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ADB Action Plan on Managing for Development Results 2009–2011

Asian Development Bank

ABBREVIATIONS

ADB	–	Asian Development Bank
BPHR	–	Human Resources Division
BPMSD	–	Budget, Personnel, and Management Systems Department
COMPAS	–	common performance assessment system
CoP	–	community of practice
CoP-MfDR	–	Community of Practice on Managing for Development Results
COSO	–	Central Operations Services Office
CPR	–	country portfolio review
CPRM	–	country portfolio review mission
CPS	–	country partnership strategy
DEfR	–	development effectiveness review
DER	–	Department of External Relations
DMC	–	developing member country
DMF	–	design and monitoring framework
IED	–	Independent Evaluation Department
M&E	–	monitoring and evaluation
MDB	–	multilateral development bank
MfDR	–	managing for development results
OCO	–	Office of Cofinancing Operations
OECD- DAC	–	Organisation for Economic Cooperation and Development– Development Assistance Committee
OIST	–	Office of Information Systems and Technology
P3M	–	project processing and portfolio management
PCR	–	project completion report
PPMS	–	project performance management system
Q	–	quarter
QAE	–	quality at entry
RD	–	regional department
SPD	–	Strategy and Policy Department
SPRU	–	SPD Results Management Unit
TA	–	technical assistance
TCR	–	technical assistance completion report
WPBF	–	work plan and budget framework

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I. INTRODUCTION

1. This paper proposes an Asian Development Bank (ADB) action plan for implementing the managing for development results (MfDR) agenda for 2009–2011 (box).¹ The proposed plan, which succeeds the last action plan of 2006–2008, supports ADB's commitment to increasing development effectiveness in the priority areas laid out in its long-term strategic framework 2008–2020 (Strategy 2020).² Greater focus on development results is even more critical as ADB expects to expand its operations substantially. The plan responds to the key challenges in mainstreaming the MfDR approach in ADB and its developing member countries (DMCs). It also fulfills ADB's commitment to shareholders to update its MfDR action plan based on assessments of progress.³

2. The plan will guide ADB toward (i) improving support for MfDR capacity development in DMCs; (ii) further integrating a results-focused approach to managing the implementation of Strategy 2020 at the corporate, country, and project level; and (iii) sustaining partnerships with other development partners on selected MfDR initiatives.⁴ ADB management is responsible for implementing the action plan. ADB's Results Management Unit (SPRU) in the Strategy and Policy Department (SPD) will coordinate its implementation. The plan's monitoring framework is in Appendix 1.

What is Managing for Development Results?

Managing for development results is a management approach that focuses on using results information—desired outputs, outcomes, and impact—to steer development efforts toward clearly defined goals. Managing for development results involves the following key phases:

- (i) strategic planning and resource allocation,
- (ii) selecting indicators and targets (from short to long term) for measuring performance,
- (iii) establishing responsibility and accountability for planned actions,
- (iv) measuring and evaluating performance and results, and
- (v) using results information to determine actions and resource-use to improve performance.

Sources: *About Managing for Development Results*, available: www.mfdr.org/1About.html, and Asian Development Bank. 2006. *An Introduction to Results Management*. Manila.

¹ ADB adopted in 2004 its first MfDR action plan to mainstream MfDR into all operations. See www.adb.org/mfdr.

² ADB. 2008. *Strategy 2020: The Long-Term Strategic Framework of the Asian Development Bank 2008–2020*. Manila.

³ ADB management committed to updating the MfDR action plan during negotiations for the ninth replenishment of the Asian Development Fund, completed in 2008, and in the 2007 Development Effectiveness Review, submitted to the Board of Directors in 2008.

⁴ The plan's key features were developed during a workshop on the MfDR action plan for ADB MfDR focal points in March 2009.

II. ACHIEVEMENTS AND CHALLENGES

3. The implementation assessments of the 2006–2008 action plan confirm that ADB achieved many of its objectives (Appendix 2).⁵ First, ADB has expanded its support for improving DMC MfDR capacity. It has helped build a strong regional network of results practitioners, the Asian Community of Practice (CoP) on MfDR.⁶ Second, ADB has consolidated its results management system by adopting a corporate results framework for Strategy 2020 in 2008 and its reporting through the annual development effectiveness reviews (DEfRs). ADB has become more results-focused in designing and managing its country partnership strategies (CPSs), projects, and programs. Finally, ADB has often participated in and led global and regional knowledge-sharing and harmonization initiatives on MfDR.

