

**ASIAN DEVELOPMENT BANK**

**TAR:STU 34546**

**PROPOSED**

**TECHNICAL ASSISTANCE**

**FOR**

**IMPACT AND SPECIAL EVALUATION STUDIES**

**OF ASIAN DEVELOPMENT BANK OPERATIONS**

**IN DEVELOPING MEMBER COUNTRIES**

**February 2001**

## ABBREVIATIONS

ADB	–	Asian Development Bank
ADF	–	Asian Development Fund
BPMSD	–	Budget, Personnel and Management Systems Department
CAPE	–	country assistance program evaluation
DMC	–	developing member country
ESW	–	economic and sector work
IPF	–	indicative planning figure
OEO	–	Operations Evaluation Office
PCR	–	project completion report
PPMS	–	project performance management system
RETA	–	regional technical assistance
RME	–	results monitoring and evaluation
TA	–	technical assistance

## NOTE

In this report, "\$" refers to US dollars.

## I. INTRODUCTION

1. The Operations Evaluation Office (OEO) of the Asian Development Bank (ADB) supports ADB's vision through excellence and independence in evaluation. OEO's mandate has broadened and has become considerably more demanding over the past several years. In addition to its traditional focus on the performance of completed projects, programs, and technical assistance (TA), OEO has concentrated on (i) preparing evaluation studies aimed at more intensive investigations of particular thematic issues; (ii) evaluating the effectiveness of ADB's operations, practices, and procedures; (iii) providing real time feedback on ongoing operations; (iv) monitoring and reporting on actions taken by ADB and its executing agencies in response to OEO evaluation report recommendations; (v) building evaluation capacity within and outside ADB to enhance self-evaluation; and (vi) coordinating closely with multilateral and bilateral aid agencies on evaluation through the Working Party on Aid Evaluation of the Development Assistance Committee of the Organisation for Economic Co-operation and Development and the multilateral development banks' Evaluation Cooperation Group.

2. OEO has put together its 2001 work program cognizant of the escalating pressures on ADB to demonstrate its development effectiveness and the intensifying clamor for independently validated performance information to stockholders. In addition to preparing performance audit reports, the 2001 work program will continue to focus on thematic issues that are relevant to ADB operations. These include studies in the areas of poverty reduction; environment; usefulness of economic and sector work; effectiveness of regional technical assistance (RETA); performance management in ADB, executing agencies, and planning agencies; and impact assessment of projects funded by the Asian Development Fund (ADF). The work program will also increase the coverage of performance audit reports from 30 to 40 percent for projects and to 100 percent for program loans. OEO will target completion of about 47 major reports (Appendix 1).

3. OEO will focus on more effective feedback and use of lessons learned by closely examining (i) project and TA proposals, and (ii) project completion reports (PCRs) (about 50 percent of completed PCRs will be subjected to in-depth review) to help improve the self-evaluation capacity of operational departments and reliability of project success ratings. Training support for project performance management system (PPMS), logical frameworks, and performance indicators aimed at improving design of new projects, and the monitoring, management, and impact assessment of ongoing projects will also be expanded. In addition, OEO will monitor and report on actions taken by ADB and its executing agencies in response to OEO evaluation report recommendations. OEO will continue its effort of building evaluation capability in selected developing member countries (DMCs). Through the use of its follow-up action reports, OEO will strive to mainstream evaluation findings in ADB's policy and decision making processes for management and staff. This paper describes a proposed RETA which covers eight evaluation studies.<sup>1</sup> The RETA framework is presented in Appendix 2.

## II. BACKGROUND AND RATIONALE

4. To simplify the funding procedure for its operations as well as to ensure its independence in carrying out its mandate, OEO requested a change in procedure during submission of its 2001 budget requirements to the Budget, Personnel and Management Systems Department (BPMSD) in September 2000. The requested change in procedure would require the administrative budget (i.e., staff consultant budget) to finance the consultant

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<sup>1</sup> The RETA first appeared in *ADB Business Opportunities* on 2 November 2000.

requirements for all evaluation activities, including those studies such as impact evaluation studies, special evaluation studies, and country assistance program evaluation (CAPE) for which consultant requirements in the past were financed separately from the indicative planning figure (IPF) allocation from RETA funds and approved by the President. BPMSD responded that the administrative budget could support only the consultant requirements needed for project/program performance audit reports, technical assistance performance audit reports, and the help desk activities on the PPMS. It suggested that OEO continue its current practice of seeking the approval of the President for an annual IPF from RETA funds to finance consultant inputs for the other evaluation studies.

5. The special evaluation studies, i.e., thematic and sector evaluation, now account for about 40 percent of OEO's work program amounting to about \$1.5 million from 1997 to 2000. In the World Bank, the Operations Evaluation Department allocates about \$7.9 million to conduct similar sector and thematic evaluation studies. Acknowledging the operational relevance of this important activity, the President on 23 October 2000 approved an annual RETA IPF of \$1.6 million for OEO to conduct such evaluation studies in 2001, the same amount approved for 1999 and 2000. OEO traditionally selects topics for study in close consultation with ADB's operational departments.

