

GUIDELINES FOR THE VALIDATION OF PROJECT COMPLETION REPORTS AND EXTENDED ANNUAL REVIEW REPORTS

A. Principles of the Validation System for Project Completion Reports and Extended Annual Review Reports

1. The Operations Evaluation Department (OED) validates all project completion reports (PCRs) and extended annual review reports (XARRs)¹ from 2007 onwards to improve accountability for achieving results, quality of completion reports, and independence of project/program ratings. The validation of the PCRs and XARRs follows the principles, processes, and criteria for the validation of project/program rating and for rating the quality of the PCR or XARR, which are prescribed below. The final validation report has, as an attachment, a final response of the operations department indicating its concurrence or disagreement with the validation assessment. The final validation report is circulated to the Board and Management and is posted on the OED website. Benefits from this system include:

- (i) Improved analysis of ADB results and higher accountability towards ADB clients and shareholders;
- (ii) More independent project ratings, where the OED validated rating will stand as official project rating;
- (iii) Better PCRs/XARRs. Operations departments are expected to have an incentive to produce higher quality PCRs/XARRs because of the deterrence resulting from separate publication of independent and critical validation reports; and
- (iv) Validated PCRs/XARRs will provide useful inputs to higher level evaluation, economic and sector work, and eventually country partnership strategy formulation.

2. This PCR/XARR validation process replaces the PCR/XARR in-depth review process. To reduce the conflict of interest that would result from advising on draft PCRs/XARRs and then preparing their validations or evaluations later, OED no longer comments on draft PCRs/XARRs. The PCR/XARR is entirely the assessment of the operations department, and the PCR/XARR validation the assessment by OED.

3. OED will assign evaluators to the PCR/XARR validations that have relevant country/sector expertise (see terms of reference and validation form in Appendix 1–3). OED evaluators (staff or consultants) will desk review PCRs/XARRs using relevant documents and readily available information. A norm of 3 working-days is budgeted for completion of the review, with additional time available for particularly complex or contentious projects, or for poor quality completion reports.²

4. OED quality control reviewers, or OED peer reviewers in case an OED staff conducts the validation, will check the quality of the validation report before it is sent to the operations department for its review and response.

¹ XARRs are a tailored form of the project completion report format used by the Private Sector Operations Department and regional departments for reviewing nonsovereign operations.

² The automation of PCR/XARR validation process is being developed. Once the system is in place, the evaluation assistant will create a new validation report in the PCR validation database upon receipt of approved PCR/XARR. Part of the system being developed is an online search facility to retrieve documents related to the creation of PCR validation packages from existing ADB-wide databases.

