



Asian Development Bank

Memorandum

Operations Evaluation Department
Operations Evaluation Division 1

Work-in-Progress: Not for Quotation

Title Special Evaluation Study of the Asian Development Fund VIII and IX Operations
Proposed Evaluation Approach

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I. INTRODUCTION

1. Reconstituting an earlier Special Fund, the Asian Development Bank (ADB) established the Asian Development Fund (ADF) on 28 April 1973, serving as the primary source of finance for ADB's concessional lending operations.

“The purpose of the Fund shall be to enable the Bank more effectively to carry out its purpose and functions by providing resources on concessional terms for the economic and social development of the developing member countries (DMCs) of the Bank, having due regard to the economic situation of such countries and to the needs of the less developed members.”

2. The ADF had the following major features:¹

- (i) ADF resources are principally based on contributions from members of ADB, and are mobilized on an organized multilateral basis and periodically replenished under the authority of resolutions of the Board of Governors;
- (ii) ADF resources are governed by uniform terms and conditions,² incorporating the principle of reciprocal untying, to permit them to be used for financing procurement in all contributor countries and DMCs of ADB; and
- (iii) As far as practicable, ADF resources will be pooled, without separate identification of individual contributions once drawn down for use in operation.

3. ADF has tended to be replenished by donors every 4 years during the last 20 years, and the current eighth replenishment, called ADF IX, finances projects and programs approved over the period 2005–2008. ADF has historically funded around a quarter of ADB's overall lending operations, and half of all ADB's loans. ADF loans are relatively smaller than loans funded from ordinary capital resources but their preparation and administration generally takes as much time and resources as non-ADF loans. This means that relatively much time is devoted to ADF operations. From ADF I thru ADF IX, donors authorized funds to a total value of \$33,449 million. ADF VIII (2001–2004) allowed investment up to \$5.4 billion, ADF IX up to \$7.0 billion.³

¹ Partly based on: ADB. 2001. *Special Evaluation Study on Asian Development Fund I-V Operations*. Manila.

² A uniform system was adopted for all ADF loans, charging a service charge of 1% per annum and an amortization period of 40 years including a 10-year grace period. This is now adjusted to a variable amortization period, 8 years grace period, with an interest charge of 1% per annum during the grace period and 1.5% per annum thereafter.

³ SDR2.284 billion from new contributions by donors, and SDR2.517 billion from reflows of earlier ADF loans.

Historically, ADB's member countries have paid in far more capital through the ADF replenishment rounds than through shareholder subscriptions to Ordinary Capital Resources.

4. Since ADF VI (1992–1996), ADF operations have been guided by a donor report containing suggestions and recommendations and, with each replenishment, the ADF agenda has become more integrated with ADB's overall agenda. Increasingly, the fund has become associated with ADB's poverty reduction strategy. Over the period of 2002 to 2006, 28 countries have had access to the Fund, 24 of which had availed of some loans by end 2006, and 13 of some grants (ADF IX allowed for provision of grants in addition to concessional loans; in 2005 and 2006, over \$500 million was granted for projects). Access of DMCs to ADF was first determined by country performance assessments that could differ in format and rigor, but is now determined by a performance based allocation (PBA) formula. Demand for ADF is in most countries higher than supply. Pakistan, Bangladesh and Viet Nam have been the largest recipients in recent years, absorbing over 50% of the funds over ADF VIII and IX, and are followed at some distance by Afghanistan, Sri Lanka, Indonesia, Nepal, and Cambodia (another 34%)⁴ (see Appendix 1 for some statistics and graphs on ADF, including sizes of poor populations in ADB's DMCs). When the size of the population in each country is taken into account, then the picture of ADF funds received on per capita basis is very different, with several Pacific island countries receiving very high proportions of ADF per capita, and populous countries like Pakistan, Bangladesh and Viet Nam rather more modest proportions. In absolute terms, however, the lending to small countries does not add up to a large share of the total.

II. PREVIOUS EVALUATIONS OF ADF, AND NEED FOR NEW EVALUATION

5. In December 2001, the Operations Evaluation Department (OED) issued *A Review of the Asian Development Fund I–V Operations*,⁵ which was based on a desk review of OED studies conducted, coupled with analysis of statistical data. As such, it evaluated poverty reduction trends as well as the success of the 488 ADF projects approved between 1973 and 1991, as primarily based on 290 post evaluation reports. March 2003, OED issued a *Special Evaluation Study (SES) of the Asian Development Fund VI–VII Operations*.⁶ ADF VI and VII (1992–2000) helped fund 318 projects. One hundred and four of these had project completion reports (PCRs) at the time of the SES; almost none was post evaluated. The SES relied on these PCRs, as well as other studies. OED visited five countries, and organized twelve project case studies in these countries, conducted by consultants. The two OED reports served a function in the preparation of subsequent ADF replenishment agendas.

6. In response to requests made by members of the Development Effectiveness Committee (DEC) of ADB's Board of Directors, OED's work plan 2007–2009 proposes an SES on the subject of ADF VIII and IX. As ADF VIII started in 2001, and the period to which ADF IX applies is 2005–2008, only 22 of the 245 or so projects approved so far have been completed. Eight only have received PCRs; not a single project performance evaluation report (PPER) has been started for this crop as yet. It is clear that the nature of the evaluation will differ from those of the earlier ADF replenishments. It cannot conceivably report on impacts on the ground in a

⁴ Group A countries in ADF VIII: Bhutan, Cambodia, Lao PDR, Maldives, Nepal, Kyrgyz Republic, Mongolia, Tajikistan, Kiribati, Samoa, Solomon Islands, Tuvalu, Vanuatu. Group B1: Cook Islands, Marshall Islands, Federated States of Micronesia, Tonga, Bangladesh, Pakistan, Sri Lanka, Viet Nam. Group B2: Indonesia. New Borrowers: Timor-Leste, Azerbaijan. In ADF IX, this classification was maintained, except for the inclusion in group A of Afghanistan and Timor-Leste. Azerbaijan was included in Group B1, and Papua New Guinea in Group B2.

⁵ ADB. 2001. *A Review of the Asian Development Fund I–V Operations*. Manila.

⁶ ADB. 2003. *Special Evaluation Study of the Asian Development Fund VI–VII Operations*. Manila.

representative way. The evaluation furthermore needs to be completed within a relatively short time frame, as the most suitable time for its issuance will be around December 2007, preceding planned ADF X meetings. Donor interests would need to play a large role in the evaluation, if it is to be useful. At the same time, the design of the evaluation should not duplicate a range of progress reports already produced by ADB in preparation of the ADF IX mid term review held early December 2006. At best some conclusions could be validated.

A. Midterm Reviews of ADF XIII and IX

7. A main mechanism for the assessment of ADF by its contributors has been the issuance of a range of papers in preparation of the various meeting rounds preceding each new ADF replenishment. Of particular importance to this OED evaluation are a set of progress report papers prepared by ADB Management for midterm reviews held 2 years into the life of each ADF replenishment. The requirement for these is set at the stage of approval of ADF replenishments, and the subjects to which they relate are elaborated in the ADF donor report. The midterm review of ADF VIII was held in April 2003, and the midterm review of ADF IX in December 2006. ADF does not require a completion report.

8. As part of the preparation of ADF VIII, OED submitted an evaluation paper of ADF VI and VII, which ADF donors had requested. Other papers dealt with the status or progress of (i) ADB's evaluation systems; (ii) participation of ADF borrowers in the Heavily Indebted Poor Countries (HIPC) initiative; (iii) ADB's poverty reduction strategy; (iv) ADB's governance action plan; (v) ADB's role in combating money laundering and the financing of terrorism; (vi) ADB's Performance Based Allocation System for ADF resources in 2001 and 2002; (vii) steps taken to strengthen operational business processes, project quality and portfolio management; and (viii) mobilization, allocation and uses of ADF VIII resources in 2001 and 2002, and a review of financing technical assistance (TA).