6. In 1999, OEO completed seven impact and special evaluation studies: (i) Impact Evaluation Study of the Asian Development Bank's Program of Subregional Economic Cooperation in the Greater Mekong Subregion; (ii) Impact Evaluation Study of the Technical and Vocational Education Projects in Malaysia, Pakistan, Papua New Guinea, and Sri Lanka; (iii) Special Evaluation Study of the Role of Nongovernment Organizations and Community-Based Organizations in Asian Development Bank Projects; (iv) Special Evaluation Study of the Effectiveness of ADB Approaches and Assistance to Poverty Reduction in Bangladesh, Kyrgyz Republic, Lao People's Democratic Republic, Nepal, and Philippines; (v) Country Assistance Program Evaluation in the Socialist Republic of Viet Nam; (vi) Special Evaluation Study on the Policy Impact of Involuntary Resettlement; and (vii) Impact Evaluation Study of the Asian Development Bank Assistance to the Roads Sector in Nepal.

7. Five special studies were undertaken in 2000: (i) Country Assistance Program Evaluation for the Philippines; (ii) Special Evaluation Study on the Policy Implementation and Impact of Agriculture and Natural Resources Research; (iii) Special Evaluation Study on Gender and Development; (iv) Special Evaluation Study on Sustainability of Policy Reforms through Advisory Technical Assistance; and (v) Special Evaluation Study on Program Lending.

8. In preparing the 2001 work program, OEO considered the operational relevance of the program, and ADB's strategic objectives, policies, and operations. The evaluation studies as indicated in Appendix 3 aim to assess the relevance, efficacy, efficiency, and impact of ADB operations to provide real time feedback to the DMCs and ADB to strengthen the effectiveness and efficiency of future operations. Lessons emerging from the studies are intended to help improve (i) ADB's country and sectoral strategies; (ii) the design of future projects, especially those with particular implications for the ADB's operational strategies; and (iii) project implementation.

### **III. THE PROPOSED TECHNICAL ASSISTANCE**

#### **A. Objectives**

9. The objective of this RETA is to finance consulting requirements of eight evaluation studies designed to (i) assess the relevance, effectiveness, efficacy, and impacts of various

ADB operational activities, and (ii) provide timely feedback on a broad range of operational issues to the DMCs and ADB. These evaluation studies will also provide relevant operational findings (such as lessons learned and follow-up actions) and timely feedback on best practices to strengthen ADB operations in the DMCs.

## **B. Scope**

10. The scope of each study follows.

11. **Impact Evaluation Study of ADB Assistance in the Power Sector in Indonesia.** The power sector has been the traditional area of ADB support for energy in Indonesia. ADB's intervention has largely focused on developing non-oil-based power generation and associated transmission, distributing electricity to existing and new consumers, integrating isolated systems outside Java, improving supply efficiency, and developing human resources. Within this context, the power sector needs to be restructured to enable it to support the move to a competitive environment based on the recommendations of ADB and World Bank strategic studies, undertaken in the mid-1990s. The rationale for the study is therefore based on the strategic importance of the power sector and the consequent need for its reform to contribute to the country's ongoing economic prosperity. This study aims to assess the relevance and long-term development impact of ADB assistance.

12. The study will evaluate ADB's operations in the power sector and assess their role in developing a modern, efficient, and increasingly commercialized power market within the country. The scope will include the performance aspects and development impacts of all power projects which commenced and were completed since 1980, namely: (i) Java Transmission (I and II), (ii) Second Sulawesi Power, (iii) Transmission and Distribution System Development, (iv) Power XVIII, (v) Power XIX, (vi) Power XX, and (vii) Power XXI. The study will comprise an assessment of these projects, including a review of ADB documents, field visits to selected project sites within the country, socioeconomic impact surveys of beneficiaries, and discussions with those involved in project implementation.

13. **Impact of Rural Roads on Poverty Reduction.** Road sector projects contribute to poverty reduction through their indirect impacts on economic growth and direct impact on the personal welfare of the poor. What exact impact a project has on poverty reduction hinges on both the type of infrastructure or services, and the areas and people the project serves. Rural roads in poor areas make only a modest contribution to national growth, but they have a significant direct impact on the daily life of the poor. Benefits in rural roads are less likely to be derived from road user cost savings because of the generally low traffic volumes, but rather from improvements to access to markets, services, and information, and the changes these can have on farming, personal travel, living conditions, and social development. Moreover, construction and maintenance often can be done using labor-intensive means offering scope for employment of poverty groups. The study aims to quantify the main impacts of rural roads on poverty, focusing on employment during construction and subsequent maintenance, and from road usage.

14. The study will identify and quantify the main impacts of rural roads on poverty. All types of impacts are to be included, both income- and nonincome-related, such as improved travel, living conditions, education, empowerment, and access to information and resources. Secondary benefits, such as the opening up of areas for subsequent installation of electric power reticulation, and negative impacts such as from environmental degradation are also to be considered. Special attention will be given to estimating the impacts of construction and maintenance, such as through employment and material supply operations, and the added

impact on poverty that labor-intensive construction and maintenance methods can confer. The study will select and review completed and ongoing rural road projects in three countries which are yet to be determined by the study methodology framework. Field surveys of relevant stakeholders will be conducted.

