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Reforming ADB for a More Effective ADF

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ABBREVIATIONS

ADB	–	Asian Development Bank
ADF	–	Asian Development Fund
APCoP	–	Asia-Pacific Community of Practice on Managing for Development Results
CPS	–	country partnership strategy
CSF	–	countercyclical support facility
DEfR	–	Development Effectiveness Review
DMC	–	developing member country
IED	–	Independent Evaluation Department
MDB	–	multilateral development bank
MfDR	–	managing for development results
NSP	–	nonsovereign public sector financing
OECD-DAC	–	Development Assistance Committee of the Organisation for Economic Co-operation and Development
QAE	–	quality-at-entry
PCP	–	Public Communications Policy
PPP	–	public-private partnership
PSD	–	private sector development
PSOD	–	Private Sector Operations Department
SBP	–	streamlined business processes
SES	–	special evaluation study

NOTE

In this report, “\$” refers to US dollars.

In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this documents, the Asian Development Bank does not intend to make any judgment as to the legal or other status of any territory or area.

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EXECUTIVE SUMMARY

The Asian Development Bank (ADB) identifies and monitors needed reforms systematically through the Development Effectiveness Review process. This ensures the continuous organizational development of ADB that is needed to expand its contribution to poverty reduction in Asia and the Pacific. ADB has made progress in key reform areas since preparing the update for the Asian Development Fund X midterm review meeting in November 2010. It has taken further steps to achieve greater operational outcomes and strengthen its organizational effectiveness.

- To achieve greater development outcomes, ADB
- (i) introduced measures to ensure the relevance of country programs and projects, emphasizing the quality of country diagnostics and ADB country strategy;
 - (ii) upgraded country-level results management processes by refining its guidelines on preparing and monitoring country and sector results frameworks;
 - (iii) sharpened sector and thematic operational directions by adopting corporate-level operational plans for key sectors and themes;
 - (iv) developed and started implementing actions to improve project implementation and project outcomes;
 - (v) improved project performance management by introducing a more demanding and objective portfolio performance rating system;
 - (vi) reinforced its monitoring and assessment of project effectiveness and sustainability by introducing a more systematic process for conducting impact evaluation studies; and
 - (vii) promoted effective implementation of its Safeguard Policy Statement by adding more safeguard staff positions at ADB and providing training and tool kits for its developing member country (DMC) stakeholders.

To strengthen its institutional effectiveness and thereby underpin its operational effectiveness, ADB

- (i) integrated further the application of managing for development results principles within the organization—including refinements to its corporate results framework and the introduction of cascaded results-based work plans—and in DMCs by supporting results-based public sector management;
- (ii) improved client orientation by strengthening its presence in DMCs, streamlining its business processes, and introducing innovative financial instruments;
- (iii) improved its transparency and accountability by revising its Public Communications Policy, reviewing its Accountability Mechanism, and participating in the multidonor AidFlows initiative;
- (iv) introduced measures to maximize efficiency gains, complementing the ongoing budget transformation process aimed at resolving persistent resource gaps; and
- (v) reinforced steps toward greater gender equity at ADB through more proactive measures and stronger senior staff accountability.

ADB's reform initiatives have yielded positive results. For example, the design quality of country partnership strategies for Asian Development Fund countries is improving, as is the quality of Asian Development Fund projects. ADB is also delivering its services faster to its DMCs. ADB will continue to closely monitor the progress of its reform initiatives, and adopt new measures through the annual Development Effectiveness Review process.

I. INTRODUCTION

1. The Asian Development Bank (ADB) is committed to continual improvement so that it can make a greater impact on reducing poverty in its developing member countries (DMCs). In 2004, ADB embarked upon a reform agenda to increase its development effectiveness. Since then ADB has improved operational policies, strategies, and approaches; advanced the mainstreaming of managing for development results (MfDR); refined organizational processes and structures; reinforced knowledge management; and improved human resources management. Building on its achievements, ADB continues to introduce needed changes identified in its annual Development Effectiveness Review (DEfR) process started in 2008. This paper reports on the progress of key reforms since the last update prepared for the Asian Development Fund (ADF) X midterm review meeting in November 2010.¹

II. ACHIEVING GREATER OPERATIONAL OUTCOMES

A. Outcome Delivery in Key Sectors and Thematic Areas

2. Relevant, responsive, and results-oriented country partnership strategies (CPSs) are fundamental to ensuring the impact of ADB operations in individual countries. Responding to the findings of the 2006 quality-at-entry (QAE) assessment of the CPS, ADB has invested considerably in improving the quality of country and sector diagnostics as the knowledge base for the CPS. The proportion of CPSs rated *satisfactory* on QAE for ADF countries increased from 33% in 2006 to 100% in 2010. Both the quality of country diagnostics and the relevance of ADB strategy have improved, as noted in the 2010 QAE assessment. The assessment scores increased from 2.5 in 2006 to 3.1 in 2010 for country diagnostics, and from 2.2 to 2.7 for ADB strategy.²

3. To strengthen results orientation of the CPS, ADB refined its 2007 guidelines on CPS and sector results frameworks in 2010 to improve the alignment of CPSs *with country* priorities and Strategy 2020,³ strengthen monitoring and reporting of sector outcomes and outputs, and integrate results monitoring in the regular country portfolio reviews. ADB has also systematically incorporated in the CPS the lessons identified in the CPS QAE assessments and country assistance program evaluations conducted by the Independent Evaluation Department (IED). The 2010 QAE assessment showed that results orientation had the second-highest mean score, after country diagnostics.

4. Furthermore, ADB has adopted corporate operational plans to align its key sector and thematic operations more closely with ADB's strategic agendas—inclusive and environmentally sustainable growth, and regional cooperation and integration (Table 1). The plans developed so far cover energy, transport, water, education, finance, climate change, food security, and health.⁴ ADB's communities of practice have played a key role in gathering sector knowledge

¹ ADB. 2010. *Stocktaking of the Reform Agenda*. Manila. See Appendix for a chronology of ADB reform milestones.

² The rating categories and their corresponding score equivalents are (i) *highly satisfactory* for a score of 4, (ii) *satisfactory* for a score of 3, (iii) *marginally satisfactory* for a score of 2, and (iv) *unsatisfactory* for a score of 1. The 2010 QAE of the CPS showed an improvement in six of the seven criteria during 2006–2010. The seven criteria are (i) country diagnostic, (ii) identification of lessons, (iii) country strategy, (iv) country program, (v) results framework, (vi) risk assessment and/or mitigation, and (vii) CPS preparation process.

³ ADB. 2008. *Strategy 2020: The Long-Term Strategic Framework of the Asian Development Bank 2008–2020*. Manila.

⁴ ADB. 2009. *Energy Policy*. Manila; ADB. 2010. *Sustainable Transport Initiative*. Manila; ADB. 2011. *Water Operational Plan 2011–2020*. Manila; ADB. 2010. *Education by 2020*. Manila; ADB. 2011. *Financial Sector Operational Plan*. Manila; ADB. 2010. *Addressing Climate Change in Asia and the Pacific: Priorities for Action*. Manila; ADB. 2009. *Operational Plan for Sustainable Food Security in Asia and the Pacific*. Manila; and ADB. 2008. *An Operational Plan for Improving Health Access and Outcomes Under Strategy 2020*. Manila. ADB is currently developing plans for environment, public-private partnerships, social protection, and urban development.

and good practices and incorporating them into the operational plans, and are monitoring the implementation of these plans to ensure effective delivery of priority outcomes.

