

Independent Assessment of Managing for Development Results at ADB

Volume I – Final Report

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Executive Summary

In an effort to improve its development effectiveness, the Asian Development Bank adopted a coherent approach to measure, monitor and manage for development results. In February 2004, a Results Management Unit (SPRU) was established within the Strategy and Policy Department, and was tasked to spearhead the implementation of the Managing for Development Results (MfDR) Action Plan. After 18 months of operation, and in keeping with the principles of learning from its experience, SPRU commissioned an independent assessment of MfDR at the ADB.

This assessment offers an independent external review of MfDR at the ADB (from February 2004 – September 2005) and recommends changes or possible improvements in this area. The study was informed by three phases in data collection that drew on interviews, document review, and surveys and included a mission at ADB Headquarters in Manila between August 20 and September 2, 2005. The Assessment takes into account initiatives and progress as of September 30, 2005; subsequent developments may not be reflected in this final report.

Key Findings and Recommendations

Evolution of MfDR in the ADB: Review of Progress

Overall, the Assessment finds that significant progress has been made in relation to what ADB set out to do only 18 months ago. The ADB has initiated a wide set of institutional reforms aimed at modernizing and improving its performance as a multi-lateral development bank. There is a wide array of initiatives underway to improve the Bank's results orientation at the operational and non-operational levels, many of which are brought together in the Bank's Reform Agenda, and include the Human Resource Strategy approved in 2004 and the subsequent introduction of a new performance management system (based on the Performance and Development Plan), the Results-based CSPs, the MfDR Cooperation Fund, and the Innovation and Efficiency Initiative, to name just a few.

The Assessment recognizes that many of the activities in the MfDR Action Plan are being implemented or have been completed as of September 2005. Areas of the Action Plan where ADB has made the most progress include the introduction of results-oriented country strategies and programs—now under development or being implemented in at least nine countries—and the improvements in project design, although it still is too early to assess the effects of these changes on the results of ADB on the ground. The ADB is also seen to play an effective and active role in being a global partner in MfDR. SPRU's leadership in establishing professional exchanges with other agencies and in providing a strong link between ADB and the global movement towards MfDR is recognized. While the Action Plan activities that target the DMCs are being completed, this is an area that will require a higher level of resourcing, a more operational strategy, and ongoing cooperation with other donors in order to build sustainable DMC capacity to manage for development results.

There are also several limitations in ADB's current approach. Although many results-oriented initiatives have emerged in the Bank, many stakeholders perceive that the initiatives are ad hoc, that they lack coordination, and that they lack a sense of priority. The MfDR Agenda – what it includes or does not include—is not clear to many of the stakeholders we interviewed. During this first phase of implementation, the ADB has not developed an MfDR strategy or framework that has been clearly communicated to all stakeholders. MfDR is an initiative that requires major change in the Institution, but this change process needs to be managed. At this stage, the ADB has not designed, nor is it implementing, a change management strategy to support MfDR. Some of the

staff interviewed are skeptical about the intentions and progress of MfDR, identifying it as an externally imposed agenda or as an agenda that means nothing new for the ADB.

The Assessment also finds, that from a comparative perspective, the pace of the progress in implementing MfDR made at the ADB, as well as the critiques and challenges found along the way, mirror the experiences of other MDBs.

Organizational Factors affecting MfDR Progress

The Assessment identified several organizational factors that are affecting implementation of MfDR. One of the factors emerging is the lack of a strategic leadership necessary to guide the MfDR Agenda, which refers to the absence of strategic directions and operational guidance for staff and the lack of a clearly identifiable leader or “champion” for MfDR at the senior level who coordinates and harmonizes the MfDR Agenda. The roles and responsibilities of various groups related to the MfDR Agenda, including the role of SPRU, are unclear. Aspects of the ADB organizational culture also pose challenges for implementation of MfDR. Although ADB staff may have, or are in process of developing, certain skills that are necessary for managing for results (such as developing log frames), the complexity of MfDR requires a broad range of skills and systems that have not yet been identified in ADB.

Communications plays a key role in the implementation of MfDR at the ADB and, currently, there is a gap that has emerged between what people *perceive* is being done and what is *actually* being done in MfDR. While stakeholders note that the majority of staff at ADB understand the broad concepts and objectives of MfDR, a smaller number fully understand what it means from an operational point of view and how it affects their work on a day-to-day basis. In other words, it is not very clear to some staff *what* will actually change in the ADB’s business processes as a result of MfDR. Existing communications tools, such as the web site and newsletter make positive contributions to informing staff, but are insufficient for closing this communications gap.

Operations of SPRU

The Assessment also carried out a rapid review of SPRU’s operations. SPRU was created to spearhead ADB’s actions and initiatives to develop and introduce improved approaches, techniques, systems and procedures for better management for development results. While the unit has generally fulfilled the responsibilities outline in the initial terms of reference, there is some confusion about the role that it plays in the MfDR Agenda today. For SPRU, some of the areas identified for improvement include the need to operationalize the network of MfDR focal points, align the current tools used for planning, monitoring and reporting on its work, and continue to adjust to a demand-driven business model that will require increasingly higher level of service and engagement with clients in the Bank who need technical support in concrete areas.

Recommendations

MfDR is a comparatively new reform, which will take some time to be completely institutionalized in the ADB and in other MDBs. It is in the spirit of learning and improvement that we have crafted a series of recommendations organized around three topics that we believe will support the institutionalization of MfDR within the ADB.

Strategic Leadership and MfDR at the ADB

- 1) We recommend that the Vice Presidents, Managing Director General, and Director of SPD, help shape and approve a strategy and business plan to guide ADB in its implementation of MfDR in line with the Board and President's pronouncements.
- 2) We recommend that this ADB Senior Management team develop processes that would show the staff of the ADB that they are the champions of this organizational change effort.
- 3) We recommend as part of the strategy and business plan, that this ADB Senior Management team monitor both the content and process of the change effort in order to support an organizational response to MfDR.

Organizing MfDR at the ADB

- 4) We recommend that ADB Senior Management assess the options for bringing some of SPRU's functions closer to Operations.
- 5) We recommend that ADB Operational VPs should ensure (give guidance) that operational departments have the staff resources and expertise necessary to support DMC capacity building for development effectiveness and that Resident Missions coordinate these efforts with the international agencies working in their country.
- 6) We recommend that SPD ensure that MfDR forms part of the Bank's future strategy as reflected in MTS-II and that the strategy itself be results based, with outcomes, and the ability to monitor, evaluate, and link it to a broader development agenda.
- 7) We recommend that SPD provide the reporting and data management functions that can support and improve upon reporting on Development Effectiveness.

MfDR and the Results Management Unit

- 8) We recommend that the Vice Presidents and Managing Director General, assisted by the Director General of SPD, restructure SPRU to better focus on the implementation, monitoring and reporting requirements associated with MfDR.
- 9) We recommend that SPRU lead a coordinated effort to develop an internal communications strategy on MfDR, involving the Focal Points and the internal communications group in the Department of External Relations.
- 10) We recommend that SPRU coordinate with the Capacity Development Network and the Human Resources Division to assess needs and develop a plan for improving the capabilities of Bank staff (including SPRU) in the technical and process skills required to implement MfDR at the ADB.
- 11) We recommend that SPRU develop its own results-based planning, monitoring and reporting system based on a three-year unit strategy that clearly articulates planned results and links to the ADB Strategy for MfDR.

A c r o n y m s

ADB	Asian Development Bank
ADB I	Asian Development Bank Institute
ADF	Asian Development Fund
AfDB	African Development Bank
BPHR	Human Resources Unit of the Budget, Personnel and Management Systems Department
CAPES	Country Assistance Program Evaluation
CAS	Country Assistance Strategy
COSO	Central Operations Services Office
CSP	Country Strategy and Program
DMC	Developing Member Country
FTE	Full-Time Equivalent
GMS	Greater Mekong Sub-region
HR	Human Resources
IDA	International Development Association
IDB	Inter-American Development Bank
IEI	Innovation and Efficiency Initiative
IFI	International Financing Institutions
LFA	Logical Framework Analysis
LTSF	Long-Term Strategic Framework
M&E	Monitoring and Evaluation
MBO	Management By Objectives
MDB	Multilateral Development Banks
MDG	Millennium Development Goals
MfDR	Managing for Development Results
MTSF	Medium-Term Strategic Framework
OECD	Organization for Economic Cooperation and Development
OECD-DAC	Organization for Economic Cooperation and Development – Development Assistance Committee
OED	Operations Evaluation Department
PDP	Performance and Development Plan
PMS	Performance Management System

Acronyms

PPM	Project Performance Management
PPMS	Project Performance Management System
PRODEV	Program to Implement the External Pillar of the Medium-Term Action Plan for Development Effectiveness
PRS	Poverty Reduction Strategy
PRSP	Poverty Reduction Strategy Paper
RB	Results Based
RB-CSP	Results-Based Country Strategy and Program
RBM	Results-Based Management
RCC	Reform Coordination Committee
RD	Resident Director
RETA	Regional Technical Assistance
RM	Resident Mission
SAOC	South Asia Operations Coordination
SARD	South Asia Regional Department
SPD	Strategy and Policy Department
SPRU	Results Management Unit
TA	Technical Assistance
TOR	Terms of Reference
UNDP	United Nations Development Program
WPBF	Work Program and Budget Framework

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1. Introduction

The Asian Development Bank (ADB) committed to improving its development effectiveness by adopting a coherent approach for measuring, monitoring, and managing for development results.¹ Since 2004, ADB has implemented an Action Plan on Managing for Development Results (MfDR), which outlines the steps that are needed to develop a more comprehensive approach. It is organized into three pillars aimed at improving the results orientation at the Developing Member Country (DMC) level, at the institutional level in ADB, and through partnerships with other institutions.

In February 2004, a Results Management Unit (SPRU) was established within the Strategy and Policy Department. SPRU has been tasked with spearheading implementation of the Action Plan. After 18 months of operation, and in keeping with the principles of learning from its experience, SPRU commissioned an independent assessment of MfDR at the ADB. Universalialia, a Canadian firm specializing in performance management, monitoring, and evaluation, was contracted to carry out the assignment.

The objective of the assignment, as stated in the Terms of Reference (Volume II – Appendix I), was to provide an independent assessment of the Managing for Development Results Agenda of the ADB. More specifically, the study set out to:

- 1) Identify the present state of affairs in MfDR at the ADB, with a focus on the organizational strengths and weaknesses for implementing results-based approaches;
- 2) Review the progress made thus far in implementing an initial results agenda and compare progress in key areas with that of other multilateral development banks;
- 3) Identify changes or adjustments that may be needed at different levels in order to enhance MfDR in ADB.

MfDR is an on-going agenda at the ADB, thus it is important to recognize that the Assessment takes into account initiatives and progress as of 30 September 2005 and that later developments may not be captured in this report.

The Assessment report is divided into four substantive sections. Section 2 presents a short review of the methodology used to engage in the independent assessment. Section 3 provides the context within which MfDR is placed in the ADB. Section 4 provides the major findings related to our Terms of Reference (TORs). Finally section 5 outlines changes or adjustments recommended by the assessment team. Appendices to the report are presented as a separate volume.

¹ Asian Development Bank, Managing for Development Results: Status Report, ADF IX Donors' Meeting, Lisbon, 9-11 March 2004.

2. Methodology for the Study

2.1 Overall Approach

The assessment is meant to provide an informed external view of MfDR in ADB and to recommend changes or possible improvements in this area. Thus, the Assessment methodology is aimed at determining the present state of managing for results in the ADB based both on factual and perceptual information. The study was informed by three phases in data collection. The first phase included preliminary discussions regarding the TORs, some document review, and the draft and revised assignment work plan.

The second phase of our methodology was carried out during an August 20-September 2, 2005 mission at ADB headquarters in Manila. During this mission, we gathered additional documentation, engaged in a wide range of interviews and group discussions (reaching over 50 people), and designed a survey instrument for staff that was intended to gather additional qualitative information from a broader number of professional staff. The survey was made available to all staff through *ADB Today* between September 21 and September 28. It was also sent via email to random sample of 200 professional staff. A total of 94 ADB staff responded to the survey, of which 93% are at Headquarters and 78% are professional staff (73 respondents). Further characteristics of the respondents and all of the survey results are provided in Volume II – Appendix IV. Appendices II and III of Volume II, respectively, present the documents reviewed and the lists of the people interviewed.

The last phase included several phone interviews, data analysis, and report writing in Montreal. This *final* report is the culmination of the third phase and incorporates the feedback received from SPRU on factual errors, omissions, and points for further clarification in the draft and revised reports.

2.2 Methodological Limitations

The reader should be aware of some of the potential limitations to the methodology that was used in carrying out the study, which include:

- The TORs include perceptions of the results agenda as an area to be explored and, accordingly, we have used qualitative research methods to identify the perceptions of different stakeholders. However, in doing so, and as we report in subsequent sections, we identified a lack of clarity among those interviewed about what is included, or is not included, in the MfDR agenda. Clearly, there are different levels of information among the respondents and this helps to shape their opinions.
- The study sample is small and not necessarily representative of the entire complement of ADB professional staff of approximately 800. Interview and survey results provide us with illustrative data, rather than widespread opinions of ADB staff. The selection of interviewees was not random (e.g. the resident missions interviewed are those that developed Results-Based CSPs), which could introduce bias. In order to minimize the effects of these limitations, we triangulated the data, comparing and contrasting information from the three different sources of data (document review, interviews, and survey responses).
- There is no structured inventory of the activities that are results-oriented in ADB, which limits the potential of accurately reflecting all of the work being done.

3. Managing for Development Results: History and Current Context

MfDR is the continuation of a 50-year evolution of managerial thought aimed at improving the ability of organizations to obtain better results.² As it is presently understood, MfDR is multi-dimensional management approach to improving Aid Effectiveness.

Although MfDR is nearly synonymous with Results-based Management (RBM), in some cases RBM approaches have focused only on accountability.

MfDR provides a higher management standard by incorporating the newer ideas about collaboration, partnership, country ownership, and harmonization and asking all stakeholders to focus on country outcome performance. RBM can be seen to be as one of the tools that supports the broader MfDR agenda.³

Managing for Development Results is a management strategy focused on development performance and on sustainable improvements in country outcomes. It provides a coherent framework for development effectiveness through the use of performance information for improved decision-making, with practical tools for strategic planning, risk management, progress monitoring and outcome evaluation.

MfDR is not prescriptive and does not conflict with other approaches to results management or public sector performance management already in use around the world. Rather, it provides general principles and strategies that can be used by any country or agency to improve what they are already doing. The MfDR agenda is important right now because the international development community needs:

- 1) A common performance management approach to facilitate collaboration and increase the results of their work.
- 2) A common language and set of concepts to explain to their various stakeholders their performance and particularly their progress towards outcomes.
- 3) A practical approach that supports the development of more rigorous lessons on how interventions have helped achieve development outcomes.
- 4) A better approach to creating management efficiencies in international development.

MfDR reflects an emerging global consensus on the importance of performance management and measurement in international development, and it builds on extensive work by public sector institutions and development agencies. It is a management approach that affects all planning, implementation, monitoring and evaluation systems. Whereas historically, the emphasis on results occurred at the project level, today development managers are being urged to more rigorously provide information on global commitments (MDGs), country results (PRSPs and other country strategy commitments), and targeted sectors and sub- sectors.

² Development results and development effectiveness are often used as synonyms to describe the effects that development investments have on people, organizations and institutions. These are operational results of the organization. However, the concept of results at various times has been expanded to include non-operational results such as management information, work processes and efficiency variables.

³ This section is a summary of “Managing for Development Results Principles in Action: Sourcebook on Emerging Good Practice”, February 2005.

Today, there is a movement to include MfDR principles in all organizational functions in developing countries and international agencies from accounting and human resources to programming. Developing countries and international organizations are asked to more rigorously plan, monitor and evaluate their work and align their departmental results with overall organizational results and costs. Similarly, they are asked to systematically learn from the data they are generating since learning is a central part of the MfDR agenda.

Some say this is what international agencies have done and developing countries aspire to do. Experience has shown that while some units and some organizations (Ministries and International Agencies) have been more focused on results than others, most public institutions can do better and their constituents and stakeholders are asking them to do so.

As a result of continuing pressure to improve, over the past 15 years many countries and international development organizations have put in place new approaches and practices aimed at improved results and reporting about results. While intuitively easy to understand, experience has shown that creating organizations that have a culture that pursues results is complex and difficult to put in practice. In most instances, external stakeholders drive results-based reforms. While most people say they want to improve results, it often requires external pressure to push changes in practice and to introduce new management technologies.⁴ The tools and methods that are often used to improve results e.g., logic models, knowledge sharing and management, changes to work processes, harmonized and centralized data, strategic alignment of budget and program, harmonized monitoring and evaluation systems, new performance evaluation and compensation systems, outsourcing, capacity building and so forth may change the power dynamics in an organization and demand those who are entrenched in organizational positions and practices to change. Change requires a certain leap of faith that improvement will occur and some resist making the change.

Introducing MfDR in countries and international agencies has proven to be complex. Each organization must define the ideas and frameworks they will use and the expectations they will have.⁵ It is important for developing countries and organizations to decide on their approach to reach their outcomes. Change is always difficult and introducing MfDR as an organizational reform and change is no exception. No organization we have seen has engaged in putting in place the afore-mentioned results based management system changes without meeting some level of resistance. MfDR requires top-down support (to keep it going) but at the same time will not be successful unless organizational members buy into it (bottom up). For developing countries, not only might MfDR mean some increase in transaction costs, but it might very well move some staff from providing direct services to support services. While the theory is that through learning, significant improvements and efficiencies will occur, in practice there is a potential short-term trade-off for a medium-term gain.

⁴For example, many countries and development agencies have just put in place activity-based accounting systems. In the absence of such systems (linked to time tracking) it is difficult to track the costs of outputs and outcomes.

⁵ While there is some scope and flexibility in the definition, framework and strategy an organization will use, it is believed that at the global level it would best serve the developing countries that International Agencies harmonize their approach within the DAC working Party principles.

Over the years, there have been a number of lessons documented and shared on the adoption of Results-Based Management in development and other public sector agencies. Although MfDR is a newer management strategy, there are also lessons that underlie its key principles. Some of these “lessons learned”--defined as generalizations based on evaluation experiences with projects, programs, or policies that abstract from the specific circumstances to broader situations-- are summarized in the table below.⁶

Exhibit 3.1 Some Lessons of international experience in both MfDR and RBM

LESSONS THAT UNDERLIE MFDR	LESSONS LEARNED FROM ADOPTING RBM
<p>Increased alignment of donor resources reduces transaction costs and improves efficiency in development assistance.</p> <p>Better development results and performance is achieved through consistent application of modern public management techniques.</p> <p>A focus on expected results and associated results indicators leads to better alignment of actual programming and resources.</p> <p>Country capacity in strategic planning, accountable management, statistics, monitoring and evaluation is key for ensuring that countries own development goals and can steer the development process towards those goals.</p> <p>Better development results are achieved if there is participation of a wide variety of stakeholders in defining the desired results.</p> <p>Simple approaches to measuring and reporting lead to greater use of information for management decision-making.</p> <p>Changes in the organizational culture, incentives, and structure facilitate integration of MfDR in public sector agencies.</p>	<p>Developing a performance management culture increases the probability that organizations can sustain an RBM system.</p> <p>Leadership support and commitment increases the probability that RBM can be successfully adopted.</p> <p>Linking performance measures to incentives, policies and strategies increase the legitimacy of RBM as a management intervention.</p> <p>A sustained training effort in the concepts and principles, as well as the tools and systems of RBM, increases the probability that RBM will be used appropriately in the organization.</p> <p>Demonstrating the use of performance information in decision-making, programming, and operations increases the probability of adoption.</p> <p>If RBM is proposed as a flexible set of tools that support learning and assessment, staff members are more likely to embrace.</p> <p>When performance information is used for learning and change it has a higher probability of adoption than if it is used simply as an accountability instrument.</p> <p>While managers need to focus more on outcomes, creating the right balance between measuring outputs versus outcomes is critical for the long-term success of a performance management system.</p>

Sources: Adapted from *MfDR Principles in Action: Sourcebook on Emerging Good Practice* (2005), ADB’s *Special Evaluation Study on Project Performance Management in the ADB and its Projects in Developing Member Countries* and Universalialia experience.

⁶ The definition of “lessons learned” is taken from glossary (Annex VI) in The World Bank, *Ten Steps to a Results-Based Monitoring and Evaluation System: A Handbook for Development Practitioners*, 2004.

The table in Exhibit 3.1 illustrates differences in the origins and current state of MfDR and Results Based Management (RBM). While at first glance the essence of MfDR is development effectiveness, and thus anchored at the country level (achieving country outcomes), the “Managing for” component suggests the need for addressing the organizational processes that contribute to or can contribute to results being achieved at the country level. Thus, MfDR focuses on effectiveness and efficiency criteria as well. By encompassing both these areas, MfDR has become both conceptually and in practice a major institutional reform/change initiative.

Exhibit 3.2 Origins and Current State of MfDR and Results Based Management

MfDR	RESULTS-BASED MANAGEMENT
Has its roots in the 1990s	Has its roots in the 1950s
Global – came about as part of the harmonization and Aid effectiveness agenda of OECD	Organizational – RBM came about as academic idea that was adopted organizationally
Built on global objectives (e.g. poverty reduction, MDGs.)	Built on organizational objectives
Emerged from development community	Emerged from private sector community
Original focus was on aid effectiveness and improving reporting data.	Original focus was on organizational improvement through better personnel assessment (Management by Objectives, MBO)
Today, many feel MfDR should cover operational and non-operational dimensions of donors and recipient countries	Today, RBM has an Agency focus

Today, MfDR is both operationally and symbolically the term used by public sector organizations to signal to their stakeholders that they want to improve their performance and are willing to engage in significant change processes to do so. It is in this context that this assessment is undertaken.

4. Evolution of MfDR in the ADB: Review of Progress

4.1 Introduction

MfDR is one of the more recent components in a process of change at the ADB. The Bank's commitment to improve development effectiveness can be traced back at least to 1999, when it adopted poverty reduction as its overarching goal as part of the Poverty Reduction Strategy (PRS). The 2004 review of the PRS called for even greater attention to be paid to results-oriented planning, monitoring, and evaluation and for steps be taken to improve the quality of country strategies, lending and non-lending operations, and the economic and sector work of the Bank.

The Asian Development Fund (ADF) is a central instrument of the international community for reducing poverty in the Asia and Pacific region. The ADF has been replenished 8 times since it was established in 1973, with the last replenishment -- ADF IX -- covering the period from January 2005 until December 2008. The key issues of results management and internal efficiency lie at the core of the ADF IX replenishment. During the ADF IX negotiations that took place in 2003 and 2004, the President of the ADB presented a series of internal changes to enhance the effectiveness and efficiency of the ADB. These initiatives were subsequently developed as a strategic Reform Agenda, announced to staff at a Special Assembly held on 14 June 2004. The 19 interrelated initiatives of the Agenda aim to "enhance ADB's capability to manage its resources and activities to ensure that its products and services contribute to desired outcomes at the country level."⁷

During this same period of time (2003-2004), ADB began to articulate the components of its Results Agenda. In 2003, the President of ADB convened a Working Group on RBM and the MDGs, which provided input for key papers presented during the ADF IX negotiations. ADB subsequently committed to an MfDR framework and in 2004, presented a revised Action Plan for Implementation of MfDR to the Donors and created a Results Management Unit (SPRU) in the Strategy and Policy Department. This new Unit was fully staffed by the end of 2004. An overview of milestones in the evolution of MfDR in the ADB is presented in Appendix V of Volume II.

The emphasis on managing for results has been introduced as the Bank's expanding development agenda has brought changing and more challenging goals and targets for it to pursue. Over the past few years, the Bank has undertaken new thematic issues, including environmental and social safeguards, governance, capacity building, and private sector development. These additions, and other factors noted in a 2004 report by an independent assessment panel, have increased the complexity of projects and Country Strategy Papers and increased demands on the staff of the Bank.⁸ As a result, it is a time in which the traditional business of the ADB (providing loans to finance development) is perceived to be more difficult.

⁷ Asian Development Bank, Progress Report on the Asian Development Bank's Reform Agenda, 16 February 2005, Executive Summary.

⁸ Asian Development Bank, Independent Assessment of the Effectiveness of the Reorganization of the Asian Development Bank, Final Report, November 2004, p. 2. The study also notes that the ADB has always had the fewest technical staff of any MDB.

4.2 ADB's MfDR Agenda and Approach

Finding 1: The ADB has initiated a wide set of institutional reforms that are consistent with the concept and principles of MfDR.

