



INTERNAL

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Annual Report of the Development Effectiveness Committee 2021

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Asian Development Bank

ABBREVIATIONS

ADB	–	Asian Development Bank
AER	–	Annual Evaluation Review
APPR	–	Annual Portfolio Performance Report
CAPE	–	country assistance program evaluation
COVID-19	–	coronavirus disease
CPS	–	country partnership strategy
DEC	–	Development Effectiveness Committee
DEfR	–	Development Effectiveness Review
DMC	–	developing member country
GMS	–	Greater Mekong Subregion
IED	–	Independent Evaluation Department
RTE	–	real-time evaluation
S2030	–	Strategy 2030
SDG	–	Sustainable Development Goal

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I. INTRODUCTION

1. In accordance with its terms of reference,¹ the Development Effectiveness Committee (DEC) submits this annual report to the Board of Directors of the Asian Development Bank (ADB). The report covers the DEC discussions based on evaluation studies conducted by the Independent Evaluation Department (IED) pertaining to ADB policies, strategies, and completed operations. It covers discussions from the meetings held from 1 January to 31 December 2021.² The chair and members during this period were as follows:

Director Zhijun Cheng (chair until 20 January 2021)
Director Warotai Kosolpisitkul (chair from 20 January 2021 until 31 October 2021)
Director Weihua Liu (chair from 8 November 2021)
Director Roger Fischer (vice-chair from 1 July 2021)
Director Sameer Kumar Khare (from 20 January 2021)
Alternate Director Scott Dawson (until 31 January 2021)
Alternate Director David Cavanaugh (from 1 February 2021)
Alternate Director Shahid Mahmood (until 30 June 2021)
Alternate Director Karen Murray (from 1 July 2021)
Alternate Director Kenzo Ohe

2. The DEC met nine times in 2021 to review IED's findings and recommendations on ADB's institutional and development effectiveness; draw lessons for ADB's future policies, operations, and practices; and provide feedback to IED and ADB Management (Appendix 1). It reviewed six IED evaluations: (i) a country assistance program evaluation (CAPE) for Bangladesh, 2011–2020; (ii) two thematic evaluations on climate change and the Greater Mekong Subregion (GMS); and (iii) three installments of the corporate real-time evaluation (RTE)³ pertaining to ADB's support for member countries during the coronavirus disease (COVID-19).

3. This annual report summarizes key points raised and discussed by the DEC based on its review of IED reports, the 2021 Annual Evaluation Review (AER), the 2020 Development Effectiveness Review (DEfR), and the 2020 Annual Portfolio Performance Report (APPR).

4. ADB's Board of Directors is responsible for approving the IED annual work program. After reviewing IED's proposed Work Program, 2022–2024 and Budget 2022, the DEC recommended its approval to the Board. The Board approved it in October 2021.

II. KEY ISSUES AND FINDINGS FROM THE DEVELOPMENT EFFECTIVENESS COMMITTEE'S REVIEW OF SELECTED EVALUATIONS

5. The DEC discussions highlighted issues specific to projects and countries, as well as systemic factors affecting the development effectiveness of ADB operations. The following paragraphs highlight the DEC's views as documented in the chair's summaries of DEC meetings.

A. Country Assistance Program Evaluations

6. The DEC reviewed and discussed the CAPE for Bangladesh, 2011–2020, noting the

¹ ADB. 2011. [Terms of Reference of the Development Effectiveness Committee of the Board of Directors](#). Manila.

² DEC 2021 Meeting Program (Appendix 1) and links to disclosed reports, Management responses, and Chair summaries (Appendix 2).

³ These reports are not disclosed because they are based on early findings, were meant for deliberation and course correction, and do not include conclusive (final) evaluative assessments or recommendations.

timeliness and usefulness of the report in relation to formulating the new country partnership strategy (CPS) for Bangladesh, 2021–2025.

7. The DEC members were pleased that climate change and environmental sustainability will be given high strategic priority in the next CPS. The DEC members were also pleased to see positive messages in the report on education and gender; and on ADB's contributions to higher economic growth, greater resilience, reduced poverty, and inequality in Bangladesh. Economic benefits from enhanced gender equality in Bangladesh were highlighted, and the committee encouraged continued support in areas that stand out as having done well.

8. The DEC members also showed support for other priorities in the new CPS, such as capital market development, domestic resource mobilization, and support for governments with small and medium-sized enterprise development. The committee pointed out that financial education and financial literacy are crucial in capital market development.

9. The role of the Bangladesh Resident Mission was mentioned as being crucial to the successful implementation of ADB's projects in the country. The DEC highlighted the central role of resident missions, their need for empowerment, and the need to further decentralize them from headquarters. The DEC suggested that feedback from the CAPE could be important for the resident mission review.

