

TECHNICAL ASSISTANCE COMPLETION REPORT

Division: OED1

TA No. and Name TA 5832-REG: Evaluation Studies in the Bank's Developing Member Countries			Amount Approved: \$1,000,000	
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Description				
<p>As a result of the recommendation of the Task Force on Improving Project Quality, the Operations Evaluation Department (OED) has increasingly focused on thematic evaluation comprising impact evaluation of ADB lending to specific sectors, and special studies of ADB's processes and operations. The thematic approach, which bases its evaluation on the results of individual projects, is expected to widen the applicability of findings and provide strategic direction to future sector work and country programming exercises.</p>				
Objectives and Scope				
<p>The TA's objectives were to (i) assess ADB's operations and processes within each of the six themes identified below, and (ii) provide feedback on best practices and past shortcomings to strengthen ADB operations.</p> <p>This TA was to include six studies, i.e., two impact evaluation studies (IESs), three special evaluation studies (SESs), and one country assistance program evaluation (CAPE): (i) Impact Evaluation Study of Bank Assistance for Technical and Vocation Education [IES1]; (ii) Impact Evaluation Study of Bank Assistance to Key Sectors in Nepal [IES2]; (iii) Special Evaluation Study of Bank Assistance for Poverty Reduction [SES1]; (iv) Special Evaluation Study of the Role of Nongovernment Organizations (NGOs) in Bank-Assisted Projects [SES2]; (v) Special Evaluation Study of the Role of Resident Missions (RMs) in Project Implementation [SES3]; and (vi) Evaluation of the Country Assistance Program for Viet Nam [CAPE].</p> <p>During its implementation, the TA underwent one minor and two major changes in scope. The first major change in scope (which was approved by the President in May 1999) involved the replacement of SES3 with a new SES entitled Special Evaluation Study on the Policy Impact of Involuntary Resettlement [SES4]. The timing of SES3 was deemed inappropriate, as many of the issues to be examined would have already been covered by other various ongoing studies in ADB. On the other hand, it was an opportune time to examine and evaluate the appropriateness, effectiveness and efficacy of ADB's involuntary resettlement policy (IRP) on affected persons and to provide real time feedback on the issues arising from the IRP.</p> <p>Following the work done by ADB on its RM Policy and the Board discussion of both the working paper and R-paper, pursuing SES3 was deemed timely. Thus in March 2000, OED once again requested for another major change in scope involving the reinclusion of SES3 under the TA, bringing the total number of studies to seven.</p> <p>In response to donors' and other stakeholders' increasing interest in project impacts and operational performance, and in the measurement of this performance, OED was to produce a series of reports that would cover the main findings of its IESs and SESs in various sectors. In 2001, OED was to publish two issues of the <i>Evaluation Highlights</i> (a publication which was to cover OED's major reports for 1999 and 2000), and about six reports under the <i>Assessing Development Impact</i> (ADI) series in the areas of education, health and population, roads and road transport, irrigation and rural development, energy, and water supply and sanitation. In February 2001, a minor change in scope involving the funding of the cost of publishing these reports from the TA's uncommitted funds was approved.</p>				
Evaluation of Inputs				
<p>Originally, a total of around 86.5 person months of consulting services was to be used in the preparation of six studies. In spite of the addition of SES4, the Evaluation Highlights and the ADI series, total consulting inputs was slightly less than the original estimate (84.4 person months), basically because of the lower-than-expected level of utilization of domestic consultants. A total of 52.4 person months of domestic consulting services was used for seven studies, plus the Evaluation Highlights and ADI series. When the TA was approved, a total of 64.5 person months of local consultants was expected. Although the use of domestic consultants for IES2 (6 person months) and SES2 (1.5 person months) was originally envisaged, these studies only involved international consultants. SES1 used 51% less in terms of domestic consulting inputs due to a reduction in the study's scope from six to five countries. The savings from domestic consulting inputs were used to augment international consulting services by 46% from the planned level of 22 person months. Actual international consulting inputs for IES2 increased by around 56%. The use of international consultants for SES1, SES4, the Evaluation Highlights and ADI series was not foreseen during TA formulation. Total disbursements amounted to \$953,101, 5% lower than the approved TA amount. This reflected the savings from domestic consulting inputs, both in</p>				

terms of number and amount. Generally, the consultants' performed satisfactorily, with the exception of one international consultant whose output was below expectation. Stakeholders participated mainly through surveys, interviews and focused group discussions. Overall, ADB supervision was adequate.

