DFI TRANSPARENCY INITIATIVE

Workstream 2: Impact Management – Objectives, Theories of Change and Impacts Working Paper

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Introduction

Whether explicitly stated in their governing documents or not, Development Finance Institutions (DFIs) all operate under a broad mandate to achieve development impact through their project investments. Each DFI's development objectives may vary according to its specific mandate, especially for those that finance private versus public sector operations, but generally they are aligned to one or more of the sustainable development goals (SDGs). As such, one could expect DFIs to clearly communicate the additionality and impact of their investments to relevant stakeholders.

For this report, Publish What You Fund researched 20 bilateral and multilateral DFIs (see Table 1) to understand their approaches to additionality and impact measurement[1] for direct investments[2] as well as the availability and quality of impact data at aggregate and project levels. While DFIs are sometimes understood to be private sector entities, we included in our research multilateral development organisations that support both sovereign and non-sovereign operations, as well as those that support the public sector only (for the bilateral DFIs, all but one finance the private sector only).

Through a landscape analysis of impact measurement processes of these DFIs, a series of interviews with DFI employees and other stakeholders, and a meeting with a multi-stakeholder Expert Working Group, we provide an assessment of DFI practices and identify opportunities for, and barriers to, improved transparency.

In our research, it became clear that the impact-related criteria, processes and outcomes diverged significantly depending on whether the client was a public or private entity, making direct comparisons between the two difficult. As a result, we concluded that a more coherent and effective approach would be to address sovereign and non-sovereign in separate sections of the report. The extent to which research findings from one analysis are relevant to another is an issue we cover in the conclusion.

In general, we found that the disclosure surrounding private sector operations was low, chiefly due to client expectations that data not be released to protect confidentiality. Given the relatively recent proliferation of private sector DFIs, we believe this is an important finding, as the lack of disclosure makes it difficult for stakeholders to assess the veracity of DFI claims and the value of their investments. Client confidentiality is not a barrier to disclosure for public sector operations, and overall this allowed for significantly more disclosure, though opportunities for improved disclosure practices exist there too.

RESEARCH QUESTIONS

This report seeks to answer the following research questions:

1. Do DFIs disclose their approach to development impact measurement? And if so, how?
2. How do impact measurement and disclosure differ for sovereign and non-sovereign operations?
3. To what extent do DFIs disclose ex-ante impact prediction processes and data?
4. To what extent do DFIs disclose ex-post impact measurement processes and data?

1 As discussed further below, we use "additionality" predominantly in the context of non-sovereign investments and look both at financial additionality (e.g., their role in filling a need that markets cannot) and development/value additionality, which are the positive factors that a private sector DFI brings to the operation, such as governance and ESG. Development impact refers to project outcomes.

2 The analysis for this report has been limited to the direct investments made by DFIs. We recognise that lending through financial intermediaries (FIs) represents a large and growing component of total DFI activity and that FI lending has serious transparency deficits. The Publish What You Fund DFI Transparency Initiative will be assessing FIs in depth in the future during work stream 5 of this Initiative.

DEVELOPMENT IMPACT, IMPACT MEASUREMENT, AND ADDITIONALITY

For this report we aim to assess both the transparency of development impact measurement and disclosure of results, as well as financial and development additionality for non-sovereign operations. These concepts are discussed in more detail below.

HOW WE DEFINE DEVELOPMENT IMPACT

For the purposes of this report we have limited the definition of development impact to a project's intended positive effects. Development impact can be wide ranging, including social protection, the public provision of infrastructure, access to electricity, clean water, education and health services, investments in agriculture and climate change adaptation and mitigation, financial inclusion and improvements in governance, and public financial management.

We recognise that investments may also have adverse effects, particularly on project-affected communities and the environment. Many stakeholders, including civil society organisations (CSOs) that represent project affected communities, have long advocated for DFIs to be fully transparent about all potential impacts. We share this view, and will address how DFIs disclose, and manage, potential adverse effects of investments in our following workstream on environmental, social and governance (ESG) issues and accountability to communities.

CONCEPTUALISING DEVELOPMENT IMPACT MEASUREMENT

For the purposes of this report we have conceptualised the transparency of impact measurement by focusing on two components:

- Transparency of process – we examined the methods and criteria that DFIs use to predict and measure the impact of their investments. This included assessing whether or not a DFI discloses additionality criteria and information on its impact measurement tools (if relevant), as well as the methodology of these tools. For example, we assessed what indicators or metrics are used to gauge impact, as well as how those indicators or metrics are defined and what data collection techniques are used to inform them.

- Transparency of results – we also assessed the transparency of ex-ante impact data projections, data from results monitoring, and ex-post data disclosure, such as data from project appraisals, project completion reports and/or project evaluations. Examples of the types of data included are baseline, midline (or current results) and end line. We also surveyed the accessibility of evaluations at project levels.

FINANCIAL AND DEVELOPMENT ADDITIONALITY

For non-sovereign operations, we also examined the transparency around financial and development additionality, both of which are routinely used to justify the need to use public money to support private investments. The concept of **financial additionality**[3] refers to the finance that would otherwise not be provided (or leveraged) by the private sector due to real or perceived risks.

Development additionality addresses the non-financial aspects of a private sector DFI investment that would not be provided by the private sector. These typically involve things such as the ability of DFIs to implement governance reforms in client companies, ensure adherence to ESG safeguards, and provide technical assistance.

Kenny and Moss, researchers with the Center for Global Development, note that "[a]t its core is the notion that [private sector] DFIs are necessary to solve a market failure by providing capital, risk mitigation, or some other benefit to a market that is not delivering these services strictly through private actors".[4] Essentially, they stipulate that an investment by a DFI should not crowd out private finance and should bring development benefits that private capital would not. Melina Heinrich, a senior private sector development specialist at the Donor Committee for Enterprise Development summarises additional investments as "investments and activities which would not otherwise have happened (at all, or in the same way, extent or time)".[5]

It is possible for an investment to be financially additional, developmentally additional, both, or neither. In assessing private sector operations, the World Bank's Independent Evaluation Group (IEG) notes that "additionality is different from development impact but is usually positively correlated with it. While additionality is embodied in the inputs and services that a development institution is providing, development impact concerns the results of its interventions".[6]

Despite the importance of additionality in legitimising the use of public sector resources to support private investments, there are also significant difficulties in proving both financial and development additionality. The challenge in both instances is that it is necessary to prove a negative - either the investment wouldn't have occurred without the DFI investment (financial additionality) or the additional benefits wouldn't have been provided by the private sector (development additionality). In each case this requires proving a counterfactual. As Carter notes, this "requires something like a randomised control trial, or a 'natural experiment', or that mythical beast of econometrics a 'valid instrumental variable'".[7]

For sovereign operations, development additionality, such as transparent procurement processes and social and environment protections are built into the borrowing requirements and the financial returns (or additionality) are built into the lending operations: most middle income clients borrow at market rates and the poorest countries receive loans at concessional (below market) rates or even as grants.

3 Carter et al. (2018) argue that financial additionality is not a sufficient rationale as it is possible for a DFI to offer terms that the private sector would be willing to, and in doing so, is effectively crowding out private sector finance. They therefore propose the term "investment additionality" or "quantity additionality" to note that the net effect of a private investment using public money should always be an increase in the total amount of finance invested if an investment is to be considered additional. However, our research found that financial additionality was the prevailing terminology used and thus adopts that.

4 Kenny and Moss, 2020. https://www.cgdev.org/publication/what-do-when-you-cant-prove-dfi-additionality

5 Heinrich, M., 2014. https://www.enterprise-development.org/wp-content/uploads/DCED_Demonstrating-Additionality_final.pdf

6 https://openknowledge.worldbank.org/bitstream/handle/10986/6576/450070PUB0Box3101OFFICIAL0USE0ONLY1.pdf?sequence=1&isAllowed=y

7 Carter, 2017. https://medium.com/@CarterPaddy/wanted-a-mechanism-for-additionality-87fe136e3820

A NOTE ON SOVEREIGN AND NON-SOVEREIGN PORTFOLIOS

The research analyses the following types of portfolios: non-sovereign portfolios of bilateral DFIs, with the single exception of the Development Bank of Southern Africa (DBSA),[8] which supports governments, state owned enterprises (SOEs), municipalities and private companies; non-sovereign portfolios of multilateral DFIs, and sovereign portfolios of multilateral DFIs.

Sovereign and non-sovereign financing indicate whether or not an investment or project is provided to and/or guaranteed by the national government of the country in which an investment is being made.

Generally speaking, sovereign projects can be characterised as public sector projects and non-sovereign as private sector. In reality, however, these distinctions are often blurred. For example, public sector projects may incorporate private sector partners. This is especially true for infrastructure, such as when a private entity provides financing and the public sector provides co-financing and/or makes commitments related to the regulatory environment and/or pricing (e.g., electricity/water tariffs). In addition, the increasing role of the private sector in providing services such as health and education that have previously been the domain of the public sector has extended the scope of non-sovereign operations. However, the distinctions broadly remain and as such are reflected in the types of development impact that a DFI might expect.

The research was complicated by the fact that the Multilateral Development Banks (MDBs) structures vary significantly. For some major multilaterals, the sovereign and non-sovereign portfolios are managed through separate entities with entirely different governance and operational structures. They are identified as separate DFIs (see Table 1). Within the World Bank Group, for example, the International Bank for Reconstruction and Development (IBRD) and International Development Association (IDA) provide sovereign lending (with some rare exceptions) and the IFC (and MIGA, which we do not cover) support private operations (with the former providing debt, equity and guarantees and the latter providing political risk insurance). The Inter-American Development Bank (IADB) is also a sovereign lender only while its counterpart, IDB Invest, supports the private sector. By contrast, Asian Infrastructure Investment Bank (AIIB), Asian Development Bank (AsDB), African Development Bank (AfDB), European Bank for Reconstruction and Development (EBRD), and European Investment Bank (EIB) support both sovereign and non-sovereign operations.

These distinctions matter because there are significant differences in the mandates and objectives of sovereign and non-sovereign operations of DFIs. Non-sovereign operations are normally intended to work within and stimulate markets by providing finance[9] to private sector companies. As noted above, such investments should be 1) financially additional (e.g., by supporting an entity that cannot obtain adequate financing elsewhere or mobilising investment from the private sector that otherwise would not materialise); 2) offer development additionality[10] by introducing positive changes that would not be provided by a private sector investor, such as governance reforms in client companies or new ESG standards; and/or 3) generate development impact, (e.g., enable the benefits that that client is expected to produce, such as units of clean energy, new value chains, or job creation).

