being undertaken by the Evaluation and Oversight Division (EOV) in consultation with the Economics and Projects Departments. EOV has been given responsibility both for providing guidance on the results framework and for subsequently assessing the quality of CSPs.

2.29 Depending on the final review of the guidelines, consideration will be given to retitling of CSPs as *Country Partnership Strategies (CPSs)*, a step taken by some other agencies to better identify a new generation of country strategies and reflect the greater emphasis on partnership with both BMCs and other development partners.^{20/}

2.30 All CSPs/CPSs will be expected to give attention to capacity development and good governance, both in respect of the necessary capacity to ensure effective implementation of CDB-supported projects and in respect of other key governance issues such as economic management and monitoring and measuring progress towards the MDGs. They will also cover, as appropriate, capacity to deal with regional issues such as RPGs. The intention is that the new country strategies will be an instrument for

^{18/} Report of Contributors on SDF 6 (the SDF 6 Agreement), para. 4.19.

^{19/} Harmonisation, Alignment, Results: Report on Progress, Challenges and Opportunities, p. 53, Box 19.

^{20/} AsDB, for example, has renamed its country strategies as CPSs for this reason.

providing more strategic focus for the Bank's TA operations at the country level as well as for capital investment operations.

2.31 Development of all country strategies will include application of the PRS, the good governance toolkits, and the environmental and social review guidelines, as well as new gender guidelines currently being developed.

2.32 The new country strategy guidelines will provide for various means of strengthening CSPs/CPSs, including the undertaking of specific diagnostics and assessments where these are needed, as well as for the preparation of a Country Strategy Completion Report (CSCR) near the end of each multi-year country strategy, which will be expected to demonstrate development impact and identify lessons learned. The CSCRs will be a new requirement and will allow the Bank to better assess and strengthen the quality and effectiveness of the country strategy process.

2.33 **Project and Programme Implementation.** The increased emphasis on results orientation is also being reflected at other stages of the project cycle, including project supervision and monitoring. This will include a strengthening of project supervision for TA projects as well as capital projects.

2.34 Most importantly, there will be closer monitoring both of projects and of supervision activities, with an increased requirement for supervision reports to include an assessment of expected results and risks and to be completed and posted on the Bank's Project Portfolio Management System (PPMS) in a timely manner. This is a part of the work now underway on strengthening the Bank's quality assurance system for the various stages of the project cycle.

2.35 A more integrated approach to identification, monitoring and assessment of results is supported by the new structure of the Projects Department, which ensures greater continuity for individual projects throughout the project cycle, as well as providing for specialised attention in particular areas such as the environment and climate change. It will also be supported by the redesign and strengthening of PPMS, which is the Bank's project cycle monitoring and management system. This will increase the completeness and timeliness of project management information as well as the usability of PPMS, and will improve the capacity of operations staff to strengthen results as well as EOVS's ability to monitor and assess portfolio quality and results.

2.36 **Post-Project Assessment and Learning.** Several steps are being taken to ensure more effective post-project assessment of results and lessons learned, and to provide for improvements in institutional learning from the Bank's operations. There will be closer monitoring of the timely preparation of PCRs, and a requirement for PCRs to include more systematic reporting on outcomes and lessons learned, as well as for PCRs to become available on the Bank's PPMS in a timely manner and accessible for all operational staff.

2.37 The structure and coverage of PCRs, as well as of project supervision reporting, is included in the work on the development of a quality assurance system and an integrated approach to MfDR.

2.38 The Bank's overall evaluation work has also been significantly strengthened, with major evaluations being undertaken at the sector and programme level, including in areas of particular importance for SDF programming, such as TA operations, BNTF and Caribbean Technological Consultancy Services (CTCS) network.

2.39 **Institutional Capacity.** The Bank has been engaged in a continuing process of enhancing its operational efficiency and effectiveness, and thereby its institutional capacity, beginning with the commissioning of a wide-ranging Operations Audit and a series of subsequent process studies, together

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with a major change management programme. As reported separately to Contributors,^{21/} much has been accomplished to date, and additional measures are currently underway.

