

ADB's Project Performance Management System

The Project Framework & Performance Indicators



PPMS

Indicators are Motivators

For:

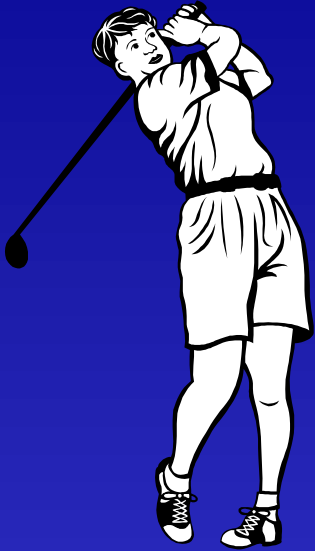
- **P** – personal growth and development
- **I** – identifying the need for a decision
- **A** – accountability

Personal Development

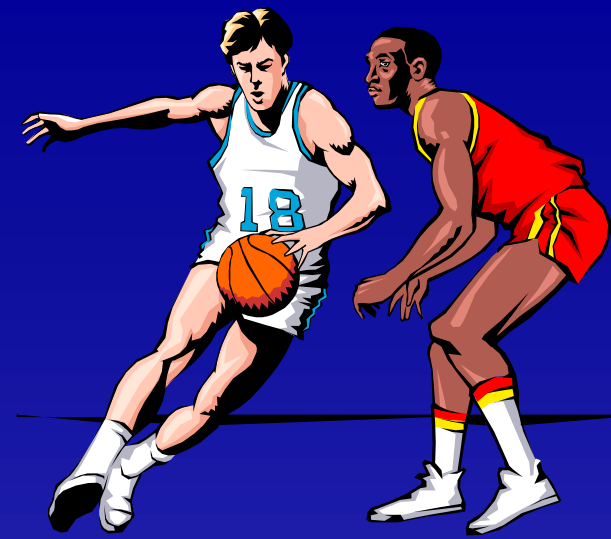
- Height, Weight
- School grades
- Cleanliness
- Obedience
- Conformity with peer group
- Sporting abilities –see over



Sports



- Points
- Time
- Handicap
- Distance
- Forehand winners
- Falls
- Height



Work - Private Sector Indicators

- Production
- Sales
- Sales growth
- Profits
- Share prices
- Sales per employee

If you can't Measure it, *You can't Manage it!*

Work - Public Sector Indicators

- **Previously focussed upon inputs, spending compared to budgets and activity levels**
- **Shifting grudgingly towards outputs and outcome indicators at all levels of government**

Positive Motivators in the Public Sector

- **Ministers & Senior Executives**
 - Prestige, Privileges, & Packages of “Perks”
- **Managers & Employees of Government-owned Enterprises (GOEs)**
 - Bonuses & benefits
- **Civil Servants**
 - Cash Awards, Promotions, Medals, Certificates,
but primarily . . . Job Security.

Public Sector Constraints

Problems with motivation & accountability usually arise in the public sector because of multiple stakeholders

- The Ministry **accountable** for funding is different to the EA and the IA **accountable** for the **physical implementation** of the project
- The target beneficiary has **no voice or political leverage** in the monitoring and evaluation feedback process

**But what, if any, are the
Consequences
for
*Mediocre, or Unsatisfactory
Performance*
in the public sector?**

Public Sector -- Consequences

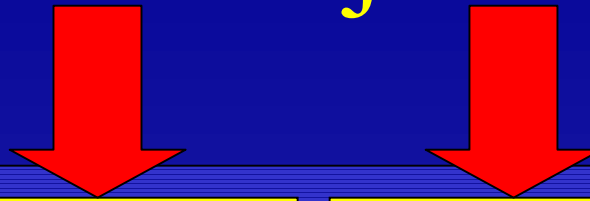
Ministers & Senior Executives

- “Dismissal -- Serve at the pleasure of the President”
- **Managers & Employees of Government-owned Enterprises (GOEs)** -- Financial Penalties
- **Civil Servants** (*Individually &/or collectively*)
 - 3R's = **Re-training, Reassignment, Reorganization . . .**
or ***NOTHING!***

Types of Project Decision

- Should we invest in this project?
- Is it on track?
- Is it going in the right direction?
- Have we succeeded?
- Did our corrective action work?
- What should be our standards?

