

DEVELOPMENT EFFECTIVENESS COMMITTEE

Chair's Summary of the Committee Discussion on 8 October 2008

SPECIAL EVALUATION STUDY ON PROJECT PERFORMANCE AND THE PROJECT CYCLE

1. The findings and conclusions of the study were based on analyses of project completion reports and interviews with more than 60 people directly involved in project preparation. The study was, however, limited by the lack of and difficulty in obtaining relevant data useful for quantitative verification. The study was meant to provide a basis for Management to conduct further studies on project performance and the issues affecting it.
2. Management found the study useful in providing an overview of factors affecting project success and project quality, and agreed to draw on the findings to further analyze the issues and utilize them to improve business processes and project success rates.
3. Management, however, found the conclusions to be premature and based on incomplete analysis. For instance, Management pointed out how the study was critical of the replacement of project briefs with concept clearance at the early stages of preparation. But, Management pointed out, the concept clearance process provides an opportunity for more thorough internal scrutiny through interdepartmental reviews chaired by heads of departments, and Management approval of the concept clearance. Given the methodology used and the limitations of the study, the Operations Evaluation Department (OED) emphasized that the study was not meant to be a conclusive analysis in itself.
4. Management also disagreed with the study's recommendation to re-examine the adequacy of current resource allocation for project implementation supervision, and give special attention to start-up delays. OED noted the increasing involvement of local staff from resident missions, which has resulted in a significant change in the way project supervision is being done, and therefore felt a re-examination of the current resource allocation for project implementation supervision necessary.
5. In addressing start-up delays, OED remained firm in its recommendation to make assistance available to executing agencies (EAs) immediately after loan approval, to enable the EAs to immediately proceed with the start-up activities. Management indicated that the use of readiness filters had proven useful in addressing implementation delays.
6. The Development Effectiveness Committee (DEC) noted the issue of resource allocation for project preparatory technical assistance (PPTA) and agreed that effective utilization of resources should be the primary concern. DEC also noted Management's efforts in giving priority to PPTA in its work program and budget framework. One DEC member questioned the rationale for further increase of PPTA in the future.
7. DEC supported OED's findings on the systemic ability to learn from past lessons. One DEC member noted the lack of accountability mechanism and ownership on the part of Management on this issue. Another DEC member suggested employing appropriate incentives. Some DEC members asked why the study did not review the impact of project preparation time and cost on the project performance.

8. On the study's finding that project team leaders are overloaded with project processing and administration work, DEC noted the lack of support from other project team members. One DEC member suggested giving the project team leaders the authority to do the performance evaluation of its team members, and also making appropriate incentives available.

9. Some DEC members noted the various differences in the framing of design and monitoring frameworks (DMFs), and emphasized the importance of well-designed DMFs in achieving good implementation results. One DEC member suggested continuous training in preparation of DMF for staff at all levels, adequate resourcing for DMF units and having a consistent approach for DMF across all departments.

Conclusions

10. DEC welcomed the SES on Project Performance and the Project Cycle, which involved an in-depth review of all 75 project completion reports for projects rated less than successful for 2002–2006. DEC noted that the real-time analysis was based on interviews and questionnaires answered by persons directly engaged in the project cycle, including ADB staff, staff of borrowing agencies and third party individuals.

11. DEC welcomed Management's agreement with two of the three major recommendations of OED, and looked forward to tangible progress on their implementation by specific dates.

12. As to the third recommendation, DEC urged OED to re-examine its recommendation on resource allocation for project supervision, including staff from resident missions. Furthermore, DEC highlighted three key suggestions of the study, namely: (i) involvement of ADB staff at the project preparation level, (ii) the new procedure regarding clearance of a project concept prior to the preparation of the RRP, and (iii) the reported lack of support from the project team to the project leader. DEC suggested that OED examine these issues, in consultation with Management, and report back to DEC with recommendations.

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