



## Policy Paper

---

October 2021

# Midterm Review of ADB's Corporate Results Framework, 2019–2024

Distribution of this document is restricted until it has been approved by the Board of Directors. Following such approval, ADB will disclose the document to the public in accordance with ADB's Access to Information Policy.

**Asian Development Bank**

## ABBREVIATIONS

ADB	–	Asian Development Bank
CRF	–	corporate results framework
COVID-19	–	coronavirus disease
DEfR	–	Development Effectiveness Review
DMC	–	developing member country
KMAP	–	Knowledge Management Action Plan, 2021–2025
KMCAT	–	Knowledge Management Capability Assessment Tool
MAKE	–	Most Admired Knowledge Enterprise
RFI	–	results framework indicator

## GLOSSARY

ADB operations overall	Asian Development Bank (ADB) operations financed by regular and concessional ordinary capital resources (OCR) and/or Asian Development Fund (ADF) grants, excluding revolving fund programs
concessional assistance	the subset of operations of ADB's overall operations financed by concessional OCR loans and ADF grants
concessional assistance countries	countries that have access to ADF grants and/or concessional OCR lending
nonsovereign operation	the provision of any loan, guarantee, equity investment, or other financing arrangement (i) without a government guarantee; or (ii) with a government guarantee, under terms that do not allow ADB, upon default by the guarantor, to accelerate, suspend, or cancel any other loan or guarantee between ADB and the related sovereign
operational priorities	the seven thematic areas through which ADB will achieve Strategy 2030's vision
regional progress indicator	a results framework indicator at Level 1 that is used to track the development progress of the region against a baseline
results framework indicator	a Board-approved indicator that (i) tracks progress in the region (Level 1) or (ii) measures ADB's progress toward achieving Strategy 2030's vision (Levels 2–4)
sovereign operation	any financial assistance to a developing member country (DMC) or other financing arrangement that is guaranteed by a DMC under terms that allow ADB, upon default by the guarantor, to accelerate, suspend, or cancel any other loan or guarantee between ADB and the related DMC
tracking indicator	a supplementary indicator that helps ADB track progress in areas of interest

## NOTE

In this report, "\$" refers to United States dollars.

<b>Director General</b>	Tomoyuki Kimura, Strategy, Policy and Partnerships Department (SPD)
<b>Deputy Director General</b>	Xinning Jia, SPD
<b>Director</b>	Lu Shen, Results Management and Aid Effectiveness Division (SPRA), SPD
<b>Team leader</b>	Hyun Joo Youn, Senior Results Management Specialist, SPRA, SPD
<b>Team members</b>	Mirza Nadia Bashnin, Results Management Specialist, SPRA, SPD
	Christine Caranto, Associate Results Management Officer, SPRA, SPD
	Angelita Cortez, Results Management Officer, SPRA, SPD
	Pamela Elmido, Results Management Assistant, SPRA, SPD
	Vivian Francisco, Results Management Officer, SPRA, SPD
	Daejoong Lee, Principal Results Management Specialist, SPRA, SPD
	Norman Lu, Senior Results Management Officer, SPRA, SPD
	Janica Manalaysay, Results Management Assistant, SPRA, SPD
	Smita Nakhoda, Senior Results Management Specialist, SPRA, SPD
	Dave Pison, Results Management Analyst, SPRA, SPD
	Lindsay Renaud, Results Management Specialist, SPRA, SPD
	Guoliang Wu, Principal Results Management Specialist, SPRA, SPD
	Vivienne Erica Zerrudo, Results Management Analyst, SPRA, SPD

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 document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.

## CONTENTS

	Page
EXECUTIVE SUMMARY	i
I. BACKGROUND	1
II. GUIDING PRINCIPLES FOR THE MIDTERM REVIEW	2
III. REVIEW OF THE CORPORATE RESULTS FRAMEWORK	3
A. Review Context	3
B. Corporate Results Framework Assessment and Findings	3
C. Proposed Revisions to the Corporate Results Framework	7
IV. RECOMMENDATION	8
APPENDIXES	
1. Revised Corporate Results Framework, 2019–2024	9
2. ADB's Corporate Results Framework	17
3. Rationale for Indicators	20
SUPPLEMENTARY APPENDIX (Available on request)	
A. Results Framework Indicator Definitions	

## EXECUTIVE SUMMARY

This paper presents the update to the Corporate Results Framework (CRF), 2019–2024 based on findings of the midterm review. It fulfills a commitment made to the Asian Development Bank (ADB) Board of Directors in 2019 to undertake a review of the current CRF in 2021. The purpose of the review is to determine whether the CRF remains robust in its ability to objectively measure ADB's performance in implementing Strategy 2030.

The CRF, 2019–2024 was formulated to align with the goals and operational priorities established under Strategy 2030. Approved in September 2019, the CRF, 2019–2024 has two sections containing 60 Board-approved results framework indicators (RFIs) arranged across four levels. Section I, which comprises Level 1, tracks development progress in Asia and the Pacific using 10 RFIs. Section II, which comprises Levels 2–4, measures ADB's development effectiveness. The RFIs are complemented and reinforced by 156 Management-approved tracking indicators that provide supplementary information. ADB reviews its performance annually against the 60 RFIs and publishes the findings in the Development Effectiveness Review.

The midterm review focused on the 60 Board-approved RFIs. It considered the impacts of the coronavirus disease (COVID-19) pandemic and the climate crisis and drew on the experience of conducting the 2020 and 2021 Development Effectiveness Reviews. Consultations held with ADB's Board of Directors, Management, and staff provided valuable inputs and feedback. Five principles guided the review process: (i) prioritize critical revisions of RFIs; (ii) ensure the RFIs remain robust; (iii) avoid proliferation of indicators; (iv) pave the way for the CRF, 2025–2030; and (v) account for the impact of the COVID-19 pandemic on the region.

The review found that all RFIs at Level 1 (development progress in Asia and the Pacific), Level 2 (results from completed operations), and Level 3 (ADB's operational management) remain relevant and continue to serve their purpose of effectively measuring performance. At Level 4 (organizational effectiveness), all except two RFIs remain relevant.

Changes are proposed for two Level 4 RFIs: projects with sovereign–nonsovereign collaboration, and staff rating of ADB as an effective knowledge and learning organization. Early achievement of the 2024 target for sovereign–nonsovereign collaboration justifies setting a higher target to ensure meaningful monitoring and reporting of collaborations for the remaining 3 years of the current CRF cycle. Measuring ADB's effectiveness as a knowledge and learning organization requires a new, more rigorous methodology with an appropriate target and baseline to capture the implementation of ADB's newly approved Knowledge Management Action Plan, 2021–2025.

In addition, three RFIs at Level 3 and one at Level 4 that have the target type “monitor” were reviewed to determine whether a numeric target could be set. It is proposed to retain the “monitor” target for all four RFIs. The ambition of ADB's climate change RFIs and targets was also reviewed in the context of new commitments to (i) ensure ADB operations adhere to the multilateral development banks' principles for alignment with the Paris Agreement, and (ii) raise ADB's 2019–2030 climate finance ambition to \$100 billion. The climate change RFIs and targets remain relevant and will be retained. A tracking indicator will be added to monitor progress toward achieving the Paris alignment commitment.

The proposed revisions to the CRF are in Table A. Appendix 1 contains the complete updated CRF, 2019–2024. In 2024, ADB will begin a comprehensive review of the CRF, informed by findings of the midterm review of Strategy 2030, leading to the adoption of the CRF, 2025–2030.

**Table A: Updates to the Corporate Results Framework, 2019–2024**

<b>ADB's Organizational Effectiveness (Level 4)</b>					
<b>No. Results Framework Indicator</b>	<b>Baseline Year</b>	<b>ADB Operations Overall</b>		<b>Operations Financed by Concessional OCR Loans and ADF Grants</b>	
		<b>Baseline Value</b>	<b>2024 Target</b>	<b>Baseline Value</b>	<b>2024 Target</b>
Level 4A: Organizational Systems and Processes (organizational systems and processes improved)					
4. Projects or transactions with sovereign–nonsovereign collaboration (number, cumulative) (sovereign and nonsovereign)	2018	2	60 <sup>a</sup>		
Level 4B: Organizational Capacity (organizational capacity increased)					
8. Staff rating ADB as an effective knowledge and learning organization (%)	2021	51.6	70.0		

ADB = Asian Development Bank, ADF = Asian Development Fund, OCR = ordinary capital resources.

Notes:

1. Red font indicates updates proposed by the midterm review.
2. Shading in cells indicates that the column head does not apply.

<sup>a</sup> This figure replaces the original 2024 target of 18 transactions.

Source: ADB (Strategy, Policy and Partnerships Department).