9. An independent evaluation of ADF VIII was not requested for the midterm review of ADF IX. The following midterm progress reports were requested on implementation of ADF VIII objectives and donor recommendations: (i) overview of ADF IX at midterm, (ii) ADF IX Grant Framework and proposal for alignment with the World Bank's IDA-14 grant framework, (iii) the performance based allocation policy, (iv) weakly performing countries (fragile states), (v) managing for development results, (vi) the new human resources strategy, (vii) debt relief initiatives, (viii) mobilization and use of resources for ADF IX, (ix) the new currency management framework for ADF, (x) planning for ADF X, (xi) annual poverty reduction reports, (xii) OED, and (xiii) ADB cooperation with development partners.

10. These subjects bring out main points of interest of ADF donors in the progress with ADF. They are further elaborated in the main text of the two ADF donor reports. The key suggestions made by donors for ADF VIII and ADF IX are distilled and compared in Appendix 2. Much of the interest focused on (i) ways of operationalizing poverty reduction strategies; (ii) ways of operationalizing governance dimensions in ADB operations, especially after governance became one of the three pillars of the poverty reduction strategy; (iii) ways of pursuing private sector development outcomes; (iv) ways of supporting regional cooperation and integration and addressing regional issues; and (v) ways of cooperation with other development partners and harmonization. An additional crosscutting subject of consistent donor interest has been ADB's internal organization, internal processes, and a connected theme of management for development results. If poverty reduction, private sector development, good governance, and regional cooperation and integration can be seen as main intended outcomes of ADF, then a number of internal and external efficiency measures introduced by ADB over the period of ADF

VIII and IX can be viewed as activities and outputs. Appendix 3 contains an attempt at a visual presentation of the pillars and themes in ADF VIII and IX, as also promoted by the ADF donor reports. As such, it can also provide a loose framework for the evaluation.

B. Purpose and Subject of the Evaluation Study of ADF VIII and IX

11. The output of the study is to provide the agencies that are funding ADF, the countries receiving ADF loans and grants, and ADB as ADF administrator, an overview of evidence collected by OED, and to a lesser extent other sources in ADB, with respect to the relevance and likely effectiveness of ADF as a mechanism. The study would pay special attention to some main new elements of ADF VIII and IX. The intended outcome of this study is improved selection, preparation and implementation of ADF funded projects, and better informed preparation of ADF X. The desired impact is higher value added by ADB to public sector operations within DMCs, and better development results of ADB operations on the ground.

12. It is beyond the resources and time available for this evaluation to test the validity and effectiveness of the 'theory' behind ADF VIII and IX as depicted by Appendix 3, and to independently verify progress booked on all of its components. This evaluation chooses to selectively present key findings of earlier studies to address the main question raised regarding the relevance and effectiveness of ADF. In addition, some additional primary data will be gathered regarding the following special topics of interest:

- (i) poverty targeting in the context of Country Strategies and Programs (CSPs) as well as individual projects;⁷
- (ii) incorporation of governance issues in projects; PBA, weakly performing countries, and debt sustainability of countries;
- (iii) early experiences with ADF grants versus loans in light of selection of sectors, choice of projects, project processing, administration, ownership, and sustainability;
- (iv) harmonization of (country) programs of ADB with those of development partners, and notably the selectivity and compatibility of ADB's sector focuses versus those of others.

13. The four special topics to be reviewed are interlinked. The degree to which targeted interventions can be successful often depends on the quality of governance, while their complexity and multisector nature requires them to be closely coordinated with both government programs and other aid funded projects. The addition of a governance dimension to ADB operations may in practice lead to more policy and program lending, for which direct beneficiaries cannot be identified. With respect to the harmonization question, some have criticized that many donors work separately in each sector or on each thematic issue, which creates a situation in which the overall approach can become fragmented. Government in turn can "divide and rule," while no one agency or partnership can be held responsible for the main outcomes in any particular sector or issue. Many assume that a greater focus of individual donors on fewer sectors and themes benefits the donors' and governments' accountability for results, and the build up of more donor expertise through greater depth of involvement. The issue of ADF grants versus loans also links with this question of donor harmonization: can an appropriate substantive niche for ADB be found in the area of grants, which has been dominated by bilateral development partners? The study will gather evaluative evidence regarding these issues. A special effort will be made to document successful experiences.

⁷ 'Projects' in this paper include program loans.

14. As mentioned, progress in addressing many of ADF's special concerns has already been reported in detail in the ADB Management papers presented for the midterm reviews. Other concerns were or are at least partially addressed by other OED studies and/or ADB studies. The assessment of more typical ADF impacts on the ground will rely on PPERs for ADF projects for earlier replenishments, and country assistance program evaluations (CAPEs) for countries with substantial ADF borrowings.⁸ OED is conducting an SES of ADB's partnerships and harmonization work, the findings of which will be of importance to the evaluation of ADF. The ADF study will attempt to add findings on trends in sector selectivity among development partners. The assessment of policies and themes relevant to ADF can make use of a substantial number of recently completed SESs.⁹ OED is currently conducting a number of relevant studies such as into Management for Development Results, Private Sector Development, ADB's Resident Mission Policy, and Rural Finance. The most relevant findings will be integrated in the ADF study should they be available in time. This would also give further exposure to a range of OED studies in recent years. The study will coordinate especially with a concurrent SES on ADB's current Long Term Strategic Framework (2001–2015). It is expected that the ADF evaluation will follow a more bottom up/inductive approach, whereas the LTSF evaluation will be more top down/deductive, and focus, among other things, on the drivers of policy, management and institutional reforms in ADB. In light of progress made, including ongoing coordination with other studies, an update of this approach paper will be prepared in two months time. Further decisions will then be taken as to the direction of the study, country missions, and use of consulting services.

15. At this stage, the ADF evaluation does not foresee to collect primary data on the following issues of importance to the ADF agenda: private sector development outcomes, regional issues and cooperation, and ADB's internal and external efficiency—the latter with the exception of issues connected with ADB's harmonization with other donors (Appendix 3).

C. Approach to the Evaluation

16. A large number of evaluation issues, questions and information sources are listed under the main points of interest in Appendix 4. This set is expected to be too large to be fully addressed, and will be revisited as part of the update of this approach paper. The sequence of main issues may be used to structure the final report. A main chapter will deal with a synthesis of already available findings of interest to the ADF relevance and effectiveness evaluation, coupled with an updated analysis of ADB databases. Additional chapters will deal with the four topics of special interest indicated.

17. Primary data collection for the study will rely on: (i) file study in ADB headquarters based on a large sample of completed and ongoing projects with respect to project characteristics related to poverty targeting and governance issues in the project administration (Appendix 5); (ii) interviews with relevant ADB staff; (iii) structured questionnaires for, and/or interviews with finance and planning agencies, and state banks, to learn about the experience with ADB driven poverty targeting, governance safeguards, PBA, and continuing demand for ADF; (iv) (depending on time available) interviews with foreign aid coordination agencies and donor representatives to gauge progress with sector and theme selectivity in ADB country

⁸ Notably CAPEs for Pakistan and Sri Lanka (in draft at this time), Bangladesh, Bhutan, Cambodia, Indonesia, Lao PDR, and Nepal.

⁹ In particular, SESs on Capacity Development, Participatory Approaches, Pathways out of Rural Poverty, Civil Society Organizations, Project Implementation Units, Rural Aquaculture, the Health Policy, the Fisheries Policy, the Urban Sector Strategy and Operations, and on Environmental, Resettlement, and Indigenous Peoples Safeguards. An ongoing evaluation of the Japan Fund for Poverty Reduction may have useful findings on grant funded projects.

programs, in light of country preferences and perceived strengths of development partners. Discussions with these parties will also include views on poverty targeting and governance safeguards. Countries to be visited will include the two that absorb most of the ADF funds: Pakistan and Bangladesh, and selected other countries with sizable programs such as Afghanistan, Nepal, and Tajikistan or Kyrgyz Republic, which have not recently been evaluated or are not visited for OED's SES on Harmonization and Partnerships.¹⁰ All countries in the latter group except those in the Pacific Region are also recipients of sizable ADF grants. Bangladesh will be included as it has a Country Strategy and Programs jointly prepared with other donors, and will be the subject of a joint country assistance evaluation to be undertaken by OED. Questionnaire surveys of DMC finance and planning agencies, and of ADB staff, also serving the LTSF evaluation, may complement the country visits and interviews.