2.40 The Bank recognises, however, that further strengthening of its institutional and human resource capacities is essential to deliver an expanded SDF 7 programme effectively, including strengthening of the Bank's targeting in the key thematic areas for SDF 7 operations.

2.41 Important steps include those discussed in other sections of this paper, particularly the internalisation of MfDR, with the associated strengthening of strategic planning and performance management, the strengthening of project cycle management and the new measures being taken to monitor, measure and report on results throughout the project cycle.

2.42 Substantial improvements are being implemented in some of the Bank's major processes, with benchmarking with other MDBs being undertaken as well.^{22/} These include efficiency gains through improved and integrated systems, increasing the Bank's ability to redeploy some staff resources and improve the skills mix in relation to operational priorities. This process of rebalancing staff resources is underway. The process improvements include more effective use of information technology, with a new Human Resource Management System, a new Corporate Reporting System to produce critical reports such as financial statements, and the redesign of the PPMS already referred to, which are intended to provide both immediate efficiency gains and improved management for results.

2.43 The Bank's human resource management has been restructured, with the strengthening of its role reflected in the elevation of this function to a new position at the senior management level. A new Human Resource Strategy is under implementation, with some significant results already in place, including improvements in compensation, in the staffing function, and in performance-based management of human resources. Greater diversity in recruitment, including the geographic and gender dimensions, and improved alignment of the skills mix with current and emerging professional requirements are basic elements of the human resource management reforms. The Bank needs to continue improving how it manages its people to underpin the organisational changes that have been introduced and the evolving operational priorities of the Bank and SDF.

2.44 Improved training to strengthen skills and knowledge for individual staff members, and improved knowledge management more generally are important aspects of the Human Resource Strategy. The objective is to accelerate the Bank's transformation into a more effective learning and knowledge-sharing organisation. The development of a new and multi-faceted Knowledge Management Strategy has been commissioned and will soon be underway, with a target date for start of implementation in 2009.

2.45 Further reports on progress with implementation of the Human Resource Strategy and the various process and other institutional reforms will be submitted to the Board of Directors (BOD) and to the Mid-Term Review of SDF 7.

2.3 PILLAR 3: PARTNERSHIPS, HARMONISATION AND ALIGNMENT

2.46 The objective of the third pillar of the Results Agenda has been to strengthen the Bank's participation and, as appropriate, leadership in building development partnerships, with increased ownership of development programmes by BMCs, alignment of donor assistance with BMC strategies and systems, and greater harmonisation of the activities of donor agencies. Considerable progress has been made in each of these areas, as outlined in a report to the BOD on progress under the partnership,

^{21/} Status Report on the Implementation of Measures to Strengthen the Bank's Institutional Capacity: 2004-2007, SDF 7/1-NM-5, March 2008.

^{22/} This has been formalised through CDB's membership in the International Financial Institutions Benchmarking Survey, which is sponsored by the WB and supported technically by the American Productivity and Quality Center.

harmonisation and alignment agenda^{23/} and in the Status Report on SDF 6 submitted to SDF Contributors.^{24/}

2.47 The Bank's work in these areas will be further strengthened during SDF 7, including in particular in areas identified in the preparatory work for the Accra HLF as requiring additional attention. These include strengthening country ownership of operational poverty reduction and development strategies; identifying good practices and lessons learned on donor division of labour; further strengthening of country systems; applying lessons learned in capacity development to better align and harmonise TA; and assessing the experience of collaborative and joint assistance strategies.^{25/}

2.48 A brief review of some of the Bank's recent and planned work on these aspects of the Paris Agenda is provided below. A more extensive report will be submitted as part of the SDF 7 Mid-Term Review process.

2.49 **Ownership and Alignment.** Mention has been made under Pillar 1 of the Bank's work in supporting and providing leadership in the preparation of CPAs and in assisting BMCs in the preparation of NPRSs. These are core elements in assisting BMCs to develop, and increase ownership of, national development strategies, and in strengthening their capacity to do so.

2.50 The Bank's new generation of country strategies will also increasingly be CPSs, supportive of increased alignment of assistance both by SDF and the Bank and by the donor community more generally, as well as of targeted capacity-building. The Bank will make an increased effort to participate in local level aid coordination and aid alignment activities, particularly in countries in which a number of donors as well as the Bank are active.