4. The assessments identified areas requiring attention. More progress in these areas is important to fully transform ADB into an organization where management decisions are driven routinely by results information. These are as follows:

- (i) **Corporate results management.** ADB needs to consistently apply results management to its decision-making at the corporate, department, office, division, and staff level in both operations and non-operations units and, in the process, clearly demonstrate the benefits of this approach.
- (ii) **Design and use of MfDR tools at the country and project level of ADB operations.** The quality and utility of MfDR tools⁷ are mixed. ADB needs to continue refining the tools to ensure their quality and promote their wider use in decision making.
- (iii) **Support for country systems to increase MfDR focus in development planning and implementation.** ADB's support for capacity development in this area, including DMCs' statistical capacity development, requires better focus and coordination.
- (iv) **Communicating MfDR within ADB.** Staff awareness of ADB's MfDR agenda remains inadequate. ADB needs to communicate more clearly and widely its purpose, benefits, and key actions to gain staff commitment.

III. MANAGING FOR DEVELOPMENT RESULTS ACTION PLAN (2009–2011)

5. The 2009–2011 action plan consists of three key results areas, as with the earlier action plan. These are (i) improved support for MfDR capacity in DMCs, (ii) increased ADB results orientation and institutional effectiveness, and (iii) effective partnerships in regional and global forums on MfDR. The following discusses the plan's intended outcomes, key outputs, and supporting actions. The plan's monitoring framework and performance indicators are in Appendix 1.

⁵ These include (i) management's progress report on the MfDR action plan in 2007; (ii) a special evaluation study on MfDR by the Independent Evaluation Department; and (iii) assessments by ADB's MfDR focal points undertaken during the workshop in March 2009. See ADB. 2007. *Managing for Development Results in ADB: Semi-Annual Progress Report to Development Effectiveness Committee*. Manila (November); and ADB. 2008. *Special Evaluation Study on Implementation of Managing for Development Results in the Asian Development Bank: A Preliminary Assessment*. Manila.

⁶ ADB has supported the Asian Community of Practice (CoP) on MfDR since November 2005.

⁷ MfDR tools include the design and monitoring framework (DMF) at the project level, the country results framework and sector road map at the country level, and the ADB results framework at the corporate level.

A. Improved Support for Developing Member Country Capacity on Managing for Development Results

1. ADB Support for Country Capacity Building on Managing for Development Results Better Targeted, Coordinated, and More Effectively Delivered (Outcome A1)

6. **A more strategic and coordinated approach to capacity building in DMCs to mainstream the MfDR approach to development planning and implementation.** While ADB has expanded support for capacity development in this area,⁸ its approach has been fragmented. To increase impact, ADB will implement a more strategic approach to delivering support for MfDR capacity development. This approach will clarify ADB's focus areas (including pilot countries and country systems), tools for assessing capacity gaps, and instruments and modalities to help develop sustainable country capacity on MfDR. It will identify possible funding sources for these activities. Reviewing the effectiveness of the CoP-MfDR and the MfDR Cooperation Fund will be integral to this process. SPRU will coordinate this action.

B. Increased ADB Results Orientation in Managing Operations and Organization

1. Improved Results Orientation in Designing, Monitoring, and Evaluating Country Partnership Strategies and Country Programs (Outcome B1)

7. **Improved approaches and tools for country results monitoring, evaluation, and management.** ADB introduced results-based CPSs in 2006, but the results orientation of managing country operations varies across countries. Key reasons for this include (i) a lack of clear understanding about what should be captured in country results frameworks, who should monitor them, and when; (ii) insufficient incentives for country results monitoring; (iii) insufficient preparation and resources for results monitoring; (iv) the complexity of results monitoring tools and processes; and (v) weak country monitoring capacity. In response, ADB will improve and streamline business processes, institutional arrangements, and resource adequacy for monitoring and evaluating country results,⁹ particularly by resident missions. SPRU will lead this exercise in collaboration with a working group on CPS business processes. This action may lead to revised CPS guidelines and project administration instructions for country portfolio review missions. Staff skills and coaching programs, including the learning and development program on CPS and country portfolio management and review, will be improved accordingly.

