

RESULTS MATTER

IDEAS AND EXPERIENCES ON MANAGING FOR DEVELOPMENT RESULTS



February 2005

Implementation of Results Orientation Continues in 2005

M*fDR Action Plan.* The Asian Development Bank's (ADB's) Managing for Development Results (MfDR) Action Plan operates at three levels.

- **Country level.** ADB supports capacity development and improved results-orientation.
- **Institution level.** All ADB activities should focus on desired outcomes, and activities.
- **Partnerships.** ADB collaborates with development partners to improve development effectiveness.

Achievements in 2004. ADB was prominently involved in the Second International Roundtable on Development Results that led to the Marrakech Memorandum and Core Principles and Action Plan. ADB organized regional workshops in Bangkok and Bishkek featuring cases drawn from the region highlighting best practices for harmonization, alignment, and MfDR. Nepal's results-based country strategy and program featured results-based sector plans and strong linkages between sector goals and objectives. At the project level, ADB has implemented the Project Performance Management System to improve methods for setting project objectives, designing projects, and monitoring and evaluating project performance.

Growing staff awareness. ADB's commitment to development effectiveness has now become a driving force within the organization. Staff members are beginning to integrate the message that results-orientation should underlie all of ADB's work, and that managing for results is essential in the fight against poverty in Asia and the Pacific.

MfDR in 2005. ADB continues to support developing member countries (DMCs) as they develop their capacities, including through the MfDR Cooperation Fund. At the institutional level, the results orientation of corporate strategies and policies will be strengthened, with knowledge management playing a key role. At the partnership level, ADB is co-sponsoring the Second High-Level Forum on Aid Effectiveness (Paris, 28 February-2 March 2005). ADB will also provide key inputs to the Global Monitoring Report and other international initiatives to improve development effectiveness.

Staff ownership. ADB's Results Management Unit (SPRU) is leading the implementation of the MfDR Action Plan in close collaboration with units throughout ADB. However, while SPRU provides support and guidance, staff themselves must take ownership and be responsible for achieving results. MfDR is a different way of doing business that will take time to become fully integrated into ADB operations. However, MfDR is essential for ADB to become a more effective organization with a concrete and measurable impact on reducing poverty in Asia and the Pacific. ■

“ ADB's commitment to development effectiveness has now become a driving force within the organization...Fully implementing MfDR requires organizational and staff commitment to results ”

A Holistic and Results-Oriented Approach to Development

ADB promotes regional cooperation by sharing knowledge with developing member countries (DMCs) and mobilizing public and private investment. For example, ADB's assistance to the Greater Mekong Subregion (GMS) Economic Cooperation Program has helped the GMS countries (Cambodia, People's Republic of China, Lao People's Democratic Republic [Lao PDR], Myanmar, Thailand, and Viet Nam) move toward greater integration and harmonization.

Country-owned and-led results orientation. The early phases of GMS focused on building trust and confidence. Cambodia, Lao PDR, and Viet Nam had experienced decades of conflict and expected a peace dividend, a goal ADB has long supported through a pragmatic, output-oriented approach. The leaders of these countries had observed the experiences of countries like Thailand that emphasized economic growth, with a direct impact on poverty reduction. They also understood the importance of integrating into the regional and global economy. According to Mekong Department Director General Rajat M. Nag, the GMS countries were keenly aware of the importance and value of achieving results on the ground. ADB's focus on MfDR is a valuable opportunity to provide additional support to subregional initiatives such as the GMS.

Holistic approach. Recognizing constraints in the transport sector, the GMS adopted the economic corridor concept. GMS governments identified three key economic corridors to link infrastructure to production, trade, and other development opportunities by 2012. The recently signed implementation arrangements for the GMS Cross-Border Transport Agreement will facilitate the movement of goods and people and provide better access to markets and services for residents of remote, low-income areas. As Mr. Nag notes: "We thought that some Governments might not see the value of the East-West Economic Corridor. However, they understood that the value of building a road goes far beyond infrastructure—they intuitively grasped the

complementary 'soft' aspects and the role of economic corridors in spurring cross-border trade and broader access to services by the poor."

Shared vision. Those who have watched the GMS grow—whether Government officials or ADB staff members—feel a sense of ownership and satisfaction. However, they also know that more than 50 million people in the subregion still live in poverty. To improve living standards, GMS governments are committed to the "3 Cs" (connectivity, competitiveness, and community). To translate this vision into reality, the 13th GMS Ministerial Conference in Vientiane (December 2004) adopted a plan of action linking sector-level objectives to outputs with clear timeframes.

Future. The results achieved in the GMS have raised interest among donors. Japan, always a key partner, has been joined by other development partners in supporting GMS in achieving its objectives. The Mekong Development Forum in mid-2004 attracted an enthusiastic group of partners. Mr. Nag points out: "The GMS is increasingly interconnected—by roads, power grids, telecommunications networks, and an emerging common market. The GMS must now improve its linkages with other subregions such as ASEAN, South Asia, and East Asia. The success and high level of collaboration in GMS have shown the region—and the world—how a results-focused approach to subregional cooperation can succeed." ■



Mekong Department Director General Rajat M. Nag

The Balanced Scorecard Journey in OAS: Strategic Focus and Alignment to Improve Results

The Office of Administrative Services (OAS), led by Principal Director Bob Dawson, is improving the quality of its business processes to achieve results. The OAS Reform Agenda Working Group, headed by Ken Chee, Director, Facilities and Asset Management Division, is providing overall direction as OAS implements its Balanced Scorecard (BSC) approach. This initiative represents a good example of ADB's commitment to achieving results on the ground.