10. The DEC members found IED's recommendation on avoiding a business-as-usual approach critical and relevant in a post-COVID-19 world and referenced the shift in Strategy 2030 (S2030) to include sectors such as health.⁴ They also proposed going further to address cross-sectoral development issues more holistically to create development impacts beyond the targeted sectors. The DEC also discussed strengthening private sector development.

B. Thematic Evaluations

11. The DEC discussed two thematic evaluations: ADB Support for Action on Climate Change 2011–2020 and ADB Support for the Greater Mekong Subregion Program, 2012–2020: Performance and Results.

1. ADB Support for Action on Climate Change, 2011–2020

12. The DEC found the evaluation comprehensive, relevant, and timely. The committee explicitly requested for a Board-endorsed action framework, as recommended in the report. There was consensus among the committee members that the topic is so urgent that it cannot wait for the midterm review of S2030 and that action should be taken immediately. Management has committed to developing a climate action plan by the end of 2022.

13. The DEC members stated that it is essential to focus on synergies and complementarity between recovery from the COVID-19 pandemic and climate change rather than choosing to focus on one of them.

14. The members expressed the need to set higher climate finance targets and to consider the characteristics of each developing member country (DMC) and the nature of the region when setting targets. They also stressed the importance of resource mobilization and the pivotal role

⁴ ADB. 2018. [*Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific*](#). Manila.

that private sector operations can play to support ADB's climate change agenda. Committee members mentioned regional cooperation and integration, particularly in carbon markets, as areas where ADB has a strong comparative advantage and may be able to scale-up. Management has since set ambitious targets for ADB climate finance and mobilizing private climate finance.

2. ADB Support for the Greater Mekong Subregion Program, 2012–2020: Performance and Results

15. The DEC welcomed the overall conclusion of the report, which acknowledged the success of the program and the critical role of ADB support and encouraged continuous support in the GMS.

16. Although the committee members recognized ADB's important role as secretariat and its continued support for regional cooperation and integration in the GMS and other subregions, they discussed the need to improve the regional results framework of ADB interventions with enhanced monitoring and communication of results. The DEC highlighted that measuring national results may not fully capture development gains achieved regionally. It urged management to enhance ADB's role in facilitating consensus building in regional organizations.

17. The DEC noted that the COVID-19 pandemic has underscored the significance of cross-border cooperation in addressing regional health concerns and the importance of regional public goods and that ADB support needs to expand beyond physical connectivity to non-infrastructure activities (e.g., green development, climate change, trade facilitation, and natural or environmental conservation).

18. The DEC emphasized the importance of knowledge that ADB can leverage to assist greater cooperation and capacity building across GMS members, and it considered the role of technical assistance essential in regional project design.

C. Real-Time Evaluation of ADB's Support for COVID-19

19. An RTE of ADB's response to the COVID-19 pandemic was included in IED's Work Program, 2021–2023 and approved by the Board of Directors in December 2020. The RTE provides timely observations and analyses of ADB's support to member countries during the pandemic and the COVID-19 response programs as they are being implemented to ADB's Board of Directors and Management for deliberation and course correction, if necessary. The DEC appreciated the usefulness of the RTE for underpinning ongoing Board deliberations on ADB's pandemic response, while acknowledging that the RTE may not have the same methodological rigor as other forms of evaluation. The DEC discussed three installments of the RTE presented in interim notes to the Board. The interim notes discussed in 2021 were based on early findings and did not include conclusive evaluative assessments of the entire support or recommendations. Therefore, the interim reports were not disclosed. IED will present at least one more interim note in 2022 as well as a final report. The DEC will discuss each of them.

20. The first interim note provided a first assessment in real time of ADB's response to the pandemic, and the DEC members acknowledged it as a valuable step in the first delivery of the RTEs in assessing ADB's relevance and preparedness since the COVID-19 outbreak. The first interim note was generally positive, and the DEC was pleased with the results of the report, which stated that ADB remained agile in its initial response to the pandemic in a challenging environment and thereafter. The DEC members confirmed that member countries have given positive feedback

regarding the speed, scale, and flexibility of ADB responses. The committee recognized that the active and supportive role played by knowledge and non-operations departments was very valuable and commended the mainstreaming of gender into emergency operations and into the COVID-19 Pandemic Response Option. The DEC stated that while there are strong indications that the COVID-19 Pandemic Response Option was instrumental in protecting essential social services, current evidence was not sufficient to support systematic findings on the development results achieved through ADB's pandemic response.