As some interviewees note, the Reform Agenda, announced in June 2004, was intended to bring together the series of changes that the Bank proposed to undertake to modernize and improve its performance. MfDR is one of the key reform areas but it is also, in essence, the overarching theme of the Reform Agenda: "Development Effectiveness: Achieving Results together." In the Reform Agenda, MfDR has been referred to as the "the linchpin that aligns our organizational effectiveness with results on the ground," thus committing ADB to mainstream the MfDR framework.

The Agenda includes a total of 19 reform initiatives organized into 5 key reform areas that include: Improving Operational Policies, Strategies, and Approaches; Mainstreaming Management for Development Results; Refining Organizational Process and Structure; Reinforcing Knowledge management, Improving Human Resource Management incentives.⁹ All of these reforms are consistent with the MfDR principles outlined in Section 2.

The Reform Agenda created a way of reaching across the institution through the establishment of a Reform Coordination Committee (RCC) and a central coordinating unit in the Managing Director's office. Ultimate accountability for carrying out the reform agenda lies with ADB's management.

Although this Assessment does not analyze the Reform Agenda per se, because of its links to MfDR are substantial, it is worth noting:

- The Reform Agenda is perceived to be imposed by donors, and is consistent with what donors have been asking for in other MDBs and multilateral agencies;
- It is comprehensive and covers both operational and non-operational components;
- MfDR is an initiative that requires major change in the Institution. These change processes need to be managed, but the Bank has not designed, nor is it implementing, a change management strategy.

These issues contribute to the perceptions of overlap between the Reform Agenda and the MfDR Agenda that generate confusion among Bank staff.

⁹ The January 2005 Progress Report on the ADB's Reform Agenda notes that three initiatives have been completed: the strengthening of a performance-based allocation policy, establishing a results management unit, and independent assessment of 2002 reorganization of ADB. In addition, the HR strategy was formulated in 2005

Finding 2: ADF IX outlines a set of commitments that have been translated into an Action Plan supportive of MfDR. Unfortunately, the Action Plan is an inadequate tool for defining and guiding the results agenda.

ADB initially outlined its proposed approach to MfDR in a discussion paper shared with Donors at the ADF IX Tokyo meetings in December 2003.¹⁰ The main “principles” of the approach to be used, which were subsequently incorporated into the ADF IX Donors’ report in June 2004, include the need to focus on desired results, measure progress and use results information for management, ensure accountability for results at all levels, and strengthen a merit-based culture, particularly as expressed in the human resource system.¹¹ Although the Donors’ Report (paragraph 64) identifies it as a one-year Action Plan, in practice it has been extended to three years (2004-2006).

The results agenda included features that aimed at improving MfDR at the country level, institutional level, and through participation in partnerships. These three areas have come to be known as the three pillars of ADB’s MfDR agenda and they also provide a framework for the MfDR Action Plan.¹² ADB has been implementing the Action Plan since early 2004 and presented one formal report (update) in the context of ADF IX negotiations (Lisbon, in March 2004) and informal presentations on progress for the Board (also called Board Seminars) beginning in 2005. The board seminars included one by COSO (with OED and SPRU) on the enhanced PPMS and a seminar by SPRU in April 2005. In addition, brief reports on MfDR have been included in the Progress Report on the Implementation of the ADB’s Reform Agenda (May 2005) and the Work Program and Budget Framework (WPBF). As indicated by SPRU respondents, the Board members attending the seminar in April expressed satisfaction as to where MfDR agenda was at that time, except for one constituency (United States), but universally encouraged ADB to “systematize” the agenda.

At the time of this Assessment, most of the proposed actions were well underway. (For further assessment of progress in implementing the Action Plan, see Section 4.3 and Appendix XI of Volume II.) The Action Plan provided the “jumpstart” that was required, but today it proves to be an inadequate tool for defining, guiding, and tracking the whole of ADB’s results agenda. The expectations of several stakeholders, including some Members of the Board, suggest that the results agenda is more than the ADF IX-agreed Action Plan. The Plan has not proven to be an effective way of communicating a strategy, approach, and a process of change to internal stakeholders. As initially designed, it is also difficult to monitor. For example, many of the actions are too broad and the timelines are not consistently spelled out. The Action Plan also lacks an indication of the expected results and the indicators with which ADB could track its performance. Furthermore, the Plan does not specify the unit within the Bank that is to provide the lead responsibility for completing the action, nor does it provide an indication of the resources required for its implementation.

These shortcomings of the Plan could be addressed by developing an institutional strategy or framework for MfDR at ADB, which is one of the key recommendations put forward in Section 7.

¹⁰ ADB, “Enhancing Effectiveness: Managing for Development Results, “ADF IX Donors’ Meeting, Tokyo, 9-11 December 2003.

¹¹ Staff awareness and ownership was included in the Approach described in the Tokyo paper (paragraph 7), although it was not noted in the Donors’ report (paragraph 24).

¹² This Action Plan was presented and discussed with Donors in Tokyo. See ADB, Enhancing Effectiveness: Managing for Development Results, “ADF IX Donors’ Meeting, Tokyo, 9-11 December 2003.

Finding 3: There are many MfDR-related initiatives occurring in ADB. However, these appear to be ad hoc to staff and to some members of the Board of Directors.

Stakeholders identified a wide array of initiatives at the ADB that are contributing to MfDR. Almost every person interviewed, particularly at headquarters, commented on something that was being introduced to help the Bank to become more results oriented. Indeed the fact that many “MfDR flowers are blooming” is one of the strengths of the approach at ADB. Some of the initiatives noted in the interviews are:

- The Human Resource Strategy approved in 2004, which explicitly recognizes the need to reorient the way that ADB manages its HR so that it actively and effectively supports MfDR. One of the key components of the strategy is a new performance management system, based on the performance and development plan, adopted in January 2005, enabling a more meaningful assessment of staff performance with a focus on results.
- The review of the Poverty Reduction Strategy and subsequent development of the Enhanced Poverty Reduction strategy and its monitoring framework.
- The Innovation and Efficiency Initiative (IEI), which is aimed at improving ADB’s business model by removing bottlenecks that constrain its capacity to respond better and more quickly to its clients. The Board approved three IEI policy papers in August 2005.
- The introduction of results frameworks in a number of new policies, including the three IEI policy papers noted above.
- The Results-Based CSPs that are currently under development or being implemented in at least 9 countries.
- The establishment of and increased funding for the MfDR Cooperation Fund.
- ADB’s role in the global partnership on MfDR.

The Regional Departments have also been active in introducing a results-orientation in operations. The table in Appendix VI of Volume II provides an overview of the kinds of initiatives that have been developed. These include results orientation set out in regional strategies (such as the Pacific Strategy 2005-2009) and in regional ministerial events (such as the 13th GMS Ministerial Conference in December 2004; experiences in designing and now implementing Results-Based Country Strategy and Program (CSP), and numerous examples of Technical Assistance to build DMC capacity in statistics, performance-based public management, improved project design, monitoring and evaluation, etc.

Since all of these initiatives are happening at once, and are driven by different units within the Bank, few of the Bank’s stakeholders have a sense of the whole. This contributes to the perception developing among some stakeholders that the initiatives are ad hoc, that they lack coordination, and that they lack a sense of priority.

Stakeholders note that some of the frustration about the lack of a strategy, or sense of priority, in MfDR carries over from a more general frustration about strategy and priority setting in ADB. As one respondent noted, confirming the conclusion of the Independent Assessment of ADB’s Reorganization, ADB is suffering from goal congestion. Both staff and the DMCs are confused by the overlay of frameworks in the institution: the LTSE, MTSE, PRS, MfDR, all of which would have their own requirements for indicators. As a study participant recommended: “clear up goal diffusion in ADB: either we do poverty alleviation for DMCs or we lend. [Professional staff] in RDs are held to account for loans, not poverty reduction activities.” One of the limitations inherent to a greater strategic focus and selectivity in ADB is that it requires that (a) the Bank’s shareholders all know what they want and that (b) all of them can come to a compromised agreement on where and how to be selective.

One of the weaknesses of the ADB's approach is the fact that although it may have an implicit strategy (of letting many flowers bloom), this has not been explicitly communicated to and understood by all stakeholders. A strategy and business plan, which outlines the anticipated results of MfDR, clear priorities, and the level of resources required in the next few years could be a helpful in taking a more systematic approach to MfDR.¹³ We return to this point in the recommendations provided in Section 7.

Finding 4: ADB has adopted an incremental, pilot-testing approach that facilitates experimentation and learning. This approach, while mirroring the experience in other MDBs, also has proven frustrating to those who expect more visible progress in a shorter time frame.

One of the choices that the ADB made with regard to implementing MfDR was to adopt an approach based on pilot testing or experimentation and continuous learning. This is in line with what several of the other agencies that we spoke to have done when introducing new frameworks for projects and for country strategies. The World Bank, for example, piloted its approach to results-based Country Assistance Strategies; six pilots were completed before mainstreaming the approach.

While the ADB strategy seems to provide a sensible way of thinking about how you can go about managing change, it also has its drawbacks. First, in order for this approach to be effective, stakeholders in the organization must fully recognize and understand the strategy and that the process entails learning from mistakes and adapting along the way. It is not clear that such an understanding exists in ADB. Second, incremental change is more challenging to implement given the "political-economy" of MfDR in which some donors and staff are in a hurry to see changes on the ground, in the results of the ADB. However, there is recognition among results units at the MDBs that change within the Banks is necessarily incremental. The expectations of some stakeholders of the MDBs for more visible progress in a shorter time frame may not be reasonable in a new and admittedly experimental field such as managing for development results. As one interviewee at another MDB suggested, "modesty in terms of expectations" and commitment to a long-term process of change is more appropriate.

Finding 5: While staff at the ADB is more aware of MFDR, it is also confused about the concept and relative priorities of the reforms linked to MFDR. The MfDR Agenda is not clear.

As described in the introductory section of the report, Managing for Development Results has the potential to be a very broad agenda that can encompass almost any change initiative geared towards improving development effectiveness or organizational efficiency. While interviewees report that the majority of staff understand the broad concepts and objectives of MfDR (for example, improved development effectiveness), a much smaller number understand what it will actually change in the business processes within the Bank and in their daily work. In other words, the staff may not be as clear about what it means in operational terms.

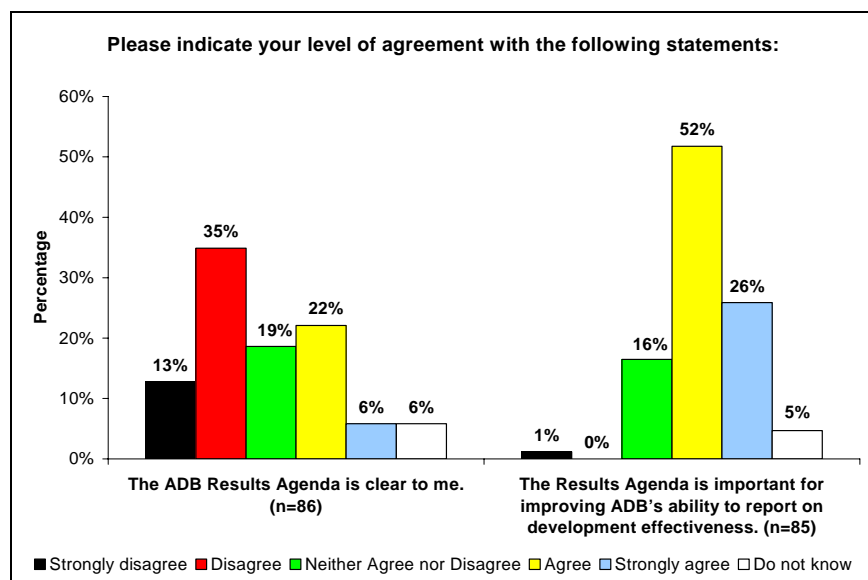
¹³ We also recognize that the absence of an institutional framework or strategy also gives individual managers greater ability to innovate. However, it is our assessment that in the case of ADB, the lack of a strategy is leading to confusion and that there is a need for ADB to introduce measures that help to clarify MfDR and its priorities.

Several comments from the study participants help to illustrate the perspectives on the definition of the Agenda and how it translates into practice.

- MfDR needs to be more clearly defined. It is too fuzzy, covering too many things. Prioritize and simplify.” Related to this is the view expressed by another respondent who comments that “I have still not heard an explanation, in clear language with at least one concrete example, of what MfDR is and means for development.”
- “There seems still a big misunderstanding or no-understanding on what the apparent results-based practice means, especially compared to the past practice, which was supposed to be not result-based.” Another interviewee pointed out that “unless people have to do something, it doesn’t get internalized.” On the ground, the ADB has used the LFA for years and it is not clear to many how and if MfDR changes that.

In the Assessment survey, more than 50% of the respondents indicated a degree of uncertainty or lack of clarity about the Results Agenda, yet recognized the importance of the Agenda for improving ADB’s ability to report on development effectiveness (See Exhibit 4.1. below)

Exhibit 4.1 Assessment Survey: Perceptions on clarity of ADB’s Results Agenda



At this stage of implementation of MfDR, a communications gap is emerging in ADB. There is a difference between what SPRU communicates and wants people to know and what people seem to know about MfDR. From our perspective, this apparent miscommunication may be due to several reasons, including: the fact that MfDR is still in early phases and has not yet been mainstreamed in Bank practices; the continuous introduction of new policies and agendas with different content areas, which contribute to a sense of confusion about the relative priorities and linkages among these initiatives; and the actual tools and language used to introduce and promote MfDR. SPRU’s experience thus far also suggests that as ADB staff begin to use MfDR tools and become familiar with them, they go from being passive (or even critical of, and opposed to MfDR) to becoming the strongest “champions.”

The lack of clarity issue is not exclusive to an MfDR Agenda or to the ADB – it often comes into play when challenging reforms are introduced in public sector institutions. Nonetheless, it is an issue that requires attention. The area of communications is further addressed in Section 5.5 and in the recommendations in Section 7.

4.3 Implementation of the Action Plan as defined under ADF IX

ADB's current MfDR agenda is based on the Action Plan endorsed during the ADF IX negotiations. The three pillars of the Plan focus on DMCs, the Institution (ADB), and partnerships with other organizations. The findings below are organized according to these three pillars. Each section begins with a table that presents the objectives from the Action Plan under that pillar, and a comment on progress for each objective. A documentation of progress on each of the Actions set forth in the Plan is provided in Volume II – Appendix XI.

4.3.1 Pillar 1 – Developing Member Countries

Developing Member Countries play a pivotal role in ensuring that MfDR does in fact lead to better country outcomes. Earlier this year, the *Paris Declaration on Aid Effectiveness* stressed that the “capacity to plan, manage, implement, and account for results of policies and programmes, is critical for achieving development objectives...” The ADB and other donors committed to align their analytic and financial support with partners’ capacity development objectives and strategies, make effective use of existing capacities, and harmonise support for capacity development accordingly.

Exhibit 4.2 Objectives in Pillar 1: Improving results orientation at DMC level

OBJECTIVE	COMMENT ON PROGRESS
1. Establish a set of indicators for ADB's DMCs which align the MDG indicators, PRS (or equivalent indicators) and ADB's mandate	<p>In progress.</p> <p>ADB has advanced in several different sets of indicators: RB-CSPs, PRS indicators, and ADF IX monitoring system that includes country outcome indicators. There are also results frameworks for WPBF and the Reform Agenda.</p>
2. Continue to enhance DMC capacity to accommodate management for development results	<p>In progress.</p> <p>Action Plan activities have been carried out, but are not enough to achieve results.</p> <p>This is a challenging area that can only be addressed in collaboration with other agencies. A strong in-country, harmonized, strategy is required for capacity building.</p>
3. Continue to introduce results techniques at DMC level	<p>This objective is actually one of the strategies for building DMC capacity (Objective 2) and is addressed through the actions for Objective 2.</p>

Finding 6: Although MfDR Action Plan activities are being successfully completed, these activities on their own will not be sufficient to lead to the desired result of increased country capacity for monitoring, measuring, evaluating, and managing for development results.

ADB contributed to build country capacity for management for results prior to the formal introduction of MfDR as a Bank-wide initiative, particularly in the areas of generating the data that is necessary for measurement. Interviewees cited efforts to strengthen statistics offices that help track macro or sector indicators, particularly since the ADB's formal endorsement of the use of the MDGs in its operations in 2002.¹⁴

The importance of such efforts has also been recognized by other MDBs. The World Bank cites its Statistics Capacity Building Program, approved by the Board in March 2004, as an important step forward in strengthening country demand and capacity to manage for results.¹⁵

In the Action Plan for MfDR, the ADB emphasized country capacity building as a priority. The specific initiatives designed and implemented to date by SPRU include events and tools that facilitate learning about MfDR, its implications for public sector management, and what it means for the international community. Some examples of these kinds of actions include:

- The workshop for DMC officials held in Tokyo in April 2005 and co-sponsored by SPRU, COSO, ADBI, and OED, which focused on the concept of RBM at the national, sectoral, agency, program and project level. Thirty-one senior executives from 10 DMCs took part in the workshop and prepared country and organization-specific action plans.
- Two regional workshops on Harmonization, Alignment and Managing for Development Results in Bangkok (19-20 October, 2004) and in Bishkek (11-12 November, 2004), with an approximately 72 participants from 19 countries in Asia and the Pacific.
- The proposed Community of Practice initiative for DMC officials who are committed results practitioners. This initiative is in the first phase of implementation, with a formal launch expected in early 2006.
- The development of the RB-CSP is also conceived as part of a capacity building process at the country level. The capacity assessments undertaken during RB-CSP development are expected to contribute to enhancing DMC capacity for results-based management. Furthermore, at the time of the Assessment, SPRU was developing a "rapid assessment tool" and planned to pilot it before the end of 2005.

Three decades of support for DMC statistical capacity building

Since 1970, ADB has implemented about 60 statistical capacity building projects, for a total of more than US\$22 million. Between 1971 and 1990, most of the statistics TAs were related to national accounts. Between 1990 and 2000, the scope of projects included national accounts, environment/agriculture/social/demographic and labor statistics, money and banking, and institutional strengthening of national statistical offices. From 2001 onwards, the projects increasingly focused on monitoring poverty.
(Source: http://www.adb.org/Statistics/technical_assistance.asp)

¹⁴ The date for formal endorsement of the MDGs is taken from the ADB, Special Evaluation Study on Project Performance Management in the Asian Development Bank, November, 2003, p. 5.

¹⁵ See *Balancing the Development Agenda: The Transformation of the World Bank under James D. Wlofensohn, 1995-2005*, 2005, p. 128-129

The ADB has also used Technical Assistance program funds or introduced new mechanisms to support implementation of concrete initiatives to support management for results in countries. A wide range of Technical Assistance grants that support capacity development for MfDR of the DMCs, which may include poverty analysis, poverty monitoring, monitoring and evaluation, participatory processes, impact assessments, project design and M&E, and RBM-focused TAs. Unfortunately, these TAs have not been systematically documented or tracked in ADB so it is difficult to get a sense of the overall investments that have been made.¹⁶ The MfDR Cooperation Fund, created in 2004 and managed by SPRU, approved 5 proposals (about \$1.7 million) to support MfDR and RB-CSP implementation as of August 2005. (This Fund is further described in Finding 8.) Several of the ADB Resident Missions (RM) interviewed report that the emphasis of their TA program is on MfDR. All of them also note ADB's active involvement – along with other donors—in supporting the development of results-focused national plans and strategies.

Although Action Plan activities have been completed successfully, the end results may not be obtained. The challenges with learning programs, particularly when they are done regionally, include: the difficulty of reaching a critical mass of government officials, sustaining the effects of the learning events, and facilitating application of the content in country.

Our conclusion is that a more operational strategy would need to be taken, with greater focus at the country level, which would be pursued by Regional Departments and RMs. As one interviewee commented, “Country capacity building can be done, but *in country*. Ministries need to see usefulness of this *for me*.” Another interviewee pointed out that if “there is no clear sense of the decisions that MfDR impacts, it will be difficult to generate client interest.” ADB would need to provide real incentives and concrete support for what governments need in order to integrate results-focus into their national plans and systems. The results-based CSP design and implementation process is an example of this kind of concrete support. A combination of country-relevant technical assistance and learning programs, which would be a stronger approach, would also require a level of resourcing.

Furthermore, it is clear that for countries to build the capacity that supports what is basically a new approach to public sector management, donors must fully collaborate with each other. “The value of the results agenda is the need for government to work with donors and [to ensure that] everyone working on the same agenda. ADB can't do it on its own.” This will require concerted effort and harmonization, and the question is who is going to take up the leadership in each of the countries on the MfDR agenda.

There is a set of recommendations in Section 7 that address ways in which the ADB could organize MfDR in order to better meet the demands and the challenges of building DMC capacity in this area.

¹⁶ Examples of recent TAs include the 2003 RETA (6089) focused on strengthening RBM in sector agencies in education and health in Mongolia and Cambodia and the COPP RETA 39284 on Results-Focused Project Design and Management (for over \$900,000), which targets government officials in the Executing Agencies for ADB projects.

Finding 7: Stakeholders at a selected sample of Resident Missions indicate that senior government officials, particularly in key central ministries are generally aware of the global MfDR agenda, although this awareness does not penetrate those ministries, nor does it usually cross over to line ministries.

MfDR is a global agenda where ADB is only one of the advocates. Nonetheless, one of the aims of the ADB has been to raise awareness of MfDR at the country level. Awareness-raising efforts for DMC audiences have included the regional workshops, training for government officials, sponsoring their participation in international meetings on MfDR, the web site, and others.

The Assessment team did not interview DMC officials directly, but several Resident Missions provided their perspectives on the level awareness and provided examples on the range of issues at the DMC level:

- To the extent that government officials have been involved in World Bank CAS, ADB CSP, or sector roadmap discussions, they are more familiar with the language of results.
- In many countries, there is awareness at the central agency level (especially Ministries of Planning, Finance, or even Foreign Affairs) of the global MfDR agenda. However, this is often limited to a select group of government officials who participate in training and international meetings such as the High Level Forum. In the line ministries, the level of awareness is of a much more limited nature.
- MfDR is perceived by countries as a donor driven agenda and although DMCs attend meetings, and may embrace aspects of MfDR with some enthusiasm, it is not an agenda that they own.

In order for a management for results approach to be adopted more widely and deeply in public sector agencies, it needs to be incorporated into their work processes (such as strategic planning, business planning, project planning, etc). As noted above, this is one of the areas for capacity building requiring a joint effort between the country government and donor agencies. In the end, a country government's level of awareness about the global MfDR agenda is less important than its capacity to apply and see the value of results-based approaches in programming.

Finding 8: The MfDR Cooperation Fund to support DMC's is a positive development at this stage of implementing MfDR in the ADB.

The MfDR Cooperation Fund was established in March 2004 with an initial contribution from the Government of Canada of CAD\$1 million. Since then, the Governments of the Netherlands and Norway have also made contributions, bringing the Fund total value to US\$2.9 million as of August 2005. The Fund is managed by SPRU, with the collaboration of a Review Committee made up of representatives of different departments. The objective of the Fund is to help ADB promote results-management techniques within ADB and DMCs. The Fund covers activities that strengthen DMC capacity, by:

- Introducing results-based planning and budgeting techniques;
- Preparing results-oriented national development plans and strategies, sector plans and roadmaps;
- Improving methods for measuring, monitoring and managing for results;
- Training of DMC officials on MfDR;

- Facilitating participation of DMC officials in international events on MfDR and development effectiveness.¹⁷

As of August 2005, the Review Committee had endorsed five technical assistance proposals for MfDR projects in Viet Nam, Kyrgyz Republic, Nepal, Lao PDR, and Philippines for a total of about US\$1.7 million. The project size ranged from US\$150,000 to US\$500,000. Most of the projects focus on developing results-based monitoring and evaluation capacity to support implementation of the national growth and poverty reduction strategies.

The creation of a Fund that is attached to the results agenda is a positive aspect of ADB's MfDR implementation, particularly since it has been able to allocate most of its resources in a short period of time. The value of a dedicated grant fund to support country capacity has also been recognized by other MDBs. The IDB, for example, established a well-resourced program (with the acronym of PRODEV) in March 2005 in order to assist borrowing member countries (with non-reimbursable funding) to improve their capacity to manage for development results.¹⁸ Our understanding is that this program is still being operationalized and has not yet allocated resources.

The potential weakness in such a Fund is that it is essentially an operational tool, not a policy tool, and might be better integrated with other technical assistance programming if it was in an operational department. This is one of the issues considered in the set of recommendations on how ADB might bring MfDR closer to Operations.