B. PCR and XARR Validation Process

5. The PCR/XARR validation process will have the following steps:
- (i) **OED** receives the approved PCR/XARR from operations departments.
 - (ii) **OED director** assigns the PCR/XARR validation to an evaluator and names a quality control reviewer/peer reviewer within OED.
 - (iii) **OED quality control reviewer** gathers the necessary documents, such as back to office reports, aide memoirs, government (client) project completion reports, and relevant survey reports. This is then made available to the OED evaluator assigned. Operations division is responsible for providing the necessary documents to OED.
 - (iv) **OED evaluator** (staff or consultant) reads relevant documentation, communicates with relevant operational staff and, if necessary with the executing agency, and assesses the PCR/XARR in order to validate the PCR/XARR ratings. The evaluator completes the validation form and emails it to the quality control reviewer/peer reviewer; hard copy package follows if so desired by the OED quality control reviewer/peer reviewer. If in the view of the OED evaluator insufficient evidence can be gleaned from the PCR/XARR and data elsewhere available on short notice to validate the PCR/XARR rating, then a rating of “partly successful (to be reviewed)” will be assigned to the Project and “partly satisfactory” to the quality of the PCR/XARR.
 - (v) **OED quality control reviewer/peer reviewer** (OED staff) checks the review, sends comments to evaluator if necessary. **Evaluator** makes necessary changes, sends soft copy of PCR/XARR validation back to the quality control reviewer/peer reviewer. **Quality control reviewer/peer reviewer**, when satisfied, endorses the PCR/XARR validation and electronically sends it to the OED director.
 - (vi) **OED director** checks the PCR/XARR validation review and, if necessary, meets or corresponds with evaluator/quality control reviewer/peer reviewer. When satisfied, the OED director sends the completed validation form to the concerned operations division. If deemed helpful, all operational staff listed in the report as having once administered the Project may be requested to comment.
 - (vii) **Operations division** reviews PCR/XARR validation report. If it concurs with the validation assessment, a confirmation to this effect is sent to the concerned OED director. If the operations division disagrees with the validation assessment, it sends a notice to this effect to the OED director and supplies additional evidence to support its position. Correspondence may be in email or memo format.
 - (viii) **OED** reviews the additional material provided by the operations division. If OED agrees with the operations division’s position, the PCR/XARR validation is changed to reflect this. If OED is not persuaded by new arguments/data, it sends the operations division an email explaining this decision.
 - (ix) **Operations division** either confirms by email that it accepts OED’s rating or, if it does not, it may request a meeting at director level to seek further resolution.
 - (x) **OED director, quality control reviewer, and evaluator** meet with the operations staff to resolve the differences of opinion.
 - (xi) **OED director** makes the final decision, informs operations department and issues final PCR/XARR validation. The operations department’s final response (i.e., concurrence or disagreement) will be attached to the final validation report, which will be posted on the OED website for public release and circulated to the Board and Management (after OSEC editing) in a batch on a quarterly basis.
 - (xii) The validated rating becomes the official rating for the project and OED’s database will be updated accordingly.

C. Commenting on the PCR and XARR Quality and Rating the Project Performance

6. The following criteria will be used to comment on the quality of the PCR/XARR:
 - (i) Quality and completeness of evidence and analysis to substantiate ratings
 - (ii) Consistency with PCR Guidelines (PAI 6.07) and relevant OED guidelines
 - (iii) Internal consistency of the PCR/XARR
 - (iv) Plausibility of the assumptions underlying the Economic Internal Rates of Return (EIRRs), Financial Internal Rates of Return (FIRRs), and financial analysis
 - (v) Adequacy of the treatment of safeguard issues
 - (vi) Identification of exogenous factors affecting results
 - (vii) Clarity and conciseness of the report
 - (viii) Quality of lessons and recommendations
 - (ix) Adequacy of the evidence from the PCR/XARR and data provided by the operations division

7. The project performance rating will follow OED Guidelines for project level evaluations for PCRs³ and XARRs⁴.

³ ADB. 2006. *Guidelines for Preparing Performance Evaluation for Public Sector Operations*, Manila.

⁴ ADB. 2007. *Guidelines for Preparing Performance Evaluation Reports for Nonsovereign Operations*, Manila.

