

RESULTS

IDEAS AND EXPERIENCES ON MANAGING FOR DEVELOPMENT RESULTS

MATTER

ADB

June 2007

Progress Report on MFDR in ADB

By Bruce Purdue, Head, SPRU

Since adopting the Revised Action Plan on Managing for Development Results (MfDR) in August 2006, the Asian Development Bank (ADB) has continued to take action under each of the three pillars of the MfDR agenda. Departments and offices are clearly assuming greater ownership in mainstreaming MfDR. Some highlights under each pillar of the MfDR agenda are set out below.

Pillar 1: Support the Capacity of Developing Member Countries (DMCs) to Manage for Development Results

- All regional departments are pursuing country-level dialogue on MfDR, often through the programming process or as part of portfolio reviews, and using new instruments to do so. These include country partnership strategies (CPSs) and pilot CPS completion reports, as well as via country portfolio review missions (CPRMs).
- The Economics and Research Department continues to pursue statistical capacity building focusing on DMCs in greatest need, through a technical working group, a desk study, and a concept paper for a fund for Asia-Pacific Statistical Capacity Building, which aims to provide grants to improve statistical systems.
- The ADB-sponsored Community of Practice on MfDR (<http://cop-mfdr.adb.org>) has clearly emerged as a most important and innovative initiative in helping build sustainable MfDR capacity in participating DMCs.
- The Central Operations Services Office (COSO) continues to pursue an ambitious program to help train staff at executing agencies and resident missions, including facilitators, in improved results techniques at the project level.
- ADB co-sponsored a results-based monitoring and



President Kuroda with developing member country representatives during the Third Round Table on MFDR in Ha Noi, February 2007

evaluation training program at the Asian Pacific Development and Finance Center in Shanghai. Staff from the Operations Evaluation Department and the Results Management Unit (SPRU) presented ADB's experiences in MfDR and evaluation to 75 practitioners from the People's Republic of China and Philippines.

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MfDR Innovations in Regional Departments

- The Pacific Regional Department has established an MfDR task team, uses conceptual design meetings to help results focus, and has developed four performance management tools in support of management information systems to track ongoing operations and budget.
- The Southeast Asia Department employs interesting results-based techniques in regional planning: the Greater Mekong Subregion: Regional Cooperation Strategy and Program Update 2007–2009 includes an updated results framework that contributed to strengthening of the synergy between CPSs and the GMS program.
- The Central and West Asia Regional Department is developing mechanisms to ensure high-quality country partnership strategies, as MfDR has become a key focus of CWRD operations in 2007.
- The South Asia Regional Department has developed sector results profiles for all sectors in its operations in developing member countries to enhance measurement, monitoring, and reporting on results at the sectoral level. It will also introduce an annual report on achievements in terms of development results.
- The East Asia Regional Department is currently in discussions with the China National Audit Office regarding performance audits to assess the economy, efficiency, and effectiveness of government-sponsored projects and institutions. Results and findings will be compared with targets and benchmarks as identified in the 11th Five-Year Plan, as well as with the specific mission, vision, values, or goals of project sponsors.



President Kuroda chats with members of the Community of Practice on MfDR at the Third Roundtable on MfDR in Ha Noi

Progress Report on MfDR in ADB

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Pillar 2: Enhance ADB's Results Orientation

- All CPSs are results based. The CPS business processes had been completed and revised guidelines were issued in February 2007.
- New CPS completion reports have been designed and are now being pilot-tested to coincide with the conclusion of ADB's first generation of results-based country strategies and programs.
- SPRU is working with regional departments and COSO to focus on the linkages between the findings in CPRMs and the next CPS.
- In most cases, regional departments are adopting improved project filters, encouraging staff training in MfDR, using management information systems to better capture inputs and outputs, employing their action plans for improving the use and quality of design and monitoring frameworks, and considering MfDR issues at departmental retreats.
- Innovations in individual regional departments also demonstrate mainstreaming efforts. *(Please see the box at the left for more information.)*
- Human Resources and SPRU have invested considerable effort into the design and implementation of an MfDR learning and development curriculum, which targets all ADB staff.
- An increased results orientation—in the form of results matrices, use of indicators, reporting on progress, and so on—is emerging in such reports as the Poverty Reduction Strategy Annual Report and the Reform Agenda, as well as in the Work Program and Budget Framework.

