



Validation Report

Reference Number: PVR-323
Project Number: 40282
Loan Number: 2273
September 2014

Viet Nam: Emergency Rehabilitation of Calamity Damage Project

Independent Evaluation Department
Asian Development Bank

ABBREVIATIONS

ADB	–	Asian Development Bank
CPMU	–	Central Project Management Unit
DMF	–	design and monitoring framework
EAL	–	emergency assistance loan
EIRR	–	economic internal rate of return
EMP	–	environmental management plan
ha	–	hectare
IEE	–	initial environment examination
IED	–	Independent Evaluation Department
km	–	kilometer
MARD	–	Ministry of Agriculture and Rural Development
O&M	–	operations and maintenance
PCR	–	project completion report
PPER	–	project performance evaluation report
PPMU	–	provincial project management unit
RISP	–	Rural Infrastructure Sector Project

NOTE

In this report, “\$” refers to US dollars.

Key Words

asian development bank, damage and needs assessment, design and monitoring framework, disaster and emergency policy, disaster mitigation and management strategy, emergency assistance loan, suboptimal design standards, supplementary loan

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PROJECT BASIC DATA

Project Number:	40282	PCR Circulation Date:	Oct 2012	
Loan Number:	2273	PCR Validation Date:	Sep 2014	
Project Name:	Emergency Rehabilitation of Calamity Damage Project			
Country:	Viet Nam		Approved (\$ million)	Actual (\$ million)
Sector:	Agriculture and natural resources	Total Project Costs:	93.91	92.20
ADB Financing: (\$ million)	ADF: 76.47 ^a	Loan: (SDR equivalent, million)	80.03	80.00
		Borrower:	34.73	51.60
	OCR: 0.00	Beneficiaries:	13.88	12.20
		Others:	0.00	0.00
Cofinancier:		Total Cofinancing:	0.00	0.00
Approval Date:	25 Apr 2006	Effectiveness Date:		
		Original loan	7 Mar 2007	23 Apr 2007
		Supplementary loan	29 Mar 2009	7 Apr 2009
Signing Date:	14 Jun 2006	Closing Date:		
		Original loan	31 Dec 2009	8 Aug 2012
		Supplementary loan	31 Dec 2011	8 Aug 2012
Project Officers:	I.B. Fox A.Tayyab D. Ellingson H.L Phong	Location:	From:	To:
		ADB headquarters	Nov 2006	Dec 2006
		ADB headquarters	Jan 2007	Aug 2007
		Viet Nam Resident Mission	Sep 2007	May 2009
		Viet Nam Resident Mission	Jun 2009	Aug 2012
Validator:	E. Lopez-Dee, Consultant	Peer Reviewer:	A. Brubaker, Senior Evaluation Specialist, IED1	
Quality Reviewer:	H. Son, Principal Evaluation Specialist, IED1	Director:	W. Kolkma, IED1	

ADB = Asian Development Bank; ADF = Asian Development Fund; IED1 = Independent Evaluation Department, Division 1; OCR = ordinary capital resources; PCR = project completion report; SDR = special drawing rights.

^a Includes the original loan of \$50.97 million and supplementary loan of \$25.50 million.

I. PROJECT DESCRIPTION

A. Rationale

1. The Government of Viet Nam, long confronted with frequent and disastrous typhoons and floods, invests in disaster preparedness, immediate humanitarian response, social well-being, and restoration of essential strategic infrastructure in disaster-prone areas. However, the government's budget for the rehabilitation of damaged infrastructure and services remains constrained by the low budgetary ceiling for such contingency spending. Such limitation renders rehabilitation works inadequate and substandard, thereby exacerbating the risks of physical, economic, and social damage by these natural disasters. Particularly vulnerable are the rural communities mainly dependent on agriculture and natural resources for subsistence, and whose access to basic infrastructure and services is limited. Viet Nam has acknowledged that its vulnerability to natural disasters has to be reduced by building social welfare networks that would, in turn, prevent and mitigate natural calamities.

