

IDB Reforms at a Glance

Reform	Before	After	Results
Improved Development Impact and Accountability	<p>Project evaluation based on subjective assessments.</p> <p>Projects lacked information to allow consistent and systematic evaluation and monitoring of performance.</p> <p>Majority of sector experts located in headquarters.</p> <p>14 months needed to prepare and submit a proposal on a project for Board approval</p> <p>Technical staff organized by geographical areas</p>	<p>Ensures that Bank programs address country development challenges to achieve results.</p> <p>Implementing a new development effectiveness framework that promotes the use of quantitative information to monitor project performance and enable the assessment of its impact on development</p> <p>Performance is tracked by monitoring outputs, costs, time of implementation and initial impact on development.</p> <p>Sector staff allocated to Country Offices increased by 28% from 2007 to 2009.</p> <p>Reduced the time to prepare and approve a project by half, to 7 months.</p> <p>Technical staff organized by area of expertise</p>	<p>Increases effectiveness of Bank's actions</p> <p>Greater Accountability</p> <p>Creates a system to track lessons learned so best practices are disseminated</p>
Enhancing Integrity and transparency	<p>Office of Institutional Integrity was a unit inside the President's office</p> <p>Focus on investigations and sanctions</p> <p>Sanctions Committee made up only of IDB staff</p> <p>No position to review findings of investigations</p> <p>Code of ethics for Bank staff lacked core values and there was no specific office addressing ethics issues</p> <p>Whistleblower protection did not include third parties</p> <p>Lack of clear strategy to support governance and anti-corruption efforts in governments</p>	<p>Office of Institutional Integrity is an independent office, reporting directly to the President's Office and the Audit Committee of the Board of Directors of the Bank</p> <p>Also focusing on prevention with a special program to identify and mitigate integrity risks based on the results of investigations</p> <p>Sanctions Committee made up of internal and external members</p> <p>Creation of the position of case officer to review results of investigations, who can recommend sanctions for wrongdoing</p> <p>Approval of a new code of ethics with specific core values and the creation of an ethics office and program, with mandatory and on-line training for all staff</p> <p>Whistleblower protection expanded to third parties</p> <p>Creation of an action plan to provide strategic guidance on the Bank's to support countries in the prevention and control of corruption with special programs, activities and dialogue</p>	<p>Record number of investigations and sanctions</p> <p>Simplified and more efficient procedures</p> <p>Enhanced preventive capacity</p> <p>More robust system to improve and safeguard integrity of IDB, its operations and its clients</p>

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	<p>Information disclosure policy has “positive list” of types of documents to be disclosed. Lack of a comprehensive framework to classify documents and information</p> <p>Requesters have no way to seek a review of a decision not to disclose certain information.</p>	<p>IDB is currently reviewing its policy to increase access to information to the general public. The new policy will make all public documents available except those under a clear and limited list of exceptions.</p> <p>Requesters will, for the first time, have the right to dispute decisions on information disclosure</p>	
Reaching out to civil society	<p>Informal consultations with civil society on Bank’s country strategies, policies and projects.</p> <p>Communities voiced concerns on Bank projects through an IDB unit that lacked independence from management.</p> <p>Mechanism offered limited scope to settle disputes before a formal review.</p> <p>Mechanism for communities to voice concerns about Bank projects had cumbersome filing requirements and procedures.</p> <p>Complaints about projects would not be considered by the mechanism if more than 95 percent of the loan had been already disbursed</p>	<p>Created a formal council with civil society in each of the 26 borrowing members to receive regular inputs on country strategies, policies and projects</p> <p>Approved a new independent consultation and investigation mechanism that reports directly to the Bank’s Board of Executive directors.</p> <p>New mechanism has an ombudsperson to address complaints in a flexible and consensual way prior to moving to a formal review phase, and provides a stronger role to requestors</p> <p>Communities file complaints personally, electronically or even orally, and in any language</p> <p>Complaints will be considered until two years after completion of disbursements.</p>	<p>Increased participation of civil society in IDB actions and planning. Greater responsiveness to local concerns</p> <p>Greater accountability</p> <p>Improved effectiveness of Bank actions</p>
Improved Financial Policies and Risk Management	<p>Risk management was divided in different departments</p> <p>Capital adequacy rules focused mainly on credit risk for loans and guarantees</p> <p>Outdated investment guidelines and strategy. Investment portfolio with high proportion of asset-backed securities.</p>	<p>Created New Risk Management Office, reporting directly to the Office of the Presidency.</p> <p>Approved new Capital adequacy rules that look into wider range of risks: credit and market risks in lending and treasury portfolios, as well as operational risk of different Bank products.</p> <p>Review of the investment strategy, policies and processes to increase asset diversification and liquidity of bank’s investment portfolio.</p>	<p>Strengthened management tools to ensure the Bank has adequate level of capital to lend while maintain its AAA credit rating</p> <p>Strengthens tools that allow IDB to meet its financial commitments without needing to use callable capital</p> <p>Gradually reduced exposure to asset-backed securities and reduced market-to-market losses of investment portfolio</p>
Better environmental and social safeguards	<p>Environmental issues addressed after project agreed with governments.</p> <p>No environmental and safeguard compliance policy and mechanism.</p>	<p>Environmental issues identified and addressed during project design.</p> <p>Formulation of a compliance policy and creation of an external review of the Bank’s compliance on environmental</p>	<p>Improves capability to address climate change and other emerging issues.</p> <p>IDB is the first</p>

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	<p>No required public consultation with communities potentially affected by project</p> <p>Responsibility for environmental safeguards work dispersed within the organization and lacking appropriate qualifications and expertise. Fragmented approach to safeguards management and inconsistent application of standards.</p> <p>No official endorsement of the Extractive Industries Transparency Initiative</p> <p>Gender policy had no focus on equality</p>	<p>safeguards</p> <p>Required public consultation with communities for projects with high and some environmental impact</p> <p>Created the Environmental Safeguards Unit (ESG),marshalling a critical mass of expertise and providing depth of knowledge and experience. Dedicated budgetary resources for safeguards management.</p> <p>Endorsement of the initiative to increase transparency and accountability in contracts and payments in extractive industries.</p> <p>Bank is currently conducting a public consultation to draft a new policy proposal to focus on the equality and empowerment of women.</p>	<p>multilateral to integrate climate change impacts as part of environmental analysis of key sectors.</p>
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