

IV. Social Analysis in Project Implementation

A. Introduction

As noted earlier, the cornerstone of the PPMS is the DMF, which must be prepared as part of the design of each loan, grant, and technical assistance project (see section III.E). The DMF (i) establishes consequential links between inputs, activities, outputs, outcomes, and impacts; (ii) provides a set of performance targets with related process and result indicators; and (iii) identifies key assumptions and risks that may affect the success of the project. The DMF provides the basis for monitoring progress in implementing the project and, after project completion, a basis for evaluating the development impacts of the project.⁵¹

Building on the DMF, the PPMS includes several mechanisms for monitoring and managing the implementation of a project. These include (i) the project administration memorandum, which is generally prepared before the inception mission for the project; (ii) periodic progress reports prepared by the executing agency for the project; (iii) project performance reports, which are prepared and updated by ADB staff based on progress reports of the executing agency and project review missions; (iv) the midterm review of the project; and (v) the project completion reports prepared by the executing agency and by ADB. The final element of the PPMS, the project performance evaluation report, is prepared by ADB's Operations Evaluation Department usually 3–5 years after project completion, when development impacts are becoming evident.⁵²

In view of ADB's increasing focus on managing for results, it is important to ensure that the social dimensions of ADB projects are monitored through the PPMS. This increases the likelihood that social development and social mitigation measures included in the project design will be implemented as planned and that the social impacts of the project, both positive and negative, will be effectively monitored. The PPMS is also intended to be a highly participatory process, including both government and nongovernment stakeholders. Participatory approaches to project monitoring, involving clients/beneficiaries and other project-affected groups, can enhance the quality of the PPMS and the project as a whole.⁵³ Local research institutes or CSOs can also be engaged to carry out independent monitoring of a project (or aspects of a project, such as a resettlement plan). Figure 5 highlights entry points for monitoring the social dimensions of a project through its implementation. The following subsection discusses the integration of social analysis through the various phases of the PPMS.

⁵¹ See footnote 49.

⁵² ADB Operations Manual section J1 (Project Performance Management System).

⁵³ These approaches could include use of citizen scorecards to assess project implementation, or involvement of clients/beneficiaries or other affected groups in project review missions and workshops.

B. Social Analysis in the Project Performance Management System

1. Project Administration Memorandum

The project administration memorandum (PAM), which is generally drafted prior to the inception mission for the project, is the main source of guidance to the EA, any implementing agencies, and ADB for managing and monitoring the implementation of the project. As such, it should include detailed descriptions of (i) project objectives, scope, components, and special features; (ii) cost estimates and financing plan; (iii) project management; (iv) implementation schedule; (v) consultant recruitment, procurement, and disbursement arrangements; (vi) project monitoring, evaluation, and reporting requirements; and (vii) major loan covenants. Core appendixes to the PAM include the DMF for the project, TOR for consultants, and reporting formats. The PAM is an active document intended to be updated and revised, and translated into local languages as needed.⁵⁴

PAM should be drafted to incorporate fully all social dimensions of the project design, as reflected in the RRP. These include