Evaluation of Outputs

Activities under this TA were completed by the end of 2003. The four-year delay in completion was mainly a result of the changes in scope. The Evaluation Highlights for 2003 (which covered OED reports for 2002) was the last publication completed under this TA.

IES1 – Technical and Vocational Education: The study, which covered Malaysia, Pakistan, Papua New Guinea (PNG), and Sri Lanka, addressed its main objective by concluding that ADB's assistance to technical education and vocational training (TEVT) had a significant impact for a few years after project completion. However, the impact has not been sustained through the years, except in Malaysia, where the ratio of TEVT to total education expenditures has been about three times that of Pakistan PNG, and Sri Lanka over the years. Lessons highlighted in the study included the need for (i) a long-term focus, i.e., "one-shot" projects do not work; (ii) strong linkages with industry; and (iii) exemplary leaders in schools. The advance action for the recruitment and direct engagement of domestic consultants helped speed up the implementation of the study, which was completed on schedule despite delays in the receipt of primary data from two countries.

IES2 – Key Sectors in Nepal: Initially, IES2 was supposed to focus on ADB's assistance to key sectors in Nepal, specifically the agriculture, rural development, and social sectors. Later, it was realized that Nepal was a well-documented country. Undertaking field research on ADB-supported activities in agriculture and rural development would have little value added. The study eventually zeroed in on the roads sector as the increased economic output, reduction in regional imbalances, poverty reduction, and institutional strengthening resulting from ADB assistance have not been measured directly. The study showed that keeping roads with high traffic volume in good condition is economically justifiable on the basis of road user cost savings alone. On the other hand, hill road upgrading is unlikely to be economically viable by itself. The Government needs to investigate the causes of premature deterioration in the hill road south of Ilam and along the northbound lane of Hetauda-Birganj road. Improved road safety is also an area that warrants further attention.

SES1 – Assistance for Poverty Reduction: This study involved five countries: Bangladesh, Kyrgyz Republic, Lao People's Democratic Republic, Nepal, and the Philippines. Four projects in each country were evaluated, with some projects included upon the suggestion of the governments or ADB staff. SES1 was also printed as a publication for purposes of disseminating the study's findings during the ADB Annual Meeting in May 2000. The study concluded that greater efforts need to be made to ensure a consistent and comprehensive integration of poverty reduction issues in the ADB's then country operational strategy and project designs. The multidimensional nature of poverty suggests the need for multifaceted responses, which could be identified by launching a fact-finding mission without a predetermined sectoral focus. For this approach to work, governments and ADB need to agree on working together in specific geographic areas, which should be visited by multiskilled teams. Through the use of participatory approaches (designed to ensure the inclusion of the poor), the development needs and opportunities of different segments of local communities should be identified and form the basis for designing interventions. The resultant projects might require single-sector or integrated multisectoral approaches, and could form the basis for negotiating contributions from other external agencies. SES1 was converted into a publication and distributed during ADB's Annual Meeting in 2000.

SES2 – Role of NGOs: This study was to cover NGOs, defined to include community-based organizations (CBOs). NGO/CBO involvement in a total of 53 projects in nine countries (as against the planned six to seven countries) was assessed in detail. This SES found that ADB has made significant progress over the past decade in fulfilling its commitment (as specified in the NGO policy paper and other operational strategy papers) to increasingly involve NGOs/CBOs as partners in its development assistance programs. However, the evidence at the country and project levels is mixed. The study's recommendations focused on the need for improving existing practices by, among others, (i) giving more attention at the project concept and design stages to the capacity assessment of NGOs/CBOs and their willingness to participate in the project; (ii) including an agreed upon and verifiable monitoring system for NGO/CBO involvement in a project/program before the latter's approval; and (iii) expanding the existing NGO database by reviewing ADB project documentation so as to capture information on the progress, involvement, and impact of NGOs/CBOs at each stage of the project cycle. This SES also recommends strengthening and expanding ADB and country capacity for NGO/CBO cooperation. This could be done through, for instance, ADB-NGO/CBO information exchange plans for key countries, updated operational guidelines, and program/project staff training based on examples of good practices. SES2 provided inputs in the preparation of the Report of the Task Force on Institutional Arrangements for Cooperation with Nongovernment Organizations¹.

SES3 – Role of RMs in Selected DMCs: Although initially set aside due to a possible overlap with other departments'/offices' studies, SES3 was eventually pursued following the work done by ADB on its RM policy paper. The output, which was an interim report, was renamed as the SES on ADB RMs in Selected Developing Member Countries

¹ ADB. 2001. *Report of the Task Force on Institutional Arrangements for Cooperation with Nongovernment Organizations*. Manila.

