AFRICAN DEVELOPMENT BANK GROUP

WORKSHOP ON EVALUATION AND RESULTS-BASED MANAGEMENT IMPLICATIONS FOR BANK OPERATIONAL PROCEDURES AND PROCESSES AT GOLF HOTEL, ABIDJAN 25-26 JUNE 2001
SUMMARY REPORT ON PROCEEDINGS

OPERATIONS EVALUATION DEPARTMENT
(OPEV)

SEPTEMBER 2001

Workshop on Evaluation and Results-Based Management:
Implications for Bank Operational Procedures and Processes
At Golf Hotel, Abidjan 25-26 June 2001

Summary Report on Proceedings

1. Introduction and Background

1.1 OPEV submitted to the Committee of Operations and Development Effectiveness (CODE) in its meeting held 22 September 2000; a concept paper entitled "Towards an Integrated System for Evaluation of Development Effectiveness – Results Based Management (ADB/BD/WP/2000/89). The paper stressed the need to move from evaluation of inputs/outputs to that of outcomes and impact, in order to measure the degree of success and failure of the development aid provided by the Bank Group. In discussing the paper, CODE urged Management to establish a Working Group composed of representatives from the operations complex and other Vice Presidencies to develop an implementation plan, spelling out clearly the strategy and procedures for the putting in place of an "Integrated System for Evaluation of Development Effectiveness".

1.2 Following a discussion by CODE in its session of June 29, 2001 on the effectiveness of Bank involvement in sector work, the Committee agreed to the suggestion that a seminar be held on the implementation of the results-based project management system in the Bank, and that OPEV should prepare a report on that seminar for submission to CODE.

1.3 OPEV has felt necessary to submit for information, prior to the organization of the proposed seminar, the summary report on proceedings of the Workshop on Evaluation and Results-Based Management: Implications for Bank Operational Procedures and Processes, held at Golf Hotel, Abidjan 25-26 June 2001. The Workshop grouped 30 participants from OCDs, OCOD, OESU, OCPU, FBFP, Project Africa SAP-PS, CADI and OPEV.

2. Workshop Achievements and Outcomes

2.1 The Workshop was an intense and highly participatory event. The main objective of raising awareness was reached. The concept of RBM was understood and endorsed. All participants, particularly from the Operations Complex, shared a perception of the need for a coherent and comprehensive approach focusing on results, but noted that the trend towards RBM was partially donor driven. There is an evident need to strengthen the client focus and to the move the attention from input to output and outcome. Quality at entry has to be enhanced. The needs for improvements of the linking of the different prospective planning tools and the retrospective performance reporting tools are obvious.

2.2 The timing for introducing RBM seems to be right. ADB has developed a vision statement and a new organization structure incorporating strategic planning has been approved. The introduction of the new information system (Project Africa) provides the structure for a complete information system. Adoption of RBM also entails for further devolving and decentralization of responsibilities. The participants welcomed the opportunity to share experiences and emphasized the need for an increased effort to build capacity to enhance skills and raise awareness at all levels.

2.3 The Workshop has concluded that:

a. The different change initiatives in the Bank need to be harmonized and aligned. There is also a need to develop terminology and definitions for an ADB based RBM approach. Special attention should be given to means for linking results information and resource allocation.

b. A RBM workshop targeted at the Board and Senior Management was encouraged to get backing for the RBM effort both in a short and a long perspective. The need for a champion at the Senior Management level of the Bank was emphasized.

c. Coordinated efforts are needed to create a learning culture in the Bank, including further systematization and dissemination of best practices, training and recruitment of specialized "knowledge management officers".

d. Partnerships should be enhanced with development partners (WB and other multi- and bilateral organizations and with RMCs), shared understandings should be developed and similar approaches elaborated.

2.4 As a follow-up of this initiative, a Working Group on Integrated System for Evaluation of Development Effectiveness (WGSDE), composed by members from different complexes of the Bank, was established and is expected to conduct and monitor the implementation of an integrated system for evaluation of development effectiveness and to propose a concrete set of actions needed to enhance the results-based monitoring and evaluation (RBM&E) system in the Bank. The first meeting of the Working Group held immediately after the Workshop concluded that consultancy input is needed for the preparation of a detailed concept paper on RBM and the recommendation of an implementation strategy of RBM&E system within the Bank.