4.3.2 Pillar 2 – Institutional

The second pillar of ADB's MfDR Action Plan is referred to as the Institutional pillar. It combines a variety of initiatives, most of which target ADB's development effectiveness by focusing on the Bank's core products – the lending and non-lending projects, as well as the CSP.¹⁹ This is reflected in the objectives presented in the table below. At the institutional level, as reported in the two findings that follow, the most evident progress has been in the introduction of Country Strategy Papers and Project Performance management improvements.

Exhibit 4.3 Objectives in Pillar 2: Improving results orientation at the institutional level in ADB

OBJECTIVE	COMMENT ON PROGRESS
1. Improve monitoring, measuring, and reporting on ADB's country level operations	In progress Pilot experiences in the <i>design</i> of Results-Based CSPs initiated in 9 countries. As of August 2005 all CSPs under preparation should include a results framework. Experience with monitoring, measuring and reporting on these CSPs is pending.
2. Improve results orientation at project level (lending and non-lending)	In progress. PPMS Action Plan being implemented. OED 2005 Evaluation Review notes improvement in quality of design and monitoring frameworks for projects (when comparing sample of projects in 2004, 2002, and 2000) and raises some issues with the quality of the project frameworks for non-lending projects. Both improvements are in project design.

¹⁷ Examples of activities taken from: <http://www.adb.org/MfDRCF/default.asp>

¹⁸ The level of resources (drawn from IDB's administrative budget) totals US\$30 million over four years. For more information on PRODEV, see Inter-American Development Bank, "Program to Implement the External Pillar of the MTAP for Development Effectiveness (PRODEV)", March 3, 2005.

¹⁹ In practice, the overlap between the Reform Agenda and MfDR puts strains on this pillar and often brings SPRU and MfDR into a broader set of initiatives that aim to strengthen performance management in ADB.

OBJECTIVE	COMMENT ON PROGRESS
3. Improve management of policies and actions at sector/thematic level	<p>In progress Introduction of results frameworks in about one third of the policies approved in 2005. However, because often the responsibilities for monitoring not clearly identified, it is not clear how frameworks will be used to inform management decisions.</p> <p>No annual reports yet on results achieved in sector & thematic areas.</p>
4. Improve evaluation of development effectiveness	<p>Pending The changes introduced in PPMS and CSPs are expected to improve evaluability of these initiatives, but too early to assess. OED to conduct evaluation of development effectiveness</p>
5. Create an institutional framework for the results agenda	<p>Substantially met. Results Management Unit created and operational. Results Management Network (Focal Points) created but not operational.</p>
6. Better understand ADB's results oriented actions	<p>Superseded as a specific product (stocktaking report), but requiring on-going attention The stocktaking report was prepared, but never circulated and was eventually superseded by implementation of other activities. However, this requires on-going monitoring and documentation.</p>
7. Ensure staff awareness of the results agenda	<p>In progress While indications are that many staff have an understanding of the broad concepts, there is less awareness of how it affects their work.</p>

Finding 9: The ADB has made progress in improving results-oriented project design.

A review of ADB project documents was not contemplated in the terms of reference for this Assessment. However, several interviewees commented on the significant efforts and the recent progress that had been made in improving project design in the Bank.

Although a Project Framework was widely used by some departments since the early 1990s, its use became mandatory for ADB's public sector loans in 1995 and for its advisory and regional TAs in 1998.²⁰ An OED Special Evaluation Study in 2003 on project performance management raised concerns about the quality of ADB's design and monitoring frameworks. As a result, ADB Management developed an Action Plan with 13 actions that the ADB has been implementing since April 2004. Regional departments, OED, and COSO have been responsible for the different actions.

Five items in the Action Plan address the need for build staff capacity. Briefings and trainings for staff have been carried out by OED and the Central Operations Services Office (COSO). In 2004, more than 300 headquarters staff members attended briefing sessions delivered by OED staff. Further training on Project Performance Management System and the Design and Monitoring Framework has been delivered by COSO in 2005. In addition, COSO has prepared new reference materials and guidelines on PPMS and project design, many of which are available on the MfDR web site.

²⁰ ADB, Special Evaluation Study on Project Performance Management in the Asian Development Bank and its Projects in Developing Member Countries, November 2003, p. 11.

These investments in building capacity for project design are bearing fruit. In the OED 2005 Annual Evaluation Review, the data suggests a general improvement in the quality of project frameworks, while some weaknesses persist in the frameworks for TAs. The report also stresses three areas where ADB can make changes to ensure that portfolio management reflects the Bank's MfDR Agenda: in business processes in order to reduce bunching, in incentives for staff that emphasize development results, and in placing more importance on project administration. This last point is also emphasized in OED's review of the performance of the 2004 portfolio, which states that "with the new focus on MfDR, Management needs to take concrete action to formally recognize that project administration is as important as loan processing when it comes to achieving development results."²¹

In our interviews, stakeholders noted that while project design has indeed become more results oriented, "MfDR needs to be embedded in the way we manage projects." Interviewees voiced concerns about ADB capacity for project administration and monitoring, as well as the M&E capacity of government executing agencies that develop the project M&E system. They also noted that M&E systems may be neglected during implementation, unless grant funds are available to support their development.

Finding 10: ADB has given a strategic emphasis to mainstreaming Results-Based Country Strategy and Programs, and there has been substantial progress with respect to the targets of the MfDR Action Plan.

The CSP defines ADB's strategy for a developing member country. As noted by the Independent Assessment of the Reorganization of the ADB, "CSPs are designed to be the institutional document that wedes the needs and interests of the country with the corporate capacity and strategy of the Bank, and increasingly with the contributions of other agencies." This report stressed the need for CSPs to become more demand driven in order to become the centerpiece of the Bank's development effort. The 2004 Review of ADB's Poverty Reduction Strategy also called for greater country focus and strengthened country related analytical work. In this Review paper, ADB committed to having all new CSPs include a results framework to be used in monitoring.

CSPs have been the area of strategic focus for SPRU, seen as a critical trigger area that could spark changes in other business processes. The World Bank gave a similar emphasis to their Country Assistance Strategies (CAS), presenting the first results-based CAS to the Board in 2003 and adopting the approach as standard practice two years later.²² In this area of results-based country programming, there has been substantial collaboration between the two MDBs, with ADB staff participating in the World Bank's CAS Academy and World Bank staff participating in the in-house workshop on CSPs held in June 2005.

The targets in ADB's MfDR Action Plan were for at least two RB-CSP pilots to be initiated in 2004 and for RB-CSPs to be mainstreamed in 2006. Nine countries (as of August 2005) have either completed or are actively developing results-based CSPs (see Volume II – Appendix VIII). A continuum of actions in this area is reflected in:

- The beginning of the pilot phase of Results-Based CSPs (RB-CSPs), with Nepal presenting the first results-based CSP to the Board in November 2004;

²¹ ADB, Annual Report on Loan and Technical Assistance Portfolio Performance for the Year Ending 31 December 2004, July, 2005, p. 96.

²² Balancing the Development Agenda: The Transformation of the World Bank under James D. Wlofensohn, 1995-2005, 2005, p. 131.

- Interim Guidelines on RB-CSPs issued in January 2005;
- An in-house workshop organized by SPRU and the Human Resources unit in June 2005 to share the experiences in RB-CSP development and identify issues to be addressed as the RB-CSPs are mainstreamed; (A vignette on this initiative is provided in Exhibit 4.4)
- An August 2005 memo from SPD indicating that all new CSPs would include a results framework;
- A *Practice Note on Results-Based CSP* issued by SPRU in August 2005 to provide immediate practical guidance and options to address specific issues raised during the RB-CSP workshop in June;
- A *Technical Note on Preparation of a Results-Based CSP* prepared by the Results Management Team of SAOC (dated September 27, 2005).

Exhibit 4.4 Example of a Good Practice in In-House Learning about MfDR application

In-House Learning Event on RB-CSPs

*Workshop on Results-Based Country Strategies and Programs
9-10 June 2005, ADB HQ*

The Results Management Unit (SPRU) and the Human Resources Unit of the Budget, Personnel and Management Systems Department (BPHR) sponsored this ADB in-house workshop.

The workshop was intended to be the start of an in-house capacity development process aimed at improving the results orientation of CSPs. The immediate learning objectives of the workshop were (i) to improve the understanding of technical issues involved in the preparation of results-based country programming, (ii) to share lessons from recently completed or ongoing results-oriented CSPs; (iii) to review and discuss operational and business process implications of the results-orientation of CSPs.

The workshop brought together thirty-seven participants, including country team leaders and other staff with responsibilities for formulating RB-CSPs, both from headquarters and the field (12 resident missions/offices were represented). Representatives of the World Bank also participated in the Workshop and presented the Results-based CAS process and the application of this new approach in preparing the RB-CAS for the Philippines.

The feedback provided through interviews for this independent assessment and the information synthesized from the workshop feedback forms in SPRU workshop report indicate that most participants valued this type of learning forum. In particular:

- The workshop helped them to better understand the principles underlying the formulations of results-based programming and better understand the features of a results-based CSP;
- Presentation and discussion of ADB country cases, and likewise, presentation of World Bank experience, were found to be the most interesting and useful to a majority of the participants;
- A number of participants stressed their appreciation of the “networking” aspect of the workshop, i.e. the opportunity to meet and discuss with peers engaged in CSP preparation;
- Participants expected the workshop to influence the CSP preparation work that they do.

Furthermore, as noted in the workshop report, participants highlighted the importance of sharing with and learning from other agencies, such as the World Bank, who has already accumulated considerable experience in results-based country programming.

A results-based focus and approach to the CSP is meant to improve quality at entry of CSPs, which in turn is expected to improve implementation and ADB contribution to country outcomes. This Assessment has not conducted a review of the quality at entry of these RB-CSPs. ADB, however, will conduct such a stocktaking exercise of approved CSPs (as well as of lending and non-lending operations) in early 2006 as part of monitoring the Enhanced PRS. SPRU has proposed that the retrospective consider RB-CSP Processes and Procedures. An assessment of the effectiveness of the RB-CSP will not be available until the Country Assistance Program Evaluation (CAPES) are conducted by OED at the end of the CSP period.

There are a number of different perspectives on the process for developing RB-CSPs. During the interviews, a small number of the Resident Missions noted a lack of direction from Headquarters in terms of practical examples (e.g., what is a good example of a RB-CSP or of a sectoral approach?). However, this concern tends to dissipate when the RB-CSP is being designed and there are missions from SPRU to facilitate and provide technical input to the process. This hands-on support is generally viewed as helpful by country teams and was noted in the June in-house workshop when participants identified the need to incorporate a CSP launch retreat facilitated by SPRU at the beginning of the process. On the other hand, there are examples of interviewees who found that the flexibility of the process (and the absence of precise templates to be followed) allowed them to tailor it to the needs of the country team and the government.

Stakeholders interviewed made the following observations about the substance of RB-CSPs, which also emerged during the June 2005 in-house workshop:

- Project timeline in relation to the timeframe for the CSPs. CSPs are for 5-year period, whereas ADB projects can last from 5 to 9 years.
- Need for flexibility to change the CSP if the circumstances change. This means having the ability to use best judgment to make adjustments.
- The desire in Bank to have numerical indicators, to quantify things. This is fine if the data is there and is reliable, but it may not always be prudent
- The cost of measurement and the need to seek greater efficiency in data collection

The key to the CSP, however, is not the strategy itself but the implementation and monitoring of the strategy. Since implementation has just begun in the nine pilot countries, it will take additional time before there is evidence of use of the strategy.

4.3.3 Pillar 3 – Partnerships

Finding 11: ADB is perceived to be an active and effective partner in the global MfDR discussions by internal and external stakeholders.

ADB has played key roles in the global discussions on MfDR. It has participated in each of the Roundtables on Results and is serving as the inaugural Chair of the MDB Working Group on MfDR and the Co-Chair of the OECD-DAC Joint Venture on MfDR. It also made an explicit contribution to preparations of the High Level Forum on Aid Effectiveness in Paris in 2005, by addressing these set of issues with DMCs and donor agencies alike in the regional workshops held in Bangkok and Bishkek. ADB has supported other global initiatives such as the Global Monitoring Report, MfDR Sourcebook, and the development of the Common Performance Assessment System (COMPAS) for MDBs. COMPAS aims to provide a joint repository of information on how MDBs are promoting MfDR and contributing, individually and collectively, toward development outcomes. The five MDB presidents have recently endorsed the COMPAS methodology and a first report is expected in early 2006.

ADB is perceived by other MDBs to play an active and effective role in the global arena. Internally, many of the stakeholders at ADB recognize the leadership of SPRU in establishing professional exchanges with other agencies and in strongly linking ADB with the global movement.

The ADB's success in this global arena may also be a double-edge sword for the MfDR agenda and for SPRU. On the one hand, ADB is able to share its perspective in international fora and learn from other agencies who are all trying to implement approaches to MfDR. People recognize that the Asian perspective is important and necessary as part of the MfDR dialogues. On the other hand, some stakeholders interviewed in the ADB raise concerns about the balance between external and internal initiatives. Energy that is channeled outside the Bank is not invested in raising awareness or helping to implement MfDR internally. Because the Unit is in a visible position, people notice when team members are out at international meetings. They may not recognize that, often, SPRU's travel is in relation to the general Harmonization and Alignment agenda and the Paris HLF-2, much of which falls outside of SPRU's immediate mandate. As a result, the participation in international, partnership activities has become a source of criticism for the Unit.

This critique highlights the need for greater Bank-wide involvement in these initiatives if the ADB is to be fully engaged as a global partner. Although other ADB staff members have participated in the international meetings and workshops, their participation has been limited due to scarce resources and competing priorities.

The trade-off inherent in dedicating time to partnership is also an issue at other MDBs, and was particularly noted by the World Bank.

Exhibit 4.5 Objectives in Pillar 3: Improving results through partnerships with other institutions

OBJECTIVE	COMMENT ON PROGRESS
Harmonize ADB's results agenda with other MDBs and donors	<p>In progress.</p> <p>Collaboration with World Bank in developing approach to RB-CSPs and consideration of IDA-14 indicators for the ADF are examples</p> <p>At the country level, all of the interviewees also referenced harmonization initiatives in the CSP process and building MfDR capacity for MfDR.</p>
Continue to share lessons learned on results with and among other donors	<p>Action Plan item completed, but the objective requires continuity in these activities.</p> <p>The Second International Roundtable on Results was co-sponsored by ADB (the only Action defined in the Action Plan)</p> <p>Large number of MDB and bilateral agency participants in the regional workshops, along with DMCs.</p> <p>Consistent participation at MDB fora and other global initiatives on MfDR</p>
Align ADB's results agenda with national strategies of DMCs	<p>In progress.</p> <p>The Action associated focused on consultations with DMCs on ADB's conceptual framework and results agenda.</p> <p>The RB-CSP process is the key tool, but is still to be mainstreamed.</p>

4.4 MFDR and Organizational culture

Finding 12: Many stakeholders report that some aspects of the culture of the Bank hinder the implementation of a managing for results agenda.

In the interviews we conducted, people identified several of the cultural characteristics of the ADB that pose challenges to implementing MfDR. A first set of characteristics relate to the deference to authority and the hierarchical structure in the Bank, as opposed to a flat and decentralized structure.²³ This type of structure poses challenges to the participatory, collaborative relationships that allow for flexibility and learning. In the results agenda, there are no “right answers,” it is meant to promote dialogue and experimentation.

Another key feature is that the ADB culture tends to be rule based rather than value based. This means that staff expect written guidance from Senior Management with respect to any reform or change in procedure. As one person described, it is a culture that is driven by the “written word.” More than 50% of the respondents to the survey indicate that there has not been adequate guidance for staff. This may reflect the limited official documents that have been circulated for the purpose of either providing staff guidance or informing of progress. The reliance on the written word has also led to more formal ways of thinking and innovating, where providing comments on draft documents prevails over group brainstorming or other processes of developing synergy or consensus through dialogue.

Finally, the structure and composition of the management cadre at the Bank poses some challenges. On the one hand, there is an experienced and powerful middle management that has seen many reforms and tends to be sceptical of new initiatives, particularly those that are perceived as externally imposed. Second, at the Senior Management level there is a group of Vice Presidents that are politically appointed for short terms in the Bank. As one Vice President stated, “the VP leaves, the middle stays.” This feature builds in a certain degree of conservatism in the ADB, as middle management waits to see if any change introduced – including MfDR-- will transcend the Senior Management that is in office.

Finding 13: Many ADB staff are sceptical about the intentions and progress of MfDR. The perceptions of MfDR as an externally imposed agenda or as an agenda that means nothing new for the ADB undermines the legitimacy of the MfDR as an institutional imperative.

Among the ADB staff consulted (through interviews or surveys), there are wide ranging perceptions on ADB’s progress in implementing MfDR. However, this perception is colored because, as noted earlier, staff members do not consistently know what is included in this agenda. The absence of clarity about the agenda is a factor that limits the possibility of having a reliable gauge of people’s perception of progress in this area. Thus, the assessment data provides an indication of the range of viewpoints.

²³ We recognize that recent efforts have been made to decentralize authority to Resident Missions and that this shift is still in process.

One group of respondents does feel that ADB is becoming a more results-oriented organization and is getting better results on the ground, although it may not yet reflect this in its reporting. Others are more sceptical about the progress in this area. Several interviewees note, for example, that the different demands being placed on staff (such as a need to increase lending volume) contradict the emphasis on development results. Another large group of respondents is uncertain or unaware about the progress being made.

There are several staff perceptions of MfDR that undermine its credibility as an institutional imperative:

- It is an externally imposed agenda that does not respond to ADB or DMC needs and problems (about 70% of the respondents to the survey, for example, agree that ADB's results agenda is driven by donors);
- It is a management fad that will go in the same way that it has come;
- It is essentially nothing new because the Bank has always paid attention to results.

Yet other staff members do see it as a corporate transformation, with changes in the culture, structures, and procedures of the Bank. These interviewees refer to it as "a change of mindset."

The views of staff at ADB are not so different from those at other MDBs. The 2004 Annual Report on Operations Evaluation notes that at the World Bank, as in other international organizations, the changing of mental models is the central challenge for making the profound changes of organizational culture and incentives that is required to manage for results.

4.5 Comparison with other Multilateral Development Banks

There have been several efforts to document the stage of implementation of MfDR in various MDBs. The Roundtables have provided a forum for sharing such information. The IDB developed a comparison table in 2004 as part of the document presenting the Medium Term Action Plan for Development Effectiveness.²⁴ This Independent Assessment included a brief review of the experience in several other MDBs and agencies.

Finding 14: The evolution of MfDR in ADB compares favourably to other MDBs. There are good practices emerging in each of the institutions.

The ADB formally embraced the MfDR later than the World Bank (2002), but earlier than the Inter-American Development Bank (July 2004) and the African Development Bank (late 2004). All of the Banks are working at the project and country level, albeit to different degrees, and are beginning to look at corporate strategy and business processes. The AfDB may be in earlier stages than the other institutions, but it has a comprehensive MfDR design and implementation plan that would link these areas together.

²⁴ See IDB, "Medium Term Action Plan for Development Effectiveness at the IDB (MTAP), July 2004, Annex B.

At this stage of implementation, it is difficult to talk about ideal or best practices in MfDR, but it is possible to recognize emerging good practices, such as:

- The World Bank: developing results-based Country Assistance Strategies, design of a “CAS Academy” that has also been a forum for sharing experience with other MDBs, and extensive efforts to link budget resources to results in each Vice Presidential Unit. While all of these processes are being refined, they appear to be further along in mainstreaming a results approach.
- IDB: designing a well-articulated and resourced medium-term Action Plan; setting aside substantial amount of resources from its administrative budget for DMC capacity building for MfDR; and producing a results-oriented annual report on portfolio management (with a specific chapter on results-based portfolio analysis).
- AfDB: piloting use of the Balanced Scorecard as a management-monitoring tool linking internal processes with their overall contribution to the achievement of country level MDGs.
- UNDP: making innovative use of the Balanced Scorecard for reporting on select organizational effectiveness and efficiency indicators, although these do not reflect on the UNDP’s contribution to outcomes at the country level.

In all these multilateral agencies, one of the challenges has been to identify and commit the champions for management for results. All of them recognize the importance of Management support if the agenda is going to be taken on and they continue to struggle to secure leadership for it. The World Bank, for example, reports that they are getting support at senior levels and that there is a growing coalition of support for MfDR among middle management.

MfDR is a difficult agenda to initiate. All of the MDBs have faced challenges in the early stages when they were defining what to do and the appropriate sequence of priority actions. Managing expectations has been one of the most difficult aspects of implementing MfDR.

One of the key issues for ADB is the management of expectations and the change process itself. These organizations have approached this in different ways and it could be worthwhile for the MDBs to share experiences on how they are managing the change process associated with introducing MfDR.

The concerns about the results initiative expressed by World Bank staff in a 2004 Annual Report on Operations Evaluation are similar to the concerns shared by ADB staff. In the case of the World Bank, although high-level corporate messages and signals had been sent, the interviewees in this study were unsure about whether “management [would] persevere with the results initiative long enough for it to bear fruit, as well as about what the high-level corporate messages meant for their day-to-day work.”²⁵ They also observed that the corporate messages on increased lending could compete with the focus on outcomes, an observation that was also raised by staff at the ADB.

²⁵ The World Bank, Operations Evaluation Department, 2004 Annual Report on Operations Evaluation, p. 24.

4.6 Overall Assessment of Progress on Implementing MfDR Agenda

Overall, this assessment finds that significant progress has been made in relation to what ADB set out to do in MfDR only 18 months ago.

There have been changes introduced to the structure and in some of the practices within the organization, although these have not yet universally incorporated. The areas of greatest progress are in the country strategies and programs and a continuous effort to improve project quality. It is still too early, however, to assess if and how these changes are leading to improved results on the ground.

The ADB is engaged in many actions that are geared towards making it a more results-oriented organization. People comment on changes occurring all over the Bank, in both operational and non-operational processes. These have gone beyond the tasks identified in ADF IX negotiations (focusing on achieving development results in countries) to include some of the corporate effectiveness and efficiency initiatives highlighted in the Reform Agenda. For many of the stakeholders interviewed, there is no difference between these two “agendas” --both of them will help to improve ADB’s results.

While there is growing awareness of the basic concepts of MfDR, support is at best mediocre, with large numbers of people waiting to see whether or not the Bank and its Senior Management will continue to push the MfDR agenda forward. Initiative fatigue affects this reform, along with other reforms that are introduced in the Bank. Among ADB staff there is lack of clarity on what the MfDR agenda is and confusion about how it relates to other initiatives, and as a result there are signs of frustration.

There is still a lot of work to be done in order to enhance DMC capacity for performance-based public management, and in this regard, the ADB will need to work closely with other donors and country governments in developing a country-tailored approach.

ADB has also made progress in the global arena, bringing the lessons of others to bear on ADB discussions and decisions regarding MfDR and aligning ADB to a global movement.

5. Organizational Factors affecting MfDR Progress

This section addresses several of the organizational factors that affect the implementation of MfDR in ADB. These factors include: strategic leadership, structure, resources, and communications.

5.1 Strategic Leadership

In Section 4.6, we identified lots of progress in implementing ADB's MfDR Agenda. The difficulty is that these activities are distributed across the Bank and as a consequence, people are beginning to question coherence of the initiative. This is not unusual when the implementation strategy allows for experimentation and distributive leadership in the first phases. The issue of coherence can be addressed through strategic leadership.

Finding 15: Among most stakeholders interviewed there is a common perception that ADB lacks the strategic direction necessary to guide the MfDR agenda.

The statements made by the President (at the Annual Meetings in May 2005, for example) and Vice Presidents give a signal of the importance of MfDR for the Bank. ADB staff respondents in interviews and through the survey also agree that ADB Management supports the results agenda. As a number of interviewees noted, "if the management support this, then we will take it on." Our interviews with Management confirm a unanimous commitment to the principles and intentions of MfDR, but a wide range of perspectives on the strategy and pace for implementing it in ADB.

Among the members of the Board interviewed in the course of the Assessment, there is also support for the concepts underlying MfDR, but divergent perspectives on the relative emphases and the approach for implementing MfDR. One member interviewed noted that the Board has not come to a consensus about what the priorities are for MfDR and the ADB, thus bearing some of the responsibility for the lack of a strategy. These mixed perspectives on the approach to implementation contribute to the perceived lack of strategic direction for the MfDR Agenda.