TERMS OF REFERENCE FOR PCR AND XARR VALIDATION

1. The Evaluator will examine the Project Completion Report (PCR) or the Extended Annual Review Report (XARR) provided by operations departments, and critically assess the evidence, data, and ratings presented. On the basis of available information (see PCR/XARR Validation Package, below), the Evaluator will assess the quality and evidence-base of the findings, lessons and recommendations of the PCR/XARR.
2. For PCRs, the Evaluator makes an independent assessment of: (i) Performance of the Borrower and Implementing Agency; (ii) Performance of the Asian Development Bank; and (iii) Relevance and Effectiveness in achieving outcome, Efficiency in achieving outcome and outputs, preliminary assessment of Sustainability, and Impact of the project.
3. For XARRs, the Evaluator makes an independent assessment of: (i) Development Outcomes and Impacts, (ii) ADB's Investment Profitability, (iii) ADB's Operational Effectiveness, and (iv) ADB's Additionality
4. The Evaluator of the PCRs/XARRs will also make a similar independent Overall Assessment of the project, and state what in his or her view are the key recommendations and lessons. If the Evaluator believes it is necessary, he/she may also request additional information from operations division by telephone or email.
5. The Evaluator will summarize his or her assessments (as listed in para. 1) in the PCR/XARR Validation form, along with a substantiation of the Evaluator's independent assessment of each of the above areas where this assessment differs from the PCR/XARR rating. In addition, the Evaluator will rate the quality of the PCR/XARR itself (see PCR/XARR Rating Criteria), providing adequate substantiation for this rating as well.
6. When the draft PCR/XARR validation is complete, the Evaluator will provide it to the Quality Control Reviewer, or OED peer reviewer in case an OED staff conducts the validation. If requested, the Evaluator will make him/herself available in person or by telephone and email to discuss the Review. The Evaluator will take into account comments from the Quality Control Reviewer/Peer Reviewer and will modify the draft Validation accordingly.
7. When the Evaluator and the Quality Control Reviewer/Peer Reviewer have reached agreement, the Validation will be examined by the Director. If requested, the Evaluator will once again make him/herself available for consultation.
8. The PCR/XARR validation is a desk exercise and is expected to require 3 staff-days. In unusual circumstances, the Evaluator may find that additional time is needed. This may be because:
 - (i) The PCR/XARR is very poor, requiring extensive interaction between the Evaluator and operations division to obtain adequate evaluative information.
 - (ii) The issues involved in validating the PCR/XARR ratings are unusually complex or contentious.
 - (iii) The OED PCR/XARR validation is contested by operations division, requiring extensive correspondence or a meeting. If a meeting is held with operations division, the Evaluator will make him/herself available by teleconference, if required. In these unusual circumstances, the Evaluator will inform the Director of

the additional time needed, and such requests will generally be looked upon favorably.

9. If the Evaluator continues to find insufficient evidence in the PCR/XARR and elsewhere, and this cannot be collected to OED's satisfaction through communication with the operations department either, this will be reported in the PCR/XARR Validation Report. An OED rating of "partly successful (to be reviewed)" will then be given to the Project, which will stand until such times as OED can organize a way to evaluate the project, by means of a project performance evaluation report or otherwise. The quality of the PCR/XARR will be rated as "partly satisfactory".

10. The following information will generally be available on each project.

1. PCR Validation Package (provided by OED)

- (i) PCR, Report and Recommendations of the President (RRP), Legal Documents, Government's PCR or consultant's final report (if available), Technical Assistance Completion Reports TCR(s) (if relevant)
- (ii) Management Review Meeting (MRM) and Staff Review Committee (SRC) documents and summary record of discussion of ADB' Board of Directors
- (iii) Tranche release documents, Board reports, other progress reports, benefit monitoring and evaluation reports, and/or other survey type reports
- (iv) (ideally) Project Administration Memorandum (PAM) and list of archived documents
- (v) Supervision reports, including most recent mid-term review or progress reports, and back-to-office report of PCR Mission, etc.
- (vi) OED evaluations of previous projects, including PCR Validations
- (vii) PAI 6.07, PCR Guidelines
- (viii) ADB annual report on NGO concerns (if relevant)
- (ix) Online access to OED's website and evaluation information system

2. XARR Validation Package (provided by OED):

- (i) XARR, Report and Recommendations of the President (RRP), Legal Documents, Technical Assistance Completion Reports TCR(s) (if relevant)
- (ii) Management Review Meeting (MRM) and Staff Review Committee (SRC) documents and summary record of discussion of ADB' Board of Directors
- (iii) Tranche release documents, Board reports, other progress reports, benefit monitoring and evaluation reports, and/or other survey type reports
- (iv) Supervision reports, including most recent mid-term review or progress reports, and back-to-office report of XARR Mission, etc.
- (v) OED evaluations of previous projects, including XARR Validations
- (vi) PAI 6.07, XARR Guidelines
- (vii) ADB annual report on NGO concerns (if relevant)
- (viii) Online access to OED's website and evaluation information system