2.5 The Summary Report of the Workshop Proceedings attached is submitted for information.

Report on the Workshop on Evaluation and Results-Based-Management: Implications for Bank Operational Procedures and Processes at Golf Hotel, Abidjan 25-26 June 2001

Workshop objectives

The main purpose of the Workshop was to address critical issues facing the introduction of a results-based management (RBM) system in the ADB, including implications for the Bank operational procedures and processes and the development of evaluation and monitoring capacity of the Bank. A conceptual framework for an Integrated System for Evaluation of Development Effectiveness was also presented. ADB's Operations Evaluation Department (OPEV) in collaboration with the African Development Institute (ADI) organized the workshop.

The specific objectives of the workshop were:

- To familiarize the participants with the concepts, requirements and uses of the results-based management system and to build a consensus on priorities of the Bank monitoring and evaluation system in order to serve its "vision" and "core business" goals.

- To implement an irreversible move to result-based management centered on an extensive use of sector and country strategic frameworks;

- To recommend ways and means for reviewing and updating the operational procedures and processes, in order to meet the requirements of the results-based management system and the introduction of the new results-oriented project management tools;

The 30 participants who attended the workshop included members of the Working Group on the Integrated System for Evaluation of Development Effectiveness, representatives from the OCDs, OCPU, OCOD, OESU, FPRU, FBFP, OPEV, Project Africa SAP-PS and CADI.

In addition to opening statements by the Canadian Executive Director, the Director of OPEV and a representative of OCOD, the workshop program included presentations and discussions on four main themes:

1. Results Based Management: Principles and Implementation Constraints
2. Managing for Results: a Bank perspective
3. Adopting Harmonized Monitoring and Evaluation and Portfolio Management Criteria
4. Implementing Results-Based Management System

The program concluded with group discussions to recommend ways and means to update and review the operations processes and procedures, and closing statements by the consultant and by OPEV (see annex 1 for a detailed program).

Background

The workshop came as a consequence of several processes focusing on the results-orientation in the Bank. In discussion of the three-year OPEV work program, one of the main recommendations of CODE was to make the evaluation process forward-looking by establishing linkages between the results of the appraisal and the conception of new ADB operations and policies. This new approach focus on aspects of development effectiveness, studies of the impact of the assistance strategies and programs at the levels of projects, sectors and countries, and on measuring performances in light of the set Bank aims and objectives.

There is a shift in evaluation concentration from operational performance of projects to development effectiveness in the various sectors and countries. From this new standpoint, the individual project evaluation approach (project by project) no longer has the same precedence. It is necessary to develop an appropriate set of tools that reflect the global perspective of Bank operations. It is acknowledged that the Bank needs to develop an integrated system making it possible to focus on efficiency in the implementation of strategic objectives.

A number of building blocks such as new set of evaluation guidelines, new Guidelines for Project Analysis (economic and financial analyses) and the corresponding web sites have been prepared or are being prepared by OCOD. The Operations Manual is already available on-line.

Last year OPEV submitted the working paper "Towards an Integrated System for Evaluation of Development Effectiveness" to the CODE, where management was urged to establish a Working Group to develop an implementation plan for putting in place of an Integrated System for the Evaluation of Development Effectiveness.

Key RBM lessons presented at the workshop

Many organizations, aid-agencies and governments to provide a coherent framework for learning and accountability in a decentralized environment have adopted RBM. RBM supports the on-going corporate transition from an annual budget exercise to a strategy-driven corporate planning cycle—and from an internal management focus on inputs and outputs to an outward-looking orientation centered on achieving results through partnerships. RBM emphasizes development effectiveness and accountability, in line with the demands of the new external environment. It supports a culture focusing on results on the ground, greater transparency and participation.

The Results Chain reflects the RBM framework—from inputs, through processes, to outputs, outcomes, and ultimate impacts:

INPUT → PROCESS → OUTPUT → OUTCOME → IMPACT

Although implementation modalities vary according to the nature of the institution, the following features characterize all RBM systems:

1. Clear corporate goals and objectives
2. Clear accountabilities in a decentralized framework
3. Results-focused performance measurement
4. Links between results, planning, and allocation
5. A learning culture
6. Focus on client service
7. Stakeholder participation

RBM has been implemented in many governments and organizations the last decades (including several OECD country governments, CIDA, US-AID, UNDP and the World Bank). Even though there is a common understanding that organizations must take their specific needs into account to make the system work for them, similarities between the thinking and the systems are apparent. A number of lessons have been learned in the process so far.

– ***Terminology and concepts must be understood and accepted***

  Even though the basic concept is easy to understand, many organizations experience confusion and misunderstanding related to certain terms. Starting the implementation process by clarifying and defining important terms is considered important. It is also necessary to have a process to create ownership and commitment.