8. **ADB corporate results framework integrated in country results monitoring.** The ADB corporate results framework adopted in 2008 needs to be mainstreamed in operations to ensure that country results data are captured systematically ADB-wide and reported in the DEfR. SPRU will develop and help implement guidelines on integrating standard sector output indicators in the corporate results framework into country results monitoring systems. Country teams will select relevant standard sector output indicators for incorporation. These will complement other sector indicators that are agreed with governments.

9. **Improved country development effectiveness briefs as a key accountability report on ADB's contribution to country development outcomes.** The brief will complement DEfR,

⁸ ADB has helped improve country systems for results-based development planning and management in 21 DMCs with eight technical assistance projects financed through the Cooperation Fund on MfDR, an ADB-administered multidonor trust fund. ADB has also supported a statistical capacity building program focusing on DMCs that are very weak in compiling statistics.

⁹ Including results of regional cooperation strategies.

ADB's main tool for reporting corporate results, by explaining ADB's contribution to development in each DMC using results information in a balanced, credible, and reader-friendly manner. SPRU will coordinate the development and implementation of guidelines on preparing the brief based on experience from two pilot briefs to be completed in 2009.

2. Improved Results Focus in Project Design, Implementation, Monitoring, and Evaluation (Outcome B2)

10. Improved project quality assurance mechanisms within operations departments. While regional departments have adopted quality assurance systems, project quality needs further improvement. For example, while the quality of design and monitoring frameworks (DMFs) improved from 2006 to 2007, the overall satisfactory rating remains low largely for lack of adequate means of verifying data reported in the DMF.¹⁰ The focal points in the working group on the project performance management system in operations departments and the Central Operations Services Office (COSO) will recommend good practices for departments to adopt. They will also develop a checklist on quality at entry for projects.

11. Guidelines on the alignment of project DMF with the ADB corporate results framework in coordination with the project performance management system working group. In collaboration with COSO and the project processing and portfolio management working team, SPRU will guide the integration of selected standard sector output indicators of the ADB results framework, reported in the DEfR, in project DMFs and the project performance report. This will ensure systematic capturing of standard project outputs at entry, during implementation, and at completion. Project teams will select relevant standard indicators for incorporation. These will complement other project-specific indicators incorporated in the DMF as agreed between ADB and DMCs. This will enable ADB to track aggregated standard sector outputs, both delivered and in progress, through its corporate results framework.

12. Increased number of ADB and DMC executing agency staff trained on project implementation planning. ADB will strengthen the implementation planning component of existing DMF training programs, consisting of project design, implementation planning, and change management tools. This will enable ADB staff and DMC executing agencies to use DMFs more effectively for designing and managing project implementation. The existing programs are complemented by such support services for participants as web pages, blogs, e-learning, and a resource center. COSO will continue to coordinate and conduct these training programs.

3. Institutionalized Results-Based Management in ADB (Outcome B3)

13. Regular monitoring and evaluation of corporate results performance to improve decision-making. With the adoption of the corporate results framework and the DEfR, ADB's main challenge is to ensure that results information informs decision-making. Led by the managing director general in coordination with the vice-presidents, the heads of departments and offices will continue regularly reviewing progress on corporate results achievement, implement actions committed to in the DEfR, and agree on actions needed for improvement. ADB will develop a results dashboard to enable analysis of aggregate and disaggregated results data. This will help ADB management and department and office management teams to monitor

¹⁰ See ADB. 2008. *Annual Report on 2007 Portfolio Performance*. Manila (September). A staff task force report to management on the 2008 project and CPS quality at entry noted that 72% of the sample projects had a "satisfactory" score for the DMF process, lower than 85% of projects rated as satisfactory overall.

trends and manage work at the corporate, department, office, and country level. DEfR findings will inform ADB's 3-year work program and budget framework process.

14. **ADB's staff performance management aligned with its results framework.** The Budget, Personnel, and Management Systems Department (BPMSD) will, in collaboration with SPRU, align performance metrics with the results framework and cascade it down to the department, division, unit, and staff level. Using the metrics, BPMSD and SPRU will help improve results orientation in work planning and management at the department, unit, and staff level.

15. **The corporate results management system refined based on experience and good practices.** ADB will continue reviewing the relevance of results indicators to determine the need for adjustment. ADB will improve its assessment of operational outcomes and impacts in the DEfR, building on the findings of the impact assessments launched by regional departments in 2009. The ADB Independent Evaluation Department (IED) will review ADB's results management system in 2011 to evaluate its relevance and use in achieving its MfDR agenda.