OED PCR VALIDATION REPORT FORM

A. Basic Project Data		PCR Validation Date:	
Project and Loan/ Grant Number:		Approved	Actual
Project Name:		Total Project Costs (\$M): (SDR equivalent)	
Country:		Loan/Grant (\$M):	
Sector(s):		Total Cofinancing (\$M):	
ADB Financing (\$M):	ADF:	Borrower (\$M):	
	OCR:	Beneficiaries (\$M):	
Cofinanciers:		Others (\$M):	
Approval Date:		Effectiveness Date:	
Signing Date:		Closing Date:	
Project Officers:	Name:	Location (HQ or RM):	<u>From</u> (yr) <u>To</u> (yr)
Evaluator: Quality Control Reviewer/Peer Reviewer:		Director:	

B. Project Description (summarized from RRP)

- (i) Rationale:
- (ii) Impact:
- (iii) Objectives or Expected Outcomes:
- (iv) Components and/or Outputs:

C. Evaluation of Design and Implementation (PCR assessment and Validation)

- (i) Relevance of design and formulation:
- (ii) Project Outputs (or conditions in the case of program loans):
- (iii) Project Cost, Disbursements, Borrower Contribution, and Conformance to Schedule (as relevant to project performance):
- (iv) Implementation Arrangements, Conditions and Covenants, related Technical Assistance, and Procurement and Consultant Performance:
- (v) Performance of the Borrower and Executing Agency:
- (vi) Performance of the Asian Development Bank:

D. Evaluation of Performance (PCR assessment and Validation)

- (i) **Relevance:**
- (ii) **Effectiveness in Achieving Outcome:**
- (iii) **Efficiency in Achieving Outcome and Outputs:**
- (iv) **Preliminary Assessment of Sustainability:**
- (v) **Impact (both intended and unintended):**

E. Overall Assessment, Lessons, and Recommendations (Validation of PCR assessment)

- (i) **Overall Assessment:**
- (ii) **Lessons:**
- (iii) **Recommendations:**

F. M&E Design, Implementation, & Utilization (PCR assessment and Validation)**G. Other (e.g., Safeguards, including governance and anticorruption; Fiduciary aspects; Government assessment of the Project, as applicable) (PCR assessment and Validation)**

H. Ratings	PCR	OED Review	Reason for Disagreement/Comments
Relevance:			
Effectiveness in Achieving Outcome:			
Efficiency in Achieving Outcome and Outputs:			
Preliminary Assessment of Sustainability:			
Borrower and EA:			
Performance of ADB:			
Impact:			
Overall Assessment:			
Quality of PCR:			

I. Comments on PCR Quality**J. Recommendation for OED Follow Up****K. Data Sources for Validation****L. Instructions for PCR Validation Form**

Overall Guidance: *In the relevant sections of the form, the evaluator should provide a summary of the assessment of the PCR and then provide his/her comment and if possible independent assessment of project performance as based on the OED Guidelines for Preparing Performance Evaluation Reports for Public Sector Operations (OED Guidelines). In instances where the evaluator's assessment is different from that of the PCR, the rationale presented in the PCR Validation Form may need to be more detailed than where the OED assessment matches that of the PCR.*

Section A—Basic Project Data

- *List cofinanciers but not donors providing parallel financing¹.*

Section B—State Rationale, Impact, Objectives or Expected Outcomes, Components, and Outputs as in RRP

Description of components (copied or summarized from the RRP) should be provided with sufficient detail to make clear what activities project funds were intended to be spent on. No evaluation is needed here—only description. Please note that certain flexibility can be given to the subheadings as RRP formats have changed over time.

