Institutional Capacity
The Journey Continues

Nkosana Moyo, VP/COO
Key Messages

- Our institutional reform agenda: the vehicle for ‘managing’ and being held ‘accountable’ for results.

- Senior Management is championing the implementation, monitoring and continuous fine-tuning of the reforms.

- We have made solid achievements; but there are also areas that require further strengthening.

- ADF 12 will focus on consolidation: HR & IT systems, decentralization, procurement reforms among others.
Reforms continue to positively impact on the Fund’s effectiveness

Disbursement rates are up........
What have we achieved?

**Business Process Reforms**

1. Time from approval to first disbursement reduced by 50% since 2006.

2. 61% of Operations supervised twice a year (vs. 50% target in 2009).

3. 92% of PCR’s completed in a timely manner (vs. 45% target in 2009).

4. Increased efforts to monitor portfolio performance.

5. Total PL staff in Field Offices increased to 17% (from 5% in 2006).
What have we achieved?

- **Human Resource Management**
  1. 344 new Staff in post between January 2009 and April 2010.
  2. Vacancy rates declined from 17% to 12%.

- **Budget Reforms**
  1. UA Budgeting system launched in January 2010.
Challenges

- Balancing deepening of reforms with ongoing operations.
- Procurement times need to be shortened (currently at 63 weeks and target is 40 weeks).
- Vacancy rates improving but remain high.
- Revamping of IT architecture slow.
- Improve the number of joint supervision missions and use of country systems.
Human Resources

- Staff numbers ramped up but recruitment period remains lengthy.
  - Additional Resources to recruitment function (5 staff & consultants).
  - Decentralization of recruitment processes across the Bank.
  - Revised KPI on reducing time taken to fill a vacancy.
  - Enhanced use of ICT tools (e-Recruitment).

- Staff Premature Attrition rates are high.
  - Implementation of Career Development Framework to improve retention.

- Bank policies, culture are still catching up and institutional change takes time.

- HR Reforms underway to make ADB *Employer of Choice*. 
Decentralization (Status Update)

- Bank presence is expanding: 25 operational offices.

- Countries with FO’s are good performers:
  1. Rate of disbursements at 28% (compared to 23%)
  2. 61% of Operations supervised twice a year (compared to 56%).
  3. Lead time to project effectiveness at 10 months (compared to 12 months).

- Draft Road Map discussed at informal Board on 12th May 2010.

- Key elements of the Road Map:
  1. Enhancing presence of technical staff, related delegation of authority with relevant safeguards.
  2. Engaging in fragile states.
  3. Establishment of Regional service centers.
Going Forward

- The Bank continues to deepen implementation of its reforms: decentralization, budget management, quality and results.

- Under ADF 12, focus will be on **consolidation** of reforms:

1. Ramping up on delivery capacity: HR and IT are core platforms.

2. Implementation of the Decentralization Road Map with robust monitoring and evaluation systems.

3. Fine-tuning of organizational structure to ably deliver on Bank-wide priorities e.g. climate change, anti-corruption & integrity.

4. Deepening ongoing reforms on: disclosure, communications, environmental and social safeguards, procurement etc.
Thank You / Merci