4. Improved Awareness and Increased Staff Skills on Managing for Development Results (Outcome B4)

16. **Communication plan for ADB's work on MfDR designed and implemented.** While staff knowledge about the results-based CPS and DMF has improved, the IED special evaluation study on the implementation of MfDR in ADB (footnote 5) suggests that staff understanding of ADB's approach to mainstreaming MfDR across operations is still weak. SPRU will, in collaboration with the ADB Department of External Relations, develop and implement communication plans on MfDR. The internal communication plan will focus on raising staff awareness about

- (i) ADB's MfDR action plan, key initiatives, and partnerships;
- (ii) ADB's corporate results management system, grounded in the corporate results framework and DEfR;
- (iii) ADB's approach to managing its country operations for development results;
- (iv) linkages between ADB's corporate results framework and work and budget planning and management at the department, office, division, and staff level; and
- (v) good practices on MfDR implementation at all levels of the organization and in country- and project-related operations.

In addition, the external communication plan will emphasize disseminating widely ADB's contribution to development results through its operations. The plans will identify best communication tools—including intranet and internet sites, newsletters, and presentations—to reach out to the target audiences. ADB's MfDR focal point network will play a key role in implementing communication plans. ADB will identify results champions at different levels of the organization to lead communication initiatives. SPD will conduct a staff survey to assess the trend in perceptions about the implementation of the MfDR agenda. The results of the survey will be compared with those of past staff surveys conducted by SPRU and IED.¹¹

¹¹ Universalia. 2005 *Independent Assessment of Managing for Development Results at ADB*. Manila (November); and IED. 2007. *Managing for Development Results in ADB: A Preliminary Assessment*. Manila (December).

17. **MfDR curriculum updated and implemented.**¹² ADB will update its MfDR curriculum based on this action plan, particularly for outcomes 2.1, 2.2, and 2.3 (paras. 7–15). SPRU will lead this exercise in collaboration with BPMSSD.

C. Effective Partnerships in Global and Regional Forums on Managing for Development Results

1. Sustained ADB Collaboration with Development Partners for Managing for Development Results Knowledge Sharing (Outcome C1)

18. **Participation in selected global and regional MfDR initiatives.** Given the increasing focus on country MfDR systems after the Third High-Level Forum on Aid Effectiveness in Accra, ADB will coordinate actively with other development partners on its approaches to supporting country capacity development on MfDR. For this purpose, ADB will continue to support related initiatives of the Organisation for Economic Cooperation and Development–Development Assistance Committee working party on aid effectiveness and of the multilateral development bank working group on MfDR. Developing a more coordinated approach to developing countries' capacity in MfDR is a prerequisite to pursuing effective partnerships at the global, regional, and country level (para. 6). ADB will continue sharing information with other development partners on its corporate results management system and learning from their experiences.

19. **The Asian CoP on MfDR and its representation at global forums supported.** ADB will continue to support the implementation of the Asian CoP on MfDR to expand its network and collaboration with other regional CoPs on MfDR and global forums on MfDR. ADB will share MfDR information and good practices compiled through the CoP and other channels to raise understanding of MfDR in DMCs and improve their implementation of it.

IV. IMPLEMENTATION

20. Management will be responsible for implementing the MfDR action plan (2009–2011) and achieving its objectives. In consultation with the vice-presidents, the managing director general will coordinate and guide the plan's implementation with support of SPRU. Each vice-president and head of an anchor department, office, or unit will be accountable for implementing specific actions. ADB's MfDR focal point network, anchored in SPRU, will play an important role in sustaining the organizational changes needed to implement the plan successfully.

21. While most of the actions are already budgeted, they will require incremental staff time and the services of staff consultants in operations departments and SPD, primarily to mainstream country results monitoring and reporting and to prepare country development effectiveness. Additional staff time and the services of staff consultants will be required to support the development and implementation of plans to communicate MfDR. Considering the plan's emphasis on country results monitoring and reporting, it is expected that additional resources will be needed at resident missions, including one national officer staff-year, 1 person-month of national consulting services for results monitoring per year, and 1 person-month of international consulting services for the country briefs.¹³ In addition, a one-time cost of 1 person-month of international consulting services in SPRU will be required to develop the

¹² ADB's MfDR curriculum consists of a colloquium for senior management, a workshop for directors, and training programs on CPS preparation, country portfolio review and management, and results-focused project design and management. See www.adb.org/Documents/Brochures/Mfdr/Curriculum-MfDR-final.pdf.