Section C—Evaluation of Design and Implementation (PCR Assessment and Validation)

(i) Relevance of design and formulation. This section should give the crux of the PCR assessment along with comments on its quality. The evaluator should give his/her own assessment of the overall ex ante relevance of design, and the relevance of design to expected outcomes and impact in accord with OED Guidelines.

(ii) Project Outputs (or Key Conditions in the case of Program Loans). The section should validate whether the PCR discussion on outputs is complete and fair, whether reasons for deviations from planned outputs are adequately described, and whether an adequate comparison is made between estimated and actual costs of these outputs. The outputs themselves can be referred to and do not need to be listed.

(iii) Project Cost, Disbursements, Borrower Contribution, and Conformance to Schedule (as relevant to project performance). The section should validate whether the various PCR sections on these issues are complete and give fair assessments.

(iv) Implementation Arrangements, Conditions and Covenants, related Technical Assistance, Procurement and Consultant Performance. The section should validate whether the various PCR sections on these issues are complete and give fair assessments.

¹ Cofinanciers fund a joint operation with ADB in which expenditures from a common list of goods and services are financed in agreed proportions. Parallel financing is defined as an operation in which ADB and the parallel financier pay for different services, goods, or parts of the project.

(v) Performance of the Borrower and Executing Agency. *The section should validate whether the PCR gives a fair assessment of the performance, and provide the Evaluator's own assessment of Borrower and EA performance over the entire project cycle, in accordance with the OED Guidelines (i.e. rating in terms of satisfactoriness: highly satisfactory, satisfactory, partly satisfactory, unsatisfactory).*

(vi) Performance of the Asian Development Bank. *The section should validate whether the PCR gives a fair assessment of ADB's performance, and provide the Evaluator's own assessment of ADB performance over the entire project cycle, including safeguard and fiduciary responsibilities, in accordance with the OED Guidelines (i.e. rating in terms of satisfactoriness: highly satisfactory, satisfactory, partly satisfactory, unsatisfactory).*

Section D—Evaluation of Performance (PCR Assessment and Validation)

(i) Relevance. *This section should state the PCR's rating and give comments as well, culminating in the Evaluator's ratings of the overall *ex ante* and *ex post* relevance, assessing the continued relevance of the project during implementation. Consideration should be given to changes made during implementation to ensure that the project remained relevant, as described in the OED Guidelines. OED guidelines should be followed as to the rating categories (highly relevant, relevant, less relevant, and irrelevant).*

(ii) Effectiveness in Achieving Outcome. *This section should state the PCR's rating and give comments on this, culminating in the Evaluator's own rating. Evaluator should also assess the extent to which the outcome defined in the design and monitoring framework (DMF) was achieved or is expected to be achieved. If the PCR does not provide sufficient data to allow assessment of effectiveness, this should be noted in this section (and described in detail in sec. 9, PCR quality). OED guidelines should be followed as to the rating categories.*

(iii) Efficiency in Achieving Outcome and Outputs. *This section should reflect the PCR's rating and give comments on this, culminating in the Evaluator's own rating. The focus should be on the assessment of whether the project achieved an EIRR higher than the opportunity cost of capital (or 12%), or whether the economic benefits have been achieved at least cost. OED guidelines should be followed as to the rating categories.*

(iv) Preliminary Assessment of Sustainability. *This section should reflect the PCR's rating and give comments on this, culminating in the Evaluator's own rating. OED guidelines should be followed as to the rating categories.*

(v) Impact. *This section should briefly reflect the PCR's assessment and give comments on this, culminating in the Evaluator's own rating. Usually, the section in the PCR is about special impacts, such as social impacts, safeguards, institutional impacts, gender impacts, and socioeconomic impacts. The section also should take into account the DMF impact (goal) indicators, considering both intended and unintended impacts.*

Section E—Overall Assessment, Lessons, and Recommendations (Validation of PCR Assessment)

