

Dear Bo:

Thanks for the interim MAR Assessment Report and for the opportunity to make some comments and to raise a few queries.

We note your acknowledgement of the progress made towards improving CDB's management for results framework; and its operational policies, strategies and guidelines particularly in relation to Risk Management and internal compliance. You have also recognized progress made in addressing the Bank's human resource capacity and improving transparency.

The assessment identifies three areas for improvements, (a) results management, (b) value for money and (c) gender mainstreaming have been the focus of continuing management attention and we wish to note the advances since the conduct of this interim assessment.

A. **Contribution to Results**

Work on embedding the results agenda into the whole of the Bank's programme portfolio is in progress through **[paragraph 7]**:

- (i) We note the suggestion made for disaggregation by group of countries and propose to explore this matter as part of the Development Effectiveness Review 2014 **[paragraph 4]**.
- (ii) A training curriculum has been developed for further embedding a results culture across all levels of the Bank; and training has commenced with the roll-out of the curriculum to the Results Committee. The programme will continue onto the end of 2013 to cover all members of management and the professional staff and will be particularly focused on providing direction for results and country focus on results **[paragraph 7]**.
- (iii) The Bank's targets for internal gender balance at management and professional levels have been substantially achieved with 53% of the representation of women in the management ranks **[paragraph 7]**;

- (iv) The second annual Development Effectiveness Review to be presented to the Board of Directors in July 2013 already includes a number of updated outcome-focused indicators which were agreed with the BOD and Contributors to the Eighth Contribution Cycle to the Special Development Fund [**paragraph 9**];
- (v) The assessments observations on the output/outcome perspective in the Bank's Budget documents are noted and will be the subject of review in the 2015/16 budget [**paragraph 11**].
- (vi) The Bank's capacity for monitoring and measuring results will be significantly strengthened with the on-boarding of a DfID-sourced Results professional from August 2013[**paragraph 11**];
- (vii) Work is ongoing towards the implementation of the approved recommendations arising from the independent Consultants Report on CDB's approach to MfDR; Assistance to BMCs for improving their own systems of MfDR will continue in collaboration with IDB. Pilot programmes are being rolled out in St. Lucia, Dominica and Antigua and Barbuda.
- (viii) Weaknesses in the collection, analysis and distribution of statistics are a major impediment to effective results monitoring and management. Several initiatives are being pursued with other regional development partners to improve this situation both in BMCs and within the Bank. The results of these efforts are expected to be reflected in the Bank's results reporting by 2015[**paragraphs 10 and 13**].
- (ix) A number of indicators agreed upon with the BOD and Contributors are indeed more output focused. However, this is a fairly common situation among MDBs and as the results reporting system evolves, more outcome-focused indicators will be substituted for the less desirable output-focused .
- (x) The Bank has increased the prioritization of technical assistance to BMCs for data collection, analysis and dissemination as the basis for evidence-based planning and

implementation. To this end, the Bank will increase its capacity in the statistics area in order to increase its support to BMCs [paragraph 13].

**B. Cost and Value Consciousness**

- (i) In most instances, least cost criteria is applied for choosing the contractors/suppliers of works, goods and services. In addition, it should be noted that while country-eligibility for procurement is limited to member- countries, waivers are allowed when justified to BOD [paragraphs 24 and 25].
- (ii) The Bank strives to control its administrative costs in all circumstances and applies the zero real rate of growth principle to the management of its budgeting process. [Paragraphs 28 and 29].
- (iii) It would be useful to indicate the type of ‘public evidence’ being referenced at paragraph 28 in order to facilitate appropriate remedial action. .

**C. Transparency and Accountability**

- (i) The shortcomings set out [paragraphs 36 and 38] in respect of disclosure, i.e. ‘information on the website is basic’ and ‘reports on the performance of CDB’s projects, programmes and funding are not readily available’ are being actively addressed and improvements to the Bank’s web-site content will be noticeable by the end of 2013.

**D. General**

Going forward, the efforts of the Bank will be focused on further embedding the results culture and strengthening the areas of weakness identified in this assessment, and in the review of the Bank’s approach to MfDR.