

MANAGEMENT RESPONSE TO THE SPECIAL EVALUATION STUDY ON EFFECTIVENESS OF ADB'S CAPACITY DEVELOPMENT ASSISTANCE: HOW TO GET INSTITUTIONS RIGHT

On 18 April 2008, Director General, Operations Evaluation Department, received the following response from the Managing Director General on behalf of Management:

I. General Comments

1. We welcome OED's Special Evaluation Study (SES) on Effectiveness of ADB's Capacity Development (CD) Assistance: How to Get Institutions Right. We find the study to be fairly exhaustive, yet having a sharp focus on specific countries which allows for a more in-depth analysis of the impact of ADB assistance for CD.

2. We also appreciate that the study has taken into consideration implementation progress on ADB's CD Medium-Term Framework and Action Plan (CD Action Plan)¹ together with lessons learned from recent activities, including the Pacific Department's CD Study.

3. We generally support the findings of the SES, namely that ADB CD Assistance has yielded mixed results, with no consistent patterns of success across sectors, countries, regions or time. The findings are similar to those identified during the preparation of the CD Action Plan. We hope that the application of ADB's Framework for CD Interventions (Figure 1 of SES) together with the continuing implementation of the CD Action Plan will lead to more consistent performance and better development impact in the future.

4. We further note that many of the recommendations of the SES are consistent with key actions identified and currently being implemented as part of the CD Action Plan.

II. Specific Recommendations

Recommendation: Provide guidance for assessing country CD needs and strategies and identify an appropriate location for the presentation of the analysis in the Country Partnership Strategy (CPS) template

5. We support this recommendation. However, we note that when considering how best to incorporate CD approaches into CPS preparation, it should be kept in mind that CD is a highly complex area to assess; it pervades all spheres of governance and government. Guidance prepared should (i) be practical and pragmatic, (ii) focus on partnership where possible and (iii) provide sufficient flexibility to allow country teams to determine the nature and extent of CD analysis that is most appropriate for the particular country context. This can be achieved by strengthening CD assessment in CPS sector analysis, rather than treating the capacity assessment as a separate stand alone exercise.

¹ ADB. 2007. *Integrating Capacity Development into Country Programs and Operations: Medium-Term Framework and Action Plan*. Manila.

Recommendation: Identify appropriate modalities for a long-term and county-led engagement in major CD initiatives in CPSs

6. We support this recommendation, noting that CD is not best addressed through ad hoc interventions, but rather in a systematic medium- to long-term manner.

Recommendation: Build country ownership and demand for CD

7. We agree with the SES observation that country ownership is a critical success factor for effective CD. The SES also suggests that ADB assess country ownership and seek demand-driven, harmonized approaches to explicitly address CD in Sector-Wide Approaches. However, this seems to focus on the need to engage in CD activities where appropriate ownership exists, rather than suggesting specific guidance on how exactly ADB can “build” ownership. We believe that ownership, particularly for CD, needs to be seen as a process and requires active involvement by ADB. Extensive use of consultation and participation in each planning step of CD are key in this endeavor.

Recommendation: Continue to pay strategic attention to the quality of CD interventions

8. We support this recommendation. We are in the process of developing a training curriculum that would incorporate governance, anticorruption, and CD topics into the overall learning program of ADB. We note that appendices 4 and 6 of the SES provide an excellent checklist.

Recommendation: Pilot test alternative CD approaches

9. We support this recommendation. We note that it is a key feature of the CD Action Plan. We also note that with support from RSDD, regional departments are testing pilot CD approaches.

Recommendation: Adjust staff recruitment skills mix to emphasize the soft skills required for CD

10. CD requirements can vary significantly across institutions, sectors and countries. Therefore, we note that recruiting staff with CD experience should not be the primary solution, but rather should be part of an overall approach to ensuring that sector staff have the capacity to assess CD needs and design CD interventions. It is through a more holistic approach that CD will be mainstreamed throughout ADB operations.

Recommendation: Make optimal use of resident missions

11. We concur with this recommendation, which is consistent with the recommendations in the CD Action Plan. However, we note that we need to recognize the resource constraints this could impose.