



Asian Development Bank

16 December 2010

Ms. Kirsti Aarnio
Coordinator
MOPAN Secretariat

Dear Ms. Aarnio:

Subject: MOPAN Common Approach 2010 — Institutional Report on ADB

Thank you for sharing with us the findings of the 2010 MOPAN assessment of ADB. We appreciate that the improved approach this year—involving perception survey and document review—has resulted in a balanced assessment of ADB's organizational and operational effectiveness. We are also pleased to see our comments on the earlier drafts reflected in the report.

We note that ADB has scored well in both perception survey and document review given the better-than-adequate scores for 17 out of 19 key performance indicators (KPIs) in the strategic management, relationship management, and knowledge management areas. However, we also note that ADB was evaluated not adequate in terms of "linking aid management to performance" (by the document review but not the perception survey) and "managing human resources" (by the perception survey but not the document review), both under operational management.

We recognize that ADB needs to continuously strive to improve its operational and organizational effectiveness. In the two areas highlighted in the report, ADB is taking the following actions:

- **Linking aid management to performance** – ADB has introduced tools for improving results-based resource allocations at all levels of its operations. The ADB's Results Framework (2008) and its regular monitoring have enabled management to better allocate resources at the corporate level. Furthermore, it has recently issued a new set of guidelines for preparing results frameworks and monitoring results at the country and sector levels, and has been training staff to use the tools. These new tools, when fully implemented, will help link ADB's country and sector resources allocations more closely to country and sector outcomes, and improve project implementation to achieve intended results.
- **Managing human resources** – ADB recognizes the need to be more transparent in its staff recruitment, reward, and promotion systems and is committed to fully implementing its *Our People Strategy* (2010) and better communicating its actions and results to key stakeholders.

In future assessments, consideration may be given to (i) improving the KPIs to better distinguish the nature and characteristics of multilateral development bank operations (as opposed to bilateral organizations); and (ii) making the perception survey results more specific and actionable by providing more analytical insights (especially for areas where there is a clear discrepancy between the results of the perception survey and the document review).

We take this opportunity to thank our colleagues at DFID and AusAID for their close coordination with us in completing the MOPAN process.

Sincerely,



Kazu Sakai
Director General