Thus, although the "public" commitment to a results agenda has been made, many of the interviewees note that it has not been accompanied by clear guidelines to staff on what MfDR means in operational terms and how to put it into practice. This kind of gap is not exclusive to ADB. A recent review of the World Bank's experience with Monitoring and Evaluation and Managing for Results also points to a gap between high-level corporate messages and operationally relevant guidance for staff about the implications of these messages.²⁶

The perceived lack of strategic direction is partially due to the absence of a strategy and business plan for MfDR. There is no clear, centrally approved, strategy or road map to give stakeholders confidence that there is coherence in the efforts to engage in MfDR, or that the "ad hoc" approach is in fact what is articulated as the ADB strategy. As noted earlier in the report, the Action Plan alone has not been enough to communicate a clear direction for the MfDR initiative.

The new Medium-term Strategy (MTS II) provides an opportunity for developing a results-focus in the strategy itself and for ensuring that MfDR is included as a strategic priority. These issues are referenced again in Recommendations 1 and 7.

²⁶ Please see the World Bank, 2004 Annual Report on Operations Evaluation, p. 25 for discussion of Management Emphasis and Signals.

Finding 16: There are leadership initiatives in managing for results being exercised all over the ADB. Unfortunately, the leadership focal point that is able to coordinate and harmonize the MfDR agenda at ADB is unclear.

The lack of strategic direction noted in Finding 15 is also due to the lack of a clear leader or champion for MfDR at the senior level, even though important leadership examples can be seen throughout the ADB in the formulation of approaches to MfDR. As one interviewee notes, there has been a “lack of active, coordinated and sustained leadership.”

MfDR implementation and management has primarily been left to SPRU. Although the unit is responsible for “spearheading” the initiative, there still is a need for the Vice Presidents and President to get involved, to give a sense of urgency and send consistent and constant messages to staff. Furthermore, there is also a need for a horizontal group at a senior level that is trying to build consensus about what MfDR means for the ADB, how it will be implemented, and the type of operational guidance that is necessary.

Senior Management (the President, Vice Presidents, Managing Director, and Director General of SPD) has a key role to play in MfDR by providing strategic direction and links between strategic priorities and implementation. MfDR would also require clear champions at the Director General, Deputy Director, and Director levels across the Bank, who continue reinforcing the messages and provide operationally relevant guidance to staff.

As one of the survey respondents also states “the results agenda should be part of a holistic change process at ADB. Such a change process requires a strong change agent/champion to lead the change and coordinate various dimensions of the reform. Unfortunately, such a central change agent is lacking at ADB, resulting in uncoordinated and often conflicting, and competing reform agendas within ADB.”

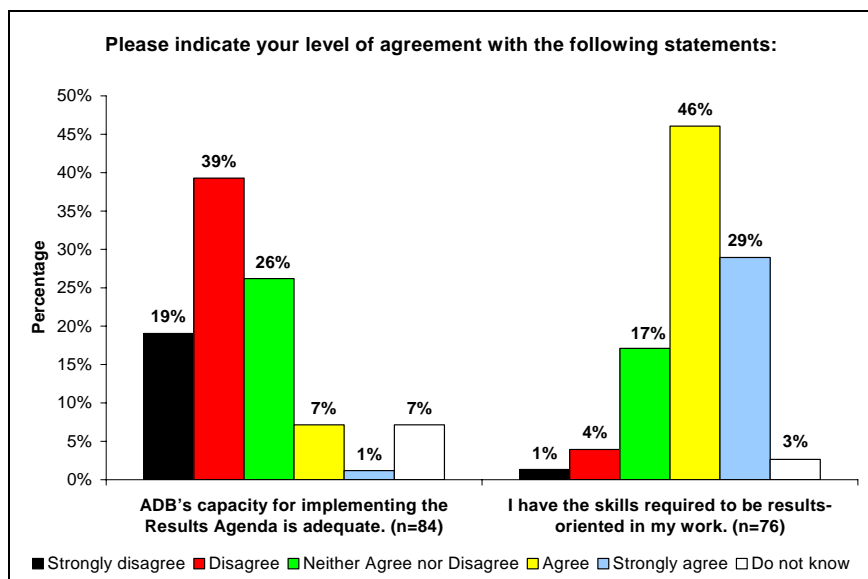
Accountability is another dimension of leadership. The accountability for the Bank-wide MfDR agenda is clearly “Management.” MfDR is the common thread in the Reform Agenda and, essentially, the Vice Presidents and MDG were charged with responsibility for the implementation and discharge of that agenda.

5.2 Capacities

Finding 17: The complexity of managing for results is not yet well understood and contributes to a lack of clarity about and definition of the staff skills and the systems that are required to implement MfDR in ADB.

There is no clear consensus among interviewees on the capacity of ADB to implement MfDR. A number of interviewees note that staff capacity issues do not limit ADB’s ability to move in a results-oriented way. For example, Bank staff have been using results-oriented tools for at least a decade, ever since the LFA was introduced. This group of interviewees indicate that that progress in the mainstreaming of management for results is less a matter of individual capacity and more a matter of clearer thinking about what the Bank wants to achieve in this area. While most of the respondents (75%) agree that they have the skills required to be results oriented in their work, 58% of the respondents question ADB’s capacity for implementing the Results Agenda.

Exhibit 5.1 Assessment Survey Results: Perception on Capacities for MfDR



However, the Assessment also notes that the complexity of MfDR demands a wide range of skills and systems. On the one hand there are technical MfDR skills such as results-based planning and budgeting, design of log frames, logic systems and theories of development change, managing portfolio risk, collecting and synthesizing data for monitoring and reporting, as well the design and use of IT systems to support many of these areas. In addition, strategic management and participatory process skills are also essential since MfDR requires that ADB staff help to determine the capacity building methods and approaches that are most helpful to countries and design these in a participatory, coordinated, and harmonized way. Although this is not an exhaustive list of skills, it helps to illustrate the range of capacities that are required to support MfDR.

While staff members bring some or many of the individual skills required (e.g. many of them are experienced with log frame analysis), it is not clear how all of the skills come together. Although some regional departments have begun the process of identifying needs and taking stock of work processes, there has been no centralized needs assessment or capacity development plan that recognizes MfDR as a multi-faceted agenda that requires technical, process, and management capacities.

Finding 18: ADB has limited capacities to implement change management for complex reform agendas.

The ADF IX Donors Report indicates that implementation of the MfDR concept is likely to go through a sequence of stages typical of major organizational change: (i) awareness raising, with a common understanding emerging and commitments to change being made; (ii) stocktaking; (iii) implementation; and (iv) continuous learning.²⁷ Although these phases may help contribute to change, they do not make explicit the factors that will lead to acceptance and incorporation of MfDR into the work of Resident Missions, of ADB staff at headquarters, and of the Developing Member Countries. In other words, no coherent strategy addressing how to get these changes is in place.²⁸

²⁷ ADB, ADF IX Donors' Report: Development Effectiveness for Poverty Reduction, June 2004, p. 18.

²⁸ MfDR is not the only ADB reform initiative that lacks a change management strategy and approach.

The lack of a planned change process is important because of the complexity of MfDR and the fact that it presents some challenges to the culture of ADB, which was more fully described in Section 4.4. MfDR requires a participatory and exploratory change process, which is not always supported by the culture in the institution.

A change management strategy is also crucial in managing expectations. One of the challenges for MfDR at the ADB is that some donors, in particular, are in a hurry. One of the implicit roles of results units, as described by another MDB, has been that of “advocate” or “educator” for the Board of Directors about what is realistic and possible in terms of results definition and measurement. At the IDB, the 2004 Annual Report on Portfolio Management, Performance and Results (ARPRE) ends with a section entitled “Supporting Organizational Change management to Enhance MfDR.” They recognize, in that chapter, that “change management is a process that will take time, and the complexities in terms of changing the organizational culture should not be underestimated.”²⁹ This reflects a continuous effort to keep expectations paced with the change management process.

Finally, while individuals in ADB may have change management skills, the collective skills within the institution are limited. At the World Bank, for example, there is a unit that supports change implementation, with staff members who are familiar with change management techniques that can be applied regardless of the substance of the change.

5.3 Structure of MfDR in the ADB

Finding 19: There is a lack of clarity about the roles and responsibilities of various groups that are related to MfDR in the ADB.

Organizations define roles and responsibilities at different levels. In the case of ADB, the responsibilities for MfDR appear to be unclear at the top and also at other levels (for example, in the regional departments or in the Resident Missions).

The lack of clarity about roles and responsibilities is due in part to the lack of clarity about the Bank’s MfDR agenda and what it includes – i.e., whether it is primarily about how the Bank can help to achieve development results in countries or about introducing RBM in the Bank. Portions of the Bank’s initiatives for improving management for results lie with SPD (SPRU, in particular), the Managing Director’s office, as well as the Vice Presidents and operational units. The formal mechanism for coordinating these efforts is not clearly defined in the ADB structure, although it would seem to be the Management Committee (which includes the President, Vice Presidents, and Managing Director).

The MfDR Action Plan commitments under ADF IX are considered to be the responsibility of SPRU, although several other units take the lead in implementing several of the Plan’s actions. While it is clear who is planning and monitoring the tasks of MfDR as agreed in ADF IX, it is unclear if the Bank has or wants to have responsibility assigned for planning and monitoring the overall MfDR Agenda.

Another area where there is some lack of clarity is in reporting responsibilities. There are a myriad of Bank-wide results frameworks and indicators that have emerged or are under development (PRS, ADF IX, WPBF, numerous policies), and other corporate reporting requirements. The responsibilities for reporting seem to lie in different units throughout the Bank. In this context, the role that a unit like SPRU has or should have in this reporting system is unclear.

²⁹ IDB, 2004 Annual Report on Portfolio Management, Performance and Results (ARPRE), July 2005, p.33

Finding 20: Among the alternatives for establishing the Results Management Unit, SPD was the appropriate choice at the outset. In the medium term, however, more thought needs to be given to this arrangement because the Unit is now seen as being distant from operations.

MfDR is a major reform, requiring a policy framework and direction. In this regard, it is appropriate that a results unit be situated in a strategy and policy department such as SPD. SPD reports to the President, has a horizontal mandate in the ADB, can issue Bank-wide directives, and is responsible for links to the donor community. However, the policy rationale for placing SPRU in SPD has yet to result in a strategy or policy on MfDR at the Bank, despite the unit's efforts to draft such a framework in 2004.

In the medium term, additional thought needs to be given to the best organizational arrangement for integrating the different aspects of the agenda -- management, monitoring, measurement, reporting, and evaluation—into the operational work of the Bank. One of the challenges for the ADB today is to provide the kind and level of support that is needed in order to operationalize the concepts and practices of MfDR in the DMCs. The implementation and monitoring of CSPs, as well as improvements in the project cycle that support a results approach, require support resources that are closer to operational departments. SPD, however, is a department that is seen as being distant from operations. This is one of the potential dilemmas identified for the MfDR Cooperation Fund, which is discussed in Finding 8.

Although it is clear that closer links to operations are important, there are other corporate MfDR functions that would need to be organized and implemented by a central unit. These functions include institutional monitoring and reporting on results and development effectiveness and knowledge sharing on the practices of MfDR.

5.4 Resourcing MfDR

Finding 21: While the ADB has made a significant effort to resource SPRU, the resourcing outside the center, in operational and non-operational departments, has been ad hoc.

The ADB has signalled the priority that it gives the results agenda in ADB through its establishment and resourcing of SPRU. The staff resources now include the Head, 4 professional staff, 2 national officers, and 3 assistants. Two professional staff positions are supernumerary.³⁰ SPRU also has a reasonable budget for staff consulting services. As a point of comparison, the World Bank Results Secretariat reported 3 full time professional staff, 2 long-term consultants, in addition to the Director position.

SPRU staff indicate that the size and resources of the Unit are generally adequate for implementing the current work plan. They also recognize the significant effort that this level of resourcing represents for ADB at a time of financial constraints (when all units are being asked to reduce budgets by 5%). However, in order to achieve the desired results at the DMC level, for example, more resources would likely be required in Regional Departments and Resident Missions.³¹

³⁰ Full staff complement was achieved during the second quarter of 2005.

³¹ Regional workshops are less costly, but may not be the most effective way of building DMC capacity. There is a need for more capacity building taking place in country, yet the Unit does not have the resources to do this.

In the Regional Departments, a number of alternative resourcing strategies have emerged. However, in all cases they involve a designation of existing resources, not deployment of new resources or creation of separately staffed units. The South Asia Regional Department (SARD) has designated a “unit” in the Front Office. Most regional departments add MfDR-specific responsibilities into the existing staff’s workplans. (An overview of how Regional Departments are organized and resourced to implement MfDR is provided in the table in Volume II – Appendix VI)

In Resident Missions (RMs), there are also a variety of approaches. A few of the missions, such as Nepal RM, have established a “Results Management Team” to effectively implement the RB-CSP and help build RBM capacity in Nepal. Other RMs, such as Vietnam, report that they are doing things better and with improved focus within the units they have. They have always had country program units and country teams, but the focus of these was not necessarily monitoring our development results. That was always left to the CAPE by OED. Now, with results frameworks built into their CSP they will have something tangible to monitor during the implementation of the CSP.³²

While the different potential strategies for resourcing MfDR gives regions flexibility in terms of how they want to integrate it into their management practices, it also illustrates the need for greater thinking about what the Bank would need in order to resource the results agenda. To date, there has been no systematic attempt to analyze the resource requirements of MfDR across the Bank. In other words, what are the resource implications--if any--for the regional departments, including the Resident Missions, and others involved in delivering on MfDR initiatives?

Finding 22: ADB is recognized for efforts to harmonize and coordinate donor actions at the country level, but evidence available suggests that these efforts have not yet contemplated the sharing of resources among donors.

ADB is one of the many development partners introducing and promoting MfDR in the DMCS. The Donors’ report for ADF IX recognized that in some DMCS, where it has strengths and where Governments have requested such involvement, ADB has taken the lead in donor coordination.³³ Our interviews with Resident Missions illustrated the different ways in which ADB is coordinating with other donors in order to support the development of results-oriented national plans and strategies, build capacity of government ministries, and align their country strategies with the government’s plans. In Vietnam, for example, ADB was the first donor to announce it was going to align its CSP with the new Social Economic and Development Plan (SEDP) (2006-2010) and encouraged the Government to develop a Results Framework for the SEDP. Other donors supported this approach. The World Bank subsequently indicated they would like to do a joint strategy with the ADB and supported the development of the Results Framework for the SEDP.

Different countries will clearly require different models of support from the ADB. As noted above, the Results-Based CSP process should help identify the resources that the Resident Mission will need in order to adequately support implementation of the strategy. Given the budgetary situation, additional resources may be hard to come by.

³² This information from the Resident Missions is drawn from materials on MfDR in the ADB sent by the Regional Departments to the Director of SPRU in May/June 2005.

³³ ADB, ADF IX Donors’ Report: Development Effectiveness for Poverty Reduction, June 2004, p. ii

In light of the resource constraints being faced by all donors, it may be helpful to use the coordination and harmonization process to see how resources are being used across agencies to ensure that between all of them the right expertise is available to the country government. This means that no one donor can do it alone, but it may require defining “lead agencies” for different themes and issue areas, including MfDR, that would then have different resource implications. In the case where ADB is the lead for MfDR in the DMC, then specialized resources would be required within the RM to provide the expected level of support. In cases where it is not the lead, it could share the specialist resources of other agencies.

5.5 Communications

Finding 23: Although communications about MfDR is a Bank-wide responsibility, SPRU has taken the lead in this area. The Unit’s positive initiatives-- including briefings, a newsletter, and web sites--have been insufficient for keeping staff informed and closing the gap that has emerged between what is being done and what people *perceive* is being done in MfDR.

Communication is one of the factors that is affecting the implementation of the MfDR in the ADB. In particular, what we see emerging is a gap between what many people *perceive* is being done and what is actually being done in MfDR. There is also evidence (as reported in Finding 5) that the MfDR agenda is not clear to staff.

Although communications about MfDR is the responsibility of all staff in ADB, SPRU has taken the lead in this area. Initially, in 2004, the Unit did this by holding meetings with virtually all of the departments and offices in ADB. The idea was to disseminate the “message” on MfDR, to explain background on the agenda, share potential future directions, and answer questions. As one SPRU team member reports, “while the intentions were sound, execution and subsequent follow up let us down: we did not persevere nor capitalize on the initial interest.” The reasons identified for the lack of success with this initiative include the increasing demands on SPRU staff, the scaling up of some activities, especially RB-CSPS, and an evolving agenda.

In addition, SPRU developed two specific communications tools: the *Results Matter* newsletter and the MfDR external and internal web sites. The use of each of these tools is growing (as described below), but there is room for improving their content and reach.

www.adb.org/mfdr

The MfDR external web site was created in 2004 and revamped in June 2005. Despite growth in the “hits” (which more than doubled) and more importantly, of the “total unique visitors” to the MfDR web site (46% increase) between April and August 2005), Bank staff may still not be using it as extensively as they could be. For example, about one-third (37%) of the participants in the survey had visited the site occasionally in the past three months and slightly more than half (56%) had not visited the site at all in the same period. There are the exceptions to this, however. An example of this is found at one of the RMs we interviewed, where the RM downloads the material regularly and circulates key papers to all staff.

Exhibit 5.2 Utilization of the ADB MfDR Website (external)

	APRIL	MAY	JUNE	JULY	AUGUST
HITS (ENTIRE SITE)	4,135	5,262	9,905	10,502	10,496
UNIQUE VISITORS (ONE VISIT)	372	1,116	606	398	545
UNIQUE VISITORS (MORE THAN ONE VISIT)	208	274	288	390	303
TOTAL UNIQUE VISITORS	580	1,390	894	788	848

Source: ADB web site statistics (For more statistics, see Volume II – Appendix X)

In addition to the external site, SPRU manages the MfDR site on the ADB’s Intranet. This site, now being upgraded, is focused on serving ADB staff’s information needs. Once completed, the upgraded intranet site is expected to supply much of the information needed by ADB staff.

Results Matter

SPRU has published 7 issues of the *Results Matter* newsletter as of August 2005. The majority of survey respondents (79%) report reading the newsletter either regularly or on an occasional basis. This rate is considered to be high, given the large number of other newsletters also being circulated in the ADB. One of the interviewees indicated that *Results Matter* is one of 25 newsletters he receives in the pouch that arrives at the RM.

As several stakeholders recognized in the interviews, ADB is an organization where the written word plays the most powerful role in communications. Staff members are accustomed to and respond to formal communications pieces such as strategy & policy documents, staff directions, reports to the Board of Directors and other documents that are circulated in the Bank. In the case of MfDR, there has been no such document to date. This absence of formal documentation may contribute to the communications gap that has emerged.

Board members are another key audience for MfDR. Since the conclusion of the ADF IX negotiations, formal communications pieces, such as strategies and reports on progress have not gone to the Board, with the possible exception of the report on implementation of the Reform Agenda (May 2005), which included a section on MfDR. This year SPRU organized an informal Board Seminar on MfDR achievements and provided support, along with OED, to COSO in its organization of a seminar on project level results techniques. The Unit is preparing to report to the Development Effectiveness Committee during the last quarter of 2005.

These issues reinforce the need for the ADB to identify the needs of the target audiences in order to develop broad communications pieces as well as tailored and consistent messaging to key target groups in the Bank. One of the Assessment’s recommendations (in Section 7) addresses the need for a communications strategy on MfDR.

6. Operations of SPRU

The Results Management Unit (known as SPRU) came into operation on February 1, 2004. There were several elements in the rationale for establishing a dedicated unit to “manage ADB’s proposed results agenda.” These included the high-level commitment to introducing a results-orientation in the ADB, the links between the increasingly challenging MDG agenda and management for results, and the growing momentum for MfDR in other MDBs.³⁴

Finding 24: Although SPRU has generally fulfilled the responsibilities outlined in its Terms of Reference, there is some confusion about the role that it plays in the MfDR Agenda today.

SPRU was created to spearhead ADB’s actions and initiatives to develop and introduce improved approaches, techniques, systems and procedures for better management for development results.³⁵ The initial time frame was set for three years. The original Terms of Reference for SPRU identified seven areas of responsibilities for the unit. These responsibilities are outlined in Exhibit 6.1.

Exhibit 6.1 SPRU responsibility areas from initial TORs (2004)

	AREA
1	Spearhead ADB’s actions to develop and introduce improved approaches, techniques and procedures for better management for results. Collaborate closely with all concerned departments in ADB
2	Facilitate regular and timely reports on ADB’s results agenda to the Management Committee and. As directed by the President, to the Board and committees of the Board
3	Complete the stocktaking of existing approaches, techniques, systems, and procedures in ADB to manage for development results Initiate the establishment of any specialized sub-groups or technical committees to undertake specific tasks for results agenda
4	Liaise and, as appropriate, collaborate with DMCs and other development partners, particularly other IFIs
5	Country level initiatives: complete stocktaking, design & support implementation of a toolkit for RDs as guide to capacity building in DMCs; Consult with selected DMCs on ADB’s results agenda, disseminate information to all DMCs
6	Institutional level initiatives: awareness training & coaching as appropriate for all levels of organization; propose regime of indicators of development effectiveness for ADB’s DMCs; design& pilot test management of selected CSPs for development results; Recommend appropriate revisions in ADB’s business processes, operations manuals and support structures to reflect MfDR
7	Global partnerships to enhance MfDR: collaborate with other MDBs, and development partners, including DMCs on matters of common interest; participate & represent ADB in global, regional and sub-regional forums on MfDR

³⁴ Elements of the rationale are summarized from the Memorandum of 23 January 2004 on the Establishment of a Results Management Unit in SPD.

³⁵ See Appendix 2 of the Memorandum of 23 January 2004 on the Establishment of a Results Management Unit in SPD.

It is important to note that SPRU's role in defining a strategy or institutional framework for MfDR is not explicitly stated. Furthermore, although some of the areas listed above suggest that SPRU has a role in actually driving and implementing initiatives, others suggest a more facilitative role. As one of the interviewees notes, the TORs were developed when there was little understanding about what the Results Agenda would look like or what it would require inside of the ADB. Over time, and with the introduction of other initiatives (such as the Reform Agenda), different expectations about the role of SPRU have emerged, with some stakeholders seeing SPRU as the *driver* of MfDR (defining strategy providing guidance), others seeing it as *facilitator and advocate* of MfDR (promoting good practices and helping ADB to implement), and others as a *source of quality control and technical advice and support*.

Given the size, scope and resources available, the unit would need to be primarily a facilitator of MfDR initiatives with strong technical expertise.

Finding 25: SPRU has not adequately used the focal points in regional departments, which represents a lost opportunity for gaining support.

SPRU identified focal points in operational and non-operational departments and distributed "marketing" or "liaison" responsibilities among members of the SPRU team. This is a positive initiative that could generate a valuable discussion and coordinating forum for MfDR. It also provides a way for SPRU to be tapped in to its clients and get a better feel for their needs and demands. Unfortunately, the network of focal points has not been used much in practice. Our interviews reveal several factors that contribute to this, including:

- The lack of time available among SPRU team members for engaging focal points. (A review of staff members PDPs also notes that this function is not consistently integrated into the planned results of the PDP.)
- The fact that focal points are also busy, with multiple tasks and responsibilities, and they may not see the MfDR network as a priority.

In the next phase of implementation of MfDR, this network of focal points should be strengthened and used by SPRU.

Finding 26: SPRU is facing the challenge of moving from a supply to a demand-driven business model.

SPRU was created at the outset under a supply-driven model, which was both natural and appropriate given its top-down origins (i.e., the roles of donors, senior management, and global partnership) and the need for defining what MfDR is in the ADB context. In the first stage of implementation, it has been important to create the "demand" for results-oriented change.

The Unit is now facing the challenge of moving to a more demand-driven model. We heard the demands for help and practical solutions from individuals at different levels of the Bank (from Vice Presidents to Resident Missions), who are now looking to SPRU for help in concrete areas. Considerable work has been done in response to demands, particularly in 2005, to provide direct technical support through participation of SPRU team members in the RB-CSP process, in the production of guidance notes and tools (such as RB-CSP practice note that has been published and the MfDR assessment tool that is forthcoming), in crafting of results frameworks (e.g. for the Poverty Reduction Strategy and the IEI initiative), and making contributions to the results-oriented WPBF. In addition, SPRU has provided substantial input to the design and implementation of the Common Performance Assessment System (COMPAS), which will be used to produce a joint annual report (first one expected in 2006) in collaboration with the other MDBs.

Our Assessment suggests that the demands for direct support from within the ADB will increase over time. People also begin to expect that SPRU will have the answers to all of their MfDR questions. This dynamic puts additional strains on the SPRU team given that everyone at ADB, including SPRU, is in the process of learning about MfDR.

