

**BOARD OF DIRECTORS
DEVELOPMENT EFFECTIVENESS COMMITTEE**

**Chairperson's Summary of the Committee's Discussion
on 29 September 2004
of the Special Evaluation Study on Capacity Development Assistance of the Asian
Development Bank to the Lao People's Democratic Republic**

1. The meaning and evaluation of capacity development assistance by ADB has been of special interest to the DEC for a long time. This interest has been heightened by ADB's formal adoption of a managing-for-development results agenda. In particular, the DEC has continuously discussed issues of sustainability of the benefits of such assistance; capacity substitution should not be mistaken for capacity development. There remains a wide range of views and concerns on the subject, and so the committee welcomed the opportunity to review ADB's role in capacity development in a concrete, country-specific context
2. The DEC appreciated the insightfulness of the special evaluation study and considered the findings of high importance for Management consideration. The DEC also considered the findings to be universally applicable to other countries tackling capacity development. The DEC endorsed the lessons learned, key issues, and recommendations for consideration in ADB's future capacity development assistance. The DEC was informed that the regional department accepted the study's findings in full. DEC members expressed the hope that were the same special evaluation study to be carried out again in the future, any lessons and issues to be diagnosed would not be the same ones as in this year's study.
3. The DEC noted that the study had to deal with the problem of inadequate basic data and indicators that could have more clearly defined the capacity development objectives and desired outcomes for ADB's assistance. For instance, the rigor exercised at the planning stage for technical assistance projects had been inconsistent. Therefore, the study was not able to systematically establish if ADB's assistance had been efficient and effective. However, the findings indicated that the capacity development assistance during the period 1990-2003 had significant relevance and that there were success stories in several areas in Lao PDR.
4. Some DEC members considered that the study pointed to a deficiency in professional and technical management in ADB, because necessary adjustments and corrections could have been made either at design or implementation stages but were not. Such questions of internal accountability could have been addressed by the study more adequately. If there was an issue of appropriate technical resources or capacity in ADB to plan and supervise the capacity development assistance, then this was an important input to ADB's human resources strategy.
5. While acknowledging the response from Management, some DEC members thought it was too open ended in delegating the proposal of actions to a staff working group. At the meeting, the committee was briefed in greater detail on the terms of reference of the working group. The working group had been integrated into the work program of the Regional and Sustainable Development Department (RSDD) and its recommendations for better mainstreaming of capacity

development into operations were expected to be implemented ADB-wide. It was tasked to develop a definition and results-oriented framework for capacity development assistance, which would include a diagnostic tool reflecting suggestions from the OED study. A medium-term action plan for 2005-2009 was planned for Management approval in March/April 2005. The DEC asked that it be regularly updated on the progress.

Jusuf Anwar

Chairperson
Development Effectiveness Committee
15 October 2004