2021 Annual Evaluation Review: Supporting the Sustainable Development Goals

ADB’s Institutional Approach to the Sustainable Development Goals (SDGs)

ADB’s institutional approach and tools have been adequately articulated and organized to support the achievement of the SDGs, but implementation requires improvement. ADB is among the few multilateral development banks (MDBs) to have adopted a methodical approach by mapping each indicator of its Corporate Results Framework, 2019–2024 to the relevant SDG. It is also a pioneer in piloting an SDG project classification system. However, ADB’s internal alignment is focused on the typology of operations than on identifying pathways for SDG achievement. The SDG classifications of projects are not usually discussed in their documents, while country partnership strategies (CPSs) rarely mention the SDGs. Moreover, while ADB’s SDG project classification system has been useful for aggregating ADB support for the SDGs, it has important limitations, including the risks of double-counting and other user issues in its eOperations system.

ADB’s sector and thematic groups are well positioned to help strengthen member countries’ ownership of the SDGs. However, at present, country demand for SDG–related support is weak as governments frame development issues based on their national priorities rather than the SDGs. This highlights the importance of raising social awareness of the SDGs and ensuring that they are tailored to domestic circumstances and contexts. The nature, scope, and detail of the 17 SDGs are highly aligned with the cross-sector and thematic issues that ADB’s sector and thematic groups work on. Nevertheless, the impact of these groups’ work within member countries is limited as the support they provide to country teams is on a needs-basis, with no guarantee of formal uptake into programs.

ADB’s partnerships with United Nations (UN) agencies and other MDBs—which have helped promote knowledge and innovation for SDG achievement—will need to be maximized to address gaps in SDG financing and data that have widened due to COVID-19. The roles of MDBs and UN agencies on SDG implementation appear to be compartmentalized between financing (led by MDBs) and technical advice (led by the UN). Nevertheless, ADB has partnered with the United Nations Development Programme and Economic and Social Commission for Asia and the Pacific in knowledge and capacity building on the SDGs. ADB has also assumed a lead role in harmonizing and reporting of SDG results as it chairs the MDB’s Managing for Development Results working group. On the financing front, ADB has already initiated work in generating both public financing (supporting domestic resource mobilization) and private financing (tapping into capital markets through thematic bonds for sustainable development and supporting innovative SDG projects). ADB support for estimating SDG requirements at the country level can be scaled up. On SDG data availability, ADB can continue supporting non–traditional data collection methods to help member countries address challenges on data collection during the COVID era.

Performance of ADB Operations

ADB’s support for combating the COVID–19 pandemic has so far been fast and comprehensive and has helped meet member countries’ immediate needs for liquidity and urgent support. ADB mobilized resources swiftly to deliver assistance

Recommendations

1. Accelerate efforts beyond energy and transport to develop the sector frameworks needed to implement Strategy 2030 operational priorities at the sector level and ensure that these sector frameworks are mainstreamed and guide the selection of sector priorities in CPSs.

2. Enhance sector management and planning to ensure the cross-fertilization and collaboration demanded by the thematic approach of Strategy 2030.

3. Strengthen the link between institutional strategic intentions and actual operational practices and outcomes relating to the SDGs.

4. Deepen institutional engagement on the achievement of the SDGs at the country and local levels.

5. Ramp up partnerships with other development organizations to assess the implications of the COVID–19 crisis on the achievement of the SDGs, support better mobilization of financing, and improve the collection and management of data on the SDGs.
for social protection, health, and macroeconomic stability to minimize loss of life, protect the poor and vulnerable, and mitigate economic hardship.

**ADB mainstreamed a system for validating the performance of its TA program in 2020, contributing to greater accountability and learning for TA operations.** IED independently validated TCRs for 42 TA projects in 2020, and generated lessons in a variety of areas for improving the future performance of TA projects.