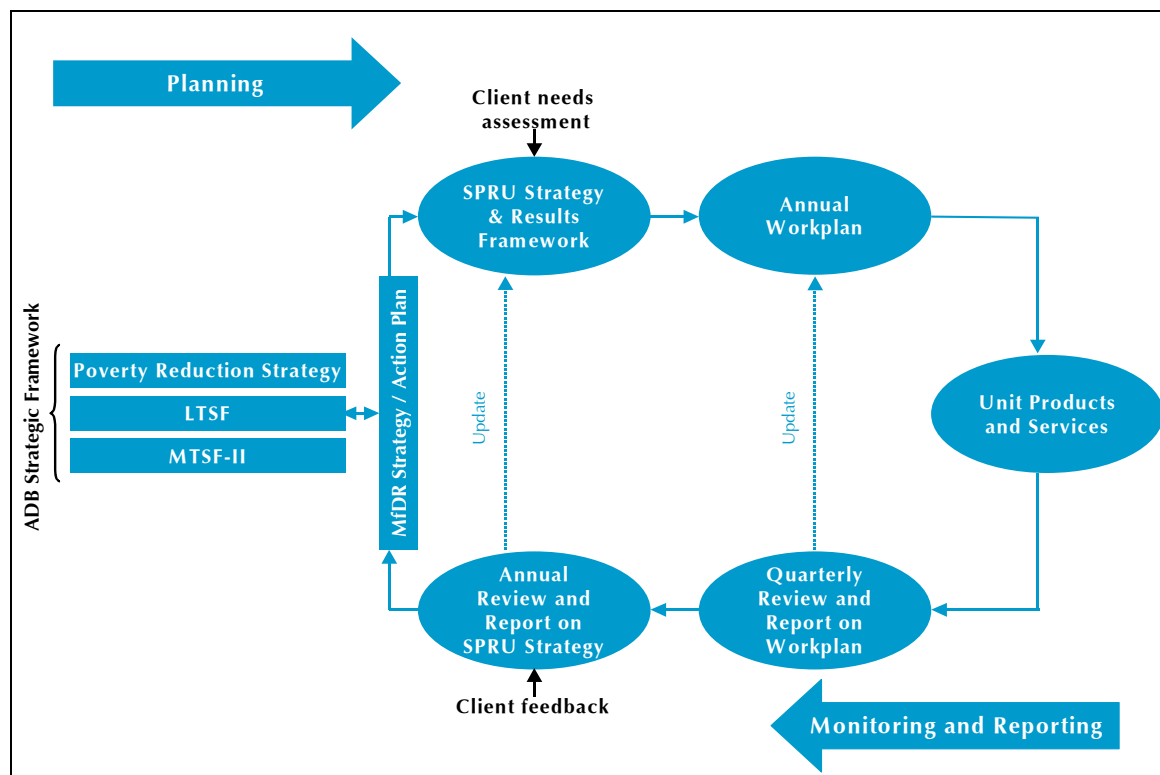
Finding 27: Although SPRU has developed useful planning, monitoring and reporting tools, they do not form part of a holistic system for planning, monitoring, evaluating, and reporting.

At present, SPRU has three different tools to support planning, implementation and reporting of the Unit's work. These include (i) the MfDR Action Plan, which is actually the ADB's MfDR Action Plan; (ii) an annual Workplan; and (iii) the Balanced Scorecard. These are used in different contexts for planning, monitoring and reporting on the Unit's work.

On their own, these tools provide helpful guidance, and in fact, the SPRU staff interviewed are generally satisfied with SPRU's planning. Each of these tools, however, offers a different framework for defining the plans and expectations for SPRU to deliver on. For example, the Action Plan is organized by the pillars of the MfDR Agenda, the SPRU Workplan 2005 uses other assignment/activity and output areas, and the Scorecard uses a framework of Clients and Stakeholders, Internal Partners, Learning and Innovation, and Financial indicators. SPRU could benefit from aligning these different tools and bringing them into a planning, monitoring, and reporting system that includes a strategy for the unit itself. Such a system would help to tell a coherent and complete performance story. An example of the system approach is provided in Exhibit 6.2.

SPRU's regular team meetings (for operations; outreach or "marketing"; and budget) provide a forum that is used for informal monitoring. One of the suggestions emerging from the interviews is that a more systematic monitoring component could be introduced as part of these meetings (or as a separate forum) in order to facilitate subsequent reporting.

Exhibit 6.2 Diagram of Potential Results-Based Planning, Monitoring and Reporting System for SPRU



Finding 28: While some members of feel that they have the technical capacity to meet their roles, others believe that capacities need to be strengthened.

Management for results is still a new area globally, a new area for ADB, and an area that requires a number of different capacities and skill sets (as noted in Section 5.2). Most members of the SPRU team had not been engaged in this kind of work before joining the Unit. Thus, to some extent, the SPRU team has also taken the approach of “learning by doing.” Team members have effectively drawn on pilot experiences to strengthen the tools and services that can be offered to other areas of the Bank. In addition, the Unit has supplemented staff with consultants where certain specialized skills are needed.

Some of the team members, however, also feel pressure because they are the ones who need to know about MfDR in order to advise and help others, but are themselves still learning. While those aspects of MfDR that are considered more technical (e.g., related to formulation of indicators, data gathering and aggregation, etc.) are often identified as the top need, one of staff members stresses that a strategic management orientation is also important for the work of the Unit.

Technical capacities should correspond with the roles that each team member is expected to play. One positive shift in this regard in is the assignment of SPRU staff members to some key deliverables or processes that SPRU is accountable for (e.g. the MfDR Cooperation Fund, the WPBF, CoP, RB CSPs, ADF IX indicators). These are important because it gives staff members the opportunity to be identified with certain areas of expertise and to focus professional development on the areas that they will need in order to fulfill these roles. In the future, it might be worth grouping these into “business lines,” or core areas of related activities and outputs, where each business line would have one person as a coordinator. This kind of organization allows for the

technical specialization that is often demanded as part of SPRU's work. The Unit's collective expertise would need to match the demands.

7. Recommendations

Over the past two months we have gathered a wide assortment of data from many staff at the ADB. We have been impressed by the level of interest and commitment most staff displayed for the principles and ideas related to MfDR. For those who provided negative opinions about MfDR, their interests were not contrary to the goals and principles but were often grounded in organizational cynicism. As interviewees put it:

"I have spent over thirty years engaged in development work; often in difficult circumstances. My colleagues and I work in order to deliver effective loans for development projects. After thirty years the international community is now telling us to manage for results—We must do everything with a results framework—it is bureaucracy gone mad—it is a fad.

"We have always managed for results —what else would we manage for—Like other development fads this one will also go away and we will continue to manage for results—not because the donors say so—but because that is what we do!"

While the above statements represent a minority opinion among those that we interviewed, it does represent a significant group of people at ADB. The data from the Assessment suggest that although ADB has raised the awareness of staff about MFDR, the staff are overwhelmed by the number of changes that need to be made. Similarly, ADB has worked with DMCs to improve their general awareness of MfDR, but full understanding the magnitude of the change and ownership of a results-based Agenda requires more time.

As we reflect on the history of the results agenda in the private sector, and compare it to the MfDR agenda, we are reminded that MfDR is a comparatively new reform. It will take a long time for it to be institutionalized inside the development infrastructure. Progress is being made in many development agencies including the ADB, yet more effort is needed.

It is in the spirit of learning and improvement that we have crafted a series of recommendations organized around three topics that we believe will support the institutionalization of MfDR within the ADB.

- 1) Strategic Leadership and MfDR at the ADB
- 2) Organizing MfDR at the ADB
- 3) MfDR and the Results Management Unit of the Strategy and Policy Department (SPRU)

7.1 Strategic Leadership and MfDR

Leadership is a multifaceted idea that is discussed in many development organizations. We define leadership as “the processes through which individuals influence organizational members attitudes and behavior towards agreed to goals or actions.” Leadership occurs at many different levels, although this depends in part on the hierarchy that exists in the organization. In general, we found that at the Board and Presidential levels, relatively clear messages³⁶ have been delivered with respect to the general intent of the ADB. While these messages need to be repeated, the more important issue is whether Senior Management—understood to include the President, the four Vice Presidents, the Managing Director General, and the Director General of SPD—picks up the ideas and creates a more comprehensive organizational change effort. In other words, one area for improvement is in the visible leadership or “championing” of the initiative.

A second area for improvement relates to the recognition that processes can be as important as the substance in MfDR. In our discussions with Senior Management (particularly the Vice Presidents), most indicated support for the MfDR Agenda and all conceded that there was no “corporate approach to its implementation.” Experience has shown that implementing change in large bureaucratic organizations is a complex process. Change management has been widely studied and has both theoretical and practical approaches.³⁷ What is clear from this work is that we can no longer expect large organizations to incorporate significant changes to their work and processes unless the changes are planned and led both in content and in process. Our recommendations to the ADB stress at least three components of a strategic corporate approach to the change process:

Recommendation 1: We recommend that the President, Vice Presidents, Managing Director General, and Director of SPD – Senior Management team-- help shape and approve a strategy and business plan to guide ADB in its implementation of MfDR in line with the Board and President’s pronouncements.

Recommendation 2: We recommend that this ADB Senior Management team develop processes that would show the staff of the ADB that they are the champions of this organizational change effort.

Recommendation 3: We recommend that as part of the strategy and business plan, this ADB Senior Management team monitor both the content and process of the change effort in order to support an organizational response to MfDR.

³⁶ One of the most recent public statements that stressed the importance of the results agenda was given at the 2005 Annual Meeting.

³⁷ Wheatley, Margaret J. (1999), *Leadership and the New Science: Discovering Order in a Chaotic, World* San Francisco: Berrett-Koehler Publishers, Inc.

7.2 Organizing MfDR at the ADB

Without attempting to bias the strategic and business planning efforts of ADB Senior Management, we have made a number of observations about the ADB that might provide some operational directions for MfDR at the ADB.

It is clear to us, and should be clear to the readers, that there are a large number of results-based initiatives going on within the ADB both at the operational and non-operational level. These initiatives are individually managed but are not systemically reviewed or necessarily coherent with the principles and approaches of MfDR. While 1000 “MfDR flowers” might be blooming, there are at least two concerns with this approach. On one hand, there is a need for some level of organizational coordination and, on the other, there is a need for some intellectual coherence. Organizational coordination can be managed through implementation of the recommendations in Section 1.

Intellectual coherence requires a more complex organizational shift. At the central level, a unit within SPD, such as SPRU, would coordinate reporting and knowledge sharing in order help build coherence throughout the Bank and with the international community. At the same time, depending on the level of operational support to be provided, the ADB would need to consider alternative ways of bring the facilitative guidance that is provided by SPRU closer to operations. Over time, this might lead to a mixed approach of decentralization of certain functions to the regional departments and a centralization of a coordinating and reporting function.

7.2.1 MfDR Support for Operational Departments

At the country level, ADB needs to work in a coordinated fashion with the DMCs and other international agencies in order to build country capacity and ensure a harmonized approach to monitoring, measuring, reporting and managing for development results. This requires staff time, effort, and expertise that is aligned with the DMC’s needs. These factors, however, depend on the relative priority assigned to this work and the resources available within operational departments.

One of the resources available to countries is the MfDR Cooperation Fund, a positive development of the MfDR Agenda. The report comments on the future need to integrate the Fund more tightly into Operations. This decision is one of several that would need to be made in the subsequent phases of MfDR, when ADB will need to assess how best to organize in order to help countries manage for results. In this context two recommendations emerge:

Recommendation 4: We recommend that ADB Senior Management assess the options for bringing some of SPRU’s functions closer to Operations.

Recommendation 5: We recommend that ADB Operational VPs ensure (give guidance) that operational departments have the staff resources and expertise necessary to support DMC capacity building for development effectiveness and that Resident Missions coordinate these efforts with the international agencies working in their country.

7.2.2 MfDR Monitoring and Reporting

MfDR is management perspective that has focused on Development Effectiveness. It is an agenda that asks developing countries and development agencies to develop the capacity to monitor and report on development results and to learn from the evidence provided. Accountability and learning are two critical elements of MfDR. Reporting on development results (performance measures) is an important MfDR agenda item. Results reporting is a very sensitive, technical, and complex organizational issue, that addresses both development effectiveness and efficiency. Few agencies have agreed upon measures and systems of data collection, although this is changing. Interviewees at the ADB commented that while documentation might be poor, “real” on the ground results were not! Interviewees continually argued about the difficulty of data collection on the ground and expressed scepticism about the technical ability of countries or development agencies to gather reliable or valid outcome data at this time.

Due to the level of scepticism surrounding reliable and valid data, there is a need for SPD to provide on-going support in data collection and reporting. To move this agenda along, ADB’s Board and Senior Management need to agree on the areas of results that require reporting and ensure that they are integrated into the recently announced MTS-II. Such an exercise would generate the key areas of performance for ADB. But this would only be a start, since subsequent steps would need to be taken to translate the words into a management information and reporting system. In our review of other agencies, we found a variety of systems and structures to support this.

Recommendation 6: We recommend that the SPD ensure that MfDR forms part of the Bank’s future strategy as reflected in MTS-II and that the strategy itself be results based, with outcomes, and the ability to monitor, evaluate, and link it to a broader development agenda.

Recommendation 7: We recommend that SPD provide the reporting and data management functions that can support and improve upon reporting on Development Effectiveness.

7.3 MfDR and the Results Management Unit

The review of MfDR at the ADB had two distinct but interrelated components. The first was to look at the present state of the results agenda within ADB—the big picture. The second was to do a rapid assessment of SPRU, the Results Management Unit in the Strategy and Policy Department.

As mentioned throughout this report we have been impressed with the amount changes being instituted at ADB that support a results agenda. The first seven recommendations suggest ways of focusing and organizing these initiatives. With respect to the Results Management Unit itself, a number of observations guide our recommendations. First, there is a general unanimity of responses that indicate that staff at ADB is unclear about the mandate and focus of the Unit. Second, there is a general ambivalence in ADB about how the MfDR Agenda should be led and the role of the Unit in leading it. Third, there is a lack of clarity both within the unit and in the ADB about the capacities that are required to manage a results agenda at ADB.

Recommendation 1 suggested that ADB needs a strategy, supported by Senior Management, to implement a results agenda. Such a strategy should not only set the general parameters of the MfDR Agenda but also include a business plan to operationalize the strategy. Clearly, the business plan would need to reflect upon the extent to which the various functions associated with the results agenda should be centralized or decentralized.

In almost all scenarios, the structure and function of the existing unit would change. Presently, we see the existing unit as a catalyst for change and a support for helping ADB create a framework for a results-based management system. In the future, the focus will be on implementation of and reporting on the system—whether centralized or decentralized in nature. It is in this context that we recommend:

Recommendation 8: We recommend that the Vice Presidents and Managing Director General, assisted by the Director General of SPD, restructure SPRU to better focus on the implementation, monitoring and reporting requirements associated with MfDR.

The lack of clarity within ADB with respect to the results agenda is pronounced. Our data indicates that there are wide-ranging opinions about the need for information. Some staff members feel that there needs to be more guidance from ADB Senior Management. Others feel that ambiguous messages about the results agenda have been sent out. Many staff feel that they have inadequate information. While SPRU has made valiant attempts to communicate to staff with the web sites and newsletter, the ADB as a whole may need to re-think the range of tools that it uses to communicate with its target audiences. Given the importance of formal documents (such as policies, strategy papers, guidelines, and reports) for communicating in the Bank, for example, the Bank may need to add this kind of paper to its current inventory of communications tools. Our analysis is that the lack of clarity about the results agenda, and the role that SPRU plays in it, is proving to be detrimental to the unit itself.

Recommendation 9: We recommend that SPRU lead a coordinated effort to develop an internal communications strategy on MfDR, involving the Focal Points and the internal communications group in the Department of External Relations.

Results-based management has many technical and process components to it. At the technical end, designing and developing management information systems, which adequately provide timely data on development effectiveness and efficiency issues, is a complex undertaking. From a process perspective, implementing a results based system involves skills required for engaging in major organizational change. Capacity building is critical in both the technical and process components.

We explored the extent to which ADB had the capacity to undertake MfDR and found, while people in SPRU and throughout the agency indicate a desire to engage in change related to a results approach, there was a general underestimation of both the technical and process skills necessary to engage in this change process. For example, some of the work areas that emerge in the SPRU teamwork plans include “country programs and DMC capacity”, “communities of practice”, and “performance management,” all of which require different kinds of knowledge, skills, and processes. Some of the capacities required for better management for results have already been identified and are being addressed by the ADB (such as staff capacity to develop a Project Design and Monitoring Framework). Yet the Bank has yet to assess or respond to a broader range of skills that may be required by individual staff members in different parts of the Bank. It is in this context that we recommend:

Recommendation 10: We recommend that SPRU coordinate with the Capacity Development Network and the Human Resources Division to assess needs and develop a plan for improving the capabilities of Bank staff (including SPRU) in the technical and process skills required to implement MfDR at the ADB.

7.4 SPRU Operations

Our review of SPRU's planning and monitoring tools (workplan, balanced scorecard) suggests that these need to be tightly aligned with the Strategy for MfDR that is highlighted in Recommendation 1. It is also our sense that the current tools used for planning and reporting on MfDR do not help to tell a coherent and complete performance story.

Recommendation 11: We recommend that SPRU develop its own results-based planning, monitoring and reporting system based on a three-year unit strategy that clearly articulates planned results and links to the ADB Strategy for MfDR.

In the shorter term, there are several ways in which the existing 2005-2006 Work Plan could be sharpened to improve results orientation.

- The Deliverables or Outputs could be more clearly identifiable (currently there are a mix of activities and outputs) and the staff member responsible for these deliverables should be clearly stated.
- By defining fewer and higher-level expected Outcomes, which relate to the broader MfDR Action Plan, the Workplan would also be more concise. This means, of course, that the outcomes will not necessarily be achieved at the end of the year.
- The Work Plan is currently organized by the major activities that place demands on the Unit's resources. An organizing framework that relates the work packages, outputs, and outcomes directly to the Action Plan would make it stronger.

Another aspect that could strengthen SPRU's current system in the short-term is the incorporation of evidence-based monitoring discussions into the regular SPRU team meetings. Weekly meetings to discuss progress could be used in part for monitoring and for reporting, if there was a way of systematically documenting the discussions.

7.5 Potential Sequencing of Recommendations

The following table provides an overview of the potential sequencing for implementing the recommendations according to their relative priority.

PRIORITY	RECOMMENDATIONS	COMMENTS
First	1,2,3,6	These recommendations focus on strategy development and change management and require a limited investment of new resources. They should be addressed in the short term.
Second	11	This recommendation, focusing on SPRU's strategy and workplans, should be addressed in the short term and in support of the overall strategy for MfDR.
Third	4,5,7,8	These recommendations involve medium-term considerations in the structure of MfDR at ADB that may require additional resources. The strategy process should analyze the options and define the appropriate sequencing.
Fourth	9,10	These should be implemented as resources become available; they are not urgent but important in the medium-term.

Appendix I List of Findings

- Finding 1: The ADB has initiated a wide set of institutional reforms that are consistent with the concept and principles of MfDR.
- Finding 2: ADF IX outlines a set of commitments that have been translated into an Action Plan supportive of MfDR. Unfortunately, the Action Plan is an inadequate tool for defining and guiding the results agenda.
- Finding 3: There are many MfDR-related initiatives occurring in ADB. However, these appear to be ad hoc to staff and to some members of the Board of Directors.
- Finding 4: ADB has adopted an incremental, pilot-testing approach that facilitates experimentation and learning. This approach, while mirroring the experience in other MDBs, also has proven frustrating to those who expect more visible progress in a shorter time frame.
- Finding 5: While staff at the ADB is more aware of MFDR, it is also confused about the concept and relative priorities of the reforms linked to MFDR. The MfDR Agenda is not clear.
- Finding 6: Although MfDR Action Plan activities are being successfully completed, these activities on their own will not be sufficient to lead to the desired result of increased country capacity for monitoring, measuring, evaluating, and managing for development results.
- Finding 7: Stakeholders at a selected sample of Resident Missions indicate that senior government officials, particularly in key central ministries are generally aware of the global MfDR agenda, although this awareness does not penetrate those ministries, nor does it usually cross over to line ministries.
- Finding 8: The MfDR Cooperation Fund to support DMC's is a positive development at this stage of implementing MfDR in the ADB.
- Finding 9: The ADB has made progress in improving results-oriented project design.
- Finding 10: ADB has given a strategic emphasis to mainstreaming Results-Based Country Strategy and Programs, and there has been substantial progress with respect to the targets of the MfDR Action Plan.
- Finding 11: ADB is perceived to be an active and effective partner in the global MfDR discussions by internal and external stakeholders.
- Finding 12: Many stakeholders report that some aspects of the culture of the Bank hinder the implementation of a managing for results agenda.
- Finding 13: Many ADB staff are sceptical about the intentions and progress of MfDR. The perceptions of MfDR as an externally imposed agenda or as an agenda that means nothing new for the ADB undermines the legitimacy of the MfDR as an institutional imperative.

- Finding 14: The evolution of MfDR in ADB compares favourably to other MDBs. There are good practices emerging in each of the institutions.
- Finding 15: Among most stakeholders interviewed there is a common perception that ADB lacks the strategic direction necessary to guide the MfDR agenda.
- Finding 16: There are leadership initiatives in managing for results being exercised all over the ADB. Unfortunately, the leadership focal point that is able to coordinate and harmonize the MfDR agenda at ADB is unclear.
- Finding 17: The complexity of managing for results is not yet well understood and contributes to a lack of clarity about and definition of the staff skills and the systems that are required to implement MfDR in ADB.
- Finding 18: ADB has limited capacities to implement change management for complex reform agendas.
- Finding 19: There is a lack of clarity about the roles and responsibilities of various groups that are related to MfDR in the ADB.
- Finding 20: Among the alternatives for establishing the Results Management Unit, SPD was the appropriate choice at the outset. In the medium term, however, more thought needs to be given to this arrangement because the Unit is now seen as being distant from operations.
- Finding 21: While the ADB has made a significant effort to resource SPRU, the resourcing outside the center, in operational and non-operational departments, has been ad hoc.
- Finding 22: ADB is recognized for efforts to harmonize and coordinate donor actions at the country level, but evidence available suggests that these efforts have not yet contemplated the sharing of resources among donors.
- Finding 23: Although communications about MfDR is a Bank-wide responsibility, SPRU has taken the lead in this area. The Unit's positive initiatives-- including briefings, a newsletter, and web sites--have been insufficient for keeping staff informed and closing the gap that has emerged between what is being done and what people *perceive* is being done in MfDR.
- Finding 24: Although SPRU has generally fulfilled the responsibilities outlined in its Terms of Reference, there is some confusion about the role that it plays in the MfDR Agenda today.
- Finding 25: SPRU has not adequately used the focal points in regional departments, which represents a lost opportunity for gaining support.
- Finding 26: SPRU is facing the challenge of moving from a supply to a demand-driven business model.
- Finding 27: Although SPRU has developed useful planning, monitoring and reporting tools, they do not form part of a holistic system for planning, monitoring, evaluating, and reporting.

Finding 28: While some members of feel that they have the technical capacity to meet their roles, others believe that capacities need to be strengthened.

Appendix II List of Recommendations

- Recommendation 1: We recommend that the President, Vice Presidents, Managing Director General, and Director of SPD – Senior Management team-- help shape and approve a strategy and business plan to guide ADB in its implementation of MfDR in line with the Board and President's pronouncements.
- Recommendation 2: We recommend that this ADB Senior Management team develop processes that would show the staff of the ADB that they are the champions of this organizational change effort.
- Recommendation 3: We recommend that as part of the strategy and business plan, this ADB Senior Management team monitor both the content and process of the change effort in order to support an organizational response to MfDR.
- Recommendation 4: We recommend that ADB Senior Management assess the options for bringing some of SPRU's functions closer to Operations.
- Recommendation 5: We recommend that ADB Operational VPs ensure (give guidance) that operational departments have the staff resources and expertise necessary to support DMC capacity building for development effectiveness and that Resident Missions coordinate these efforts with the international agencies working in their country.
- Recommendation 6: We recommend that the SPD ensure that MfDR forms part of the Bank's future strategy as reflected in MTS-II and that the strategy itself be results based, with outcomes, and the ability to monitor, evaluate, and link it to a broader development agenda.
- Recommendation 7: We recommend that SPD provide the reporting and data management functions that can support and improve upon reporting on Development Effectiveness.
- Recommendation 8: We recommend that the Vice Presidents and Managing Director General, assisted by the Director General of SPD, restructure SPRU to better focus on the implementation, monitoring and reporting requirements associated with MfDR.
- Recommendation 9: We recommend that SPRU lead a coordinated effort to develop an internal communications strategy on MfDR, involving the Focal Points and the internal communications group in the Department of External Relations.
- Recommendation 10: We recommend that SPRU coordinate with the Capacity Development Network and the Human Resources Division to assess needs and develop a plan for improving the capabilities of Bank staff (including SPRU) in the technical and process skills required to implement MfDR at the ADB.
- Recommendation 11: We recommend that SPRU develop its own results-based planning, monitoring and reporting system based on a three-year unit strategy that clearly articulates planned results and links to the ADB Strategy for MfDR.