Management systems and tools. The BSC provides an alternative to managing organizational performance through financial measures alone. The BSC measures an organization's mission and strategy from four perspectives: customer satisfaction, internal processes, capabilities of employees and systems, and the financial dimension. The BSC translates strategy into operational objectives that drive behavior and performance. OAS also uses Six Sigma techniques to measure and improve the quality of processes, better analyze problems, and make sound bottom-line decisions. In practice, and as applied in OAS, Six Sigma provides an analytical process for anticipating and solving problems.

Process. OAS staff members have worked together to

- clearly state strategic objectives;
- set realistic objectives that “stretch” capacities;
- determine appropriate measures/indicators;
- identify targets for those indicators; and
- launch specific initiatives that will lead to meeting the targets.



OAS town hall meeting to present the BSC approach

Strategic themes. OAS identified four strategic themes consistent with the ADB Reform Agenda:

- improving quality and managing costs of services and products;
- enhancing effectiveness and accountability of information, financial, and asset management;
- improving workplace safety and security, and community outreach; and
- developing a professional management services organization.

Example. For each strategic theme, OAS has identified strategies, objectives, measures, targets, and initiatives. For example, the BSC matrix below focuses on improving quality and managing costs of services and products.

Strategy	Objectives	Measures	Targets	Initiatives
Improve quality and manage cost of services and products	Apply new technology and innovations (internal)	Productivity gain	10% increase in staff productivity	Review products and services for improvement Introduce new technology and promote online transactions
	Streamline work processes	Processing time	30% reduction in processing time	Improve business strategies/ processes through Six Sigma program
	Manage		10% outsourcing	Initiate outsourcing programs to improve products/

BSC journey. OAS continues to focus on clear targets that lead to measurable results. The BSC, in conjunction with Six Sigma, is helping OAS clearly identify gaps and answer key questions: How do we close performance gaps to achieve our objectives? How can we identify the best interventions to close those gaps? Answering those questions and implementing approaches that lead to clearly identified results lie at the heart of MfDR. ■

Cooperation Fund in Support of Managing for Development Results

Thanks to contributions from the governments of Canada and the Netherlands, the Cooperation Fund in Support of MfDR is now in operation. The fund aims to promote MfDR in developing member countries (DMCs), in support of ADB's overarching goal of reducing poverty in the Asia and Pacific region. More specific objectives are to

- enhance the results orientation of national development plans and sector plans/road maps produced by DMCs; and
- develop institutional capacities in DMCs.

Examples of activities eligible for funding include pilot initiatives to introduce results-based planning and budgeting techniques at the DMC level; to prepare results-oriented national development strategies; and to improve methods for measuring, monitoring, and managing for results at country level. The fund can also support training of DMC officials and their participation in international events on results management and development effectiveness.

The Fund, currently amounting to \$1.7 million, is a multi-donor umbrella facility that allows for further donor contributions in 2005. Interested applicants should prepare their proposals in collaboration with DMC governments. Proposals are evaluated by a review committee comprised of representatives from regional departments and the Results Management Unit. The review of the first batch of proposals in December 2004 led to the endorsement of two projects: "Results-Based Assessment and Monitoring of Poverty Reduction and Growth" in Viet Nam (\$400,000) and "Development of Monitoring and Evaluation Systems at the Local Level in the Kyrgyz Republic" (\$200,000).

The deadline for submitting proposals for consideration for the next batch is 31 March 2005.

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Calendar Events

Date	Event	Department/ Office Involved
February		
1	Workshop on Results Reporting, Copenhagen	ERO/SPRU
2, 21—22, 4 th week	Training on ADB's Project Performance Management System —Design and Monitoring Framework	COPP
14	Informal Board Seminar on Results-based Country Strategy and Programs and Project Frameworks (tentative)	COPP/OED/SPRU
18	Meeting of International Task Force on Global Public Goods	RSDD
23	Millennium Development Goals Consultation Workshop	RSDD
28 February —2 March	The Second High-Level Forum on Harmonization, Alignment and Results for Aid Effectiveness (HLF-2)	SPD
March		
16	Training on Participatory Monitoring and Evaluation	RSDD
April		
4-8	Workshop on Development Management for Senior Executives of DMCs	ADB/SPRU/OED/RSDD
18-20	International Conference on Achieving Results in Private Sector Development —A Strategic Approach	PSOD

Key: ADBI=ADB Institute; COPP=Project Coordination and Procurement Division; ERO=European Representative Office; OED=Operations Evaluation Department; PSOD=Private Sector Operations Department; SPD=Strategy and Policy Department; SPRU=Results Management Unit

Harmonization, Alignment, and MfDR: The Second High-Level Forum (HLF-2) on Aid Effectiveness

ADB is co-sponsoring HLF-2 in Paris from 28 February-2 March 2005. HLF-2 will feature an Implementation Forum and a high-level ministerial Forum. ADB President Haruhiko Kuroda will head the ADB delegation. Over 20 representatives from ADB's DMCs will attend. At HLF-2, ADB and its development partners will make important new commitments that will deepen the global development effectiveness agenda and guide development agencies as they continue the fight against poverty.

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