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# PROJECT DESIGN

## Overview of Selected Projects

The evaluation included four projects from each of the five DMCs. First, projects with poverty reduction as their primary or secondary SDO were identified. Second, a cross section of projects from all main sectors, viz. agriculture, finance, infrastructure, and social services, were chosen, although focusing on a selected number of subsectors within the main sectors. Third, governments and ADB departments reviewed the preliminary selection and suggested projects that had been approved prior to the adoption of SDOs or that had other SDOs than poverty reduction. These projects were included as counterfactual to identify whether projects with poverty reduction as SDO classification show significantly different project designs, approaches, monitoring and evaluation systems, or results. Older projects were used to measure longer term impacts. The resultant project selection is shown in Box 2.

The projects fall into two broad categories. One group targets the economy, aiming to stimulate growth, normally in the agriculture sector, and thus generate income, promote employment, and increase food security and reduce malnutrition. The other

projects concentrate on providing targeted social services to ensure livelihood or abilities to participate in the economy, and comprise a mix of infrastructure components, microcredit lines, advisory services, and community organization. Appendix 2 describes project objectives, scope, approval dates, and loans. Appendix 3 summarizes how far poverty reduction featured in the design of the projects.

## Situation Analysis

The evaluation reviewed the background data analyzed in project designs to establish the extent to which the situation of the poor in general and that of the target groups in particular was assessed. This was of interest to identify whether the project objectives were



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*The majority of projects provide aggregate data on poverty without capturing the different needs of varying groups of poor.*

## Box 2: Project Summary Data

Project	Approval Year	Loan Amount (\$ million)	Poverty			
			Primary	Secondary	Other	None
<b>BANGLADESH</b>						
0908-BAN Rural Infrastructure Development	1988	99.8				✓
1066-BAN Rural Training	1990	16.2				✓
1213-BAN Rural Poor Cooperatives	1992	30.0	✓			
1376-BAN Secondary Towns Infrastructure Development II	1995	65.0		✓		
<b>KYRGYZ REPUBLIC</b>						
1342-KGZ Special Assistance Loan	1994	40.0		✓		
1529-KGZ Rural Financial Institutions	1997	12.5			✓	
1554/5-KGZ Education Sector Development	1997	33.0			✓	
1645-KGZ Social Services Delivery and Finance	1998	10.0		✓		
<b>LAO PEOPLE'S DEMOCRATIC REPUBLIC</b>						
0642-LAO Vientiane Plain Rural Electrification (Phase II)	1983	6.3				✓
1348-LAO Primary Health Care	1995	48.0	✓			
1369-LAO Champassak Road Improvement	1995	5.0		✓		
1488-LAO Community-Managed Irrigation Sector	1996	14.7	✓			
<b>NEPAL</b>						
1165-NEP Third Water Supply and Sanitation Sector	1997	5.0			✓	
1237-NEP Microcredit for Women	1993	20.0		✓		
1240-NEP Kathmandu Urban Development	1993	12.0		✓		
1311-NEP Irrigation Management Transfer	1994	12.9		✓		
<b>PHILIPPINES</b>						
1052-PHI Second Island Provinces Rural Water Supply	1990	24.0				✓
1216-PHI Small Farmers' Credit	1992	75.0	✓			
1331-PHI Women's Health and Safe Motherhood	1994	54.0			✓	
1422-PHI Cordillera Highland Agriculture Resource Management	1996	19.0	✓			

Source: Asian Development Bank.  
SDO=Strategic Development Objective.

specifically geared toward meeting the needs of the poor who were to be the actual project beneficiaries.

The large majority of the projects provide only aggregate information on poverty. Data against the four dimensions of poverty are usually provided at the national level, and are at best broken down by geographic region, which indicates that target groups are considered homogeneous. Only two projects give details differentiated by poor versus nonpoor. Specific information on the target groups is lacking in all but five projects, which did undertake surveys before the project design was finalized. Only one of them includes data that is both specific to project beneficiaries and disaggregated by income.<sup>12</sup> Ironically, this project

was designed in 1983, long before poverty featured as an SDO. Despite the lack of analytical background to the situation of the poor that are the potential beneficiaries, 80 percent of the projects stated generic poverty reduction objectives.

Information on well-being aspects<sup>13</sup> was a common feature in 70 percent of the projects. However, there is no apparent linkage between the sector, the project scope, and the inclusion of well-being data in the background section of the project design. All projects contain background information on resource issues, but

<sup>12</sup> Loan 642-LAO(SF): *Vientiane Plain Rural Electrification (Phase II)*, for \$6.3 million, approved on 11 October 1983.

<sup>13</sup> Well-being aspects are such factors immediately necessary for survival: nutrition, health, shelter, and safe water.

details are confined to average national income data and/or general constraints on access to productive resources. Only seven projects in various sectors included data on skills and education levels. A linkage to these indicators existed for four of the projects, which dealt with the education sector, while the others provided this information without any meaningful connection to the project. These examples illustrate the plethora of information (contained in most project documents) that is not focused on issues that are immediately relevant to the project design. Details on the policy and legal environment are lacking in all projects.

## Preventing Exclusion— Ensuring Inclusion

Exclusion is often confused with manifestation of poverty; projects mention the lack of access to resources or social services, but do not explain why the poor are excluded from access. For instance, the lack of land can result from a shortage of land or from overpopulation, or can be due to uneven distribution of wealth or an exclusive social structure. All projects anticipated positive outcomes; only four considered that there may be adverse effects, requiring mitigation. These were largely infrastructure projects involving resettlement. In one case, it was foreseen that reform programs might affect smaller schools and disadvantaged families negatively. To mitigate these potential impacts, the project included testing whether families had the means to pay school fees, and provided access to an education fund if family means were insufficient.<sup>14</sup> In another project, economic exclusion was to be avoided by considering the ability of beneficiaries to pay for services and possibilities for cross-subsidies between beneficiary groups to reduce the financial burden on the poorest.<sup>15</sup>

Measures for ensuring inclusion encompassed community organization and participation as a first step toward greater involvement of beneficiaries at the local level. In this context, however, considering beneficiaries as a homogeneous group is counterproductive because local communities are diverse, with their own social stratification that tends to exclude the poor.

## Objectives and Targets

The majority of the projects include a broad reference to poverty reduction in their objective, but no specific goals are set, possibly because background information is not analyzed. Six projects, which did not have poverty reduction as an SDO, nonetheless explicitly stated a poverty reduction objective. By contrast, the objectives of two projects that had an SDO classification for poverty reduction did not have an objective that explicitly aimed to assist the poor. One project had a clearly defined outcome target, namely, to reduce the number of people below the poverty line from a determined baseline that was given in the project design.<sup>16</sup> Others had outcome targets limited to general aims such as increasing employment, income, and well-being, which is insufficient to focus inputs and measure outcomes. About 30 percent of the projects determined project-specific indicators that are relevant to poverty reduction. In spite of the poverty reduction objectives, only eight projects determined some kind of poverty-related outputs.

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<sup>14</sup> Loan 1554/1555-KGZ(SF): *Education Sector Development Project and Program*, for \$33.0 million, approved on 29 September 1997.

<sup>15</sup> Loan 1165-NEP(SF): *Third Water Supply and Sanitation Sector*, for \$20.0 million, approved on 25 June 1992.

<sup>16</sup> Loan 1422-PHI(SF): *Cordillera Highland Agriculture Resource Management*, for \$19.0 million, approved on 11 January 1996.