**15. Special Evaluation Study on Poverty Reduction: A Comparative Assessment Between Successful and Unsuccessful Projects.** ADB formally adopted poverty reduction as one of its five strategic development objectives in its first Medium-Term Strategic Framework 1992-1995. In 1999, poverty reduction was declared the overarching goal of ADB. Work has begun on a long-term strategic framework (2001-2015) for ADB operations to ensure that all activities are integrated and directed to meeting this overarching goal. In December 1999, OEO implemented a special evaluation study<sup>2</sup> of five DMCs to provide evaluative data to assess the impact of ADB's poverty reduction measures on developing an operational strategy for poverty reduction.<sup>3</sup> This study is a follow-up assessment of the 1999 study and will cover an evaluation of the performance and impact of ADF-funded projects aimed at poverty reduction.

16. The study will (i) identify why certain ADB projects with poverty reduction as the primary or secondary objectives were successful while others were not; (ii) identify the country-specific and sector-specific factors which significantly affected the performance of such projects; (iii) assess the level and extent of impact achieved by said projects from the beneficiaries' point of view; and (iv) draw up generalized lessons—both positive (what to do) and negative (what not to do)—from the selected projects. The study is proposed to be limited to the agriculture and natural resources, and social infrastructure sectors, as they account for around 60 percent of all projects funded under ADF. A total of 75 projects with project performance audit reports will be included in the study. Of these, 40 projects will be subjected to in-depth assessment (surveys, focus group discussions) and will be selected from (i) DMCs that have experienced poverty over the long term, (ii) DMCs hit by the Asian economic crisis, and (iii) the small island DMCs of the Pacific.

**17. Special Evaluation Study on Economic Sector Work.** ADB carries out economic and sector work (ESW) both at the country level and across countries using a wide range of instruments such as advisory TA, ESW initiated by staff, and regional economic TA. The report of the 1994 Task Force on Improving Project Quality concluded that while ESW is periodically undertaken for each DMC, the inputs invested in these exercise are modest and their results do not always link up closely with mainstream ADB operations in the country concerned.<sup>4</sup> The 1999 Report on the Redesign of Operational Business Processes in its assessment of progress made since 1994 concludes that competing demands on limited staff resources have meant that ESW is assigned relatively low priority in the work programs of operational departments.<sup>5</sup> This study will provide some insight on the ESW that ADB conducted, its usefulness, impact, and influence on policy and decision-making process.

18. The main objective of this study is to assess the role played by ESW in ADB's operations. The study will determine if ESW is used as a strategic instrument by ADB to bring about systematic reforms in the DMCs. This will involve not only looking at the impacts in the field for selected cases, but also at ADB processes. The study will be based on case studies which will be selected in consultation with the programs departments. The study will compare

<sup>2</sup> SST: REG 99024: *Effectiveness of ADB Approaches and Assistance to Poverty Reduction in Bangladesh, Kyrgyz Republic, Lao People's Democratic Republic, Nepal, and Philippines*, December 1999.

<sup>3</sup> ADB. 1999. *Fighting Poverty in Asia and the Pacific: The Poverty Reduction Strategy of the Asian Development Bank*. Manila.

<sup>4</sup> ADB. 1994. *Report of the Task Force on Improving Project Quality*. Manila.

<sup>5</sup> ADB. 2000. *Report on the Redesign of Operational Business Processes*. Manila.

and benchmark ADB's ESW with other similar efforts. The countries to be selected are expected to include one large, one very small, and one medium-size country. The study will use a set of qualitative indicators and be based on interviews with a large number of stakeholders within ADB and in-country.

19. **Special Evaluation Study on the Effectiveness of the RETA Process.** Through its TA operations, ADB assists DMCs in (i) identifying, formulating, implementing, and operating development projects; (ii) improving their institutional capabilities; (iii) formulating and coordinating development strategies, plans, and programs; and undertaking sector-, policy- and issues-oriented studies; and (iv) promoting the transfer of technology. Specifically, through RETA, ADB also fosters regional cooperation among DMCs by assisting in preparing regional studies and conducting, by itself or in cooperation with other organizations, conferences, seminars, workshops, and training courses for participants from several DMCs, thus promoting the role of ADB as a development resource center. Since 1967, ADB has approved 945 RETAs, totaling \$341 million covering 252 studies, 265 conferences, 267 training courses, 73 research initiatives, and other activities. At present, approximately 151 RETAs are being administered by various offices in ADB.

