

Asian Development Fund (AsDF)

Multilateral Aid Review (MAR) Update 2013 progress rating:



MAR 2011: *Very Good Value for Money for UK Aid*

Progress assessment	
Summary	Reasonable progress made with respect to cross cutting issues of gender, climate change and strategic and performance management. Some progress made on results and cost and value consciousness.
Baseline	
<p>The Asian Development Fund (AsDF) is the part of the Asian Development Bank which lends at very low interest rates and provides grants to the less developed regional members of the Bank to promote inclusive and environmentally sustainable growth.</p> <p>The MAR highlighted several strengths:</p> <ul style="list-style-type: none"> • The AsDF plays a critical role in sustainable economic development across Asia. • There is a strong results focus and good integration of climate change into existing development work. • There is good financial management, and relatively low development costs for a development bank. <p>The MAR also highlighted several weaknesses:</p> <ul style="list-style-type: none"> • The AsDF has a good policy on gender equality but limited evidence of impact. • There is no evidence of emphasis on securing cost effectiveness in projects. • There is only partial progress in tackling weaknesses in HR policies and practices. <p>DFID's reform priorities for the MAR Update were:</p> <ul style="list-style-type: none"> • Address the needs of girls and women through the design and implementation of projects - assessed under <u>attention to cross-cutting issues (gender)</u>; • Tackle climate change, including leveraging private sector finance for projects in low income countries - assessed under <u>attention to cross cutting issues (climate change and environmental sustainability)</u>; • Greater focus on inclusive growth in country strategies and projects - assessed under <u>contribution to results</u>; • Effective decentralisation of staff (and devolution of decision making) to support policy dialogue with partner governments - assessed under <u>strategic and performance management</u>; • Support to partners to achieve value for money and striving to reduce administration costs - assessed under <u>cost and value consciousness</u>. 	
Summary of overall progress	
<p>The Bank has demonstrated progress on all criteria but some weaknesses remain at project level implementation and reporting. The new Results Framework has a stronger results focus including demonstrating evidence of inclusive growth, and a coherent strategy for private sector development, and improved business processes and reporting on portfolio performance. The new Results Framework includes value for money indicators, but more</p>	

substantial evidence on cost and value consciousness at project level is needed to warrant a higher score. Reasonable progress has been achieved in its human resource management, especially on decentralisation to country missions and improved capacity in developing countries. The Bank has also raised the gender profile across the programming and agreed more ambitious gender targets in its Results Framework, but it is too early to see changes in developing countries. However, there is more systematic evidence of an enhanced contribution to tackling climate change, including a substantial rise in private sector leveraging in climate change mitigation.

Progress against reform priorities

MAR reform component	MAR 2011 Score	Progress rating	MAR Update score, if any change
Attention to cross-cutting issues (gender) There is a stronger gender focus in the revised Results Framework and country strategies and improved gender monitoring.	2	 Reasonable progress	
Attention to cross-cutting issues (climate change) There is strengthened staff capacity on climate change, and increased private sector leveraging in climate change mitigation.	3	 Reasonable progress	
Contribution to results Revised Results Framework focuses more on inclusive growth and enabling private sector development. There is a stronger results focus at project, programme and country levels, but efforts to redress falling project performance have yet to bear fruit.	3	 Some progress	
Strategic and performance management There has been improved capacity at country level through further devolution and some progress in policy dialogue, but not yet demonstrated expected improvements in project performance. There is more transparency in recruitment of senior staff.	4	 Reasonable progress	
Cost and value consciousness There has been progress on business processes, including procurement capacity and reporting on portfolio performance but limited evidence of efficiency gains in programmes.	3	 Some progress	