Pillar 3: Maintain Effective Results Partnerships

- The Multinational Development Banks' Common Performance Assessment System (COMPAS), which ADB spearheaded and largely developed in 2005–2006, has been acknowledged as an important contribution to assessing the readiness for MfDR of each major multilateral development bank.
- ADB successfully co-sponsored the Third International Roundtable on MfDR, convened in Ha Noi in February 2007.
- ADB shared its experiences on MfDR with Latin American countries in Tokyo in mid-April, and again with the World Bank staff in late April in Thailand. ■

Excerpted from the Third Progress Report to Development Effectiveness Committee of the Board

MfDR Readiness Assessment of Public Sector Organizations in South Asia

By Ziba Farhadian-Lorie, Principal Economist, SARD



Senior government members from South Asian countries at a retreat to review the readiness assessment findings

Managing for development results (MfDR) in the public sector is a change management process involving both individual organizations and units of the public sector.

Introduction of MfDR in 2 Stages

Introducing MfDR into the government of a country therefore requires change at both the institutional and organizational levels. Stage 1 of this process of managed change is the introduction of a results focus into the country planning and budgeting processes, along with various technical devices and processes that can demonstrate that the focus remains on results (e.g., introduction of logframes and indicators at the project and sectoral level; monitoring and reporting processes). Stage 2 cascades the philosophy and practices down to the individual organizations within the government, holding these units responsible for delivering the planned results identified in stage 1.

To date, few developing countries have moved from stage 1 to stage 2. Many are still planning the implementation of stage 1, with stage 2 lying ahead as an unclear gap in the implementation process.

Readiness Assessment Tool

Based on the above, the South Asia Regional Department (SARD) has developed a readiness assessment tool¹ to assess the existing capacity of a public sector

“Readiness assessment will identify the organizational structure, systems and processes, strategy, and policies, and available resources (human and financial) that allow organizations a capacity to deliver their identified results.”

organization and develop an action plan to address identified capacity gaps. In practice, the model was applied in 10 public sector organizations² in Bangladesh, Nepal, Pakistan, and Sri Lanka. Samples of readiness assessments can be found in ADB’s Community of Practice on MfDR website.³

Readiness assessment will identify the organizational structure, systems and processes, strategy and policies, and available resources (human and finan-

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Public Sector Organizations where the Readiness Assessment Model was Applied

Bangladesh

- Local Government Division
- Local Government Engineering Department
- Ministry of Primary and Mass Education
- Directorate of Primary Education

Nepal

- Ministry of Education and Sports
- Ministry of Physical Planning and Works
- Department of Water Supply and Sewerage
- District Development Committee Dhanusha

Pakistan

- Projects Wing of the Planning Commission

Sri Lanka

Late start – selection of pilot organizations under way

¹ See www.adb.org/Documents/Others/RA-Toolkit/Readiness-Assessment-Toolkit-southasia.pdf

² See <http://cop-mfdr.adb.org> and click on the link “MfDR in South Asia” in the home page

³ See <http://cop-mfdr.adb.org>

Addressing the Pacific Region's Special Concerns on the Results-Based CPS Process

By Gil-Hong Kim, Principal Results Management Specialist, SPRU

As part of ADB's learning and development curriculum on Managing for Development Results (MfDR), the Human Resources and the Results Management Unit (SPRU) arranged a workshop for staff of the Pacific Regional Department (PARD) in the field on country partnership strategy (CPS) at the Pacific Liaison and Coordination Office in Sydney on 30 April–1 May 2007, with support of the Regional and Sustainable Development Department.

Workshop Objectives

The workshop aimed to:

- gather PARD staff who prepare and implement CPS to share country experiences;
- discuss ways to prepare the CPS in the Pacific, especially small island countries; and
- develop recommendations on how to apply CPS guidelines and business processes in the Pacific context.

Participants noted that the enhanced CPS business process and new CPS guidelines provide a comprehensive framework to help prepare more results-oriented and focused CPSs.