21. The second interim note focused on ADB's support for vaccines, the impact of COVID-19 on ADB's balance sheet, DMC debt sustainability, and strategic challenges. The DEC proposed that the discussion on the post-COVID strategic policy direction include different modalities, whether additional financial resources are needed, staff workload, private sector operations' stronger role in local vaccine manufacturing, and digital transformation in the DMCs. The committee requested that further discussion take place in an informal board briefing. The DEC acknowledged that the increased workload on staff because of ADB's pandemic response is not sustainable. It agreed that ADB should continue to follow Strategy 2030 but asked Management to adjust its programs and projects to the "new normal."

22. The third interim note focused on the perceptions that DMCs and development partners have of ADB support; early indicators of coherence, efficiency, and efficacy of ADB support; staff welfare and corporate resilience; and an initial assessment of nonsovereign operations. The DEC members reiterated the usefulness of the RTE notes for keeping well informed of the rapidly changing landscape of the pandemic and for providing possibilities for learning.

III. ANNUAL REPORTS

23. The DEC discussed three corporate annual reports: the AER, the Development Effectiveness Review (DEfR), and the APPR. The three reports are synchronized, and the DEC and Board discuss them annually in close succession. The DEfR is also aligned with the ADB Annual Report through the mutual review of datapoints, messaging, and presentation. The DEC members appreciated that chapters were dedicated to ADB's COVID-19 pandemic response efforts.

A. 2021 Annual Evaluation Review

24. The AER is IED's annual report on the operational performance and results of ADB. The DEC discussed chapters two (the performance of ADB operations and findings from sector evaluations), three (assessing ADB's institutional approach to the Sustainable Development Goals (SDGs)), and four (the implementation of IED recommendations).

25. The DEC saw the urgent need to better integrate sector and thematic priorities in ADB's plans and operations and to mainstream sector frameworks and institutional mechanisms that can assist in these areas. The DEC finds it crucial that the Board continues to closely monitor the performance drivers and patterns, especially because of the challenging circumstances surrounding the ongoing pandemic. It asked IED to explain the causes behind changes in performance in future AER reports. The committee requested more and regular engagement and updates on the activities and achievements of the sector and thematic groups.

26. Committee members noted ADB's role as a pioneer in linking the corporate results framework and the project tracking system to the SDGs. It also noted the review's confirmation that ADB's institutional approach and tools are adequately organized to align with the SDGs and

found it an effective framework that helps assess development progress. The DEC supports deepening national and subnational engagement in DMCs to implement the SDGs and requests that this be given priority.

27. The committee agreed that concerted and accelerated efforts need to be taken to achieve the targets set in S2030. The situation has changed significantly since S2030 was formulated, and the implications of COVID-19 on the delivery of S2030 must be considered. The committee also views it as important to not lose sight of the long-term development needs and goals of the region.

B. Development Effectiveness Review

28. This year marks the second time the DEfR has reported on the progress toward targets in the corporate results framework for 2019–2024. The DEC members noted that in the context of ADB's reorientation to address client's urgent pandemic needs, the performance of some indicators measuring the strategic focus of committed operations was negatively affected.

29. Despite acknowledging many positive results, the DEC members stressed that the COVID-19 pandemic is affecting ADB operations and steering the DMC progress on the SDGs further offtrack. The DEC noted how the pandemic is pushing more people back into extreme poverty and threatens to erase the improvements gained in previous years, while also severely jeopardizing the economic empowerment of women. The committee members emphasized the importance of enhanced focus on reducing poverty and inequality and for ADB to closely monitor its support for the seven operational priorities under S2030.

C. Annual Portfolio Performance Report

30. The DEC members were pleased to see that the quality of the portfolio remained healthy and robust in 2020 despite the pandemic outbreak. ADB's efforts for the COVID-19 response were clearly reflected in the report, and the DEC noted the success stemming from the strengthened collaboration between headquarters and the resident missions, including procurement specialists and national consultants. The DEC supported the APPR recommendation to leverage the use of resident missions and national consultants further in project monitoring and project-related risk minimization.

31. The DEC urged the Private Sector Operations Department to continue using the One ADB approach while collaborating with regional and non-operational departments, thus helping to expand nonsovereign operations and address portfolio management issues.

32. During the pandemic, project reviews increasingly use virtual platforms, and a lot of IT development is taking place. The DEC finds that new and effective ways of facilitating real-time site monitoring and assessing implementation performance—which reports on real-time approvals, commitments, and disbursements related to COVID-19 and the Asia Pacific Vaccine Access Facility—should continue as relevant beyond the pandemic.

