

Managing for Development Results in ADB

- Development results are sustained improvements in the lives of people in **developing countries**. **Managing for development results** is the process of change that an organization adopts to align its values, culture, policies, strategies, and practices behind sets of well designed and defined results that describe **performance**. It leans on tools that improve decision making for **strategic planning**, **risk management**, progress reporting, and outcome **evaluation**.
- In 2004, ADB committed to manage for development results. Do **ADB staff** think that ADB's internal enabling environment is consistent with the known requirements for successfully managing for development results? If not, how can the environment be strengthened? Is ADB making satisfactory progress?

Background

In 2004, the Asian Development Bank (ADB) adopted a **reform agenda** to raise its performance as a partner of its **developing member countries** and as a **multilateral development bank**. The move was influenced by the enhanced **Poverty Reduction Strategy** of ADB, finalized that year; ADB's **Long-Term Strategic Framework, 2001–2015**; and the agreement reached in 2002 at the **International Roundtable on Better Measuring, Monitoring, and Managing for Development Results** that multilateral development banks must progressively introduce results-orientated initiatives to improve their **development effectiveness**. In line with the approach taken by many other development organizations, ADB has set the foundations of managing for development results (MfDR) on three pillars: (i) **country capacity**, (ii) **ADB's results orientation**, and (iii) **effective partnerships**.

In 2007, the Operations Evaluation Department of ADB conducted a **Special Evaluation Study on Managing for Development Results in the Asian Development Bank: A Preliminary Assessment**.¹ The study, which focused on ADB's results orientation, aimed to evaluate ADB's general progress in 2007, before going on to assess ADB's operational implementation of MfDR and related outcomes in 2009.

It aimed also to complement the progress reports prepared by the Results Management Unit in the **Strategy and Policy Department** by taking a "big picture" view of the initiative and by providing timely guidance to **ADB's Management** and the **Development Effectiveness Committee** of the **Board of Directors**. The study's methodology included survey responses from 958 staff (41% response rate), 11 focus groups with about 150 participants, one-on-one interviews with some 50 staff including vice-presidents and directors general, consultations with six development organizations, and a review of various documents.

Summary of Findings

ADB's Compliance with the Known Requirements for MfDR. Investigations focused on (i) senior leadership support, (ii) staff skills and training, (iii) organizational culture, (iv) management practices and incentives, (v) capacity and resources, (vi) managing the change, and (vii) business systems and processes. A salient finding was that staff view the role of senior management as a key enabler. At the same time, they believed that senior management's support has not always been translated into practice, visibly sustained, or may have become diluted during the implementation process. Elsewhere, staff opined that ADB's culture still emphasizes achieving loan approvals, disbursements,

and lending targets as opposed to focusing more actively on development results. Also, staff identified management practices and incentives as an area in which improvements continue to be needed. In addition, they stressed the need to continue refining ADB's business systems and processes and ensure that outdated or outmoded processes are removed as they are superseded. The study revealed that many staff are uncertain about the nature of ADB's wider results agenda and how MfDR interfaces with their work at the operational level: they sought greater guidance as to what MfDR is, and how it relates to their duties. On the positive side, the study suggested that most staff believe they have a clear understanding of the results they need to achieve, and that they have the knowledge and skills to be results oriented.

Assessment of ADB's Progress in Adopting MfDR.

Investigations researched (i) staff perceptions of progress, (ii) self-assessments by ADB, (iii) the independent assessment by **Universalialia** in 2005, (iv) the quality-at-entry of projects, (v) the five stages of managing for results, and (vi) the experience of six other development organizations. The study judged that ADB's progress and challenges have been generally comparable to those of other multilateral development banks: this is confirmed by the performance data presented in the 2005 and 2006 **COMPAS** reports, documents on MfDR obtained from multilateral development banks, and consultations with the six development organizations. (The study also assessed the experiences of these in MfDR.) ADB is in the early stages of transition along the continuum of awareness, exploration, transition, full implementation, and continuous learning, and has not yet reached that of full implementation. ADB has modified policies and introduced tools to support MfDR, developed new training courses, and undertaken preliminary work to support the development of a new corporate management information system. However, given that managerial decisions within ADB are not routinely informed by relevant outcome data, it has not yet achieved the full implementation of MfDR. ADB's progress reports to the Development Effectiveness Committee show that ADB is undertaking a number of actions to strengthen its capacity to manage for development results through (i) results-based country partnership strategies; (ii) results-based approaches at the project level; (iii) improvement of results monitoring and reporting in operations; and (iv) learning and development programs, practice notes,

guidelines, as well as other publications on MfDR. Since 2000, there has been much improvement in the quality of **design and monitoring frameworks** prepared for project and program loans and for advisory and regional technical assistance (even if the quality of the frameworks for the former is considerably better than those prepared for the latter). But staff are divided in their assessment of ADB's progress and the state of affairs has not improved since the survey by Universalialia: this raises questions about the level of staff awareness and ownership of the agenda, and therefore how staff can engage more effectively.

Recommendations

The study offered to ADB's Management and the Development Effectiveness Committee three scenarios and a recommendation for advancing MfDR. The first scenario, "Maintain Current Level of Effort," would be appropriate if it were considered that ADB's implementation of MfDR is progressing satisfactorily and that it can move from the transition stage to the full implementation stage without incremental effort. The second, "Modest Increase in Effort," would be an appropriate choice if ADB's Management was of the view that **ADB's Revised Action Plan for MfDR**, dated 2006, is basically sound but that additional effort is required to facilitate the full implementation of MfDR. The third, "Significant Increase in Effort," would be an appropriate response if ADB's Management considered that ADB's implementation of MfDR required considerably more emphasis on changing established practice in order to achieve full implementation in a shorter time. The study recommended that:

- ADB should pursue a course of action similar to that described under Scenario 3, "Significantly Increased Effort."

Feedback

When these *Learning Curves* were prepared, **ADB Management's Response** and the **Chair's Summary of the Development Effectiveness Committee Discussions** were not available for disclosure to the public. The study was completed in December 2007.

¹ ADB. 2007. *Special Evaluation Study on Managing for Development Results in the Asian Development Bank: A Preliminary Assessment*. Manila. Available: <http://www.adb.org/Documents/SES/REG/SST-REG-2007-32/SST-REG-2007-32.pdf>