## I. BACKGROUND

1. **Purpose.** This paper presents an update to the Strategy 2030-aligned Corporate Results Framework (CRF), 2019–2024 at the midpoint of its 6-year cycle.<sup>1</sup> The update fulfills a commitment made to the Asian Development Bank (ADB) Board of Directors in September 2019 to undertake a review of the current CRF in 2021. The Board approved the 60 constituent results framework indicators (RFIs) and would approve any changes to these indicators. The purpose of the midterm review is to determine whether the CRF, 2019–2024 remains robust in its ability to objectively measure ADB’s corporate performance in implementing Strategy 2030. Essential updates are proposed for incorporation into the CRF, 2019–2024. The updated framework will be used to measure and report annual performance in the Development Effectiveness Review (DEfR).<sup>2</sup> In 2024, ADB will begin a comprehensive review to adopt the CRF, 2025–2030. The table outlines the structure and content of the CRF, 2019–2024.

### Structure of the Corporate Results Framework, 2019–2024

Section I: Regional Development Progress (Level 1)		
Level 1: Development Progress in Asia and the Pacific		
	ADB DMCs Overall	ADB Concessional Assistance Countries
Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific	✓	✓
Section II: ADB’s Development Effectiveness (Levels 2–4)		
	ADB Operations	Operations Financed by Concessional OCR Loans and ADF Grants
Level 2: Results from ADB’s Completed Operations		
2A. Strategy 2030 Operational Priority Results	✓	✓
2B. Quality of Completed Operations	✓	✓
Level 3: ADB’s Operational Management		
3A. Design and Implementation Quality	✓	
3B. Development Finance	✓	
3C. Strategic Alignment	✓	
Level 4: ADB’s Organizational Effectiveness		
4A. Organizational Systems and Processes	✓	
4B. Organizational Capacity	✓	

ADB = Asian Development Bank, ADF = Asian Development Fund, DMC = developing member country, OCR = ordinary capital resources.

Notes:

1. Check marks (✓) indicate key performance areas for which aggregate results are reported (Level 1) or scored (Levels 2–4).
2. Shading in cells indicates the column heading does not apply.

Source: ADB (Strategy, Policy and Partnerships Department).

2. **Consultations.** The update benefited from consultations held between June and October 2021 with stakeholders including ADB’s Board of Directors, Management, and staff, including a network of CRF focal points consisting of more than 50 senior technical specialists, sector and

<sup>1</sup> Asian Development Bank (ADB). 2018. [Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific](#). Manila; and ADB. 2019. [ADB Corporate Results Framework, 2019–2024](#). Manila. Appendix 2 provides more detailed information on ADB’s CRF.

<sup>2</sup> ADB has published the DEfR annually since 2008 (ADB. [Development Effectiveness Review](#)). The DEfR report is released before ADB’s annual meeting held in early May of the following year.

division directors, and national officers across the institution. The update also benefited from the feedback from stakeholders about their experience contributing to the 2019 and 2020 DEfRs.

3. **Scope.** The experience of implementing the CRF, 2019–2024 demonstrated the benefits of the 11 improvements introduced to the framework in 2019 and built on lessons from implementing the CRF through the annual DEfR process.<sup>3</sup> The lessons relate to the following important good practices for effectively managing for development results and setting targets for the 60 RFIs: (i) ensure indicator and target monitoring remains manageable, (ii) avoid frequent changes to indicators and targets, and (iii) set ambitious yet attainable targets that incentivize positive change. These and other lessons informed the scope and guiding principles of this midterm review and are further discussed in Section II. In keeping with the good practices, the midterm review proposes only essential revisions to indicators and targets. Other feedback and suggestions, and those requiring a longer gestation period, will inform the design and content of the CRF, 2025–2030.

## II. GUIDING PRINCIPLES FOR THE MIDTERM REVIEW

4. The following five principles guided this CRF midterm review process.

5. **Prioritize critical updates.** The midterm review should only entertain updates to RFIs that are no longer functioning and thus cannot be used to assess ADB performance.

6. **Ensure results framework indicators remain robust.** Robust RFIs have well-developed methodologies and useful targets that balance ambition and achievability and incentivize behavior that helps achieve Strategy 2030. The methodology and targets of selected RFIs may need updating to ensure they capture performance optimally.

7. **Avoid proliferation of indicators.** The midterm review upholds the principle of limiting the number of indicators to focus on key priorities and targets. This principle was applied stringently during the development of the CRF, 2019–2024. With fewer indicators, managing and reporting on progress is streamlined, performance measurement is meaningful, and investments of staff time and other resources are reasonable. Sector, thematic, and other institutional plans are an appropriate home for sub-targets and other indicators that are not included in the CRF.

8. **Pave the way for the Corporate Results Framework, 2025–2030.** Several corporate initiatives are planned or already underway that will change the way ADB operates. These include (i) the review of the operational plans of the seven Strategy 2030 operational priorities to better serve clients' needs; (ii) the Organizational Review and its implementation to enable streamlined institutional alignment and processes; and (iii) the midterm review of Strategy 2030, which will take place in 2023–2024. It is important to take stock of the changes and differentiate between updates that are appropriate for the midterm review and those for consideration in the CRF, 2025–2030.

9. **Account for the COVID-19 pandemic's impact on the region.** The COVID-19 pandemic will continue to have knock-on effects in all areas of ADB's work. Given this reality, the impact of

---

<sup>3</sup> Improvements introduced in the CRF, 2019–2024 include demonstrating the links between results framework levels, alignment with Strategy 2030 priorities, improved integration of the Sustainable Development Goals, refinement and rationalization of indicators, greater harmonization with multilateral development banks, cascading of indicators to other corporate documents, use of "monitor" as a target for selected RFIs, increased measurement of outcomes, stronger measurement of poverty reduction and inclusiveness, measurement of client feedback, and better integration of measurement of nonsovereign operations. (ADB. 2019. [ADB Corporate Results Framework, 2019–2024](#). Manila. paras. 20–37.)



COVID-19 is part of the context for this review and must be considered when assessing the CRF RFIs and their targets to determine whether they remain relevant or should be revised.

### III. REVIEW OF THE CORPORATE RESULTS FRAMEWORK

#### A. Review Context

10. **Development progress set back by COVID-19 pandemic.** Soon after the approval of CRF, 2019–2024, the COVID-19 pandemic triggered wide-ranging disruptions in the region that set back development progress in ADB developing member countries (DMCs). Poverty increased amid the economic contraction, learning and jobs were disrupted, gender inequalities worsened, and gaps in social protection coverage became more glaring. The pandemic also added to the region’s fiscal and investment challenges. ADB responded swiftly, adjusting the implementation of the operational plans of its operational priorities as it shifted its work toward supporting DMC efforts to fight the pandemic, build resilience, and instigate recovery. COVID-19 response programs were designed to target the needs of the poorest, benefit women and vulnerable communities, and support social protection systems. While reviewing the relevance of the RFIs and evaluating the need for adjustments, the temporal nature of COVID-19 was considered.

11. **Corporate results framework responsive and applicable.** The 2020 DEfR demonstrated the applicability and adaptability of the CRF as the basis for reporting on ADB’s performance in that tumultuous year.<sup>4</sup> The direct alignment of the CRF, 2019–2024 with Strategy 2030’s goals and operational priorities implies that the strategy itself also remains highly attuned and responsive to this operating context. The CRF indicators and targets, although built for more normal times, proved adept at capturing key dimensions of ADB’s response such as its ramping up of commitments and disbursements, escalation in knowledge and cofinancing partnerships, portfolio shift in favor of health operations and emergency response, sharply reduced sovereign and nonsovereign operation processing times, and high client ratings for responsiveness.

12. **Stronger focus on climate change and environmental sustainability.** The climate crisis continued alongside the COVID-19 pandemic. Strategy 2030 set an ambitious cumulative climate finance target of \$80 billion from ADB’s own resources from 2019 to 2030 and \$35 billion from 2019 to 2024. In preparation for the 26th United Nations Climate Change Conference of the Parties in Glasgow, ADB announced its ambition to scale up its climate financing to a cumulative \$100 billion by 2030.<sup>5</sup> ADB also announced its intent to double its adaptation finance, resulting in cumulative adaptation financing of \$9 billion from 2019 to 2024.<sup>6</sup> The targets set in the CRF represent a floor rather than a ceiling. ADB’s newly approved Energy Policy will deepen support for the low-carbon transition in ADB DMCs.<sup>7</sup>

#### B. Corporate Results Framework Assessment and Findings

13. Drawing on the experience of conducting the 2019 and 2020 DEfRs and keeping in mind the impacts of the COVID-19 pandemic and the climate crisis on the DMCs, ADB undertook a systematic review of the 60 Board-approved RFIs. Appendix 3 presents the detailed analysis. The summary findings are in paras. 14–25.

---

<sup>4</sup> ADB. 2021. [2020 Development Effectiveness Review](#). Manila.

