I. GENERAL

A. Introduction

1. These guidelines cover the preparation of performance evaluation reports for Asian Development Bank (ADB) projects, programs, and technical assistance (TA) in the public sector.[1] They replace ADB's *Guidelines for Preparation of Project Performance Audit Reports* (2000) and *Guidelines for Preparation of Technical Assistance Performance Audit Reports* (1992). Adoption of these new guidelines represents a further step in the process of harmonizing ADB's performance evaluation process with those of its major development partners.[2]

2. Compared with the 2000 guidelines for project performance audit reports, the number of core criteria for rating a project's success have been reduced from five to four. Changes have also been made to the weights applied to the core evaluation criteria for aggregation purposes and to the cutoff points used to assign an overall rating. In addition, the report structure has been revised. Finally, the term "audit" in report titles has been changed to "evaluation" to reflect the process more accurately. Revisions have also been made to the 1992 guidelines for TA performance audit reports and new guidelines have been prepared for evaluating program loans.

3. Evaluation is an important part of ADB's project cycle. Evaluation has two major dimensions: (i) self-evaluation by the operations departments responsible for preparing and implementing projects, programs, and TA operations; and (ii) independent evaluation by the Operations Evaluation Department (OED). Self-evaluation entails the use of a number of instruments, including (i) project/program performance reports; (ii) review reports prepared during the course of project implementation, typically at midterm; (iii) project/program completion reports (PCRs); (iv) TA completion reports; and (v) country portfolio performance reviews. With the exception of project preparation TA resulting in a loan, ADB policy is to conduct PCRs and TA completion reports on all completed projects, programs, and TA. Such reports can be viewed at http://www.adb.org/projects/reports.asp.

4. The basic instruments for independent evaluations of projects and programs are the project performance evaluation report (PPER) and the program performance evaluation report, respectively, prepared by OED. These evaluations contribute to other OED studies, including country and sector evaluations and special evaluation studies, which focus on particular issues or subjects of broader relevance to ADB's operations, policies, and procedures. Broader evaluations are becoming an increasingly important part of OED's work. OED also carries out independent evaluations of TA, typically following a cluster approach or evaluating TAs provided in conjunction with a loan in the corresponding project or program performance evaluation report. To be useful, evaluations must be forward looking (i.e., identifying issues, lessons, and recommendations that will be useful for future operations) in addition to assessing past performance.

---

[1] Separate guidelines are available for performance evaluation of ADB private sector operations.

[2] Good practice standards for evaluating public sector operations agreed to by the Evaluation Cooperation Group of the multilateral development banks have been incorporated into the revised guidelines.

5. The basis for successful evaluation work is established at the project, program, or TA design stage with the preparation of the design and monitoring framework.[3] Along with key performance assumptions, this specifies a hierarchy of objectives, the indicators of success with their targets, and the methods for measuring the indicators. Key elements of the design and monitoring framework form the basis of the project, program, or TA performance report and the other performance monitoring reports produced during project implementation as part of ADB's project performance management system. The performance management system, primarily through the project and program performance reports and PCRs, provides information needed for self-assessments and for OED's subsequent performance evaluation. Understanding the political economy in which the project or program is operating is fundamental to assessing the long term sustainability, effectiveness, and efficiency of the project/program.

6. OED's target is to postevaluate 25% of completed projects for which PCRs are available and that have at least 3 years of operational history.[4] The PPER focuses on achievements and their sustainability; on an overall assessment of the project's performance; and on issues, lessons, and follow-up recommendations. OED helps operations departments prepare about half of all PCRs with the objective being to ensure the maintenance of satisfactory self-evaluation standards.[5] Prior to 2004, OED carried out performance evaluations of all completed program loans. Since then, program evaluations have been conducted selectively, particularly in sectors or areas where they have not been produced before or as required as inputs for other evaluations. In accordance with ADB's public communications policy, a performance evaluation schedule for the coming year, together with the selection criteria to be used, is published each December.

B. Borrower and Beneficiary Participation in Evaluation

7. Project ownership by borrowers and beneficiaries is necessary to ensure project quality. Accordingly, by means of participatory processes, ADB seeks the views of borrowers, executing agencies, and beneficiaries when assessing the success or otherwise of projects and programs. Most loan documents require that the borrower and/or executing agency prepare a completion report for submission to ADB, and this document is reviewed during performance evaluation.

C. Position Paper

8. The leader of the operations evaluation mission (OEM) prepares a position paper at an early stage of the performance evaluation process for approval by the director general, OED. This highlights the approach of and major issues to be addressed by the evaluation. It will typically include information about (i) the way in which the borrower and beneficiaries will be involved; (ii) the need for any studies; (iii) the subcriteria to be used in the ranking process; (iv) a re-statement, if required,[6] of the impact and outcome statements in the design and monitoring

[3] In 2005, ADB changed the term "project framework," used in previous guidelines, to "design and monitoring framework." The terminology used in framework summaries has also changed, with "goal" becoming "impact" and "purpose" becoming "outcome."

