

RESULTS MATTER

IDEAS AND EXPERIENCES ON MANAGING FOR DEVELOPMENT RESULTS



May 2005

The Performance and Development Plan

A new performance management tool to promote results-focused behavior

By Sally Pedersen, Human Resource Specialist

The Asian Development Bank is currently undergoing significant organizational change. Since January 2005, all staff members have been involved in the implementation of a new performance management system—the performance and development plan (PDP). The PDP is designed to reinforce meaningful distinctions in performance using an output-focused behavioral competency framework. The PDP has undergone an extensive 2-year design and consultation process, including consultation through focus groups. A 10-person project team that I led worked with all departments, including field offices, to implement the system. The emphasis has been on obtaining full “buy-in” and support from line managers and staff.

The new performance management system is a key component of the Human Resource Strategy, which supports a results-based management approach aimed at enhancing the relevance and effectiveness of ADB as a development institution.

Exit performance evaluation report...Welcome PDP. It is not the first attempt to improve the performance management system in ADB. What is different this time?

The performance of all ADB staff will be measured by the new performance management system. Key features include the following.

- Clearly defined work plans agreed at the start of the year for all employees. The individual



Sally Pedersen conducts a briefing on the PDP

work plans cascade ADB goals to departmental objectives (key result areas and country strategies and programs) and describe expected work outputs and measurements. Initially, senior managers will engage in a business planning process to clarify departmental and divisional objectives and individual work plans. Staff should appreciate and value the clarity and transparency of performance appraisal based on work and behavioral expectation, which is defined and agreed on at the start of the business cycle.

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- Meaningful distinctions in performance based on work results and behavioral assessments. The performance management system is straightforward and reinforces work outputs and results-focused behavior. In short, the PDP allows stronger linkages to be drawn between staff performance and remuneration.
- An output-focused core competency framework applicable to various job levels (see upper box). The competency framework provides the basis for measuring work performance, including a specific item “achieving results.” The output-focused competency framework will play a key role in ADB’s future recruitment, promotion policies, and staff development programs.
- Development of a learning plan for all staff and introduction of clear linkages between career planning, and learning and development. This aspect reflects ADB’s institutional learning and knowledge. The focus on learning and staff development within the PDP are crucial if ADB is to develop the internal capacities needed to deliver results.
- Regular informal and formal feedback from line managers including a coaching program to develop confidence and capability. The PDP process encompasses (i) discussion/agreement with supervisors on the annual workplan (January–March); (ii) discussion/agreement on workplan outputs and measures to assess performance, relevant competencies, and learning plan for the year (March–April); (iii) interim review of performance with supervisor; and (iv) year-end review of performance against expected outputs.

Any change in a management program brings uncertainty and stress to any organization. The introduction of the PDP is no exception.

The Competency Framework

Core Competencies

1. Application of technical knowledge and skills
2. Client orientation
3. Achieving results
4. Working together
5. Learning and knowledge sharing

Managerial Competencies

1. Managing staff
2. Leadership and strategic thinking
3. Inspiring trust and integrity

Competency Steps

1. Step A: Administrative staff
2. Step B: National officers and professional staff at levels 1–3
3. Step C : Professional staff at levels 4–6
4. Step D: Professional staff at levels 7–10

The change management process represents an important learning process. The PDP will be enhanced and improved as ADB experiences and learns from it. With the implementation of the process now two thirds complete, key implementation milestones are being achieved. At the end of March 2005, about 80% of ADB staff have work plans in place, describing outputs over which staff have control and measures or indicators of performance that are specific, achievable, realistic, and time-based. ■

Calendar of In-House Training, May–June 2005

Date	Program	Audience
11–12 May 29–30 June	The Leader as Coach	Directors, Deputies and Department/Office Heads
23 May	New Accountability Mechanism	All staff involved in project processing and administration
2–3 June	Introduction to Critical Path Method for Project Implementation Monitoring and Management	Professional staff in project divisions
9–10 June	Preparation of Results-Based Country Strategy and Programs (CSPs)	Professional staff responsible for CSP formulation
16–17 June 21–22	Project Team Leadership: Module 3 on Facilitation	Professional staff

The Design and Monitoring Framework

An improved results-based framework for preparing and managing projects in ADB

By Andrea Iffland, Principal Project Performance Management Specialist

Inadequate planning and insufficient involvement of stakeholders in project preparations are among the main reasons for project failure.

Development institutions, both bilateral and multilateral, have for many years applied various tools during the design and implementation of projects. Such tools, often taking the form of frameworks or matrices, help structure the project planning process and communicate essential information about the project in an easy-to-read format. Most of these tools build on stakeholders' participation.