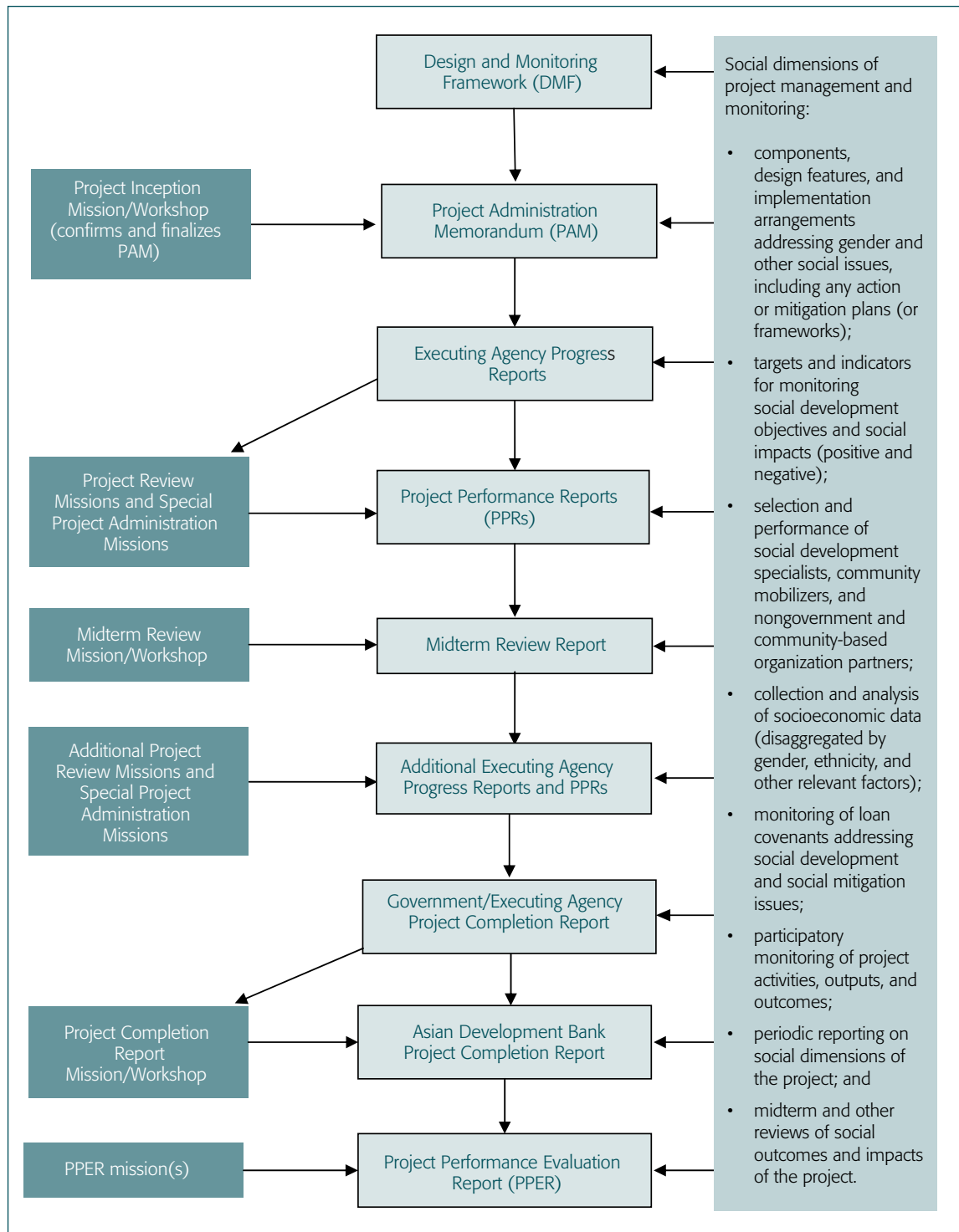
- (i) all components, design features, and implementation arrangements intended to address gender and other social issues;
- (ii) any social development or mitigation plans (or frameworks);
- (iii) TOR for social development specialists to be included in the project implementation team (e.g., gender, resettlement, indigenous peoples, labor and/or community development specialists), and selection criteria for any CSOs to be engaged as project implementation partners;
- (iv) targets and indicators for monitoring implementation of the project's social development objectives and monitoring social impacts of the project (which should also be included in the DMF);
- (v) provisions for collecting and analyzing data related to these targets and indicators (and disaggregated by gender, ethnicity, and other relevant factors);
- (vi) provisions for reporting on the social dimensions of the project (including the formats for progress reports and project performance reports); and
- (vii) loan covenants related to gender, participation, indigenous people, resettlement, labor, HIV/AIDS, human trafficking, or other social issues.

2. Executing Agency Progress Reports

The PAM and loan or grant agreements for the project should specify the timing and format for periodic progress reports on the project by the executing agency and/or implementing agencies. These reports are critical tools for the executing agency and DMC government to monitor progress and make adjustments, if necessary, in implementing the project. The reports are also important inputs to the PPMS, as they provide a basis for ADB's project review missions and project performance reports.