Independent Assessment of Managing for Development Results at ADB

Volume II –
Appendices



November 25, 2005

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Appendix I Terms of Reference

INDEPENDENT ASSESSMENT OF MANAGING FOR DEVELOPMENT RESULTS AT ADB

Results Management Unit – Strategy and Policy Department (SPD/SPRU)

Background

Provided separately – see list of background documents

Objective

Undertake an independent assessment of the Managing for Development Results Agenda of the ADB

Scope of work

- 1) “Rapid” organizational and institutional audit of MfDR in ADB
 - Establishment / position / staffing / capacities of the Results Management Unit
 - Other organizational changes reflecting the results agenda
 - Evaluation of leadership and level of support for the results agenda
 - Human resources, technical expertise and capacities for MfDR in departments
- 2) Review of progress in implementation of the MfDR agenda and benchmarking against other multilateral development banks
 - Formulation of the MfDR approach in ADB: assessment of clarity of the agenda, strategic directions, options for operationalizing the MfDR agenda
 - Implementation of the Action plan (as defined under ADF IX negotiations)
 - Analysis of 2005-2006 workplan
 - Comparison with other multilateral development banks
- 3) Perception of the results agenda of the ADB
 - Internal communication / perception among ADB staff
 - State of MfDR awareness in developing member countries (DMCs)
 - Partnerships and level and quality of professional exchanges with other agencies
- 4) Recommendations at the organizational and operational levels
 - Identification of current strengths and weaknesses and assessment of ADB’s readiness to pursue its results agenda
 - Proposed changes or adjustments in strategic directions, operational priorities, workprogram of the results agenda
 - Action plan for the future

Detailed tasks

Details of tasks, activity schedule, and staff deployment may vary according to the methodology agreed upon with the selected firm. It is envisaged that 2 consultants (including a senior/leader and a junior staff) undertake the proposed assignment for a total number of working days not exceeding 50, including one mission to ADBHQ of a minimum duration of 10 days.

Expected start date of assignment: 01 August 2005; mission 20-30 August (tentative).

Preparatory work

- Deskwork review of documentation on ADB's MfDR agenda (see list of documents)
- Collection and review of documentation on other MDB's results agenda (World Bank, African Development Bank, Inter-American Development Bank in particular)
- Preparation of detailed workplan and final methodology for the assignment
- Communications with ADB

Mission at ADBHQ

- Working sessions with SPRU staff
- Focused interviews (individual or group) of ADB staff and management
- Rapid survey of perception of the results agenda
- Interviews (phone) with country directors in resident missions
- Interviews and contacts with other agency staff
- Presentation / discussion of main findings and recommendations to ADB staff / management (workshop in Manila or videoconference)

Post field work

- Draft report preparation
- Supplementary information / data collection as required to complement and revise draft report
- Final report and action plan submission

Outputs / reports requirements

Final detailed methodology report and activity schedule, to be submitted by 15 August 2005

Presentation (powerpoint) of findings for ADB management / staff

Survey results and interview reports

Draft report, to be delivered no later than 30 September 2005 or no later than three weeks following completion of mission to ADBHQ

Final report and recommendations, to be submitted no later than November 15

Appendix II List of Documents Reviewed

- 2006-2008 Work Program and Budget Framework: Bank-Wide Performance Indicators and Targets
2006-2008 WPBF: Draft Results and Reporting Framework: Appendix 2
- ADB (2003). "Working Group on Millennium Development Goals and Results-Based Management in ADB." May.
- ADB (2004). "Establishment of a Cooperation Fund in Support of Managing for Development Results." March.
- ADB (2005). Progress Report on the Implementation of the Asian Development Bank's Reform Agenda.
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- ADB, Office of the President (2001). "Medium-Term Strategy (2001-2005)." September.
- ADB, Office of the President. "Preparing the Work Program and Budget Framework 2006 to 2008-Planing Directions and Resource Parameters. ADB, Memorandum, April 2005.
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- Tabor, Steven, Cohen, Marc: "ADB In-House Workshop on Results-Based Country Strategies and Programs: A workshop Precis." ADB Headquarters, June 2005.
- WPBF: "Results Framework for the 2006-2008 Work Program and Budget Framework

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- Bangkok Regional Workshop on Harmonization, Alignment, and Managing for Development Results (October 2004)
- Bishkek Regional Workshop on Harmonization, Alignment, and Managing for Development Results (November 2004)
- Enhancing Effectiveness: Managing for Development Results Discussion Paper for ADF IX Donors' Meeting in Tokyo, 9-11 (December 2003)
- Enhancing the Fight Against Poverty in Asia and the Pacific: The Poverty Reduction Strategy of the Asian Development Bank (December 2004)
- Establishment of Cooperation Fund in Support of Managing for Development Results (March 2004)
- Harmonisation, Alignment, Results: Report on Progress, Challenges and Opportunities (2005)
- IDA Results Measurement System: Progress and Proposals, Main Report (April 2003)
- Implementation of the Agenda on Managing for Development Results: Progress Report (March 2004)
- Managing for Development Results: Status Report on Action Plan Discussion Paper for ADF IX Donors' Meeting in Lisbon, 9-11 (March 2004)
- OED Working Paper No.1 : Development Effectiveness: What Does Recent Research Tell Us? (2004)
- Paris Declaration on Aid Effectiveness - Final (2005)
- Project Performance Management in the Asian Development Bank and Its Projects in Developing Member Countries Special Evaluation Study on Project Performance Management in ADB and its Projects in DMCs (November 2003)
- Project Performance Management System (PPMS) Quick Reference Guides (2005)
- Second International Roundtable on Results Marrakech, Morocco, February 2004 (Action Plan on Managing for Development Results, Core Principles, Joint Memorandum of MDB Heads)

Appendix III List of People Interviewed

ADB Headquarters - Participants in Coffee Sessions/Group Interviews

OFFICE	NAME	
DER	Carolyn Dedolph,	Senior External Relations Specialist
BPMS	M. Teresa Kho	Principal Budget and Management Services Specialist
OED	R. Keith Leonard	Director
BPMS	Sally Pedersen	Head, Learning and Development Unit
	Ajay S. Guha	Senior Portfolio Management Specialist
OPR	Biswanath N. Bhattacharyay	Principal Project Performance Management Specialist
	Robert C. Yeung	Director
KM Center	Zuleikha M. Bisera	Knowledge Management Officer
ECRD	J.C. Alexander	Advisor
SARD	Naoki Sakai	Operations and Administrative Specialist
MKRD	Paul V. Turner	Director
PARD	Stephen J. Pollard	Principal Economist (Poverty Reduction)
PARD	William T. Costello	Pacific Policy and Regional Cooperation Specialist
SARD	Ziba Farhadian-Lorie	Principal Economist
RSDD	Diwesh N. Sharan	Principal Sector Specialist
SERD	Kathie M. Julian	Principal Programs Coordination Specialist
MKRD	Nirmal Ganguly	Programs Economist

ADB Headquarters – Interviews

OFFICE	NAME
VPKM	van der Linden, Geert.
VPKM	Ogawa, Noriko (Senior Advisor)
VP02	Eichenberger, Joseph B.
VP02	Teter, Darius F. (Senior Advisor)
SERD	Mannan, Muhammad A. (OIC)
BPMSD	De Jonghe, T. L. (Deputy Dir Gen)
COSO	Iffland, Andrea
ECRD	Renfro, Raymond (Principal Econ)
SPD	Sakai, Kazu, Director General
VP01	Jin, Liqun
RSCG	Buentjen, Claudia
MDG	Lee, Young-Hoi and Biswanath Bhattacharyay (Principal Reform Coordination Specialist)

November 2005

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OFFICE	NAME
SERD	Konishi, Ayumi (Director/SEGF)
SARD	Senga, Kunio
OED	Murray, Bruce
VPFA	Pholsena, Khempheng
PARD	Erquiaga, Philip C.; Bhushan, Indu; Sy, Robert; Costello, Bill
SPD	Purdue, Bruce, SPRU
SPD	Bastoe, Per, SPRU
SPD	Cohen, Marc, SPRU
SPD	Balane, Josefina J., SPRU
SPD	Gil-Hong Kim, SPRU
RSDD	Karen Horton
RSDD	Lohani, B. N. (Director General & Chief Compliance Officer), Gerhausser, K, Miranda, J.
SPD	MacCormac, Chris (Director, SPPI)
NRM	Sultan H. Rahman/NRM
VPKM	van der Linden, G. H. P. B.
SESS	Ondrik, Richard S./Sr Proj Implementation Specialist
BOD	Masaki Omura, Executive Director Japan
BOD	Troy B. Wray, US Alternate Executive Director
BOD	Atticus F. Weller, Advisor to the US Executive Director
BOD	Pasi Hellman, Alternate Executive Director for Canada, Denmark, Finland, the Netherlands, Norway, Sweden
BOD	Emile Gavreau, Executive Director for Canada, Denmark, Finland, the Netherlands, Norway, Sweden

ADB Resident Missions

BRM	Hua Du/BRM (Country Director)
NRM	Sultan H. Rahman/NRM
URM	Sean M. O'Sullivan/URM
VRM	Bradford R. Philips/VRM (answered questions via email)
LRM	James A. Nugent/LRM
PHCO	Ondrik, Richard S./Sr Proj Implementation Specialist (formerly PHCO, now SESS)
CARM	Shyam P. Bajpai/CARM
MNRM	Barry J. Hitchcock

Others

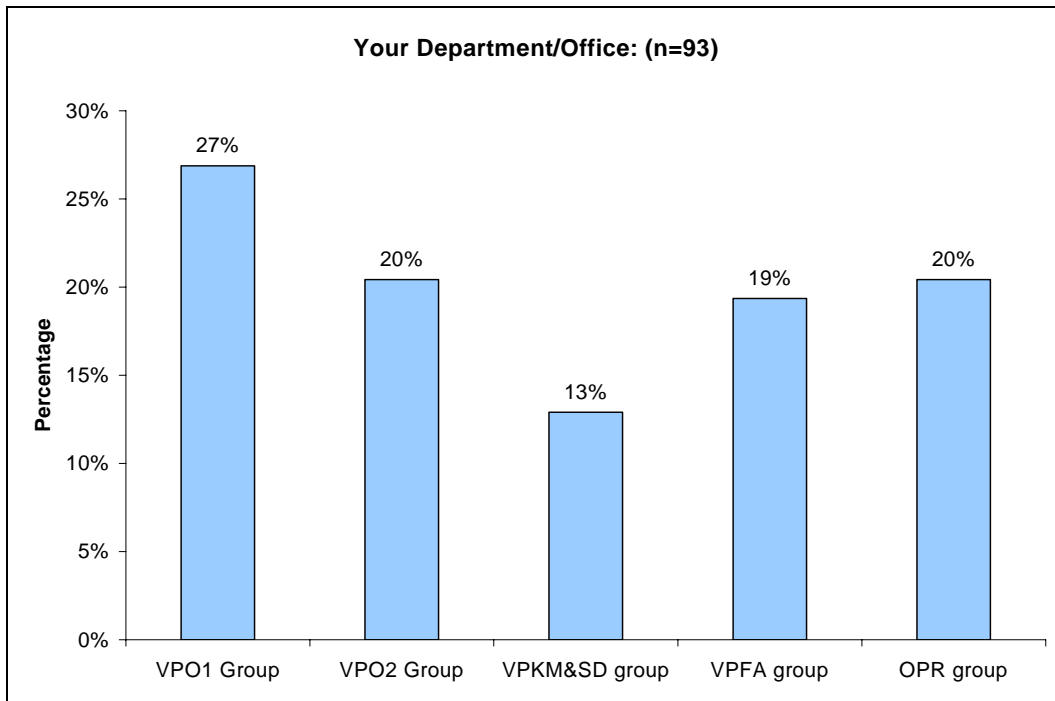
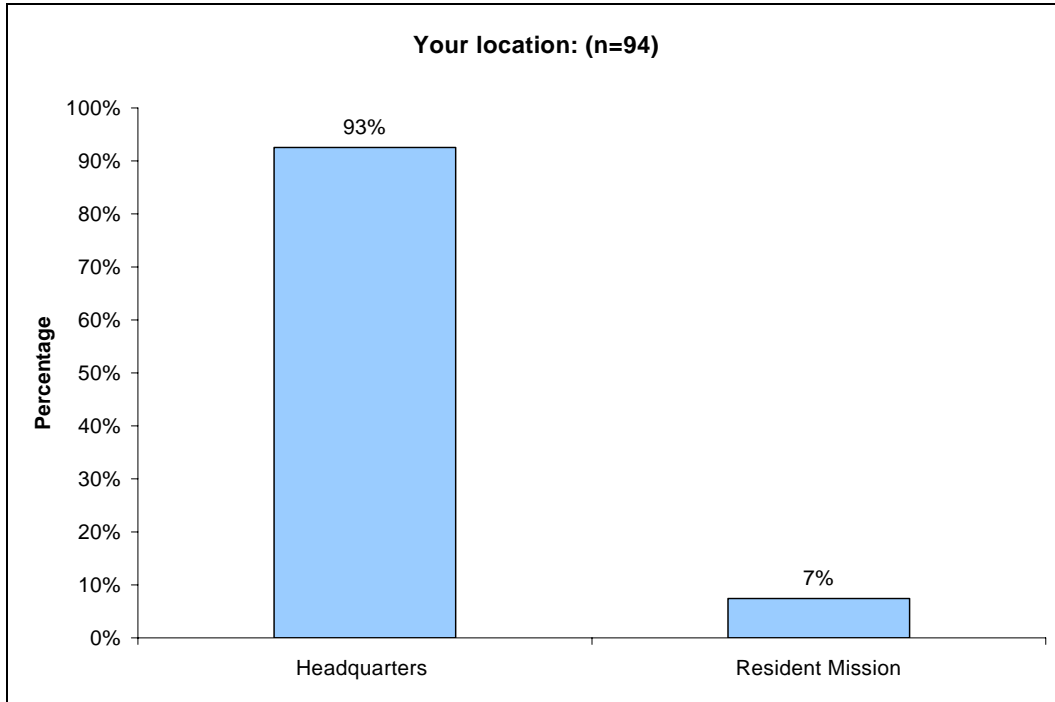
Abdul Hannan, Programme Specialist, Operations Support Group, UNDP

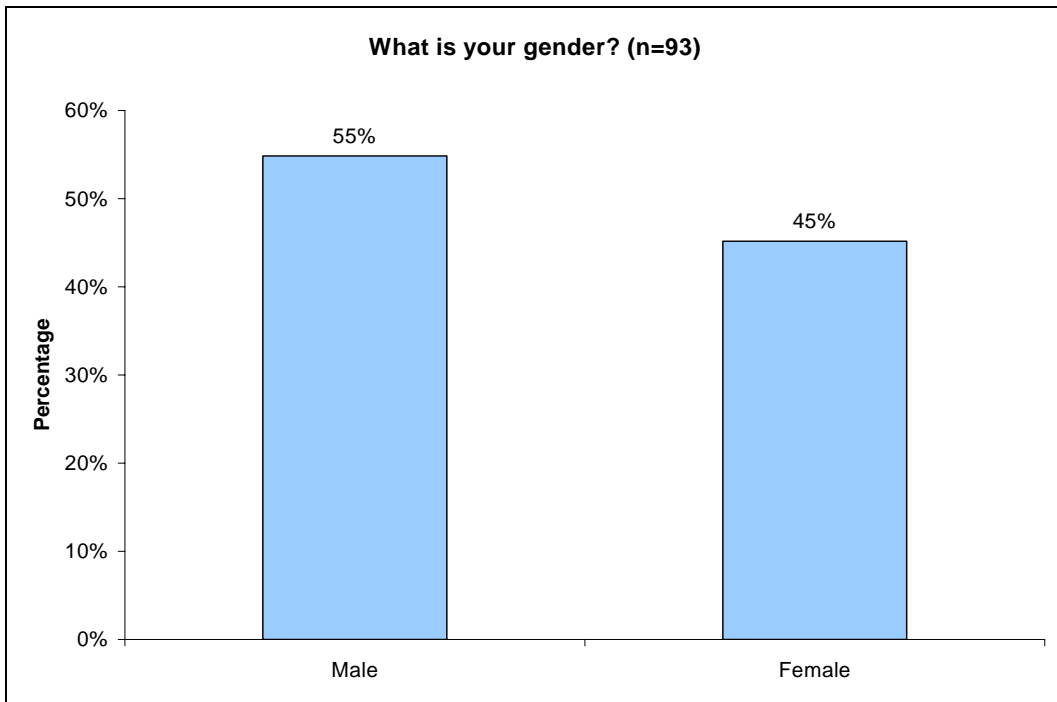
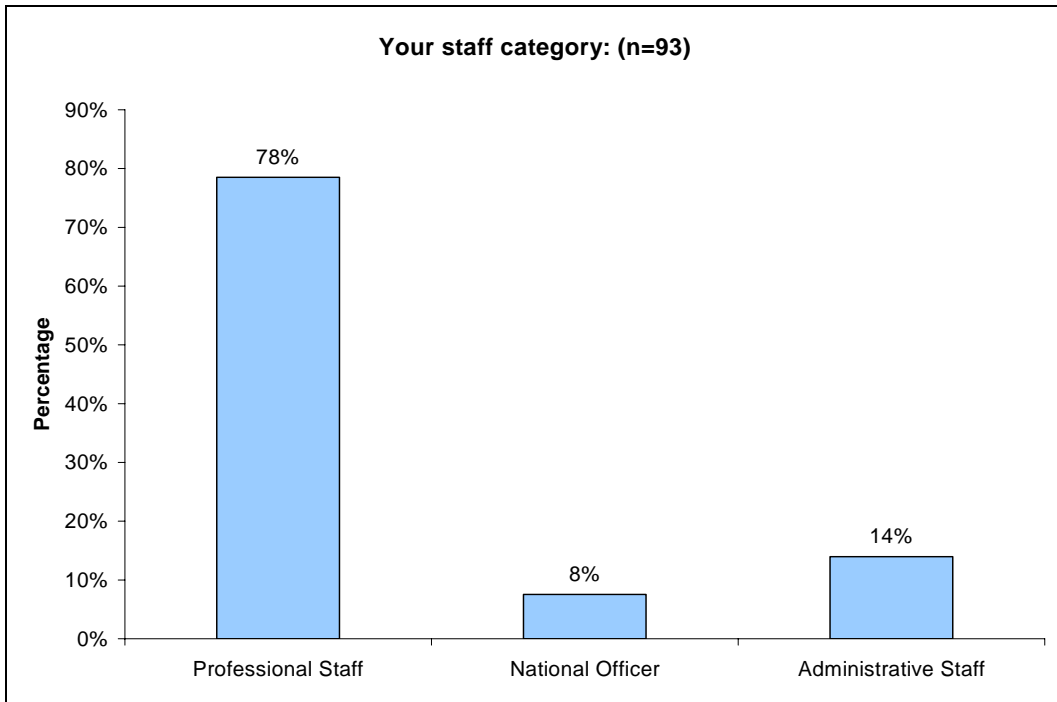
Susan Stout, Results Secretariat, The World Bank

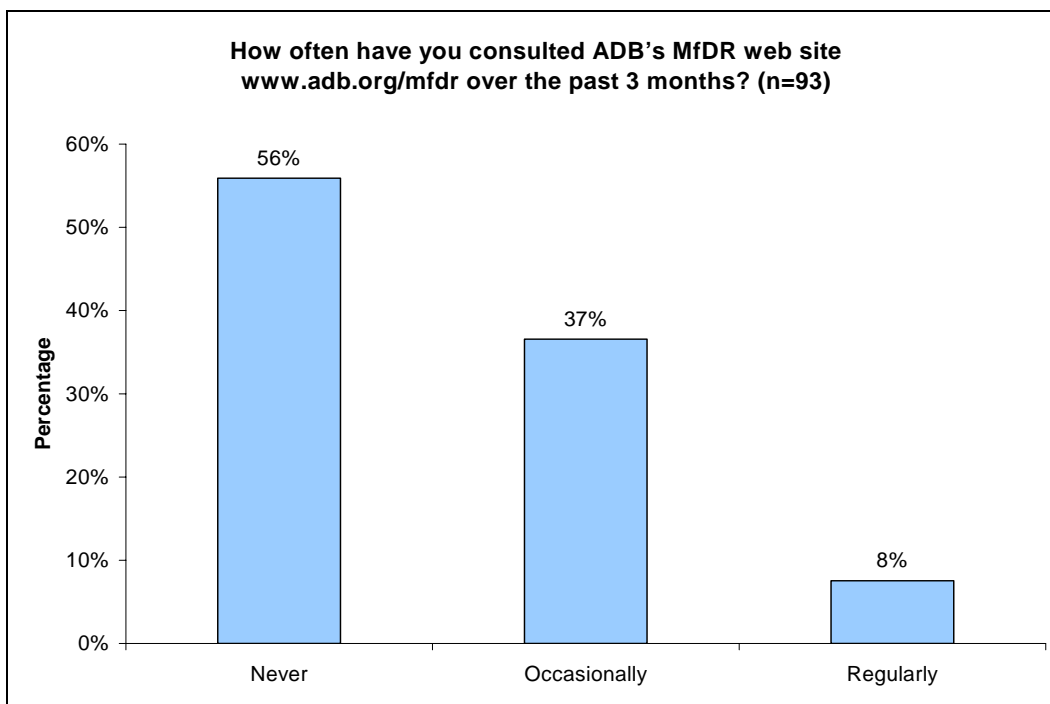
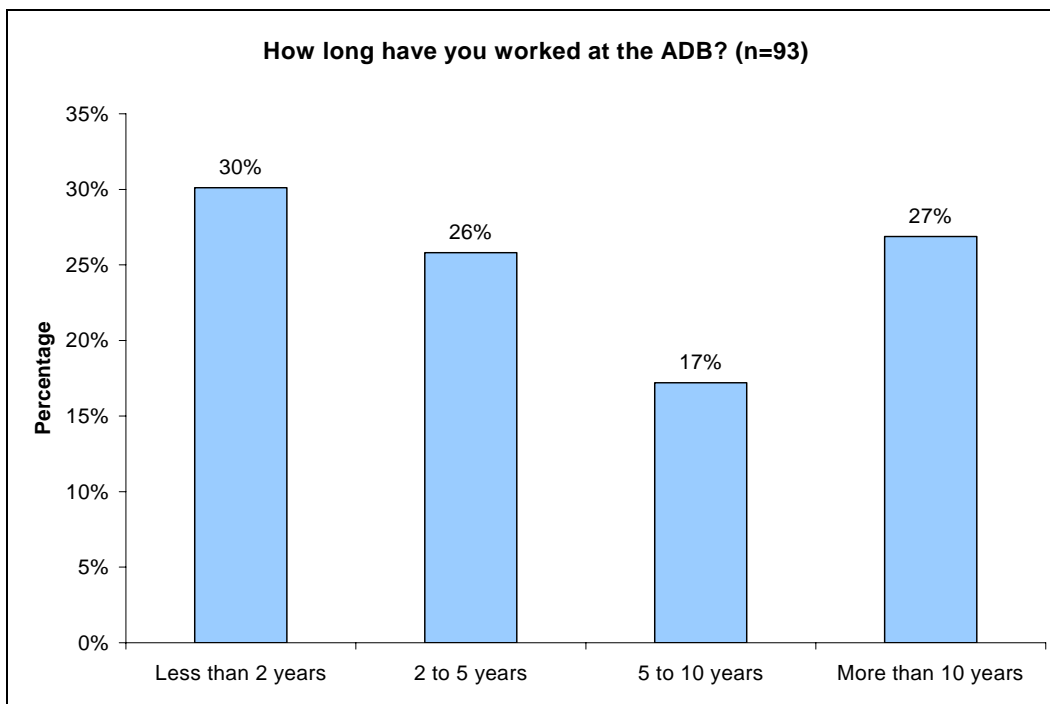
George Plinio Montalván, Consultant for the DEV/PMP, Inter-American Development Bank