Special Concerns

However, small Pacific island countries are very different from typical developing member countries, and specific Pacific country context should be fully considered when the CPS guidelines are applied. Their special concerns of small Pacific island countries include the following:

- ADB is relatively a small player in providing grant assistance and thus has difficulties in engaging governments;
- the standard CPS process (including assessment requirement and lengthy review procedures) may not be cost effective for small operations;
- country capacity is very weak, with nations generally classified as weakly performing and fragile states

- coordination with bilateral donors is very difficult since they have their own political agenda; and
- very limited reliable information and assessment sources are available.

Increased Flexibility for Moving Forward

Participants welcomed the flexibility introduced in the enhanced business process and new guidelines. They discussed ways to exploit this flexibility for small Pacific island countries while enhancing the results



ADB staff at a session to discuss important issues in preparing results-based CPS in the Pacific region

“Small Pacific island countries are very different from typical developing member countries, and specific Pacific country context should be fully considered when the CPS guidelines are applied.”

orientation, relevance, and responsiveness of ADB operations.

Discussions also focused on how to conduct ADB's own assessments in a manner that adds most value, how to streamline the CPS process in PARD, how to rationalize the internal review process, and how to effectively manage the harmonization and alignment processes. Participants then developed practical recommendations for moving forward in MfDR. ■

ADB Shares MfDR and Development Effectiveness Experiences with Development Partners

With the World Bank

As ongoing efforts to enhance partnership with the World Bank in sharing knowledge and experience on managing for development results (MfDR), Asian Development Bank staff were invited to participate as resource persons in the World Bank's workshop on improving staff capacity for managing results at the project level on 18–20 April. Presentations on ADB's experience of results-focused project and program design and on linkage among country partnership strategy (CPS), sector, and project level results frameworks were very well received.

It is notable that the World Bank is facing similar challenges in moving toward use of results frameworks for measuring, monitoring, and reporting results. During the workshop, the participants paid special attention to the following areas on MfDR at the project level:

- Identification of specific outcomes and outcome indicators;
- Information collection on results progress (baseline, intermediate targets, and targets) and International Development Association 14 commitment to reporting on sectoral indicators;
- Quality of Implementation Status and Results Report (ISR), equivalent to ADB's project performance report; and
- Use of project results framework in the ISR and Implementation Completion Report process.

World Bank staff appreciated that ADB's involvement in the workshop provided a very useful opportunity for them to learn from ADB's experience. In particular, the World Bank was very much interested in ADB's approach for stakeholder and problem tree analyses and for sector-level results monitoring efforts. They will consider introducing similar approaches in the World Bank appropriately. The World Bank also expressed its strong interest in participating in ADB's forthcoming workshop on sector road maps in July 2007 and in developing a joint training program in late 2007 where World Bank and ADB teams can mutually benefit from each other's experience.

This was an excellent opportunity in relation to both strengthening ADB's Learning and Development Curriculum in MfDR, as well as harmonizing MfDR efforts with other development partners.

—*Gil-Hong Kim, Principal Results Management Specialist, SPRU, and Andrea Iffland, Principal Project Performance Management Specialist* ■

Participants of the World Bank workshop on improving staff capacity for managing results



A session at the IADB workshop on results-oriented public management

With the Inter-American Development Bank

On 16–18 April, Inter-American Development Bank (IADB) organized a workshop to promote exchange of experiences from Asia and Latin America regions on results-oriented public management. About 60 participants from Japan, Korea, Malaysia, Mexico, Mongolia, Peru, Philippines, and Trinidad and Tobago participated in the workshop. Bruce Purdue, Head of the Results Management Unit (SPRU), and SPRU staff gave a presentation on ADB's approach to MfDR, including lessons to be learned by a multilateral development bank pursuing MfDR.

The 3-day discussions were focused on how development partners and individual countries have been implementing MfDR in their public sector management including planning and budgeting, service delivery, human resource management, and monitoring and evaluation. Participants noted that progress in implementing MfDR in developing countries has been significant:

- **Countries have increasingly introduced certain measures to facilitate the link between planning and budgeting.** Examples include: Chile (management control and results-based budget system), Malaysia (results framework in budget), Mexico and Philippines (medium-term expenditure framework), and Peru (budget for results).
- **Countries have strengthened the performance management process to enhance accountability of public institutions.** Examples include: Chile (performance review system), Korea (performance agreement and performance-related payment), Malaysia (key performance indicators linking to payment), Mexico (presidential targets), Philippines (citizen report cards), and Peru (performance agreement).
- **Experiences of other developing countries are becoming important sources for policy makers.** For example, the Philippine government has recently adopted Peru's successful tax reform policy model to address revenue collection problem in Philippines.