For sovereign operations, the focus is just on the third element – development impact. The impact menu is much broader than for private sector projects because governments typically offer more public services than the private sector. As discussed in the section on development impact, these are wide ranging (e.g., the public provision of infrastructure, education and health interventions, social protection, investments in agriculture and climate adaptation and mitigation, as well as improvements in governance and public financial management).

8 Unfortunately, DBSA does not separate out its sovereign and non-sovereign operations so we only included them in the non-sovereign analysis.
9 This usually takes the form of debt and equity but insurance and guarantees are also common instruments used by DFIs to support the private sector.
10 Also known as “value additionality”.

In light of these different approaches we have chosen to provide separate sections on the research findings for sovereign and non-sovereign operations.

STRUCTURE OF REPORT

The rest of the report is structured as follows: Section 2 outlines our methodology for conducting the landscape analysis, the aggregated data review, and the interviews that informed the research findings. Section 3 presents the findings of the landscape analysis for non-sovereign DFIs and portfolios and presents a case study of PIDG, a DFI that is among the better performing DFIs in terms of impact measurement transparency. Section 4 presents the findings of the landscape analysis of the sovereign lenders and portfolios (MDBs only). Section 5 presents the findings of our analysis of disclosure of aggregated data by DFIs. Section 6 presents research findings including discussions of themes that emerged from interviews including the development of new ex-ante tools, the role of standardisation and harmonisation in impact measurement, and the question of impact attribution. Section 7 offers some conclusions drawn from our research.

Methodology

This report was informed by a desk-based landscape analysis of impact measurement disclosure, a survey of aggregated data reporting, and interviews with DFI employees and other development stakeholders. We also convened a meeting of the Expert Working Group to discuss both the landscape analysis and the draft report. The following methodology summarises the information included in the review and explains how it was analysed to gain an understanding of the transparency of development impact measurement.

LANDSCAPE ANALYSIS

The landscape analysis of the transparency of development impact measurement was informed by a systematic review of published data by bilateral and multilateral DFIs. As shown in Table 1, we selected a sample of 20 bilateral and multilateral DFIs. Among the multilaterals, we included six with a mix of sovereign and non-sovereign operations, three with non-sovereign portfolios only and three with sovereign portfolios only. Of the eight bilateral DFIs included, all but one support non-sovereign lending only.[11] No bilateral DFIs with exclusively sovereign portfolios were included.

TABLE 1: DFIs selected for landscape analysis

Bilateral DFIs (non-sovereign)	Bilateral DFIs (non-sovereign and sovereign)	Multilateral DFIs (sovereign and non-sovereign)	Multilateral DFIs (exclusively or predominantly sovereign)	Multilateral DFIs (non-sovereign)
CDC Group (UK)	DBSA (South Africa)	African Development Bank (AfDB)	International Development Association (IDA) and the International Bank for Reconstruction and Development (IBRD)[12]	International Finance Corporation (IFC)
DEG (Germany)		Asian Development Bank (AsDB)	Inter-American Development Bank (IADB)	IDB Invest
DFC (USA)		Asian Infrastructure Investment Bank (AIIB)	Islamic Development Bank (IsDB)	Islamic Cooperation for the Development of the Private Sector (ICD)
FMO (Netherlands)		Development Bank of Latin America (CAF)		
Norfund (Norway)		European Bank for Reconstruction and Development (EBRD)		
Proparco (France)		European Investment Bank (EIB)		
Swedfund (Sweden)				

11 Of the bilaterals, all finance private sector operations exclusively except for DBSA that finances both public and private sector operations. DBSA does not separate these out on their website, however. The MDBs are more evenly divided.
12 IDA and IBRD are both part of the World Bank Group but serve different client groups depending on their level of development and creditworthiness. The key differences between them are their sources of funds and lending terms.

We conducted the landscape analysis by surveying available materials on the selected DFI websites at aggregate and project levels. The range and depth of materials varied according to the disclosure practices. Materials surveyed included:

Organisational Level

- Impact measurement pages – some DFIs maintain web pages dedicated to explaining their approach to achieving and measuring development impact. These proved to be valuable sources of information for understanding the processes and tools used for impact prediction and measurement.
- Impact measurement tool handbooks – when available we reviewed the handbooks of DFIs that explain their ex-ante impact measurement tools.
- Results pages – these were surveyed to understand what impact data, or other information, DFIs disclose.
- Annual reviews – we surveyed annual reports to assess how and to what extent the DFIs disclose development impact.

Project Specific

- Project databases – when available we examined the project databases to survey individual investment data.
- Investment proposal documents – we surveyed these documents to identify whether or not DFIs disclosed (a) the expected development outcomes of a project, (b) the processes used to measure projected development outcomes including indicators or metrics, and (c) baseline data for indicators or metrics.
- Results monitoring documents – these documents were surveyed to understand the way in which DFIs reported (or did not report) the development impacts of a specific project in line with metrics defined at the proposal stage.
- Project completion/appraisal documents – these documents were surveyed to identify how and whether the DFIs disclose the results of investments upon completion or exit.
- Project case studies – most DFIs publish case studies of projects, often in the format of "success stories" which we reviewed to understand the types of data that are disclosed to support such cases.

Organisational and Project Specific

- Internal and external evaluations – we surveyed evaluations (including independent evaluations) of complete portfolios, country portfolios, sector portfolios, and individual projects.

In total, in excess of four hundred documents were surveyed for the landscape analysis. Not all have been included in the final landscape analysis report although they have been cited where appropriate.

The DFI Transparency Initiative team developed a framework for transparency of impact measurement as the first phase of the landscape analysis. It is in the form of an Excel spreadsheet with sixteen categories of information assessed for each DFI.

The spreadsheet was completed using a "traffic light" system of red, orange, and green classifications for each data field to indicate the extent to which the data was available, as described below:

TABLE 2: How impact measurement data fields were assessed

Data field	Green	Orange	Red
Organisational Level Processes			
Is there a statement on the DFI's website explaining its approach to impact measurement?	There is an explicit and substantial statement on the DFI's website that explains the approach to impact measurement.	The website makes some mention of impact measurement but the approach is not substantially explained.	There is no meaningful statement that outlines the DFI's impact measurement approach.
Does the DFI indicate which standards/ initiatives it is aligned to?	The DFI has a dedicated page that discloses to which standards and initiatives it is aligned.	The DFI discloses alignment to some standards and initiatives but not in a systematic manner or single location.	The DFI does not disclose its alignment to standards or initiatives.
Does the DFI list/link to external evaluations?	The DFI clearly links to evaluations in a dedicated section of its website.	The DFI has evaluations but they are not systematically disclosed.	The DFI does not link to external/ independent evaluations.
Theory of change (organisational or sectoral)?	The DFI discloses theories of change for either the institution as a whole or for all of the sectors in which it is active.	The DFI discloses theories of change for some of the sectors in which it is active or does not include much detail.	The DFI does not disclose theories of change at either an institutional or a sectoral level.
Definition of additionality (either/ or financial and development)?	The DFI offers a clear, definition of additionality.	The DFI does not directly define additionality but defines another similar issue (such as value added).	The DFI does not offer any definition for additionality.
Process (Activity Level)			
Theory of change?	The DFI discloses theories of change for each (or the majority) of its activities.	The DFI discloses theories of change for some activities but not in a systematic manner.	The DFI does not disclose theories of change for its activities.
Project rationale?	The DFI discloses a project rationale for all of its activities.	The DFI discloses a project rationale for some of its activities.	The DFI does not disclose project rationales for its activities.
Additionality statement (either/or financial and development)?	The DFI discloses the projected additionality for each investment.	The DFI discloses the projected additionality for some of its investments.	The DFI does not disclose projected additionality for its investments.
Explanation of process (ex-ante and ex-post)	The DFI discloses the process involved in impact measurement for each investment.	The DFI discloses the process involved in impact measurement for some investments or provides an explanation that is unclear or hard to follow.	The DFI does not disclose the process involved in impact measurement for its investments.
Project impact indicators? (e.g., job creation)	The DFI outlines what indicators it will use to monitor and assess each of its investments.	The DFI outlines what indicators it will use to monitor and assess some of its investments.	The DFI does not outline how it will monitor and assess its investments.
Do indicators have metrics/definitions/ methodology?	The DFI discloses the metrics/ definitions/ methodologies for the indicators in each of its investments.	The DFI discloses the metrics/ definitions/ methodologies for the indicators in some of its investments.	The DFI does not disclose the metrics/definitions/ methodologies for any indicators in its investments.
Results (Activity Level)			
Baseline data	The DFI discloses baseline data for each of its investments.	The DFI discloses baseline data for some of its investments.	The DFI does not disclose baseline data for its investments.
Midline data	The DFI discloses midline data for each of its investments.	The DFI discloses midline data for some of its investments.	The DFI does not disclose midline data for its investments.
End line data [results/ impact indicators?]	The DFI discloses end line data for each of its investments.	The DFI discloses end line data for some of its investments.	The DFI does not disclose end line data for its investments.
Cost-benefit/economic analysis/value for money assessment available?	The DFI discloses an economic analysis or value for money assessment for each of its investments.	The DFI discloses an economic analysis or value for money assessment for some of its investments.	The DFI does not disclose economic analysis or value for money assessments for its investments.
Does the DFI share project appraisals or completion reports?	The DFI offers a clear, definition of additionality.	The DFI does not directly define additionality but defines another similar issue (such as value added).	The DFI does not offer any definition for additionality.
Do indicators have metrics/definitions/ methodology?	The DFI discloses the metrics/ definitions/ methodologies for the indicators in each of its investments.	The DFI discloses the metrics/ definitions/ methodologies for the indicators in some of its investments.	The DFI does not disclose the metrics/definitions/ methodologies for any indicators in its investments.