(i) Overall Assessment. *The evaluator should provide an overall assessment of project performance in accordance with OED Guidelines. In those instances where the OED assessment is different from that of the PCR, the evaluator should provide the rationale for the difference. If insufficient evidence can be gleaned from PCR and other readily available sources for a rating, this will be reported here. An OED rating of "partly satisfactory (to be reviewed)" will then be given to the Project, which will stand until such times as OED can organize a way to evaluate the project, by means of a project performance evaluation report or by other means.*

(ii) Lessons. *This section should state agreement or disagreement with any or all of the PCR's lessons, without repeating all of these. Additional lessons, or reworded PCR lessons, can be presented in the*

validation report. Lessons should be important positive and negative aspects of the project experience that the evaluator considers most pertinent to potential similar projects in the sector or in the country.

(iii) Recommendations. This section should state agreement or disagreement with any or all of the PCR's recommendations, without repeating all of these. The validation report may list, if necessary, additional recommendations, or reworded PCR recommendations. Recommendations should be matters clearly derived from the project experience that require further action (by the EA, Borrower, or ADB).

Section F—M&E Design, Implementation, & Utilization (PCR Assessment and Validation)

The evaluator should assess:

- *Design*—The extent to which the project aimed at collecting efficacious data,² given project goals and the reasonable availability of data
- *Implementation*—The extent to which pertinent data were actually collected
- *Utilization*—The extent to which the data collected were used to inform decision-making and resource allocation

Section G—Other Aspects (e.g., Safeguards, Fiduciary Aspects, Government Assessment of the Project, as applicable) (PCR Assessment and Validation)

The discussion should assess the PCR's treatment of these aspects and where necessary address these issues further.

Section H—Ratings

This section should summarize the OED and PCR ratings in each category and, if there is a difference, summarize the reason(s) for the difference. The last column may also be used for comments on ratings where there is no disagreement, e.g., where strong project supervision overcame unsatisfactory quality at entry and resulted in successful project achievement and satisfactory ADB performance. Statements in this section should be brief and should liberally refer to detailed discussions in other sections. In case there is insufficient evidence available to arrive at a conclusion on a criterion rating and therefore overall rating, then an 'Unable to validate' rating' (UVR) can be an option with sufficient justification. The overall project rating could then be worded as 'partly successful'.

Section I—Comments on PCR Quality

This section may be based on an assessment of

- (i) Quality and completeness of evidence and analysis to substantiate ratings;
- (ii) Consistency with PCR Guidelines (PAI 6.07) and relevant OED guidelines;
- (iii) Internal consistency of the PCR;
- (iv) Plausibility of the assumptions underlying the EIRRs, FIRR, and financial analysis;
- (v) Soundness of the methodology of surveys held;
- (vi) Adequacy of the treatment of safeguard issues;
- (vii) Identification of exogenous factors affecting results;
- (viii) Clarity and conciseness of the report;
- (ix) Quality of lessons and recommendations; and
- (x) Adequacy of the evidence from the PCR and other data provided.

This discussion should provide the detailed rationale for commenting on the PCR quality in Section I, based on the criteria listed above.

² That is, data that accurately reflected project goals and thus enabled a robust assessment of project achievement.

Section J— Recommendation for OED Follow Up

This section should comment on the need for a Project/Program Performance Evaluation Report (PPER) or other OED study later on, considering factors such as the quality and depth of the PCR and issues or aspects that may require independent evaluation at a later stage. It should be considered that with the introduction of this PCR validation process, the preparation of a PPER will be limited to only special cases.

Section K—Data Sources for Validation

Indicate the sources used in conducting the validation-in addition to the obvious ones this could include Government's PCR, consultants' PCR, the BME report or PPMS report, communications with project officers, writers of the PCRs, and executing agency staff, etc.