<sup>5</sup> ADB. 2021. [ADB Raises 2019–2030 Climate Finance Ambition to \\$100 Billion](#). News Release. 13 October.

<sup>6</sup> ADB. 2021. [ADB Commits to Full Alignment with Paris Agreement](#). News Release. 8 July 2021.

<sup>7</sup> ADB. 2021. [Energy Policy: Supporting Low Carbon Transition in Asia and the Pacific](#). Manila.

## 1. Level 1: Development Progress in Asia and the Pacific

14. The 10 regional progress indicators<sup>8</sup> at Level 1 are fully aligned with the Sustainable Development Goals and apply the same methodologies. They remain highly relevant and do not require any changes.

## 2. Level 2: Results from Completed Operations

15. The 22 Level 2 RFIs that report the results achieved by completed operations in Strategy 2030 key operational priority areas (Level 2A) remain fully consistent with the Board-approved operational plans of the seven Strategy 2030 operational priorities. These indicators continue to serve their purpose well and do not require revision. ADB will refine the operational priority indicators as necessary in the next CRF cycle (2025–2030) to align with any updates to the operational priority plans. The five RFIs at Level 2B draw on data from project completion reports and validation reports to measure the success of ADB’s completed sovereign and nonsovereign operations in delivering their intended development results. The tried and tested methodologies that underpin these indicators are effective at determining trends in the quality of ADB’s completed operations and no change is needed.

## 3. Level 3: Operational Management

16. The 15 Level 3 RFIs were examined and remain relevant for measuring how well ADB selects, designs, finances, and implements operations that align with Strategy 2030 priorities. The methodologies used for RFIs measuring the readiness and quality of new operations are based on ADB’s latest quality control and monitoring assessments and systems. The indicators measuring strategic alignment of ADB’s newly committed operations and financing, six of which have targets stated explicitly in Strategy 2030,<sup>9</sup> remain relevant for assessing progress toward ADB’s ambitious Strategy 2030 goals and are sufficiently realistic based on ADB’s latest indicative pipeline of operations for 2022–2024. After confirming these findings, two types of RFI were examined in greater detail. Those focused on strategic alignment for climate action were reviewed in the context of ADB’s newly announced commitments (para. 17), while those with “monitor” targets were revisited in line with an explicit commitment in the 2019 CRF paper to reexamine them during the midterm review (paras. 18–22).

17. **Strategic Alignment for Climate Action.** ADB is pursuing a wide range of actions to support DMCs to take ambitious climate action and establish an even larger climate finance pipeline. For the purposes of this review, the midterm target of \$35 billion will be retained, as the growth of the climate finance portfolio will not be linear and will provide space for DMCs to focus on coping with the COVID-19 crisis. The recently announced ambition to deliver \$100 billion by 2030 will be reflected in the 2025–2030 CRF. In July 2021, ADB announced that it will achieve full alignment of its sovereign operations with the Paris Agreement principles agreed by the major multilateral development banks by 1 July 2023.<sup>10</sup> For its nonsovereign operations, ADB will

<sup>8</sup> RFIs in Level 1 are referred to as “regional progress indicators” to emphasize their distinct purpose of monitoring long-term development progress in the region resulting from collective development efforts. They do not assess ADB’s contribution to regional development progress.

<sup>9</sup> These indicators measure the focus of ADB’s operations on gender equality, climate change mitigation and adaptation, and increased private sector operations and cofinancing.

<sup>10</sup> African Development Bank, ADB, Asian Infrastructure Investment Bank, European Bank for Reconstruction and Development, European Investment Bank, Inter-American Development Bank, IDB Invest, Islamic Development Bank, New Development Bank, and World Bank Group. 2018. [The MDBs’ Alignment Approach to the Objectives of the Paris Agreement: Working Together to Catalyse Low-emissions and Climate-Resilient Development](#)

achieve 85% alignment by 1 July 2023 and full alignment by 1 July 2025.<sup>11</sup> Paris Alignment of ADB's portfolio will further foster and incentivize the necessary focus on climate change as an integral part of ADB's mission and objectives. In addition to the existing tracking indicators monitoring financing for mitigation and adaptation, ADB will add a tracking indicator to monitor progress toward achieving the Paris alignment commitment.<sup>12</sup> These measures may take time to have traction, but aim to deliver much greater volumes of climate finance during 2025–2030.

18. **Retention of “Monitor” Targets.** The CRF, 2019–2024 uses the "monitor" target type when a performance area is important enough to be included as an RFI but setting a numeric target is not possible because of the lack of sufficient data. Performance improvement or deterioration is monitored to inform necessary actions and lessons learned with this target type. Three Level 3 RFIs with “monitor” targets were assessed to determine whether a numeric target could or should be set. The recommendation is to retain the current target in all three cases for the duration of the CRF, 2019–2024.

19. The RFI, *Performance of operations at implementation rated satisfactory (%) (sovereign)* reports the share of ongoing sovereign operations rated *on track* based on the project performance rating of ADB's Procurement, Portfolio and Financial Management Department. It was assigned a target of “monitor” because improvements to the rigor of the underlying rating system were under discussion and historical baseline data to set a corporate target were not available. This indicator's nonsovereign counterpart, *Operations at risk of not achieving development results (%) (nonsovereign)*, was assigned a “monitor” target for the same reason. The RFI reports the share of nonsovereign operations under implementation that ADB's Private Sector Operations Department assessed as being *at risk* of not achieving development results.

20. The results of both indicators have been heavily affected by the COVID-19 crisis, so performance reported in 2020 may not be a sufficiently accurate reflection of ADB's performance to usefully inform a relevant target. It is also important to recognize that these two RFIs are most useful for flagging risks to Management by reporting issues early to prompt corrective actions. A lesson learned during 2020–2021 is that these two RFIs serve their purpose when they have a “monitor” target rather than a numeric target. Management's experience under the previous CRF was that setting a quantitative target can create undue pressure for projects to be rated *on track*, rather than candidly flagging concerns upfront and resolving issues thoroughly and appropriately with the client.

21. A good practice and guiding principle of the midterm review is that useful targets incentivize behavior that helps achieve Strategy 2030 (para. 6). There are already incentives across ADB to ensure projects are successfully completed, which in turn incentivizes effective project supervision. Consequently, the review recommends retaining “monitor” targets for these two indicators. This will ensure the indicators continue to create the right incentives and are most useful to Management. Their status as RFIs clearly communicates that the health of the active portfolio is a priority and provides a platform to communicate and discuss changes in portfolio performance with the Board and other key stakeholders. In addition, ADB's Annual Portfolio Performance Report, which is presented to the Board jointly with the DEfR, provides a strategic overview and detailed analysis of portfolio performance and recommendations for improvement.

---

<sup>11</sup> The announcement was made in President Asakawa's July 2021 vision statement: A Path to Prosperity for All: Meeting Regional Challenges with Global Innovation and Country-Based Solutions.

<sup>12</sup> Tracking indicators are Management-approved indicators used to supplement the reporting of RFIs. The new tracking indicator, *Operations aligned with Paris Agreement (%)*, tracks operations aligned with the mitigation and/or adaptation building blocks of the MDBs Alignment Approach to the Objectives of the Paris Agreement.

22. The RFI, *Operations supporting poverty reduction and inclusiveness (%) (sovereign and nonsovereign)* measures the share of annual committed operations that contribute to this priority. The current approach identifies projects that target poverty and support key areas of focus such as social protection. ADB is making extensive improvements to its systems for poverty and social analysis in its projects.<sup>13</sup> These changes will result in an improved approach to identify projects that address poverty and inclusion and a more robust basis for assessing their effectiveness in doing so. ADB will revise the RFI as part of the next CRF once this exercise is completed. At this juncture, setting a numeric target would therefore be premature.<sup>14</sup>

#### 4. Level 4: Organizational Effectiveness

23. The eight Level 4 RFIs measure improvements in ADB's systems, processes, and capacity. Five of the eight RFIs were found to be fully relevant. Two Level 4 RFIs no longer serve their purpose to meaningfully track ADB's performance and require revision. The findings on the only Level 4 RFI with a "monitor" target are discussed in paras. 24–25. Section C provides a detailed discussion of the two RFIs for which revisions are proposed.

24. **Retention of "Monitor" Target.** ADB's approach to its field presence rests on the premise that proximity to the DMCs and skills that match their business needs are essential to increasing development impact. Recognizing that resident missions and field offices will continue to be the foundation for service delivery to public and private clients, Strategy 2030 calls for maintaining a strong country presence and enhancing technical capacity.