Participants emphasized that more efforts should now be made to practice and effectively implement tools and sys-

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ADB Shares Experiences on Development Effectiveness and MfDR

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tems introduced by countries and that “peer-to-peer” learning could help this process. Participants proposed that practitioners further address the following issues in implementing MfDR in the specific-country context:

- political environment and political leadership,
- capacity and culture of public institution,
- proactive role of the private sector in enhancing public efficiency,
- alliance between political leadership and central agency technocrats around “shared vision,”

- weak use of results information in the budget process, and
- link performance to incentives.

In particular, participants underlined that effective development depends on the government’s capacity to manage for results. They suggested assessing the government’s readiness for more advanced reforms and helping the government institutionalize basic practices before more advanced management practices are introduced.

—*Gil-Hong Kim* ■

MfDR Readiness Assessment of Public Sector Organizations in South Asia

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cial) that allow organizations a capacity to deliver their identified results. The identified results (impact, outcome, outputs) of an organization are a function of the role of the organization in the whole of public sector; such results also depend on the role of other stakeholders.

The readiness assessment aims to provide a descriptive and analytical assessment of the level of readiness of a particular organization to improve its results management orientation, and to provide the information necessary to develop a capacity building

plan to strengthen its results management approach. The main purpose of the tool is to address the need for capacity assessment of the main sector agencies in SARD’s core sectors in each developing member country. Action plans can then be developed to address these capacity gaps as part of the results-based CPS. This model is now being considered by an MfDR committee in the Organisation for Economic Cooperation and Development-Development Assistance Committee, which has been charged with developing a good practice model for this purpose. ■

A Sampling of Issues Identified in Readiness Assessments Exercises

External Environment

- Traditional culture in bureaucracy
- Political instability and slow devolution
- Unclear national planning and implementation framework
- Low salary and morale of civil service
- Weak transfer of national systems to organizational level

Clarity of Results

- Broad organizational mandate of ministries
- No organizational results chain
- Lack of clarity in addressing the outcomes of the organization
- Overlapping mandates even within government
- Lack of linkage between sector and organizational results chains

Adequacy of Resources

- Insufficient budget to achieve national targets
- Need for a focused human resource development plan
- Human resource capacity building overlooked
- Inadequate access to modern information technology systems and equipment

Management Infrastructure

- Two levels of policy mismatch: vertical and horizontal
- Donor harmonization generally weak
- Less understanding of working regulatory management frameworks
- Divisions, sections structures require updating
- Lack of adequate performance standards in job descriptions

Values/Culture and Vision/Leadership

- Low morale of the civil service
- Traditional working patterns remain
- Undefined mission and vision

Monitoring and Evaluation

- Weak/no monitoring and evaluation policy for ministry and lower levels
- Erosion of demand for results from lower levels
- Information on non-government organization and private sectors weak
- Weak data supply due to inadequate capacity at lower levels

Results-Based Monitoring and Evaluation Training Program In Shanghai

By Li Guanghui, Advisor, SPRU

On 9–17 April, 75 practitioners on Managing for Development Results (MfDR) from the People's Republic of China (PRC) and the Philippines participated in the first Shanghai International Program for Development Evaluation Training (SHIPDET), which was held at the Asian Pacific Development and Finance Center (AFDC), Shanghai, PRC. The program was jointly sponsored by the China Ministry of Finance, World Bank, Asian Development Bank (ADB), and AFDC. This new program has been proposed to be held twice a year for 3 years, from 2007 to 2009, with the spring program focusing on Chinese participants and the autumn program focusing on international participants from the Asia and Pacific region.

Program Attendees

For this first program, the Chinese participants were from the official development assistance project management divisions of provincial finance bureau, provincial budget monitoring divisions of Ministry of Finance, and central government agencies, including the Ministries of Finance, Health, Forest, Water Resource, and Social Security; the Poverty Reduction Office of the State Council; China Ex-im Bank; and the State Auditor Administration. The Philippine delegates represented the National Economic Development Authority and Department of Budget and Management.