In addition to the tabulated recording of disclosure by DFIs, we compiled a narrative profile of disclosure practices on development impact of each DFI. These assessed the following categories:

- Mandate – whether the mandate of the DFIs is provided. This is to ascertain the alignment between the mandate of a DFI and its impact measurement approach (when disclosed).
- Impact measurement approach – a summary of the information that the DFI discloses about its approach to impact measurement.
- Additionality – a summary of the DFI's disclosure of its approach to development and financial additionality.
- Standards – details of which impact standards the DFI discloses its adherence to.
- Theories of change (institution, sector and activity level) – details of the theories of change that the DFI discloses, including examples where appropriate.
- Ex-ante impact prediction (process and data) – details of the DFI's disclosure of ex-ante impact measurement processes and data.
- Project monitoring – details of the DFI's disclosure of project monitoring processes and data.
- Ex-post evaluation (process and data) – details of the DFI's disclosure of internal and independent evaluations of portfolios, sectors and projects.

To complement the original landscape analysis, we revisited each of the DFIs in an effort to understand the extent and ways in which they publish data at aggregated levels. Based on guidance from our interviews and Expert Working Group we identified four aspects of disclosure to assess the quality of reporting. These include the presence of multi-year results, attribution of impacts to scale of DFI investments, multiple and informative levels of disaggregation, and disclosure of definitions of indicators and the methods used to calculate the results.

Our research on aggregated data was complicated by the fact that the multilateral institutions that engage in sovereign and non-sovereign operations often reported either combined aggregated results or results that were not clearly attributed to either. As such, the aggregated results data are reported in a separate section rather than in the non-sovereign and sovereign chapters.

Note: This project aims to inform and improve the transparency and disclosure practises of the entire DFI sector encompassing the hundreds of organisations therein, and the trillions of dollars of assets which they apply to development challenges. For the time being, in order to retain a focus on the broader sector, rather than identifying practices of individual DFIs, the research team has anonymised the results of the landscape analysis.

METHODOLOGICAL CONSIDERATIONS AND LIMITATIONS

The primary purpose of the landscape analysis and this report is to understand how DFIs approach impact measurement for direct investments (sovereign and non-sovereign) and the availability and quality of impact data at both aggregate level and at project level, from formulation through execution. For the non-sovereign DFIs, we also examined if and how they address financial and development additionality.

Through this analysis and further discussions with stakeholders, recommendations for overall improved transparency of impact measurement can be made. Thus, the landscape analysis was not designed to be scientifically rigorous, but rather to provide a detailed snapshot of current disclosure patterns.

Measures that we are taking to ensure that the reported findings are accurate include –

- Providing segmented sections of the landscape analysis to the relevant DFIs for fact checking. This is an ongoing process and feedback will be integrated into the analysis on an ongoing basis.

- Fact-checking data sources when possible. For example, we typically checked three annual reports for definitive lists of investments, and the project sheets or investment pages of five separate investments/projects.

A key consideration in completing the landscape analysis alongside interviews is what the threshold should be in assessing levels of transparency and determining a ranking (red, green, orange) for each category in the relevant tables. In some instances, we learned further details about the impact measurement practices of DFIs via interviews or private communication with their technical staff. We used this information to inform the broader research but it was excluded from the landscape analysis and rankings unless we could confirm it on one or more of the data sources outlined above. This approach reflects our view that information should be readily available to the public rather than via other channels.

A further consideration with respect to the landscape analysis is the fact that certain categories, such as project completion reports and evaluations, typically take place either at the close of a project or at a later date. As such, in the cases of relatively new DFIs such as two featured in the assessment, neither of which have completed projects, the lack of impact data and evaluations is expected. As such, the disclosure of evaluations at both organisational level and project level are recorded as *Not Applicable* for these two DFIs.

This report assesses the transparency of impact information for DFIs' direct investments only. The report has not analysed the levels of transparency (or lack thereof) of the investments that DFIs make through financial intermediaries (FIs) as they will be addressed in a separate workstream.

We recognize that FI lending represents an increasingly large element of the total activity of many DFIs. For example, FI investments represented 55.4% of IFC's total investment portfolio and 52% of CDC's portfolio, while also representing significant portions of the portfolios of EIB (45%) and FMO (30%).[13] FI investments are also typically significantly less transparent than direct investments. As such, the findings of this report should be understood to represent only the direct investment sections of the DFI portfolios analysed (see also footnote 2 above).

13 Donaldson, C. and Hawkes, S., 2018. Open Books: How Development Finance Institutions can be Transparent in Their Financial Intermediary Lending and Why They Should Be. Oxfam Briefing Paper.

Non-Sovereign Operations

This chapter reviews the findings of the landscape analysis for non-sovereign operations. Following this, the chapter outlines the ways in which the Private Infrastructure Development Group (PIDG) discloses results data, suggesting that it is a leader in the transparency of impact measurement.

LANDSCAPE ANALYSIS

This section highlights the categories of data that are more commonly published and those that are less commonly disclosed. The section first presents some general observations about impact measurement transparency. This is followed by an overview of patterns of disclosure in each of the sixteen aspects of the landscape analysis. Towards the end of this section Table 3 shows impact measurement transparency of the bilateral DFIs and multilateral non-sovereign operations that were analysed.

GENERAL TRENDS

In general, transparency of impact measurement processes and data is limited at both the organisational and project levels. While some DFIs have web pages that are dedicated to impact management and measurement, this was not uniform. Even when there were dedicated web pages, they often lacked the requisite data in easily accessible formats. In many cases key pieces of information were found in disparate sections of websites or buried in reports. Moreover, in several instances it proved difficult to determine how - or even if - the DFI defined and assessed its own development impact.

It would be a step forward if DFIs could **improve the accessibility of the information** that is already published and communicate development impact and results at the project level.

ORGANISATION LEVEL – PROCESS

Is there a statement on the DFI’s website explaining approach to impact measurement?

The majority of non-sovereign operations disclosed their approach to impact measurement. Of the eight bilateral non-sovereign operations, six disclosed detailed information regarding their approach. One only disclosed limited information, while one did not disclose meaningful information. Of the nine multilateral non-sovereign operations, four disclosed detailed information. Two operations disclosed limited information, while three did not disclose any.

Does the DFI indicate to which development impact standards/initiatives it is aligned?

Despite the proliferation of standards related to impact management and measurement, such as the Harmonized Indicators for Private Sector Operations (HIPSO)[14] or IRIS+,[15] there was little systematic disclosure of what standards the DFIs apply, if any. Only two bilateral DFIs systematically disclosed their adherence to standards. One had a dedicated website page listing the standards to which they adhere, while the other disclosed their use of and adherence to standards in their annual report. Four bilateral DFIs disclosed adherence to some standards but not in a systematic manner. Two did not disclose their adherence to standards. Of the multilateral non-sovereign operations, none systematically disclosed their adherence to standards. Seven of nine multilateral non-sovereign DFI operations disclosed some information but not in a systematic manner. The remaining two did not disclose any standards.

Does the DFI list/link to external evaluations?

The majority of DFIs provided links to an independent evaluation office or to some examples of external evaluations at an organisational or portfolio level (note: project level evaluation disclosure is discussed separately below). Amongst bilateral DFIs only two lacked any references to external evaluations. We assessed one other as "orange" as it was unclear whether the evaluations were independent. Amongst multilateral non-sovereign operations there was no disclosure by two of the institutions reviewed. *As noted in the methodology section, we did not assess the use of evaluations for two DFIs given the recent nature of their activities.*

Theory of Change (organisational or sectoral)?

Disclosure of theories of change (TOCs) at either institutional or sectoral level was limited. Amongst bilateral DFIs, only one disclosed a TOC for the institution as a whole. Two bilateral DFIs have developed sectoral theories of change although neither have fully disclosed them; one has disclosed a single sector strategy while the other has disclosed two sectoral theories of change out of four. No multilateral non-sovereign operations disclosed organisational or sectoral theories of change.

Definition of additionality?

The landscape analysis found that all bilateral DFIs other than one offered a definition of additionality, with some variation. The main difference was whether the definition was narrow (only financial additionality) or broad (financial plus development additionality). For example, FMO used a narrow definition, as follows: "FMO provides products and services which the market does not provide, or does not provide on an adequate scale or on reasonable terms."[16] DFC also provided a definition that does not explicitly include development additionality:

> *Catalyzing investment, while ensuring additionality to private sector resources*
>
> *Avoid displacing private-sector investment by deploying development finance in selective circumstances where markets are otherwise unable to attract quality, stand-alone private capital;*
>
> *Assure private-sector beneficiaries are sharing an appropriate level of risk alongside the U.S. Government; and*
>
> *Encourage mobilization of host-country domestic resources in new private-sector-led combinations of U.S. capital and skills.*[17]

14 https://indicators.ifipartnership.org/
15 https://iris.thegiin.org/
16 https://annualreport.fmo.nl/2017/ar2017/indexes/glossary/a1151_Glossary-of-terms
17 https://www.dfc.gov/sites/default/files/2019-08/fy2019_cbj.pdf

All other bilateral DFIs that define additionality include development and financial additionality in their definitions. Most reference contributions to improved ESG performance as an aspect of development additionality, such as CDC, which says:

> *In making decisions on potential Investments, CDC will consider, in each Investment decision, its additionality. This will include considering the benefit of CDC's capital, but also the benefit of CDC's value added, which could encompass environmental, social and governance, business integrity or any input particular to that Investment which brings value to the investee company.*[18]

Eight of the multilateral non-sovereign operations are signatories of the Multilateral Development Banks' Harmonized Framework for Additionality in Private Sector Operations. The framework offers a broad definition of additionality that includes both definitions of financial and non-financial additionality. In addition, the framework offers examples of data sources and means for DFIs to demonstrate their additionality. One multilateral non-sovereign institution did not define their additionality.

PROJECT LEVEL – PROCESS

Theory of change?

Project level TOCs are not systematically disclosed for any non-sovereign portfolios.

Project rationale?

The majority of non-sovereign DFIs disclosed a project rationale that outlined the motivation of the investment and some expected outcomes. Notable exceptions to this amongst bilateral DFIs included one which did not systematically disclose their investments, and another which only provided limited information about investments. Amongst multilateral DFIs, two failed to systematically disclosed project rationales for projects.

Additionality statement?

The additionality of individual investments was only disclosed by one bilateral DFI and one multilateral DFI. In both cases the definitions of additionality encompassed financial and development additionality.

Explanation of process - baseline, midline, end line?

No bilateral DFI or multilateral non-sovereign operation systematically disclosed the process used for impact measurement of individual projects. This is probably reflective of the fact that in both cases results data were not disclosed either.

Project indicators?

Project indicators were rarely disclosed by bilateral DFIs or multilateral non-sovereign operations. Of bilateral DFIs, only one disclosed indicators and this was typically limited to a single indicator (job creation). The only exception amongst multilateral non-sovereign operations was the partial disclosure by one which disclosed indicators for advisory projects but not investment projects.