18. Secondary data collection will be entirely based on study of prior and current evaluations and ADB reviews, and more general sources of information.

19. The SES will be led by an OED Senior Evaluation Specialist. He will manage the process of data collection, processing and analysis within ADB headquarters. Depending on further analysis, he may also conduct 4 country visits of 5 days each. An OED Evaluation Specialist will contribute to the study through a share in the country and project visits (2 visits), and analysis of quantitative data. A Senior Evaluation Officer will contribute to the preparation of the main chapter of the study, regarding overall relevance and effectiveness of ADF, and manage the process of employment of consultants. The study will also employ an ADB intern with an economics background who will help with the evaluation of ADF lending conditions and debt sustainability of ADF countries (this is subject to successful recruitment). The following consultancy services will be required: (i) five domestic consultants to deal with the preparation of some OED country visits, the project case studies (some on grant funded projects, some on poverty targeted projects) and debt sustainability reviews; (ii) two international consultants will be employed, each for 6 weeks, one for the assessment of the poverty targeting approach (or a lighter version—the inclusive growth approach), and another for the assessment of issues of grants versus loans, debt sustainability, and PBAs; (iii) At ADB headquarters, three local research analysts are required to collect and analyze relevant literature and studies, ADB databases, OED reports, ADB reviews, project documents, and most likely the administration of questionnaire surveys. One will likely focus on a quantitative study of general features of ADF, and two others will focus on study of ADF VI, VIII and IX funded projects in certain sectors (agriculture and natural resources, water, multisector, urban development, roads and energy). The Draft Terms of Reference are in Appendix 6.

D. Time Schedule of the Evaluation

20. An acceptable and edited draft of the study should be available by December 2007 in order to inform the then planned ADF X preparation meetings next year. The exact timing of the final product will depend on the ADF donor meeting schedules which will be finalized by early May after the ADB Annual Meeting. Country missions are to be conducted during the summer, between July and August 2007. A first draft ready for peer review needs to be available probably by end September 2007, in order to complete an extensive process of internal and perhaps external consultation, as well as editing.

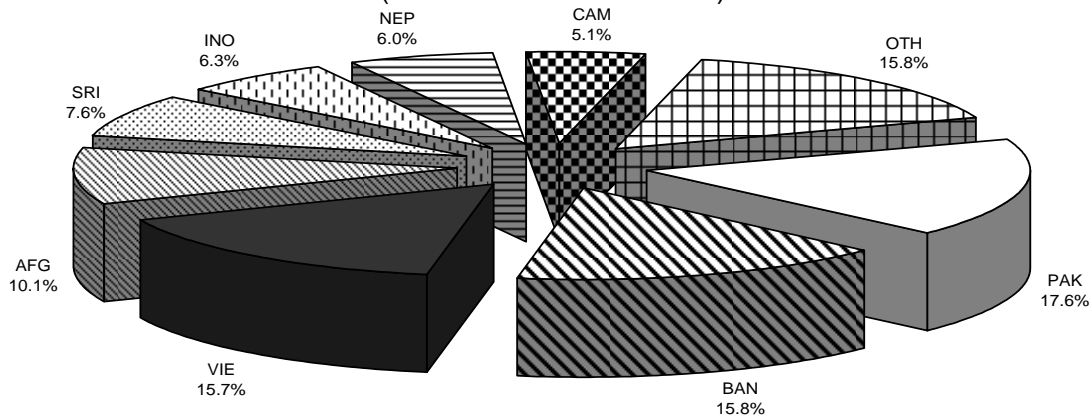
¹⁰ Country missions for this study were undertaken to Bangladesh, Cambodia, Indonesia, Samoa, and Viet Nam.

Appendixes

- Appendix 1: Some Statistics on ADF VI to IX
- Appendix 2: Asian Development Fund VIII and IX Commitments
- Appendix 3: Constituent Pillars and Foundations of ADF VIII and IX and Themes Stressed—as derived from ADF Donor Reports
- Appendix 4: Evaluation Matrix of Issues, Questions, and Answer Sources
- Appendix 5: Preliminary Outline for Quantitative File Study
- Appendix 6: Draft Outline - Terms of Reference for Required Consulting Services

SOME STATISTICS ON ADF VI TO IX

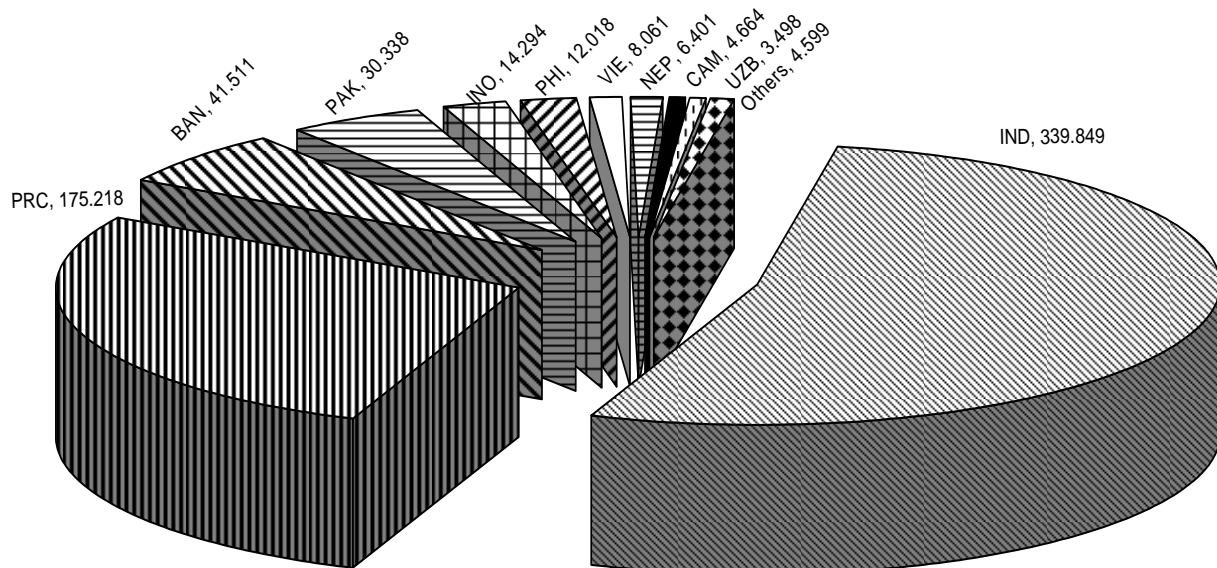
Figure A1.1: ADF VIII and IX Loan and Grant Approvals from 2001–2006
(% Share of Total Amount)



AFG = Afghanistan, BAN = Bangladesh, CAM = Cambodia, INO = Indonesia, NEP = Nepal, OTH = Others, SRI = Sri Lanka, PAK = Pakistan, VIE = Viet Nam.

Source: Asian Development Bank financial databases.

Figure A1.2: Number of Poor People with Income at or below \$1/day per capita, Developing Asia (in millions)

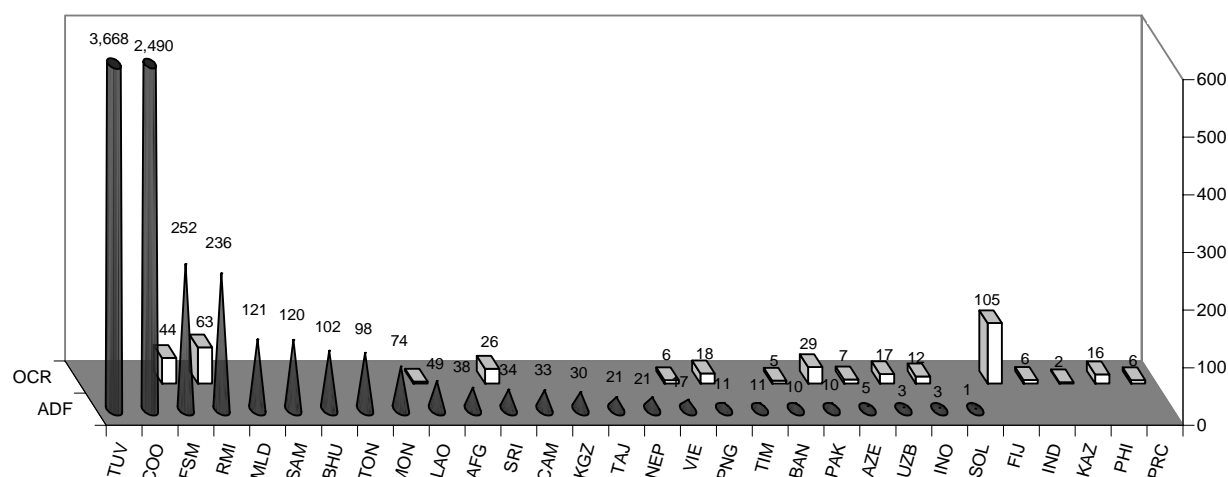


BAN = Bangladesh, CAM = Cambodia, IND = India, INO = Indonesia, NEP = Nepal, PAK = Pakistan, PHI = Philippines, PRC = People's Republic of China, UZB = Uzbekistan, VIE = Viet Nam.