The design and monitoring framework (DMF), a key component of ADB's project performance management system (PPMS), is a results-based participatory tool for conceptualizing, designing, implementing, monitoring, and evaluating projects. It incorporates substantial improvements compared to the previous logical or project framework. The DMF is expected to

- provide a consistent structure for all lending and non-lending operations;
- clarify by harmonizing terminology with other aid agencies;
- describe the "results chain" of the project;
- improve formulation of expected development results by identifying performance indicators;
- promote participatory planning by using the DMF as a structured tool for dialogue and consensus building with stakeholders;
- improve quality at entry of projects; and
- provide a basis for project performance

monitoring during implementation and follow-on, from approval to postevaluation.

Design and Monitoring Framework			Reference Vision
Design Summary	Performance Targets	Data Source	Assumptions/Risks
IMPACT			
OUTCOME			
OUTPUTS			
ACTIVITIES	INPUTS		

A major advantage of the DMF is that it summarizes and communicates efficiently the results chain of the project. It answers the question: how does the project achieve results by converting inputs into a defined set of outputs, which are expected to deliver a desired outcome contributing to broader development impact? The DMF outlines major project risks that might prevent achieving desired results and summarizes key underlying assumptions. Most fundamentally, the DMF includes time-bound performance targets that allow projects to be monitored during implementation and evaluated after completion.



Preparing a DMF with stakeholders

A large number of mission leaders have already become familiar with the DMF through training sessions co-organized by the Human Resources Division and the Central Operations Services Office as part of the wider PPMS. Over time, the use of PPMS will increase ADB's institutional knowledge about what works and why, and will contribute to improved results on the ground. ■

Consultations with the World Bank on the MfDR Agenda

By Gil-Hong Kim

Principal Results Management Specialist

In March 2005, staff from the Results Management Unit (SPRU) and the Office of the Managing Director General visited Washington, DC to discuss ADB's implementation of Managing for Development Results (MfDR) and the Reform Agenda with the World Bank (WB) and the Inter-American Development Bank. During the consultations, it became clear that WB's experiences in implementing similar priority initiatives related to development results hold important lessons for ADB.

Organizational setup: The Results Secretariat in the Operational Support and Country Services of the Vice President Unit (VPU) is spearheading implementation of MfDR in WB. Regional operations departments have also established units or staff positions to facilitate implementation of the results agenda.

Results-based country programming: Seven pilot results-based country assistance strategies (CASs) have been prepared since 2002. Following a recent assessment, WB decided to formally mainstream the results-based approach to CAS beginning in July 2005. Key elements of WB's results-based approach include results-based CAS documents (including results framework), CAS midterm progress report, and CAS completion report. The annual country portfolio performance review has been broadened into a country program review to reflect monitoring of CAS implementation.

Project monitoring: The previous logical framework was replaced by a results framework. An implementation status and results report was introduced in January 2005 to improve the quality and frequency of project implementation reporting, with more emphasis on outcomes.

Results-oriented planning and budgeting: A strategy and performance contract framework for each VPU was recently introduced. This logical framework supports more informed decision-making, better alignment of resources with priorities, greater accountability for performance and results, and improved efficiency.

Institutional results reporting: A results reporting system is now being developed to document the links between WB's inputs and outputs on the one hand; and country, sector, and global outcomes on the other. The *2005 Global Monitoring Report*, presented to the WB Board in March, is a collective effort led by WB to assess the performance and contributions of the multilateral development banks (MDBs) to development results.

Capacity building for MfDR: To build internal capacity for results management, WB sponsored various learning events to systematize and disseminate MfDR experiences. ■

Calendar of Events, April-July 2005

Date	Event
25 April	MDB-MfDR Working Group Meeting, Paris
26-27 April	Organisation for Economic Co-operation and Development-Development Assistance Committee Joint Venture on MfDR: Meeting and Workshop on Assessing Agency Performance, Paris
4-6 May	38 th Annual Meeting of ADB's Board of Governors, Istanbul
24-25 May	Public-Private Infrastructure Advisory Facility Annual Meeting, Manila
30 May-1 June	External Forum on Gender and Development, Manila
15-17 June	Renewable Energy Finance in Asia Conference, Hong Kong
27 June	Tokyo Conference on Health-Related Millennium Development Goals, Tokyo
4-5 July	Second Greater Mekong Subregion Meeting, Kunming
14-15 July	Mekong Development Forum, Tokyo

YOUR TURN. ADB staff members who wish to contribute an article, to express an opinion on the results agenda of ADB, or to comment on *Results Matter* can contact us at manage4results@adb.org

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