Table 1: ADB's Operational Plans, 2008–2011
(As of 31 October 2011)

Core Area/ Operational Plan	Focus
Infrastructure	
Energy (2009) ^a	<ul style="list-style-type: none"> • Expand access to energy • Promote energy efficiency and renewable energy • Promote energy sector reform, capacity building, and governance
Transport (2010)	<ul style="list-style-type: none"> • Improve access to urban transport • Address climate change and improve energy efficiency in transport • Improve cross-border transport and logistics • Promote road safety and social sustainability
Water (2011)	<ul style="list-style-type: none"> • Accelerate reform of policy and institutional arrangements to support improved water use efficiency • Improve efficiency and productivity to deliver better water services • Accelerate and expand implementation of integrated water resources management to improve water security, efficiency, and productivity
Education	
Education (2010)	<ul style="list-style-type: none"> • Strengthen quality, inclusiveness, and skills at all education levels • Improve basic and secondary education and expand support for post-secondary education • Promote regional harmonization of education and skills qualifications
Finance	
Finance (2011)	<ul style="list-style-type: none"> • Strengthen the foundations for finance sector development • Develop the non-banking sector to diversify and broaden the financial system • Promote inclusive and accessible finance • Develop capital markets and expand contractual savings to enable long-term financing • Strengthen prudential framework and supervision • Harmonize standards for financial transactions and services across the regions
Environment	
Climate change (2010)	<ul style="list-style-type: none"> • Expand the use of clean energy • Encourage sustainable transport and urban development • Manage land use and forests for carbon sequestration • Promote climate-resilient development • Strengthen policies, governance, and capacities
Others	
Food security (2009)	<ul style="list-style-type: none"> • Increase infrastructure investments in water, transport, and energy, paying close attention to the food–water–energy nexus • Improve food security safety nets for the poor and vulnerable • Promote active regional cooperation on food security policies and programs
Health (2008)	<ul style="list-style-type: none"> • Support health outcomes through ADB's work in infrastructure; governance and public expenditure management; regional public goods; knowledge, analysis, and policy dialogue; and partnerships

^a Represents ADB's energy policy.

Sources: ADB. 2009. *Energy Policy*. Manila; ADB. 2010. *Sustainable Transport Initiative*. Manila; ADB. 2011. *Water Operational Plan 2011–2020*. Manila; ADB. 2010. *Education by 2020*. Manila; ADB. 2011. *Financial Sector Operational Plan*. Manila; ADB. 2010. *Addressing Climate Change in Asia and the Pacific: Priorities for Action*. Manila; ADB. 2009. *Operational Plan for Sustainable Food Security in Asia and the Pacific*. Manila; and ADB. 2008. *An Operational Plan for Improving Health Access and Outcomes Under Strategy 2020*. Manila.

5. To expand its support for private sector development (PSD), ADB has implemented a number of initiatives, including strengthening the Private Sector Operations Department (PSOD) and refining ADB's approach to PSD. In September 2011, ADB mainstreamed nonsovereign

public sector financing (para. 32), defining it as a key tool to pursue PSD. ADB is also finalizing a public-private partnership (PPP) operational plan to expand its PPP operations. ADB appointed a new vice-president for private sector and cofinancing operations in June 2010, and increased the PSOD international and local staff by nearly 70% during 2010–2011.

B. Initiatives to Improve Project Performance

6. To achieve and sustain project outcomes, ADB ensures that project design and implementation are of high quality, and project outputs and outcomes are sustainable. ADB has undertaken various initiatives to improve the processes and tools at all stages of the project cycle (Table 2). The introduction of a design checklist in 2006 and establishment of design and monitoring framework quality assurance mechanisms in regional departments have helped improve the design quality of ADF operations during 2006–2010 (Figure 1). To underpin this positive trend, ADB introduced additional quality measures under the 2010 streamlined business processes (SBP) for loan delivery.⁵

Table 2: ADB Actions to Improve Project Outcomes

Project Cycle	Actions to Improve Project Performance since 2008				
	Selection	Concept Clearance	Processing and Design	Implementation and Monitoring	Evaluation
Strategy 2020 (2008) ^a	✓				
Sector policies and operational plans (2008 onwards)	✓	✓	✓	✓	✓
CPS streamlined business processes (2010)	✓			✓	
Loan delivery streamlined business processes (2010)	✓	✓	✓	✓	
Good project implementation practice (2010), including introduction of the new project performance report system and project design facility			✓	✓	✓
MfDR Action Plan for 2009–2011	✓		✓	✓	✓
eOperations system (2010) ^b	✓	✓	✓	✓	✓
Expansion of staff, particularly in resident missions (2010 onwards)	✓	✓	✓	✓	✓
Our People Strategy (2010)	✓	✓	✓	✓	✓

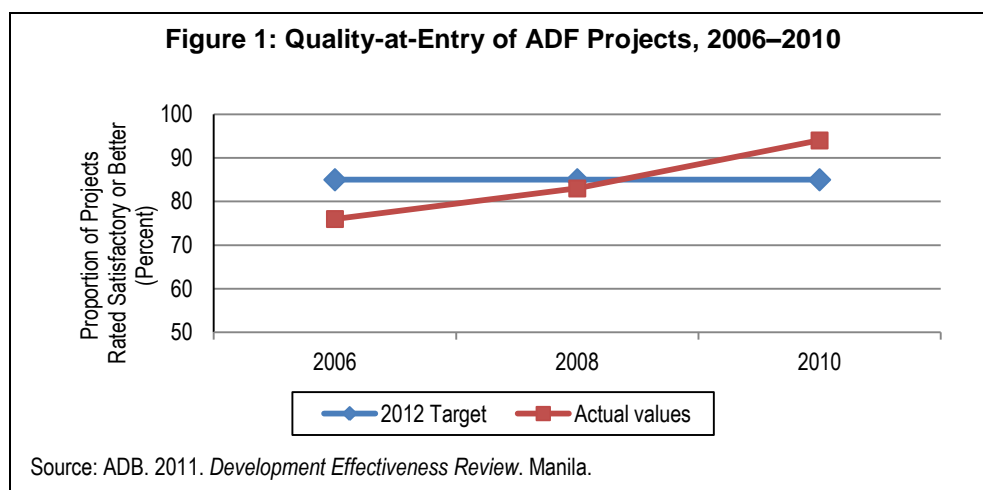
ADB = Asian Development Bank, CPS = country partnership strategy, MfDR = managing for development results.

^a ADB. 2008. *Strategy 2020: The Long-Term Strategic Framework of the Asian Development Bank 2008–2020*. Manila.

^b Launched in January 2011, eOperations is an information technology system that guides ADB's operations staff in managing project information and documents during project processing and implementation. The system is designed to improve the efficiency and quality of project processing and implementation.

Source: Strategy and Policy Department.