Note: Most estimates date from statistics produced in 2003 and in some cases earlier years. Poverty headcount estimates are not available for Afghanistan, Bhutan, Cook Islands, and Solomon Islands.

Source: Derived from Asian Development Bank. 2006. *Key Indicators 2006*. Manila.

Figure A1.3: Asian Development Fund (loans plus grants) and Ordinary Capital Resources (\$) Per Capita, 2001–2006



ADF = Asian Development Fund, AFG = Afghanistan, AZE = Azerbaijan, BAN = Bangladesh, BHU = Bhutan, CAM = Cambodia, COO = Cook Islands, FSM = Federated State of Micronesia, FIJ = Fiji Islands, IND = India, INO = Indonesia, KAZ = Kazakhstan, KGZ = Kyrgyz Republic, LAO = Lao People's Democratic Republic, MLD = Maldives, MON = Mongolia, NEP = Nepal, OCR = ordinary capital resources, PAK = Pakistan, PHI = Philippines, PNG = Papua New Guinea, RMI = Republic of Marshall Islands, PRC = People's Republic of China, SAM = Samoa, SOL = Solomon Islands, SRI = Sri Lanka, TAJ = Tajikistan, TIM = Timor-Leste, TON = Tonga, TUV = Tuvalu, UZB = Uzbekistan, VIE = Viet Nam.

Source: Asian Development Bank Development databases.

Table A1.1: Asian Development Fund VIII and IX Loan Approvals (2001–2006)

Country	Number	Amount (\$ million)	Share (%)
Pakistan	43	1,541.60	18.6
Bangladesh	26	1,378.58	16.7
Viet Nam	30	1,349.38	16.3
Afghanistan	11	722.18	8.7
Sri Lanka	24	656.09	7.9
Indonesia	14	550.81	6.7
Nepal	17	445.30	5.4
Cambodia	20	411.37	5.0
Lao People's Democratic Republic	17	249.90	3.0
Mongolia	14	192.62	2.3
Tajikistan	11	139.64	1.7
Kyrgyz Republic	6	138.80	1.7
Regional	10	121.20	1.5
Uzbekistan	3	82.60	1.0
Bhutan	6	81.30	1.0
Papua New Guinea	4	48.61	0.6
Azerbaijan	3	45.00	0.5
Maldives	6	36.00	0.4
Federated States of Micronesia	3	27.22	0.3
Samoa	3	22.06	0.3
Republic of Marshall Islands	2	15.00	0.2
Tonga	1	10.00	0.1
Cook Islands	2	5.03	0.1
Tuvalu	2	3.82	0.0
Total	278	8,274.11	100

Source of basic data: Asian Development Bank database on Loan, TA, Grant and Equity Approvals.

Table A1.2: Asian Development Fund IX Grants, by Country
(2001–2006)

Country	Total (\$ million)	Share (%)
Afghanistan	200.00	38.3
Bangladesh	10.00	1.9
Cambodia	40.80	7.8
Kyrgyz Republic	15.50	3.0
Lao People's Democratic Republic	26.36	5.1
Nepal	83.90	16.1
Pakistan	5.00	1.0
Papua New Guinea	15.00	2.9
Regional	63.00	12.1
Solomon Islands	0.35	0.1
Sri Lanka	14.00	2.7
Tajikistan	7.00	1.3
Timor-Leste	10.00	1.9
Viet Nam	30.64	5.9
Grand total	521.55	100.0

Source: Asian Development Bank database on Loan, TA, Grant and Equity Approvals.

Table A1.3: Population and Poverty Statistics, Developing Asia 2005

Country	2005 Population in millions	% Poor (National Poverty Line)	% Poor below \$1 PPP a day	Poor in millions under National Poverty Line	Poor in millions below \$1 a day in PPP	Year of data on % poor below \$1 PPP
Afghanistan	23.600
Azerbaijan	8.400	40.0	1.9	3.360	0.160	2003
Bangladesh	137.000	49.8	30.3	68.226	41.511	2003
Bhutan	0.800	25.3 ^a	...	0.202		...
Cambodia	13.800	34.7	33.8	4.789	4.664	2003
Cook Islands	0.002	12.0	...	0.000		...
Fiji Islands	0.846	25.5 ^b	25.5	0.216	0.216	1996
Federated States of Micronesia	0.108	27.9	5.2	0.030	0.006	1998
India	1,107.000	26.1	30.7	288.927	339.849	2003
Indonesia	219.900	18.2	6.5	40.022	14.294	2003
Kazakhstan	15.139	27.9	0.0	4.224	0.000	2003
Kyrgyz Republic	5.100	40.8	0.4	2.081	0.020	2003
Lao People's Democratic Republic	5.600	33.5	28.8	1.876	1.613	2003
Maldives	0.300	21.0	1.0	0.063	0.003	2004
Mongolia	2.600	35.6	18.9	0.926	0.491	2003
Nepal	25.300	30.9	25.3	7.818	6.401	2004
Pakistan	1,54.000	32.6	19.7	50.204	30.338	2003
Philippines	85.237	30.0	14.1	25.571	12.018	2003
Papua New Guinea	5.930	37.5	24.6	2.224	1.459	1996
People's Republic of China	1,307.600	3.1	13.4	40.536	175.218	2003
Republic of Marshall Islands	0.064	...	20.0		0.013	1999
Samoa	0.183	20.3 ^c	5.5	0.037	0.010	2002
Solomon Islands	0.483
Sri Lanka	19.700	22.7	1.0	4.472	0.197	2003
Tajikistan	6.900	56.6	5.9	3.905	0.407	2003
Timor-Leste	0.947	41.0	...	0.388		...
Tonga	0.102	22.3 ^c	4.0	0.023	0.004	2001
Tuvalu	0.001	29.3	17.2	0.000	0.000	1994
Uzbekistan	26.300	26.2	13.3	6.891	3.498	2003
Viet Nam	83.100	19.5	9.7	16.205	8.061	2003

PPP = purchasing power parity.

^a Based on a poverty line obtained from a pilot study.

^b Refers to percentage of population below basic needs.

^c Refers to percentage of poor households.

Source: ADB. 2006. *Key Indicators 2006*. Manila.