25. The RFI, *Budgeted international and national staff positions in field offices (% of total operations departments)*<sup>15</sup> assumes that more staff in field offices equates to a greater ability to engage in richer and more in-depth policy dialogue with the DMCs and to provide tailored solutions that better serve their needs. The recently completed Review of ADB's Resident Mission Operations asserts that resident missions will play a greater role in sector, knowledge, and private sector engagement, drawing from the early lessons from the COVID-19 pandemic response.<sup>16</sup> This proposed broader remit will require greater flexibility in allocation of ADB's workforce resources and relevant skills across resident missions and headquarters. Further revisions to this indicator, incorporating the recommendations from the resident mission review and including the possibility of setting a target, will await the conclusion of the Workforce Rebalancing Framework and the Organizational Review, which will have important implications for how ADB plans to further strengthen its field presence. Until then, ADB will continue to monitor performance in this area using the current indicator.

---

<sup>13</sup> These include the initial poverty and social assessment and summary poverty reduction and social strategy templates, and the handbook on poverty and social analysis.

<sup>14</sup> In 2022, ADB will pilot a revised framework for poverty tagging and a new methodology for identifying projects that target remaining poverty and the needs of the poorest and promote inclusion. In the meantime, data on project poverty targeting will be used to strengthen the application of this placeholder indicator.

<sup>15</sup> The indicator reports the number of assigned international and national staff positions in field offices and assigned outposted positions in the calendar year as a percentage of the total number of assigned international and national staff positions in ADB regional departments in the same period.

<sup>16</sup> ADB. 2020. [Review of ADB's Resident Mission Operations](#). Manila.

## C. Proposed Revisions to the Corporate Results Framework

### 1. Projects or Transactions with Sovereign–Nonsovereign Collaboration: Raise Target

26. **Context.** Strategy 2030 stresses a “One ADB” approach in which staff working on public and private sector operations collaborate closely in planning operations, jointly identifying constraints to development, processing projects, and developing integrated solutions.<sup>17</sup> To incentivize and measure this form of collaboration, the CRF, 2019–2024 introduced a Level 4 indicator to report the cumulative number of ADB projects and transactions developed through sovereign–nonsovereign collaboration.

27. **Performance measurement.** Since 2019, the DEfR has reported the cumulative number of significant and material collaborations involving ADB’s Office of Public–Private Partnership, Private Sector Operations Department, and regional departments. The initial 2024 target was set conservatively given the difficulty of predicting the level of interest in and performance of a new indicator. The cumulative 2024 target of 18 was surpassed in 2020. The 8 collaborations in 2019 and 14 in 2020 brought the total to 22.

28. **Recommendation.** Based on in-depth consultation with all relevant departments and considering the pipeline of ongoing collaborations and continued uncertainty related to COVID-19, the midterm review recommends raising the cumulative 2024 target to 60. This will incentivize operations departments to achieve an additional 38 collaborations by 2024. The higher target reflects ADB’s ambition for the remainder of the CRF period.

### 2. Staff Rating ADB as an Effective Knowledge and Learning Organization: Change Methodology and Set New Baseline and Target

29. **Context.** ADB introduced this indicator in 2019 to measure staff perceptions of ADB’s progress toward becoming an effective knowledge and learning organization, in line with Strategy 2030. The indicator methodology was based on an annual survey of staff perceptions on how effectively ADB is managing its knowledge work using the globally benchmarked Most Admired Knowledge Enterprise (MAKE) framework. The MAKE survey has been helpful for measuring ADB’s overall knowledge maturity and has been used in the CRF since 2004.

30. **Revised methodology and knowledge maturity model.** ADB’s Knowledge Management Action Plan (KMAP), approved in March 2021, is expected to upgrade ADB’s knowledge management systems and capacity and spearhead its transformation into a knowledge solutions bank.<sup>18</sup> To adequately measure and report on ADB’s performance against the ambition set out in KMAP and Strategy 2030, ADB proposes to replace the MAKE survey with a more rigorous methodology, the Knowledge Management Capability Assessment Tool (KMCAT) of the American Productivity and Quality Center. The KMCAT survey comprises 137 questions that provide the basis for a thorough evidence-based assessment of knowledge management practices at ADB. The survey results are mapped to the KMCAT knowledge management maturity model, which uses a 5-point scale to measure ADB’s knowledge management capacity, ranging

<sup>17</sup> One ADB collaboration is an interdepartmental collaboration on projects and/or transactions to encourage staff of ADB’s Office of Public–Private Partnership, Private Sector Operations Department, and regional departments to work together on a common project or transaction. At the corporate level, projects and transactions involving One ADB collaboration that are approved by the Board of Directors and the President are reported in the annual Development Effectiveness Review.

<sup>18</sup> ADB. 2021. [Asian Development Bank Knowledge Management Action Plan 2021–2025: Knowledge for a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific](#). Manila.

from immature, inconsistent knowledge management activities to disciplined approaches that enable better use of information aligned with the organization's strategic business goals. For reporting purposes, the point score is converted into a percentage to demonstrate ADB's level of knowledge management maturity.

31. **Advantages.** The advantages of the KMCAT include its more in-depth assessment methodology that aligns closely with the pillars of KMAP and can be used as a tool for benchmarking with industry comparators. The more rigorous assessment breaks down KMAP's outputs<sup>19</sup> into 12 knowledge management capability domains that are rated based on in-depth questions that will be put to knowledge management focal points bank-wide.<sup>20</sup> The findings can also inform ADB's initiative to achieve compliance with International Organization for Standardization certification 30401: 2018—Knowledge Management Systems.

32. **Recommendation.** Replace the MAKE survey methodology with the American Productivity and Quality Center KMCAT and set a new target value of 70% and a new baseline value of 51.6%.<sup>21</sup>

#### IV. RECOMMENDATION

33. The President recommends that the Board approve the changes to the Corporate Results Framework, 2019–2024 as described in paras. 26–32 of this paper.

---






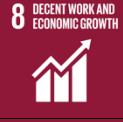














<sup>19</sup> KMAP envisages three outputs: (i) institutional culture for incentivizing, creating, and promoting knowledge solutions improved; (ii) processes and systems for knowledge creation and use enhanced; and (iii) ADB knowledge partnerships and relationships strengthened.

<sup>20</sup> Supplementary Appendix A contains details on the 12 knowledge management capability domains. Case studies are available at APQC website. 2019. [APQC's Levels of Knowledge Management Maturity](#).

<sup>21</sup> The original baseline value was 63% and the original 2024 target was 75%. Using the new methodology, ADB is rated at level 2 (2.58, or 51.6%) on the APQC's knowledge management maturity scale, which implies that ADB has localized and repeatable knowledge management practices. For ADB to move to level 3, such localized knowledge management practices should become more common processes and approaches. Reaching 70% maturity would require a score of 3.5 on the 5-point maturity scale.

## REVISED CORPORATE RESULTS FRAMEWORK, 2019–2024








Table A1.1: Development Progress in Asia and the Pacific (Level 1)

Regional Progress Indicators	Baseline Year	Baseline		ADB Operational Priority <sup>a</sup>	Primary SDG Alignment <sup>b</sup>
		ADB DMCs Overall	ADB Concessional Assistance Countries		
1. Population living on less than \$1.90 a day (% , number)	2015	6.96	8.29	 OP 1	
2. Growth rates of household expenditure or income per capita among the bottom 40% and the total population (percentage point difference)	2000–2017	(0.12)	0.13	 OP 1	
3. Annual growth rate of real GDP per capita in 2010 constant United States dollars (%)	2017	5.40	4.55	 OP 1	
4. Unemployment rate (%) a. Female b. Male	2018	4.03 4.40 4.01	3.86 5.47 3.32	 OP 2	
5. CO <sub>2</sub> emissions per unit of GDP (kg per \$ constant 2010 PPP GDP)	2014	1.09	0.77	 OP 3	
6. Deaths attributed to climate-related and geophysical hazards (number) <sup>c</sup>	2018	7,655	1,062	 OP 3	
7. PM <sub>2.5</sub> air pollution, mean annual exposure (micrograms per cubic meter)	2016	59.81	65.72	 OP 4	
8. Prevalence of stunting among children under 5 years (%)	2006–2016	28.93	37.05	 OP 5	
9. Worldwide Governance Indicators (average score)	2017	(0.320)	(0.344)	 OP 6	
10. Regional cooperation and integration index (average score) <sup>d</sup>	2010–2015	0.362	0.355	 OP 7	










( ) = negative, ADB = Asian Development Bank, CO<sub>2</sub> = carbon dioxide, DMC = developing member country, GDP = gross domestic product, kg = kilogram, OP = operational priority, PM<sub>2.5</sub> = atmospheric particulate matter with a diameter of less than 2.5 micrometers, PPP = purchasing power parity, SDG = Sustainable Development Goal.