[DMCs] (in recognition of the expanded role of the RMs as authorized by the policy paper and thus translated into a broader scope for the study). The study concluded that it would be appropriate to have a high-level task force, which can consider all of the various aspects being individually looked at by various working groups all at once rather than in bits and pieces. Other recommendations include the need to (i) allocate resources to RMs, and in fact to all units in ADB, on cost-effectiveness grounds, not merely on purely cost grounds; (ii) analyze the relationship between staff relocation and the transfer of work; and (iii) adopt ADB's strategic goals, together with the typology of RM functions (as presented in the RM policy paper) as the basis for performance indicators, with the criteria themselves couched to reflect ADB's overarching goal of poverty reduction.

SES4 – Policy Impact of Involuntary Resettlement: Analysis of field data on resettlement impacts from eight sample projects in four countries (Bangladesh, People's Republic of China, Indonesia, and the Philippines) indicates that the IRP has made progress in achieving its development objectives, contributing in many instances to enhanced payments of compensation for lost assets, providing improved housing and infrastructure, and restoring livelihood for many resettled families. The study concluded that the IRP is adequate and relevant but refinements should be made to clarify specific policy elements such as compensation, people directly affected by projects, and those of the vulnerable groups. Six factors are crucial for an integrated approach to resettlement planning and implementation: (i) an appropriate policy framework, (ii) comprehensive planning, (iii) disclosure and consultation with stakeholders, (iv) strong implementing agency, (v) resettlement costs and funding, and (vi) supervision and monitoring. An important lesson learned is to make concerted efforts with DMCs to establish effective implementation practices, with focus on income restoration during the post-resettlement period. Among the study's recommendations are the need to (i) streamline IRP implementation, (ii) adopt an appropriate and improved national resettlement policy in individual DMCs, and (iii) provide adequate funding for resettlement activities to prevent impoverishment of the affected people.

CAPE: Overall, ADB's country strategies have been relevant and have reflected Viet Nam's needs, even though they have been more diffused in focus during the later period. The ADB program did adjust to the strategy and the subsequent shift in focus of the ongoing Doi Moi process. While ADB's strategy and program of assistance have been tailored to policy reforms and developmental efforts by Viet Nam, expected impacts have not yet materialized because of the relatively poor implementation performance of ADB lending. This was primarily due to delays arising from coordination constraints (particularly when project activities crossed established departmental and provincial boundaries of responsibility) and the cumbersome decision-making process. Among the lessons learned is the need for country strategy and program to be designed to provide operational guidance for making hard decisions on project identification and processing. The absorptive capacity for external assistance in a transition economy needs to be thoroughly assessed and improved with assistance over an extended period of time. Formulation of the strategy and program should be focused and selective, and provide the basis for excluding as well as including specific areas of intervention. The study recommended the increase in the project administration staff complement of the resident mission to lessen problems of coordination with provincial authorities, vis-à-vis the devotion of more Headquarters staff time during project processing, and the quest for a sharper geographic focus for ADB operations.

Publications: A total of four Evaluation Highlights (1999-2002) covering the evaluation reports produced for each year and five ADI series focusing on education, health care, roads, energy, and water supply and sanitation was published. Although short by one report in terms of the ADI series, the number of Evaluation Highlights published doubled. The ADI series on education and energy were among the top 100 downloaded reports in ADB's website for the month of October 2004, while the Evaluation Highlights of 2000, in October 2002.

Overall Assessment and Rating

More than what was planned was actually completed under this TA. From a total of six studies, seven were undertaken. Thus, the TA's objectives of (i) assessing ADB's operations and processes within each of the six themes identified, and (ii) providing feedback on best practices and past shortcomings to strengthen ADB operations were achieved. Additional publications (Evaluation Highlights and ADI series) were completed to complement the original studies envisaged under the TA. Overall, the TA is rated successful.

Major Lessons Learned

Close coordination with the operations departments, and flexibility, allowed the study program to be adjusted and adapted, increasing the timeliness and value of study findings to these departments.

Recommendations and Follow-Up Actions

As in all other OED reports, the studies included under this TA presented lessons and recommendations which the operations departments could consider when designing or implementing projects. In addition to OED's internet website, greater efforts are needed with regard to dissemination of findings, including bringing the lessons learned from past reports to the attention of new staff possibly through workshops.