⁵ These measures include (i) preparing the initial project administration memorandum, including project readiness filters, before project approval to enable incorporation of implementation considerations into project design; (ii) replacing the interdepartmental review with a peer review to enable continuous and focused inputs from experts on specific aspects of project design and implementation arrangements; and (iii) applying a risk-based differential approach to project processing to ensure greater attention to the quality of complex projects.



7. To ensure effective project implementation, in 2010 ADB adopted the recommendations of the working group on project implementation formed following the 2009 DEfR commitment.⁶ The working group emphasized the importance of midterm reviews in fully assessing achievement of outputs and outcomes on time and within budget, and identifying measures to resolve implementation problems. In 2011 ADB introduced a new portfolio performance rating system using a more stringent methodology that will enable ADB and borrowing member countries to identify and solve project implementation problems as they arise.

8. Following the 2010 DEfR commitment, ADB scrutinized the underlying constraints on project success—project selection, concept development, preparation and design, implementation, and evaluation—and adopted an action plan to improve project outcomes.⁷ The action plan identified a number of key initiatives: (i) intensifying the efforts of regional department to promote outcome achievement, (ii) completing operational plans for all key focal areas, (iii) continuing the implementation of SBP, (iv) mainstreaming the use of sector road maps and results frameworks throughout the project cycle, (v) improving the peer review process, (vi) implementing the recommendations of the project implementation working group, (vii) increasing the focus on the latter stages of project implementation, and (viii) increasing staff participation in training programs on project design and management and MfDR. Each regional department has also developed its own action plan reflecting challenges specific to its region.

9. To promote project outcome sustainability, ADB is improving monitoring and assessment of outcome sustainability. To capture lessons and update the sector results frameworks, ADB has introduced assessment of sector outcomes and outputs, including outputs of ADB and ADF-funded projects, in the country portfolio review exercise. Impact evaluation studies initiated under a technical assistance project approved 2010 and additional studies being undertaken by regional departments will identify lessons related to project sustainability and the links between project outputs and specific development outcomes.⁸ An interdepartmental impact evaluation committee established in 2011 oversees the implementation of these studies.⁹ Furthermore, ADB strengthened its policy on safeguard to better promote the sustainability of project

⁶ ADB. 2010. *Good Project Implementation Practice: Report of the Project Implementation Working Group*. Manila.

⁷ ADB. 2011. *Improving Project Outcomes*. Manila. See <http://www.adb.org/documents/improving-project-outcomes>

⁸ ADB. 2010. *Implementing Impact Evaluation at ADB*. Manila.

⁹ Between 2007 and July 2011, ADB completed impact evaluation studies for eight projects, including three studies (five projects) by IED, and initiated such studies for 14 projects. To raise understanding of different impact evaluation methods, in 2011 ADB published the Review of Recent Developments in Impact Evaluation paper (ADB. 2011. *Review of Recent Developments in Impact Evaluation*. Manila). The impact evaluation committee consists of staff from the Central Operations Services Office, Economics and Research Department, IED, Regional and Sustainable Development Department, and regional departments.

outcomes by protecting the environment and people from potential adverse impacts of projects.¹⁰ To ensure that the policy is well implemented, ADB provided 34 new safeguard staff positions in 2010–2011, and is undertaking training programs and developing tool kits for DMC stakeholders.¹¹

III. INCREASING INSTITUTIONAL EFFECTIVENESS

A. Managing for Development Results and Aid Effectiveness

1. Managing for Development Results

10. Guided by its MfDR Action Plan, 2009–2011, ADB promotes MfDR within the institution, in DMCs, and through partnerships.¹² The plan focuses on three areas: (i) consistent application of results management at all levels of decision making in ADB; (ii) wider use of improved MfDR tools for operations; and (iii) greater internal communication to increase staff awareness, understanding, and support for the MfDR agenda.

11. After 4 years of reporting on ADB's performance, the annual DEfR has become an established instrument for Management to track performance and analyze the key factors that underpin it. Through the DEfR process, ADB uses the Strategy 2020 results framework to monitor its performance, identify issues, and solve problems. In early 2011 ADB refined its results framework and DEfR scorecard to increase their value as management tools. ADB prepared work plans and budgets that responded to the DEfR findings. To ensure alignment of results across the institution, ADB introduced results-based work plans linking work outcomes of each department, division, and individual staff member to Strategy 2020 priorities.

12. ADB refined its guidelines to better align the country and sector results frameworks with the objectives of DMCs and Strategy 2020, and to improve results monitoring (para. 3). To describe its contributions to development outcomes, ADB has produced country development effectiveness briefs for 17 ADF countries: Afghanistan, Armenia, Bangladesh, Bhutan, Cambodia, Georgia, the Lao People's Democratic Republic, the Marshall Islands, Mongolia, Nepal, Pakistan, Papua New Guinea, Samoa, Tajikistan, Tonga, Uzbekistan, and Viet Nam. Another three are under preparation.¹³ To improve the quality of project design and monitoring frameworks, ADB continued to carry out quarterly assessments, implement quality assurance mechanisms, and develop staff capacity through regular training. ADB upgraded its MfDR learning and development program and implemented a new communications plan to systematically disseminate messages on MfDR to staff.

13. ADB promotes results-based public sector management in its DMCs, focusing on country-led initiatives that contribute to country systems development. Through lending and technical assistance projects, ADB has assisted many DMCs to develop and implement capacity development programs on results-based public sector management. ADB also supports the Asia–Pacific Community of Practice on Managing for Development Results

¹⁰ ADB's Safeguard Policy Statement was approved by the Board in July 2009 and became effective in January 2010. It includes appropriate requirements for different lending modalities, and strengthens the requirements for safeguard monitoring and supervision (ADB. 2009. *Safeguard Policy Statement*. Manila.)

¹¹ The number of safeguard staff increased in the time between approval of the Safeguard Policy Statement in July 2009 and June 2011. In 2010, ADB held training sessions in 13 DMCs.

¹² ADB. 2009. *ADB Action Plan on Managing for Development Results 2009–2011*. Manila.

¹³ Development effectiveness briefs for the following ADF countries are under preparation: the Federated States of Micronesia, Solomon Islands, and Sri Lanka.

(APCoP)—the first regional network on MfDR. APCoP helps develop senior government officials into change agents, facilitates knowledge sharing, and encourages South-South cooperation. APCoP also developed a framework to assess a country’s results-based approaches in public sector management against international good practice and to formulate capacity development plans (see Box). APCoP members have piloted the framework in Bangladesh, Bhutan, and Cambodia through ADB’s ongoing operations. To reflect the current status of country systems, ADB, as the secretariat of APCoP, published six case studies in collaboration with experts and APCoP members from ADB’s DMCs.¹⁴

Box: Forum on Public Sector Excellence

In September 2011, the Asia-Pacific Community of Practice on Managing for Development Results (APCoP), working with the other regional communities of practice on managing for development results from Africa and South America, organized the landmark inter-regional Forum on Public Sector Excellence. The forum brought together senior public officials from over 30 partner countries and development partners to share international good practices and partner country experiences. The forum endorsed the Seoul Statement on Results, concluding that an effective and results-oriented public sector that is supported by robust public sector management systems reinforces country ownership and accountability for results. Participants stressed the need for (i) supporting results-based public sector management systems for informed decision making, (ii) enhancing the role of the regional communities of practice for nurturing change agents in partner countries, and (iii) reinforcing development partners’ results-based aid management systems. The Seoul Statement seeks to inform high-level discussions on results at the Fourth High-Level Forum on Aid Effectiveness to be held from 29 November to 1 December in Busan, Republic of Korea.