OED XARR VALIDATION REPORT (FORM)

A. Basic Project Data		XARR Validation Date:	
Project and Loan/ Equity/Guarantee Number:		Approved	Actual
Project Name:		Total Project Costs (\$M): (SDR equivalent)	
Country:		Loan/Equity/Guarantee (\$M):	
Sector(s):		Total Cofinancing (\$M):	
Cofinanciers:		Others (\$M):	
Approval Date:		First Disbursement:	
Signing Date:		Completion Date:	
Project Officers:	Name:	Location (HQ or RM):	<u>From</u> (yr) <u>To</u> (yr)
Evaluator: Quality Control Reviewer/Peer Reviewer:		Director:	

B. Project Description (summarized from RRP, and Project Documents)

- (i) Project Background:
- (ii) Project Features:
- (iii) Progress Highlights:

C. Project Evaluation (XARR assessment and Validation)

- (i) Development Outcomes and Impacts:
- (ii) ADB's Investment Profitability:
- (iii) ADB's Operational Effectiveness:
- (iv) ADB's Additionality:
- (v) Overall Assessment:

D. Issues, Lessons, and Recommendations (Validation of XARR assessment)

- (i) Issues and Lessons
- (ii) Recommendations

E. M&E Design, Implementation, & Utilization (XARR Assessment and Validation)**F. Other (e.g., Safeguards, including governance and anticorruption; as applicable) (XARR assessment and Validation)**

G. Ratings	XARR	OED Review	Reason for Disagreement/Comments
Development Outcomes and Impacts:			
ADB's Investment Profitability:			
ADB's Operational Effectiveness:			
ADB's Additionality:			
Overall Assessment:			
Quality of XARR:			

H. Comments on XARR Quality**I. Recommendation for OED follow up****J. Data Sources for Validation****K. Instructions for XARR Validation Form**

Overall Guidance: *In the relevant sections of the form, the evaluator should provide a summary of the assessment of the XARR and then provide his/her comment and if possible independent assessment of project performance as based on the Guidelines for Preparing Performance Evaluation Reports on Nonsovereign Operations (OED Guidelines). In instances where the evaluator's assessment is different from that of the XARR, the rationale presented in the XARR Validation Form may need to be more detailed than where the OED assessment matches that of the XARR.*

Section A—Basic Project Data

Section B—Project Description

Description of borrower/investee, project rationale, project outputs and components, financial structure, and ADB's participation (copied or summarized from the RRP) should be provided with sufficient detail to make clear what facilities project funds were intended to be spent on. Please note that certain flexibility can be given to the subheadings as RRP formats have changed over time. Using project documents describe progress on project implementation. No evaluation is needed in this section—only description.

Section C— Project Evaluation (XARR Assessment and Validation)

(i) Development Outcomes and Impacts. This section should give the crux of the XARR assessment along with comments on its quality. The evaluator should give his/her own assessment of the overall ex ante relevance of design, and actual outcomes and impacts in accordance with OED Guidelines (i.e. rating in terms of satisfactoriness: excellent, satisfactory, partly satisfactory, and unsatisfactory).

(ii) ADB's Investment Profitability. The section should validate whether the XARR discussion on ADB profitability is complete and fair, whether reasons for deviations from planned performance is adequately described, and whether an adequate comparison is made between estimated and actual financial performance in accordance with OED Guidelines (i.e. rating in terms of satisfactoriness: excellent, satisfactory, partly satisfactory, unsatisfactory).

(iii) ADB's Operational Effectiveness. The section should validate whether the XARR gives a fair assessment of ADB's operational effectiveness, and provide the Evaluator's own assessment of ADB's operational effectiveness over the entire project cycle, including safeguard responsibilities, in accordance with the OED Guidelines (i.e. rating in terms of satisfactoriness: excellent, satisfactory, partly satisfactory, unsatisfactory).