– ***Information must be clear and easy assessable***

  Many organizations publish a wide specter of handbooks, reports, guidelines etc. both in hard copies and electronically through Internet and Intranet. Systematic training and dissemination of "best practices" are also commonly done.

– ***A visible event and a dedicated champion***

  Crises, budget-cuts, appointment of a new leader or other visible events are often the reason for implementing an RBM–system. RBM is then seen as a tool for improvement, change and better result achievements. A visible event also has an internal psychological effect and underlines the seriousness in the process. A dedicated "champion" to lead the process is also seen as critical.

– ***A coherent approach is a requirement***

  RBM is more than a reporting system. RBM is a coherent approach to planning, monitoring, organization and management. The informal, cultural aspects are as important as the systems. Real performance improvements occur first when organizational cultures are transformed so that achieving results becomes the driving concern of daily operations and when managers and external decision makers use results-orientated plans and management processes that underpin them to inform decisions

– ***Simplicity and realism creates trust***

  A few simple objectives and results indicators cannot capture a complex reality. However, one important lesson is to keep a RBM system simple and not to over-invest in complicated systems and indicators. Simplicity can give clear directions and thus be a necessary means to credibility and realism. The complexity must, however, be taken into account in analyzing the result information.

– ***RBM must be based on a long-term perspective***

  Evidently, societal development is a long-term process that rarely can be measured in a short-term perspective. The combination of long-term development objectives and short-term indicators of progress should be the aim; strategic plans (4-7 years time perspective) outline the long lines and annual plans outline the direction for immediate actions.

- ***Development from an ”input – output” orientation to an ”outcome” orientation***

  Quantitative measures of input and short-term output have been the core of many reporting systems. This is about to change. A new development paradigm underlining holism and coordination, and widespread use of the OECD DAC global development objectives lead to a change in focus towards outcomes rather than outputs. This causes problems of cause-and-effect, attribution and accountability, and underlines the need for strategic partnerships and long-term perspectives. Definition of joint result objectives, indicators and measurement systems are part of this development.

- ***Increased attention at the use of results information***

  Performance reporting (accountability) and management improvement are two of the driving forces behind RBM. In the first, emphasis shifts to holding managers accountable for achievement of specific planned results or targets, and to transparent reporting of those results. The second focus on making program and service improvements via continual feedback of performance information and lessons learned into management decisions. A management and staff that are constantly concerned with internal and external development characterize a learning organization. A learning organization is also characterized by a systematic approach to integrating learning in daily work. This presupposes something more than methods and techniques. An "inner understanding" in the form of insight, values, attitudes and personal development must be included to generate change and growth

Some of the most common pitfalls are:

- ***Too complicated and too comprehensive***

  There is always a danger in trying to do too much at one time. Experience indicates that a lasting RBM system is best-developed in cooperation with different stakeholders from the bottom up, with gradual expansion into a major corporate system, rather than the other way around. Unless it gains operational legitimacy and relevance, RBM may not be sustainable. It is important to start with pilots and a gradual, simple implementation, and pay close attention to costs.

- ***Over-elaborate techniques***

  Measurement and indicators—no matter how numerous—only provide a partial contribution to the information managers and decision-makers’ need. RBM is more than techniques and measurement—it implies that result information be put into an organizational context and used in a conscious way through analysis, evaluation, and interpretation.

- ***Too many indicators***

  Any system that tries to cover all information needs—both operational and strategic—becomes overly complex. It is important to select the vital few indicators that test progress on strategic objectives—not individual activities.

- ***Lack of understanding of the cultural aspects***

  RBM needs to include a systematic attempt to integrate learning in daily work. An "inner understanding" in the form of insight, values, attitudes, and personal development must be included to generate change and growth. There are constant pressures to make short-term results look good. Experience from change processes in "values-based, vision-driven" organizations shows that a long-term perspective is necessary for success.

- ***Attribution and Participation***

  At the aggregate level (outcome, and impact levels) it is difficult if not impossible to attribute changes and results to certain projects and programs. Shared vision, joint accountability, and collective use of indicators and data help avoid these pitfalls and make RBM a tool of partnership and participation.

- ***Partnership***

  Too heavy an emphasis on corporate reporting can be disempowering to local managers and partners. A balance between development effectiveness and corporate reporting can be reached if RBM is implemented in a collaborative way that acknowledges the differing needs of various stakeholders.