20. The main purpose of the study is to assess the relevance, effectiveness, and efficacy of the RETA process and the sustainability of impacts from RETA operations. The study will conduct a critical analysis of the RETA selection and approval process, and provide feedback on lessons learned and how these could contribute to the processing and implementation of the new RETAs. Considering the wide coverage of RETA operations, the study will conduct a detailed analysis of carefully selected samples following a three-phased approach: project preparation, monitoring and implementation, and evaluation of results. Specifically, the study will assess the quality and long-term impact of the RETA approach by (i) conducting a desk review of technical assistance performance audit reports, technical assistance completion reports, and other related TA special studies; (ii) reviewing documents, institutional arrangements, and practices of ADB and similar agencies concerned with RETA implementation; (iii) interviewing ADB staff to explore their collective experience with processing and implementing RETAs; (iv) conducting case studies of RETA performance results in selected countries and/or sectors; (v) assessing the quality of RETA outputs; and (vi) drawing practical recommendations for future directions and enhancements to the RETA process.

21. **Special Evaluation Study: Project Performance Management in ADB and the DMCs.** ADB has recently increased its emphasis on improving project quality and development effectiveness by improving both project quality at entry and more effective ongoing project performance management. Internally, ADB has progressively introduced the PPMS, a results-based design, monitoring, and evaluation system that emphasizes the identification of project performance indicators at the design stage (the logical framework is a requirement), and ongoing monitoring and evaluation of these indicators during project implementation. At the same time, ADB has helped several DMCs establish their own results monitoring and evaluation (RME) systems. The PPMS is not yet being effectively implemented within ADB, and modifications are currently being made to the system (for example, the project performance report, which is used to report on project progress, is being redesigned). The study will assess progress in implementing the PPMS and determine what modifications and/or interventions are needed. This could include proposals for integrated training in all aspects of the PPMS, and development of training manuals, guidelines, and other assistance materials.

22. The study will evaluate progress to date in implementing the PPMS within ADB and related RME TAs in the DMCs, most of which are ongoing or just completed, to assess capabilities within ADB and concerned planning agencies for implementing the PPMS and RME.

In addition, the study will assess capabilities within associated key project executing agencies (for example, agriculture, public works, education, health), some of which have received TA support for project implementation. The study will cover the DMCs where ADB has provided TA for capacity building in evaluation and/or RME (Bangladesh, People's Republic of China, Nepal, Philippines, Sri Lanka, and Thailand) together with Cambodia and/or Viet Nam where significant assistance has also been provided for project monitoring. Apart from the desk review within ADB, field visits will be made to Bangladesh, Nepal, Sri Lanka, Thailand, and Cambodia/Viet Nam. The desk review of the TA will help determine which executing and planning agencies will be selected.

**23. Special Evaluation Study Covering Projects Approved Under ADF V to VII.** ADB provides concessional finance through the ADF, which has a long-term vision of eliminating absolute poverty in the poorest countries in Asia. At the time of negotiations on ADF VIII,<sup>6</sup> the donors asked that ADF effectiveness be evaluated. The proposed special study aims to fulfill this request by evaluating selected projects approved under ADF V to VII. This will supplement OEO's recently completed study on ADF I to IV which provided indications as to the extent that the ADF facility has improved the lives of the people in the borrower DMCs specifically along ADB's strategic development objectives. Findings from this study indicate that ADF I to IV had significant impact over 13 out of 22 DMCs and that impacts would probably be greater if the strategic objectives, allocation criteria, and monitoring and control system of overall performance were in place at both ADB and country levels.

**24.** The proposed evaluation study will be undertaken in two parts. Part I will assess the overall development impact of the finance provided through ADF V and Part II will assess projects financed under ADF VI and VII. Part I will be completed in 2001 while Part II will be completed in 2002. The evaluation will consider both the direct and indirect impact of ADF resource transfers to these countries in assets creation and in bringing about policy reforms, capacity building, and institutional development. The study will also identify best practices and lessons for the future to make future ADF operations more effective. The evaluation will adopt a process approach and not be limited to evaluation of inputs or outputs. The study will use a combination of macroeconomic analysis, evaluation of selected case studies, desk studies, and impact evaluation at country levels. The study is to use a participatory approach for evaluation and hold extensive stakeholder consultations in the DMCs involving the entire development community.

**25. Country Assistance Program Evaluation for Bangladesh.** As one of the poorest countries in the world with a per capita income of approximately \$337 in 1998, reducing poverty remains the central development challenge in Bangladesh. The high population density, poor resource management, and numerous natural disasters coupled with frequent political turmoil have constrained the economic and social development of the country over the past two decades. Economic growth has remained low and poverty is endemic among both rural and urban households. Compared with its operations in the 1970s and 1980s, ADB's assistance to Bangladesh in the 1990s has been more relevant to the strategic objective of poverty reduction and more effective in terms of project implementation. More emphasis has been placed on structural reforms, capacity building, and institutional development. Partnerships with the Government, nongovernment organizations, and civil society have also been strengthened. With this, Bangladesh has made significant progress in improving social conditions, particularly in the fields of health, education, and population. At the same time, it has achieved a certain degree of macroeconomic stability. The study aims to assess more closely the impact and development

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<sup>6</sup> Seventh replenishment of the ADF.

effectiveness of ADB's country-wide activities including new lending services, i.e., economic sector work, policy dialogue, and aid coordination.

