

TECHNICAL ASSISTANCE COMPLETION REPORT

Division: OED2

TA No. and Name TA 3375-PRC: Project Performance Management Capacity Building in the People's Republic of China		Amount Approved: \$900,000	
		Revised Amount: N/A	
Executing Agency: Key Projects Inspectorate Office	Source of Funding: TASF	Amount Undisbursed \$203,202.0	Amount Utilized \$696,798.0
Date of Report		TA Completion Date	
Approval 27 Dec 1999	Signing 31 Jan 2000	Original Jan 2002	Actual Dec 2002
Fielding of Consultants 27 Mar 2000		Account Closing Date	
		Original Jan 2002	Actual Jul 2003

Description Since 1994, the Asian Development Bank (ADB) has assisted several government agencies in the People's Republic of China (PRC) to strengthen their project performance management and evaluation capacity. Following a major Government reorganization, the State Council approved the creation of the Key Projects Inspectorate Office (KPIO), in 1998, as an independent monitoring and evaluation (M&E) department within the State Development Planning Commission. It was given the task of inspecting, monitoring and evaluating the performance of major public sector projects. In 1999, an ADB technical assistance (TA 2821-PRC) recommended further assistance for evaluation capacity building and training support to KPIO.¹

Objectives and Scope To improve the development effectiveness of public sector projects, the TA was to augment project performance management and evaluation at the Central Government level by upgrading staff capacity in project M&E. The TA was to develop an M&E culture within KPIO and, through it, to impact similar entities at the provincial and municipal levels. TA outputs were to comprise: (i) twinning arrangements, (ii) job descriptions and key competencies, (iii) training program, (v) evaluation guidelines, and (vi) evaluation of selected ADB projects.

Evaluation of Inputs The TA was built on the distinct competency of the World Bank Institute (WBI) to design and carry out a meaningful training program. With the unexpected withdrawal of WBI, alternative arrangements were formulated to prioritize and continue the training interventions earlier identified by WBI.² The TA provided 16 person-months (PMs) of international consultant services including lecturers (6 PMs) for in-country training. The role of the International Project Coordinator was expanded to include the design and conduct of the training interventions. ADB performance was generally satisfactory. It was proactive in selecting the foreign experts, all of whom met their terms of reference. KPIO provided effective support for the TA-funded in-country training events by translating teaching materials, coordinating venue and logistics, and providing classroom interpretation. KPIO provided the requisite counterpart funds and augmented the TA allotment for international training, which was fully disbursed. The satisfactory performance of KPIO also reduced the need for the Domestic Project Coordinator whose performance proved less than effective. Domestic consultant input was reduced from 30 PMs to 3 PMs with savings being realigned to finance the ADB-financed in-country training events. Completion of the original TA components took 8 months more than envisaged at approval.³ At completion, TA disbursements were about 77% of estimated cost. Computer and training equipment were procured and distributed to KPIO and the Tianjin University School of Management (SOM), where most of the training activities within PRC took place. KPIO worked with SOM as its "trainer" institution. The SOM curriculum for routine training was good but needs to be fortified with (i) outside experts, both domestic and foreign, and (ii) modules on the principles and methodologies for M&E and *ex-post* evaluation, including assessing social and environmental impact of development projects.

Evaluation of Outputs The WBI needs assessment identified skills and competencies required for KPIO staff and designed a training program to meet the needs identified.⁴ A significant part of stated TA outputs was accomplished with the training program, a core TA component, implemented largely as programmed. Priority training interventions funded by the TA included 6 in-country training workshops and international study tours. The TA also facilitated a joint evaluation with KPIO of the ADB-financed component of the Jing Jiu Railway Project. At least half of KPIO's 600 staff from Beijing and other parts of the PRC attended the ADB-funded in-country training. The first workshop (July 2001) on project performance-based monitoring and evaluation (PME) met its intended objectives but was only a condensed version of a full seminar on PME principles and methodologies. The follow-on seminar (November 2001) was more logically structured and designed to remedy some of earlier deficiencies with emphasis on results-based monitoring and evaluation. The workshop topics covered performance audit practices in Australia, and the practices and experiences of ADB, the World Bank, UNDP, USAID, DFID and CIDA on results-based management. A local expert effectively conducted a concluding hands-on case study workshop (May 2002) on two large-scale infrastructure projects.⁵ The 3 workshops provided a forum to exchange views, stimulate thinking, and to learn from the PME experiences of developed countries. 31 senior KPIO officials participated in the overseas study tours. The first study tour involved KPIO participation in a Development Assistance Committee workshop in Tokyo (September 2000) on "Evaluation Feedback for Effective Learning and Accountability". The second overseas study tour was an exposure visit (March/April 2001) to ADB and the SGS offices in Europe. In Manila, the delegates were briefed on ADB's internal project performance management system. While the major SGS visit met some

CIDA=Canadian International Development Agency, DFID= Department for International Development, SGS=Societe Generale de Surveillance, USAID=United States Agency for International Development, and UNDP=United Nations Development Programme

¹ TA 2821-PRC: Strengthening of Evaluation Capacity, for \$400,000, approved on 4 July 1997.

² The two-phase assignment started with a training needs assessment in July 2000. WBI completed the needs assessment in September 2000 but decided to terminate services because of internal organizational restructuring and staff transfer, resulting in unavailability of key staff assigned to the TA.

³ The TA completion report was finalized in September 2002. Subsequently, the TA financed a KPIO publication to disseminate TA training and learning experiences. Print copies of the book were received by ADB in August 2003.

⁴ The needs assessment reflects the training philosophy of KPIO and the training program was accepted with minor changes.