ASIAN DEVELOPMENT FUND VIII AND IX COMMITMENTS

ADF VIII Commitments	ADF IX Commitments/Statements
<p>Carry out ADF operations under the general ADB-wide framework of the Poverty Reduction Strategy:</p> <p>ADF VIII: resources will focus on pro-poor sustainable economic growth – creating jobs, policies reduce inequalities and facilitate income generation for the poor. Pro-poor growth will be assisted by assisting (i) the removal of market-distorting policies; (ii) development of a conducive environment for the private sector; (iii) programs (e.g., microfinance) aimed at increasing income generating opportunities for women and other groups that may be outside the formal labor force; (iv) infrastructure development which can make a considerable contribution to growth through job creation; and (v) promotion of opportunities for self-employment by the poor.</p> <p>ADF VIII resources will focus on social development. Each country needs to have a comprehensive national poverty reduction strategy. Beyond developing human capital, the aim must be to strengthen social capital especially for people subject to social exclusion.</p> <p>ADF VIII resources will focus on improving good governance. Governance was viewed as a broad based concept intended to encompass all factors that impact on a country's ability to assure sustained economic and social development and reduce poverty and donors noted that these factors should be addressed in a manner compatible with ADB's Charter.</p> <p>ADF VIII is an instrument for pursuing private sector development outcomes. The main strategic thrusts of the Private Sector Development Strategy were endorsed. Donors also agreed with the aim to strengthen the</p>	<p>Reducing poverty remains the overarching goal of ADF. Goals, strategies and policies of ADF IX should support the priorities of the global development agenda applied to the needs and conditions of the region. Harmonization with other donor programs should be pursued. There should be a new focus on capacity development. Key recommendations of the Review of the Poverty Reduction Strategy should be implemented. Country ownership is a basic principle: CSPs should be aligned with NPRSs.</p> <p>ADF IX operations and assistance will require, among other things, a continued and sharpened focus on sustainable economic growth. The means are infrastructure development, nurturing of private sector and competitive markets, increasing access to technology and markets, support to trade and development programs, and regional cooperation</p> <p>ADF IX operations and assistance will require, among other things, a continued and sharpened focus on inclusive social development. ADF IX will be managed with the assumption that each person should have the right to access basic education, primary health care, and other essential services. A proactive approach will help reverse social and economic discrimination and promotes initiatives (e.g., health, education, natural resource management) that meets the needs of previously excluded groups.</p> <p>ADF IX operations and assistance will require, among other things, a continued and sharpened focus on good governance. ADB seeks to mainstream good governance into all operations.</p> <p>In the context of CSPs, ADB's private sector development programs seek to create the enabling environment for high levels of private sector investment in DMCs, including through supportive private sector operations.</p>

ADF VIII Commitments	ADF IX Commitments/Statements
rule of law and associated legal frameworks and the application for corporate governance.	ADB will increase its support of small and medium enterprises, including where appropriate through microfinance and micro enterprise initiatives.
ADF VIII should enable allocation of scarce domestic and international resources to combat infectious diseases and HIV/AIDS.	Communicable and infectious diseases, including SARS, HIV/AIDS and others; human trafficking, ecological concerns spanning national borders, require sustained regional and sub regional cooperation.
During ADF VIII, gender, environment and core labor standards should be mainstreamed. On core labor standards, ADB will, in selected DMCs, assist in the preparation of national compendia.	ADB is implementing Core Labor Standards through its Social Protection Strategy, which commits ADB to developing interventions in the areas of labor markets, social insurance, social assistance, schemes to protect communities, and child protection.
ADF VIII should support regional cooperation to achieve prosperity and stability.	GAD concerns must continue to be aggressively addressed in all operations. PRS's thematic issues such as environmental sustainability are viable and should be strengthened during ADF IX PRS's thematic issues such as regional cooperation are viable and should be strengthened during ADF IX
ADF VIII should be an instrument for combating money laundering and drug trafficking.	ADB should strengthen alignment with national poverty reduction strategies and collaborate more effectively with its development partners. Processes and procedures of development partners should be aligned more closely at the country levels.
ADF VIII will promote development partnerships using the principles of the Comprehensive Development Framework, and much closer donor coordination	The performance based allocation policy should be strengthened, provision of ADF grants (up to 21%) should also be based on it; the scoring system should increase the effective weight of governance to over 50%. Weakly performing countries should be a development priority. The acute need for basic human assistance in countries recovering from conflict suggests that grant aid could have a beneficial effect in many cases.
ADF VIII resources should be allocated according to each country's policy performance.	A separate pool of resources should be maintained for the Pacific DMCs.
ADF VIII should reinforce good governance principles (transparency, accountability, participation and predictability) in ADB's corporate management.	ADB should nurture a strong 'results culture' across the organization. ADB will reorient staff incentives to reward achievement of outcomes rather than lending targets. Better internal governance and management

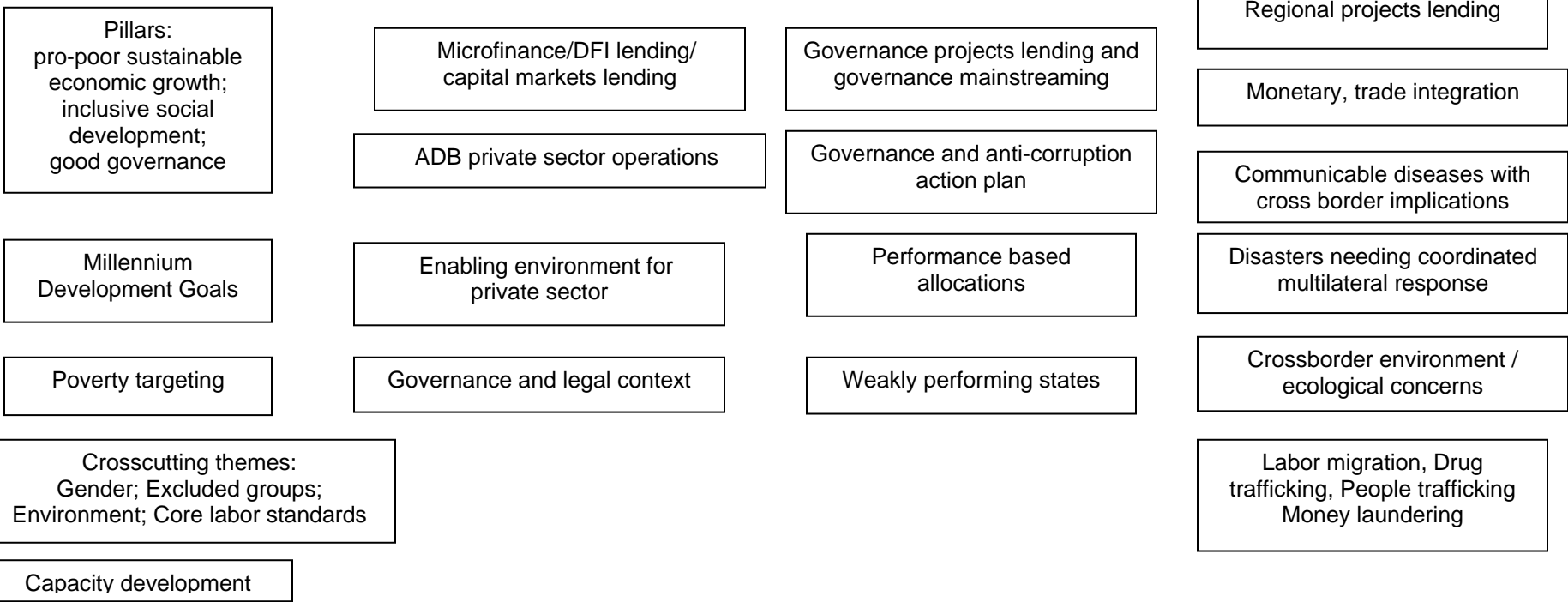
ADF VIII Commitments	ADF IX Commitments/Statements
<p>Better evaluation systems should be developed, linked to the planning of ADF operations (in particular methodologies, databases, and indicators).</p> <p>ADB should redesign and strengthen operational processes to support ADF VIII – notably to improve quality at entry for key products such as country operational strategies, country assistance plans, TA and loans. The core of the redesign is to significantly change the processes for country planning, programming, and TA and loan processing.</p>	<p>systems are needed. ADB needs to address human resource issues, a new accountability mechanism, and empowering RMs</p> <p>ADB will continue to establish a more results-oriented monitoring and evaluation system</p> <p>ADB will develop result-based country strategies that are aligned with nationally owned poverty reduction strategies. Donors supported ADB's reform agenda. Two key issues of results management and internal efficiency lie at the core of the ADF IX replenishment</p>

ADB = Asian Development Bank, ADF = Asian Development Fund, CSP = country strategy and program, DMC = developing member country, GAD = gender and development, HIV/AIDS = human immunodeficiency virus/acquired immunodeficiency syndrome, NPRS = National Poverty Reduction Strategy, PRS = Poverty Reduction Strategy, RM = resident mission, SARS = severe acute respiratory syndrome, TA = technical assistance.
Source: ADF Donor Reports, as prepared by ADB.