¹³ It is expected that country briefs will be developed for about five countries on average annually.

MfDR communication plan. SPRU will work with BPMSD on more detailed cost estimates for implementing the action plan.

22. ADB will use the monitoring framework (Appendix 1) to measure the progress of the action plan, make adjustments if necessary, and report progress annually through the DEfR.

**ACTION PLAN ON MANAGING FOR DEVELOPMENT RESULTS, 2009–2011
MONITORING FRAMEWORK**

Key Results Areas and Outcomes	Outcome Indicators (2011 Target)	Outputs	Timeframe	Responsible (Support)
A. Improved Support for DMC Capacity on Managing for Development Results				
A1. ADB support for country capacity building on MfDR better targeted, coordinated, and more effectively delivered	Indicator 11 of Paris Declaration (increase in the number of DMCs with monitorable results frameworks from 2006) % of MfDR TA projects rated satisfactory in TCRs (at least 75%) DMCs' applying the knowledge gained from CoP-MfDR (at least 80%)	A more strategic, coordinated approach to capacity building in DMCs designed and implemented, and adequate financial resources available to sustain ADB's MfDR capacity building program in DMCs Asian CoP-MfDR operations reviewed and the recommendations implemented	2009 (approach developed); 2010-2011 (approach implemented) 2010	SPRU (RDs, OCO) SPRU (RDs)
B. Increased ADB's Results Orientation in Managing Operations and Organization				
B1. Improved results orientation in designing, monitoring, and evaluating CPSs and country programs	Overall quality-at-entry (QAE) rating of CPS results framework and performance indicators (improvement from 2008 QAE rating) % of CPSs for which a results monitoring plan has been prepared during processing (100% of CPSs endorsed) % of CPRMs that report progress on country results (100% of CPRMs conducted) Number of new country briefs completed (increase from two prototypes)	Improved approaches and tools for country result monitoring, evaluation, and management. Possible changes to CPS processes, formats, guidelines, and relevant project administration instructions. Selected output indicators in the ADB corporate results framework systematically integrated in country and sector results monitoring Country development effectiveness briefs (country briefs) guidelines and prototypes completed Country briefs prepared for selected DMCs and disseminated Actions to improve staff incentives at field level for CPS M&E reviewed	QI 2010 QIV 2009 (guidelines issued) QIV 2009 Starting 2010 QIV 2009	SPRU (RDs, COSO) SPRU (RDs, RSDD, COSO, sector committees) Working group on country briefs RDs (DER, SPRU) SPRU (BPHR)

Key Results Areas and Outcomes	Outcome Indicators (2011 Target)	Outputs	Timeframe	Responsible (Support)
<p>B2. Improved results focus in project design, implementation, monitoring and evaluation</p>	<p>QAE rating of DMFs of projects and TA (improvement from 2008 QAE rating)</p> <p>% of PCRs and TCRs rated satisfactory (improvement from average level in 2006–2008)</p>	<p>Improved project quality assurance mechanisms within operations departments. Good practices and a checklist on quality-at-entry of projects recommended by PPMS working group for adoption by departments.</p>	<p>2009</p>	<p>COSO (RDs)</p>
		<p>Guidelines issued on the alignment of project DMF with the ADB corporate results framework (selected sector output indicators)</p>	<p>QIV 2009</p>	<p>SPRU and COSO in coordination with P3M working group</p>
		<p>Increased number of ADB and executing agency staff trained on project implementation planning. At least 85% of staff in RDs, PSOD, and resident missions trained to develop sound and monitorable DMFs and to monitor project implementation.</p>	<p>2009, 2010, 2011</p>	<p>COSO (RDs, PSOD)</p>
		<p>P3M project becomes operational</p>	<p>QIV 2009</p>	<p>P3M working group</p>
<p>B3. Institutionalized results-based management in ADB</p>	<p>Staff perception ratings on leadership, change management, culture, systems and processes, and human resource practices (improvement from results of IED 2007 survey)</p> <p>DEfR findings used as inputs to Work Program and Budget Framework (WPBF) starting in 2009 (clear linkages based on qualitative assessment)</p>	<p>ADB management and senior staff regularly monitor and evaluate results performance and decide on actions</p>	<p>Continuous</p>	<p>Management, SPD/SPRU, RDs, BPMSD</p>
		<p>Results dashboard developed and accessible to management and staff, and maintained</p>	<p>QIII 2009 (dashboard launched); Continuous (dashboard maintained)</p>	<p>SPRU (RDs, OIST)</p>
		<p>DEfR findings and actions reflected in ADB WPBF</p>	<p>Every year</p>	<p>BPMSD and SPD</p>
		<p>Staff performance metrics aligned with the corporate results framework</p>	<p>QIV 2009</p>	<p>BPHR and SPRU</p>