Source: Asian Development Bank.

14. ADB promoted the global partnerships on MfDR, including the multilateral development bank (MDB) Working Group on MfDR and Global Partnership on MfDR of the Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD-DAC) Working Party on Aid Effectiveness. ADB has contributed to the annual Common Performance Assessment System report of the Working Group on MfDR, which consolidates information on the MfDR practices of MDBs. ADB also participated in the review of organizational effectiveness commissioned by the Multilateral Organization Performance Assessment Network.

15. The 2011 special evaluation study (SES) by IED on ADB’s MfDR agenda implementation concluded that ADB has achieved most of the intended results of the MfDR action plan.¹⁵ The study found that the objective of improving ADB’s results orientation and institutional effectiveness had been largely achieved, and that of sustaining effective partnerships on MfDR had been fully achieved. However, ADB’s intended support for DMC capacity on MfDR is considered to have been only partly achieved, as its full implementation requires a more sustainable and cost-effective approach to capacity development in DMCs. Using the three evaluation rating criteria, the study rates ADB’s efforts in mainstreaming MfDR as *relevant*, *responsive*, and *results oriented*. ADB’s overall rating is *successful*, denoting good progress with some room for improvement.

16. Drawing on the findings of the DEfR and the IED SES, ADB will reinforce its support for DMC capacity development on MfDR by expanding the number of pilot countries participating in

¹⁴ Asia–Pacific Community of Practice on Managing for Development Results. 2011. *Framework for Results-Based Public Sector Management and Country Cases*. Manila.

¹⁵ ADB. 2011. *Special Evaluation Study on Managing for Development Results*. Manila. The first assessment was conducted in 2007. See ADB. 2007. *Special Evaluation Study on Managing for Development Results in ADB: A Preliminary Assessment*. Manila.

MfDR capacity development initiatives, and better integrating MfDR in governance and sector assessments underpinning CPSs. ADB will also (i) improve the results-based work plans as a performance management tool; (ii) sharpen the results orientation of the corporate sector and thematic plans; (iii) improve the monitoring and reporting of outcomes and impacts at the country, sector, and project levels; (iv) consolidate its MfDR training programs by incorporating feedback and lessons; and (v) update its 2009–2011 MfDR communications plan.

17. To strengthen its corporate results management system further, ADB will undertake a comprehensive review of its corporate results framework in 2012, and adopt an improved framework by early 2013 which will be used to assess performance starting in 2013. ADB will proactively consult its key stakeholders, including ADF donors and ADB's Board of Directors, in reviewing the framework and recommending improvements.¹⁶ The review will consider suggestions made since 2008, including the need to identify indicators that can better capture ADB's operational outcomes, inclusiveness, operations responding to climate change, knowledge management, budget management, and decentralization.¹⁷

2. Aid Effectiveness

18. ADB has mainstreamed the principles of the Paris Declaration and the Accra Agenda for Action in its policies and strategies and has adopted a corporate results framework which incorporates selected Paris Declaration key indicators.¹⁸ These principles have provided a useful framework for implementing Strategy 2020. ADB's CPS preparation processes encourage country ownership of the development strategy, and require alignment of ADB's country strategy with national priorities, use of a monitorable results framework, and coordination with the analytical work of other development partners. ADB is the first MDB to include country safeguard systems within its Safeguard Policy Statement.

19. ADB monitors its achievements against the Paris Declaration commitments. The average results of three annual ADB surveys for 2008–2010 show that ADB met or exceeded the 2010 targets on five of the nine Paris Declaration indicators relevant to its operations: aligning aid with national priorities, coordinating technical assistance, using country public financial management systems, avoiding parallel project implementation units, and increasing joint missions. ADB also made good progress in using program-based approaches in its lending operations and in conducting country analytical work jointly with other stakeholders. ADB fell short of the targets for the use of country procurement systems and predictability of aid. Progress in using country procurement systems is hampered by continued country procurement capacity limitations; this makes their use inconsistent with acceptable levels of institutional fiduciary risk.¹⁹ Two factors constrain ADB's aid predictability performance: (i) the inclusion in the aid predictability definition of the extent to which partner country governments record aid disbursements in their public accounts; and (ii) the occurrence of exogenous events such as natural disasters and the global economic crisis, which necessitate an ADB response through

¹⁶ ADB will share with ADF donors the status of the review at the annual consultation meeting during the 2011 annual meeting. ADB intends to use an online discussion forum, similar to the discussion forum held in 2010 for the refinement of ADB's results framework, as one of the ways to seek donor feedback.

¹⁷ The ADF results framework showing preliminary updated level 2 figures and areas for possible changes is included in the draft donors' report circulated to ADF donors separately.

¹⁸ The Paris Declaration on Aid Effectiveness committed its signatories to five principles of aid effectiveness, which aimed to improve the delivery and management of aid to enhance its development outcomes. These principles are (i) country ownership and leadership; (ii) alignment of assistance with country priorities, strategies, and systems; (iii) harmonization among donors; (iv) managing for development results; and (v) mutual accountability.

¹⁹ ADB. Forthcoming. *Aid Effectiveness Report 2011: Overall Achievements on Paris Declaration Commitments*. Manila.

demand-driven lending operations that cannot be anticipated. In general, ADB's use of 3-year rolling assistance programs makes its assistance highly predictable.

20. ADB was the only MDB that participated in both phase 1 (2008) and phase 2 (2011) of the independent evaluations of the Paris Declaration, commissioned by the OECD-DAC. The phase 2 study found that ADB Management had positively responded to the findings and recommendations of the phase 1 study. ADB has (i) made Paris Declaration implementation more visible through internal action plans, briefing notes, and monitoring surveys in partner countries of the Paris and Accra commitments; (ii) set up focal points for MfDR and aid effectiveness in its headquarters; (iii) increased the use of program-based approaches; (iv) upgraded staff guidance and training on Paris Declaration principles; and (v) increased staff and budgetary resources for operations (including resident missions).²⁰ Overall, the report noted that ADB had already substantially implemented its commitments under the Paris Declaration and the Accra Agenda for Action. ADB's performance on aid effectiveness has also been recognized in a number of independent international assessments of aid undertaken by aid agencies and research institutions.²¹

21. ADB is playing an important role in ensuring that the perspectives of Asia and the Pacific form an integral part of the agenda and outcomes of the Fourth High-Level Forum on Aid Effectiveness, scheduled on 29 November–1 December 2011 in Busan, Republic of Korea. The forum offers an important opportunity to review progress since the Paris Declaration and determine the direction of a future aid framework. It also allows the development community to engage new providers of development assistance and offer solutions to emerging challenges.

