

**MANAGEMENT RESPONSE TO THE SPECIAL EVALUATION STUDY  
ON THE ASIAN DEVELOPMENT BANK—GLOBAL ENVIRONMENT FACILITY COFINANCED  
PROJECTS: PERFORMANCE AND PROCESS EVALUATIONS**

On 6 August 2007, the Director General, Operations Evaluation Department, received the following response from the Managing Director General on behalf of Management:

1. We welcome OED's Special Evaluation Study (SES) on ADB's experience with projects receiving cofinancing from the Global Environment Facility (GEF). The report provides the first independent evaluation of our partnering with the GEF to finance projects that generate global environmental benefits such as climate change mitigation, biodiversity conservation or the arresting of land degradation. ADB's portfolio of projects with GEF cofinancing is still small and young. With increasing attention now being given to environmental sustainability issues, we find the SES to be timely and beneficial.
2. The SES provides performance evaluations of three out of thirteen projects that have received GEF support to date,<sup>1</sup> and we agree with all of the ratings given.
3. The SES goes on to derive several lessons – though not recommendations – based on the assessment of these three projects and a cursory review of other ADB projects which have received GEF cofinancing. We agree with most of the lessons put forward, and many already have been internalized in operations.
4. However, we take issue with two of the lessons. First, we do not find that the SES presents compelling evidence that projects with GEF cofinancing suffer from weak country ownership and inadequate project implementation arrangements. Second, delegating oversight of complex projects to Resident Missions will not significantly improve their design or implementation unless sufficient staff and budget resources are also provided for such purposes. However, doing so is not often possible due to overall staffing and budgetary constraints.
5. We note that the SES also reports on OED's participation in a GEF-wide assessment of project processing experience. We are pleased to note that most of the recommendations emanating from that exercise – and presented in the latter part of the SES – have already been acted upon positively by the GEF Secretariat and Council. Hopefully this will help streamline future ADB access to GEF cofinancing which will answer some of the valid procedural concerns the SES has raised.

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<sup>1</sup> ADB/GEF projects evaluated are: Loan 1649-BAN: Sundarbans Biodiversity Conservation Project (rated as unsuccessful); Loan 1767-SRI: Protected Area Management and Wildlife Conservation Project (rated as partially successful); and TA 6068-REG: Prevention and Control of Dust and Sandstorms in Northeast Asia (rated as successful).