

TECHNICAL ASSISTANCE COMPLETION REPORT

Division: OED1

TA No., Country and Name			Amount Approved US\$400,000	
TA 4581-PRC: Developing a Result-Based National Monitoring and Evaluation System for Key Projects			Revised Amount US\$400,000	
Executing Agency Key Projects Inspectorate Office (KPIO), National Development and Reform Commission (NDRC)		Source of Funding TASF	Amount Undisbursed US\$72,158	Amount Utilized US\$327,842
TA Approval Date 21 April 2005	TA Signing Date Not required	Fielding of First Consultant 12 July 2005	TA Completion Date Original: 31 Dec 2006 Actual: 31 Dec 2007	
			Account Closing Date Original: 31 Dec 2006 Actual: 26 Feb 2008	
<p>Description. The Operations Evaluation Department (OED) of the Asian Development Bank (ADB) had implemented three prior technical assistance (TA) grants to help develop evaluation capacities in the People's Republic of China (PRC).¹ The second TA provided training in evaluation methodologies and practices used by development agencies for key government agencies and organizations, including the then State Development Planning Commission (SDPC). The third TA focused on the then newly created KPIO under SDPC. It aimed to upgrade KPIO staff capability in project monitoring and evaluation (M&E), including building an M&E culture in KPIO offices, which were primarily focusing on input monitoring. Building on the recommendations of the third TA SDPC, restructured and renamed NDRC in 2003, took a major initiative to develop a computerized M&E system that would link the project management systems of KPIOs at various levels with those of project implementation agencies and contractors. However, the proposed system lacked an outcome monitoring capability. Against this background, the Government requested this TA to support the inclusion of outcome indicators in the customized Internet-based M&E system being developed by a private provider.²</p> <p>Expected Impact, Outcome and Outputs. Unrealistically,³ less corruption and better development results from key projects were the stated expected impacts of the TA in the design and monitoring framework (DMF). The impact was expected to be achieved by attaining the identified outcome of regular production of detailed and reliable information related to key project implementation and operational results, which would be made available to KPIOs, project executing agencies and project implementation enterprises on a regular and real-time basis. There were two major outputs expected from the TA: (i) a sub-module in the third-party M&E system on development result (outcome) indicators; and (ii) staff of project executing agencies, project implementation enterprises, and KPIOs trained in result-based M&E, particularly with respect to development result indicators at the outcome and impact levels, and data collection. The TA design was relevant to the needs of the KPIO at the time of design. The TA was included in the 2004 country strategy and program of PRC. Strong ownership by KPIO was evident initially but a change of leadership meant this had to be rebuilt during the course of the TA. The terms of reference (TOR) and executing arrangements were fine in theory but the proposed implementation arrangements did not work out as planned and the implementation schedule was too short in the context of the capacity building nature of the TA and the identified risks.</p> <p>Delivery of Inputs and Conduct of Activities</p> <p><i>Consultant Performance.</i> Consultant performance was mixed. The two international consultants and 3 of 6 domestic consultants delivered most of their expected outputs. A decision was taken not to proceed with recruitment of a third international consultant who was expected to review the structure of the third party M&E system. The performance of the international consultants was adversely affected by limited access to and engagement with the executing agency and mostly they operated out of the office of the M&E system developer. Access to required documents remained problematic. Language difficulties were gradually overcome through the efforts of one of the local consultants. Despite these problems, the performance of the international consultants is rated highly satisfactory. Contracts of three of the six domestic consultants were terminated due to insignificant contribution. The consultant hired to act as the TA coordinator provided little input and his responsibilities were taken over by staff of the M&E system developer at no cost to the TA (this free input saved the TA from failure). The terminated consultants had been recruited at the suggestion of the executing agency (one of their other suggestions performed satisfactorily). Of the retained local consultants, the performance of two was highly satisfactory and the other was satisfactory.</p>				

¹ ADB. 1994. *Technical Assistance for Developing the Performance Evaluation Capability of the People's Bank of China*. Manila (TA 2133-PRC, for \$100,000, approved 2 December 1994). ADB. 1997. *Technical Assistance for Strengthening of Evaluation Capacity in the People's Republic of China*. Manila (TA 2821-PRC, for \$400,000, approved 4 July 1997). The TA was completed in 1999; ADB. 1999. *Technical Assistance for Project Performance Management and Evaluation Capacity Building*. Manila (TA 3375-PRC, for \$900,000, approved 27 December 1999). The TA was completed in 2002.

² The software is called MfDR-Nakproses (Managing for Development Results–National Key Project Management Supervisor and Evaluation System). The Beijing Investment Engineering Software Company is developing it on contract to KPIO and will manage service provision on a user pays basis.

³ As a leading proponent of the DMF, OED should have prepared a much better DMF.