- <sup>a</sup> Operational priorities: 1 = addressing remaining poverty and reducing inequalities; 2 = accelerating progress in gender equality; 3 = tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability; 4 = making cities more livable; 5 = promoting rural development and food security; 6 = strengthening governance and institutional capacity; and 7 = fostering regional cooperation and integration.
- <sup>b</sup> SDGs: 1 = no poverty; 2 = zero hunger; 8 = decent work and economic growth; 9 = industry, innovation, and infrastructure; 10 = reduced inequalities; 11 = sustainable cities and communities; 13 = climate action; 16 = peace, justice, and strong institutions; and 17 = partnerships for the goals.
- <sup>c</sup> Climate-related hazards refer to climatological, hydrological, and meteorological hazards.
- <sup>d</sup> A modified version of the regional cooperation and integration index score focused on the five pillars for which there is adequate data for ADB DMCs has been developed as an ADB corporate regional progress indicator.
- Source: ADB (Strategy, Policy and Partnerships Department).

**Table A1.2: Results from Completed Operations—Strategy 2030 Operational Priority Results (Level 2A)**

Results Framework Indicator	ADB Operations Overall			Operations Financed by Concessional OCR Loans and ADF Grants			SDG Alignment <sup>b</sup>
	No. of PCRs/XARRs/TCRs	Results Achieved	Achievement Rate (%)	No. of PCRs/XARRs/TCRs	Results Achieved	Achievement Rate (%) <sup>a</sup>	
<b>OP1: Addressing remaining poverty and reducing inequalities</b>							
1. People benefiting from improved health services, education services, or social protection (number)	...	...	...	...	...	...	  
2. Jobs generated (number) <sup>c</sup>	...	...	...	...	...	...	
3. Poor and vulnerable people with improved standards of living (number)	...	...	...	...	...	...	
<b>OP2: Accelerating progress in gender equality</b>							
4. Skilled jobs for women generated (number)	...	...	...	...	...	...	
5. Women and girls completing secondary and tertiary education and/or other training (number)	...	...	...	...	...	...	



Results Framework Indicator	ADB Operations Overall			Operations Financed by Concessional OCR Loans and ADF Grants			SDG Alignment <sup>b</sup>
	No. of PCRs/XARRs/TCRs	Results Achieved	Achievement Rate (%)	No. of PCRs/XARRs/TCRs	Results Achieved	Achievement Rate (%) <sup>a</sup>	
6. Women represented in decision-making structures and processes (number)	...	...	...	...	...	...	
7. Women and girls with increased time savings (number)	...	...	...	...	...	...	
8. Women and girls with increased resilience to climate change, disasters, and other external shocks (number)	...	...	...	...	...	...	
<b>OP3: Tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability</b>							
9. Total annual greenhouse gas emissions reduction (tCO <sub>2</sub> e/year) <sup>c</sup>	...	...	...	...	...	...	
10. People with strengthened climate and disaster resilience (number)	...	...	...	...	...	...	
11. People benefiting from strengthened environmental sustainability (number)	...	...	...	...	...	...	
<b>OP4: Making cities more livable</b>							
12. People benefiting from improved services in urban areas (number)	...	...	...	...	...	...	
13. Entities with improved urban planning and financial sustainability (number)	...	...	...	...	...	...	
14. Zones with improved urban environment, climate resilience, and disaster risk	...	...	...	...	...	...	

Results Framework Indicator	ADB Operations Overall			Operations Financed by Concessional OCR Loans and ADF Grants			SDG Alignment <sup>b</sup>
	No. of PCRs/XARRs/TCRs	Results Achieved	Achievement Rate (%)	No. of PCRs/XARRs/TCRs	Results Achieved	Achievement Rate (%) <sup>a</sup>	
management (number)							
<b>OP5: Promoting rural development and food security</b>							
15. People benefiting from increased rural investment (number)	...	...	...	...	...	...	
16. Farmers with improved market access (number)	...	...	...	...	...	...	
17. Land with higher productivity (hectares)	...	...	...	...	...	...	
<b>OP6: Strengthening governance and institutional capacity</b>							
18. Entities with improved management functions and financial stability (number)	...	...	...	...	...	...	
19. Entities with improved service delivery (number)	...	...	...	...	...	...	
<b>OP7: Fostering regional cooperation and integration</b>							
20. Cargo transported and energy transmitted across borders (\$)	...	...	...	...	...	...	
21. Trade and investment facilitated (\$)	...	...	...	...	...	...	
22. Regional public goods initiatives successfully reducing cross-border environmental or health risks, or providing regional access to education services (number)	...	...	...	...	...	...	


... = data omitted for simplicity, ADB = Asian Development Bank, ADF = Asian Development Fund, No. = number, OCR = ordinary capital resources, OP = operational priority, PCR = project completion report or program completion report, SDG = Sustainable Development Goal, tCO<sub>2</sub>e/year = tons of carbon dioxide equivalent per year, TCR = technical assistance completion report, XARR = extended annual review report.

Notes:

1. Data have been omitted to simplify the table and highlight the structure of Level 2A.
2. Reporting of Level 2A results started in 2019. There is no baseline year for Level 2A indicators because they compare actual achieved results with the expected results in the same year. An annual achievement rate of 80% is used as a benchmark for satisfactory performance. The Development Effectiveness Review reports annual performance against each indicator for sovereign and nonsovereign operations.
  - a “Achievement rate” is the total “results achieved,” as specified in PCRs, XARRS, and TCRs, as a percentage of the aggregate planned outputs and outcomes reported in the reports and recommendations of the President for the same operations.
  - b SDGs: 1 = no poverty; 2 = zero hunger; 3 = good health and well-being; 4 = quality education; 5 = gender equality; 8 = decent work and economic growth; 11 = sustainable cities and communities; 12 = responsible consumption and production; 13 = climate action; 16 = peace, justice, and strong institutions; and 17 = partnerships for the goals.
  - c Results framework indicator that is harmonized or for which at least three multilateral development banks and/or international finance institutions have a similar or equivalent indicator.

Source: ADB (Strategy, Policy and Partnerships Department).

**Table A1.3: Results from Completed Operations—Quality of Completed Operations (Level 2B)**

Results Framework Indicator	Baseline Year <sup>a</sup>	ADB Operations Overall		Operations Financed by Concessional OCR Loans and ADF Grants		SDG Alignment
		Baseline Value	2024 Target	Baseline Value	2024 Target	
1. Completed operations rated <i>successful</i> (%) (sovereign) <sup>b</sup>	RY2016–RY2018	77	80	77	80	
2. Projects closed on time (%) (sovereign)	2016–2018	40	45	39	45	
3. Completed operations rated <i>successful</i> (%) (nonsovereign) <sup>b</sup>	RY2016–RY2018	56	70			
4. Completed operations delivering intended gender equality results (%) (sovereign and nonsovereign)	RY2016–RY2018	75	80	76	80	
5. Clients satisfied with the use of ADB knowledge products (%) <sup>b</sup>	2018	78	80 <sup>⊙</sup>			









⊙ = periodic performance target, ADB = Asian Development Bank, ADF = Asian Development Fund, OCR = ordinary capital resources, RY = reporting year, SDG = Sustainable Development Goal, SDG 5 = gender equality.

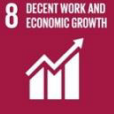

Notes:

1. Shading in cells indicates that the column head does not apply.
2. RY is used instead of the calendar year to allow the Independent Evaluation Department an additional 6 months to prepare validation reports on project or program completion reports and extended annual review reports.
3. Baseline values cover 3-year periods, e.g., RY2016–RY2018 refers to 1 July 2015–30 June 2018.
  - a RY will cover 1 July–30 June and will be based on the circulation year of the documents reviewed.
  - b Results framework indicator that is harmonized or for which at least three multilateral development banks and/or international finance institutions have a similar or equivalent indicator.

Source: ADB (Strategy, Policy and Partnerships Department).