(iv) ADB's Additionality. The section should validate whether the XARR gives a fair assessment of the level of additionality derived from ADB participation over the entire project cycle, in accordance with the OED Guidelines (i.e. rating in terms of satisfactoriness: excellent, satisfactory, partly satisfactory, unsatisfactory).

(v) Overall Assessment. The evaluator should provide an overall assessment of project performance in accordance with OED Guidelines. In those instances where the OED assessment is different from that of the XARR, the evaluator should provide the rationale for the difference. If insufficient evidence can be gleaned from XARR and other readily available sources for a rating, this will be reported here. An OED rating of "partly satisfactory (to be reviewed)" will then be given to the Project, which will stand until such times as OED can organize a way to evaluate the project, by means of a project performance evaluation report or by other means.

Section D—Issues, Lessons, and Recommendations (Validation of XARR Assessment)

(i) Issues and Lessons. This section should state agreement or disagreement with any or all of the XARR's lessons, without repeating all of these. Additional lessons, or reworded XARR lessons, can be presented in the validation report. Lessons should be important positive and negative aspects of the project experience that the evaluator considers most pertinent to potential similar projects in the sector or in the country.

(ii) Recommendations. This section should state agreement or disagreement with any or all of the XARR's recommendations, without repeating all of these. The validation report may list, if necessary, additional recommendations, or reworded XARR recommendations. Recommendations should be matters clearly derived from the project experience that require further action by ADB.

Section E—M&E Design, Implementation, & Utilization (XARR Assessment and Validation)

The evaluator should assess:

- *Design*—The extent to which the project aimed at collecting efficacious data,¹ given project goals and the reasonable availability of data
- *Implementation*—The extent to which pertinent data were actually collected
- *Utilization*—The extent to which the data collected were used to inform decision-making and resource allocation

Section F—Other Aspects (e.g., Safeguards, as applicable) (XARR Assessment and Validation)

The discussion should assess the XARR's treatment of these aspects and where necessary address these issues further.

Section G—Ratings

This section should summarize the OED and XARR ratings in each category and, if there is a difference, summarize the reason(s) for the difference. The last column may also be used for comments on ratings where there is no disagreement, e.g., where strong project supervision overcame unsatisfactory quality at entry and resulted in successful project achievement and satisfactory ADB performance. Statements in this section should be brief and should liberally refer to detailed discussions in other sections. In case there is insufficient evidence available to arrive at a conclusion on a criterion rating and therefore overall rating, then an 'Unable to validate' rating' (UVR) can be an option with sufficient justification. The overall project rating could then be worded as 'partly successful'.

Section I—Comments on XARR Quality

This section may be based on an assessment of

- (i) Quality and completeness of evidence and analysis to substantiate ratings;
- (ii) Consistency with XARR Guidelines (PAI 6.07) and relevant OED guidelines;
- (iii) Internal consistency of the XARR;
- (iv) Plausibility of the assumptions underlying the EIRRs, FIRR, and financial analysis;
- (v) Soundness of the methodology of surveys held;
- (vi) Adequacy of the treatment of safeguard issues;
- (vii) Identification of exogenous factors affecting results;
- (viii) Clarity and conciseness of the report;
- (ix) Quality of lessons and recommendations; and
- (x) Adequacy of the evidence from the XARR and other data provided.

This discussion should provide the detailed rationale for commenting on the XARR quality in Section I, based on the criteria listed above.

Section J—Recommendation for OED Follow Up

This section should comment on the need for a Project Performance Evaluation Report (PPER) or other OED study later on, considering factors such as the quality and depth of the XARR and issues or aspects that may require independent evaluation at a later stage. It should be considered that with the introduction of this XARR validation process, the preparation of a PPER will be limited to only special cases.

Section K—Data Sources for Validation

Indicate the sources used in conducting the validation—in addition to the obvious ones this could include communications with project officers, writers of the XARRs, and executing agency staff, etc.

¹ That is, data that accurately reflected project goals and thus enabled a robust assessment of project achievement.