Review Missions. A total of 6 missions were conducted during TA implementation, which is considered satisfactory. A change in project officer was necessitated by transfer of the original responsible staff member. Director OED, Division 1 took over the role. Review missions were critical when TA continuation was threatened because of use of TA funds for an unauthorized study tour to Latin America. Some review missions were undertaken at the time of TA training so the project officer could make presentations. The later missions opened communication lines with the new leadership in KPIO and slowly rebuilt EA ownership. OED was also able to link KPIO and the Ministry of Finance on the issue of result-based M&E. OED's performance is assessed as satisfactory aside from over-optimistic design assumptions and perhaps too willing acceptance of EA suggestions on some local consultants.

Other inputs. A Steering Committee (SC) meeting was held only once (February 2007). The meeting shared information on TA progress but the SC never functioned as a coordinating body—this deficiency certainly made achievement of the outcome more challenging and it meant no clearly apparent progress was made on institutionalizing results-based M&E. There was no significant role of the PRC Resident Mission during TA implementation contrary to what was envisioned in the TA design.

Changes made during implementation. There was no major change in scope during TA implementation aside from cancellation of the study tour activity. The funds saved were largely used to provide more domestic training. The signing of a Letter of Agreement between ADB and KPIO outlining the responsibilities of both parties for conducting the Kunming training facilitated the smooth implementation of the activity. Overall, only 82% of the total ADB approved amount was utilized given the non-use of the equipment line item, decision not to employ one international consultant, cancellation of the overseas study tour, and the termination of contracts of non-performing local consultants. KPIO was highly satisfied with TA outputs. The TA was extended one year beyond the original closing date due largely to a virtual cessation in activities during the period of disagreement over the disallowed study tour.

Evaluation of Outputs and Achievement of Outcome. The main expected outputs under the TA were achieved albeit with delays. The first output, the inclusion of outcome indicators in the web-based M&E system was delivered. (this involved identification of suitable indicators by a process of pilot or case-study projects that involved a high level of local participation). Second, around 200 staff (versus a target of 115) from mainly KPIO offices, executing agencies and enterprises were trained in results-based M&E. All training materials (in Chinese and English) are available on ADB and KPIO websites and a manual was provided to each participant. Pre- and post-training tests revealed a significant increase in knowledge and understanding of concepts and the importance of results-based M&E. Trainees rated the training highly. There was high-level participation by national KPIO staff in the main training event and significant media coverage. The results of the TA and the lessons from its implementation were subsequently fed into the Shanghai International Program on Development Evaluation Training. A telephone survey of the trainees showed that 15 out of 48 provincial or city KPIO offices had started or were planning to start, a local M&E system incorporating outcome indicators and/or were intending to extend the training at the local level on results-based M&E. This was a direct result of the training provided by the TA. Thus there are encouraging signs that the expected outcome may be achieved in time, perhaps through bottom-up effort rather than top-down institutionalization via mandate—ultimately, this may be more successful in achieving real results management as opposed to ritual compliance.

Overall Assessment and Rating The TA is rated **highly relevant** in terms of meeting a clearly identified need. The TA is tentatively rated **effective** based on progress towards outcome attainment. The TA is rated **less efficient** because of the implementation delay, non-performance of some consultants and variable access to and engagement by national KPIO. The sustainability of outcome achievement is uncertain at this time but has been tentatively rated as **likely** based on the strong push being given by the private sector M&E software developer (the company is paid on a user basis) and the interest being shown by a number of provinces and cities. The issue of institutionalization of results-based M&E in PRC and the role of KPIO in this remains unresolved at this time. However, based on growing provincial and city interest, the TA is tentatively rated **successful** but this will need to be revisited in light of subsequent events.

Major Lessons. The main lessons are: (i) although evaluation is a mandated function of KPIO, it is not clear that, at the national level at least, KPIO will be leading its adoption in PRC; (ii) providing training to many provincial and city officials was a strength of the TA as provinces have considerable autonomy in the area of M&E and a number have already moved to adopt results-based M&E; (iii) the use of a private sector service provider to develop the M&E software and to support it through a user-pays principle is a model the success of which should be closely followed—it has the potential to provide a more sustainable solution (it is already showing signs of this) although it may not be without its problems as well; and (iv) the pilot project or case study approach proved once again to be very successful in the PRC context—it facilitates “learning by doing”, provides a rich source of training material, and it may help overcome the in-built reluctance to make data available.

Recommendations and Follow-Up Actions. It is recommended that ADB push for the use of outcome monitoring by KPIO in projects funded by ADB. PRCM could usefully maintain a watching brief on the development of results-based M&E in PRC and be prepared to support its further development if this is prioritized for assistance by the Government. Since institutionalization of evaluation is at its early stages in PRC, further support for evaluation capacity development should take a broader approach (i.e. not focus on a single agency) to avoid developing capacity where it may not be fully utilized.