Table A1.4: ADB's Operational Management (Level 3)

Results Framework Indicator	Baseline Year	ADB Operations Overall		Operations Financed by Concessional OCR Loans and ADF Grants		SDG Alignment <sup>a</sup>
		Baseline Value	2024 Target	Baseline Value	2024 Target	
<b>3A. Design and Implementation Quality</b> (high-quality operations prepared and satisfactorily implemented)						
1. Infrastructure projects that are design-ready (%) (sovereign)	2018	80.0	Maintain ⊖	76.5	Monitor	
2. Infrastructure projects that are procurement-ready (%) (sovereign)	2018	46	60	37	Monitor	
3. Performance of operations at implementation rated <i>satisfactory</i> (%) (sovereign) <sup>b</sup>	2020	64	Monitor	64	Monitor	
4. Operations at risk of not achieving development results (%) (nonsovereign)	2020	32	Monitor			
<b>3B. Development Finance</b> (development finance mobilized and transferred)						
5. Disbursement rate (%) (sovereign)	2018		90⊖			
6. Cofinancing ratio (%) (nonsovereign)	2018	120	200			
7. Financing for education (%) (sovereign and nonsovereign)	2016–2018	5.43	6–10			
8. Financing for health (%) (sovereign and nonsovereign)	2016–2018	1.75	3–5			
<b>3C. Strategic Alignment</b> (Strategy 2030 priorities promoted)						
9. Committed operations classified <i>gender equity theme</i> or <i>effective gender mainstreaming</i> (%) (sovereign and nonsovereign) <sup>b</sup>	2016–2018	47	50	62	Monitor	
10. Committed operations classified <i>gender equity theme, effective gender mainstreaming, or some gender elements</i> (%) (sovereign and nonsovereign) <sup>b, c</sup>	2016–2018	70	71	82	Monitor	
11. Committed operations that support climate change mitigation and/or adaptation (%) (sovereign and nonsovereign) <sup>b</sup>	2016–2018	56	65	54	Monitor	
12. Financing for climate change mitigation and/or adaptation (\$ billion, cumulative) (sovereign and nonsovereign) <sup>b</sup>	2016–2018	0	35			
13. Nonsovereign operations as a share of total ADB operations (% , number) (nonsovereign) <sup>d</sup>	2018	19.3	33.0			

Results Framework Indicator	Baseline Year	ADB Operations Overall		Operations Financed by Concessional OCR Loans and ADF Grants		SDG Alignment <sup>a</sup>
		Baseline Value	2024 Target	Baseline Value	2024 Target	
14. Operations in frontier economies and/or in new sectors (%) (nonsovereign) <sup>e</sup>	2016–2018	48	55			
15. Operations supporting poverty reduction and inclusiveness (%) (sovereign and nonsovereign)	2016–2018	70	Monitor			

⊙ = periodic performance target, ADB = Asian Development Bank, ADF = Asian Development Fund, OCR = ordinary capital resources, SDG = Sustainable Development Goal.

Notes:

1. Shading in cells indicates that the column head does not apply.

<sup>a</sup> SDGs: 1 = no poverty; 3 = good health and well-being; 4 = quality education; 5 = gender equality; 8 = decent work and economic growth; 9 = industry, innovation, and infrastructure; 13 = climate action; and 17 = partnerships for the goals.

<sup>b</sup> Results framework indicator that is harmonized or for which at least three multilateral development banks and/or international finance institutions have a similar or equivalent indicator.

<sup>c</sup> The performance of this indicator is conditional on the performance of results framework indicator 3C.9. If 3C.9 is rated *on track but watch* or *off track*, 3C.10 will take the same rating. If 3C.9 is rated *on track*, 3C.10 will be rated independently.

<sup>d</sup> In this indicator, nonsovereign operations is synonymous with private sector operations, as per Strategy 2030, para. 69 (ADB. 2018. *Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific*. Manila).

Source: ADB (Strategy, Policy and Partnerships Department).

**Table A1.5: ADB's Organizational Effectiveness (Level 4)**

Results Framework Indicator	Baseline Year	ADB Operations Overall		Operations Financed by Concessional OCR Loans and ADF Grants		
		Baseline Value	2024 Target	Baseline Value	2024 Target	
<b>4A. Organizational Systems and Processes</b> (organizational systems and processes improved)						
1. Quality of budget management (%)	2018	5.5	5.0 <sup>⊙</sup>			
2. Procurement contract transactions of \$10 million or more with processing time of 40 days or less (%) (sovereign)	2017–2018	67	80	60	80	
3. Representation of women in the international staff category (%) <sup>a</sup>	2018	36.3	40.0			
4. Projects or transactions with sovereign–nonsovereign collaboration (number, cumulative) (sovereign and nonsovereign)	2016–2018	2	60 <sup>b</sup>			
<b>4B. Organizational Capacity</b> (organizational capacity increased)						
5. Staff rating ADB's effectiveness in digital transformation (%)	2018	68	75			
6. Staff rating ADB as providing enabling culture for Strategy 2030 implementation (%)	2018	58	70			
7. Budgeted international and national staff positions in field offices (% of total operations departments)	2018	48	Monitor			

Results Framework Indicator	Baseline Year	ADB Operations Overall		Operations Financed by Concessional OCR Loans and ADF Grants	
		Baseline Value	2024 Target	Baseline Value	2024 Target
8. Staff rating ADB as an effective knowledge and learning organization (%)	2021	51.6	70.0		

⊙ = periodic performance target, ADB = Asian Development Bank, ADF = Asian Development Fund, OCR = ordinary capital resources.

Notes:

1. Red text denotes updates introduced by the midterm review.

2. Shading in cells indicates that the column head does not apply.

<sup>a</sup> Results framework indicator that is harmonized or for which at least three multilateral development banks and/or international finance institutions have a similar or equivalent indicator.

<sup>b</sup> This replaces the original 2024 target of 18 transactions.

Source: ADB (Strategy, Policy and Partnerships Department).

## ADB'S CORPORATE RESULTS FRAMEWORK

### A. Background

1. **An iterative process.** In 2008, the Asian Development Bank (ADB) became the first multilateral development bank (MDB) to adopt a corporate results framework (CRF) to mainstream results management across its operations. Since then, it has approved four CRFs.<sup>1</sup> The first three CRFs were aligned with ADB's Strategy 2020 and its midterm review.<sup>2</sup> The current CRF, approved in September 2019, is aligned with Strategy 2030.<sup>3</sup> Each iteration reflects the latest best practices in results management, changes in the region's development context, and the evolution of ADB's strategic approach.

2. **Function and use.** Annual performance is summarized in an institutional scorecard that is published each year in the Development Effectiveness Review (DEfR). The publication is Management's flagship report on ADB's performance in achieving the priorities of its corporate strategy using indicators in the CRF as the yardstick. Focusing on operations financed by ADB, it assesses ADB's development effectiveness, highlights actions ADB has taken to improve, and identifies areas where ADB's performance needs to be strengthened.

3. CRF indicators are cascaded down into sector and thematic plans, country partnership strategies, and the design and monitoring frameworks of ADB operations. In addition to sustaining the strategic focus of ADB's investments, this cascading process facilitates the roll-up and reporting of results achieved across the institution.

4. **Complementarity with other annual reports.** The DEfR complements two other annual corporate performance reports: the Annual Evaluation Review and the Annual Portfolio Performance Report. All three reports share the common goals of learning and accountability to ADB shareholders and other stakeholders. The CRF has been a core part of ADB's corporate results management system since 2011 when it was cascaded and integrated into the corporate management cycle. ADB continually refines its use of the CRF so that it best serves its three important functions: communicating clear priorities and sustaining strategic focus, initiating and incentivizing change, and reporting to shareholders.

### B. Structure and Content

5. The CRF, 2019–2024 and its midterm review are structured in two sections containing 60 RFIs arranged across four levels. Section 1, which comprises Level 1, tracks development progress in Asia and the Pacific using 10 RFIs. These are referred to as "regional progress indicators" (RPIs) to emphasize their distinct purpose of monitoring long-term development progress in the region resulting from collective development efforts, including those of governments, the private sector, civil society organizations, and development partners. They do not assess ADB's contribution to regional development progress. Section II, which comprises Levels 2–4, measures ADB's development effectiveness. The RFIs (and RPIs) are complemented and reinforced by 156 Management-approved tracking indicators that are supplementary to, and

<sup>1</sup> ADB. 2008. [ADB Results Framework](#). Manila; ADB. 2012. [Review of the ADB Results Framework](#). Manila; ADB. 2014. [ADB's Results Framework: Interim Update to Align with the Midterm Review of Strategy 2020](#). Manila; and ADB. 2019. [ADB Corporate Results Framework, 2019–2024](#). Manila.

<sup>2</sup> ADB. 2008. [Strategy 2020: The Long-Term Strategic Framework of the Asian Development Bank, 2008–2020](#). Manila; and ADB. 2014. [Midterm Review of Strategy 2020: Meeting the Challenges of a Transforming Asia and Pacific](#). Manila.

<sup>3</sup> ADB. 2018. [Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific](#). Manila.

not formally part of, the CRF.<sup>4</sup> The CRF also reports on progress in the subset of concessional assistance countries at Level 1 and the results of the operations funded by concessional ordinary capital resources loans and Asian Development Fund (ADF) grants at Levels 2–4.<sup>5</sup>

6. **Level 1: Regional progress.** The 10 RPIs and 23 tracking indicators at this level capture ADB developing member countries' cumulative long-term development progress in thematic areas such as poverty, human development, and the environment. These indicators are officially agreed Sustainable Development Goal (SDG) indicators or are aligned with official SDG indicators. They relate closely to the Strategy 2030 operational priorities and cover all 17 SDGs.