2. The country is one of the most disaster-prone areas in the world. Its river systems, during heavy rainfall, easily produce short-duration but extensive flooding that frequently occurs without warning. For instance, the storms and typhoons that hit the country in 2005 caused extensive damage and loss of lives in 16 provinces. Damage to rural infrastructure, sea dikes, and embankments ran up to a combined value of about \$1 billion. In the 10 most seriously affected provinces,¹ many types of infrastructure essential to the livelihoods of poor rural households were wrecked, thus depriving them of economic opportunities and reducing their access to markets, schools, services, and clean water. While emergency rehabilitation funds were made available, repair works undertaken were wanting in quality to provide improved disaster resistance or to spur economic development in the affected provinces. In this context, the government asked the Asian Development Bank (ADB) for emergency assistance to fund the rehabilitation and reconstruction of basic rural infrastructure, and the implementation of risk reduction measures to reduce vulnerability in the affected provinces.

B. Expected Impact

3. The expected impact of the project as spelled out in the design and monitoring framework (DMF) was a sustained economic growth in the 10 provinces severely affected by typhoons in 2005.² The single performance target was increased economic growth rates in the affected provinces, which in 2005 ranged from 3.8% to 11.1%.

C. Objective or Expected Outcome

4. The expected outcome of the project was the rapid resumption of livelihoods and reduced vulnerability to natural disasters in the affected areas. This was to be assessed through (i) rural infrastructure constructed and repaired to agreed flood-resistance design standards; (ii) access to schools, markets, and other services improved; and (iii) loss of lives and damage reduced in future storm seasons.

D. Outputs

5. The project was designed based on the damage and needs assessment jointly prepared by the government and ADB. It comprised the following three components: (A) civil works, (B) consulting services, and (C) project management. The civil works outputs defined in the DMF were as follows: (i) reinstatement of essential infrastructure like roads and bridges, flood protection, irrigation systems, and social infrastructure; and (ii) provision of equivalent or enhanced storm and flood protection to vulnerable areas. Following the successful negotiation of a supplementary loan, the output performance targets were substantively adjusted to cover (i) the rehabilitation of 47 priority subprojects instead of 39 for completion in October 2010, and (ii) an additional 26 subprojects to be finished by 30 June 2011. One school was also explicitly projected to be built, replacing a “wish list” of 50 identified potential schools, markets, and rural water supply subprojects.

6. The consulting services component involved the deployment of 27 person-months of international consultants to help the government comprehensively review the feasibility studies of all proposed subprojects and undertake risks and vulnerability analysis. Another 60 person-

¹ These 10 provinces later comprised the area coverage of the project, and included Ha Giang, Ha Tinh, Nam Dinh, Nghe An, Phu Tho, Phu Yen, Quang Binh, Quang Tri, Thanh Hoa, and Yen Bai.

² ADB. 2006. *Report and Recommendation of the President to the Board of Directors: Proposed Loan to the Socialist Republic of Vietnam for the Emergency Rehabilitation of Calamity Damage Project*. Manila.

months of domestic consultants were allotted to formulate feasibility studies for subprojects and detailed designs, undertake initial environment examinations (IEEs), and develop environmental management plans (EMPs). The project management component, on the other hand, involved the activation of the Central Project Management Unit (CPMU) within the Ministry of Agriculture and Rural Development (MARD) that provided national-level supervision and coordination of all project activities, and assigned provincial project management units (PPMUs) of provincial departments of agriculture and rural departments for subproject implementation.

E. Provision of Inputs

7. ADB initially extended in November 2006 a loan of \$50.97 million drawn from savings from other ADB loan-funded projects, and subsequently packaged it as an Emergency Assistance Loan (EAL) to finance both foreign and local currency cost components of the project. A supplemental loan of \$25.50 million was approved in December 2008 to meet financing gaps caused by upward movements in prices and typhoon damages to projects already under repair and funded under the first tranche. At loan closing date in August 2012, total expenditures reached \$91.07 million, 1.8% lower than the appraisal estimate. Civil works accounted for 88.7% of expenditures at \$81.82 million or \$2.78 million lower than projected. The government contributed \$12.2 million, lower than the planned expenditures of \$13.88 million. The discrepancies, both in ADB and government civil works expenditures, were due to three subprojects underwritten by other donors. International consultants and project management were provided at a cost of \$9.25 million compared to \$8.18 million at appraisal. All were procured in accordance with ADB guidelines. National consultants were also mobilized using counterpart funds in accordance with the loan agreement and domestic procedures acceptable to the ADB.

