

**AFRICAN DEVELOPMENT BANK GROUP**



**DESIGN AND ASSISTANCE TO THE IMPLEMENTATION OF  
A «RESULTS-BASED MANAGEMENT AND EVALUATION  
SYSTEM OF DEVELOPMENT EFFECTIVENESS**

**OPERATIONS EVALUATION DEPARTMENT  
(OPEV)**

**04 November 2002**

## Design and Assistance to the Implementation of a «Results-Based Management and Evaluation System of Development Effectiveness»

### Terms of Reference for recruitment of a Consulting Firm

#### **1. Background**

- 1.1** Results-based management (RBM), also known as performance management, has been adopted by many governments and donor agencies to provide a coherent framework for learning and accountability in a decentralized environment. First a management system and second a performance reporting system, 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, shying away from inputs, and processes, to outputs, outcomes, and ultimate impacts.
- 1.2** Results-based management and measurement processes take place at three key organizational levels within the donor agencies. The first level, which has been established the longest and for which there is most experience, is at the project level. More recently, efforts have been underway in a number of the donor agencies to establish country level systems, usually implemented by their country offices or operating units. Moreover, establishing performance measurement and management systems at the third level -- the corporate or agency-wide level - - is now taking on urgent importance in many donor agencies as they face increasing public pressures and government-wide mandates requiring annual reporting on agency-wide performance and results.
- 1.3** Like other institutions, the African Development Bank, is now perceived to have a clear vision and a comprehensible and accountable corporate structure. The introduction of the new information system (Project Africa) provides the structure for a complete information system. The ongoing organizational restructuring will further strengthen the organization. The Operations Evaluation Department (OPEV), is now committed 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 focuses 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.
- 1.4** The shift in evaluation concentration from operational performance of projects to development effectiveness in the various sectors and countries seems that, from this new standpoint, the individual project evaluation approach (project by project) no longer has the same precedence. It is necessary to develop the 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 and effectiveness in the implementation of strategic objectives and to develop partnerships with its regional member countries as unit of analysis. Concerted efforts being made with development institutions to assist regional member countries in their development capacity had been so far encouraging as some of these countries had already adopted the results-based approach to combat poverty.
- 1.5** In 2000, OPEV submitted the working paper “Towards an Integrated System for Evaluation of Development Effectiveness” to the Board Committee of Operations and Development

Effectiveness (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.

- 1.6 The Workshop, held in 25-26 June 2001, came as a consequence of several processes focusing on the results-orientation in the Bank. 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.
- 1.7 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 country focus and to 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 monitoring and reporting tools are obvious.
- 1.8 Similarly the participants shared the view on ADB's main weaknesses to be the lack of means and expertise to implement RBM. The Bank has therefore to collaborate with other development partners, learn from their experience and utilize the services of consultants. Also, the need for strategic plans at various levels was acknowledged in order to translate the vision for RBM to actions. This also entails a demand 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.
- 1.9 The 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. Purpose and Scope of the Assignment**

- 2.1 The purpose of the assignment is to assist in the design and in the implementation of "an Integrated Results-Based Management and Evaluation System of Development Effectiveness" and to recommend a detailed implementation strategy of the system in the ADB.
- 2.2 This will include the following major phases:
  - a) Study visit to targeted development agencies such as CIDA, UNDP and the World Bank where RBM systems are functioning, in order to draw lessons to be learned by ADB;
  - b) Preparation of a detailed concept paper on « an integrated results-based management and evaluation system of development effectiveness». This will include proposals of a conceptual model and its supporting tools and strategic frameworks;

- c) Design of the integrated results based management with its interfaces with SAP system including the design of a Results-Oriented Information System with selected monitorable development indicators (global, sectoral, thematic, and by country) in the context of a corporate scorecard system and;
- d) Design of a detailed implementation strategy of the proposed integrated RBM and evaluation system of development effectiveness including a strategy of communication and dissemination of the system within the ADB Headquarters, Regional/National Offices and in the countries (Executing Agencies);
- e) Assistance to the implementation of the proposed systems by providing training courses and preparation of hand-outs and other training materials.