7. **Level 2: Results from ADB's completed operations.** Level 2 has two clusters of indicators: (i) Level 2A, containing 22 RFIs and 77 tracking indicators that measure ADB's achievement of results in Strategy 2030's seven operational priority areas; and (ii) Level 2B, with 5 RFIs and 10 tracking indicators that measure performance in successfully completing sovereign and nonsovereign operations. Strategy 2030's emphasis on thematic operational priorities has fostered a strong focus on outcome orientation. Among the refinements ushered in by the CRF, 2019–2024 was the introduction of intermediate outcomes as RFIs and immediate outcomes as tracking indicators. Operations departments have received support to integrate and report against these metrics in their projects, and the 2019 and 2020 DEfRs successfully captured and showcased the results of these efforts.

8. **Levels 3 and 4.** Level 3—ADB's operational management—measures ADB's performance in selecting, designing, financing, and implementing operations, guided by Strategy 2030 priorities. The 15 RFIs are complemented by 27 tracking indicators. Level 4—ADB's organizational effectiveness—contains 8 RFIs and 19 tracking indicators that examine ADB's performance in managing its organizational systems, processes, and capacity to support its operations.

### C. Other Notable Features of the Corporate Result Framework, 2019–2024

9. **Full integration of the Sustainable Development Goals.** The SDGs have been fully integrated into CRF Levels 1–3. ADB has pioneered new approaches to relate the results at Levels 1–3 of the CRF to the SDGs, including through the direct use of SDG indicators, indicators derived from or aligned with SDG indicators, and proxies for SDG indicators. This approach has proved adaptable and effective and has established a good practice for SDG-aligned results management in the wider development finance community.

10. **Convergence with results management approaches of peers.** ADB's approaches to results management reflect the best practices of other MDBs and international finance institutions, as well as peer learning through the MDB Working Group on Managing for Development Results.

---

<sup>4</sup> Tracking indicators include (i) informative indicators for which target setting is currently not useful; (ii) disaggregated data, where RFIs are broken down, e.g., by sex or into rural and urban; (iii) sub-indicators, e.g., the constituent parts of success ratings; (iv) provisional indicators that lack robust data, definitions, or a corporate target but could transition to RFIs, e.g., *Innovative operations and technical assistance projects (%) (sovereign and nonsovereign)*; and (v) legacy indicators that have been retired from the CRF but continue to be tracked for data continuity purposes; e.g., such as *Disbursement ratio (%) (sovereign)*. Two tracking indicators have been deleted from the framework since 2019 because they did not provide useful information. The Level 2B tracking indicator, *Operations completed on budget (%) (sovereign)* was deleted because almost all projects are completed on budget. The Level 4 indicator, *Staff Engagement (Index)* will be replaced with a more meaningful indicator to measure the Cultural Transformation Initiative.

<sup>5</sup> To reduce data volatility because of changing developing member country eligibility to receive ADF grants, the country composition is based on ADF grant eligibility in 2018 for the duration of the CRF, 2019–2024.



To support the development of the CRF, 2019–2024, ADB undertook a benchmarking process of peer MDB results frameworks.<sup>6</sup> This process was repeated to inform this midterm review. Of the 60 RFIs used in ADB’s CRF, 11 are comparable with or equivalent to indicators used by three or more other MDB or international finance institutions.<sup>7</sup>

---

<sup>6</sup> ADB. 2019. [ADB Corporate Results Framework, 2019–2024](#). Manila. Appendix 4.

<sup>7</sup> ADB values innovation and recognizes that the CRF is primarily a tool to manage strategies and challenges that are specific to ADB. Each MDB designs its approach to results management to reflect its institutional priorities and practices. There are often significant technical and methodological differences in how similar indicators are applied. MDB targets and results data therefore may not always be comparable.

## RATIONALE FOR INDICATORS

**Table A3.1: Development Progress in Asia and the Pacific (Level 1)**

Regional Progress Indicators <sup>a</sup> (10 indicators)	
Indicator	Rationale
1. Population living on less than \$1.90 a day (% , number)	RETAINED. This pivotal SDG headline indicator is closely related to ensuring inclusiveness and promoting prosperity. The indicator considers those living in extreme poverty beneath the international poverty line.
2. Growth rates of household expenditure or income per capita among the bottom 40% and the total population (percentage point difference)	RETAINED. This officially agreed SDG indicator on income inequality considers whether the incomes of the poorest 40% of the population are increasing faster than those of the total population, in order to identify whether inequality has a chance of decreasing.
3. Annual growth rate of real GDP per capita in 2010 constant United States dollars (%)	RETAINED. This official SDG 8 indicator captures one important dimension of regional prosperity and a high-level objective of ADB projects, which is to support sustained economic growth, along with other tracking indicators to ensure that development progress in the region considers the quality of growth and its links to inclusiveness, environmental sustainability, and resilience.
4. Unemployment rate (%) a. Female b. Male	RETAINED. This official SDG 8 indicator highlights one dimension of women's economic empowerment (or lack thereof), as well as wider prosperity.
5. CO <sub>2</sub> emissions per unit of GDP (kg per \$ constant 2010 PPP GDP)	RETAINED. This climate change mitigation and environmental sustainability SDG indicator captures the emissions efficiency of an economy. It will be complemented with additional data points on absolute and per capita greenhouse gas emissions in the region.
6. Deaths attributed to climate-related and geophysical hazards (number)	RETAINED. This indicator captures the losses incurred from natural hazards and is an official SDG 1 (Zero Poverty) and SDG 13 (Climate Action) indicator. These losses represent one indicator of resilience. Data on deaths resulting from such hazards are the most reliable.
7. PM2.5 air pollution, mean annual exposure (micrograms per cubic meter)	RETAINED. Air quality affects human health and is an indicator of environmental sustainability. This official SDG 11 (Sustainable Cities and Communities) indicator is symbolic of the quality of life in a city, providing one critical insight into the livability of the region's cities.
8. Prevalence of stunting among children under 5 years (%)	RETAINED. This SDG 2 (Zero Hunger) indicator captures the effects of malnutrition on child well-being and is a critical indicator of food security.
9. Worldwide Governance Indicators (average score)	RETAINED. Data on SDG 16 (Peace and Strong Institutions) indicators are very limited at present. This widely referenced World Bank-produced indicator uses multiple data sources to assess six dimensions of governance, with good ADB DMC coverage.
10. Regional cooperation and integration index (average score)	RETAINED. ADB's Economic Research and Regional Cooperation Department created an index capturing multiple dimensions of regional integration, including trade. The version used as the indicator in the corporate results framework has been modified to focus on the five pillars for which there is data coverage for two-thirds of ADB DMCs.

ADB = Asian Development Bank, CO<sub>2</sub> = carbon dioxide, DMC = developing member country, GDP = gross domestic product, PM2.5 = particulate matter less than 2.5 micrometers in diameter, PPP = purchasing power parity, SDG = Sustainable Development Goal.

<sup>a</sup> Level 1 indicators are referred to as "regional progress indicators," and since ADB reviews regional development progress against baselines, they remain under the umbrella of results framework indicators.

Source: ADB (Strategy, Policy and Partnerships Department).

**Table A3.2: Results from ADB’s Completed Operations—Strategy 2030 Operational Priority Results (Level 2)**

Results Framework Indicators (27 indicators)	
Indicator	Rationale
<b>Level 2A. Strategy 2030 Operational Priority Results (22)</b>	
<b>OP1: Addressing remaining poverty and reducing inequalities</b>	RETAINED. The thematic nature and outcome-focused approach of these indicators is broad enough to capture a significant portion of the current portfolio and the expected pipeline of projects, including projects mitigating effects of COVID-19. The indicators aggregate the results across all types of ADB projects. They relate to the pillars of the operational priority plans and measure intermediate outcomes, including the benefit of use or application of outputs or the effect of reforms.
Pillar 1: Human capital and social protection enhanced for all	
1.1 People benefiting from improved health services, education services, or social protection (number)	
Pillar 2: Quality jobs generated	
1.2 Jobs generated (number)	
Pillar 3: Opportunities for the most vulnerable increased	
1.3 Poor and vulnerable people with improved standards of living (number)	
<b>OP2: Accelerating progress in gender equality</b>	
Pillar 1: Women’s economic empowerment increased	
2.1 Skilled jobs for women generated (number)	
Pillar 2: Gender equality in human capital enhanced	
2.2 Women and girls completing secondary and tertiary education, and/or other training (number)	
Pillar 3: Women’s participation in decision-making and leadership enhanced	
2.3 Women represented in decision-making structures and processes (number)	
Pillar 4: Women’s time poverty and drudgery reduced	
2.4 Women and girls with increased time savings (number)	
Pillar 5: Women’s resilience to external shocks strengthened	
2.5 Women and girls with increased resilience to climate change, disasters, and other external shocks (number)	
<b>OP3: Tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability</b>	
Pillar 1: Mitigation of climate change increased	
3.1 Total annual greenhouse gas emissions reduction (tCO <sub>2</sub> e/year)	
Pillar 2: Climate and disaster resilience built	
3.2 People with strengthened climate and disaster resilience (number)	
Pillar 3: Environmental sustainability enhanced	
3.3 People benefiting from strengthened environmental sustainability (number)	
<b>OP4: Making cities more livable</b>	
Pillar 1: Coverage, quality, efficiency, and reliability of services in urban areas improved	
4.1 People benefiting from improved services in urban areas (number)	
Pillar 2: Urban planning and financial sustainability of cities strengthened	
4.2 Entities with improved urban planning and financial sustainability (number)	
4.3 Zones with improved urban environment, climate resilience, and disaster risk management (number)	
<b>OP5: Promoting rural development and food security</b>	