IV. OTHER MATTERS

A. Recruitment of the Director General of the Independent Evaluation Department

33. The DEC led the competitive search and selection process for the Director General of IED, a mandate carried out by the DEC every 5 years. Following the DEC's recommendation, the new Director General of IED was appointed on 1 December 2021.

B. ADB Evaluation Principles

34. IED and Management briefed the DEC on the new ADB Evaluation Principles document,⁵ which clarifies how self and independent evaluation work together across the institution and the principles that guide IED and Management in their respective and complementary roles. The DEC members provided feedback on the document that was incorporated into the final version. The DEC encouraged IED and Management to disseminate the document.

V. RECOMMENDATION TO THE BOARD

35. The DEC recommends that the Board approve the public disclosure of this annual report.

⁵ ADB (Independent Evaluation Department; Strategy, Policy and Partnerships Department, and Office of the President). 2021. Asian Development Bank Evaluation Principles. 19 October (internal).

DEVELOPMENT EFFECTIVENESS COMMITTEE MEETING PROGRAM, 2021

Date	Topic
31 March	Real-Time Evaluation of ADB's Support for COVID-19: First Interim Note to the Board
12 April	2021 Annual Evaluation Review
16 April	2020 Development Effectiveness Report and 2020 Annual Performance Portfolio Report
31 May	Country Assistance Program Evaluation: Bangladesh, 2011–2020
25 June	Real-Time Evaluation of ADB's Support to the COVID-19 Pandemic: Second Interim Note to the Board
25 August	IED Work Program 2022–2024 and Budget 2022
24 September	Real-Time Evaluation of ADB's Support for COVID-19: Third Interim Note to the Board
6 October	ADB Support for Action on Climate Change, 2011–2020
8 December	ADB Support for the Greater Mekong Subregion Program, 2012–2020: Performance and Results

ADB = Asian Development Bank, COVID-19 = coronavirus disease, IED = Independent Evaluation Department.
Source: Asian Development Bank.

LINKS TO THE REPORTS, MANAGEMENT RESPONSES, AND CHAIR'S SUMMARIES

1. 2021 Annual Evaluation Review

Report: Independent Evaluation Department. 2021. [2021 Annual Evaluation Review](#). Manila: Asian Development Bank (ADB).

Management response: ADB. 2021. [Management Response to IED's 2021 Annual Evaluation Review](#). Manila.

Chair's summary: ADB. 2021. [Chair's Summary for the 12 April 2021 Meeting](#). Manila.

2. 2020 Development Effectiveness Report and 2020 Annual Performance Portfolio Report

Report: ADB. 2021. [Development Effectiveness Review](#). Manila.

Report: ADB. 2021. [Annual Performance Portfolio Report](#). Manila.

Chair's summary: ADB. 2021. [Chair's Summary for the 16 April 2021 Meeting](#). Manila.

3. Country Assistance Program Evaluation: Bangladesh, 2011–2020

Report: Independent Evaluation Department. 2021. [Country Assistance Program Evaluation: Bangladesh, 2011–2020](#). Manila: Asian Development Bank (ADB).

Management response: ADB. 2021. [Management Response to IED's Country Assistance Program Evaluation: Bangladesh, 2011–2020](#). Manila.

Chair's summary: ADB. 2021. [Chair's Summary for the 31 May 2021 Meeting](#). Manila.

4. IED Work Program 2022–2024 and Budget 2022

Report: Independent Evaluation Department. 2021. [IED Work Program 2022–2024](#). Manila: Asian Development Bank (ADB).

Chair's summary: ADB. 2021. [Chair's Summary for the 25 August 2021 Meeting](#). Manila.

5. ADB Support for Action on Climate Change, 2011–2020

Report: Independent Evaluation Department. 2021. [ADB Support for Action on Climate Change, 2011–2020](#). Manila: Asian Development Bank (ADB).

Management response: ADB. 2021. [Management Response to IED's Thematic Evaluation of ADB's Support for Action on Climate Change, 2011–2020](#). Manila.

Chair's summary: ADB. 2021. [Chair's Summary for the 6 October 2021 Meeting](#). Manila.

6. ADB Support for the Greater Mekong Subregion Program, 2012–2020: Performance and Results

Report: Independent Evaluation Department. 2021. [ADB Support for the Greater Mekong Subregion Program, 2012–2020: Performance and Results](#). Manila: Asian Development Bank (ADB).

Management response: ADB. 2021. [Management Response to IED's Thematic Evaluation of ADB's Support for the Greater Mekong Subregion Program, 2012–2020: Performance and Results](#). Manila.

Chair's summary: ADB. 2021. [Chair's Summary for the 8 December 2021 Meeting](#). Manila.