### **3. Major Tasks to be performed by the Consulting Firm**

The consulting firm is responsible for the overall study and the work of the experts provided. Detailed tasks to be performed under this assignment are the followings:

- a) Study visit to targeted development agencies such as CIDA, UNDP and the World Bank:
  - Review of available documentation on RBM systems in place in several development agencies (DAC countries, UNDP, WB and other MDBs);
  - Visit study and interview of staff on the actual use and practice of RBM in CIDA, UNDP and the WB;
  - Preparation of a visit report and lessons to be learned by the ADB.
- b) Preparation of a detailed concept paper on « an integrated results-based management and evaluation system of development effectiveness”:
  - Study of ADB context and diagnosis of RBM system’s requirements;
  - Review of available documentation and information systems in place (ADB mission statement, Vision, Project Africa, ADF lending policies, ADB annual reports, Annual Reports on Portfolio Performance, Annual Report on Evaluation Results, ...);
  - Focus groups’ interview (Staff, managers, Top Management and Executive Directors) and questionnaire on RBM and evaluation of development effectiveness systems’ requirements;
  - Country Visits to Ministries, Executing Agencies, Country Offices and Local Partners and Stakeholders;
  - Preparation of detailed concept paper and proposals of a conceptual model with supporting tools and strategic frameworks.
- c) Design of the integrated results based management with its interfaces with SAP system including the design of a Results-Oriented Information System with selected monitorable development indicators (global, sectoral, thematic, and by country) in the context of a corporate scorecard system:
  - Design of the integrated results based management with its interfaces with SAP, at the project level (performance monitoring and portfolio surveillance system), at the country level (strategy implementation and monitoring), and at the

corporate or Bank-wide level requiring annual reporting on Bank performance and results.

- Design of a Results-Oriented Information System in the context of a corporate balanced scorecard system for the Bank including the selection of monitorable development indicators (global, sectoral, thematic, and at the country level);
  - Presentation of the systems for Management approval.
- d) Design of a detailed implementation strategy of the proposed integrated RBM and evaluation system of development effectiveness (including change management strategy):
- Design of a strategy of communication and dissemination of the system within the ADB Headquarters, Regional/National Offices and in the countries (Executing Agencies);
  - Design of training sessions and familiarization of staff on the systems proposed;
  - Preparation of report on the detailed implementation strategy including the change management action plan and implementation costs and level of efforts required;
  - Presentation of the implementation strategy report for Management approval.
- e) Assistance to the implementation of the proposed systems:
- Preparation of hand-outs, procedures' manual and pamphlets etc.;
  - Assistance in training courses and familiarization of staff, managers and Board members on the systems;
  - Assistance to the assessment of systems' delivery and to the mid-course review.

#### **4. Reporting**

**4.1** The Consultant is requested to provide the following reports:

- a) A Study Report after the visit to targeted development agencies (CIDA, UNDP and the World Bank including and lessons to be learned by the ADB;
- b) A Detailed Concept Paper and proposals of a conceptual model with supporting tools and strategic frameworks to be approved by the Bank;
- c) A Report on the design of the integrated results based management with its interfaces with SAP, at the project level (performance monitoring and portfolio surveillance system), at the country level (strategy implementation and monitoring), and at the corporate or Bank-wide level requiring annual reporting on Bank performance and results;
- d) A Report on the design of a Results-Oriented Information System in the context of a corporate balanced scorecard system for the Bank including the selection of monitorable development indicators (global, sectoral, thematic, and at the country level);
- e) A Report on the detailed implementation strategy including the change management action plan and implementation costs and level of efforts required;
- f) Report on training course proceedings;
- g) End of Mission Report.

4.2 The consultant is also requested to provide power-point presentations, hand-outs, procedures manuals and training materials.