B. Responding Better and Faster to Clients

1. Decentralization and Strengthening Resident Missions

22. Guided by its 2000 Resident Mission Policy, ADB has reinforced its presence in its DMCs.²² ADB's field offices doubled in number to 26 during 2000–2011 (Table 3). The number of authorized staff positions in resident missions grew from 174 (9% of ADB staff) to 676 (23% of ADB staff), and 31% of the new positions in 2010–2011 (126 new positions) were allocated to resident missions. The share of resident mission staff is expected to reach 52% of the staff total of regional departments by 2012, and exceed the 48% target set in the ADB results framework.

23. To further reinforce resident mission capacity, ADB has increased the incentives for posting international staff to resident missions, and defined more clearly the career progression opportunities for national staff. Four deputy country director positions were created in 2011 and two more are planned in 2012. The internal organization of resident missions has been streamlined around their core functions: country programming and economic analysis, country operations, and finance and administration.

²⁰ B. Wood et al. 2011. *The Evaluation of the Paris Declaration: Phase 2—Final Report*. Copenhagen.

²¹ Australian Government. 2011. Australia's Aid Program. *Independent Review of Aid Effectiveness*. Commonwealth of Australia; Department for International Development of the United Kingdom. 2011. *Multilateral Aid Review: Taking Forward the Findings of the UK Multilateral Aid Review*. London; N. Birdsall and H. Kharas. 2010. *Quality of Official Development Assistance*. Washington, DC: Center for Global Development; and S. Knack et al. 2010. *Aid Quality and Donor Rankings. Policy Research Working Paper 5290*. Washington, DC: The World Bank. May.

²² ADB. 2000. *Resident Mission Policy*. Manila.

Table 3: Resident Mission Operations, 2000–2011

Resident Mission Operations	2000		2007		2011	
	No.	%	No.	%	No.	%
Number of operational resident missions	13		23		26	
Resident mission staff strength ^a	174		505		676	
Percentage of regional departments		23		47		51
Percentage of ADB positions		9		20		23
Resident missions leading country programming	3	23	20	87	25	96
Resident missions leading country portfolio review	11	69	21	91	24	92
Resident missions leading ADO and ADO update	4	31	20	87	25	96
Loans and grants processed by resident missions	5	7	5	7	16 ^b	9 ^b
TA processed by resident missions	6	2	26	11	24 ^b	7 ^b
Loans and grants administered by resident missions	67	15	187	39	226 ^b	42 ^b
TA administered by resident missions	65	6	147	16	149 ^b	26 ^b
Resident missions with delegated loan disbursement	3	23	6	26	7	27
Resident missions with videoconference facilities	5	33	21	95	26	100

ADB = Asian Development Bank, ADO = Asian Development Outlook, No. = number, TA = technical assistance.

^a Including staff outposted to resident missions. Under the outposting arrangement, the staff position belongs to the headquarter division but the staff member is physically assigned to a resident mission. The outposted staff reports to the headquarters director on operations related issues and to the country director on administrative matters.

^b Data refer to 2010 because 2011 operations are ongoing.

Sources: ADB. 2010. *Budget of the Asian Development Bank for 2011*. Manila; ADB. 2009. *Budget of the Asian Development Bank for 2010*. Manila; ADB. 2002. *Review of Progress in Implementation of the Resident Mission Policy*. Manila; Budget, Personnel and Management Systems Department; Central Operations Services Office reports; and regional departments.

24. The role of the resident missions has expanded considerably. Nearly all country programming and country portfolio reviews are now conducted by resident missions (Table 3). Approximately 42% of loan and grant projects and 26% of technical assistance projects in the 2010 portfolio were implemented by resident missions. Resident missions have also processed more new projects.

25. Following its adoption of the 2000 Resident Mission Policy, ADB developed and mainstreamed a decentralization model that has enabled ADB to respond better and faster to its clients. Building on its achievements, ADB has strengthened its decentralization model further in recent years. The model is based on close collaboration between field offices and headquarters, under the combined leadership of country and sector directors, and with the oversight and ultimate responsibility of the regional director general. Resident missions are first point of contact and the country director is the focal point for country-related matters.²³ Sector directors based at headquarters are responsible for project processing and oversight of operations in their sector to ensure coherent policy dialogue and a consistent approach to sector development.²⁴ Sector staff work in teams across locations, under the combined oversight of the country director and sector director, to ensure consistency at both the country and sector level.²⁵

26. ADB is acting to (i) better integrate resident missions in knowledge production and dissemination activities, (ii) fully implement human resources reforms aimed at improving staff

²³ Country directors are responsible for country programming and strategy formulation, as well as overall country portfolio management, including leadership of country portfolio reviews.

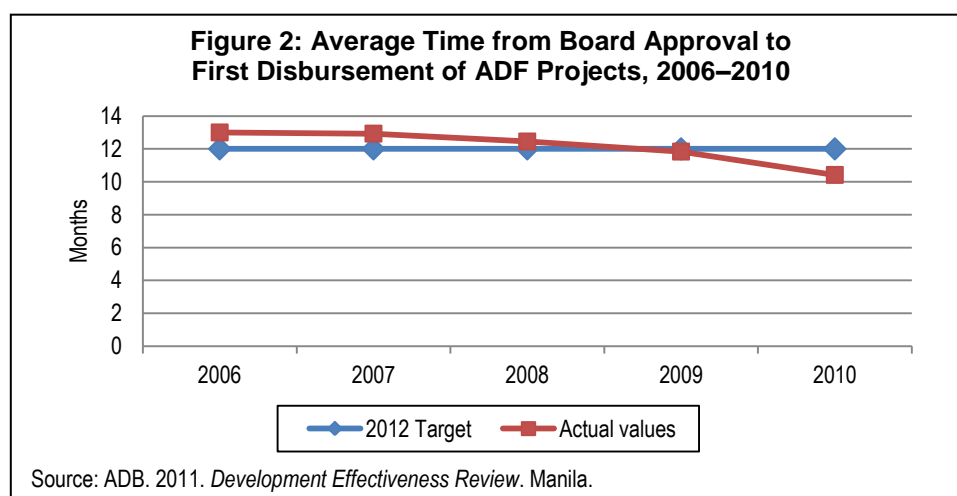
²⁴ Mission leadership for implementation supervision of a large and growing share of projects, and where appropriate for the processing of new projects, is delegated to field offices to an extent commensurate with their staff capacity.

²⁵ For details of ADB's decentralization model, see ADB. 2010. *Work Program and Budget Framework, 2011–2013*. Manila.

motivation, (iii) define the role of resident missions in expanding private sector operations, and (iv) upgrade the physical infrastructure and information technology in resident missions.

2. Business Process Improvements

27. To respond better and faster to its clients, ADB ensures that its business processes remain efficient and focused on quality. ADB adopted SBP in January 2010 to improve its efficiency in processing quality CPSs and sovereign projects. As of 31 October 2011, ADB has processed CPSs for seven ADF countries (Bangladesh, Cambodia, the Lao People's Democratic Republic, Papua New Guinea, Sri Lanka, Tajikistan, and Timor-Leste) and more than 40 ADF projects using the new business processes.²⁶ The average processing time for ADF operations in 2010 was 15.5 months, compared with the ADB 2012 target of 16 months.²⁷ The average time from Board approval to first disbursement for ADF loans declined from 12 months in 2009 to 10 months in 2010, surpassing the 2012 target of 12 months (Figure 2). To further improve its responsiveness and results orientation, ADB has also expanded its range of financing instruments to address the critical and emerging needs of its DMCs (paras. 29–32).



