

TECHNICAL ASSISTANCE COMPLETION REPORT

Division: Poverty Unit, RSDD

TA No. and Name RETA 6105: Review of Asian Development Bank's Poverty Reduction Strategy		Amount Approved: USD 300,000	
		Revised Amount: none	
Executing Agency ADB - RSDD	Source of Funding: TASF	TA Amount Undisbursed USD 1,315.91	TA Amount Utilized USD 298,684.09
Approval 6 May 03	Signing	Fielding of Consultants Various dates	Completion Date Original 30 Nov 2003 Actual 30. Dec 2005
			Closing Date Original 31 Oct. 2003 Actual 12 July 2006
<p>Description: In November 1999 ADB approved its Poverty Reduction Strategy (PRS), with its basic framework resting on the three mutually reinforcing pillars of pro-poor sustainable economic growth, inclusive social development and good governance and cross-cutting priorities of environmental sustainability, gender equity, private sector development, and regional cooperation. The PRS identified key elements and approaches to make ADB more effective in reducing poverty. The PRS mandated a review of the strategy including recommendations for enhancing ADB's systemic impact on poverty reduction. A review of the PRS was initiated in May 2003 and completed with the approval by the ADB Board in July 2004 of the R-Paper: <i>Review of the Asian Development Bank's Poverty Reduction Strategy</i>.</p>			
<p>Expected Impact, Outcomes, Outputs, Activities and Inputs: The PRS review supported by the TA was expected to result in recommendations to improve the PRS and its implementation (goal) and make ADB more effective in its contribution to poverty reduction in the region. Its purpose (outcome) was to review progress in, and if necessary, recommend modifications to the PRS and its implementation. These were to be highlighted in the PRS review report. The outputs and activities proposed were technical papers and draft reports contributing to the PRS review; workshops and group discussions; a staff survey to obtain feedback, and field visits and feedback from developing member countries (DMCs). These were to be supported by consultancy services and supervised by an ADB task force established for supporting the PRS review.</p> <p>Apart from the main PRS review report, 13 technical papers were prepared, a survey of more than 150 ADB staff was conducted, advice was obtained from an expert panel, a workshop (August 2003) with representatives from 33 DMCs was held and consultations in 6 DMCs (PRC, IND, KGZ, PNG, SRI, VIE) undertaken. Consistent with the recommended new emphasis on MDGs the TA also supported a regional MDG conference (Sept. 2005). While this was not directly related to the PRS review, it strengthened PRS implementation efforts towards MDG achievement, a new focus recommended by the review.</p> <p>The rationale for the TA was clear and the TA was timely. The TA design was relevant and the objectives were appropriately formulated. The terms of reference for the consultants and the planned consultancy inputs adequately reflected the required work. The implementation arrangements were effectively formulated and TA execution was designed in a participatory way ensuring ownership and strategic focus.</p>			
<p>Delivery of Inputs and Conduct of Activities: The background studies were prepared by consultants. Overall the consultants' inputs were provided in time and the various technical background papers as well as the final report were of high quality. The advisory panel comprised of eminent experts; however its impact is difficult to assess, as no reports are available on the work of the experts. The consultation with partner countries was done by the PRS task force, supported by the regional departments.¹ Against the planned utilization of 7 person-months of international and 8 person months of local consultants, the review used a total of 12.95 person-months of international and 14.26 person months of domestic staff consultancy inputs². The costs of additional work required for the PRS review (\$158,000) was undertaken by drawing on savings from RETA 5892 (International Conference on Poverty) which shouldered particularly the costs for the external advisory panel, half the costs of the Manila PRS workshop (Aug 03), as well as domestic and international consultancy inputs. While the combined use of funds from both TAs for the PRS review was initially planned, an earlier move to combine both TAs was never finalized.</p>			

¹ While the TA paper provided for financing staff travel through the RETA, the actual costs were shouldered by the regional departments' operational budgets.

² In addition, 5.55 person-months of international and 6 person-months of local consultancy were used to prepare 3 background studies for the enhanced PRS, which helped prepare guidelines and implementing the recommendations.