Main Points from Group Discussions

Strengths

- Clear vision (in the Vision Document)
- Clear accountability and corporate structure (as a result of the organization study)
- Good information system (SAP – Project Africa) A Project Management System under implementation
- Results-orientation at the project level (Logframe approach from 1993)

Weaknesses

- Lack of strategic ESWs, strategic plans, frameworks etc. at different levels
- Capacity building lacking especially at the country level
- Devolution and decentralization is still a problem – the Bank is still too centralized
- Lack of Bank-wide awareness on results beyond projects outputs
- Lack of harmonization between the different report systems, performance reviews, evaluations etc.

Next steps

- Emphasize ”driver seat” – client focus. Monitoring and evaluation capacity should be strengthened at the country level
- Strengthen task manager capacity
- Need a champion at Senior Management level of the Bank
- Improve linking between performance and resources
- Improve partnerships – with WB, and other multilateral and bilateral organizations and with RMCs
- Strengthen the learning culture
- Review the Bank’s evaluation and performance systems
- Quality assurance, especially at entry
- Skills mix – need for more M&E and institutional expertise

Conclusions

The workshop was an intense and highly participatory event. The main objective of raising awareness was reached. The concept of RBM was understood and endorsed. All participants, particularly from the Operations Complex, shared a perception of the need for a coherent and comprehensive approach focusing on results, but noted that the trend towards RBM was partially donor driven. There is an evident need to strengthen the client focus and to the move the attention from input to output and outcome. Quality at entry has to be enhanced. The needs for improvements of the linking of the different prospective planning tools and the retrospective performance reporting tools are obvious.

The timing for introducing RBM seems to be right. ADB has developed a vision statement and a new organization structure incorporating strategic planning has been approved. The introduction of the new information system (Project Africa) provides the structure for a complete information system.

Similarly the participants shared the view on ADB's main weaknesses to be the lack of means and expertise to implement RBM. The need for strategic plans at various levels was acknowledged in order to translate the vision for RBM to actions. RBM entails further devolving and decentralization of responsibilities. The participants welcomed the opportunity to share experiences and emphasized the need for an increased effort to build capacity to enhance skills and raise awareness at all levels.

On this basis the next steps would be:

a) The Working Group on the Integrated System for Evaluation of Development Effectiveness has already been established with representatives from OCOD, OCDs, OCPU, FLAD, AUDT, FSPR, OESU, CIMM and SAP. The group is expected to propose a set of concrete actions needed to enhance the RBM system in the Bank. Canada has kindly promised to provide financial and technical resources to support this process. The Work plan of the group include the following elements:

   i. Preparation of Strategic Frameworks by Sector, Vision Theme and Strategic Corporate Scorecard. Submission to the Boards
   ii. Preparation of Country Strategic Frameworks
   iii. Design of Management Scorecard System and Results Oriented Information System including Selection of Monitorable Development Indicators (global, sectoral, thematic, country)
   iv. Design of Logframe Matrice models for programme/ project/country strategy paper/poverty reduction strategy/sector strategy
   v. Automation (linkage to SAP): design, functional analysis, operational analysis, build up databases, test and operate
   vi. Implementation of the system : Sensitization and training, handbook, booklet (Information, communication, dissemination): Headquarters, Regional/National Offices and in the countries (Executing Agencies)
   vii. Preparation of the first issue on the Results oriented annual report
   viii. Feedback and lessons learnt

b) The different change initiatives in the Bank need to be harmonized and aligned. There is also a need to develop terminology and definitions for an ADB based RBM approach. Special attention should be given to means for linking results information and resource allocation.

c) A RBM workshop targeted at the Board and Senior Management was encouraged to get backing for the RBM effort both in a short and a long perspective. The need for a champion at the Senior Management level of the Bank should be pursued.

d) Coordinated efforts are needed to create a learning culture in the Bank, including further systematization and dissemination of best practices, training and recruitment of specialized "knowledge management officers".

e) Partnerships should be enhanced with development partners (WB and other multi- and bilateral organizations and with RMCs), shared understandings should be developed and similar approaches elaborated.