18 https://assets.cdcgroup.com/wp-content/uploads/2017/06/25150847/Investment-Policy-2017-2021.pdf

Do indicators have metrics/definitions/methodology?

No bilateral or multilateral non-sovereign DFI provided metrics or methodologies for indicators (largely because indicators themselves were rarely disclosed). While one did not provide detailed analysis of the indicator they disclosed (job creation), they did provide context in some cases, such as the gender or economic position of new employees.

Do DFIs share project evaluations?

The majority of bilateral and multilateral non-sovereign DFIs shared some form of project level evaluations. Project coverage of evaluations was not systematic, although given the cost and time demands of completing evaluations this is perhaps unsurprising. Of the bilateral DFIs, only one shared no evaluations. Of the multilateral non-sovereign operations, only two shared no evaluations. **Assessments were not carried out for two (non-sovereign) DFIs for the reasons outlined above.**

PROJECT LEVEL – RESULTS

Baseline, midline, and end line data

Project results data (baseline, midline, and end line) were not systematically disclosed by any bilateral DFIs or by any non-sovereign operations of multilateral DFIs. The only partial exception to this finding was one DFI which disclosed results for its advisory projects.

Cost-benefit/economic analysis/value for money assessment available?

No bilateral or multilateral non-sovereign DFIs systematically disclosed cost-benefit (or similar) analysis for their investments.

TABLE 3: Impact measurement transparency of bilateral DFIs and multilateral non-sovereign operations

Institution	General (Organisation Level)					Process (Activity Level)						Results (Activity Level)				
	Is there a statement on the DFI's website explaining approach to impact measurement?	Does the DFI indicate which standards / initiatives it is aligned to?	Does the DFI list / link to external evaluations?	Theory of Change (organisational or sectoral)?	Definition of additionality?	Theory of change?	Project Rationale?	Additionality statement?	Explanation of process - (e.g. use of baseline, midline, end line)	Project indicators?	Do indicators have metrics / definitions / methodology?	Baseline Data	Midline Data	End line Data	Cost-benefit / economic analysis / VfM assessment available?	Does DFI share evaluations?
Bilaterals																
Bilateral 1																
Bilateral 2																
Bilateral 3																
Bilateral 4																
Bilateral 5																
Bilateral 6																
Bilateral 7			N/A									N/A	N/A	N/A	N/A	N/A
Bilateral 8																
Multilaterals - Private																
Multilateral Private 1																
Multilateral Private 2																
Multilateral Private 3																
Multilateral Private 4			N/A									N/A	N/A	N/A	N/A	N/A
Multilateral Private 5																
Multilateral Private 6																
Multilateral Private 7																
Multilateral Private 8																
Multilateral Private 9																

PIDG: BEST PRACTICE IN IMPACT TRANSPARENCY?

Established in 2002, the Private Infrastructure Development Group (PIDG) invests in infrastructure in developing countries. PIDG is made up of government entities that are active at different stages in the investment cycle from concept to operation. To date PIDG has committed $3.6bn to infrastructure development and has mobilised almost $36bn in capital from private finance and DFIs. This section briefly profiles PIDG as an example of what good practice in the transparency of development impact may look like.

TRANSPARENCY OF IMPACT MEASUREMENT PROCESSES

PIDG has published an extensive Results Monitoring Handbook that outlines how it predicts and monitors the development impact of its investments.[19] The handbook outlines what monitoring, evaluation, and learning activities take place throughout the investment cycle:[20]

Early stage into pipeline	Signing of JDA (InfraCos) OR Credit Committee (EAIF, GuarantCo)	Project design & development / Due diligence	Financial close	Construction	Commencement of operations	Exit
Consider whether a project is FCAS or DAC I/II/III Consider potential for additionality Include any available information on dev impact in the pipeline table in the Quarterly Report Share screening paper and discuss with PIDG DI team and HSES team if needed	Record current context (infrastructure provision and capital market) Articulate the development impact of the investment including nature and income level of expected customers, and expected gender impacts Record whether FCAS or DAC I/II/III Describe additionality Provide classification for climate change mitigation/adaptation Complete the Results Monitoring Sheet (as far as possible) **NOTE:** For JDAs, some of the information will be high-level, to be refined during project development	Prepare specific milestones for additionality measures Update the Results Monitoring Sheet annually Identify specific gender positive outcomes and outcomes for the poor	Update the Results Monitoring Sheet to reflect revised estimates Record the baseline data from DD and decide on further baselines Consider evaluation questions and themes for research	Report on compliance with IFC Performance Standards Update the Results Monitoring Sheet on an annual basis	Notify DI Team of commencement of operations Post Completion Monitoring Consider the potential for baseline studies Record details of sale and final IRR Consider follow-on projects Consider potential for access to company data post-exit	Record details of sale and final IRR Consider follow-on projects Consider potential for access to company data post-exit

The handbook presents the PIDG TOC and derives a set of key development indicators from it. Following this, the handbook reports data fields on results, such as “access to new or improved infrastructure” and discusses both the justification for why the data should be reported, and the methodology for how it should be reported. A publicly available methodology that goes into this level of detail stands out amongst the DFIs surveyed in the landscape analysis. While guides to ex-ante tools are published by numerous other DFIs such as IFC and FMO, they typically present their approaches with less detail. Indeed, the annexes of PIDG’s Results Monitoring Handbook include specific instructions on how to calculate particular indicators. This level of detail was not found in any of the landscape analysis.

19 https://www.pidg.org/wp-content/uploads/2019/04/RM-Handbook-April-2019-final.pdf
20 https://www.pidg.org/wp-content/uploads/2019/04/RM-Handbook-April-2019-final.pdf

TRANSPARENCY OF IMPACT DATA

PIDG maintains a development results database that is accessible to the public.[21] Of the DFIs surveyed for this report, PIDG was the only DFI that had a dedicated, results-focussed database that can be viewed publicly. This is a significant departure from the practices of other DFIs. The database provides both predicted and actual results for a range of their development indicators including:

- Additional people with access to infrastructure (also disaggregated by gender)
- People with improved access to infrastructure (also disaggregated by gender)
- Fiscal impact – up-front fees to government
- Fiscal impact – taxes paid
- Short term jobs created (actual only)
- Long term jobs created (actual only)

This level of public disclosure of development results in non-sovereign operations is unprecedented in the DFI sector.

CONTEXTUALISING PIDG'S TRANSPARENCY

While we believe PIDG is pushing the envelope with regards to transparency of development results, it is important to note some key characteristics of PIDG that arguably contribute to their transparency:

- PIDG is neither a traditional multilateral DFI nor a bilateral DFI. Its unique ownership structure arguably gives it a greater deal of flexibility than a multilateral DFI, while being free from the political influences of a bilateral DFI.
- PIDG invests in a single sector. This allows a more focused approach to results measurement and management. In essence, the framework for measuring impact is identical across all of PIDG's investments and, as such, there are lower barriers to disclosing processes. Whereas a DFI that invests in numerous sectors and even different types of projects within those sectors would have to design a bespoke results measurement framework for each investment, PIDG has developed what is essentially a "one size fits all" approach that is therefore more straightforward to disclose.

However, these factors do not sufficiently explain why PIDG is able to publish results data while other DFIs, even when investing in similar infrastructure projects, do not. While the lessons from PIDG may not be immediately transferrable to all DFI investments, a similar approach could be adopted for similar infrastructure investments at a minimum.

21 http://data.pidg.org/

Sovereign Operations

This chapter reviews the findings of the landscape analysis for sovereign operations. At the end of this section Table 4 shows impact measurement transparency of the multilateral sovereign operations that were analysed.

GENERAL TRENDS

Taken as a whole, there is a greater degree of impact measurement transparency amongst sovereign operations of multilateral DFIs than there is in both the non-sovereign operations of multilateral DFIs and the non-sovereign operations of bilateral DFIs. These differences were most pronounced in relation to the disclosure of the processes and results at project level.

Within the multilateral sovereign DFIs there was significant variation between two groups: one which published a lot of information and another which published information more in-keeping with the non-sovereign operations of multilateral and bilateral DFIs.

ORGANISATION LEVEL

Is there a statement on the DFI's website explaining approach to impact measurement?

Of the nine multilateral sovereign operations, three disclosed detailed information about their approach to impact measurement. Three DFIs published some information although it was more limited. The remaining three DFIs did not publish any information regarding their approach to impact measurement.

Does the DFI indicate which development impact standards/initiatives it is aligned to?

None of the DFIs published comprehensive lists of the standards or initiatives that they are aligned to. Six of the DFIs disclosed information regarding adherence to standards but not in a systematic manner. The remaining three DFIs did not meaningfully disclose their adherence to standards.

Does the DFI list/link to external evaluations?

Six DFIs either listed or linked to external evaluations via their website. Two DFIs did not disclose links to external evaluations. One DFI's sovereign portfolio was not assessed due to the fact that it is relatively new and no projects have been completed.

Theory of Change (organisational or sectoral)?

None of the multilateral DFI operations disclosed organisational or sectoral TOCs.

Definition of Additionality?

We did not find definitions of additionality for sovereign portfolios. As noted earlier, we have recorded this category as *Not Applicable* as we decided that the concept of additionality was only partly relevant to sovereign portfolios and would typically be reported in different terms. Further discussion of this may be found in Section One of the report.

PROJECT LEVEL – PROCESS

Theory of change?

One DFI disclosed a project level TOC for all of its projects. Three other DFIs disclosed TOCs for some investments but not all. One published TOCs under the term “Results Based Logical Framework” while another published them as a “Design and Monitoring Framework”. In the latter case, the framework was broader than a typical TOC but included most elements of one. Five DFIs did not disclose project level TOCs.

Project rationale?

Project rationales were reported by the majority of multilateral sovereign DFIs. Seven DFIs published relatively extensive rationales for all investments. One published short descriptions that partly qualify as project rationales. One did not publish project rationales for their investments.

Additionality statement?

We have recorded this category as *Not Applicable* after concluding that the concept of additionality was only partly relevant to multilateral sovereign projects and would typically be reported in different terms. Further discussion of this may be found in Section 1.

Explanation of process - baseline, midline, end line?

