

2 December 2019

Ms. Suzanne Steensen  
Head of MOPAN Secretariat

Dear Ms. Steensen,

**Subject: MOPAN 2017–2018 Assessments —ADB Institutional Assessment Report**

Thank you for sharing the findings of the 2017–2018 MOPAN assessment of the Asian Development Bank. We appreciate the findings highlighting our strong results culture and track-record of ongoing improvement. We value MOPAN's review as it provides external perspective on our performance, confirms our own findings, and reinforces follow-up actions in areas needing attention.

As captured in the review, we delivered a series of improvement initiatives during the final years of Strategy 2020, notably enhancing our lending capacity by merging our concessional lending with ordinary capital resource balance sheet. These and other ongoing initiatives as we implement our recently launched Strategy 2030, are designed to respond to our clients' evolving needs and lessons we've learned from ongoing self and independent reviews and evaluations. We'd like to highlight some initiatives underway in areas related to the MOPAN review findings.

The MOPAN assessment recognized how we regularly consult with our clients to ensure ADB remains responsive and relevant to the highly dynamic region we serve. ADB's Strategy 2030 endeavors to further improve the way we respond to our clients' growing demand for knowledge-intensive and innovative solutions. We are preparing a knowledge action plan which will be informed by the independent evaluation of our readiness to provide knowledge solutions. We have also established an ADB-wide innovation task force and have various initiatives underway to strengthen the monitoring, evaluation, and knowledge management systems that support evidence-based decision-making and designs. These include a corporate initiative to strengthen data governance, upgrading our web-based portfolio management system, developing a corporate evaluation policy, and ensuring tighter collaboration between knowledge departments and operations departments in the design of new solutions.

ADB's targets under Strategy 2020 for co-financing from the private sector and donors were highly ambitious. Though we didn't quite meet them, setting our sights high helped spur great efforts across our organization, and we ultimately made significant progress. Under Strategy 2030, we've committed to continued ambition for catalyzing and leveraging financing by targeting to secure increased long-term commercial cofinancing. We view it as important to set ambitious targets for key priorities areas.

As noted in MOPAN's report, ADB has been a pioneer among multilateral development banks in promoting gender mainstreaming. Strategy 2030 and our recently approved Operational Priority Plan on Accelerating Progress in Gender Equality further raise the bar. Here ADB has fully committed to more ambitious targets for delivery of both sovereign and nonsovereign projects either dedicated specifically to gender equality or which fully mainstream gender equality into their design. Our Operational Priority Plan also addresses MOPAN's finding of the need to ensure sufficient human and financial resources are in place to deliver these targets.

**ASIAN DEVELOPMENT BANK**

6 ADB Avenue, Mandaluyong City  
1550 Metro Manila, Philippines  
Tel +63 2 8632 4444  
Fax +63 2 8636 2444  
[www.adb.org](http://www.adb.org)

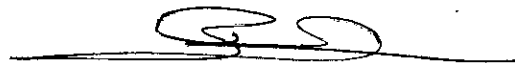
More efficient and timely delivery of sustainable development outcomes is an ongoing pursuit for ADB. Towards this end, in 2018 we introduced two new lending modalities, project readiness financing and the small expenditure financing facility, to better ensure projects are implementation-ready before approval and to sustain their results. Ongoing decentralization of business processes, implementation of a new procurement framework, and more frequently preparing detailed designs before project approval are driving the continuous improvement recorded in our procurement timeliness and project readiness, both key enablers of efficient project delivery. Noteworthy initiatives underway to improve sustainability include policy-based lending and results-based lending programs that address the systemic and institutional barriers to sustainability, and more explicitly detailing planned sustainability measures in project design documents.

We understand that MOPAN is reviewing the 3.0 Methodology. We would like to suggest that MOPAN consider the following issues in the review:

- (i) **Approach.** Adopt a higher-level approach that further relies on existing corporate assessments and reviews to lower the level of effort required for MOPAN and organizations under review. Since MOPAN's inception, ADB like other MDBs, has developed robust self and independent review and evaluation systems and processes. These already communicate performance on the bulk of MOPAN indicators to ADB's key stakeholders.
- (ii) **Methodology.** Focus on performance areas and indicators of greatest relevance to the specific organization under review. It is challenging to set indicators and targets relevant for the range of organizations MOPAN assesses. A more flexible methodology could be adopted to focus on indicators most relevant to each organization's mission, mandate, and corporate strategy. For example, under its new long-term strategy ADB pursues more and different cross-cutting issues than those covered by the 3.0 Methodology. MOPAN may also consider basing the review's scope on performance in past MOPAN assessments, by forgoing assessment on indicators for which the organization received a top rating in the past assessment cycle.

The above suggestions could free-up time and resources to focus the review on topics of greater relevance and interest to MOPAN's members and the organizations being assessed, including helping them learn from each other.

Sincerely,



Tomoyuki Kimura  
Director General  
Strategy, Policy and Partnerships  
Department

cc: Katie Vanhala, Technical Advisor, MOPAN