⁵⁴ ADB Project Administration Instruction No. 1.05 (Project Administration Memorandum).

Figure 5: Project Performance Management System



The format for the executing agency progress reports should specify reporting on

- (i) progress in implementing components and design features intended to address gender and other social issues;
- (ii) progress in implementing any social development or mitigation plans (or frameworks);
- (iii) targets and indicators related to the project's social development objectives and social impacts;
- (iv) collection of data related to these targets and indicators (disaggregated by gender, ethnicity, and other relevant factors); and
- (v) implementation of any covenants related to social issues.

3. Project Performance Reports

Project performance reports (PPRs) are key elements of the PPMS; they track progress in implementing the project and achieving its development objectives in line with the targets and indicators in the DMF. Based on the executing agency progress reports and the results of project review missions, PPRs provide a basis for assigning project ratings, identifying any problems in implementation, and, if needed, proposing modifications in the project design or other remedial action. Key elements of the PPR include (i) a rating for progress in project implementation; (ii) intermediate development results based on targets and indicators in the DMF; (iii) progress in using project inputs and achieving project outputs based on targets and indicators in the DMF; (iv) recent developments related to assumptions, risks, implementation arrangements, or other factors affecting project success; (v) any problems in implementing the project; (vi) proposed design changes or other action to address these problems; and (vii) compliance with major covenants.⁵⁵ Box 10 gives excerpts from a sample PPR.

Similar to the executing agency progress reports, PPRs should report on the social dimensions of a project in the areas of

- (i) progress in implementing components and design features intended to address gender and other social issues;
- (ii) progress in implementing any social development or mitigation plans (or frameworks);
- (iii) targets and indicators related to the project's social development objectives and social impacts;
- (iv) collection of data related to these targets and indicators (disaggregated by gender, ethnicity, and other relevant factors);
- (v) implementation of any covenants related to social issues; and
- (vi) any problems related to implementation of social development or social mitigation measures, or unanticipated social impacts of the project, and proposed actions to address these problems.

4. Midterm Review Report

The midterm review of the project, which may include stakeholder workshops or other activities, provides an opportunity to take stock of progress in implementing the project, assess any problems or weaknesses

⁵⁵ ADB Project Administration Instruction No. 6.05 (Project Performance Report).

in implementation, and identify appropriate modifications or other actions to address these problems in consultation with relevant stakeholders. The PAM should outline the issues to be addressed during the midterm review, sources of data to be reviewed, and mechanisms for involving stakeholders.

There is a general tendency for the “hardware” components of projects—including procurement and construction activities—to be implemented more promptly than “software” components, such as social mobilization, information campaigns, and training activities. It is important for the midterm review to take stock of progress in implementing the social development and social mitigation activities in the project design and DMF, including any gender, C&P or mitigation plans, and other social development covenants. Review of data collected through the PPMS can also provide an early indication of the social impacts of the project, both positive and negative. Based on the midterm review, appropriate midcourse corrections should be made to ensure that the project achieves its social development objectives and that any negative social impacts of the project are avoided or, if necessary, minimized and mitigated. Based on the C&P plan for the project, the midterm review should include such mechanisms as separate focus groups or workshops to involve clients/beneficiaries, other project-affected groups, and other stakeholders in the review process.

5. Project Completion Reports

Project completion reports (PCRs) prepared by the executing agency and by ADB provide an assessment of the project’s performance in terms of using inputs and producing outputs consistent with the DMF. They also provide a preliminary assessment of the project’s success in achieving the development outcomes and impacts identified in the DMF. Based on these assessments, PCRs suggest follow-up actions to improve the sustainability of project benefits and may make recommendations for future projects in the DMC or in the same sector elsewhere. The instructions for preparing a PCR note that it should include a general assessment of significant poverty, social, and other impacts, both positive and negative, and whether intended or not. The implementation and effectiveness of social safeguard measures should be specifically documented.⁵⁶

Consistent with the other elements of the PPMS, it is important to ensure that the PCR reports on

- (i) implementation of components and design features intended to address gender and other social issues;
- (ii) implementation of any social development or mitigation plans (or frameworks);
- (iii) achievement of targets related to the project’s social development objectives, and indicators of social impacts, both positive and negative;
- (iv) compliance with covenants related to social issues;
- (v) any actions taken to address problems related to the implementation of social development or social mitigation measures, or unanticipated social impacts of the project; and
- (vi) recommendations of additional actions to improve the social sustainability of the project, including the continuation of project activities with the support of clients/beneficiaries and ongoing benefits to the poor, women, and other marginalized groups.