## 5. Estimated Duration of the Assignment

The assignment shall be conducted during a period of a maximum of 7 months including the time needed for Management approval of the various reports during the implementation of the Study. The consulting firm's work shall be implemented by phase according to the following schedule:

Phase	Title	Start date (M)	Completion date
A	Study visit and Report on Lessons Learned from other agencies	July 2002	August 2002
B	Preparation of a detailed concept paper	September 2002	January 2003
C	Design of the integrated results based management with its interfaces with SAP system	September 2002	February 2003
D	Design of a detailed implementation strategy	January 2003	March 2003
E	Assistance to the implementation and reporting on training sessions proceedings	February 2003	April 2003
F	End of Mission Reporting	April 2003	June 2003

## 6. Consultants Profile and Level of Efforts required

6.1 The consulting to be selected to conduct the proposed assignment should assign a team of at least three (3) highly qualified consultants, with experience on Results Based Management and Evaluation systems. The team shall consist of:

- RBM Specialist(s)
- Performance Management of Development Systems Specialist
- Management Information System or IT Specialist (with knowledge of SAP system).

**6.2** The proposed work plan and level of efforts are the following:

Phases/Activities	Level of Efforts (LOE) (person-months)			Time Schedule
	RBM Specialist	Performance Management of Development Systems Specialist	Management Information Systems Specialist	Start date Month M
Experts profile				
Study visit and Report on Lessons Learned from other agencies	0.75	0.75	0.75	M + 0.75
Preparation of a detailed concept paper: <ul style="list-style-type: none"> <li>• Review of available documentation</li> <li>• Focus Groups' Interviews</li> <li>• Country Visits</li> <li>• Detailed Concept Paper and proposals of a conceptual model</li> </ul>	1.75	1.25	1.25	M + 2.5
Design of the integrated results based management with its interfaces with SAP system: <ul style="list-style-type: none"> <li>• Performance monitoring and portfolio surveillance system),</li> <li>• Country Strategy implementation and monitoring</li> <li>• Annual reporting on Bank performance and results.</li> <li>• Results-Oriented Information System (corporate balanced scorecard system)</li> <li>• Presentation of the systems for Management approval</li> </ul>	1.5	1	1	M + 4.0
Design of a detailed implementation strategy: <ul style="list-style-type: none"> <li>• Strategy of communication and dissemination</li> <li>• Design of training sessions</li> <li>• Report on the detailed implementation strategy (incl. change management action plan)</li> <li>• Presentation of the implementation strategy for Management approval.</li> </ul>	1.0	0.75	0.75	M + 5.0
Assistance to the implementation <ul style="list-style-type: none"> <li>• Hand-outs, procedures' manual and pamphlets</li> <li>• Training courses</li> <li>• Assistance to the assessment of systems' delivery</li> <li>• Report on training sessions proceedings</li> </ul>	1.5	0.75	0.75	M + 6.5
End of Mission Report	0.5	-	-	M + 7.0
<b>Total LOE</b>	<b>7.0</b>	<b>4.5</b>	<b>4.5</b>	<b>16.0</b>

## **7. OBLIGATIONS**

### **a) Obligation of the Consulting Firm**

7.1 The selected consulting firm shall take all the necessary steps to ensure that the entrusted task is executed properly and on schedule in accordance with the established terms of reference. The selected firm shall:

- submit for the approval of ADB the list and CVs of the experts who will participate in the study, and maintain them for the duration of the study;
- undertake to perform the task in accordance with the terms of reference and according to internationally accepted standards;
- work under the supervision of the Working Group, in constant consultation with the Study Co-ordinator particularly to discuss matters relating to the study; and
- Maintain a complete list of sources of information used, and surrender all documents to the Bank at the end of the study.

### **b) Obligation of the ADB**

7.2 The ADB shall provide the consultant with suitable office space and shall provide the study team with available documents and reports needed to carry out the study. The Bank shall facilitate the study visits, contacts as well as access to information essential to the proper implementation of the study.