

# TA COMPLETION REPORT **MASTER COPY**

Division: OED

<b>TA NO./NAME:</b>  <b>TA 2821-PRC: Strengthening of Evaluation Capacity in the People 's Republic of China (PRC)</b>				<b>TA AMOUNT APPROVED:</b>  \$400,000	<b>SOURCE:</b>  TASF
				<b>REVISED AMOUNT:</b>  —	
<b>EXECUTING AGENCY:</b>  Department of Key Project Construction, State Development Planning Commission (formerly State Planning Commission or SPC)				<b>TA AMOUNT UNDISB.:</b>  \$80,571.1	<b>TA AMOUNT UTILIZED:</b>  \$319,428.9
<b>DATE:</b>  24 November 1999	<b>APPROVAL:</b>  4 July 1997	<b>SIGNING:</b>  22 July 1997	<b>FIELD:</b>  N.A.	<b>CLOSING ORIGINAL:</b>  31 December 1998	<b>ACTUAL:</b>

## BACKGROUND/RATIONALE

The need for evaluation in the People's Republic of China (PRC) has been highlighted following a number of project failures and the Government's ambitious investment program for public infrastructure. During the Eighth Five-year Plan (1991-1995), the PRC invested over Y6,000 billion in development projects. A random evaluation of about 500 key state projects in 1996 indicated that about 20 percent of the projects were incurring financial losses. This has prompted the Government to place greater emphasis on evaluation and to obtain feedback to improve project planning, implementation, and management. At the time of TA formulation in 1997, there was no efficient monitoring and evaluation mechanism to disseminate project implementation experience and results to planners and policy makers to improve project planning and management. Given the PRC's size and the economic transformation being pursued, a major effort is required to build evaluation capacity through strengthening of concerned evaluation institutions and developing approaches and techniques appropriate to providing feedback to improve project quality. In response to PRC's needs, the technical assistance (TA) focused on how to provide effective feedback of lessons and experience learned to assist decision making, and to strengthen the capacity of evaluation institutions such as the State Development Planning Commission (SDPC), China National Audit Office (CNAO), China International Engineering Consulting Corporation (CIECC) and the State Development Bank (SDB) of China.

## TA OBJECTIVE AND SCOPE

The TA aimed at assisting PRC to strengthen its evaluation capacity to provide effective feedback on project performance experience thereby improving the quality of future projects. To achieve this, the TA was to: (i) improve institutional arrangements for better coordination between evaluation agencies and a more efficient feedback system; (ii) improve the internal systems and professional competence of staff of CNAO, CIECC and SDB; (iii) harmonize the evaluation system, methodology, and practices to be used by evaluation agencies; (iv) develop the appropriate plan of action to build long-term evaluation capacity; and (v) institutionalize training for evaluation. The scope of the TA included: (i) institutional reviews, (ii) workshops, (iii) institutionalization of training, (iv) an action plan for evaluation capacity building, and (v) staff training and provision of equipment.

## INPUTS EVALUATION

The TA provided one international consultant (6 person-months) with expertise in evaluation systems and three domestic consultants (total of 27 person-months) with similar expertise to carry out the TA. The consultants' terms of reference (TOR) were clear, comprehensive, and consistent with the TA objectives. The performance of the consultants was satisfactory and in accordance with their respective TORs. The international consultant performed his assignment, under a difficult situation wherein the Government has undergone significant reform in all ministerial functions. Within the SDPC, the executing agency (Key Projects Department) was abolished and its evaluation function instituted within an evaluation department called "Key Project Inspectorate Office" (KPIO). The international consultant's task was facilitated by good team work, his knowledge of the local language, and an understanding of the local culture and traditions. In response to the TOR, the consultants carried out a detailed analysis and assessment of PRC's current evaluation capacity, including strengths and weaknesses as well as manpower training requirements. In addition to basic data gathering and desk review of documents, a four-pronged approach was followed to acquire the necessary information: visits and interviews, workshops, in-house seminars, and "brainstorming" sessions. The Government provided adequate support staff in administering and monitoring TA implementation. For effective implementation of the TA, a Technical Committee (TC) consisting of five senior staff from the participating agencies was created to advise and support the work of the consultants. The Asian Development Bank (ADB) provided adequate supervision through head office support and fielded five supervision missions. The input of counterpart staff was adequate and satisfactory.