2.51 Other elements of this part of the Paris Agenda include capacity development and technical co-operation, medium-term predictability of assistance, and strengthening and use of country systems.

2.52 The Bank's TA to support capacity development and good governance^{26/} is an important part of the SDF strategy and under SDF 7 will be used more strategically and draw on lessons of experience to increase effectiveness and improve results. The recent evaluation of TA operations will be an important input into improving the Bank's support for capacity development.

2.53 Strengthening country systems is a principal objective of the Bank's TA work, and where appropriate this includes support for strengthening financial management and procurement systems. The Bank also is a principal supporter of CARTAC, which is directly targeted at improving country systems in key areas.

2.54 Medium-term predictability of aid is also expected to receive attention at the Accra HLM. CDB contributes to this in two ways. The SDF resource allocation strategy, although primarily intended to improve effectiveness in the use of SDF resources by highlighting the importance of performance and leveraging the impact of SDF, provides a medium-term planning framework for country level assistance for each SDF replenishment cycle. The Bank's country strategies also provide a medium framework within which CDB assistance can be planned for each BMC.

^{23/} This included further development of CDB-specific performance indicators against the Paris Declaration indicators of progress that had been identified in the Report of Contributors on SDF 6 (p. 31, Box 3), with a report of progress in respect of each indicator (*Progress Report on the Implementation of the Partnership, Harmonisation and Alignment Agenda* (BD 83/06).

^{24/} *Status Report on SDF 6* (SDF 7/1-NM-2), Current Status of SDF 6 Action Plan, milestones 26 to 33.

^{25/} *The Accra HLF on Aid Effectiveness: Assessing Progress and Deepening Implementation*, Concept Note, p.6,

^{26/} Support for capacity development and institutional strengthening are key parts of the Bank's strategy for support of good governance.

Harmonisation. The Bank is giving increasing emphasis to working in *partnerships*, both collaboratively through groups such as the PSSDDG and SPARC or in coordination with other individual donors such as the IDB, CIDA, DFID, EC, WB, UNDP, Food and Agriculture Organisation and other UN agencies, and in appropriate cases through joint support for initiatives such as the Caribbean Catastrophic Risk Insurance Facility and CARTAC. The Bank also supports other joint initiatives such as the Caribbean Climate Change Centre and Caribbean Disaster Emergency Response Agency.

2.55 The Bank is increasing its use of *common arrangements and procedures*. It has been an active participant in harmonisation activities in areas such as of MDB procurement, environmental guidelines, disaster risk reduction and risk management, and social protection. In each of these areas, further implementation of harmonised criteria, systems and/or programming will be needed during SDF 7. The Bank also participates in joint field missions, as in IMF Article IV missions, and in various types of joint diagnostic reviews and analytical work with other agencies.

2.56 The use of programme-based support modalities is reflected in the sector approach being taken for the social sector, and in the addition to the Bank's lending products of a Policy-Based Lending (PBL) facility, which includes the possibility of a policy-based guarantee. Other programme-based approaches (PBAs), including Sector-Wide Approaches (SwAps) will be considered in appropriate cases.

2.57 The Paris Declaration recognises the need for a high degree of collaboration and harmonisation in the case of fragile states, of which the Bank's newest BMC, Haiti, is a significant example. The Bank has initiated a collaborative programme under SDF 6, particularly in the education sector. A collaborative approach will be continued under SDF 7 and will be reflected in the country strategy currently being developed for Haiti.

2.58 The Accra HLM is expected to give attention to incentives for increased harmonisation, including review procedures in the light of best practice, monitoring by agency management, and use of peer learning and review mechanisms. The Bank intends to review, monitor and report on progress in this area, and selected performance indicators particularly relevant for CDB are included in the Results Framework discussed in the next section. The Bank will also be participating in the discussion and sharing of experience at the Accra HLM, and expects to gain further from that discussion.

2.59 As noted above, the Bank's MfDR Results Agenda will be paralleled by an overall RMF, but the latter will extend beyond MfDR and provide a framework that includes tracking of progress towards the Caribbean MDG targets. This is discussed in the next section.

