

MANAGEMENT RESPONSE TO THE SPECIAL EVALUATION STUDY ON MANAGING FOR DEVELOPMENT RESULTS IN THE ASIAN DEVELOPMENT BANK: A PRELIMINARY ASSESSMENT

On 12 February 2008, the Officer-in-Charge, Operations Evaluation Department, received the following response from the Managing Director General on behalf of Management:

I. General Comments

1. We welcome the Special Evaluation Study (SES) on Managing for Development Results (MfDR) in the Asian Development Bank: A Preliminary Assessment. As the MfDR agenda in ADB is a relatively new initiative, it is important that we regularly assess our progress, identify lessons, and develop that agenda further; and this SES will help us to do that.

2. We appreciate that OED has completed this SES now, as we are in the final year of the current MfDR Action Plan. The SES contains much valuable information, built largely on staff perceptions of MfDR in ADB, including data from the wide-ranging staff survey that informs much of the SES.¹ As we continue to implement the MfDR Action Plan, we will work with responsible departments and offices in ADB, particularly the Strategy and Policy Department, to address these perceptions.

3. We also note that this is a preliminary assessment that covers just one of the three pillars of our MfDR Action Plan (2006-2008), namely Pillar 2: ADB's institutional effectiveness and a full evaluation of MfDR by OED will follow in 2009.

II. Comments on the Findings

4. We agree with many of the findings and conclusions reached in the SES. For the most part, the SES findings are generally consistent with our own internal assessment of progress under the MfDR Action Plan, particularly as contained in the last Progress Report on MfDR in ADB, discussed by the Development Effectiveness Committee (DEC) on 13 December 2007.²

5. We broadly agree with the SES findings that (i) ADB's progress in MfDR is comparable to the progress made by other MDBs; (ii) ADB is still in the process of mainstreaming MfDR, a process the SES identifies as "a state of transition"; and (iii) ADB has made progress under Pillar 2 of the MfDR Action Plan to strengthen our own internal capacity to manage for development outcomes.

6. We also agree with the SES observation that we need to address the challenges to mainstream MfDR in ADB: (i) the role of senior management is a

¹ There is much useful information on staff perceptions that should be taken into account as we mainstream Managing for Development Results further in the Bank; however, we continue to have reservations about basing an evaluation so heavily on the findings of a staff survey.

² ADB. 2007. *Managing for Development Results in ADB: Semi-Annual Progress Report to DEC*. Manila.

key enabler for achieving success in managing for results, (ii) the quality of our key MfDR instruments must continue to improve, (iii) decision-making at all levels in ADB must be increasingly informed to a much greater extent by outcome data, and (iv) the use of results by senior management as well as staff incentives and active management of the change process are the key building blocks for further progressing ADB's MfDR agenda.

7. We are aware of the challenges. On 13 December 2007, we discussed with the DEC the need to continue our actions to mainstream MfDR in ADB, including (i) scaling up our advice to developing member countries to improve MfDR capacity, (ii) help to mobilize long-term funding for statistical capacity building, (iii) standardize MfDR procedures in ADB, (iv) improve development effectiveness reporting through a consolidated system, (v) introduce applied learning programs for staff on MfDR, (vi) undertake an executive program on MfDR for senior staff, and (vii) improve the quality of MfDR tools used for country partnership strategy instruments.³

8. It is also important to note that ADB is currently completing the review of the Long-Term Strategic Framework (LTSF) and, in a related step, we are also working towards the consolidation of a number of development effectiveness reports into a single "Development Effectiveness Review", which will include identification and aggregation of ADB outputs at the sector and country levels. MfDR will be a key element of these initiatives.

III. Comments on the Recommendation

The SES sets out three potential scenarios for advancing MfDR in ADB and recommends that ADB pursues a course of action similar to described under Scenario 3: "Significantly Increasing Effort". We note that the LTSF is currently being revised; the MfDR Action Plan (2006-2008) will be reviewed by end of this year; and OED will conduct a full evaluation of MfDR next year. Therefore, under these circumstances, we consider that Scenario 2: "Modestly Increasing Effort", offers the most appropriate course of action at this time. We agree with the SES observation that this Scenario 2 is a pragmatic response within ADB's administrative capacity and resource constraints. Moreover, we also note that there are a number of actions under the recommended Scenario 3 that we will pursue, even during the remainder of the current MfDR Action Plan this year.

³ ADB. 2007. *Managing for Development Results in ADB: Semi-Annual Progress Report to DEC*. Manila. pp. 7-11.