Indicators in Project Framework



Design Summary	Indicators & Targets	Monitoring Mechanism	Assumptions/ Risks
GOAL			
PURPOSE			
OUTPUTS			
ACTIVITIES			
INPUTS			

ADB's Project Performance Management System (PPMS); the Project Framework



COLUMN 2

Design Summary

Indicators & Targets

GOAL

PURPOSE

OUTPUTS

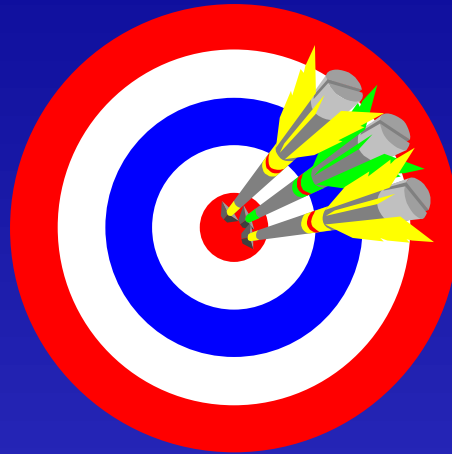
ACTIVITIES

INPUTS



HOW WILL PERFORMANCE BE MEASURED AT EACH LEVEL?

ADB's Project Performance Management System (PPMS); the Project Framework



Design Summary

Indicators & Targets

GOAL



“Yardstick”, Units, Baseline Situation, Incremental, and End Objective Levels, and Timing. Quantitative and/or Qualitative

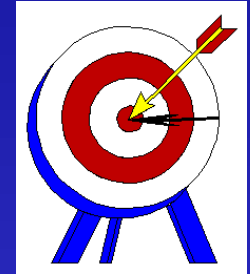
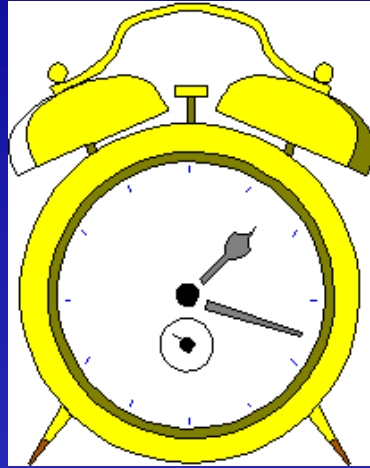
PURPOSE

OUTPUTS

ACTIVITIES

INPUTS

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Design Summary	Indicators & Targets
GOAL	
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OUTPUTS	
ACTIVITIES	
INPUTS	

NOTE: MEASURES SHOULD BE **DIFFERENT** FOR EACH LEVEL !

Different Levels -- Different Indicators

Longer term
Goals

Economic
Growth

Immediate
Objective -
Purpose

Fewer
Accidents

Lower
Transport
Costs

Outputs

New Roads
kms
constructed

Existing Roads
kms
upgraded

Tech
Services
improved

You Get What You *Measure* !

1. Don't attempt to measure *Everything* --
*it's too time consuming, too costly, and
often futile!*
2. Just because it *can* be measured doesn't
mean it has to be [*Need to know?*]
3. *Ensure that what is measured is
meaningful [and will be used]*

Current State of Indicators

- ADB, & most DMC EAs, tend to focus on Input performance measures -- especially \$ disbursement
- Implementing Agencies usually track Output measures -- such as agricultural production, *and*
- Central Agencies usually track economic indicators
- *However, CAs EAs and IAs do not routinely and systematically collect and collate indicators to assess the *Effects and Impacts* that flow from their projects, unless specifically required to do so*
- Therefore ADB must make provisions to measure and collect such data for the programs and projects it funds

Typical Problems



- **Design Issues**

 - Poor quality Project Frameworks

 - Inconsistencies in project documentation

- **Monitoring Issues**

 - Inadequate indicators & data (baseline & MIS)

- **Lessons Learned**

 - Lack of participation; Many foreseeable design faults;
 - Low understanding of Development Objectives (Goals & Purposes); Assumptions & Risks; Optimism at Project design stage is not sustainable