Key Results Areas and Outcomes	Outcome Indicators (2011 Target)	Outputs	Timeframe	Responsible (Support)
		ADB corporate results management system refined continuously, based on experience and good practices	Continuous	SPRU
		The system and its effectiveness independently reviewed by IED	2011	IED
B4. Improved awareness and increased staff skills on MfDR	Staff perception ratings on awareness on MfDR (improvement from results of IED 2007 survey) Post-training feedback from BPHR (satisfactory or better)	Communication plan for MfDR developed and implemented MfDR Curriculum updated	QIV 2009 (plan developed); 2010-2011 (plan implemented) Continuous	SPRU (RDs, DER) SPRU (BPHR)
C. Effective Partnerships in Global and Regional Forums on MfDR				
C1. Sustained ADB collaboration with development partners for MfDR knowledge sharing	Contributions by ADB and the Asian CoP-MfDR members consistently reflected in global and regional initiatives (based on qualitative assessment)	ADB and Asian CoP-MfDR members participate in regional and global partnership initiatives Contribution to OECD-DAC Cluster E on MfDR and MDB Working Group on MfDR, including contribution to COMPAS MfDR publications produced and/or posted on the web (at least 15 per year)	Continuous Continuous Continuous	SPRU (RDs, IED) SPRU (RDs, IED, PSOD, COSO, SPPI) SPRU (RDs, DER)

ADB = Asian Development Bank; BPHR = Human Resources Division; BPMSSD = Budget, Personnel, and Management Systems Department; COMPAS = common performance assessment system; CoP-MfDR = Community of Practice on Managing for Development Results; COSO = Central Operations Services Office; CPRM = country portfolio review mission; CPS = country partnership strategy; DEF = development effectiveness review; DER = Department of External Relations, DMC = developing member country; DMF = design and monitoring framework; IED = Independent Evaluation Department; M&E = monitoring and evaluation; MDB = multilateral development bank; MfDR = managing for development results; OCO = Office of Cofinancing Operations; OECD-DAC = Organisation for Economic Cooperation and Development–Development Assistance Committee; OIST = Office of Information Systems and Technology; P3M = project processing and portfolio management; PCR = project completion report; PPMS = project performance management system; Q = quarter; QAE = quality at entry; RD = regional department; SPD = Strategy and Policy Department; SPPI = SPD Strategy, Policy and Interagency Relations Division; SPRU = SPD Results Management Unit; TA = technical assistance; TCR = technical assistance completion report; WPBF = work plan and budget framework.

MANAGING FOR DEVELOPMENT RESULTS AGENDA AT ASIAN DEVELOPMENT BANK: SUMMARY OF IMPLEMENTATION ASSESSMENTS

1. Implementation assessments suggest that the Asian Development Bank (ADB) achieved many of its objectives under the earlier managing for development results (MfDR) action plan.¹ First, ADB has expanded its support for improving the capacity of its developing member countries (DMCs) on MfDR. It has helped build a strong regional network of results practitioners.² Second, ADB consolidated its results management system by adopting a corporate results framework in 2008. ADB has become more results-focused in designing and managing its country partnership strategies (CPSs), projects, and programs. ADB has often participated in and led global and regional partnerships on MfDR.

2. The assessments identified areas requiring attention. More progress in these areas is important to fully transform ADB into an organization where management decisions are driven routinely by results information.