8. A technical assistance (TA) on geo-information technology for hazard risk assessment valued at \$0.625 million was also approved in December 2008 to support increased disaster preparedness through training for the staff of MARD's Disaster Management Center and the Water Resources University. Grant funding for the TA project was secured from the Republic of Korea in the amount of \$0.50 million. In-kind counterpart contribution worth \$0.125 million from the government ensured the implementation of the TA project.

F. Implementation Arrangements

9. The implementation arrangements adopted for the Rural Infrastructure Sector Project (RISP) was replicated to take advantage of technical capacity already in place. The MARD was named as the executing agency mandated to provide overall project direction and coordination. The CPMU within the ministry was later created to carry out this mandate. At the provincial level, subproject selection was handled by provincial peoples' committees and implementation by PPMUs. The borrower generally abided by all conditions stipulated in the loan agreement except in two instances where one project province failed to adequately deliver its required resettlement plans. The project completion report (PCR) indicated that partial compliance to certain conditions generally did not negatively impact on the project's implementation or its outcome.³ The PCR reported delays in the recruitment of international consultants. No other procurement problems were reported as civil works contracts were generally procured in accordance with ADB and government procedures.

³ ADB. 2012. *Completion Report: Emergency Rehabilitation of Calamity Damage Project in the Socialist Republic of Viet Nam*. Manila.

10. The project was labeled as Category B in three fronts: environment, resettlement, and indigenous peoples. Adverse effects on the environment were mitigated as civil works contractors complied with environmental protection measures stipulated in the IEEs and EMPs, and monitored by the implementing agencies. Resettlement plans were also developed in accordance with the resettlement framework and budgets were provided for compensation and land acquisition, except for one province. Resettlement monitoring was added to the functions of the implementation consultants. However, the PCR did not clearly discuss whether in-depth presentation and analysis of the land acquisition and resettlement issues induced by the subprojects were substantiated in monitoring and resettlement completion reports submitted by the consultants. This makes it difficult to draw conclusions on whether or not the project generated beneficial results for affected households in terms of restored household income and better quality of living.

II. EVALUATION OF PERFORMANCE AND RATINGS

A. Relevance of Design and Formulation

11. The PCR rated the project *highly relevant*. This rating was primarily based on the devastating and recurring floods in 2005 that induced huge government spending in rural infrastructure rehabilitation works consistent with Strategy 2020 of the ADB.⁴ While it was committed and continued to invest in these structures, the government also took cognizance of the link between vulnerability to natural disasters and persistent poverty, hence, the need to give priority to economic and social infrastructure investments in disaster-stricken areas. One of the goals of Viet Nam's Socio-Economic Development Plan for 2006–2010 is to halve the number of people re-impooverished by natural disasters and risks. While drawing heavily from this plan, the conceptualization of the project was further boosted by the adoption by the government in 2001 of the national disaster mitigation and management strategy.⁵ At completion, the project remained relevant to the ADB country operational strategy⁶ as it showcased its contributions to improved flood protection and reduced vulnerability to natural disasters in the rural areas.

12. The project focused right away on transitional assistance and rehabilitation and recovery.⁷ While such focus was consistent with the EAL, the project was hampered by the restrictions imposed by the loan facility. Had a different lending modality been employed, considering the availability of savings from other loan-funded projects of the ADB at the time of appraisal, the pace and initial efficiency of its operations could not have been constrained unnecessarily. As the PCR pointed out, the reallocation of loan savings carry no such restrictions and would have taken less time to prepare and process, compared to a new loan. The approval of the supplemental loan at midterm substantially addressed the start-up problems and facilitated the recruitment of implementation consultants, enabling the project to stay on course. Replicating the scheme adopted for the RISP was also a redeeming feature of the project as it was able to harness RISP-developed capacity at the CPMU and PPMU levels. Though deviations from the output appraisal targets ensued during implementation, these

⁴ ADB. 2008. *Strategy 2020: The Long-Term Strategic Framework of the Asian Development Bank, 2008–2020*. Manila.

⁵ Government of Viet Nam. 2001. *Second National Strategy and Action Plan for Disaster Mitigation and Management of Viet Nam, 2001–2020*. Ha Noi.