26. Specifically, the CAPE will (i) evaluate ADB's strategy for developmental assistance to Bangladesh and the relevance, efficiency, and effectiveness of its overall program assistance; (ii) derive lessons learned; and (iii) provide recommendations to feed into the design of ADB's country strategy. Although the CAPE will evaluate past operations, it will provide useful lessons and directions for the future. The CAPE will focus on issues that are relevant for decision making by ADB and the Government of Bangladesh. The evaluation of the assistance program for Bangladesh is proposed to comprise the following: (i) a review of Bangladesh's macroeconomic environment development plans, development contribution of other assistance agencies in Bangladesh, and ADB's diagnosis of the country's development needs and problems; (ii) assessment of ADB's assistance strategies to Bangladesh and of the relevance and appropriateness of its operational strategies and interventions; (iii) evaluation of ADB's operations (both lending and nonlending), and determination of the efficiency and efficacy of its operational programs; (iv) assessment of the implication of the current changing environment facing Bangladesh; and (v) identification of new opportunities and responsibilities, issues, and lessons learned for future consideration in the preparation and implementation of the country assistance plan. Based on OEO's experience in the CAPE for the Philippines, this study is expected to be completed in 2002.

### **C. Cost Estimates and Financing Plan**

27. The RETA is estimated to cost \$1.6 million. It will be financed by ADB on a grant basis from the ADB-funded TA program. Cost estimates are given in Appendix 4.

### **D. Implementation Arrangements**

28. OEO will implement the RETA. Eight OEO staff will independently carry out the studies, with the assistance of international and domestic consultants. ADB staff will provide a total of about 30 person-months of OEO's own human resources. About 55 person-months of international consulting and about 150 person-months of domestic consulting inputs are funded under this RETA. The individual areas of expertise, duration of engagements of consultants, and outline terms of reference are given in Appendix 5. In keeping with OEO's guidelines for preparing evaluation reports, each OEO staff member involved will prepare a position paper prior to engaging consultants and embarking on evaluation missions. Operational departments and DMC governments will be fully consulted prior to formulating the study design matrix and finalizing detailed terms of reference for consultant recruitment. Individual evaluation reports will be prepared for each study. Consultants will be engaged according to ADB's *Guidelines on the Use of Consultants* and other arrangements satisfactory to ADB on the engagement of domestic consultant. The RETA will commence in February 2000 and is expected to be completed by mid-2002.

## **IV. THE PRESIDENT'S RECOMMENDATION**

29. The President recommends that the Board approve the provision of technical assistance, on a grant basis, in an amount not exceeding the equivalent of \$1,600,000 for the purpose of Impact and Special Evaluation Studies of Asian Development Bank Operations in Developing Member Countries.

**MAJOR OPERATIONS EVALUATION ACTIVITIES IN 2001****A. Project Performance Audit Reports (22 reports covering 23 projects)**

1. Sectors
  - Social Infrastructure (9)
  - Transport and Communications (7)
  - Agriculture and Natural Resources (3)
  - Energy (2)
  - Industry (1)
  - Other (1)
2. Countries (12)
3. Modalities
  - Regular Projects (16)
  - Sector Projects (6)
  - Special Assistance Project (1)

**B. Program Performance Audit Reports (7)**

1. Sectors
  - Agriculture and Natural Resources (4)
  - Finance (2)
  - Industry (1)
2. Countries (7)

**C. Technical Assistance Performance Audit Reports (7)**

1. Sectors
  - Social Infrastructure (1)
  - Energy (1)
  - Finance (1)
  - Transport and Communications (1)
  - Other (3)
2. Most multicountry (6)

(Reference in text: page 1, para. 2)

**D. Impact Evaluation Studies (2)**

1. Impact Evaluation Study of ADB Assistance in the Power Sector in Indonesia
2. Impact of Rural Roads on Poverty Reduction

**E. Special Evaluation Studies (6)**

1. Special Evaluation Study on Poverty Reduction: A Comparative Assessment Between Successful and Unsuccessful Projects
2. Special Evaluation Study on Economic Sector Work
3. Special Evaluation Study on the Effectiveness of the RETA Process
4. Special Evaluation Study: Project Performance Management in ADB and the DMCs
5. Special Evaluation Study Covering Projects Approved Under ADF V
6. Special Evaluation Study Covering Projects Approved Under ADF VI and VII (completion in 2002)

**F. Country Assistance Program Evaluation for Bangladesh (completion in 2002)****G. Twenty Third Annual Review of Evaluation Operations****H. 2000 Annual Performance Evaluation Program****I. Guidelines for the Preparation of the following Evaluation Reports:**

1. Program Performance Audit Reports
2. Performance Audit Reports for Private Sector Projects
3. Technical Assistance Performance Audit Reports
4. Country Assistance Program Evaluation