[4] Selection is based on a random sample stratified by sector and modified by the following factors: (i) rating proportions of completion reports, (ii) accumulated sector coverage, (iii) upcoming country and sector assistance program evaluations and special evaluation studies, and (iv) accumulated country coverage.

[5] OED is considering the use of an abbreviated PPER for projects that are selected for performance evaluation during its sampling process and for which in-depth assistance has already been provided at the PCR stage.

[6] This might be the case if the OEM considers that the objectives were unrealistic or if confusion between outputs and outcome is apparent in the design and monitoring framework. The intent is to reconcile sometimes contradictory statements and/or there is a need to "read between the lines" to determine what the expected outcome was.

framework; (v) the main conclusions of the PCR; (vi) the budget estimate for the evaluation; and (vii) the implementation schedule.

D. Format and Finalization of Performance Evaluation Reports

9. The style and format of performance evaluation reports adheres to ADB's *Handbook of Style and Usage*.[7] A typical report is 16 to 18 pages of single-spaced text plus appendixes. Reports use the terminology of ADB's design and monitoring framework. The PPER uses the term "output" to describe the goods and services that were to be generated by the project, such as a road or service capability, and that correspond approximately to the project scope in the report and recommendation of the President (RRP).[8] The term "outcome" is used to describe the project's immediate objective or purpose. Finally, "impact" refers to the higher order, medium-term result to which the outcome will contribute, typically within 2 to 5 years of project completion.

10. A performance evaluation report should follow the structure outlined in these guidelines to ensure consistency between evaluations and ease of locating information in reports; however, minor variations are possible to suit specific needs. These guidelines are intended to assist with analysis and report preparation. They do not limit the responsibility of evaluators to exercise their best judgment, to avoid redundancies and repetition, and to focus attention on significant issues. The report may quote freely from or provide cross-references to the relevant project, program, or TA completion report.

11. An initial draft of the report is peer reviewed within OED. It is then circulated to pertinent ADB departments and offices and forwarded to the borrower, the executing agency, and to other relevant agencies. Comments received are taken into account when finalizing the report. OED may report major disagreements with other ADB departments and offices, the borrower, and the executing agency on substantive issues in an appendix or a footnote.

E. Dissemination of Reports

12. All performance evaluation reports (except those relating to ADB lending and investment in the private sector) are available to the public after the director general has approved them. Comments on reports from ADB management and OED's reply, if any, are also made public. For the sample of OED reports reviewed by ADB's Development Effectiveness Committee, the committee chair publishes a summary of the findings within 2 weeks of the meeting. Performance evaluation reports released after 1995 can be downloaded from either the ADB intranet or http://www.adb.org/evaluation. Copies of pre-1995 reports are available from OED on request. In addition, the evaluation annual review draws on performance evaluation results as required. These findings and other OED studies provide inputs to ADB's evaluation information system (which is currently only available internally).

---

[7] ADB. 2002. Handbook of Style and Usage. Manila.

[8] Scope is normally described in terms of inputs or cost components in appraisal reports and RRPs rather than in terms of outputs.

II. CONTENT OF A PROJECT PERFORMANCE EVALUATION REPORT[9]

13. The format for the PPER cover and other preliminary pages is given in Appendix 1. Chapter headings are as follows:

Executive Summary
I. Introduction
II. Design and Implementation
III. Performance Assessment
IV. Other Assessments
V. Issues, Lessons, and Follow-Up Actions

A. Executive Summary

14. The executive summary provides a brief roundup of the project's concept and of the outputs and outcome achieved. It presents significant findings, lessons, conclusions, and recommendations and indicates the overall assessment rating. Typical length is two pages (see Appendix 2 for an example).

B. Chapter I: Introduction

15. This chapter (up to a page long) contains the following sections:

(i) Evaluation Purpose and Process
(ii) Expected Results

1. Evaluation Purpose and Process

16. This section describes the purpose of the evaluation, including special reasons, if any, for selecting the particular project and for the timing of the evaluation. It should describe any special studies commissioned for the PPER. It then provides a brief comment on the content and objectivity of the PCR, particularly in relation to the project's overall rating. Important aspects include whether the PCR evaluates all of the project's outcomes, whether such evaluation is supported by evidence, and whether the rating of the project and any associated TA is based on a balanced evaluation as described in the project administration instruction. This section should note that in completing the report, the views of ADB's concerned departments and offices and those of the borrower and executing agencies have been considered, except as otherwise indicated in the report.[10] OED may choose to summarize major dissenting views in an appendix or footnote.

2. Expected Results

17. This section describes the project primarily on the basis of the impact and outcome statements and indicators in the design and monitoring framework. It should also describe key outputs and intended beneficiaries.

---

[9] The particular requirements for program and TA performance evaluation reports are shown in the addenda to this document.

[10] Where the borrower does not respond to requests that it provide comments, the following statement is included in this section: "Copies of the draft PPER were forwarded to the borrower and the executing agency on _____ with a request that comments be provided within ____ weeks. Despite subsequent follow-up, no comments were received."