

ADB WORKING GROUP ON MANAGING FOR DEVELOPMENT RESULTS

1. The findings of the 2003 working group were presented in a report to the Asian Development Fund IX donors' meeting in December 2003. Key aspects of this report are summarized below.

2. Tasks of the MfDR Working group

- (i) review where Asian Development Bank (ADB) stands in its results agenda;
- (ii) determine the lessons that can be learned from the experience of other public organizations in implementing a managing-for-results process;
- (iii) garner the views of the Board of Directors, Management, and Senior Staff; and
- (iv) assess the progress achieved by various initiatives that have been pursued in ADB, what remains to be done, and how this might be achieved in terms of a time-bound action plan.

3. Implementation of the results agenda

- (i) ADB's top management team has made a commitment to a results-based management process, as articulated at the highest level planning documents of the Bank; and
- (ii) specific initiatives launched in recent years—at project, sector, and country levels—provide the platform for translating this into a coherent and systematic business process.

4. Three strategies for the results agenda

- (i) assisting ADB's developing member countries (DMCs) in adopting and implementing development management techniques to demonstrate achievement of development results;
- (ii) advancing the process for ADB to operate more comprehensively and systematically as a results-based organization; and
- (iii) participating effectively in partnerships with ADB's stakeholders and other development agencies to contribute to the achievement of the global and regional results agenda.

5. Findings of the MfDR Working Group—Action Plan

- (i) aligning ADB's results agenda with the national strategies of DMCs;
- (ii) establishing a set of outcome indicators for DMCs that take into account the Millennium Development Goal (MDG) indicators, indicators in the national strategy for poverty reduction (or equivalent), and indicators relevant to ADB's mandate;
- (iii) helping to develop or improve DMC capacity to adopt management-for-results processes;
- (iv) preparing and monitoring ADB country strategies and programs (CSPs) that are results-based;
- (v) applying a results-based management process to ADB's economic and sector work;

- (vi) harmonizing ADB's results agenda with that of other multilateral development banks and donors, and sharing lessons; creating a corporate environment and system for ADB-wide implementation of the results agenda; and
- (vii) ensuring staff awareness and 'buy-in' of the corporate results agenda.

6. Lessons of Experience in Managing for Results

- **Each organization must adopt its own customized system.** Though it may be tempting to simply adopt a management system deemed successful in another organization, this practice has not been proven to be very effective. The system should be developed according to the needs of the user. No single system will be appropriate for every organization.
- **Developing a performance management culture is crucial.** Successful implementation is dependent on the ability to create a management culture that is focused on results. It requires more than the adoption of new administrative and operational systems.
- **Senior level leadership and involvement is essential.** There is evidence to suggest that senior level leadership is necessary for successful implementation. Without the support of senior management, there is no impetus for change.
- **Full participation by staff fosters support for implementation.** Successful implementation is often attributed to full participation of staff at all levels. In addition to staff, it is beneficial to include other stakeholders in the process especially when identifying expected outcomes.
- **Training and education are key ingredients for success.** A major hurdle in implementation is a relative lack of experience and expertise. Successful implementation is dependent on managers and staff having the necessary knowledge, skills and abilities to develop and use the performance measurement system.
- **The approach should be simple and user-friendly.** Practical reference tools and training are probably the most important ingredients for developing ownership of the system. It is important not to underestimate time for training and support.
- **Risk of distortions in behavior.** These could be in the form of resistance to a results framework, dishonest reporting, or a focus on tasks that are easy to measure or achieve, rather than on more important tasks. To avoid possible distortions, incentive systems should be revised in order to give proper weight to results, taking into account the need to align staff incentives with corporate priorities.
- **Design and implementation of an effective system to manage for results takes time and resources.** Particularly since the change needs to be driven internally by those who will use the information on performance results.
- **Adopting too many indicators.** In an effort to cover all information needs, a system could become too complex. It is important to select the few vital indicators that test progress on strategic outcomes—not individual activities.
- **Avoid attribution.** At the aggregate level (outcome and impact levels) it is difficult, if not impossible, to attribute changes and results to certain projects and programs. Shared vision, joint accountability, and collective use of indicators and data help avoid these pitfalls. Managing for results is a tool for dialogue, partnership, and participation.