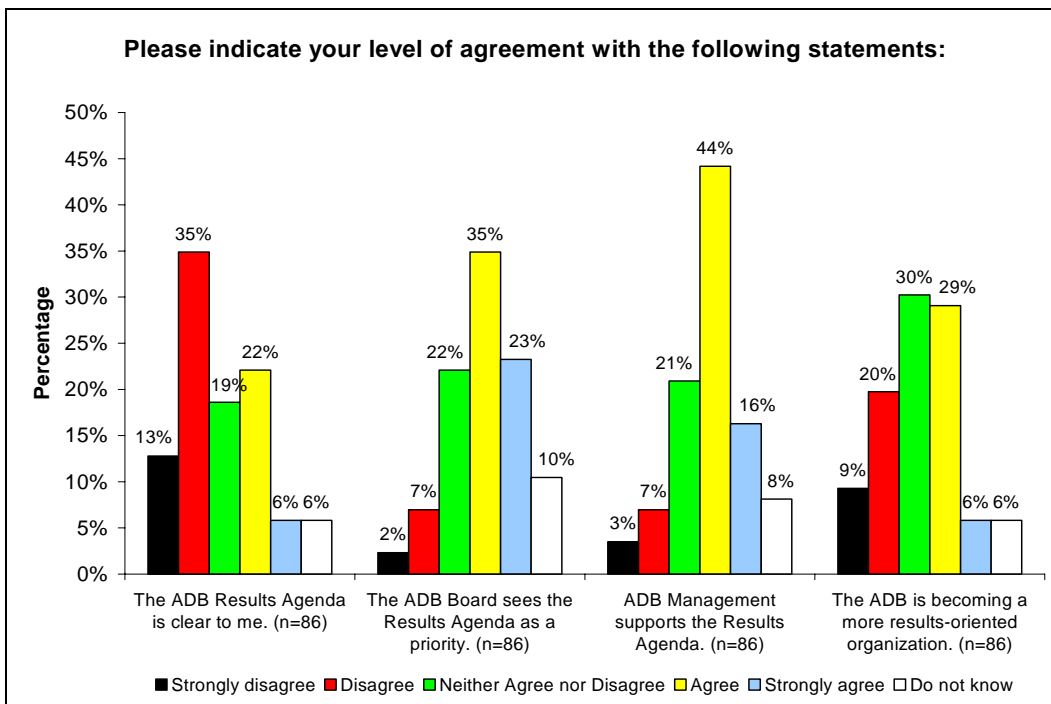
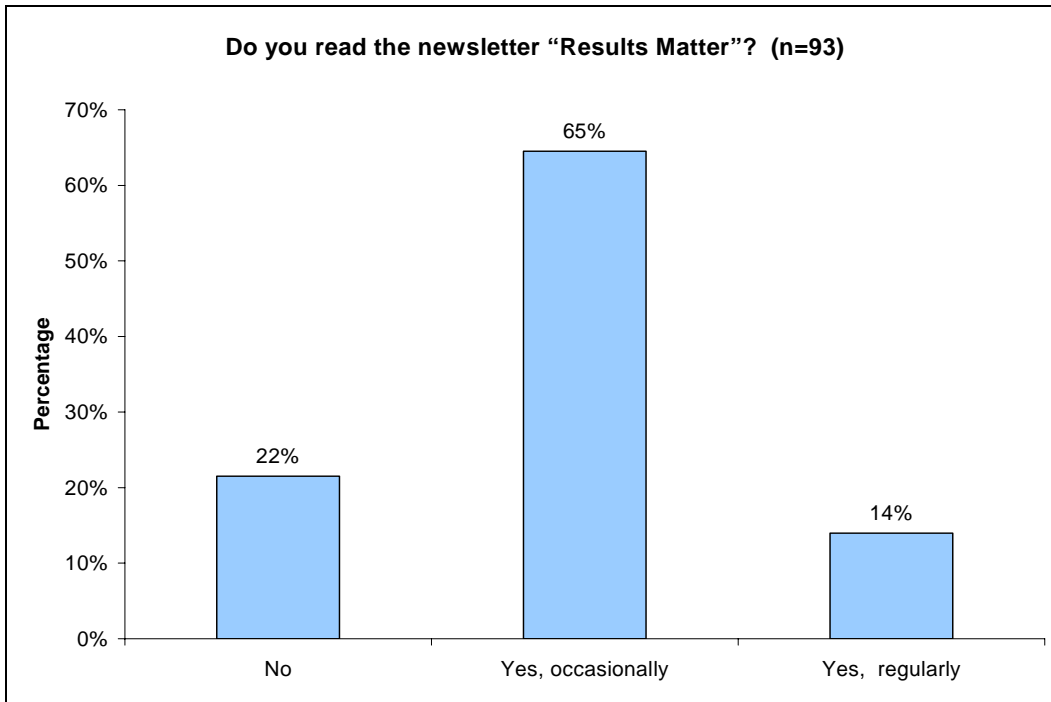
Paul Lachance, Consultant for the African Development Bank

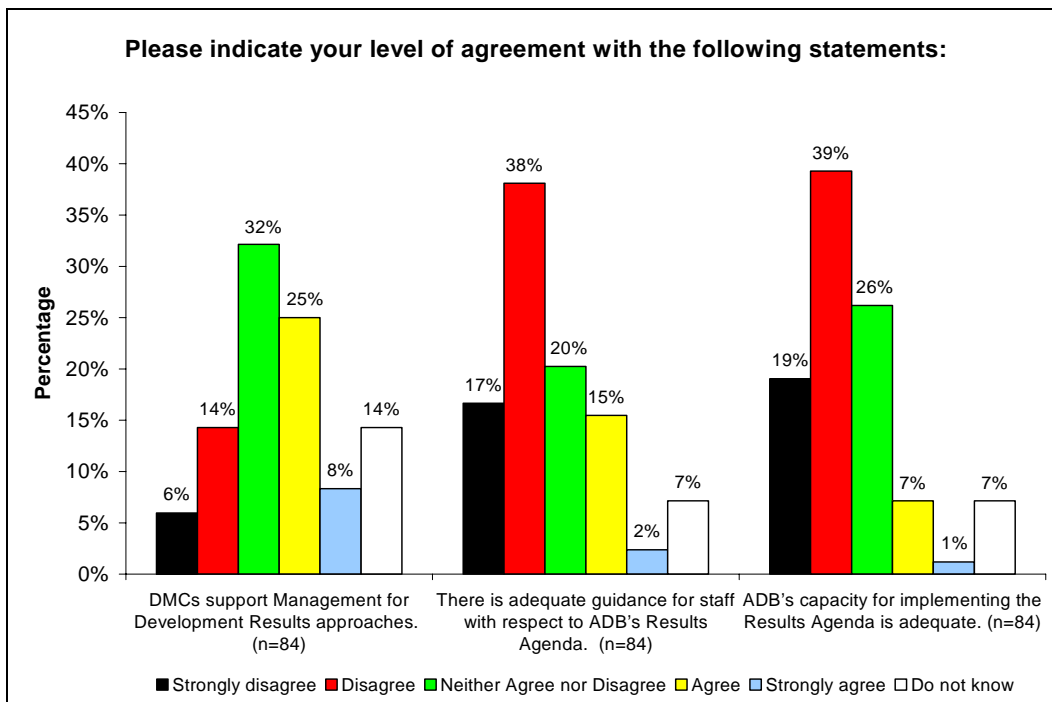
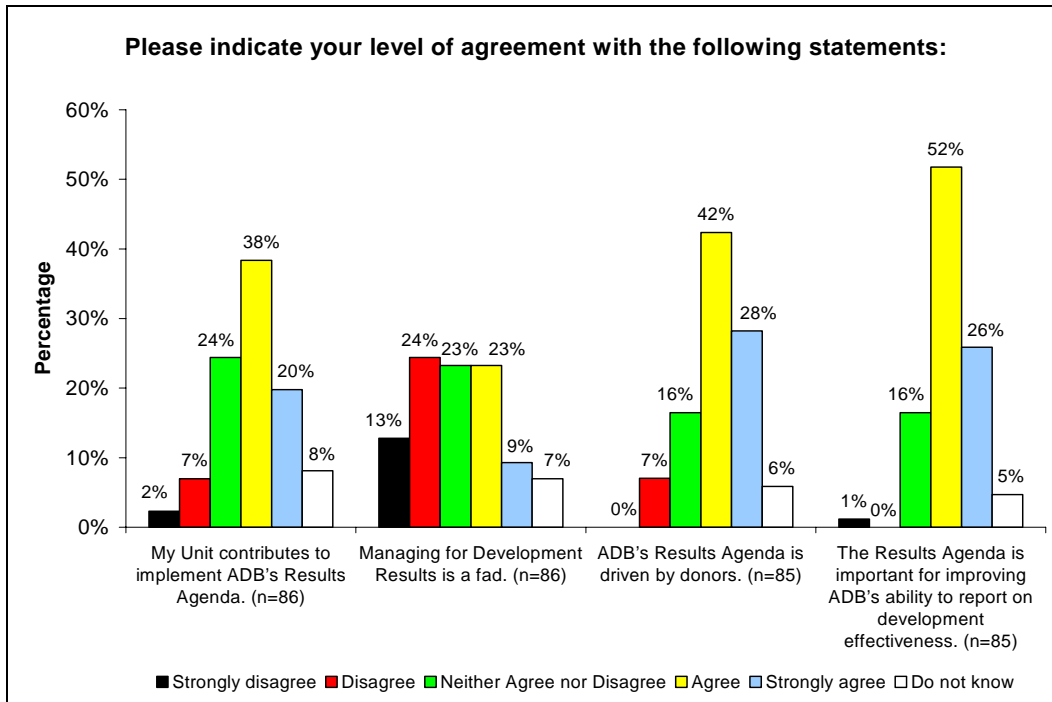
Appendix IV Survey Results

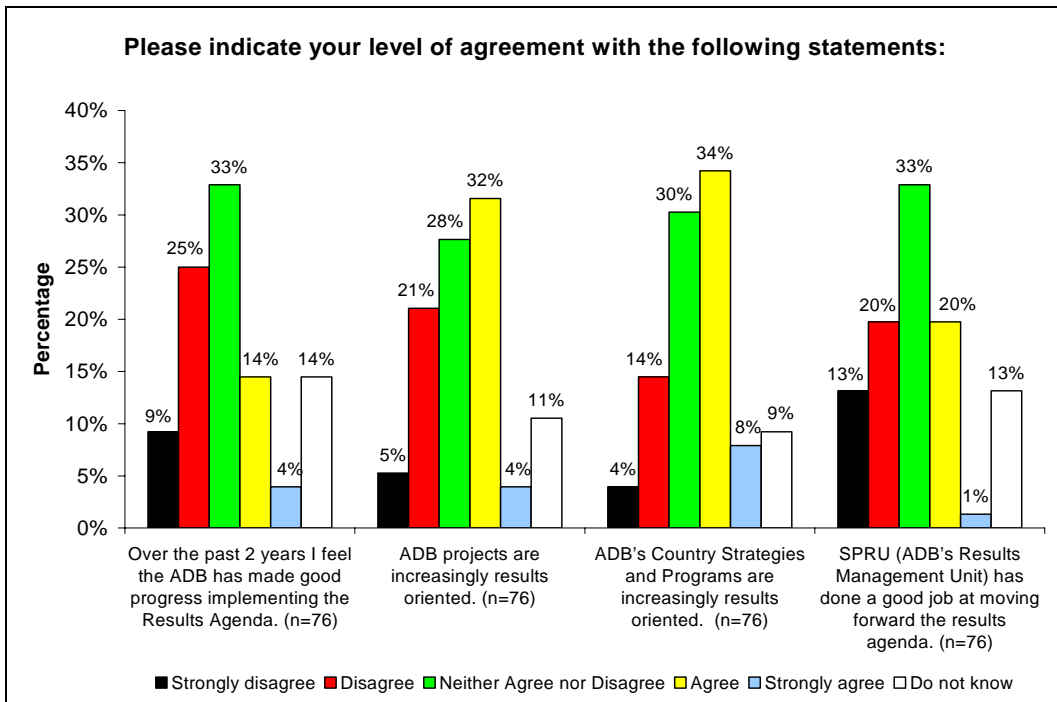
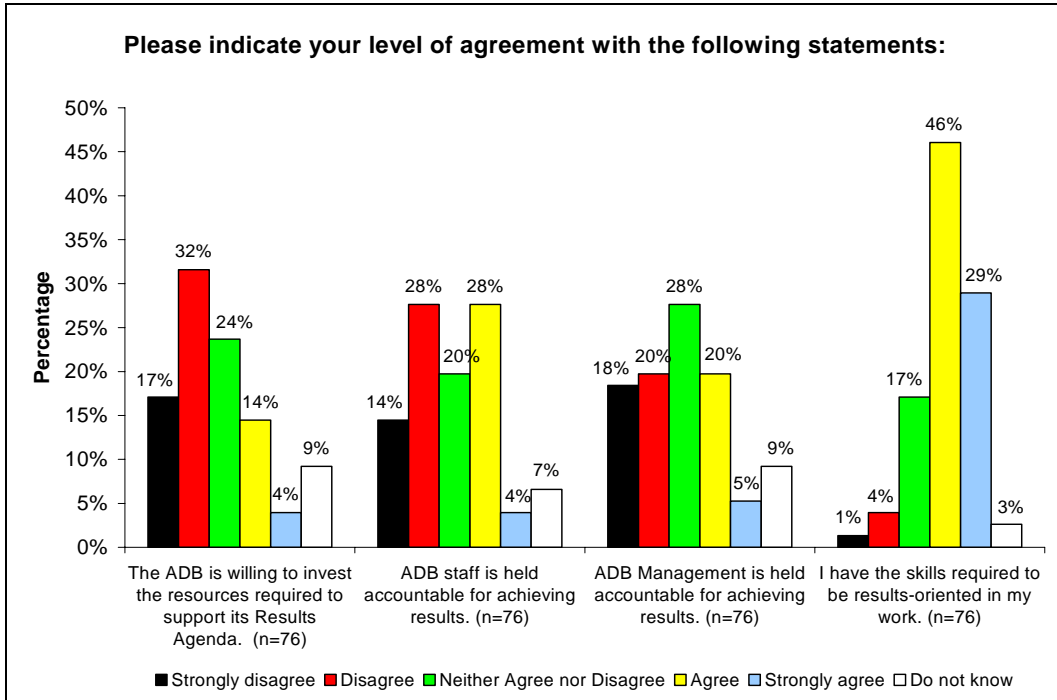


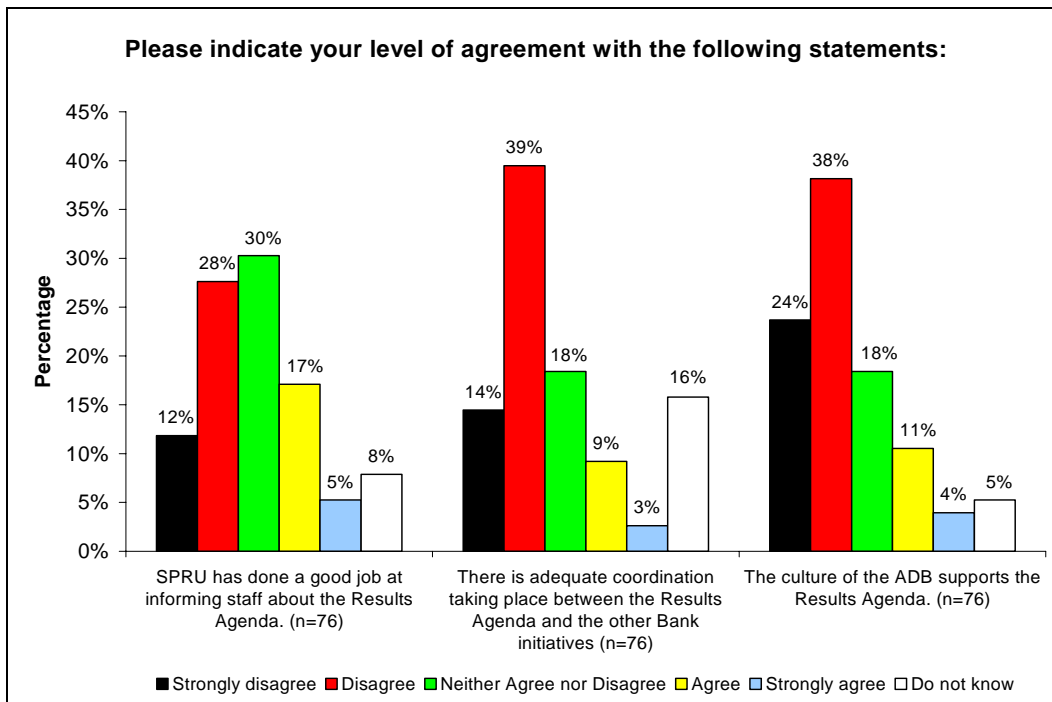












Appendix V Milestones in MfDR at the ADB

YEAR	MILESTONE
1999	ADB approved the Poverty Reduction Strategy, adopting poverty reduction as its overarching objective
2000	Long-term strategic framework (LTSF) adopted for 2001-2015 with key strategic operating principles of: ensuring country ownership, enhancing strategic alliances and partnerships, and measuring development impact.
2001	Medium-term Strategy (2001-2005)
2002	Reorganization of ADB intended to better equip ADB to meet its strategic agenda as established in LTSF.
2003	Working Group on Millennium Development Goals and Results-Based Management in ADB
	Special evaluation study on Project Performance Management in the ADB and its projects in developing countries
2004	MFDR Action Plan adopted
	Independent Operations Evaluation Department, reporting directly to the Development Effectiveness Committee of the Board.
	President of ADB approved the creation of SPRU as part of the Strategy and Policy Department (January 2004)
	ADF IX Donors' Report: Development Effectiveness for Poverty Reduction (June 2004)
	ADB Reform Agenda announced at a Special Assembly on 14 June 2004 ADB management reiterated its commitment to development effectiveness through this broad-ranging reform effort (June 2004)
	Action plan for an enhanced PPMS aims at improving effectiveness by strengthening its monitoring and data quality, monitoring project quality at entry, building capacity in executing agencies to manage for results, and enhance the alignment of projects with country and institutional strategy
	Human Resource Strategy
	Enhanced Poverty Reduction Strategy
	First Results Based CSP (Nepal) approved in October
2005	Interim guidelines on results-based country programming
	Practice Note on Results-based CSPs
	Report on the implementation of Reform Agenda
	Board approval of the first results-based Work Program and Budget Framework
	Innovation and Efficiency Initiative (financing modalities, cost sharing, local currency loan)

Appendix VI Overview of MfDR Initiatives by Region

This table has been prepared with the information provided to SPRU by the Regional Departments in May/June 2005 and updated with material collected by SPRU in preparation for the DEC report.

REGION	APPROACH TO ORGANIZATIONAL MfDR	REGIONAL INITIATIVES	COUNTRY LEVEL		
			RESULTS-BASED CSPs	CAPACITY BUILDING TAs	OTHER
SARD	Results/Development Effectiveness Unit in front office		<p>Nepal: Endorsed by BoD in October 2004</p> <p>Held staff retreat to discuss RB-CSP implementation</p>	<ul style="list-style-type: none"> • Nepal: TA for Capacity Building for Impact Monitoring and Evaluation established in January 2005 Preparing a TA aimed at supporting MfDR implementation and monitoring the progress • Pakistan: TA to assist the Gov't in developing an IT-based project performance monitoring system • Bangladesh: Enhancing capacity for Poverty M &E and assisting Bureau of Statistics to strengthen national accounts • Afghanistan: TA for capacity building for impact M&E approved January 2005 • Regional TA in process: For Mainstreaming MfDR in Support of Poverty Reduction in South Asia 	<ul style="list-style-type: none"> • Nepal: Results Management Team established in NRM Held 2 high-level workshops on introducing the Governments' MfDR approach to senior government officials and key donor agencies

REGION	APPROACH TO ORGANIZATIONAL MfDR	REGIONAL INITIATIVES	COUNTRY LEVEL		
			RESULTS-BASED CSPS	CAPACITY BUILDING TAs	OTHER
SERD	<ul style="list-style-type: none"> Mainstreamed MfDR MfDR focal point (Principal Level) in the front office, to be assisted by a Results Management National Officer that is being recruited 50% of the time of a Senior Project Admin specialist in SEID also allocated to support MfDR, especially PPMS 		<ul style="list-style-type: none"> Indonesia: RM working with Government on RB-CSP with active support from SPRU Philippines: CSP approved by BOD in 2005 	<ul style="list-style-type: none"> Philippines: Held workshop with the Government on harmonization and Managing for Results – September 2005 	<ul style="list-style-type: none"> SERD was able to review 100% of Project Performance Reports and Technical Assistance Performance Reports (2004). Feedback and training given.
ECRD	<ul style="list-style-type: none"> Established an MfDR focal point A Principal PPMS Specialist has joined front office in 2005 		<ul style="list-style-type: none"> Kyrgyz Rep: CSP is a joint effort with DFID and WB and will use MfDR methodology Mongolia: ADB has developed a Results-Based Framework 	<ul style="list-style-type: none"> PRC: TA aimed at developing a Results-based National Monitoring and Evaluation System for key projects – April 2005 Tajikistan: ADB has a local component to enhance local capacity for RBM 	<ul style="list-style-type: none"> Tajikistan: ADB is supporting the Government in aid management and in enhancing local capacity for results-based management.
PARD	<ul style="list-style-type: none"> Due to small size, MfDR will always be part of a mixed portfolio of duties for PARD RM staff Has MfDR focal point and alternate in front office and have MfDR tasks in their annual work plans in 2005 	<ul style="list-style-type: none"> MfDR approach set out in Pacific Strategy 2005-2009 which was endorsed by BOD in November 2004 			

Independent Assessment of MfDR at ADB

REGION	APPROACH TO ORGANIZATIONAL MFDR	REGIONAL INITIATIVES	COUNTRY LEVEL		
			RESULTS-BASED CSPs	CAPACITY BUILDING TAs	OTHER
MKRD		<ul style="list-style-type: none"> 13th GMS Ministerial Conference (December 2004) set a new standard for ministerial meetings Results-oriented Action Plan reviewed by the 2nd GMS Leaders Summit (July 2005) and several short-term actions and deliverables have already been realized 	<ul style="list-style-type: none"> Cambodia: CSP approved by BOD in 2005 	<ul style="list-style-type: none"> Viet Nam: Results-Based Monitoring of Poverty Reduction and Growth – March 2005 Lao PDR: Capacity development for results-based framework for developing the Socio-Economic Development Plan (NSED) for 2006-2010 and to develop and operationalize monitoring framework for NSED, which will subsequently integrate the National Growth and Poverty Eradication Strategy Two small-scale TAs to support the Committee for Planning and Investment (CPI) in use of results-based method in preparation of development plan and public investment planning. Cambodia, Mongolia, Indonesia: RBM for Sector Agencies (Education and Healthcare) (RETA 6089) Regional TA in process: Enhancing the Development Effectiveness of the GMS Economic Cooperation Program. 	