CONSTITUENT PILLARS AND FOUNDATIONS OF ADF VIII AND IX AND THEMES STRESSED—AS DERIVED FROM ADF DONOR REPORTS



Evolution of discourse/approach:



ADB's internal efficiency

- Reorganization
- New business processes
- Portfolio management and monitoring systems
- Policy reforms/updates
- Innovation and efficiency initiative
- Human resource strategy
- Knowledge management
- Management for development results
- Accountability mechanism
- Independent evaluation

ADB's external efficiency

- National poverty reduction strategies
- Poverty reduction partnerships
- Country strategies and programs
- Country partnership strategies
- Empowering Resident Missions
- Global development agenda (Paris Declaration)
- Cooperation/cofinancing with development partners
- Harmonization with development partners
- Alignment with country systems

EVALUATION MATRIX OF ISSUES, QUESTIONS, AND ANSWER SOURCES

Issues derived from ADF donor reports	Questions for the ADF evaluation	Required information sources
General focus: Development effectiveness in ADB operations in context of ADF	How has ADB operationalized poverty reduction over the period of ADF VI through IX? What are the major themes pushed by the ADF donors over the years? (poverty targeting, governance, private sector, regional issues and integration; internal and external efficiency)	PRS, Review of PRS, Enhanced PRS, Interviews with senior decision makers in ADB and DMCs, ADB documents, and external studies
Achievement of Millennium Development Goals	Is poverty reducing in Asia? Is ADF contributing directly to the MDGs?	Key Indicators 2006. ADB's Annual Poverty Reduction Reports
ADF's country trends and overall country results	Which DMCs is ADF favoring? Which DMCs relying on ADF are making a dent in poverty and promoting development?	CAPEs. OED discussions with government and donors and ADB RMs. Circumstantial evidence
<i>ADF theme trends and results:</i> Trends and results in pro-poor sustainable economic growth projects	How many projects in ADF are classified as promoting pro-poor economic growth, also in terms of sectors, themes, what are trends. How have such projects been historically rated? What are trends?	LFIS data by classifications, success rates of PCRs and PPERs where available. SAPEs, SESs, AER, portfolio performance evaluation reports
Trends and results in inclusive social development projects	How many projects in ADF are classified as promoting social development, also in terms of sectors, and themes? What are trends? How have such projects been historically rated? What are trends?	Same as above; health policy SES; social sector SAPE Pakistan
Trends and results in good governance projects	How many projects in ADF are classified as primarily promoting governance themes, also in terms of sectors and themes? What are trends? How have such projects been historically rated? Trends, findings, assessments as to the loan portfolio in this respect.	Same as above; ADB review of governance and anticorruption policy; CACAP II
Trends and (typical) results in Gender development	Do we now have more solid findings than could be presented by the previous ADF study?	LFIS; PCRs and PPERs, ADB reviews, interviews with gender specialists
Trends and (typical) results as to AP/IP	Has ADB treated APs and IP better than before in its (ADF) projects?	SES on IR and IP safeguards
Trends (typical) and results in environment	Are there more and better environmental projects than before; are environmental safeguards better enforced?	LFIS; ADB reviews; SES on environmental safeguards

Issues derived from ADF donor reports	Questions for the ADF evaluation	Required information sources
Trends and results in core labor standards	What is the current status of this ADF VIII concern?	ADB reviews; interviews with staff
(Typical) Results in capacity development projects	ADF IX proposes new crosscutting theme—what has ADB done since? How does OED judge it?	Capacity development strategy and capacity development reviews; SES reports
Trends in private sector dev. outcomes	What is ADB doing in this field, particularly in relation to ADF countries and perhaps ADF funds? Is there a particular role/niche of ADF in this?	Private sector development strategy and the OED evaluation
Trends in regional cooperation and integration	What is ADB doing in this field, particularly through ADF funds. Is there a particular role/niche for ADF in this?	Regional cooperation and integration strategy
Special focus: Poverty Targeting in ADF VIII and IX	If increased poverty targeting at (i) the country level, (ii) the project portfolio level, and (iii) the project level can be held to be a main new element of ADB's poverty reduction strategy and subsequent focus of ADF, then what have been the experiences; how would the evaluation rate the approaches in terms of relevance, effectiveness, efficiency and sustainability?	PRs, Review of the PRs, Enhanced PRs, Poverty Handbook, MTS2
Poverty targeting within individual projects, and through inclusive projects	What is the experience with poverty targeting as part of the project preparation process? How inclusive are ADF projects? And how do we monitor it during execution?	QAE report, RRs, SES Poverty Targeting, PCRs and PPRs; PPRs, PPMS, BTORs?
Poverty targeting in the context of country programming	Do we target poverty reduction more than before, do we have improved headcounts, do we target poor areas better, etc.? What are the experiences with PRSPs? How are we progressing with CPSs in this respect?	CSPs, CAPEs, country visits and interviews with agencies, ADB RM
Poverty targeting at the project portfolio level across ADF	Did we make any progress in deciding which types/sectors of projects are more suited for targeted interventions, and are we doing more of these?	MTS II, CSPs, 2005 poverty reduction report? Interviews with ADB staff in this field

Issues derived from ADF donor reports	Questions for the ADF evaluation	Required information sources
Special focus: Governance issues in projects; with PBA, and weakly performing countries	ADF VIII was watershed in terms of the emphasis ADB was to pay to a range of interrelated issues, going beyond the 1995 Governance as Sound Development Management policy. How has this been fleshed out by ADB, and what are experiences as to its results? (Many policies were sharpened from relying on enhancements to more mandatory / safeguard elements.)	Study of evolution of key policies, such as with respect to PBA, anticorruption, procurement, IR safeguards, IP safeguards, environmental safeguards, Public Communications Policy, etc.
Governance, finance, public sector management operations Governance and anticorruption action plans (I and II)	Do governance operations remove binding constraints in the enabling environment and the public sector itself? What are the experiences with the two action plans, is ADB visibly increasing its focus on governance issues compared to before?	LFIS, CAPEs, AER, annual project portfolio evaluation reports GACAP I and II, ADB reviews, OED work on governance, study of RRP, perhaps BTORs..
Performance based allocation policy	What is the experience with the CPA process (questionnaire); what are views of DMCs?	ADB reviews, AER, CPA questionnaires, government discussions, interviews, literature
Pacific Island strategy	Given that ADF funds go disproportionately to Pacific island countries, what role can and should the PBA play here, and ADB's governance policy as a whole?	Strategy document, ADB reviews, ADB's country portfolio review missions.
Weakly performing states	How is the project portfolio performing in these states? What is OED's view on the role of PBA and governance issues for weakly performing countries?	PPERs, PCRs, annual portfolio evaluation reports, staff interviews, country visit Nepal
Special focus: ADF grants versus loans in ADF IX; debt sustainability in ADF VIII and IX	What are early experiences with providing grants for ADB supported projects. Is ADB viewed by others as the right institution to be managing grants? Is ADB seen as undercutting? Is there an ADB infrastructure or finance niche here? What is ADF's effect on debt sustainability?	Country visits; possibly questionnaire survey. See also below. Findings intern regarding ADF lending conditions
Interest in ADF funds, and relation with debt sustainability	Is borrowing ADF adding to debt unsustainability in some countries?	Country visits; questionnaire survey, interviews of DMC board directors and staff; findings intern
ADF grant policy and relation to the selection of sectors or approaches to the use of the funds	What are early experiences with the selection of sectors made?	ADB interviews; country visits and discussions with government. Possibly: review of literature