Disclosure of project level impact measurement processes was mixed amongst multilateral sovereign portfolios. Two DFIs disclosed an explanation of their results measurement process for the majority of their investments. Two further DFIs also disclosed explanations of their impact measurement processes for individual investments but these were not always found. The remaining five DFIs did not disclose their processes for measuring impact at project level.

Project indicators?

As with explanation of process, the disclosure of results indicators at a project level was mixed amongst multilateral sovereign portfolios. Three DFIs disclosed indicators for the majority of their projects. Two DFIs disclosed indicators for some projects although fewer than the above three. The remaining four DFIs did not disclose project indicators for their projects.

Do indicators have metrics/definitions/methodology?

Two multilateral sovereign DFIs provide metrics or definitions for each of their investments. A further three DFIs share metrics or definitions for some of their investments. The remaining four DFIs do not disclose metrics or definitions, in line with their failure to disclose indicators.

PROJECT LEVEL – DATA

Baseline, midline, and end line data

The disclosure of project results data by multilateral sovereign operations was mixed. Four DFIs disclosed results for the majority of their investments. Four DFIs did not disclose results for their projects. One was not assessed for results given its recent formation.

One significant finding was inconsistency in reporting on the part of one multilateral DFI. While it published results for all of its sovereign operations in the International Aid Transparency Initiative (IATI) Standard, it did not often include results of the corresponding projects in its own project database. It is unclear why it would collect such data and publish it to the IATI Registry, but not include it in its own database.

One possible reason is that Publish What You Fund's Aid Transparency Index incentivises IATI publication, but that the DFI in question lacks incentives to publish results on its own platforms, even though they may be more easily accessible to some data users.

Cost-benefit/economic analysis/value for money assessment available?

Three DFIs disclosed economic rates of return or cost-benefit analysis of some of their investments. This information was not found for all projects, however. Five DFIs did not disclose such assessments. Again, one DFI was excluded from this analysis.

Do DFI share project evaluations?

Of the eight sovereign DFIs analysed (one was excluded), seven shared evaluations for some of their projects. Only one DFI failed to disclose any project level evaluations.

TABLE 4: Impact measurement transparency of multilateral sovereign operations

Institution	General (Organisation Level)					Process (Activity Level)						Results (Activity Level)				
	Is there a statement on the DFI's website explaining approach to impact measurement?	Does the DFI indicate which standards / initiatives it is aligned to?	Does the DFI list / link to external evaluations?	Theory of Change (organisational or sectoral)?	Definition of additionality?	Theory of change?	Project Rationale?	Additionality statement?	Explanation of process - (e.g. use of baseline, midline, end line)	Project indicators?	Do indicators have metrics / definitions / methodology?	Baseline Data	Midline Data	End line Data	Cost-benefit / economic analysis / VfM assessment available?	Does DFI share evaluations?
Multilaterals - Public																
Multilateral Public 1					N/A			N/A								
Multilateral Public 2					N/A			N/A								
Multilateral Public 3					N/A			N/A								
Multilateral Public 4			N/A		N/A			N/A				N/A	N/A	N/A	N/A	N/A
Multilateral Public 5					N/A			N/A								
Multilateral Public 6					N/A			N/A								
Multilateral Public 7					N/A			N/A								
Multilateral Public 8					N/A			N/A								
Multilateral Public 9					N/A			N/A								

Disclosure of Aggregated Data

One of the key findings of the landscape analysis is the lack of project level impact data that is being published. None of the non-sovereign DFIs that were surveyed systematically publishes project level results for all of their investments. On the other hand, all DFIs other than AIIB publish some form of aggregated development impact data, typically selected key performance indicators aligned to the DFI's mandate and other targets such as the Sustainable Development Goals (SDGs). This leads to the question as to whether or not the disclosure of aggregated impact represents an acceptable level of transparency on the part of DFIs.

To complement the original landscape analysis, we revisited each of the DFIs in an effort to better understand the extent to which and ways in which they publish data at aggregated levels. This section highlights our key findings. Based on guidance from our interviews and Expert Working Group discussion, we identified four aspects of disclosure to assess the quality of reporting:

- the presence of multi-year results
- attribution of impacts to scale of DFI investments
- multiple and informative levels of disaggregation, and
- disclosure of definitions of indicators and the methods used to calculate the results.

This section presents the results of the analysis including a discussion of the types of metrics most commonly disclosed, the extent to which multi-year reporting is used, the attribution of impact effects to the level of investment, and the levels of disaggregation in impacts reported. Finally, the implications and prospects for improved transparency are discussed.

TYPES OF METRICS REPORTED

Table 5 presents the most commonly reported aggregate impact indicators. While there was significant variation in indicators used, certain indicators were more common than others. The most regularly reported impact indicators related to employment—new jobs created were reported by eleven DFIs and jobs supported were reported by ten DFIs. Ten DFIs also reported on the numbers of people provided with new or improved electricity services. Nine DFIs reported the number of people provided with new or improved access to water. Eight DFIs reported energy generating capacity. Four different indicators – taxes paid, roads constructed or rehabilitated, farmers reached by interventions, and students reached/benefitted by interventions – were reported by seven DFIs. Six DFIs reported on greenhouse gas emissions avoided. No other indicator was reported by more than five DFIs.

DFIs financing non-sovereign and combined or exclusively sovereign operations reported different types of indicators:

- Bilateral and multilateral non-sovereign DFIs typically reported employment indicators, taxes paid, and electricity produced, in line with what the private sector would be expected to generate.
- Multilaterals with sovereign operations commonly used the following four indicators - people provided with new or improved access to water, people provided with access to improved sanitation services, people provided with better access to transport services, and teachers trained, consistent with services governments would be expected to provide.
- As one would expect, the multilateral development banks that finance both sovereign and non-sovereign operations reported the broadest range of indicators including energy generation capacity, roads constructed or rehabilitated, people provided with new or improved access to water, and people provided with new or improved electricity services.

MULTI-YEAR REPORTING

Multi-year reporting of indicators is an important aspect of disclosure as it allows data users to track the progress, or lack thereof, that a DFI makes over time. In the interests of transparency, we set the threshold of multi-year reporting of indicators based on whether they are provided in a single place (such as one annual report or website page) rather than single year reporting in multiple places (such as consecutive annual reports), as the former is much more accessible for stakeholders.

Our analysis indicates that while multi-year reporting is carried out by some DFIs, it is neither universally done nor done to the same standard. For example, while FMO uses multi-year reporting for each of its indicators, they only report for two separate, consecutive years. CDC reports its indicators over a five-year period, which is considered an example of best practice in multi-year reporting. Eleven institutions – DEG, Norfund, IFC, AsDB, IDB, IDB Invest, EBRD, CAF, IsDB, ICD, and EIB – do not use multi-year reporting for their indicators in one format, thus making tracking of impact progress significantly more difficult.

ATTRIBUTION OF AGGREGATE IMPACTS TO DFI ACTIVITIES

Our analysis found that no DFIs identify their contribution to impact indicators. AfDB noted the difficulty in accurately calculating the attribution of development impact and sought to address this issue:

> *To address these methodological challenges the Bank uses a four-level Results Measurement Framework (RMF) that tracks its performance in meeting its development objectives. Level 1 tracks development progress across Africa, Level 2 measures the Bank's contributions towards development in all its operations, Level 3 assesses the quality of the Bank's operations, and Level 4 monitors the Bank's efficiency as an organisation.*[22]

While such an approach does not directly calculate the attribution of development impacts, the use of multi-level analysis allows AfDB to situate their impacts within the context of broader changes in the countries they operate in.

LEVELS OF DISAGGREGATION

One of the key findings of the landscape analysis is the lack of published project level impact data for private sector operations, especially at the project level. (As noted, many MDBs do make project level indicators for sovereign operations available through project completion reports). This is a major obstacle to assessing DFI performance.

We did identify some disaggregation at other levels. For example, IFC disaggregates some results according to SDG category and ICD by financial sector. CDC makes the most extensive use of disaggregation, reporting direct jobs supported at five levels of disaggregation (portfolio, region, country, sector, gender) and taxes paid at three levels of disaggregation (portfolio, sector, country). IADB / IDB Invest disaggregate numerous results by country, and at times also by gender and ethnicity.

A major argument for using aggregated rather than disaggregated data for disclosing the development impact of non-sovereign DFI operations is the need to protect client confidentiality. In our view, it should be possible to disaggregate data to certain levels (e.g., sector, country, gender, or region) without disclosing information about specific investments or clients. In some cases, such as when a DFI is financing only one investment in a country, disaggregation could present problems with protecting confidentiality, although this is likely to be the exception rather than the norm.

22 https://www.afdb.org/fileadmin/uploads/afdb/Documents/Development_Effectiveness_Review_2019/ADER_2019__EN.pdf

For the majority of aggregated indicators analysed from the DFIs that lend to sovereigns (and those that lend to both sovereigns and non-sovereigns), there was no disaggregation by country/sector. There were some exceptions to this: IsDB disaggregated at the country level while AfDB reported results at two levels – portfolio and results across ADF (African Development Fund) countries, and also the disaggregation by IADB mentioned above. For sovereign data, an overall snapshot can only be provided using aggregation, and many stakeholders are interested in aggregate data that assesses performance at a sector and/or country level. Indeed, there is often high demand for such data.

DISCLOSURE OF DEFINITIONS AND METHODOLOGIES OF INDICATORS?

The analysis found that in the absence of reporting to standardised indicators (such as the ones listed above), there was only limited use of indicator definitions or methods that would allow data users to independently investigate reported impacts. The majority of indicators disclosed by DFIs either contained no supplementary information about their underlying methodology or basis for calculation.

There are a handful of notable exceptions to this finding. Proparco disclosed a methodology for calculating the indicator "tons of CO2 equivalent avoided annually". CDC disclosed methodologies for two indicators: the mobilisation of private capital, using both the OECD method and the MDB method;[23] and indirect jobs supported by the client companies in their portfolio. Notably, AsDB produce a report providing definitions for all their indicators.[24] As a whole, however, there was a dearth of sufficient methodological or definitional explanation of aggregated impact indicators.

IMPLICATIONS FOR TRANSPARENCY

Although there is a greater amount of disclosed aggregated data than project level data, the quality of the data falls short. Most of the published data suffered from a lack of uniform multi-year reporting, insufficient levels of data disaggregation, a lack of impact attribution, and insufficient information regarding indicator definitions and methodologies. Without improvements to the ways in which aggregated results are reported it is difficult to ascribe a great deal of value to the data. The good examples cited above, however, demonstrate that it is possible to publish quality disaggregated data.