⁵⁶ ADB Project Administration Instruction No. 6.07 (Project Completion Report).

Box 10: Project Performance Report for the Bangladesh Urban Governance and Infrastructure Improvement (Sector) Project

Bangladesh's urban governance and infrastructure improvement (sector) project aims to promote human development and good urban governance in secondary towns. More specifically, the project is assisting selected *pourashavas* (municipalities) to (i) enhance accountability in municipal management and strengthen their capabilities to provide municipal services; and (ii) develop and expand physical infrastructure and urban services to increase economic opportunities and reduce people's vulnerability to environmental degradation, poverty, and natural hazards. While the project is expected to benefit the entire urban community, some components focus on upgrading the conditions of the poorest and neediest groups in slum areas in particular. The project also promotes the active participation of women in municipal management and services as both agents and beneficiaries.

These considerations are reflected in part B of the project (urban governance improvement). DMF, which is the basis for PPMS, includes detailed targets and indicators for each key result area under part B, including (i) citizen awareness and participation, (ii) women's participation, and (iii) integration of the urban poor. These targets and indicators are being monitored through the project performance reports (see excerpts from February 2007 report below).

Design Summary	Targets and Indicators	Implementation Progress (as of 28 February 2007)
Part B. Urban governance improvement 1. Citizen awareness and participation	<ul style="list-style-type: none"> formation of town-level committee (2003) and regular meetings thereafter (4/year), preparation of participatory municipal development plan, and publicity boards and information kits (2003). 	<ul style="list-style-type: none"> various committees established in all 22 <i>pourashavas</i>; and mass communication cells are doing extensive public dissemination through various means, such as publicity boards, leaflets, newspaper notices, posters, public rallies in wards, electronic messages, and regular meetings of the committees. (Project performance report includes detailed information on each public dissemination strategy)
2. Women's participation	<ul style="list-style-type: none"> formation of a Gender and Environment Committee (2003), development of TOR for female commissioners (2004), implementation of activities related to the project GAP, and introduction of GAP monitoring system (2005). 	<ul style="list-style-type: none"> gender and environment subcommittees, chaired by FWCs, have been formed in all <i>pourashavas</i>. 140 meetings have been held wherein all aspects of environmental and gender issues were discussed; TOR for female commissioners completed (2004); 185 women have been recruited as FWCs; 1,285 courtyard meetings have been organized by FWCs, assisted by community facilitators, to discuss issues regarding payment of household/other taxes, role of women in <i>pourashava</i> development committees and other committees, and awareness of health, hygiene, and sanitation; and training programs have been organized on gender and development for <i>pourashava</i> staff/officers, FWCs, and community facilitators.
3. Integration of the urban poor	<ul style="list-style-type: none"> development of PRAP (2004), formation of Slum Improvement Committee (2004), health and education program, skills training, and PRAP monitoring system (2005). 	<ul style="list-style-type: none"> all <i>pourashavas</i> have finalized a PRAP for 15,900 families in phase 1 of project; 51 NGO packages (each covering 300 families) have been contracted out and PRAP implementation is in progress, including community mobilization, microcredit, income generation, training, and delivery of health and education services; NGOs have completed surveys of slum areas to identify beneficiaries; formation of Slum Improvement Committee/Community Development Committee has been completed; NGOs have started training and lending activities; NGOs have appointed health workers for health program and schoolteachers for satellite schools in selected slum areas, establishment of satellite schools is in progress; and PRAP monitoring system has been established.

DMF = design and monitoring framework, FWC = female ward commissioner, GAP = gender action plan, NGO = nongovernment organization, PPMS = project performance management system, PRAP = Poverty Reduction Action Program, TOR = terms of reference.