⁵ ADB-financed Shanghai Nanong Bridge Project and the World Bank-financed Beijing-Tianjin-Tangou Expressway Project

of the training and learning experience sought by KPIO, overall SGS performance, when evaluated against the objective of learning PME principles, methodologies and practices, proved less than satisfactory due to SGS's lack of expertise on the subject. The last study tour (April 2002) organized by Stanton Partners in Australia was more cost-effective. It appropriately focused on performance audit with emphasis on risk management and contract management. At the end of the training interventions, KPIO submitted 3 internal reports to the State Council on lessons learned: (i) need to broaden the scope of project management to cover the entire project cycle and to be more proactive in monitoring, (ii) need to achieve a high degree of independence while maintaining effective coordination with concerned government agencies and project entities, and (iii) the desire to emulate ADB practices in project portfolio management and establish a data management system. Overall, the initial TA focus was on human resource development, but during implementation, it evolved to cover institutional issues as well. To provide training on a sustainable basis, instead of a foreign twinning partner to work with SOM, its curriculum could be strengthened with additional subjects, i.e., impact of entry to World Trade Organization on project management and implementation. Likewise, KPIO should consider creating an in-house training unit with its own trainers, supplemented with outside experts, to augment the impact of its quality work. Following TA completion, 3 KPIO initiatives are noteworthy: (i) design of an M&E system, patterned after ADB practices, for active projects, (ii) establishment of a system, with built-in weighted indicators, to "measure" the credibility and integrity of project managers, and (iii) initiation of *ex-post* evaluation of completed projects. Preparatory work for these tasks was being done. Thereafter regulations and decrees will be issued, thereby enhancing the quality of key public sector projects.

Overall Assessment and Rating The purpose of the TA remains *highly relevant*. With sufficient authority and a clear mandate, KPIO enjoys a unique status in the Central Government and can take a lead role in building M&E capacity in the PRC. KPIO attaches great importance to training and routinely organizes training programs to improve staff quality and performance. Management is also open to overseas exposure programs to broaden its training perspective. The TA was *efficacious* in achieving its objectives. Training contents included conceptual and theoretical materials as well as practices of multilateral and bilateral aid agencies. In general, the training provided met the needs identified. The TA implementation performance was *less efficient*. The use of a process approach during implementation was appropriate and provided flexibility to accommodate the findings of the needs assessment, the scheduling of training activities, and mustering required resources. However, withdrawal of WBI as a long-term training partner has diminished training value and learning especially so with the alternative SGS training being less than cost-effective. TA impacts are *likely to be sustained*. With a mandate to cultivate an M&E culture in the PRC, KPIO now has the necessary knowledge to do an adequate M&E job, provided that staff continues to use the tools learned and in-house training is institutionalized. KPIO is in the process of making institutional changes to enhance its effectiveness and to broaden the scope of its activities. Operational systems are being revised or refined with new ones being established. Concepts, methodologies, and tools acquired will be incorporated in its operational procedures. When relevant decrees are in place, KPIO will have strengthened itself as an M&E institution. The institutional impacts are *significant*. Training increased and enriched staff skills and competencies to perform tasks with broader coverage and greater responsibilities. It provided a global perspective and facilitated learning of new ideas and concepts including breakthroughs in traditional thinking and practices. Areas of adaptation and application to its operation were identified. Overall, the TA is rated as **SUCCESSFUL**.

Major Lessons (i) *Familiarity with local conditions and practices can contribute to effective delivery of seminars/workshops/training*. Training should provide for interactive discussions and hands-on practice cases using local problems and experiences. Classroom interpretation is also important for training effectiveness. Care taken in translating materials and procuring the service of a skilled interpreter may not avoid inefficiency in classroom delivery and comprehension; (ii) *Cost effectiveness of overseas study tours*. Benefits in learning should match resources spent, and be evaluated against the TA objectives for training and learning; and (iii) *Changes in national M&E processes requires institutional and leadership support at all levels of participating agencies*.

Recommendations and Follow-Up Actions A follow on TA to further strengthen the M&E capacity of KPIO is included in the 2004 pipeline. However, further capacity building needs to consider the following: (i) a heightened awareness among KPIO staff of good governance in the public sector in performing their duties; (ii) a sharpened focus on enhancing accountability, i.e., public sector fund utilization; and (iii) further strengthening of KPIO authority and independence. The TA also recommends strengthening KPIO's PME capacity in 3 areas: (i) *for knowledge enhancement*, it recommends that KPIO training modules be fortified with the use of tools and methodologies in line with international practices. Training should include conceptual underpinning on good governance and sound financial accountability in the public sector. To impact a wider audience in the government, KPIO should host leadership-level advocacy seminars to propagate the importance of M&E of development projects and its potential contribution to nation-building efforts; (ii) *for staff enrichment*, it recommends that KPIO staff be given opportunities to use tools learned on the job and for specially selected members of the staff, to update themselves on best practices overseas and receive on-the-job training at ADB headquarters. KPIO should endeavor to provide similar training packages to benefit all KPIO staff who perform M&E tasks in areas outside Beijing; and (iii) *for system development*, it recommends that KPIO issue a new Operational Manual to broaden its M&E work to cover the entire project cycle, including *ex-post* evaluation. For project implementation performance, KPIO should consider using ADB's performance management system. KPIO should facilitate adoption of a PF approach in the preparing, processing and implementing key projects so as to safeguard project quality and maximize impact. For future training needs, KPIO should explore the advisability of establishing in-house training facilities including a training center and staff. KPIO should establish a formal coordination system with line ministries to discuss M&E findings on projects and to determine remedial actions.