The current practice of disclosing impact data at an aggregated level is useful for some constituencies (e.g., governments and sector or country specific CSOs), but ill-suited for the needs of communities that are affected by investments. If communities are unable to access information regarding the expected and actual outcomes of projects, it limits the extent to which they are able to hold DFIs and their clients to account. Many stakeholders may have interests in whether specific projects ultimately deliver, especially if they are initially controversial or operate in a relatively new sector.

Concerns about commercial confidentiality were widely cited during interviews as the major reason why disclosure of impacts for non-sovereign operations is done at an aggregated level as opposed to at project level. In fact, we learned that non-disclosure agreements with DFI clients commonly stipulate that impact data reported by clients will only be disclosed at an aggregated level. Thus, achieving improved project level transparency will require that agreements between DFIs and investees be altered going forward.

One possible solution that warrants further research is whether clients would agree to disclose project level information at an agreed point after the exit or close of an investment. In addition, clearer criteria would be very useful in determining when client confidentiality is a legitimate concern.

23 http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=DCD/DAC(2018)25/REV1&docLanguage=En
24 https://www.adb.org/sites/default/files/institutional-document/33902/rfw-indicator-definitions-apr2020.pdf

TABLE 5: Most commonly reported impact indicators for aggregated data

Institution	Jobs supported (number)	New jobs created (number)	Taxes paid ($)	Energy generation capacity installed (G/MW)	Electricity produced (T/GWh)	Greenhouse gas emissions avoided (tCO2e)	Greenhouse gas emissions (tCO2e)	Roads constructed or rehabilitated (km)	Power distribution & transmission lines installed / rehabilitated (km)	Farmers reached (number)	Students reached / benefited (number)	People provided with new or improved access to water (number)	People provided with access to improved sanitation services (number)	People provided with new or improved electricity / energy service (number)	People provided with access to better transport services (number)	Teachers trained (number)
DFI1 - non-sov																
DFI2 - non-sov																
DFI3 - non-sov																
DFI4 - non-sov																
DFI5 - non-sov																
DFI6 - non-sov																
DFI7 - non-sov	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
DFI8 - sov & non-sov																
DFI9 - non-sov																
DFI10 - non-sov																
DFI11 - non-sov																
DFI11 - sov & non-sov																
DFI12 - sov & non-sov																
DFI13 - sov & non-sov																
DFI14 - sov & non-sov	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
DFI15 - sov & non-sov & DFI16 - non-sov																
DFI17 - sov & non-sov																
DFI18 - sov & non-sov																
DFI19 - sov & non-sov																
DFI20 - sov & non-sov																

Further Findings

THE DEVELOPMENT OF EX-ANTE IMPACT MEASUREMENT TOOLS

Under pressure from donors, the multilateral development banks pioneered results measurement tools for sovereign operations nearly two decades ago to better demonstrate their development impact. The earliest to adopt results frameworks were the International Development Association (IDA, 2002); European Bank for Reconstruction and Development (EBRD, 2003); and the African Development Bank (AfDB, 2003). The AsDB and IADB followed in 2008 and 2010, respectively. In 2011, the World Bank introduced a combined IBRD/IDA framework. These established ex-ante targets by sector, country and later, by gender, which subsequently forced improved results management at the project level (as ultimately these results had to inform the aggregate numbers).

Private sector oriented DFIs have not traditionally "managed for results" and given the nature of their operations, do not adopt comparable corporate targets. But growing pressure on them to demonstrate results has led to the development of new impact measurement tools. One of the more comprehensive is IDB Invest's "DELTA" system, which scores each potential project from zero to ten, reflecting its estimated economic and social rate of return, risk and sustainability assessments, and an assessment of the additionality that IDB Invest brings to the project. While impossible to demonstrate, the analysis includes a counterfactual approach, comparing with and without project scenarios.

Each project also has a monitoring and evaluation plan that outlines how project indicators will be tracked and measured throughout implementation, and ultimately, evaluated at the end of a project to determine whether objectives were achieved. If possible, indicators are aligned with standardised metrics from the Harmonized Indicators for Private Sector Operations (HIPSO) or the IRIS+ system.

We also researched two new tools: the IFC's Anticipated Impact Measurement and Monitoring (AIMM), and DFC's Impact Quotient (IQ). We then considered the implications of ex-ante tools for transparency.

IFC Anticipated Impact Measurement and Monitoring (AIMM) – AIMM is an ex-ante impact measurement and monitoring tool that was launched in 2018 and remains under development. The tool focuses on two sets of outcomes:

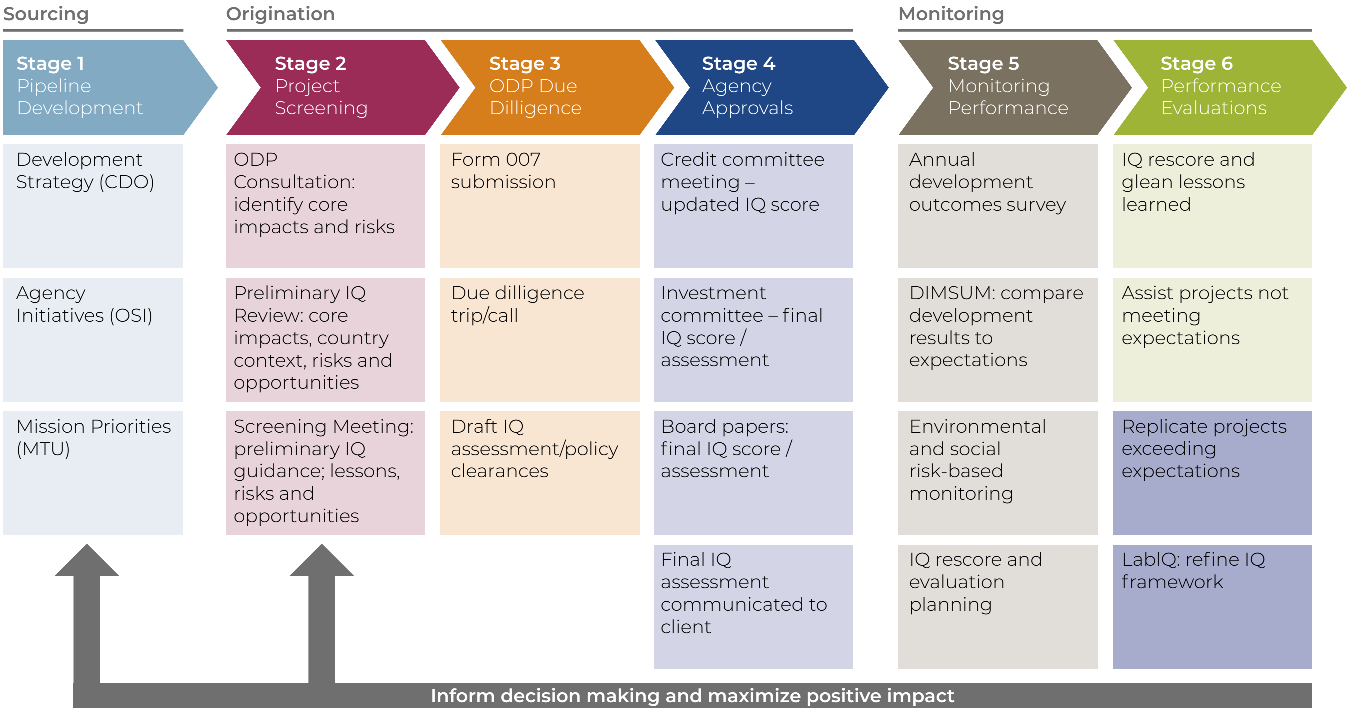
- Project outcomes – stakeholder effects, economy wide effects, and environmental and social effects. Project outcomes are measured in terms of the size of the gap (development challenge) that exists, and the ability of the intervention to address the gap.
- Market outcomes – competitiveness, resilience, integration, inclusiveness, and sustainability.

Project scoring is calculated as follows:

Potential Scores		Likelihood Factor		AIMM Score Ratings	
Very Strong	75	High	0.90	Excellent	86–100
Strong	40	Medium	0.75	Good	51–85
Moderate	20	Low	0.60	Satisfactory	31–50
Minimal	0			Low	0–30

·The final score is the sum of the project outcome and market impact scores that are individually rounded to the nearest multiple of 5.

DFC Impact Quotient (IQ) – IQ has been developed under DFC, the successor to the Overseas Private Investment Corporation (OPIC). The IQ system is designed to predict investment impacts and to track them throughout the project cycle:[25]



Under this system, DFC evaluates investments according to three main indicators: growth, inclusion, and innovation. Projects are scored on a scale of 0 to 150, with the categorisation of projects in three bands; highly developmental (112.5 and over), developmental (37.5 to 112), and indeterminate (below 37.5).

The IQ system is still under development and, as such, it is difficult to assess what contribution it will make to the transparency of impact measurement. To date, DFC has disclosed one document that explains the IQ system[26] and a second document that outlines some of the system's key metrics, including their alignment to HIPSO and IRIS+.[27] These documents mark a first step in developing a transparent explanation of the process around the IQ system which could lead to further improvements.

25 https://www.dfc.gov/sites/default/files/media/documents/DFC-IQ-PerformanceMeasurement_072020.pdf
26 https://www.dfc.gov/sites/default/files/media/documents/DFC-IQ-PerformanceMeasurement_072020.pdf
27 https://www.dfc.gov/sites/default/files/media/documents/DFC-IQ-Metrics_062020.pdf

TABLE 6: Ex-ante impact prediction tools

DFI	Ex-Ante Tool	Key indicators	Published methodology	Published score
Bilaterals				
CDC	Development Impact Grid	Propensity of sector to generate employment, Investment difficulty of country or state	Yes	Yes
FMO	Impact Model	Job Supported, Value Added, GHG Emissions, GHG Avoidance	Yes	No
DEG	Development Effectiveness Rating (DERa)	Decent Jobs, Local Income, Market and Sector Development, Environment Stewardship, Community Benefits	Yes	No
PROPARCO	Corporate Policy Project Rating (GPR)	Undisclosed	No	No
DFC	Impact Quotient (IQ)	Growth, Inclusion, Innovation	Yes	No
Multilaterals – Public				
IADB - Public	DEM	Country alignment, development effectiveness, cost benefit, risk management	No	No
EBRD - Public	TOMS/TIMS	Undisclosed	No	Yes
Multilaterals – Private				
IFC - Private	AIMM	Project Outcomes, Market Outcomes	Yes	No
IDB Invest	DELTA	Alignment with IDB Group's Priorities, Potential Economic Returns, Production of Social Benefits, Extent to which Success can be Evaluated	Yes	No
EBRD - Private	TOMS/TIMS	Undisclosed	No	Yes

Many of these ex-ante impact prediction tools generate some form of comprehensive project score. These scores are produced prior to the approval of projects and may be updated on the basis of project monitoring during project implementation according to development indicators. Unfortunately, these scores are rarely released publicly.