## REGIONAL TECHNICAL ASSISTANCE FRAMEWORK

Design Summary	Performance Indicators/Targets	Project Monitoring Mechanisms	Risks and Assumptions
<b>1. Goal</b>			
<ul style="list-style-type: none"> <li>The primary goal is poverty reduction, which will be achieved by improving the effectiveness of Asian Development Bank (ADB) operations and enhancing ADB's contribution to the development of developing member countries (DMCs)</li> </ul>	<ul style="list-style-type: none"> <li>Improved performance and sustainability of ADB-financed technical and development projects</li> <li>Higher project and technical assistance (TA) success rate</li> </ul>	<ul style="list-style-type: none"> <li>Annual review of evaluation operations</li> </ul>	<ul style="list-style-type: none"> <li>Commitment of ADB and government decision makers to apply results of the studies</li> </ul>
<b>2. Purpose</b>			
<ul style="list-style-type: none"> <li>To derive lessons learned from ADB's assessment, and sustainability and long-term impact of ADB assistance and projects to DMCs</li> <li>To provide follow-up actions on ADB-supported projects in the DMCs</li> <li>To recommend appropriate measures</li> </ul>	<ul style="list-style-type: none"> <li>Use of lessons and best practices in future program, project, and TA design</li> </ul>	<ul style="list-style-type: none"> <li>Final reports of each study</li> </ul>	<ul style="list-style-type: none"> <li>Commitment of ADB and DMC governments to implement the study</li> <li>Cooperation among the agencies involved</li> </ul>
<b>3. Outputs</b>			
<ul style="list-style-type: none"> <li>Consolidated reports presenting the overall conclusions and recommendations for future actions by ADB and DMC governments including analysis of crosscutting priorities and survey results</li> </ul>		<ul style="list-style-type: none"> <li>Inception and progress reports</li> </ul>	<ul style="list-style-type: none"> <li>Validity of recommendations</li> <li>Quality of outputs from consultants</li> </ul>
<b>4. Inputs</b>			
<ul style="list-style-type: none"> <li>Consulting services</li> <li>Staff resources</li> </ul>	<ul style="list-style-type: none"> <li>ADB financing of around \$1.6 million to cover the cost of consulting services comprising about 12 international consultants (55 person-months, intermittently) and about 28 domestic consultants (150 person-months) in country surveys and workshops</li> <li>ADB staff input consisting of 30 person-months of professional staff input.</li> </ul>	<ul style="list-style-type: none"> <li>Project implementation reports, progress reports, consultant's reports, back-to-office reports</li> <li>Financial monitoring by Controller's Department</li> <li>Contract monitoring by Consulting Services Division</li> </ul>	

(Reference in text: page 1, para. 3)

### EVALUATION STUDIES INCLUDED IN THIS REGIONAL TECHNICAL ASSISTANCE

Study	Estimated Cost (\$)
<b>A. Impact Evaluation Studies</b>	
1. Impact Evaluation Study of ADB Assistance in the Power Sector in Indonesia	130,000
2. Impact of Rural Roads on Poverty Reduction	190,000
<b>Subtotal (A)</b>	<b>320,000</b>
<b>B. Special Evaluation Studies</b>	
1. Special Evaluation Study on Poverty Reduction: A Comparative Assessment Between Successful and Unsuccessful Projects	200,000
2. Special Evaluation Study on Economic Sector Work	190,000
3. Special Evaluation Study on the Effectiveness of the RETA Process	140,000
4. Special Evaluation Study: Project Performance Management in ADB and the DMCs	200,000
5. Special Evaluation Study Covering Projects Approved Under ADF V to VII	280,000
<b>Subtotal (B)</b>	<b>1,010,000</b>
<b>C. Country Assistance Program Evaluation (CAPE)</b>	
1. CAPE for Bangladesh	270,000
<b>Total</b>	<b>1,600,000</b>

ADB = Asian Development Bank, ADF = Asian Development Fund, DMC = developing member country, RETA = regional technical assistance.

(Reference in text: page 2, para. 8)

**COST ESTIMATES**  
(\$)

<b>Item</b>	<b>Cost</b>
1. Consultants	
a. Remuneration	
i. International Consultants	832,000
ii. Domestic Consultants	354,000
b. International and Local Travel	192,000
2. Reports, Communications, Workshops, and Surveys	120,000
3. Contingencies	102,000
<b>Total</b>	<b>1,600,000</b>

(Reference in text: page 7, para. 27)

## OUTLINE TERMS OF REFERENCE FOR CONSULTANTS<sup>1</sup>

### A. Impact Evaluation Study of ADB Assistance in the Power Sector in Indonesia

1. The international consultant will be recruited for 6 person-months to provide inputs to the study. The consultant will be an evaluation specialist with background and extensive work experience in the power sector. The consultant will undertake the following:

- (i) Based on documents and discussions with the Government and the executing agency, review and assess the power sector objectives, individual project design, contract engagement process, performance of consultants/contractors, and project implementation.
- (ii) Review and assess the operation of the projects' facilities: carry out a site inspection of power transmission and substation facilities and equipment funded by the projects, assess their operating conditions, and environmental maintenance provisions (if applicable), as well as other relevant aspects pertaining to their use.
- (iii) Prepare a comprehensive report on the results of the impact evaluation.
- (iv) Draw conclusions, and identify issues and lessons learned, and follow-up actions for the Asian Development Bank (ADB), the Government, and the executing agency with respect to procurement practices and project implementation of physical works pertaining to ongoing ADB-funded power system expansion and/or improvement/rehabilitation, impact on beneficiaries, and targeted efficiency improvements.