Source: ADB. 2007. *Project Performance Report: BAN Urban Governance and Infrastructure Improvement (Sector) Project*. Manila.

6. Project (or Program) Performance Evaluation Report

The project or program performance evaluation report (PPER) is an independent evaluation of the performance of a sample of completed projects/programs. It is prepared by the Operations Evaluation Department, usually 3–5 years after completion of the project/program, when at least some development impacts of the project/program can be observed. The DMF, including any revisions or adjustments made during implementation, provides the main basis for the performance evaluation. The PPER assesses project performance in terms of (i) relevance, (ii) effectiveness, (iii) efficiency, and (iv) sustainability. Project impacts (including impacts on poverty and socioeconomic conditions) are also assessed, as are the performance of both ADB and the executing/implementing agencies. Based on these assessments, the PPER provides recommendations specific to the project and identifies lessons to be incorporated in ADB's future operations.⁵⁷

To evaluate the social dimensions of a project fully, it is important for the operations evaluation mission to

- (i) consult with clients/beneficiaries, any other project-affected groups, and civil society stakeholders on the social outcomes and impacts of the project;
- (ii) use baseline socioeconomic data (collected during the project design or early implementation phase) to assess social outcomes and impacts;
- (iii) assess the implementation of components and design features intended to address social issues, including any social development or mitigation plans (or frameworks); and
- (iv) assess compliance with covenants related to social issues.

The social outcomes and impacts of a project are relevant to the PPER's performance assessment—particularly the assessment of the project's relevance, effectiveness, and sustainability, as well as the impact assessment. The impact assessment should consider both intended and unintended, and both positive and negative, social impacts. The evaluation of socioeconomic impacts should consider the distribution of project benefits and costs across different social groups, with an emphasis on the poor, women, disadvantaged ethnic and caste groups, and other marginalized or vulnerable groups. Any evaluation of negative environmental impacts, such as related to soil erosion or salinization, air or water pollution, or depletion of natural resources, should also consider the related social costs, especially for poor and vulnerable groups.

C. Roles of Stakeholders

The main stakeholders involved in monitoring social development activities in an ADB-supported project are (i) the executing and implementing agencies in the DMC, and (ii) resident mission staff and ADB review missions. These stakeholders also carry out self-evaluations of projects through the related PPRs, midterm review, and PCR. Independent evaluations of projects are conducted by the Operations Evaluation Department. However, other stakeholders can also play important roles in monitoring and evaluation. For example, project supervision consultants can monitor the compliance of civil works contractors with contractual provisions on labor standards and HIV/AIDS awareness campaigns. In complex projects involving

⁵⁷ ADB. 2006. *Guidelines for Preparing Performance Evaluation Reports for Public Sector Operations*. Manila. See also Operations Manual section K1 (Performance Evaluation); Operations Manual section C3/BP (Incorporation of Social Dimensions into ADB Operations).

significant social safeguard issues, credible third parties, such as local development institutes or NGOs, can be engaged to monitor implementation of the relevant mitigation plans. In projects supporting the provision of basic services, citizen scorecards or other participatory techniques can be used to involve clients/beneficiaries in monitoring the progress of the project and to promote accountability of executing and implementing agencies to their constituents.

D. Disclosure

Under ADB's public communications policy, certain key documents in PPMS are required to be made publicly available:

- (i) PAM (upon approval),
- (ii) Social monitoring reports (upon their submission to ADB),
- (iii) PCR (upon circulation to ADB's Board of Directors), and
- (iv) PPER (upon circulation to Management and Board of Directors).⁵⁸

⁵⁸ If the project performance evaluation report is discussed by ADB's Development Effectiveness Committee, its chair's summary must be made publicly available within 2 weeks of the discussion. Any responses submitted by Management or the Operations Evaluation Department must also be made publicly available upon submission. ADB. 2005. *Public Communications Policy: Disclosure and Exchange of Information*. Manila, paras. 91–92, 95, and 97. See also Operations Manual section L3 (Public Communications, paras. 32–33, 36, and 38).