Two notable exceptions to the lack of disclosure of ex-ante scores are EBRD, which lists the Expected Transition Impact (ETI) for each of its investments, and CDC which has recently begun to disclose the Development Impact Grid score for individual investments.[28] In both cases this marks a greater degree of transparency than is seen from other DFIs.

There is some debate regarding the value of disclosing the project scores of ex-ante tools. On the one hand, disclosed scores (when accompanied by a detailed explanation of the tool's processes) offer a level of justification for the investment choices made by DFIs and ideally screen out projects that are likely to have a limited development impact. They also enable useful comparators at project completion.

28 CDC's disclosure of project level Development Impact Grid scores is part of their disclosure of "Impact Dashboards" that represent a more thorough ex-ante impact thesis. More details can be found at: https://assets.cdcgroup.com/wp-content/uploads/2020/07/16131602/ImpactFrameworkExplanatorySheet_v2.pdf

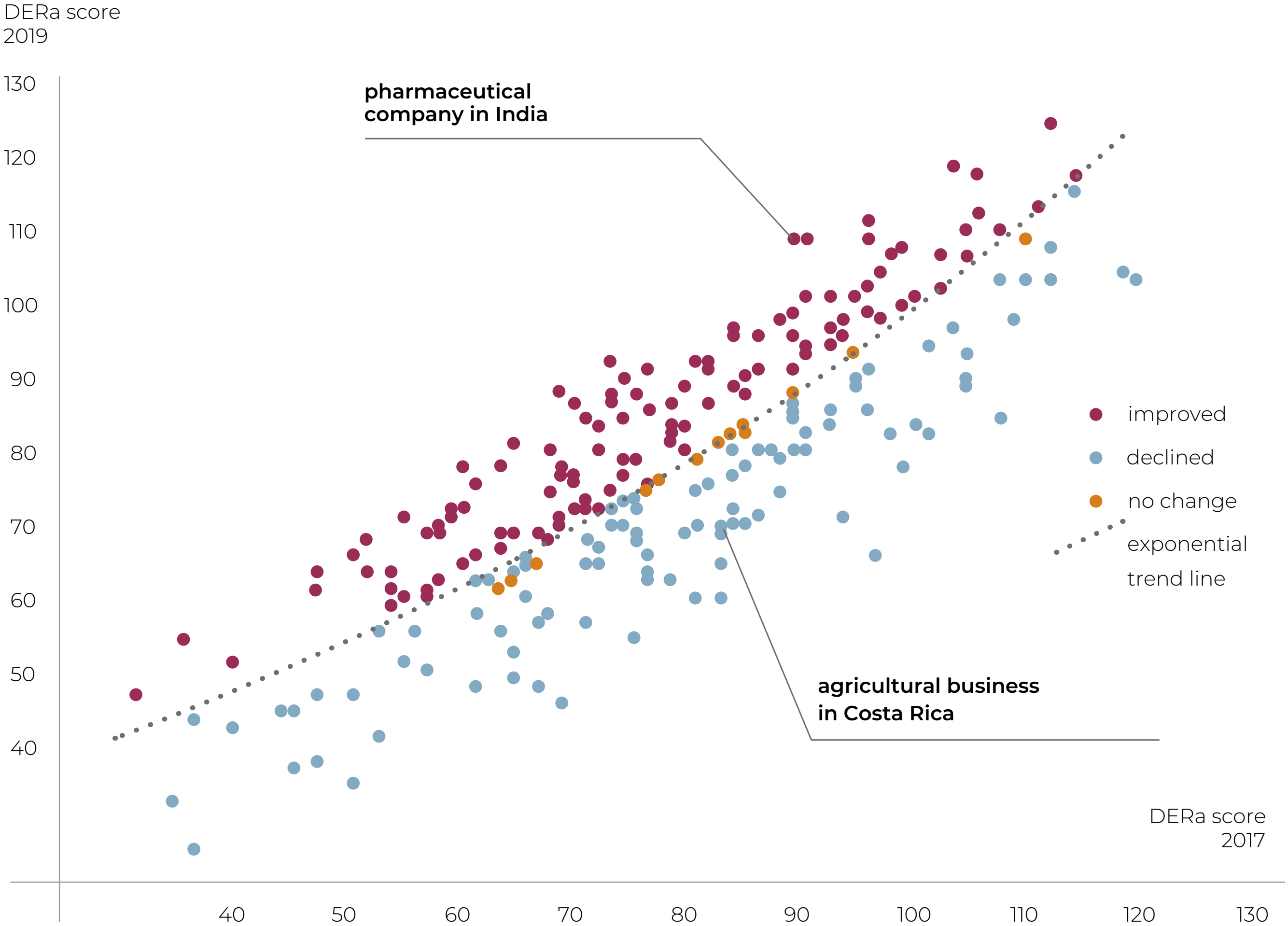
On the other hand, disclosing these scores can be interpreted as providing an institutional assessment of potential clients which may in turn have commercially sensitive implications (e.g., manipulating market valuations). Furthermore, there are questions regarding the intrinsic value of a single metric in accurately predicting the expected development impact for stakeholders. Finally, some believe there is the potential that publication could encourage biases towards higher scores.

There are alternatives to project level disclosure of scores. Some DFIs, like CDC, disclose aggregated scores (weighted by value of investments) at a portfolio level. CDC also publishes annual Development Impact Grid scores that are independently verified.

Private sector DFIs could publish data that indicates the extent to which project results verify initial ex-ante impact predictions, ideally verified by an independent third party. If DFIs were able to indicate a high degree of accuracy in ex-ante projections it would contribute to a greater degree of confidence in their systems.

One innovative approach that could indicate a path forward has been pioneered by Germany's DEG. DEG publish anonymised DERa (Development Effectiveness Rating) scores for their investments on an annual basis. These scores are displayed on a graph that identifies whether the investment scores increase or decline each year. There is arguably value in this; although it does not identify individual scores, it demonstrates that DEG is monitoring development impact on an ongoing basis.

Around 60% of DEG customers improved their development impact during 2017 and 2019



DEG customers from the project finance, financial institutions and corporates customer clusters; funds only recorded since 2018. Customers with a particularly high deviation (more than 20 points) were not included, as this may be due to data quality aspects

STANDARDISATION, HARMONISATION AND ALIGNMENT

Standardisation and harmonisation of impact measurement represent an important development both for the measurement processes themselves and for the prospects of effective transparency as this would enable stakeholders to compare DFI performance.

This section reviews some of the important developments in standardisation and harmonisation within the impact investing sector. Table 7 at the end of the section shows the alignment of DFIs to the standards discussed. It has been compiled from the websites of the various standards or the organisations that maintain them.

HARMONISED INDICATORS FOR PRIVATE SECTOR OPERATIONS (HIPSO)

HIPSO began in 2008 as an initiative by a group of DFIs to create a set of harmonised indicators that could be used by clients to reduce the reporting burden associated with impact measurement. This is of particular importance when numerous DFIs invest in the same project as it allows the client to report to a single set of metrics to each client. HIPSO consists of 38 indicators across 15 sectors and industries. There are 27 DFI partners within HIPSO, although the indicators are freely available for any organisation to use. Of these, 15 are included in our landscape analysis.

MDBS' HARMONIZED FRAMEWORK FOR ADDITIONALITY IN PRIVATE SECTOR OPERATIONS (FRAMEWORK FOR ADDITIONALITY)

The Framework for Additionality was developed to formulate a common approach to the governance and operationalisation of additionality for non-sovereign operations.[29] The Framework for Additionality is formed under the principle that "interventions by multilateral development banks (MDBs) to support private sector operations should make a contribution beyond what is available in the market and should not crowd out the private sector".[30] The Framework for Additionality offers an expanded definition of additionality, outlines of evidence for financial and non-financial additionality, and a set of seven guidelines for MDBs to follow:

1. All private sector projects are required to demonstrate additionality.
2. Additionality is assessed at the project level or at the program level across a set of transactions when they have very similar or identical features.
3. Additionality assessments are based on available evidence and knowledge of the market context of the operations at the time of approval. Examples of potential sources of evidence are provided in section 5 of this report.
4. An assessment of additionality is contextualised and may differ by country, sector, market, and/or client type. Within the same country, levels of risk may vary across sector, market, and/or client type.
5. Project teams are responsible for identifying and demonstrating additionality in projects, which is supported or verified through an internal validation process.
6. Management is accountable to shareholders for demonstrating additionality in projects. MDBs report on additionality to their respective Boards at the time of project approval (including delegated authority to Management).
7. As part of their respective mandates, independent evaluation offices provide checks and balances by considering the additionality of MDB operations as part of their ex-post evaluation activities.[31]

29 These could be used for financial and development additionality.
30 https://www.ifc.org/wps/wcm/connect/7d286672-0c03-47f7-ad41-fce55d3ef359/201809_MDBs-Harmonized-Framework-for-Additionality-in-Private-Sector-Operations.pdf?MOD=AJPERES&CVID=mppa97S
31 https://www.ifc.org/wps/wcm/connect/7d286672-0c03-47f7-ad41-fce55d3ef359/201809_MDBs-Harmonized-Framework-for-Additionality-in-Private-Sector-Operations.pdf?MOD=AJPERES&CVID=mppa97S

The Framework for Additionality has eight signatories, all of which are included in this study, as shown in Table 7 below.