The combined use of funds from two RETAs partly contributed to the delay in TA closing. TA 6105 was initially intended to be completed within 6 months by November 2003. Progress reports were prepared in September and December 2003 and the final review report was approved by the Board in July 2004. However, TA duration was extended various times until December 2005. This was justified with additional work required for consultation, analyzing, preparing dissemination; following up on the review results and in order to support the regional MDG conference, as part up of the follow up activities of the review.

Evaluation of Outputs and Achievement of Outcome: The PRS review while confirming the relevance of the basic framework of the PRS in terms of the three pillars, introduced significant changes in the strategic directions. (1) It introduced a stronger country focus with emphasis on improved country diagnostics for poverty reduction including country focused poverty analyses; building stronger partnerships around national poverty reduction strategies; and improving the quality and results orientation of CSPs. (2) It abandoned the bilateral poverty partnership agreements in cases of DMCs which had adopted national poverty reduction strategies. (3) It placed greater emphasis on capacity development and added it to the former 4 cross-cutting priorities of the PRS to define a set of 5 thematic priorities. (4) The review introduced the targeting classification by broadening the framework for targeted interventions by adding MDG related non-income poverty and geographical targeting to the existing targeting of poor households/individuals. It also did away with numerical lending targets for specific types of interventions. (5) It suggested additional ADB assistance to meet the non-income MDGs given unsatisfactory progress in the region. (6) It established a comprehensive monitoring, evaluation and reporting framework for the enhanced PRS. (7) It called for improved financial and organizational capacity so that ADB could be more effective in contributing to poverty reduction. Sustainability of the review process was addressed through identification of 34 follow up actions in the review. These are included in the work program of the Poverty Unit that was set up in RSDD in 2005.

The PRS task force effectively oversaw the work of the TA. The broad basis of advice and suggestions in ADB and from partner countries was appreciated. It resulted in a widely shared acceptance of the recommendations. Overall output performance and outcome achievements were good. The outputs generated by the RETA (background studies, consultative processes) were of high quality and strategic value. Stakeholders were well satisfied with the overall process and most of the TA results.

Overall Assessment and Rating: The TA laid the foundation for revising and enhancing the PRS. The PRS review provided important recommendations to improve PRS implementation and to make ADB more effective in contributing to poverty reduction in the region. The TA achieved all expected outcomes and provided the planned outputs (background studies, consultations with DMCs, etc.). Outcomes and inputs were highly relevant. However some important issues mentioned in the PRS review scope such as vulnerability (including implications of security and stability) were not covered in the studies. The TA is rated highly effective, in view of the good quality outputs and their timely delivery, and as it generally satisfied clients. It also had substantial impact on ADB strategic focus by reiterating the poverty focus of ADB and strengthening systemic orientation in its operational work to contribute to country driven results (good sustainability). Given the candid assessments made and the strong impact of the TA through recommendations of the PRS review report for enhancing the PRS and its implementation, the immediate TA results can be rated as highly successful.

TA implementation was less efficient, as there was a substantial time delay and TA costs were more than 50% more than initially budgeted in the TA paper. However, as the PRS task force confirmed, the additional inputs were planned from the beginning of TA implementation. Due to the good results at output, outcome and impact level the TA is rated overall as highly successful.

Major Lessons: (1) To more efficiently use synergies, it would have been better to merge the two RETAs. (2) Despite the process character of the TA, and the additional funds available under TA 5892 the initial budget given in the TA paper should have been followed more closely. (3) To better track PRS Review and preparation of documents for the enhanced PRS and its implementation, it would have been better to close RETA 6105 early and charge all costs indirectly related to the follow up of the PRS Review to TA 5892.

Recommendations and Follow-Up Actions: (1) The TA produced important recommendations for the ADB to further strengthen its poverty reduction impact, as incorporated in the enhanced PRS document. A further review and strengthening of some areas such as the classification system and the quality of upstream country and sector analysis is planned for 2007. (2) The TA produced a set of interesting background studies; however they should be better used, for example by publicizing them through the poverty website. (3) In line with the initial TA paper, ADB should focus more on staff rather than consultant expertise to prepare strategy reviews.

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