Results Framework Indicators (27 indicators)	
Indicator	Rationale
Pillar 1: Rural development enhanced	
5.1 People benefiting from increased rural investment (number)	
Pillar 2: Efficiency of agricultural value chains improved	
5.2 Farmers with improved market access (number)	
Pillar 3: Food security increased	
5.3 Land with higher productivity (hectares)	
<b>OP6: Strengthening governance and institutional capacity</b>	
Pillar 1: Improved public and corporate sector management functions and financial stability	
6.1 Entities with improved management functions and financial stability (number)	
Pillar 2: More effective, timely, corruption-free and citizen-centric delivery of services	
6.2 Entities with improved service delivery (number)	
<b>OP7: Fostering regional cooperation and integration</b>	
Pillar 1: Greater and higher quality connectivity between economies	
7.1 Cargo transported and energy transmitted across borders (\$)	
Pillar 2: Global and regional trade and investment opportunities expanded	
7.2 Trade and investment facilitated (\$)	
Pillar 3: Regional public goods increased and diversified	
7.3 Regional public goods initiatives successfully reducing cross-border environmental or health risks, or providing regional access to education services (number)	
<b>Level 2B. Quality of Completed Operations (5)</b>	
1. Completed operations rated <i>successful</i> (%) (sovereign)	RETAINED to report on the overall success rate of sovereign operations.
2. Projects closed on time (%) (sovereign)	RETAINED. This indicator enables analysis of success rating by providing data on the sovereign operations that were completed on time (within 1 year from financial closure).
3. Completed operations rated <i>successful</i> (%) (nonsovereign)	RETAINED to report on the overall success rate of nonsovereign operations.
4. Completed operations delivering intended gender equality results (%) (sovereign and nonsovereign)	RETAINED to report on operations that achieved intended gender equality results at outcome and output levels as reflected in the project completion report and extended annual review report.
5. Clients satisfied with the use of ADB knowledge products (%)	RETAINED to measure the use and application of ADB knowledge products by clients.

ADB = Asian Development Bank, OP = operational priority.  
Source: ADB (Strategy, Policy and Partnerships Department).

**Table A3.3: ADB's Operational Management (Level 3)**

<b>Results Framework Indicators (15 indicators)</b>	
<b>Indicator</b>	<b>Rationale</b>
1. Infrastructure projects that are design-ready (%) (sovereign)	RETAINED to highlight the importance of readiness as a measure of quality at entry and determinant of efficient implementation.
2. Infrastructure projects that are procurement-ready (%) (sovereign)	RETAINED to highlight the importance of readiness as a measure of quality at entry and determinant of efficient implementation.
3. Performance of operations at implementation rated <i>satisfactory</i> (%) (sovereign)	RETAINED. The project performance rating is composed of five sub-indicators: outputs, contract awards, disbursements, safeguards, and financial management.
4. Operations at risk of not achieving development results (%) (nonsovereign)	RETAINED to flag at an early stage any risk to achievement of development results in the design and monitoring framework. Proactive measures based on the data from this indicator are intended to improve the success rate at completion over time.
5. Disbursement rate (%) (sovereign)	RETAINED to measure performance of sovereign operations in meeting their established disbursement targets.
6. Cofinancing ratio (%) (nonsovereign)	RETAINED to measure the long-term nonsovereign cofinancing following the harmonized definition of the multilateral development banks as per the indicator and target from para. 82 and footnote 39 of Strategy 2030.
7. Financing for education (%) (sovereign and nonsovereign)	RETAINED to ensure continuity of tracking the relative of share of education support under operational priority 1 pillar 1.
8. Financing for health (%) (sovereign and nonsovereign)	RETAINED to ensure continuity of tracking the relative share of health support under operational priority 1 pillar 1.
9. Committed operations classified <i>gender equity theme or effective gender mainstreaming</i> (%) (sovereign and nonsovereign)	RETAINED to measure ADB's overall performance in promoting gender equality, as per the indicator and target from para. 41 of Strategy 2030.
10. Committed operations classified <i>gender equity theme, effective gender mainstreaming or some gender elements</i> (%) (sovereign and nonsovereign)	RETAINED to measure ADB's overall performance in promoting gender equality, as per the indicator and target from para. 41 of Strategy 2030.
11. Committed operations that support climate change mitigation and/or adaptation (%) (sovereign and nonsovereign)	RETAINED as per the indicator and target from para. 49 of Strategy 2030. This indicator is complemented by a tracking indicator to capture ADB's commitment to alignment with the Paris Agreement on Climate Change using the joint multilateral development bank framework.
12. Financing for climate change mitigation and/or adaptation (\$ billion, cumulative) (sovereign and nonsovereign)	RETAINED to measure ADB's performance on a cumulative basis, as per the indicator from para. 49 of Strategy 2030 and ADB's new climate financing target announced in 2021.
13. Nonsovereign operations as a share of total ADB operations (% , number) (nonsovereign)	RETAINED to measure the share of ADB's nonsovereign operations as per the indicator and target from para. 69 of Strategy 2030.
14. Operations in frontier economies and/or in new sectors (%) (nonsovereign)	RETAINED to measure the widening geographic coverage and diversification of ADB's nonsovereign operations.
15. Operations supporting poverty reduction and inclusiveness (%) (sovereign and nonsovereign)	RETAINED to track ADB operations that support poverty reduction and inclusiveness under operational priority 1. A revised approach reflecting broader institutional changes to poverty and social impact assessment in ADB projects will be developed and piloted.

ADB = Asian Development Bank.

Source: ADB (Strategy, Policy and Partnerships Department).

**Table A3.4: ADB's Organizational Effectiveness (Level 4)**

<b>Results Framework Indicators (8 indicators)</b>	
<b>Indicator</b>	<b>Rationale</b>
1. Quality of budget management (%)	RETAINED to measure the quality of budget management, the credibility of the budget, and the effective allocation of the budget.
2. Procurement contract transactions of \$10 million or more with processing time of 40 days or less (%) (sovereign)	RETAINED to report on processing time to approval of a bid evaluation report.
3. Representation of women in the international staff category (%)	RETAINED to track number of women international staff as a percentage of the total number of international staff as part of ADB's commitment to diversity in the workforce, including promoting gender balance.
4. Projects or transactions with sovereign–nonsovereign collaboration (number, cumulative) (sovereign and nonsovereign)	MODIFIED with a higher cumulative 2024 to measure the extent of nonsovereign–sovereign collaboration among regional departments, the Private Sector Operations Department, and the Office of Public–Private Partnership.
5. Staff rating ADB's effectiveness in digital transformation (%)	RETAINED to measure staff perspectives on the foundational elements for ADB's digital transformation. A new methodology is being discussed with the Information Technology Department; the Budget, People and Management Systems Department; and the Pandemic Crisis Management Team to measure digital transformation and enabling culture for Strategy 2030 incorporating the lessons to be collected from the Culture Transformation Initiative.
6. Staff rating ADB as providing enabling culture for Strategy 2030 implementation (%)	RETAINED to measure staff perceptions of the key elements of ADB's culture required to support Strategy 2030 implementation. A new methodology is being discussed with the Information Technology Department and the Budget, People and Management Systems Department to measure digital transformation and enabling culture for Strategy 2030, incorporating the lessons to be collected from the Culture Transformation Initiative.
7. Budgeted international and national staff positions in field offices (% of total operations departments)	RETAINED to track the number of regional department international and national staff positions in field offices and assigned outposted positions. Further revisions to this indicator are being discussed to incorporate the recommendations from the resident mission review, and lessons to be collected from Workforce Rebalancing Framework and the Organizational Review, including the possibility of setting a target.
8. Staff rating ADB as an effective knowledge and learning organization (%)	MODIFIED with a change in methodology to measure staff assessment of ADB's progress toward becoming an effective knowledge and learning organization and to better align with the pillars of the newly approved Knowledge Management Action Plan, 2021–2025.

ADB = Asian Development Bank.

Source: ADB (Strategy, Policy and Partnerships Department).