**The proportion of sovereign projects assessed successful declined marginally to 70% in 2018–2020, from 72% in 2017–2019.** Performance was essentially unchanged for relevance and sustainability. Efficiency declined slightly but remained relatively high and maintained a significant long-term improving trend. Effectiveness fell from 68% in 2017–2019 to 64% in 2018–2020.

**Operations performance improved in the Pacific and Southeast Asia but fell in other regions.** Performance in the Pacific was driven by improved government ownership and institutional capacity but was still at a low level and based on results from a small sample of projects. The performance in Southeast Asia improved mainly due to the stronger performance in Viet Nam and Cambodia. Performance declined in other regions generally because of project ownership issues, ambitious and complex designs, inadequate implementation capacity, and delays and cost overruns.

The percentage of successful nonsovereign operations increased from 51% in 2017–2019 to 53% in 2018–2020 but maintained a declining trend since 2014–2016. Performance improved slightly for development results but declined for ADB investment profitability. ADB work quality performance improved substantially. This was attributed to improved front-end work and monitoring and supervision. ADB additionality has been on a declining trend since 2011–2013.

**The proportion of country programs assessed successful fell by 5 percentage points to 78% in 2018–2020.** Over the period 2011–2020, the country-level success rate was 69%, in line with long-term average project performance.

**Findings from Recent Sector-Wide Evaluations**

IED evaluations of ADB support for energy, transport, and agriculture, natural resources, and rural development (ANR) show that while performance varied, reforms and institutional development were difficult to attain across the three sectors. The success rate of energy projects (81%) slightly exceeded the corporate target of 80%, but that of transport (68%) and ANR (65%) projects was significantly lower, mainly due to the projects’ low sustainability. Reforms were particularly difficult to attain on road safety and maintenance, unbundling of national energy institutions, and maintenance of irrigation systems.

**Performance in areas of Strategy 2030 priorities varied across the three sectors.** Performance was largely positive in addressing poverty and inequalities and in promoting gender equality, but relatively weak in tackling climate change and environmental sustainability and in strengthening governance and institutional capacity. There are some serious challenges to be addressed to achieve the quantitative targets in Strategy 2030 on private sector operations and climate change. ADB’s aspirations to combine finance, knowledge, and partnerships to maximize development impact for its clients remained a work in progress in these sectors.

**Sector operational plans in energy, transport, and ANR functioned as a menu of options.** The plans did not prioritize subsectors, themes, or geographical areas and lacked operational-level application guidance and reporting accountability. Their coverages were insufficient in some key subsectors and themes. The plans were only partly useful in guiding ADB programs.

**Follow-Up on IED Recommendations**

Seventy-eight percent of recommendations accepted by Management were fully or largely implemented, slightly better than the long-term average of 75% during 2011–2020. Alignment between recommendations and ADB’s action plans to implement the recommendations and effective execution of the plans contributed to the results.

Engagement between Management and IED on design of the action plans has increased acceptance of IED recommendations and improved alignment between the plans and the recommendations. Both Management and IED have been committed to this engagement, which should be sustained but could be expanded to cover the plans implementation stage.

Actions on IED recommendations in areas of ADB strategic priorities showed strong traction in achieving their targets. Actions on recommendations in safeguards, governance, climate change, regional cooperation, and capacity building were implemented particularly better than others.

**Issues**

- Weaknesses in the design and implementation of sector operational plans limit the success of sector programs. Sector frameworks are being developed to update the plans and to align with Strategy 2030, but their form and depth are not yet clear.

- Knowledge sharing and coordination among departments are insufficient. Lessons learned from projects are rarely shared outside units or project teams.

- ADB’s institutional approach and tools are rarely shared outside units or project teams.

- Member countries’ varying level of ownership of the SDGs and a perception within ADB that all operations are likely to contribute to the SDGs impede ADB’s country engagement on the SDGs.

- The current level of collaboration among development partners, including ADB, may not be sufficient to address the shortfalls in SDG financing and data availability exacerbated by the pandemic.