28. ADB has further developed its information technology systems to deliver timely services to its clients. In January 2011 ADB launched eOperations—a system that guides ADB's operations staff in managing project information and documents during project processing and implementation. To facilitate recruitment for loan and technical assistance projects, ADB upgraded its Consultant Management System. As a result, the average time taken to recruit a consulting firm for project preparatory technical assistance declined from 160 days in early 2010 to 99 days in July 2011. The continuing improvement of the Consultant Management System through procurement automation is expected to reduce loan consulting services contract processing time in 2012. ADB is upgrading its Project Processing and Portfolio Management System to improve financial transaction processing and reporting, and expects to complete the process in 2012.

²⁶ ADB approved 51 ADF projects in 2010. To manage the transition to the streamlined business processes starting 1 January 2010, staff were given the flexibility to use the old business processes, as needed, for projects (34 ADF projects in all) that have already completed the Management Committee Meeting as of 31 January 2010.

²⁷ The average processing time refers to the average time from loan or project preparatory technical assistance fact-finding to effectiveness or the date on which the loan, grant, or guarantee agreement comes into force.

3. New and Innovative Financial Instruments

29. ADB needs to constantly refine its instruments to remain relevant and responsive to diversifying client needs. In 2009 it established the \$3 billion countercyclical support facility (CSF). The facility was established to help ADB's ordinary capital resources borrowers sustain critical expenditures for fiscal stimulus to counter the impacts of the global economic crisis.²⁸ It was designed as a temporary lending instrument covering 2009–2010 to complement ADB's conventional program loans, which support structural reforms over an extended period. ADB has approved and disbursed a total of \$2.5 billion in assistance to five DMCs (Bangladesh, Indonesia, Kazakhstan, Philippines, and Viet Nam) from the CSF. ADB mainstreamed the CSF in 2011 (para. 31).

30. To reduce DMC transaction costs, expedite project processing, and expand development results, ADB reoriented its supplementary financing facility into an instrument for scaling up projects that are performing well.²⁹ Renamed as additional financing, the instrument will fund the extension of projects to cover additional geographic areas or beneficiary groups, or greater demand and absorptive capacity of existing beneficiaries. It can also be used to support changes in project scope or modifications of projects that are performing well.

31. In 2011 ADB created the pilot \$150 million project design facility to provide resources for project formulation in a timely manner during 2011–2013.³⁰ The facility supports detailed engineering design and broader project and program preparatory work. It will help expedite project start-up and implementation. ADB also refined its policy-based lending instruments (formerly program and CSF lending), mainstreamed the programmatic budget support for DMC structural reforms, and established the CSF as a permanent crisis response instrument.³¹

32. In 2011 ADB also mainstreamed nonsovereign public sector financing (NSP), which was established on a pilot basis in 2005.³² Using this instrument, ADB has supported decentralization in DMCs by enabling direct financial assistance to NSP entities including state-owned enterprises on a nonrecourse or limited recourse basis. Mainstreaming the NSP ensures a more holistic approach to programming of nonsovereign operations, and increases the predictability of nonsovereign financing among clients and ADB departments.

C. Operating Transparently and Responsibly

1. Accountability Mechanism

33. ADB adopted its current Accountability Mechanism in 2003. The mechanism provides an independent and effective forum for people adversely affected by ADB-assisted projects to voice their problems and seek solutions, and report alleged violations by ADB of its operational policies and procedures. ADB subsequently introduced the problem-solving function as an integral part of the Accountability Mechanism for both private and public sector operations. Thus, the ADB Accountability Mechanism has the dual functions of problem solving led by the special project facilitator and compliance review led by the compliance review panel.

²⁸ ADB. 2009. *Establishing ADB's Response to the Global Economic Crisis: Establishing the Countercyclical Support Facility*. Manila.

²⁹ ADB. 2010. *Additional Financing: Enhancing Development Effectiveness*. Manila.

³⁰ ADB. 2011. *Establishing the Project Design Facility*. Manila.

³¹ ADB. 2011. *Review of ADB's Policy-Based Lending*. Manila.

³² ADB. 2011. *Mainstreaming Nonsovereign Public Sector Financing*. Manila.

34. ADB initiated the review of the Accountability Mechanism in early 2010 to ensure its effectiveness and reflect current international best practices. ADB places great importance on the review and established a joint Board-Management working group to conduct it. Two international experts provided an independent assessment of the mechanism. Since June 2010, ADB has carried out extensive public consultation through numerous face-to-face meetings, workshops, and in-country consultations. ADB also undertook four rounds of web-based consultations.³³ To integrate stakeholder feedback more systematically, ADB has phased the review documentation into a series of papers: two consultation papers, two working papers, and the final paper. The consultation papers were completed in February and June 2011, the working papers were completed in April and September 2011, while the final paper is expected to be completed in November 2011.

35. The review has concluded that the current Accountability Mechanism policy is fundamentally sound. The dual functions of consultation and compliance review effectively complement each other. The Accountability Mechanism ensures a high degree of transparency, participation, credibility, and effectiveness. Both the consultation and compliance review phases have proven useful, and delivered effective outcomes. As a demand-driven mechanism, the Accountability Mechanism complements ADB's other problem solving and compliance systems.

36. The review has also identified ways in which ADB can further strengthen the Accountability Mechanism. Examples include (i) enabling direct access to compliance review by removing the requirement that affected people must start with the consultation process before they can file for compliance review, (ii) establishing a single entry point by appointing a complaints receiving officer to receive and forward all complaints seeking consultation or compliance review, (iii) assisting the Compliance Review Panel in obtaining access to site visits and minimizing the risks of borrowers' refusal, (iv) improving the independence of the Compliance Review Panel, (v) clarifying the roles of the compliance review, (vi) simplifying the problem solving process, (vii) improving systematic tracking by the operations departments of the complaints received from Office of the Special Project Facilitator and Office of the Compliance Review Panel, and (viii) promoting awareness of the accountability mechanism within ADB and in DMCs as a tool for development effectiveness.

2. Public Communications Policy

37. ADB has become much more transparent in communicating and sharing information with the public and its stakeholders since it adopted the Public Communications Policy (PCP) in 2005.³⁴ The policy, which is based on a presumption in favor of disclosure, has introduced a major cultural change within ADB: disclosure is now considered standard operating procedure for all ADB projects. The 2007 Global Accountability Report recognized the PCP as an example of good practice, and ranked ADB as the most transparent of 30 institutions.³⁵

38. As prescribed under the PCP, ADB launched a comprehensive review of the policy in February 2010 to assess its efficacy and strengthen it. Public consultations were held in 12 member countries with more than 500 stakeholders representing government, civil society

³³ The stakeholders consulted include project-affected people, project beneficiaries, governments, nongovernment and civil society organizations, the private sector, academia, think tanks, and people working on other accountability mechanisms.