2. Two domestic consultants will be recruited for 10 person-months each to assist the international consultant with the following:

- (i) Identify and recruit enumerators for the survey; organize work of the survey team including data encoding and processing; and provide administrative support.
- (ii) Conduct a socioeconomic survey, specifically within the impacted areas of the main transmission and distribution components of the selected projects for the impact evaluation.
- (iii) Where applicable, help prepare the economic and financial reevaluation of selected projects.
- (iv) Help prepare the special study report.

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<sup>1</sup> Detailed terms of reference will be prepared by each evaluation specialist after completion of the specific study design matrix.

## **B. Impact of Rural Roads on Poverty Reduction**

3. Two international consultants will be recruited for 6 person-months each. One will be an expert in socioeconomic impact evaluation related to rural roads; the other will be a poverty specialist with background and experience in economics and socioeconomics. The consultants will perform the following tasks:

- (i) Identify and assess the impact of completed and ongoing rural road projects on poverty in three countries. Both income-related and nonincome-related impact, such as improved travel, living conditions, and empowerment and access to information, and secondary benefits, such as the opening up of areas for subsequent installation of electric power reticulation, as well as the negative impacts of the projects, are to be included.
- (ii) Special attention will be given to estimating the impact of construction and maintenance, such as through employment and material supply operations, and the added impact on poverty that labor-intensive construction and maintenance methods can confer. Employment effects must be viewed in the context of prevailing unemployment and underemployment conditions in each area.
- (iii) Prepare a report that summarizes the main impact of rural roads on poverty.

4. Six domestic consultants will be engaged for 5 person-months each. The domestic consultants will be from the three selected countries and will have extensive experience in transport and construction engineering. They will have the following responsibilities:

- (i) Conduct a desk review of documents related to the study as well as field studies on relevant stakeholders. Identify and review sources of information relevant to the study.
- (ii) Assist in scheduling and arranging visits and logistical arrangements, including meetings with government officials, and visits to related project sites.
- (iii) Help the international consultants conduct surveys and finalize the report.

## **C. Special Evaluation Study on Poverty Reduction: A Comparative Assessment Between Successful and Unsuccessful Projects**

5. The international consultant with expertise in ADB project evaluation and impact assessment will be required for 5 person-months. The consultant should have a masters degree in development management or economics; experience in ADB operations evaluation work, and poverty assessment especially in Group A and B developing member countries (DMCs); and be proficient in data analyses using computerized database systems. Activities will include the following:

- (i) Review ADB documents and other materials related to the study. Collect information on government policies, poverty reduction programs, and other projects, as well as those of other aid agencies.
- (ii) Liaise and coordinate with officials of line ministries, governments, and implementing agencies, and obtain feedback from other government and aid

agencies, nongovernment organizations, private sector groups, and religious organizations active in poverty reduction programs.

- (iii) Design the survey instrument and implement the beneficiary surveys. Construct data tables and analyze relevant information. Provide data encoding and data processing technical support (to be sourced outside of ADB).
  - (iv) Prepare the final report incorporating the main findings and issues, lessons identified, recommendations, and follow-up actions.
6. One domestic consultant in each DMC will be required for a total of 30 person-months to
- (i) conduct a desk review of ADB documents and materials on poverty reduction, fieldwork, interviews, and discussions with government officials, nongovernment organizations, private sector groups, and other aid agencies;
  - (ii) assist the international consultant in conducting the survey, and tabulate, summarize, and analyze survey results; and
  - (iii) prepare a country report summarizing evaluation findings and lessons learned from each DMC for inclusion in the final report to be prepared by the international consultant.

#### **D. Special Evaluation Study on Economic Sector Work**

7. An international consultant with expertise in aid evaluation work will be required for 4 person-months to undertake the following:
- (i) Review the existing frameworks to evaluate economic and sector work (ESW) at the country level, and formulate screening criteria for selection of case studies.
  - (ii) Identify areas of weaknesses and strengths, cost effectiveness, quality, impacts, and adequacy of the ESW instrument.
  - (iii) Compare and benchmark ADB's efforts with those of other similar institutions, and recommend changes in conceptual design, monitoring, and implementation both within ADB and in the DMCs to enhance effectiveness of future ESW.
8. An external adviser will be engaged to provide inputs on design of the study and indicators to be used, and review the methodology adopted. The adviser, who will be engaged on an intermittent basis for periods not exceeding two months, will undertake the following:
- (i) Suggest appropriate methodology to identify impacts and effectiveness of instruments such as ESW.
  - (ii) Assist in preparing the evaluation design for the study.
  - (iii) Recommend methods to benchmark ADB's efforts with other similar institutions and assist in preparing indicators for evaluation.

9. Two domestic consultants will be recruited for a total of 11 person-months to
- (i) assist the international consultant in carrying out impact assessment and conducting interviews with government agencies and other stakeholders, and
  - (ii) help the international consultant prepare the report.