A. Support Developing Member Country Capacity to Manage for Development Results (Outcome A1)

3. **Achievements.** ADB has expanded its support for improving DMC capacity to manage for development results and built a strong regional network of results practitioners. Since 2005 ADB has helped improve country systems for results-based development planning and management in 21 DMCs with eight technical assistance (TA) projects financed through the MfDR Cooperation Fund, an ADB-administered multidonor trust fund.³ ADB implements a statistical capacity-building approach focusing on DMCs that are very weak at compiling statistics. The ADB-supported Asian Community of Practice on MfDR (CoP-MfDR) has grown rapidly since 2006, its membership more than tripling since inception and now numbering 80 members from 18 DMCs. It has helped members understand MfDR better and gain practical skills. The success of the Asian CoP-MfDR has encouraged the creation of two new regional CoPs, one for Africa and another for Latin America.

4. **Challenges.** DMC capacity to manage for development results remains generally weak. To use its resources effectively, ADB needs to develop a more strategic and longer-term approach to assisting DMCs. Better internal coordination is essential to avoid fragmented assistance. ADB needs to explore strategic partnerships, including financing partnerships, with other development institutions.

¹ These include (i) management's progress report on the MfDR action plan in 2007; (ii) a special evaluation study on MfDR by the Independent Evaluation Department; and (iii) assessments by ADB's MfDR focal points undertaken during the workshop in March 2009. See ADB. 2007. *Managing for Development Results in ADB: Semi-Annual Progress Report to Development Effectiveness Committee*. Manila (November); and ADB. 2008. *Special Evaluation Study on Implementation of Managing for Development Results in the Asian Development Bank: A Preliminary Assessment*. Manila.

² ADB has supported the Asian Community of Practice on MfDR since November 2005.

³ The fund has contributions from Canada, Netherlands, and Norway totaling \$2.9 million.

B. Enhance ADB's Results Orientation and Institutional Effectiveness

1. Improved Quality of Results-Based Country Partnership Strategies (Outcome B1)

5. **Achievements.** The results-based CPS has become a standard tool for designing and managing country assistance programs. All 20 CPSs prepared from 2005 to 2008 were results based. CPS quality at entry improved. According to quality-at-entry assessments in 2006 and 2008, the quality of results frameworks and performance indicators has improved. ADB prepared the CPS completion report—a new tool introduced in 2006—for nine DMCs and used their findings as inputs to new CPSs for these countries. ADB monitors CPS implementation status through the annual country portfolio review (CPR) and the CPS midterm review. The midterm reviews and annual CPR increasingly report progress toward results targets adopted in country results frameworks and sector road maps.

6. **Challenges.** To make CPS a key tool for managing ADB country operations, ADB needs to focus on improving its implementation. The results framework needs to be aligned better with existing country systems. Results monitoring and evaluation is not yet fully integrated into the CPR, CPS midterm review, or preparation of the country operations business plan. According to available assessments,⁴ the weaknesses in CPS monitoring can be attributed to (i) a lack of incentives for country results monitoring; (ii) inadequate staff preparation and resources for results monitoring; (iii) inadequate knowledge, tools, and processes on results monitoring; and (iv) weak country monitoring capacity. To enable the monitoring of ADB's key sector outputs, it is important to integrate into country results monitoring selected sector indicators from the ADB corporate results framework. The country development effectiveness briefs that were introduced in 2008 need to be improved to become key accountability tools for ADB.

2. Improved Results Focus at Project Level (Outcome B2)

7. **Achievements.** ADB continued to ensure design and monitoring framework (DMF) quality by building staff capability and improving quality assurance mechanisms in regional departments. During 2005–2008, 795 staff members received DMF training.⁵ Some regional departments have devolved quality assurance to divisions and resident missions. They have undertaken other initiatives to improve project quality, such as reviewing the DMF at various stages of project design and using problem tree analysis to support discussions on project concept clearance. Private sector operations have started to incorporate DMFs at the concept clearance stage.

8. **Challenges.** While DMF quality improved from 2006 to 2007, the overall satisfactory rating remains low.⁶ The proportion of approved DMFs that the ADB Independent Evaluation Department (IED) rated satisfactory or better was 58% for projects and programs and 45% for advisory and regional TA in 2007, and 44% for projects and programs and 24% for advisory and regional TA in 2006. The low satisfaction rates are mainly attributed to the weak definition of impacts and outcomes, as most staff still followed the 1999 poverty-reduction strategy, which recommended the use of rather ambitious impact and outcome statements for individual operations. In addition to continuing with staff training, ADB needs to further improve DMF quality assurance in regional departments. To make the DMF a dynamic tool for managing ADB

⁴ Ongoing CPS implementation study (Results Management Unit of ADB Strategy and Policy Department), and CPR stocktaking exercise (Ruddi Vaes, September 2008).