3. MONITORING AND MEASURING RESULTS

3.1 AN OVERALL RESULTS MONITORING FRAMEWORK

3.01 In the SDF 6 Agreement, Contributors endorsed the use of a Caribbean MDG framework to assist in the development of results-based country strategies, the selection and design of programmes and projects, and the monitoring and reporting of SDF operations.^{27/} They also agreed, as part of the SDF 6 Action Plan, that further work should be done on integration of the MDGs and Caribbean-specific targets as a framework for monitoring and assessment of SDF, as well as on an appropriate modification of the Paris Declaration indicators that had been included in the SDF 6 Agreement.^{28/}

3.02 Further work on the Caribbean-specific MDG targets and indicators (CMDGs) has been undertaken during SDF 6, including support for strengthening the necessary statistical capacity in BMCs

^{27/} *Report of Contributors on SDF 6*, para. 2.05.

^{28/} *Ibid.* pp. 34-35 SDF Action Plan milestones 24 (d) and 33.

and a meeting of Caribbean statisticians in early 2008 to review and adjust as appropriate the indicators used for tracking progress for CMDGs.^{29/} The CMDG targets and indicators are also being used in CDB's programme development and programme monitoring and assessment.

3.03 It is proposed to maintain the momentum of this work and the framework of the CMDGs in the overall RMF and other elements of the Bank's monitoring, reporting and evaluation system. The RMF itself will consist of a set of key indicators that are meaningful and useful for the Bank and SDF for the next four years, and these would be reported on annually, as well as to the Mid-Term Review of SDF 7. The results framework indicators, with an annual updating, will be posted on the Bank's Intranet and available to all CDB staff.

3.04 The three parts of the RMF are similar to the three pillars of the Bank's results agenda, in that they address the country and regional level, the institutional and operational level, and the level of partnerships and harmonisation. The RMF, however, is intended to provide a framework for reporting on the progress made by BMCs towards the CMDGs in areas in which CDB is concentrating, and eventually for reporting on contributions by the Bank to outcomes at the country level. Level 1 is based on CMDG indicators, and the other two levels track selected aspects of the overall results agenda.^{30/} These three levels will be supplemented later by selected output indicators related to the SDF and CDB operational programme that will illustrate the Bank's contribution to country and regional level outcomes.

3.05 Level 1 of the RMF will track a limited number of indicators at the country and regional level related to the CMDG targets in areas of particular emphasis for both the Bank and SDF 7. *Level 2* will track a number of operational indicators that are significant for CDB in terms of development and operational effectiveness and SDF 7 objectives and priorities. *Level 3* will use performance indicators related to the partnership, harmonisation and alignment agenda under the Paris Declaration.

3.06 Additional elements of progress that can be reported in a more qualitative or descriptive way will also be included in the Bank's reporting. The Bank's intention is that such additional reporting would parallel some of the more qualitative elements in the matrix of indicators used by the major MDBs in their Common Performance Assessment System (COMPAS),^{31/} and at an appropriate stage, the Bank would expect to join the COMPAS reporting system. Some of the quantitative indicators used in COMPAS are already included in Levels 2 and 3 of the Bank's RMF.

3.07 The Bank has an existing instrument for reporting on SDF operations and results at a more detailed level, which is the *SDF Annual Report*, prepared for and submitted to each Annual Meeting of Contributors. This will be further systematised, and beginning with the next Annual Report, will contain more systematic reporting on results at the output stage and, where possible, the outcome level in sectors that are important to the SDF 7 operational programme, as this is developed over the coming months.

Level 1: Country and Regional Level Outcomes

3.08 Development of the CMDGs has been a successful initiative, and the work undertaken in SDF 5 and SDF 6 should be continued and further developed. For the purposes of the results framework, it is proposed to track 18 selected indicators under those MDGs and Caribbean-specific targets that are likely to be most significant for SDF 7 operations and CDB's overall strategic goals, particularly poverty reduction and broad-based economic growth, education, environmental sustainability and the climate

^{29/} BD 16/08

^{30/} This structure is largely the same as the RMF agreed in the recently completed African Development Fund (AfDF) negotiations (*ADF-11 Deputies Report*, Annex V – Results Framework for ADF-11). It is also similar to key elements of the recently agreed results frameworks for IDA 15 and Asian Development Fund X, although these also include additional indicators, which in the case of AfDF and the SDF will require further work, including improvement of the reporting system.