**E. Special Evaluation Study on the Effectiveness of the RETA Process**

10. The study will require the services of an international consultant with experience in monitoring and evaluating development strategies and processes for about 4 person-months. The international consultant, under the guidance of Operations Evaluation Office (OEO) staff, will

- (i) conduct a preliminary assessment of the scope of the study, and develop an analytical framework to evaluate the effectiveness of the regional technical assistance (RETA) process;
- (ii) critically review documents, technical assistance performance audit reports, and technical assistance completion reports for selected RETAs; and devise, pretest, float, and analyze a questionnaire on RETA performance and results within ADB, and conduct interviews with ADB staff to elicit their collective experience in processing and implementing RETAs;
- (iii) review institutional arrangements and practices of ADB and similar agencies concerned with RETA implementation, develop an effective approach to evaluating the sustainability of impacts and quality of RETA output, and perform case studies of RETA performance and results in selected countries and/or sectors; and
- (iv) prepare a comprehensive final report consolidating the findings from desk reviews, surveys, and interviews, and provide practical recommendations on future directions and enhancements of the RETA process.

11. The domestic consultant will be required for about 5 person-months to
- (i) collect information, gather relevant study documents, and assist in scheduling meeting and travel arrangements;
  - (ii) assist in conducting surveys and interviews and in analyzing survey results; and
  - (iii) provide assistance in the preparation and finalization of the final report.

**F. Special Evaluation Study: Project Performance Management in ADB and the DMCs**

12. Two international consultants will be recruited for a total of 8 person-months: a lead consultant to work with OEO staff in reviewing the project performance management system (PPMS) within ADB, carrying out the desk reviews of technical assistance projects, and studying activities in the Philippines, and three of the countries to be visited (probably Bangladesh, Nepal, and Sri Lanka); while a second international consultant will study Cambodia, People's Republic of China (desk study only), Thailand, and Viet Nam. A domestic consultant will provide

assistance with the study in each of the DMCs. The consultants, in collaboration with OEO staff, and in consultation with staff of Project Coordination and Procurement Division (COPP), will

- (i) review implementation to date of the PPMS, drawing largely on existing review materials in OEO and COPP, preparing a draft report that will also include recommendations for strengthening within ADB and that can be the basis of a board information paper;
- (ii) help develop an integrated training proposal for all elements of the PPMS, including specific training modules, training materials, guidelines, and other assistance materials;
- (iii) carry out a desk study of technical assistance to the DMCs for results monitoring and evaluation and develop a methodology for subsequent field study of DMC capacity;
- (iv) in collaboration with the parallel field trips for the OEO technical assistance performance audit report study on capacity building in evaluation in the DMCs, visit the selected DMCs to evaluate progress to date in implementing results monitoring and evaluation and assess capabilities of executing agencies and planning agencies in these DMCs; and
- (v) help develop capacity building proposals for the DMCs, including developing similar training materials to those for ADB internal use on the PPMS; this activity should include consideration of how assistance can be provided on-line or through networks.

#### **G. Special Evaluation Study Covering Projects Approved Under ADF V to VII**

13. Two international consultants will be engaged for a total of 6 person-months to undertake the following tasks:

- (i) Review the existing evaluation work and design an appropriate evaluation plan for the study including methodologies to be adopted for impact assessment, indicators to be adopted, data collection, and analysis; and select projects and programs as case studies.
- (ii) Assess the level of resource transfers through Asian Development Fund (ADF) V to VII at the country and sector levels, and review the activities undertaken.
- (iii) Assess the performance of selected all-ADF interventions adopting harmonized criteria developed for the evaluation (i.e., relevance, efficiency, effectiveness, impact, and sustainability).
- (iv) Assess the contribution of ADF projects and programs to ADB's strategic objectives.
- (v) Assess direct and indirect contributions to institutional development, capacity building, and policy reforms.
- (vi) Determine if the results contribute to the overall goals of ADF.

- (vii) Identify lessons learned and provide recommendations for guiding future initiatives.

14. Two domestic consultants will be recruited for a total of 10 person-months to
- (i) assist the international consultant in carrying out impact assessment through desk review and field work, and
  - (ii) help the international consultant prepare the report.

#### **H. Country Assistance Program Evaluation for Bangladesh**

15. An international consultant will be engaged for a total of 8 person-months to
- (i) identify key evaluation criteria and assess ADB's country operational strategies, economic work, and country assistance programs in terms of their appropriateness, relevance, efficiency, effectiveness, and efficacy in meeting the developmental needs and the macroeconomic environment of the country; and
  - (ii) prepare a comparative analytical study of the assistance programs of other selected aid agencies, derive lessons learned, and make recommendations for the improvement of ADB's assistance to Bangladesh.
16. Three domestic consultants for 3 person-months each will assist the international consultant in
- (i) reviewing relevant country program documents, Government plans and reports, and documents from other sources (including private sector where available); and undertaking interviews with selected local beneficiaries of ADB's assistance to gauge the impact of such assistance;
  - (ii) identifying key sectors of ADB's assistance and assessing the level of achievement of stated objectives of the various assistance programs; and
  - (iii) assessing ADB's assistance to the country.