05 April 2016

I. 2016 Annual Evaluation Review Chapter 4 (Management follow-up on evaluation recommendations)

1. The Development Effectiveness Committee (DEC) discussed Chapter 4 of the 2016 Annual Evaluation Review (AER). The DEC discussion focused on the tracking of follow-up actions to evaluation recommendations. The broader discussion on the AER report as a whole was scheduled at a Board meeting on 11 April.

2. **On the number of rejected recommendations.** Majority of the DEC members expressed concern over an increasing number of rejected recommendations. While they do not see a need for a target rejection rate, the efforts to reduce the rate may be prudent. They encouraged Management and IED to communicate more closely when drafting the recommendations and action plan to foster shared understanding on the context and intention of the recommendations and the follow up actions. DEC members would like more common ground reached especially on the main issues raised in the evaluation. Most DEC members also agreed that rejected recommendations should also be monitored if the DEC considers it appropriate. DEC members acknowledged that there are cases where Management’s position changed over time.

3. **On the number of recommendations.** Majority of the DEC members agreed that it is useful for IED to reduce the number of headline and sub-recommendations and for Management to avoid breaking down the recommendations into too many sub-actions. This will reduce fragmentation in the Management Action Record System (MARS) follow up process and help focus more on the spirit and objectives of the recommendation. IED’s core recommendations should be clear, concrete, and actionable while corresponding Management response must be brief, concrete and show what they consider to be the main actions to fulfill the objective of a recommendation. DEC members also believe that IED could suggest possible options for implementing the recommendation to help Management develop its action plan.

4. **On recommendations which Management considers efforts are ongoing.** Some DEC members opined that if Management claims to have progressed on a particular recommendation, the recommendation should be considered as accepted. The DEC Chair also questioned the rationale behind Management’s decision to reject some of the recommendations that they claim are already being implemented. Management responded that IED should be more candid as to whether it considers Management action as sufficient to address the issue or whether more needs to be done. IED noted that oftentimes, these recommendations suggest a broadening or deepening of the ongoing actions by Management.

5. **On making ADB a better knowledge institution.** Most DEC members were of the view that the MARS should not just be a compliance-based tool but contribute more to ADB’s learning. Some DEC members suggested that IED provides an annual assessment report to DEC on the status of recommendation implementation, and any risks or issues that DEC needs to discuss. In response to a question from a DEC member on who owns the MARS process, IED staff explained that IED manages the MARS in cooperation with Management’s focal point.MARS is available to all ADB staff including the Board. IED staff also elaborated the process as follows:

   a. IED formalizes recommendations;
   b. Management gives their response (accepted, partly accepted, not accepted);
   c. Within 2-3 months, Management comes up with an action plan and enters due dates for each;
   d. Management implements the action plan;
e. When the action is due, Management has to input what they have done as well as indicate whether they have fully, partly or largely implemented it; and
f. IED gives its view once a year as part of the AER.

6. Most DEC members also believe that the three categories of acceptance — (i) accepted, (ii) partly accepted, and (iii) rejected — are sufficient, and it is not necessary to come up with additional ones.

7. **Evaluating the evaluators.** The DEC supports an evaluation of the evaluators in the near future to address how IED is working and how its recommendations are being implemented by ADB, in order to protect the high credibility of IED evaluations. Some DEC members also suggested reviewing how other multilateral development banks undertook a similar exercise to see if ADB can learn from their practice. IED also supports an independent review of its work.

8. **On making good recommendations.** Some DEC members commented that they would like to know how IED recommendations contribute to the development effectiveness of ADB. The DEC seeks closer collaboration between IED and Management to improve recommendations in such areas as: (i) avoiding too generic or too specific recommendations, (ii) clarifying the link between evaluation findings and recommendations, and (iii) incorporating IED inputs into recommendation action plans before they are finalized. Both Management and IED supported the idea of a systematic process for greater engagement. They will look at the process and go back to the DEC within one year on how it may work. Discussions may be done before the recommendations themselves are set and/or ensure closer collaboration at formulation of the Management Action Plan, e.g., comment on the action plan prior to finalization to make it more consistent.