Program Components

The program included:

- a 4-day intensive training on the establishment of results-based monitoring and evaluation (M&E) system;
- a 2-day workshop focused on results-based M&E practice at the national, sectoral, and project levels; and
- a 2-day field trip and video conference on a real case study of results-based evaluation in the Zhejiang Multicities Development Project, supported by the World Bank.

Both ADB and the World Bank contributed a great deal to the training process. From ADB, Bruce Purdue, Head of the Results Management Unit, gave a presentation on the global MfDR agenda, while Keith

Leonard of the Operations Evaluation Department gave three presentations on results-based evaluation approaches and the major findings of ADB TA 4581, Results-Based M&E at the Project Level.

Looking Ahead

One of the key developments of SHIPDET was the establishment of a results-based M&E network in the PRC, spearheaded by the Ministry of Finance. All Chinese participants became its first members.

Bruce Purdue emphasized to the AFDC representatives that ADB would certainly welcome greater collaboration between AFDC and the Community of Practice on MfDR (CoP-MfDR). AFDC has much to offer in terms of support, as well as a superb venue for learning and development. He also emphasized, however, that to maximize the collaboration, AFDC must aspire to become a regional center of excellence in MfDR learning and development—providing a service in the nature of a public good for the region. ■



The program included a 2-day field trip, including this water sanitation facility in Huangzhou



Participants of SHIPDET present a results framework

Online Discussion on Readiness Assessment for Results-Based Monitoring and Evaluation

By Aldalyn Nada-Bere, Results Management Officer, SPRU
and Therese Ng, Consultant, SPRU

The first online discussion of the Community of Practice on Managing for Development Results (CoP-MfDR), focused on Enabling Environment and Readiness Assessment For Results-Based M&E, ran from March to May of this year. The topic is the first part of the 2007 discussion series on “Establishing a Results-Based M&E System in Asia-Pacific.” This umbrella theme was agreed upon by the CoP members who attended the action planning meeting held in late 2006 in Singapore.

Online Participation

Twenty-four CoP members from 9 countries (Bangladesh, People’s Republic of China, Nepal, Pakistan, Philippines, Singapore, Thailand, Viet Nam, and the United States) participated in the 3-month discussion, resulting in over 70 messages on the subject. Majority of the participants were working-level practitioners of M&E in their countries and generously shared country practice, progress, challenges, and opinions.

Ray Rist, results-based M&E expert, led the discussion. Community members were also given access to the e-file of Mr. Rist’s popular book, *Ten Steps to a Results-Based M&E System*.

Discussion Themes

The discussion centered on the following themes:

- Defining results-based monitoring and evaluation (RB-M&E)
- Traditional M&E and RB-M&E
- Incentive and political will for moving toward an RB M&E system
- Enabling environment for RB-M&E
- Process to establish the RB-M&E system in Asia
- Readiness assessment tools and reports
- Good practices in RB-M&E systems

Discussion Highlights

In Viet Nam, we want to build a results-based M&E system to enhance government agencies’ transparency and responsibility. However, we are concerned about our readiness. If compared with the steps and questions you proposed in Chapter 1 of your book, we have just answered some requirements. Should we then apply a results-based M&E system in all ministries, sectors and provincial agencies in parallel with strengthening organizations and government’s capacity and organization reform? Or it will only be an experimental application until the readiness level is maximized, and then we extend to all over the country?

—Nguyen Thi Phu Ha, Viet Nam

I am not suggesting a “whole of government” approach to implementation. Start small, start with your allies who want this change, and build on small successes. There will be some part of the government that will be slow to accept results-based management for political reasons or lack of capacity. So be strategic, pick allies to work with, and go from there. You do not have to wait until all preconditions are met. But you need to meet enough pre-conditions so that you do not fail as soon as you start. The two that you have to have are political will and champions. Without these two, you can go nowhere on a sustainable basis.

—Ray Rist



Community members at one of the CoP’s face-to-face events

For more information or to participate, log on to <http://cop-mfdr.adb.org>

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