Annex 1

Workshop Program

Introductory Session:
- Welcome to Participants:
- Introductory Statement
- Workshop Goals, Objectives and Expected Outcomes

Theme 1: Results Based Management: Principles and Implementation Constraints
- RBM Definitions and Principles
- Adopting the International Development Targets: Issues and Constraints
- Results-oriented management: systems: Overview and Lessons from Bilateral and Multilateral Institutions

Theme 2: Managing for Results: a Bank perspective
- Operationalising the Bank's Vision
- Tracking Performance and Results: Project Management information system
- Towards an Integrated Monitoring and Evaluation System: Aggregate Reporting on Development Effectiveness

Theme 3: Adopting Harmonized Monitoring and Evaluation and Portfolio Management Criteria
- The Project cycle and the RBM approach (country and project results-frameworks)
- Portfolio Management and RBM: Rating Project/Programme Performance at entry, during implementation and at completion, and Managing Projects at risk
- Harmonizing the Rating System through out the project cycle

Theme 4: Implementing Results-Based Management System
- Linking Results to planning, budgeting and Resource allocations
- Sharing Knowledge and Learning from Experience

Group Discussions: Strengths, weaknesses and next steps from
- The strategic perspective (vision, objectives, strategies)
- The operational perspective (linking, use)
- The M&E perspective (indicators, data, feedback)

Closing session
- The Way Forward
- Concluding Remarks and Evaluation of the Workshop

LIST OF PARTICIPANTS

NO.	NAME	EXTENSION	Participation
	CADI (African Development Institute)		
1.	Mr. M. TANI	4244	Yes
	CIMM (Computer Department)		
2.	Mr. N. C. O. ADUBA(*****) CIMM.1	4156	No
3.	Mr. A. YAHIAOUI(*****) CIMM.1	4596	Yes
	FBFP (Budget & Planning)		
4.	Mrs. Colette WALENDON	4688	Yes
	FPRU (Procurement Unit)		
5.	Mr. G. VARANGO(*)	4307	Yes
6.	Mr. BEN BARKA	4310	No
	FSPR (Research Department)		
7.	Mr. P. K. QUARCOO**(*)**	5674	No
	OCDC		
8.	Mr. S. DIAKITE (Task Manager)	4523	Yes
	OCDE		
9.	Mrs. M. TSOLO OCDE.1	4265	No
10.	Mr. B. MUKENA OCDE.2	4318	Yes
11.	Mr. W. MUCHENJE OCDE.3	4551	No
12.	Mr. S. JALLOW OCDE.4	4397	Yes
13.	Mr. K. KHOTLE**(*)** OCDE.4 (Task Managers)	4491	Yes
	OCDN		
14.	Mr. T. P SEYA OCDN.3 (Task Manager)	4932	Yes
15.	Mr. A.S. BA OCDN.4	4908	Yes
	OCDS		
16.	Mr. S. Z. MOUSSA**(*)** OCDS.5 (Task Manager)	5174	Yes
	OCDW		
17.	Mr. N. WANJI**(*)** OCDW.5 (Task Manager)	4336	No

	OCOD (Central Operations Department)		
18.	Mr. D. BARNETT**(*)** OCOD.1	5133	Yes
19.	Mr. J. P. RIGOULOT OCOD.2	4275	Yes
20.	Mr. J. S. KANYARUBONA OCOD.1	4631	Yes
21.	Mr. Z. M. BICABA OCOD.3	4588	Yes
	OCPU (Cooperation Unit)		
22.	Ms. K. E. DIABI**(*)**	5153	Yes
	OESU (Environment and Sustainable Development Unit)		
23.	Mr. Y. VYAS**(*)**	4280	Yes
	OPEV (Operations Evaluation Department)		
24.	Mr. G. M. B. KARIISA	4052/4623	Yes
25.	Mr. M. MANAI	4516	Yes
26.	Mr. O. O. OJO	4262	Yes
27.	Mr. T. T. KATOMBE	4657	Yes
28.	Mr. W. BYARUHANGA	4422	Yes
29.	Mr. N. SANGBE	4554	Yes
30.	Mrs. G. HALL-YIRGA	4294	Yes
31.	Mr. T. D. KOUASSI	4514	Yes
32.	Mr. H. RAZAFINDRAMANANA	4332	Yes
	SAP-PS (Project Africa)		
33.	Mr. J. P. A. SEKA	4599	Yes
34.	Mr. A. G. KOMENAN**(*)**	4538	Yes
	GUESTS		
35.	**Mr. ROGER COUTURE** Executive Director, BDIR	4026	Yes
36.	**Mrs. LINDA CLOUTIER** Special Advisor to the Executive Director for Canada, China, Korea, Kuwait and Spain, BDIR	4026	Yes
	FACILITATOR		
37.	**Mr. PER OVYND BASTOE** Consultant Ergo/OED-WB	-	Yes

(*): Member of the Working Group on "An Integrated System for Evaluation of Development Effectiveness".