Issues derived from ADF donor reports	Questions for the ADF evaluation	Required information sources
<p>ADF grant policy in light of project processing, project administration</p> <p>ADF grant policy in light of project ownership and sustainability</p>	<p>How are grants assigned to projects, is there any difference in project processing and administration?</p> <p>Has ADB given ADF grants for sectors where there might be issues of government ownership? Does granted aid make projects more, or less, sustainable (depends on sectors, presumably). Are there issues of fungibility, headroom for new concessional lending?</p>	<p>ADB interviews; government discussions; project case studies?</p> <p>ADB interviews; country visits and discussions with government.</p> <p>Some project case studies, perhaps; findings intern</p>
<p>Special focus: harmonization of ADB country programs with those of main development partners during ADF VIII and IX</p>	<p>What is ADF's role in the changing aid architecture?</p> <p>How compatible is ADB's sector and thematic focus with that of other partners in the various DMCs? How much is concentrated in one or two donor hands, how much is co-financed... how much donor congestion is there in each major sector, and is this a problem? How many other donors are also financing major infrastructure?</p>	<p>ADB IX midterm review paper on donor cooperation; CSPs, CPSs, country missions, documents of others</p>
<p>Harmonization of country programming among major donors</p>	<p>How has ADB fared in a number of ADF countries in terms of coordination with main banks with respect to sector and theme/issue selectivity?</p>	<p>CSPs, CPSs, poverty partnership agreements, country missions, documentation of other donors</p>
<p>Cofinancing with other donors</p>	<p>Is cofinancing with donors increasing or decreasing, and does this lead to more real harmonization of processes?</p>	<p>LFIS, OED country missions, ADB's country portfolio review materials</p>
<p>Added value of sector selectivity, cofinancing projects with others</p>	<p>What are the relative advantages and disadvantages connected with these two options?</p>	<p>Country visits; ADB staff interviews; experiences other MDBs; wider literature</p>
<p>ADB contributions to country aid management information systems</p>	<p>Since there has been much rhetoric in this field, has ADB in fact contributed concretely here? Are aid tracking systems at country levels functioning, are they underway if they are not functioning?</p>	<p>Country missions, visits to UNDP country offices</p>

ADB = Asian Development Bank, ADF = Asian Development Fund, AER = annual evaluation report, AP = affected person, BTOR = back-to-office report, CAPE = country assistance program evaluation, CPS = country partnership strategy, CSP = country strategy and program, DMC = developing member country, GACAP = Governance and Anti-Corruption Action Plan, IP = indigenous peoples, IR = involuntary resettlement, IT = information technology, LFIS = Loan Financial Information System, MDB = multilateral development bank, MTS = Medium-Term Strategy, OCR = ordinary capital resources, OED = Operations Evaluation Department, PBA = performance based allocation, PCR = project completion report, PPER = project performance evaluation report, PPMS = project performance management system, PPR = project performance report, PRS = Poverty Reduction Strategy, RM = resident mission, RRP = report and recommendation of the President, SAPE = sector assistance program evaluation, SES = special evaluation study, TAIS = Technical Assistance Information System.

PRELIMINARY OUTLINE FOR QUANTITATIVE FILE STUDY

1. A study will be conducted to assess the extent of integration of poverty targeting and governance components in project proposals as (co-) funded by the Asian Development Fund (ADF) VIII and IX. A large number of features of projects deemed of direct or indirect relevance to this assessment will be recorded for a sample of projects approved between 2001 and 2006, and compared with features of a similar sample drawn for ADF funded projects approved under ADF VI (1992–1996). The study will also include a review of all project completion reports (PCRs) and project Performance evaluation reports (PPERs) issued for the ADF VI funded projects. The choice of ADF VI projects is based on the fact that this replenishment was given less explicit guidelines as to poverty targeting than ADF VII.
2. The study will be confined to projects in the following (sub)sectors: road, electricity transmission, agriculture and natural resources, water supply, urban development, and multi-sector. Depending on the speed of the processing of the samples, it may be decided later whether another sample needs to be drawn among ordinary capital resources projects in the same sectors mentioned.
3. The nature of poverty targeting and governance targeting will be studied for the various sectors. The study may lead to certain categorizations of the projects in terms of their level of poverty targeting and governance targeting. The relation with project size and complexity will be analyzed, and for the projects with PCRs and PPERs, the success rates and factors impeding or explaining project success.
4. The study will be undertaken with the help of three research analysts over the period May–August 2007. The target is to investigate all ADF funded projects in the sectors mentioned for ADF VIII and IX, and all projects with PCRs in the sectors mentioned as funded by ADF VI. If time permits, ADF VIII and IX projects whose RRP is in the sample, will be investigated also by study of back-to-office reports and interviews with project officers.
5. A draft checklist of issues to be studied in reports and recommendations of the President, PCRs and PPERs is reflected on the following pages. This is yet to be pilot tested.

Checklist for Quantitative Study of ADF RRP (provisional)

Basic data	Answer category
1 loan number	#
2 country	three letter code
3 project title	write out
4 date approved by the Board	date
5 project type (project, program, sector, sdp, mff, etc)	write out
6 if program loan or mff, number of tranches foreseen	#
7 environmental categorization	code
8 resettlement categorization	code
9 Indigenous peoples categorization	code
10 sector classifications	code
11 subsector classifications	code
12 theme classifications	code
13 targeted intervention	code
14 beneficiaries (poor / not so poor; poverty line, etc.; \$1/day PPP)	write out with numbers and qualifications made in the text
15 affected people (resettlement, land acquisition, livelihood)	write out, specifying those to be resettled and others affected
16 indigenous peoples targeted?	y/n
17 people affected (neg.) in their livelihood, but not through resettlement or land acq.	write out
18 conditions of loan (interest, grace period, maturity)	write out
Cost estimate	
19 loan cost ADF	\$millions
20 loan cost OCR (if applic.)	\$millions
21 if applic: size of first program or MFF tranche	\$millions
22 if applic: size of next tranche	\$millions
23 total project cost	\$millions
24 base project cost	\$millions
25 hard components, engineering, civil works, equipment, eng.consulting and supervision	\$millions
26 soft components (training, extension, consulting, studies, study tours)	\$millions
27 goods/materials components	\$millions
28 microfinance components	\$millions
29 special poverty activities in loan (not covered in other categories)	\$millions
30 special governance activities in loan (not covered in other categories)	\$millions
31 cofinancing by foreign aid agencies	\$millions
32 co-financing by national banks	\$millions
Impact and purpose of the project	
33 (aim/goal) impact as per RRP main text	write out
34 (aim/goal) impact as per DMF (logframe)	write out
35 purpose (outcomes) as per RRP main text	write out
36 purpose (outcomes) as per DMF (logframe)	write out

Components of the project		Answer category
37	(for sector projects) number of core subprojects investigated	#
38	(for sector projects) total potential sub-project investments	#
39	main components	#
40	(sub)component for national or subnational policy development?	y/n
41	(sub)component for capacity building of government organizations / officers	y/n
42	(sub)component for capacity building of community based organizations	y/n
43	(sub)component for involvement of NGOs	y/n
44	(sub)component for capacity building of NGOs	y/n
45	(sub)component for training of beneficiaries	y/n
46	(sub)component for governance development (audit, management)	y/n
47	(sub)component for gender relations / gender development	y/n
48	(sub)component to deal with money laundering / drug trafficking / people trafficking	y/n
49	(sub)component for social development / social protection	y/n
50	(sub)component for community development	y/n
51	(sub)component for private sector development	y/n
52	(sub)component for infectious diseases plans included in (suppl.) appendixes (SEIA, RP, RF, IPDP, IPDF, GP, SDAP, CDP, etc)	y/n
53		write out
54	suspected add-ons for poverty targeting/reduction	list, describe, interpret
55	suspected add-ons for governance and/or anticorruption	list, describe, interpret
56	cost of suspected add ons poverty targeting (outside the sector)	\$millions
57	cost of suspected add ons governance (outside the sector)	\$millions
58	is there in your view a poverty or governance component of the project which goes beyond the project purpose?	Explain
Involvement of agencies in the project		
59	agencies involved for poverty reduction components	write out
60	agencies involved for governance components	write out
61	number of international co-financing agencies involved	#
62	agencies implementing poverty redux components different from EAs and not under their immediate control	#
63	complexity of the project in terms of number of different agencies involved	low, medium, high; describe nature
64	presence of a description of (complementary) government programs to deal with poverty reduction	y/n
65	presence description of (complementary) donor programs to deal with poverty reduction	y/n
TA and consulting services in project		
65	number of person-months international consultants included	#
66	number of person-months local consultants included	#
67	nature of international consultancy services	write out positions, with no. of months
68	nature of national consultancy services	write out positions, with no. of months
69	ADTA added to project?	y/n
70	nature of the ADTA	explain
71	breakdown of use of consultants (see TOR)	how many for gender, etc.