THE OPERATING PRINCIPLES FOR IMPACT MANAGEMENT (OPERATING PRINCIPLES)

The Operating Principles are a set of nine principles that were launched in 2019 at the World Bank/IMF Spring Meetings.[32] Led by the IFC, the Operating Principles were designed to foster more effective impact investing. Principle nine addresses transparency:

> *"Publicly disclose alignment with the Principles and provide regular independent verification of the alignment.*
>
> *The Manager shall publicly disclose, on an annual basis, the alignment of its impact management systems with the Principles and, at regular intervals, arrange for independent verification of this alignment. The conclusions of this verification report shall also be publicly disclosed. These disclosures are subject to fiduciary and regulatory concerns."*[33]

The Operating Principles are:

1. Define strategic impact objective(s) consistent with the investment strategy.
2. Manage strategic impact and financial returns at portfolio level.
3. Establish the investor's contribution to the achievement of impact.
4. Assess the expected impact of each investment, based on a systematic approach.
5. Assess, address, monitor, and manage the potential risks of negative effects of each investment.
6. Monitor the progress of each investment in achieving impact against expectations and respond appropriately.
7. Conduct exits, considering the effect on sustained impact.
8. Review, document, and improve decisions and processes based on the achievement of impact and lessons learned.
9. Publicly disclose alignment with the Principles and provide regular independent verification of the extent of alignment.

However, the extent of transparency is limited to statements of adherence to the Operating Principles themselves rather than guiding transparency of impact management, and specifically measurement, more broadly. There are currently 101 signatories of the principles including 11 who are included in this study. All 11 have published their disclosure of adherence to the principles with 8 having also published the required independent verification.

32 https://www.impactprinciples.org/
33 https://www.impactprinciples.org/sites/opim/files/2019-06/Impact%20Investing_Principles_FINAL_4-25-19_footnote%20change_web.pdf

IMPACT MANAGEMENT PROJECT (IMP)

The IMP is a project that was created by Bridges Fund Management, a fund manager that specialises in sustainable and impact investing, to create a forum for discussion on how to best measure and manage impact.[34] The IMP defines impact as "a change in an outcome caused by an organisation. An impact can be positive or negative, intended or unintended".[35] IMP identifies five dimensions of impact – what, who, how much, contribution, and risk – and uses fifteen categories of data within these dimensions. IMP has developed frameworks for how enterprises and investors can manage their impact. While IMP does not disclose membership of the project systematically, three of the DFIs in this study – CDC, FMO, and IFC – are listed as either strategic advisors, part of the structured network, or part of the practitioner community.

OECD IMPACT STANDARDS FOR FINANCING SUSTAINABLE DEVELOPMENT (IS-FSD)

The OECD is in the process of defining a set of standards to improve the articulation and rationale of impact investing with public money. Because they remain under development, discussion of their contents is limited. However, they could ultimately promote improved transparency in the measuring and reporting of development impacts.

GLOBAL IMPACT INVESTING NETWORK IRIS+ (GIIN IRIS+)

The GIIN is a network that aims to reduce barriers to impact investing. One of the central products of GIIN is the IRIS+ system that is designed to "help investors measure, manage, and optimize their impact".[36] The system is based on the IRIS set of metrics and is the leading body of standardised reporting metrics available to the impact investing community.[37] IRIS metrics have over 15,000 registered users. IRIS+ metrics are aligned to the IMP's five dimensions of impact (what, who, how much, contribution, and risk) and over 91% are aligned to the HIPSO indicators.

TABLE 7: Alignment of DFIs to the standards

DFI	HIPSO	Framework for additionality	Operating principles	Impact management project	Global impact investing network
AfDB					
AsDB					
AIIB					
CAF					
CDC					
DEG					
DFC					
EBRD					
EIB					
FMO					
IDB Invest					
ICD					
IFC					
Norfund					
Proparco					
Swedfund					

34 https://impactmanagementproject.com/about/
35 https://impactmanagementproject.com/impact-management/impact-management-norms/
36 https://s3.amazonaws.com/giin-web-assets/iris/assets/files/IRIS_2-Pager.pdf
37 IRIS+ is a system that includes Impact Themes, Impact Strategies, and Strategic Goals in addition to IRIS metrics.

QUESTIONS OF IMPACT ATTRIBUTION

As part of our analysis of aggregated data disclosure we assessed whether or not DFIs attempted to calculate impact attribution (i.e., how much of a project's impact can credited to a DFI). This is especially challenging when a project is funded by multiple partners, which happens sometimes in the case of sovereign loans but is inevitable in the case of non-sovereign operations.

Interviews with workstream participants revealed that this was also an important issue for project level impact disclosure. Little information was found about how attribution of impact was calculated by DFIs, or if indeed it was at all. Of the DFIs surveyed, FMO states:

> *"Due to the fact that FMO wants to steer on impact & footprint, to be able to report credibly over the achievements of its own financing, and to prevent adverse incentives, FMO applies attribution rules for its reported impact. Via these attribution rules, expected impact on client level is linked to FMO-financing. The FMO Impact Model which is used for the calculation of the effects, takes into account the amount of euro's FMO has invested, and the third party amounts actively catalyzed by FMO ('catalyzed funds'). Underlying idea here is that without FMO the third party would not have invested in the project. Furthermore, to take into account the higher impact of equity products (due to its higher leverage effects on client level), the model uses a multiplier of 2 for equity products."*[38]

Although not surveyed for the landscape analysis, Finnfund also addressed attribution:

> *"The development results are collected as a whole from each company. The results have not been attributed or separated according to Finnfund's share of the funding, as an internationally reliable method which could take into account the characteristics of different financing instruments, has not yet been developed. In development funding, it is typical that in addition to the investment amount, the impact depends on the characteristics of the financial instrument (e.g. loan, equity investment, mezzanine financing, securities), the risk level of the project, degree of involvement of the investor, and the ability to influence, for example, catalysing external funding, reducing risks or developing responsibility.*
>
> *An exception to this is the measurement of climate effects, where the results are directly attributed according to Finnfund's share of the funding. Finnfund, however, actively follows the discussion on attribution and the development of methods and is engaging in cooperation with other European development finance institutions."*[39]

The lack of a harmonised and broadly used methodology for calculating attribution is one challenge to better understanding the development impact that DFIs have for non-sovereign operations. Unfortunately, in instances where there are multiple financial partners and co-mingling of funds, attribution is impossible unless the DFI's participation is conditioned on specific indicators (e.g., ESG factors).

For non-sovereign loans, a particular challenge is budget support lending, where it often very difficult to discern if the financing was actually needed to ensure a policy change.

38 https://www.fmo.nl/l/library/download/urn:uuid:d85800f8-607a-4118-bb7a-059392b8c869/fmo+impact+model+%26+methodology.pdf
39 https://www.finnfund.fi/en/impact/development-impact/development-impact-assessment/

Conclusion: In Search of a Convincing Development Narrative

This research has primarily focused on the transparency of DFI impact and additionality measurement processes and data. We have found that many DFIs take seriously the question of impact assessment and measurement and that public sector focused DFIs (e.g., multilateral development banks) pioneered the use of results management frameworks to help focus on additionality. Many of them provide corporate level "score cards" summarising impact.

We also found that a few private sector oriented DFIs have or are adopting impact measurement tools to inform project selection and evaluation, but unfortunately provide little, if any, information at the project level. We believe this represents a significant gap in transparency.

A positive finding is that nearly all DFIs produce high-level aggregated data annually by sector and/or country, but the quality of such data is mixed. There are some examples of good reporting, such as the disaggregation of data according to gender or sector and the use of multi-year reporting, but these examples were a small majority of overall aggregate reporting. Moreover, there is very little information about how underlying indicators are calculated (e.g., indirect jobs).

Our research showed that almost all DFIs publish case studies that highlight development impacts of selected investments on DFI websites, in annual reports, and in dedicated results or impact publications. However, while these often present a deeper impact narrative than would be found in simple data publication, there are significant limitations in the approach. For example, it is difficult to tell to what extent such stories are representative absent more data on project completion findings.

We observed that the question of attribution of results is complicated, especially for non-sovereign operations. In these instances, the DFI is inevitably a catalyst or co-financier, presenting significant attribution challenges, especially when multiple parties are involved.

Finally, there does appear to be a widespread use of independent evaluations, though not necessarily at the project level. For the major multilateral banks, independent evaluation offices do typically verify project result ratings.

There are multiple opportunities for DFIs to improve transparency, especially for private sector DFIs. The absence of project level data is a particular concern, as it is impossible for stakeholders to assess performance at this level and determine whether these investments are a good use of public sector funding. It is also an obstacle to the learning and knowledge agenda.

As a first step, the release of ex-ante development impact scores, with a contextual narrative, should become standard and not be an especially heavy lift relative to other recommendations. More challenging, but critical, is to address the issue of commercial confidentiality, which was widely cited during interviews as the major reason why disclosure of impacts for non-sovereign operations is done at an aggregated level as opposed to at project level. In fact, we learned that non-disclosure agreements with DFI clients commonly stipulate that impact data reported by clients will only be disclosed at an aggregated level.

The development of criteria for confidentiality could allow for significantly increased transparency for these operations. The recently released evaluation of the IFC's Compliance Omsbudsman Office (CAO) makes such a recommendation.[40] If acted upon, this could help clarify (and hopefully narrow) if and when client confidentiality is applicable. We recognize that this may require a broad reconsideration of DFI agreements with clients but in our view that status quo poses an untenable barrier to transparency and accountability. One possible solution that warrants further research is whether clients would agree to disclose project level information at an agreed point after the exit or close of an investment.

Additional categories of aggregated data for private sector operations could also significantly inform the question of their effectiveness. This could include a gendered analysis of the jobs created or an analysis of the quality of the jobs created in line with sectoral, international and country-level standards and definitions. While improved data reporting would possibly involve more onerous reporting on the part of client companies, the opportunities for greater understanding of impacts would justify this. We recognise that additional data generation will require that more resources be allocated for this purpose and believe that to be appropriate.

The MDBs that manage both sovereign and non-sovereign operations should also break out their aggregated impact indicators on this basis. It would be valuable to be able to assess how private investments compare to public ones within the same sector and country.

In addition, more information about the underlying methodology on how development indicators are calculated should be provided, as there is no clear rationale for why this is not made available.

In sum, a combination of expanded universal project level data, improved aggregate data, and systematic portfolio reviews and evaluations are essential for DFIs to adequately demonstrate their development impact. Advancing this agenda requires innovative thinking and new practices, such as the revision and expansion of contractual agreements with clients. However, in a context of increasing amounts of public money being channelled through DFIs and escalating demand for these resources in the context of the global financial slowdown, it is more critical than ever that shareholders are able to assess value for money.

40 http://pubdocs.worldbank.org/en/578881597160949764/External-Review-of-IFC-MIGA-ES-Accountability-disclosure.pdf