## OUTPUTS EVALUATION

The TA achieved the following output : (i) "Brainstorming" sessions, one each on methodological issues and manpower training needs (February/March 1998) to gain preliminary insights from a broad spectrum of local evaluation experts, (ii) two workshops on Strengthening Evaluation Capacity were held in Beijing and Shanghai<sup>1</sup>, and (iii) an intensive in-country training workshop entitled "SDPC-ADB Project Evaluation Seminar" (21 July-1 August 1998) participated by 50 persons from 40 organizations in PRC. Feedback from participants indicated that the training was one of the best on performance evaluation (to date) in PRC. The factors contributing to the training's significant impact included a multi-function and multi-facet seminar curriculum along with a "learning by doing" methodology, and the use of indigenized teaching materials and local language by the teacher-trainers. The TA also provided for overseas on-the-job training (OJT) at ADB Headquarters for four senior staff, one each from CIECC, SDB, CNAO and SDPC. The exercise provided valuable experience in demonstrating to the trainees the cycle of project evaluation with the trainees' actual involvement in the postevaluation process of four ADB projects. The TA also provided an opportunity for a senior PRC official to attend a workshop in Geneva to discuss the methodology and experience of various donor agencies on country assistance program evaluation, organized by the Organization for Economic Cooperation and Development. Feedback from the trainees indicated that the training provided valuable experience in carrying out their respective job functions. The Final Report identified the deficiencies and inherent weaknesses in the current evaluation system as practiced in PRC and highlighted urgent needs to harmonize methodological approaches in project evaluation in PRC. The Report also recommended for a high-level central authority to provide overall coordination and guidance for all evaluation activities in PRC and to develop a legal mandate to give the evaluation profession its proper legitimacy to perform their tasks and to make evaluation work a mandatory government function. The Report submitted by the consultants was generally comprehensive, addressed the TOR adequately and contained realistic and practical recommendations. It provided the basis for the PRC government to formulate a strategy for strengthening evaluation capacity in the country.

## OVERALL ASSESSMENT AND RATING

The TA helped in formulating appropriate approaches, techniques and strategies (institutional framework to conduct project impact evaluation, sustainability assessment, and policy- and program-based evaluation) to be adopted by PRC. The training seminar together with the workshops and the "brainstorming" sessions, all contributed to generating TA impact through advocacy and greater understanding of performance evaluation concepts. The OJT provided valuable learning experience to four senior staff who will contribute further to the evaluation strengthening capability of PRC. The Report provided recommendations (institutional reforms, harmonization of methodologies, manpower training, time frame for action and resource implications) which formed the basis for PRC government to develop a blue print and strategies for strengthening evaluation capacity in PRC. In view of the foregoing, the TA is rated as generally successful.

## LESSONS LEARNED

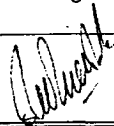
Specific lessons learned are:

- (i) Institutional and leadership support from the Government are essential to sustain full and effective implementation of the TA. The central purpose of making performance evaluation an important tool for development project management and decision making should be properly understood by the decision makers.
- (ii) To implement a performance evaluation system and associated training in PRC, appropriate consideration for the local language and understanding of the local culture and traditions are essential to facilitate faster dissemination of information and to generate greater acceptance.
- (iii) To establish a Technical Committee with a Chairman of equal rank with other TC members is not advisable in PRC.

## RECOMMENDATION AND FOLLOW-UP ACTION

Close monitoring and follow-up are required on the recommendations and action plan outlined in the consultant's final Report. As follow-up, PRC requested ADB assistance to further strengthen performance evaluation as a governance function within SDPC. KPIO has been given the important task of inspecting, monitoring and evaluating the performance of major projects in the public sector. In view of good feedback from the trainees and concerned government agencies, there is need to provide a further TA for evaluation capacity building and training support to KPIO and other evaluation agencies.

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<sup>1</sup> Workshops to discuss evaluation systems and practices of selected aid agencies and countries, including ADB's approach to project performance management (i.e., Project Performance Management System) and to review the existing evaluation practices and procedures as well as institutional arrangements in the PRC.