³⁴ ADB. 2005. *The Public Communications Policy of the Asian Development Bank: Disclosure and Exchange of Information*. Manila.

³⁵ R. Lloyd, J. Oatham, and M. Hammer. 2007. *2007 Global Accountability Report*. London: One World Trust. ADB was not included in the 2008 version of the report.

groups, project-affected people, comparator organizations, academia, the media, and the private sector. The review considered the results of two global surveys which ADB conducted in 2006 and 2009 to gauge its stakeholders' perceptions of its performance and communications.³⁶

39. The review concluded that the policy is fundamentally sound and has been implemented well, and identified areas where improvements are needed. In October 2011, ADB approved its revised PCP—one of the most far-reaching among international finance institutions.³⁷ It makes more information such as audited project accounts available at earlier stages, establishes an independent appeals panel to review requests for information denied by ADB, and strengthens communications in projects. The revised PCP will take effect in April 2012. ADB is also reviewing its translation framework to improve the accessibility of information in its DMCs. It expects to complete the review in 2011.

3. Access to Aid Information

40. In October 2011 ADB became the first multilateral institution, among those invited, to join AidFlows—a joint initiative by the World Bank and OECD-DAC launched in October 2010. AidFlows uses a web-based tool to provide donors, aid recipients, and the general public with a consolidated, accessible, and easy-to-use source of information on aid funding. The World Bank and OECD-DAC have opened up AidFlows as a jointly owned and operated aid reporting tool for multilateral agencies. ADB's participation in this initiative will further strengthen its capacity to share such information more efficiently and widely.

D. Managing Human Resources and Budget Effectively

1. Human Resources Management

41. Launched in January 2010, Our People Strategy provides ADB with a blueprint to help recruit, motivate, and manage the staff it needs to accomplish Strategy 2020.³⁸ Its goals are to develop (i) a strong mix of high-caliber, motivated, and client-responsive staff; (ii) inspiring leadership and proactive people management; and (iii) a supportive and enabling workplace environment and culture. The Human Resources Function Strategic Framework and Action Plan approved in April 2010 translates the goals of Our People Strategy into specific actions.³⁹

42. In 2011 ADB has made good progress on the three goals of Our People Strategy. To ensure the quality of staff (i) ADB's communities of practice have increased their engagement in assessing the technical skills of candidates, (ii) the special assignment program to develop national and administrative staff skills was launched, (iii) 80 international staff at level 6 and 65 directors and country directors participated in a leadership training program offered in ADB's Assessment and Development Center, and (iv) a coaching program was made available for new directors. ADB launched a new rewards and recognition program to recognize individual and team achievements and behaviors that contribute significantly to Strategy 2020 goals. It adopted a new level classification system for national and administrative staff to recognize their substantive roles and clarify their career progression opportunities.

³⁶ ADB Perceptions Survey Multinational Survey of Stakeholders. 2009. <http://www.adb.org/documents/reports/adb-perceptions-survey/2009/default.asp>, and ADB Perceptions Survey Multinational Survey of Opinion Leaders. 2006. <http://www.adb.org/Documents/Reports/ADB-Perceptions-Survey/2006/>

³⁷ ADB. 2011. *Review of the Public Communications Policy of the Asian Development Bank: Disclosure and Exchange of Information*. Manila.

³⁸ ADB. 2009. *Our People Strategy: Skills and Passion to Improve Lives in Asia and the Pacific*. Manila.

³⁹ ADB. 2010. *Human Resources Function Strategic Framework and Action Plan*. Manila.

43. To accelerate progress toward its target for gender equality in its own workforce, ADB has extended its institutional Gender Action Program 2008–2010 for another 2 years, reinforced it to include more proactive measures, and strengthened senior staff accountability for gender results.⁴⁰ Specific actions include (i) increasing recruitment outreach activities; (ii) ensuring short lists for all advertised positions have qualified women candidates (e.g., at least half of the external candidates recruited must be women); (iii) institutionalizing proactive talent management and succession planning; (iv) analyzing gender trends to detect and remove any gender bias; (v) reporting transparently on performance against gender targets by vice-president group and department; and (vi) using the results of the departmental agreements on gender inclusion and gender inclusive work environment as an input to the annual performance review of senior staff.

44. To retain more female staff, ADB ensures proactively that qualified women are being considered for promotion. A career management workshop for female international staff will be held in November 2011, and a mentoring program for all staff will be launched in late 2011. ADB has adopted communication and change management plans promoting gender diversity within the institution. Flexible work arrangements continue for all staff with the extension of the work-from-home pilot. Special rooms have been created for nursing mothers at ADB headquarters.

45. ADB's actions toward gender equality in its workforce are yielding positive results. During 2008–2011, the proportion of women in total international staff numbers has increased for all international staff groups, bringing the overall proportion of women in international staff up from 28.4% in 2008 to 30.1% as of 30 September 2011 (Table 4). The proportion of women in total new international staff appointments increased from 19.1% in 2008 to 35.8% in 2010 and to 38.3% as of the end of September 2011.

Table 4: Women International Staff in ADB
(% of total number of international staff)

International Staff Group	2008	2009	2010	2011 (as of 30 September)	Target
Senior levels (levels 7–10)	18.2	17.1	19.7	22.4	23.0–27.0
Pipeline levels (levels 5–6)	29.2	31.2	29.6	29.4	35.0
Entry levels (levels 1–4)	31.4	29.3	33.3	34.8	40.0
Total	28.4	27.8	29.1	30.1	33.0–37.0

Source: Asian Development Bank.

2. Budget Management

46. To ensure the quality of its expanding portfolio under the fifth general capital increase, ADB is implementing a 3-year (2010–2012) budget transformation plan to remove persistent resource gaps. The sizeable increase in ADB's internal administrative expenses for 2010 (13.1% over the 2009 level)—the first year of the transformation plan period—helped to slow and begin to reverse the decline in budget adequacy indicators. After the completion of the 3-year transformation plan, ADB will revisit both the budget adequacy indicators and target levels, keeping in mind the changing operational environment from the baseline period of 2004–2006.

47. At the same time, ADB has expanded its efforts to maximize efficiency gains by building on its strengths in efficient resource allocation. The efficiency of ADB operations increased significantly during 2008–2010. For example, the number of international staff per project approved fell from 8.4 in 2008 to 7.3 in 2010, while the number of international staff per project

⁴⁰ ADB. 2011. *Updating the Third Gender Action Program (GAP III): GAP III Extension (2011–2012)*. Manila.

administered remained at 1.4 during the same period despite increasing project complexity and expanding safeguard requirements. ADB expects further efficiency improvement and savings from (i) improving human resources management, (ii) SBP, (iii) reprioritizing work outputs, (iv) outsourcing selected activities, (v) improving institutional procurement, (vi) strengthening information and communication technology systems, (vii) introducing environment-conserving and space-optimizing initiatives, and (viii) continuing its organizational review of individual departments to improve efficiency.