Poverty and governance analysis / study measures	Answer categories
72 baseline (beneficiary) survey to be done	y/n
73 other (beneficiary) surveys to be done	y/n
74 poverty monitoring included (excl. survey)?	y/n
75 external monitoring arranged during project?	y/n
76 if so, what kind?	y/n
77 employment effects of project discussed in detail?	y/n
employment effect of modernizing practices discussed in detail?	y/n
78 need for national or subnational policy change discussed?	y/n
79 corruption or fraud or other irregularity mentioned in the RRP as risk	y/n
80 mention of power relations, domination of local elites?	write out
81 governance mentioned as a risk, and is risk mitigation formulated?	write out
1 SAPE Transport PRC benchmarks in Appendix 7:	Answer category
	highly satisfactory = 3, satisfactory = 2,
	less satisfactory = 1, unsatisfactory = 0
2 Did the project gather evidence and design approaches to address the causes of poverty?	0
3 in choice of site and design, did the project explicitly address poverty reduction? (i.e. did it benefit the poor while bypassing/excluding better off)	0-3
4 did the project design seek to reduce possible adverse impacts on poor people?	0-3
5 was the project linked to poverty-focused policy reforms and institution building	0-3
6 was the project designed as part of a package of integrated projects and programs; did the project design consider and address the possibility that the project might crowded out other poverty reduction projects?	0-3
7 did the project background data establish the extent to which the situation of the poor in general, and that of the target groups in particular, could be assessed?	0-3
8 were assessments of poverty impact and benefit incidence carried out?	0-3
Relevant Information from PCRs (if available)	answer category
1 project completion date	Date
2 months between board approval and loan effectiveness	#
3 months between loan effectiveness and loan closing	#
4 poverty targeting components cancelled?	write out
5 governance targeting components cancelled?	write out
6 success rating of project	HS/GS/S/PS, US
7 assessment of relevance (highly relevant = 4, relevant = 3, partly relevant = 2, not relevant =1)	score
8 assessment of efficacy	score
9 assessment of efficiency	score
10 assessment of sustainability	score
11 assessment of other impacts	score
12 assessment of poverty targeting process and impact	describe
13 assessment of governance targeting process and impact	describe
	too complex, appropriate, not complex
	enough; misses some components, other components were not needed or cancelled
14 assessment of appropriateness of the project's complexity	write out
15 lessons as to poverty targeting	write out
16 lessons as to governance targeting	write out
Information from PPARs/PPERs	
(same as for PCRs)	

DRAFT OUTLINE - TERMS OF REFERENCE FOR REQUIRED CONSULTING SERVICES

1. The study will require a combination of services of international and domestic consultants as well as research analysts at the Asian Development Bank (ADB) headquarters. At this stage, it is foreseen that the following consultancy services are required:

A. International Consultant - Poverty Targeting and Inclusive Growth (6 weeks intermittent)

2. The tasks of the international consultant are as follows:

- (i) Assessment of the poverty targeting approach as based on interviewing of ADB staff and available ADB documentation. How has poverty been targeted in country strategies, country project portfolio's, sector strategies, and individual projects? How does the concept of inclusive growth follow on from poverty targeting?
- (ii) Analysis of findings of an ongoing quantitative study of characteristics of Asian Development Fund (ADF) VIII and IX funded projects, and comparison with characteristics of earlier ADF (VI) funded projects.
- (iii) Submission of final report of at least 30 pages main text that provides concise and relevant information for the above assessments, taking into account the questions raised in the study's approach paper regarding poverty targeting. The report should address the issues and questions defined in the evaluation matrix of the approach paper for these two special subjects.
- (iv) Any other assignments that can be reasonably asked from the consultant, depending on agreement on this at the outset of the consultant's program and more precise definition of the scope of the above assignments.

3. Location: ADB headquarters, and home base (3 weeks at home, 3 weeks in ADB- two trips to headquarters; no field work).

4. Requirements: Economist. Demonstrable academic and project work in the area of poverty analysis/targeting, thorough knowledge of project performance management or monitoring and evaluation systems. Good knowledge of multilateral banks and aid agencies.

B. International Consultant - Governance and Debt Sustainability (6 weeks)

5. The tasks of the international consultant are as follows:

- (i) Assessment of integration of governance dimensions in country strategies, country project portfolios, sector strategies, individual projects. Based on project documentation and interviewing of relevant ADB staff.
- (ii) Assessment of issues of grants versus loans, debt sustainability, and the role of ADB.
- (iii) Submission of a final report of at least 30 pages main text that provides concise and relevant information for the assessments referred to above, taking into account the questions raised in the study's approach paper regarding poverty targeting and project performance monitoring. The report should have a chapter on governance issues in ADF and another on debt sustainability of ADF

countries, following more or less the issues and questions defined in the evaluation matrix of the approach paper for these two special subjects.

- (iv) Any other assignments that can be reasonably asked from the consultant, depending on agreement on this at the outset of the consultant's program and more precise definition of the scope of the above assignments.

6. Location: ADB headquarters, and home base (3 weeks at home, 3 weeks in ADB- two trips to headquarters; no field work)

7. Requirements: Economist with a minimum of 15 years experience in governance related work. Demonstrable academic and project work in this area. Good knowledge of multilateral banks, preferably ADB.

C. Five Domestic Consultants (5 x 2 = 10 months; intermittent)

8. The tasks of each domestic consultant are as follows:

- (i) Assist in the preparation of some Operations Evaluation Department country visits and collection of data for the country visits and the project study as a whole.
- (ii) Help with interviews of officials in national planning and finance agencies, donor coordination agencies, and key ADB development partners.
- (iii) Assessment of nature and level of donor congestion in the major ADB sectors (transport, energy, etc.) what are the trends: more, or less, donor congestion and sector selectivity?
- (iv) Assessment of country debt sustainability through interviews and reviews.
- (v) Assessment of the level of poverty targeting in national programs and those of other donor agencies than ADB.
- (vi) Assessment of the level of attention of governance issues in national programs and the programs of other donor agencies than ADB.
- (vii) Assessment of the extent and the nature of grant versus loan projects as funded by foreign agencies.
- (viii) Preparation of a final report of the assignment, in a structure determined by the Team Leader. Submission of the draft report to the Team leader upon the end of the assignment, and resubmission of a final version that integrates comments of the Team Leader.

9. Requirements: Economist/social scientists with considerable work experience in the country, with contacts in government agencies and in donor world.

D. Three Local Research Analysts (3 x 4 = 12 months)

10. Research Analyst 1 will conduct a questionnaire survey by fax and email, and a brief study of harmonization of work programs of donor agencies in ADF countries through secondary sources. The research analyst will also help out with the gathering of statistical material for the overall assessment of the effectiveness of the ADF mechanism. Some contribution, lastly, will likely need to be made to a quantitative study of poverty targeting and governance targeting in ADF VIII and IX projects, as compared with such targeting in ADF VI projects.

11. Research Analyst 2 will conduct a quantitative study of poverty targeting and governance targeting in ADF VIII and IX projects in the roads, energy, and "multisector" sectors,

comparing a number of characteristics with those of earlier ADF (VI) projects. Reports and recommendations of the President of about 100 ADF supported projects will be studied, and, for ADF VI projects, project completion reports and project performance evaluation reports. Time permitting, some back-to-office reports of targeted interventions also may need to be included. Collection of successful examples of poverty/governance targeted projects is part of the assignment. The work load in practice will be assessed after about 2 months and adjustments may be made if necessary.

12. Research Analyst 3 will conduct a quantitative study of poverty targeting and governance targeting in ADF VIII and IX projects in the sectors of agriculture and natural resources and water supply and sanitation/urban development, comparing a number of characteristics with those of earlier ADF (VI) projects. Reports and recommendations of the President of about 100 ADF supported projects will be studied, and, for ADF VI projects, project completion reports and project performance evaluation reports. Time permitting, some back-to-office reports of targeted interventions may also be studied. Collection of successful examples of poverty/governance targeted projects is part of the assignment. The work load in practice will be assessed after about 2 months and adjustments may be made if necessary.