# Asian Development Bank: 2011 Annual Evaluation Review

## **Description**

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#### Available at ADB website

#### **Background**

This report summarizes the key findings and lessons of evaluation studies carried out in 2010, and provides trends in the success rates of ADB operations. It also reviews the recommendations from evaluation reports and the status of actions taken by ADB Management in response to these recommendations. The report also reviews the work program accomplishments of IED in 2010.

#### **Key Findings and Issues**

Declining performance in terms of success rates. According to the past data, success rates have not reached 80%, although this is ADB's corporate target for 2012. Performance began to decline in approval year 2000 after peaking at over 70%. Although the declining trend is supported by a limited sample size, the project and program performance report (PPR) system indicates that this trend will continue unless significant corrective measures are taken. Based on the new PPR system, about 25% of ongoing projects are facing implementation challenges and are at risk of not meeting their objectives (which confirms IED's previous findings that portfolio performance ratings were overrated in PPRs)-an important issue that needs to be addressed.

**Acting on recommendations.** In its second full year of operation and with 95 (47%) of the 203 recommendation action plans validated by IED, the Management Action Record System (MARS) has evolved to become more relevant and useful to ADB's Board, Management, IED, and other users. Most of the issues pertaining to its implementation (such as action plan formulation, tracking, and stocktaking) have been discussed and addressed. However, some remaining issues could be addressed to improve the implementation and effectiveness of the MARS:

- Downgrading of ratings by the Independent Evaluation Department. Some actions rated by
  the implementing or coordinating departments were downgraded because they did not comply
  with the spirit or context of the recommendations. This is indicative of the need for more
  contextual information and/or consultations between ADB Management and IED. Management or
  its designated departments/offices may consider consulting IED on the context of the
  recommendations and their timing, while ensuring that IED's independence is not compromised.
- Validated partly adopted ratings. A review of the nine recommendation action plans rated
  partly adopted by the implementing or coordinating departments and IED reveals that the
  completion of action targets was constricted by ambitious or unrealistic action completion target
  dates (ACTDs). In formulating action plans and setting their ACTDs, implementing or
  coordinating departments should take into account the complexity, magnitude, expected impact,
  and nature of the actions and their corresponding targets. Likewise, external risk factors that
  could affect implementation of the proposed actions should be assessed and properly mitigated.

• Timely updating and reporting of management action records. Significant improvements were observed in 2010 in entering the required data in the MARS. However, there is a need to ensure that information in the MARS is regularly updated so that it can be used as a source of information by Management for the development or management of current and future ADB projects and programs. To encourage the timely posting of information, staff incentives and recognition may be considered. This would uphold the usefulness of the MARS and lead to more robust real-time tracking, updating, and reporting of Management actions on recommendations.

### **Tags**

- 1. ADB
- 2. failure
- 3. meta-evaluation
- 4. ratings
- 5. Websites

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