IV. CONCLUSION

48. ADB has made further progress in key reform areas since preparing the update for the ADF X midterm review meeting in November 2010. It has taken additional steps to achieve greater operational outcomes by introducing measures to improve outcome delivery in key sector and thematic areas. These include (i) improving the quality of country diagnostics and relevance of ADB strategy and thereby the quality-at-entry of projects, (ii) refining its guidelines on CPSs and sector results frameworks, and (iii) adopting corporate-level operational plans for key sectors and themes. ADB has also introduced initiatives to improve project performance, such as (i) putting into practice the recommendations of the working group on project implementation, (ii) introducing a more demanding portfolio performance rating system, (iii) ensuring effective implementation of its safeguard policy, and (iv) conducting impact evaluation studies to draw lessons regarding project sustainability.

49. In addition, ADB has strengthened its institutional effectiveness by promoting MfDR within the organization and across its operations. It has introduced reforms to enable a faster and better response to clients' needs by strengthening its presence in DMCs, streamlining its business processes supported by greater use of information technology, and introducing innovative financial instruments. ADB has further improved its transparency and accountability by upgrading its PCP and reviewing its Accountability Mechanism. It has renewed its commitment to maximizing efficiency gains, complementing the ongoing budget transformation process, and is pursuing stringent measures to improve gender equity within the institution. ADB will continue to closely monitor the progress of its reform initiatives through the DEfR process.

ADB Reform Milestones, 2004–2011
(As of 31 October 2011)

Key Reform Initiative	Year
A. Improved Operational Policies, Strategies, and Approaches	
1. Enhancing transparency and accountability	
a. Operations Evaluation Department becomes independent	2004
b. Adopts the Public Communications Policy giving the public and Asian Development Bank (ADB) stakeholders better access to information about ADB projects	2005
c. Approves the Second Governance and Anticorruption Action Plan to improve ADB's performance in implementing its governance and anticorruption policies	2006
d. Adopts translation framework to make ADB documents available in several languages	2007
e. Strengthens policy on independent evaluation, and renames Operations Evaluation Department the Independent Evaluation Department	2008
f. Separates Integrity Division from the Office of the Auditor General and strengthens implementation of anticorruption and integrity measures including whistleblower protection and cross debarment with multilateral development banks	2009
g. Approves Safeguard Policy Statement consolidating environment, involuntary resettlement, and indigenous peoples policies into a single policy	2009
h. Launches review of Accountability Mechanism to address the grievances of people adversely affected by ADB-financed projects and ensure compliance with ADB operational policies and procedures	2010
i. Approves revised Public Communications Policy expanding access of ADB stakeholders and the public to information from ADB	2011
2. Strengthening policies, strategies, and approaches	
a. Adopts regional cooperation and integration strategy, approves a framework to support middle income countries and ordinary capital resource borrowers, and updates strategic framework to support private sector development	2006
b. Adopts Strategy 2020, ADB's long-term strategic framework	2008
B. Refined Organizational Process and Structure	
1. Adopting new and innovative financing instruments	
a. Launches the Innovation and Efficiency Initiative, which introduces new and innovative financing instruments including the multitranche financing facility, the nonsovereign public sector financing facility (NSP), and the refinancing and restructuring modality	2005
b. Introduces the countercyclical support facility (CSF) as a temporary lending instrument covering 2009–2010 to help countries respond to the global economic crisis	2008
c. Reorients supplementary financing into additional financing as an instrument to reduce transaction costs and provide scaled-up support for projects that are performing well	2010
d. Establishes project design facility to support project preparation, refines policy-based lending, and mainstreams NSP and CSF	2011

Key Reform Initiative	Year
2. Improving organizational structure and processes	
a. Launches action plan to harmonize and align practices and procedures for aid effectiveness such as the performance based allocation policy, framework for combating corruption, and gender assessments	2004
b. Upgrades the Regional Economic Monitoring Unit into the Office of Regional Economic Integration to reflect ADB's expanded role in promoting regional cooperation and integration	2005
c. Reviews the 2000 Resident Mission Policy to identify options for improvement	2008
d. Adopts the medium-term Work Plan for ADB-Government-Civil Society Cooperation 2006–2008 to integrate civil society organization knowledge and experience into ADB operations and strengthen collaboration with civil society organization	2006
e. Completes the restructuring of ADB, including the reorganization of the Regional and Sustainable Development Department, and creation of the Risk Management Unit	2006
f. Updates guidelines for procurement and consulting services for ADB projects	2010
g. Adopts streamlined business processes for processing of country partnership strategies (CPSs) and sovereign projects	2010
h. Identifies key issues and mainstreams good practices to improve project implementation	2010
i. Adopts action plan to achieve better project outcomes	2011
C. Mainstreamed Managing for Development Results	
1. Delivering a more effective organization	
a. Establishes the Results Management Unit within the Strategy and Policy Department	2004
b. Adopts the Managing for Development Results (MfDR) Action Plan (2006–2009)	2006
c. Introduces the MfDR Curriculum to promote staff learning at all levels	2006
d. Adopts the Strategy 2020 results framework; publishes the first Development Effectiveness Review (DEfR) report to annually assess ADB's progress in implementing its Strategy 2020 using the results framework	2008
e. Adopts a new MfDR Action Plan (2009–2011); introduces the performance scorecard in the DEfR; integrates DEfR findings in annual corporate work planning exercise	2009
f. Introduces results-based work plans to align department, division, and staff work plans to Strategy 2020 priorities	2010
g. Refines corporate results framework and scorecard methodology	2011
2. Reinforcing results focus in operations	
a. Issues guidelines to integrate country results frameworks in CPSs	2005
b. Introduces the biennial assessment of quality at entry of CPSs and projects	2006
c. Introduces a project design checklist and establishes design and monitoring framework quality assurance mechanisms to improve project design quality	2006
d. Introduces country briefs to explain ADB's contribution to national outcomes	2007
e. Updates guidelines for preparing and updating country and sector results frameworks for CPSs	2010
3. Developing country capacity on MfDR	
a. Establishes the Asia-Pacific Community of Practice on MfDR	2006
b. Develops results-based public sector management framework that countries can use to assess public sector management systems, analyze gaps, and develop capacity initiatives	2010

Key Reform Initiative	Year
D. Reinforced Knowledge Management	
1. Adopts the knowledge management framework to enhance knowledge sharing with and among clients, and to become a better learning organization	2004
2. Adopts Information Systems and Technology Strategy for 2004–2009 to provide information systems that support ADB’s core business activities	2004
3. Conducts the first annual Most Admired Knowledge Enterprises Survey to measure staff perception on knowledge management and assess the commitment and maturity of ADB’s knowledge strategy	2005
4. Approves the knowledge management action plan for 2009–2011 to sharpen knowledge focus of operations and empower communities of practice within ADB	2009
E. Improved Human Resources and Budget Management	
1. Adopts new Human Resources Strategy	2004
2. Introduces the staff performance and development plan to provide rigorous, merit-based performance assessment	2005
3. Reviews Human Resources Strategy to analyze its implementation and identify needed improvements to implement Strategy 2020	2008
4. Adopts Our People Strategy and Human Resource Function Strategic Framework and Action Plan to align human resources management with Strategy 2020	2010
5. Adopts a 3-year budget transformation plan to resolve persistent resource gaps	2010

Source: Asian Development Bank.