Appendix VII Overview of Initiatives Funded by the Cooperation Fund in Support of MfDR¹

COUNTRY TA NUMBER / TITLE / AMOUNT (USD)	CLASSIFICATION	SCOPE EXECUTING AGENCY	PROCESSING MILESTONES
<p>Viet Nam TA 4612-VIE Results-based Monitoring of Poverty Reduction and Growth 400,000</p>	<p>Sector: <i>Multisector,</i></p> <p>Sub-sector: <i>Economic Management and Public Policy</i></p> <p>Theme: <i>Sustainable Economic Growth, and Capacity Development</i></p> <p>Sub-theme: <i>Developing Rural Areas, and Institutional Development</i></p> <p>GI/TI: <i>GI</i></p>	<p>Comprehensive Poverty Reduction and Growth Strategy (CPRGS) and 5 year Socio- Economic Development Plan (SEDP): develop results frameworks and indicators for tracking progress.</p> <p>EA: Ministry of Planning and Investments (main responsibility for integrating CPGRS into SEDP and annual budgets)</p>	<ul style="list-style-type: none"> • Endorsed by committee: <i>9 Dec. 04</i> • Draft TA paper reviewed by Committee: <i>14 Apr. 05</i> • SRC: <i>waived</i> • TA approval: <i>14 July 2005</i> • TA Letter signing: <i>as of 31 Aug 2005, TA letter not yet signed</i>
<p>Kyrgyz Development Monitoring and Evaluation Systems at the Local Level 200,000</p>	<p>Sector/ sub-sector:</p> <p>Theme/sub-theme:</p> <p>GI/TI:</p>	<p>Proposal being revised / reconsidered in view of recent political changes: need to restore central level reporting and monitoring capacity (instead of local capacity as envisaged)</p>	<ul style="list-style-type: none"> • Endorsed by committee: <i>9 Dec. 04</i> • Draft TA paper reviewed by Committee: • SRC: • TA approval: • TA Letter signing
<p>Nepal Operationalization of Managing for Development Results in Nepal (Previously Operationalization of Results Based CSP in Nepal) 400,000</p>	<p>Sectors: <i>Law, Economic Management ; Finance</i></p> <p>Sub-sector: <i>Economic Management; Finance Sector</i></p> <p>Theme: <i>Sustainable Economic Growth</i></p> <p>Sub-theme: <i>Promoting efficiency and enabling environment</i></p> <p>GI/TI: <i>N/A</i></p>	<p>10th Plan of Government, focus on components related to ADB's area of assistance (under the 1st RB-CSP): improvements of statistical systems, capacities, selection of performance indicators.</p> <p>EA: National Planning Commission (NPC); TA objective of "institutionalization" of RBM in NPC</p>	<ul style="list-style-type: none"> • Endorsed by committee: <i>14 Apr. 05</i> • Draft TA paper reviewed by Committee: • SRC: <i>20 Oct 05</i> • TA approval: <i>15 Nov 05</i> • TA Letter signing: <i>15 Dec 05</i>

¹ Status Report as of August 2005

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COUNTRY TA NUMBER / TITLE / AMOUNT (USD)	CLASSIFICATION	SCOPE EXECUTING AGENCY	PROCESSING MILESTONES
<p>Laos</p> <p>TA 4624-LAO</p> <p>Capacity Development for Monitoring Development Results of the National Growth and Poverty Eradication Strategy</p> <p>150,000</p>	<p>Sector:</p> <p><i>Law, Economic Management and Public Policy</i></p> <p>Sub-sector:</p> <p><i>National Government Administration</i></p> <p>Theme:</p> <p><i>Governance</i></p> <p>Sub-theme:</p> <p><i>Public Governance</i></p> <p>GI/TI: N/A</p>	<p>National Growth and Poverty Eradication Strategy (NGPES) and 5-year socio Economic Development Plan (2006-10): NGPES monitoring and reporting system: development of "results indicators" at the sector/ subsector and thematic levels, in relation with the preparation ADB's CSP</p> <p>EA: Committee for Planning and Investments</p>	<ul style="list-style-type: none"> • Endorsed by committee: 14 Apr. 05 • Draft TA paper reviewed by Committee: 14 April 2005 • SRC: none • TA approval: 26 July 2005 • TA Letter signing: <i>Not yet signed as of 31 Aug 2005</i>
<p>Philippines</p> <p>Operationalization of the National Development Plans and Programs for Promoting Rural Electrification in the Philippines</p> <p>500,000</p>	<p>Sector/ sub-sector:</p> <p>Theme/sub-theme:</p> <p>GI/TI:</p>	<p>2004 Expanded Rural Electrification Program: results-based monitoring of the overall program implementation; participatory planning and programming at the level of electric cooperatives (ECs); preparation of annual rural electrification action plans in selected ECs.</p> <p>EA: Department of Energy</p>	<ul style="list-style-type: none"> • Endorsed by committee: 14 Apr. 05 • Draft TA paper reviewed by Committee: • SRC: • TA approval: • TA Letter signing • <i>Status as of 26 Sep 05: TA Concept paper submitted to the VP last 22 Sep since TA is not included in the CSP.</i>

Appendix VIII Status of Results-Based CSPs as of August 2005

COUNTRY	APPROVAL BY ADB BOARD	ON-GOING DEVELOPMENT		
		ADVANCED STAGE	INTERMEDIATE STAGE	INITIATING STAGE
Nepal	2004			
Cambodia	2005			
Philippines	2005			
Bangladesh		✓		
Bhutan	2005			
Mongolia		✓		
Indonesia			✓	
Uzbekistan				✓
Vietnam				✓

Appendix IX List of Results Frameworks in ADB Strategy & Policy Papers²

WITH RESULTS FRAMEWORK				
DATE OF CIRCULATION	DOCUMENT TYPE	TITLE	AUTHOR(S)	REF. NO.
8/29/2005	Policy	A Review of the Policy on Supplementary Financing: Addressing Challenges and Broader Needs	<ul style="list-style-type: none"> • K. Sakai (SPD) • Y. Kojima (SPD) • M. Khamudkhanov (SPD) 	WP6-05
8/4/2005	Policy	Introducing Local Currency Loan Product	<ul style="list-style-type: none"> • M. Kashiwagi (TD) • J. Limandibrata (TD) • T. Hoschka (TD) 	R195-05
8/4/2005	Policy	Pilot Financing Instruments and Modalities	<ul style="list-style-type: none"> • J. Miranda (RSDD) • W. Liepach (OCO) 	R194-05
8/4/2005	Policy	Cost Sharing and Eligibility of Expenditures for Asian Development Bank Financing	<ul style="list-style-type: none"> • J. Miranda (RSDD) • P. Giraud (SERD) 	R193-05
4/25/2005	Strategy	Development Poverty and HIV/AIDS: ADB's Strategic Response to a Growing Epidemic ³	<ul style="list-style-type: none"> • R. Dobias (RSDD) • J. Jeugmans (RSDD) 	IN.90-05
4/1/2005	Policy	The Public Communications Policy of the Asian Development Bank	<ul style="list-style-type: none"> • A. Qoun (OER) • C. Malvicini (OER) 	R101-05

WITHOUT RESULTS FRAMEWORK				
DATE OF CIRCULATION	DOCUMENT TYPE	TITLE	AUTHOR(S)	REF. NO.
8/29/2005	Policy	Policies and Procedures on the Use of Consultants by the Asian Development Bank and its Borrowers	<ul style="list-style-type: none"> • O. Tiwana (COSO) • T. Woods (COSO) 	WP4-05
8/29/2005	Policy	Revising the Procurement	<ul style="list-style-type: none"> • R. Rothery (COSO) • I. Santoso (COSO) 	WP5-05

² Complete as of August 31, 2005 and includes Working Papers, R-Papers, Secretary's Memo, and Information Papers that have been circulated to the Board or Management as appropriate.

³ Has a design and monitoring framework.

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WITHOUT RESULTS FRAMEWORK				
DATE OF CIRCULATION	DOCUMENT TYPE	TITLE	AUTHOR(S)	REF. NO.
		Guidelines		
7/20/2005	Policy	Eligibility of ADF Grant Projects for the Summary Procedures	<ul style="list-style-type: none"> • J. Hovland (OSEC) • H. Kawada (OSEC) 	R171-05
7/5/2005	Policy	Implementation of Disclosure Provisions of ADB's Public Communications Policy Pertaining to Chair Summaries and Minutes of Board of Directors' Discussions and Operations Evaluation Reports	<ul style="list-style-type: none"> • A. Quon (OER) • C. Malvicini (OER) 	R157-05
3/11/2005	Policy	Review of the Resource Position of ADB	<ul style="list-style-type: none"> • M. Kashiwagi (TD) • J. Hua (TD) 	IN.52-05
2/17/2005	Strategy	The Continuity of Operations: ADB's Business Continuity Strategy	<ul style="list-style-type: none"> • R. L. T. Dawson (OAS) • H. Widjaja (OAS) 	IN.38-05
2/15/2005	Rehabilitation Assistance	ADB Assistance for Tsunami-Affected DMCs	<ul style="list-style-type: none"> • B. N. Lohani (RSDD) • R. J. Dobias (RSDD) 	IN.35-05
2/15/2005	Rehabilitation Assistance	Asian Tsunami Fund	<ul style="list-style-type: none"> • A. Mitchell (OGC) • K. Sakai (SPD) • B. N. Lohani (RSDD) 	R65-05
2/11/2005	Policy	Transfer of OCR Surplus to Asian Tsunami Fund	<ul style="list-style-type: none"> • A. Mitchell (OGC) • K. Sakai (SPD) • B. N. Lohani (RSDD) 	R66-05
2/2/2005	Personnel Management	Independent Assessment of the Effectiveness of ADB's Reorganization: Status of Follow-up Actions	<ul style="list-style-type: none"> • BPMSD/SPD 	IN.27-05
1/28/2005	Policy	Extension of the Waiver of the Cost-Sharing Limits for Loans and Technical Assistance for Afghanistan	<ul style="list-style-type: none"> • K. Sakai (SPD) • C.W. MacCormac (SPD) • J. Capedevila (SPD) 	R60-05
1/21/2005	Policy	Proposed Revisions to the Asian Development Fund Regulations and Adoption of Special	<ul style="list-style-type: none"> • E. Fischer (OGC) 	R56-05

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WITHOUT RESULTS FRAMEWORK				
DATE OF CIRCULATION	DOCUMENT TYPE	TITLE	AUTHOR(S)	REF. NO.
		Ownership		

Appendix X Overview of MfDR Web Site Statistics – April-August, 2005

Utilization of the ADB MfDR External Website⁴

	APRIL	MAY	JUNE	JULY	AUGUST
Hits (Entire Site)	4,135	5,262	9,905	10,502	10,496
Unique Visitors (one visit)	372	1,116	606	398	545
Unique Visitors (more than one visit)	208	274	288	390	303
total unique visitors	580	1,390	894	788	848

The MfDR web site was revamped in June 2005. There was a remarkable increase in the utilization of the MfDR website between April and August 2005. Of particular interest are the Unique Visitors who visited more than once because these individuals can be tracked by IP addresses as well as cookies, of which the latter provides the most accurate count. Between April and August there was about a 46% increase overall in the statistics for Unique Visitors.

Most Downloaded Files –June

DOCUMENT	NUMBER OF DOWNLOADS
Joint Statement from Heads of Multilateral Development Banks	29
Project Performance Management System – Design and Monitoring Framework	18
Guidelines for the Implementation of IFAD's Results and Impact Management System	16
Design and Monitoring Framework – Checklist	1

Most Downloaded Files –July

DOCUMENT	NUMBER OF DOWNLOADS
Project Performance Management System – Design and Monitoring Framework	80
Project Performance Management System – Quick Reference	29
Joint Statement from Heads of Multilateral Development Banks	23
Design and Monitoring Framework – Checklist	1

Most downloaded files – August

DOCUMENT	NO. OF DOWNLOADS
Joint Statement from Heads of MDBs	18
Project Performance Management System – Quick reference	14
ADB's Action Plan for MfDR	2
African Development Fund – ADF IX Mid-term Review	1

⁴ Period between May and July 2005

Appendix XI MfDR Action Plan – Assessment of Progress in Implementing the Actions as of September 2005⁵

This table is an adaptation of the table used by SPRU to track progress in the implementation of the Action Plan. The two columns on the right-hand side, reflect our Assessment and comment on the progress made as of September 2005. For more recent updates, and additional information on progress, the reader should refer to SPRU’s monitoring table.

OBJECTIVES	ACTION	ADF IX TARGET DATE, OUTPUTS AND OUTCOMES	PROGRESS IN RELATION TO THE ACTIONS	COMMENT
PILLAR 1: Improving results orientation at DMC Level⁶				
1. Establish a set of indicators for ADB’s DMCs, which align the MDG indicators, PRS (or equivalent indicators) and ADB’s mandate	ADB will develop a set of indicators, working with other MDBs, including World Bank’s Results Secretariat	IIQ04	<ul style="list-style-type: none"> The indicators for monitoring progress of the PRS have been developed, and will form the basis for annual reporting on implementation of the PRS. All new CSPs include indicators to monitor progress of ADB’s programs Progress in developing ADF IX monitoring system that includes country outcome indicators Detailed consultation with IDA 14 key resource person 	Partially complete / In progress One year later than anticipated
2. Continue to enhance DMC capacity to accommodate management for development results	Develop and implement appropriate approaches to capacity building in DMCs ⁷	DMC participation at relevant workshops and consultations; materials produced (2004) ⁸	<ul style="list-style-type: none"> In 2004, two regional workshops (Bangkok and Bishkek) with 40 and 32 participants from DMCs, respectively. Workshop reports prepared and disseminated to participants, and during the Second High-Level Forum on Aid Effectiveness, 	In progress Additional work required for in-country capacity building

⁵ Unless indicated otherwise, the elements of the Action Plan are sourced from, ADB, “Enhancing Effectiveness: Managing for Development Results”, ADF IX Donors’ Meeting, Tokyo, 9-11 December 2003.

⁶ The category heading used in the Tokyo paper was, “Assisting DMCs: Management for Development Results at Country Level.”

⁷ Taken from, ADB, “Managing for Development Results: Status Report on Action Plan”, ADF IX Donors’ meeting, Lisbon, 9-11 March 2004.

⁸ Taken from, ADB, “Managing for Development Results: Status Report on Action Plan”, ADF IX Donors’ meeting, Lisbon, 9-11 March 2004.

OBJECTIVES	ACTION	ADF IX TARGET DATE, OUTPUTS AND OUTCOMES	PROGRESS IN RELATION TO THE ACTIONS	COMMENT
			and 2005 ADB Annual Meeting.	
Objective 2 cont'd			<ul style="list-style-type: none"> • Learning program for DMC officials in Tokyo, with ADBI/SPRU/COSO in April 2005 • Announced MfDR Community of Practice at OECD-DAC Joint Venture on MfDR; conducted consultations, identified core CoP members, to be operational in 2006 • Tool for assessing country level capacity for RBM • MfDR Cooperation fund established to support DMC results initiatives and capacity development • COPP RETA on capacity building for results management 	
	Efforts will include awareness raising, dialogue, regional workshops, and production of toolkits ³	Results orientation being implemented in national plans in at least 5 DMCs (2005) ³	<ul style="list-style-type: none"> • TAs designed by RDs specifically aimed at introducing MfDR techniques at the national, sector, and local levels, and improving statistical capacity were approved during 2002-2005. • MfDR training/awareness also undertaken as part of RB-CSP preparation (NEP; BAN; BHU; PRC) • Virtual resource center (MfDR website) 	In progress
		Progress measured by the increasing number of DMCs producing results-oriented national development plans (2005 onward) ³	Pending Limited resources and expertise in ADB to provide sustained assistance with results aspects of national development plans	Pending
	Convene regional workshops on results techniques at country level	IIQ04 and following quarterly	Pending Limited resources to convene workshops on quarterly basis	Pending

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OBJECTIVES	ACTION	ADF IX TARGET DATE, OUTPUTS AND OUTCOMES	PROGRESS IN RELATION TO THE ACTIONS	COMMENT
	Invite selected DMC representatives to attend the Second International Roundtable on Results	February 2004	<ul style="list-style-type: none"> The participation of about 15 DMC officials in the MfDR roundtable was co-sponsored by ADB. 	Complete
3. Continue to introduce results techniques at DMC level	The Marrakech Roundtable on Results will be followed by stocktaking of initiatives on results at country level, seminars and workshops, dialogue, and dissemination of best practices ³		No explicit activity or output; but rolled in to RB-CSP process	In progress
	Undertake follow-on Technical Assistance to introduce results techniques at regional, country and sector levels	IIQ04 & IIIQ04	<ul style="list-style-type: none"> Five TAs totaling \$1.9 million have been endorsed for financing through the MfDR Cooperation Fund Tool for assessing country capacity for RBM under preparation. 	In progress
	ADB's technical assistance to DMCs to formulate and implement results-oriented national poverty strategies will continue ³		<ul style="list-style-type: none"> As part of the RB-CSP process, most RDs are designing TAs to assist in sustainable capacity building in MfDR at DMC level. 	In progress

OBJECTIVES	ACTION	ADF IX TARGET DATE, OUTPUTS AND OUTCOMES	PROGRESS IN RELATION TO THE ACTIONS	COMMENT
PILLAR 2: Improving results orientation at the institutional level in ADB⁹				
1. Improve monitoring, measuring, and reporting on ADB's country level operations.	Design and introduce a results-based Country Strategy and Program template and pilot test the new results based CSP format	IQ04 and begin testing in 2004.	2004: <ul style="list-style-type: none"> • Nepal CSP (first results-based CSP) endorsed by the Board in October 2004. • NRM CD and VRM CD attended OECD-DAC workshop on results-based country strategies 2005: <ul style="list-style-type: none"> • Interim guidelines on RB-CSPs issued • In-house workshop on RB-CSP • Philippines CSP endorsed in July • SPRU's proposals for mainstreaming RB-CSP approved in principle by Management • Action plan on RB-CSP approved by Management; all new CSPs must have results framework • Practice Note on RB-CSP issued to all staff • Bhutan CSP endorsed in September • Other CSPs in progress • Work on joint RB country programming began with World Bank and others in Vietnam 	Substantial progress
	Develop template for results-based country strategies, combined with a set of indicators to measure and monitor progress of implementation of the CSPs ³	Minimum of two results-based country strategies as pilots be initiated (2004) ³ Results based CSPs mainstreamed in ADB (2006) ³	See the progress above on designing CSPs Monitoring of CSP implementation pending	

⁹ The category heading used in the Tokyo paper was, "Managing for Development Results in ADB."

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OBJECTIVES	ACTION	ADF IX TARGET DATE, OUTPUTS AND OUTCOMES	PROGRESS IN RELATION TO THE ACTIONS	COMMENT
2. Improve results orientation at project level (lending and non-lending)	Introduce the action plan to improve the project performance management, and design independent assessment of project quality at entry	Commence in IQ04	<ul style="list-style-type: none"> PPMS action plan being implemented. Staff guidelines on preparing design and monitoring framework, and guidelines for preparing retrospective assessments of quality at entry of projects and CSPs are under preparation in 2005. Extensive training and staff guidelines in DMFs by COSO 	In progress
	Improve result orientation of lending and non-lending projects/programs ³	Action plan prepared (2004) ³ Procedures in place (2005) ³	<ul style="list-style-type: none"> Enhanced project DMFs now being used for all projects; quality at entry review for 2005 should illustrate improvement 	In progress
3. Improve management of policies and actions at sector/thematic level	Prepare annual reports on results achieved in sector and thematic areas	IVQ04	<ul style="list-style-type: none"> Results frameworks used in some policy and strategy papers (Public Communications; HIV/AIDS) Monitoring (use) of the framework for management decision making is now the key Reports still pending 	In progress
4. Improve evaluation of development effectiveness	Design assessment mechanisms to independently evaluate the effectiveness on the results based CSP, loans and TAs	IIIQ04	<ul style="list-style-type: none"> CAPEs of the RB-CSPs have not yet been completed Consideration of CAPE prior to design of RB-CSP is standard practice 	In progress
5. Create an institutional framework for the results agenda ¹⁰	Establish a Results Management Unit and create a Results Management Network ⁵	January 2004 ⁵	<ul style="list-style-type: none"> ADB President approved the establishment of SPRU in January 2004. SPRU became operational in February 2004, and fully staffed towards end of 2004. 	In progress Although SPRU in place, the interface with Focal Points needs improvement

¹⁰ Categorized under another heading, "ADB-wide initiatives" in the Tokyo paper.

OBJECTIVES	ACTION	ADF IX TARGET DATE, OUTPUTS AND OUTCOMES	PROGRESS IN RELATION TO THE ACTIONS	COMMENT
			<ul style="list-style-type: none"> • MfDR focal points in RDs/RSDD designated. • SPRU staff designated in 2005 to “service” relationships with all concerned departments and offices. • “Results units” established in SARD, PRM, NRM 	
6. Better understand ADB’s results oriented actions ⁵	Complete detailed stocktaking of existing result-based actions and assess ADB’s readiness ⁵	1Q04 ⁵	<ul style="list-style-type: none"> • Stocktaking report prepared (2004), but not distributed; as other actions began evolving, there was no longer a perceived need for such a report 	Superseded
7. Ensure staff awareness of the results agenda ⁵	Establish intranet site on “Managing for Development Results at ADB” ⁵	1Q04 ⁵	<ul style="list-style-type: none"> • Intranet and internet sites were developed and launched in 2004. • Revamped internet site was inaugurated in June 2005. • Results newsletter circulated regularly: 3 issues in 2004, 4 issues to date in 2005. 	Completed, now requires on-going management and update with new content
	Conduct staff seminars and workshops to introduce the key actions under the conceptual framework ⁵	Commence in February 2004 and ongoing ⁵	<ul style="list-style-type: none"> • Multiple briefings held with RDs, RSDD, OED, etc; consultations with specific Divisions and Units held e.g. BPBM. • ADB-AIM seminar series for ADB staff on RBM held in 2004 proceedings of which to be published and disseminated in 2005. • Training for CDs developing RB-CSPs • MfDR web site and virtual resource center • In-House workshop on RB-CSP • Informal network established among RB-CSP team leaders 	In progress

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OBJECTIVES	ACTION	ADF IX TARGET DATE, OUTPUTS AND OUTCOMES	PROGRESS IN RELATION TO THE ACTIONS	COMMENT
Objective 7 (cont'd)	Awareness raising, coaching, and capacity building efforts at the institutional level ³	Meetings, workshops and seminars for staff (2004) ³ Increased performance of ADB as assessed by a set of indicators to be developed (2005) ³	<ul style="list-style-type: none"> • Same as above • The indicators for monitoring progress of the PRS have been developed, and will form the basis for annual reporting on implementation of the PRS. 	In progress
	Individual departments will prepare results-oriented work programs and, in the process, familiarize staff with concepts of MfDR ³	Developing results-oriented departmental work plans (2004) ³ Progress measured by use of indicators as developed above (beyond 2005) ³	<ul style="list-style-type: none"> • The Work Program and Budget Framework for 2006-2008 identifies indicators for monitoring work progress at institutional and departmental level. • The PDP, based on results orientation at the departmental, divisional and individual levels, has been adopted. 	In progress
	Focused coaching and workshops for senior management to clarify and support the role and responsibilities of management in MfDR ³	Relevant materials produced (2004) ³	Pending	Pending
	Informal sessions with Board of Directors ³		<ul style="list-style-type: none"> • Informal session held on 21 April 2005 to report on MfDR implementation progress. • Limited reporting as part of Reform Agenda report • Commitment to report regularly to DEC of BOD 	In process
	Stocktaking and assessment of readiness ³	Report produced (2004) Action plan updated regularly (2005 onward) ³	<ul style="list-style-type: none"> • No overall report at the end of 2004 • Action Plan under revision 	Pending

OBJECTIVES	ACTION	ADF IX TARGET DATE, OUTPUTS AND OUTCOMES	PROGRESS IN RELATION TO THE ACTIONS	COMMENT
Objective 7 (con't)	Develop and implement adequate support mechanisms such as information technology, HR strategy, etc. ³	Implementation of adequate support mechanisms (2004) ³ Progress measured by use of indicators (beyond 2005) ³	<ul style="list-style-type: none"> Implementation of ISTS II, HR strategy, and KM framework 	In process
PILLAR 3: Improving results through partnerships with other institutions¹¹				
1. Harmonize ADB's results agenda with other MDBs and donors	Actively participate in MDB Working Group on Results and OECD-DAC Joint Venture on Managing for Development Results.	Attendance at scheduled meetings.	<ul style="list-style-type: none"> ADB is chair of MDB Working Group and co-char of OECD-DAC Joint Venture of Results and participates in all scheduled meetings. 	Substantial progress
	Participate in partnerships with MDBs, OECD-DAC and other partners ³	Visible presence in all relevant partnerships (2004) ³ An Asian and Pacific perspective influencing and influenced by international perspectives (2005 onward) ³	<ul style="list-style-type: none"> Actively participated in various global initiatives: (i) Second International Roundtable on Results in Marrakech, (ii) 2005 Global Monitoring Report, (iii) Second High-Level Forum on Aid Effectiveness, (iv) MfDR Sourcebook, (v) joint MDB assessment framework; also participated in CIDA's Institutional Policy Framework and DFID's Multilateral Effectiveness Assessment Framework ADB staff participated in WB's first "CAS Academy", Washington, D.C., April 2005 Joint RB-country programming in BAN and VIE Development of MDB Common Performance Assessment System (COMPAS) jointly with other MDBs (an ADB initiative) Inputs to Global Monitoring Report 	Substantial progress

¹¹ The category heading used in the Tokyo paper was, "Participation in Partnerships."

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OBJECTIVES	ACTION	ADF IX TARGET DATE, OUTPUTS AND OUTCOMES	PROGRESS IN RELATION TO THE ACTIONS	COMMENT
2. Continue to share lessons learned on results with and among other donors	Plan and participate in Second International Roundtable on Results	February 2004	<ul style="list-style-type: none"> As a co-sponsor, ADB participated actively in the roundtable. The participation of about 15 DMC officials in the roundtable was co-sponsored by ADB. 	Action complete
3. Align ADB's results agenda with national strategies of DMCs	Conduct consultations with DMCs on ADB's conceptual framework and results agenda	Commencing IIQ04 and continuing during CY04	<ul style="list-style-type: none"> Integrated into RB-CSP preparation – hence, undertaken for NEP, BAN, BHU and VI Limited number of countries, might require more 	In progress