⁵ In 2009 COSO has added a project implementation component to the DMF training program.

⁶ See ADB. 2008. *Annual Report on 2007 Portfolio Performance*. Manila (September).

project performance, ADB needs to integrate DMFs more closely into its project performance management system, including the project performance and completion reporting processes. It is urgent to integrate into DMFs selected core sector indicators in the ADB corporate results framework to enable ADB-wide monitoring of its key sector outputs.

3. Institutionalized Results Reporting in ADB Corporate Management Systems (Outcome B3)

9. **Achievements.** ADB adopted a corporate-wide results framework and completed the first development effectiveness review in 2008. ADB management and heads of departments monitor ADB performance regularly. To support performance monitoring, ADB is developing an information technology–supported results dashboard. A working group is improving the methodology for preparing country briefs to better explain ADB's contributions to country development outcomes. Three progress reports on MfDR were submitted to the ADB Board of Directors' Development Effectiveness Committee.

10. **Challenges.** With the key processes for managing ADB's corporate results in place, ADB's major challenge is to ensure that results data and analysis start informing decision making across the institution. To sustain this process, ADB needs to focus on (i) institutionalizing regular results monitoring by senior management; (ii) communicating widely the objectives of its corporate results management system to raise staff awareness and commitment; (iii) improving staff incentives to increase results-orientation in work planning and implementation, including the alignment of performance management with the corporate results framework; (iv) refining indicators, tools, and processes based on experience and good practices; and (v) nurturing MfDR champions who will actively promote MfDR in ADB.

4. Increased Staff Knowledge on Managing for Development Results (Outcome B4)

11. **Achievements.** A comprehensive learning and development program on MfDR is in place. It covers training on MfDR concepts and principles for director level and above, CPS preparation for country team leaders, country portfolio management and review for country teams, sector road map preparation for country teams, and DMF preparation for staff in regional departments. Half of staff at the director level and above and 78% of resident mission staff have undergone MfDR training (IED's 2007 survey). About 800 staff members, from management to national officers, have been trained on DMF preparation. ADB has disseminated tools and good practices on MfDR through various means, including seminars, newsletters, the MfDR website and intranet site.

12. **Challenges.** While staff knowledge about MfDR tools—DMFs and results-based CPS—is increasing, staff understanding of the overall MfDR agenda remains low.⁷ Based on IED's assessment, many staff members were uncertain about how ADB's results agenda and MfDR in general interfaced with their work. To fill this gap, ADB needs to start communicating more widely its MfDR agenda, covering corporate, country and project levels; linkages among them; and their implications for work management. ADB needs to continue improving its learning and development program on MfDR and compile and disseminate MfDR information more systematically and widely. Revitalizing the MfDR focal point network is vital for this process.

⁷ The challenges to increasing staff knowledge of MfDR are similar to those identified in a study by the ADB Regional and Sustainable Development Department. See ADB. 2009. *Learning for Change in ADB*. Manila (March).

ADB needs to upgrade its knowledge-sharing tools, including the MfDR website and intranet site, and use them more strategically.

C. Maintain Effective Results Partnerships (Outcome C1)

13. **Achievements.** ADB has actively supported global forums on MfDR. It participated in the multilateral development bank (MDB) Working Group on MfDR, the Organisation for Economic Cooperation and Development–Development Assistance Committee Joint Venture on MfDR, and key joint activities of MDBs and other development partners such as the production of the common performance assessment system—MDBs' common performance assessment system—and MfDR sourcebook. ADB cosponsored the Third International Roundtable on MfDR in Hanoi in 2007 and the Third High-Level Forum on Aid Effectiveness in Accra in 2008. MfDR tools and good practices have been posted regularly on the website for wider knowledge sharing.

14. **Challenges.** MfDR remains an important theme in the global development community. Post-Accra, coordination on MfDR among development partners will intensify, particularly in developing country capacity on MfDR. Finding a more coordinated approach to developing country MfDR capacity is a prerequisite to pursuing effective partnerships at the global, regional, and country level.