^{31/} See MDBs' COMPAS 2007 Report, March 2008.

change agenda, and regional cooperation and integration, as well as gender and development and good governance.

3.09 All of the indicators, except for one additional indicator related to regional integration, are included in the CMDG framework, with some adjustments recently proposed by Caribbean statisticians. Tracking the indicators should, therefore, help to reinforce the use of the same indicators by BMCs and avoid the need for additional work in an area that already presents a number of capacity challenges. In one case, further work needs to be done in developing an appropriate index for Caribbean countries.^{32/}

Level 2: Operational Effectiveness

3.10 Level 2 indicators will track progress on practical steps to strengthen operational effectiveness as well as on the operational response to key themes and priorities for SDF 7. The number of indicators should be kept relatively small, to provide a clear focus on strengthening incentives and systems for a limited number of measures that will drive operational improvements and results. The list, therefore, is not exhaustive, as complementary improvements will be undertaken as appropriate and necessary. The measures selected are those that are most likely to make a significant difference over the next four years. As already noted, it is expected that each year's annual results framework report will also include qualitative reporting similar to some of the non-quantitative indicators in the COMPAS reporting of the larger MDBs.

3.11 Some of the performance indicators will track progress in improving accountability for results and strengthening the opportunities for institutional learning. All of them will highlight important areas for progress during SDF 7.

Level 3: Partnership, Harmonisation and Alignment

3.12 The Level 3 indicators respond to the request of Contributors for further development of a selected number of the Paris HLM indicators as appropriate in the CDB context.^{33/} A more extensive set of indicators was used in the Progress Report submitted to the BOD in December 2006^{34/} and it is intended that a similar report be submitted at the time of the SDF 7 Mid-Term Review.

3.13 It is intended that the indicators under Level 3 would be reviewed again after the Accra HLM, in the light of AAA.

The RMF Matrix

3.14 Subject to further discussion and refinement, the overall RMF, including performance indicators at the institutional and operational level, is set out in Appendix 2. The performance indicators will be further reviewed in the light of experience and discussion and may be improved further over the next several months. As already noted, the RMF will be supplemented by more systematic reporting on outputs for the operational programme, and by a selected set of output and outcome indicators to illustrate the Bank's contribution, including that of SDF, to country level outcomes, particularly those in Level 1 of the RMF.

^{32/} A housing quality index, or suitable proxy, as noted in the table below.

^{33/} SDF 6 Action Plan, milestone 33.

^{34/} *Progress Report on the Implementation of the Partnership, Harmonisation and Alignment Agenda.*

3.2 OPERATIONAL MONITORING AND POST-EVALUATION

Operational Monitoring of Results

3.15 As highlighted in the proposed results framework indicators, there are a number of areas in which the Bank needs to strengthen its operational monitoring and opportunities for institutional learning. This is an area for continuing review, and the areas for progress identified in Level 2 of the results framework are not an exhaustive list. Improved staffing in the operational divisions, together with last year's strengthening of the divisional structure, will facilitate progress, which should be relatively rapid in the period immediately ahead.

3.16 Further progress needs to be made in ensuring the timely completion of PCRs, which need to include more systematic discussion of project outcomes and lessons learned. Improved staffing will also facilitate an increase in project supervision missions, including, as appropriate and feasible, for TA projects. Timely completion of supervision reports, with attention also to steps that might be taken to strengthen results, and the timely posting of supervision reports on the Bank's PPMS, will be tracked more systematically.

3.17 Other areas for strengthening the user-friendliness and timeliness of PPMS will also receive attention, and together with more timely posting of reporting on results, will improve the effectiveness of PPMS as a management tool.

Evaluation and Oversight

3.18 The Bank has increased substantially the level and role of its evaluation work, with the establishment of the EOVS Division and, as identified in the SDF 6 Mid-Term Review, 71 evaluation products to be produced during 2005-2008. An important element of this work is the emphasis on sector, thematic and programme evaluations intended to assess the relevance and development effectiveness of CDB programmes and inform the development of policies and strategies. There is also an effort to include benchmarking with other MDBs.

3.19 Recent evaluation work includes major evaluations that bear directly on SDF operations, particularly the SDF 6 Mid-Term Review, the Evaluation of TA Operations, the Evaluation of the CTCS programme, the Mid-Term Evaluation of BNTF 5, and the SDF Multi-Cycle Evaluation, which has been undertaken at Contributors' request as an input into consideration of the SDF 7 replenishment.

3.20 These and other evaluation studies are an important aspect of institutional learning, and the Bank is further strengthening its systems for review of evaluation reports, and for more systematic monitoring and follow-up for higher level evaluations, with tracking of the extent to which recommendations are taken into account in the Bank's operations.

3.21 Reference has also been made in earlier sections to the quality assurance system currently being developed that will advise on and monitor the quality of key products at different stages of the project cycle, and which will be an important part of strengthening MfDR systems and institutional learning.

3.3 THE SDF ANNUAL REPORT

3.22 An important part of the SDF reporting and accountability system is the *SDF Annual Report and Financial Projections*,^{35/} which is presented each year to an Annual Meeting of SDF Contributors. In

^{35/} Most recently, the Special Development Fund (Unified) Annual Report 2007 and Financial Projections 2008-2010, May 2008.

THIRD FORMAL NEGOTIATION MEETING – SDF SEVENTH CYCLE

SDF 6, Contributors urged that the SDF Annual Report be viewed as an opportunity to report on results and achievements, rather than simply activities, and to communicate these results to the outside world.^{36/}

3.23 There has been considerable strengthening of reporting in recent SDF Annual Reports, which now include general discussion of SDF, its priorities and financing, and issues such as MfDR, as well as reporting at a detailed level on SDF operations. As indicated above, it is planned to further strengthen results reporting in the next SDF Annual Report. As a public document, the SDF Annual Report can better serve the objective of communicating the results of SDF operations at this level than would a document restricted to the Board or Contributors.

3.24 As noted above, work is underway on identifying selected indicators for reporting on the contribution of SDF and the Bank to particular development outcomes, and this will be developed in conjunction with detailed planning and implementation of the SDF 7 operational programme and reported separately for the SDF 7 Mid-Term Review. The Bank's intention is that such reporting will, as available, be included in SDF Annual Reports and posted on CDB's web site.

^{36/} Report of Contributors on SDF 6, para. 4.18.

CORE ELEMENTS OF THE PARIS DECLARATION

Some of the key commitments under the five core elements of the Paris Declaration are:

- ❖ **Ownership.** Ownership and effective leadership by partner countries of their development policies and strategies. The commitment by donors includes helping to strengthen the capacity and institutions in partner countries to enable them to exercise ownership and leadership.
- ❖ **Alignment.** Alignment of support by donors with partner countries' development strategies, institutions and systems, while helping them to ensure that national systems, procedures and institutions for managing aid and other development resources are effective, accountable and transparent. Where use of country systems is not feasible, donors are to establish safeguards and other measures in ways that strengthen country systems and procedures.
- ❖ **Harmonisation.** Harmonisation of activities by development partners to minimise the cost of delivering and managing aid. Implementation of common arrangements and simplification of procedures by donors, with more effective collaboration and division of labour. Harmonised approaches to environmental assessment and cross-cutting issues such as gender equality. In fragile states, donors are to harmonise their activities, align behind government-led strategies, support institution building, and use a flexible and appropriate mix of aid instruments.
- ❖ **Managing for Results.** Managing and implementing development activities in a way that focuses on desired results and strengthening the capacity of partner countries for results-based management. Linkage of country programming and resources to results and alignment with partner country performance assessment frameworks. Harmonisation of monitoring and reporting frameworks.
- ❖ **Mutual Accountability.** Promoting mutual accountability of development partners and partner countries for progress in managing aid better and achieving development results.

SDF 7 RESULTS MONITORING FRAMEWORK

LEVEL 1: COUNTRY AND REGIONAL OUTCOMES

Selected Caribbean-specific MDGs and Targets^{37/ 38/}

Poverty and Human Development CMDGs

1. Proportion of population below the poverty line, by sex.
 2. Proportion of population below the indigence line, by sex.
 3. Proportion of population below minimum level of dietary energy consumption, by sex.
 4. [Proportion of population living in inadequate housing, by sex of head of household.]^{39/}
 5. Net enrolment ratio in primary education, by sex.
 6. Net enrolment ratio in secondary education, by sex.
 7. Ratio of girls to boys in primary, secondary and tertiary enrolment.
 8. Share of women in wage employment in the non-agricultural sector.
 9. Proportion of seats held by women in national parliament.
-

Environmental Sustainability

10. Proportion of land area covered by forest.
 11. Energy use (kg. oil equivalent) per \$1 GDP (PPP).
 12. Proportion of population with sustainable access to an improved water source.
 13. Proportion of population with access to improved sanitation, urban, rural.
-

Global and Regional Partnership for Development

14. Proportion of ODA to basic social services (basic education, primary health care, nutrition, safe water and sanitation).
 15. Proportion of ODA for the environment in Caribbean Small Island States.
 16. Services as a proportion of total exports of goods and services.
 17. Intra-regional trade as a percentage of total regional trade.
 18. Debt service as a percentage of exports of goods and services.
-

LEVEL 2: OPERATIONAL EFFECTIVENESS

Project Cycle Management

1. Number of country strategies in place with a results framework.
 2. Number of new or updated CPAs for CDB BMCs in the past five years.^{40/}
 3. Number of NPRSs for BMCs developed in the past five years.
 4. Percentage of projects other than TA receiving two or more supervision visits during the past two years, by category.
 5. Percentage of all projects with one or more supervision reports on PPMS.
 6. Percentage of completed projects with PCRs that include reporting on outcomes, in the past two years.
 7. Percentage of projects receiving satisfactory or better ratings with respect to achievement of development objectives.
 8. Number of project, country and programme evaluations completed during the past five years.
-

^{37/} MDG 8 has been extended to cover regional partnership, which is important for the Caribbean and CDB/SDF goals.

^{38/} Indicators have been worded to reflect recommendations of the meeting of BMC statisticians on Caribbean-specific MDG targets and indicators held at CDB in January 2008 and financed by TA PRN-3357. An additional regional indicator, however, has been included.

^{39/} Feasibility of this indicator or a relevant proxy is under consideration. Construction of a housing quality index as such will require further discussion and agreement by Caribbean statisticians.

^{40/} Whether supported by CDB or otherwise.

Concessional Resource Allocation

9. Percentage of concessional resources allocated according to performance-related criteria, current and previous two SDF cycles.
-

Operational Programming

10. Number of BMCs receiving support for MfDR.
 11. Number of BMCs receiving support for direct poverty reduction programming.
 12. Number of BMCs receiving support for environmental sustainability and climate change.
 13. Number of investment project or TA operations for RPGs and significant regional initiatives.
 14. Number of projects with explicit consideration of gender issues in project design.
 15. Number of projects with good governance and capacity development components.
-

LEVEL 3: PARTNERSHIP, HARMONISATION AND ALIGNMENT^{41/}

1. Number of BMCs with operational national development strategies, such as a NPRS.
 2. Percentage of CDB country strategies with explicit consideration of other agency programming in areas in which CDB/SDF may provide support.
 3. Number of capacity development interventions provided through coordinated programmes.
 4. Number of project interventions provided through common arrangements or procedures such as PBAs, SwAps or joint operations with other agencies.
 5. Number of cases of joint or shared analytic work with other agencies, such as joint field missions or joint diagnostic reviews.
 6. Percentage of BMCs for which there is an explicit results-based framework at (a) country level or (b) programme or sector level.
 7. Number of aid coordination initiatives led by CDB during the past two years.
-

^{41/} Addressed to selected Paris HLM indicators, with CDB-specific indicators included. Part 3 indicators to be reviewed in light of the forthcoming (September 2008) AAA.