⁶ ADB. 2006. Viet Nam: *Country Operational Strategy (2007–2010)*. Manila.

⁷ Under the EAL, emergencies were to be addressed in three phases: (i) prevention, mitigation, and preparedness; (ii) transitional assistance and priority rehabilitation; and (iii) recovery.

tended to ensure that the project remained relevant. The changes in project scope were reflective of the government's resolve and commitment to complete the project and secure the intended outcomes and targets. However, they also tended to show weaknesses in project design and did not justify a highly relevant rating. Thus, this validation considers the project *relevant*.

B. Effectiveness in Achieving Project Outcome and Outputs

13. The PCR considered the project *effective* in providing rapid resumption of livelihoods and contributing to reduced vulnerability to natural disasters in affected areas. Restored and improved access to services and livelihoods were expected to ensue following the completion of the irrigation, rural roads, and social services subprojects. The irrigation subprojects now have the potential to serve 18,992 hectares (ha) of irrigated land, more than the target of 11,000 ha at the planning phase. Benefits from irrigating this land area would also accrue at a faster rate since gestation periods of these subprojects were shorter than those of newly constructed irrigation facilities. The rural roads subprojects put into service 213.3 kilometers (km) of rural roads or roughly twice as much as the projected length. The combined number of direct project beneficiaries of all these subprojects would reach more than 1.0 million persons. A total of 70 subprojects comprising 25 flood control, 17 irrigation, 26 rural roads, and 22 social services subprojects were completed at the end of the project at design standards higher than the original structures. Operations and maintenance (O&M) funds were already being provided although still below the standard requirements. The repair of three other subprojects was underwritten by other donors. This number exceeded the 39 subprojects targeted at appraisal. The flood protection structures were expected to reduce the number of human fatalities and damage to property. Of sea dikes and flood protection embankments, 98.7 km instead of the estimated 30 km at appraisal were constructed and are expected to protect 91,900 ha of agricultural, industrial, and residential lands with an estimated population of 967,400 persons from floods.

14. The PCR rated the TA project *partly successful*. Formulated adequately and implemented as planned, it supported the expected training program, training and workshops, and training materials. However, the PCR noted that the TA project was marginally related to the project and seemed to be donor-driven. This could explain the seeming disinterest of MARD national staff, the primary intended beneficiaries, to participate in its implementation. The PCR further noted, and this validation agrees, that the utility of the TA-developed training materials could still be harnessed in future capacity-building activities of MARD.

15. The consulting services and project management components supported the establishment of the CPMU and the PPMUs and enhanced their capacities to deliver the expected outputs during the project's life span. If solely based on the subprojects completed vis-à-vis the planned outputs, the project was deemed to have achieved the outcome envisaged at appraisal although at a slower pace than anticipated. Thus, this validation concurs with the PCR rating of *effective* for the project.

C. Efficiency of Resource Use in Achieving Outcome and Outputs

16. The PCR rated the project *efficient*. That the modality of assistance exempted the project from conducting a rigorous economic viability analysis at the subproject level could be justified by the absence of a baseline data. The usual analysis required was replaced by the use of efficiency indicators derived from similar investment projects that were also damaged during the 2005 natural disasters and later attained full functionality after undergoing repair. Based on this approach, the PCR adopted the economic internal rate of return (EIRR)

computed for similar irrigation and rural roads subprojects completed under other recently closed loan-funded projects of ADB as proxy viability indicators. These subprojects yielded EIRRs well above the economic opportunity cost of capital, ranging from 12% to 48% for irrigation, and from 12% to 23% for rural roads. The efficiency assessment of the flood control subprojects employed a different approach. In this assessment, the PCR based its evaluation on the quality of the works completed. Works that were deemed acceptable or good were automatically adjudged as cost-effective solution to the problem for which they were designed. The PCR was silent on the treatment of the social services infrastructure subprojects, possibly because only one school was rehabilitated. No attempt was made to compute the EIRR for the whole project based on the entire economic costs as compared with economic benefits from the various infrastructure subprojects. Given the data limitations, this validation finds the assumptions and approach used for determining resource use efficiency reasonable and acceptable.

17. The project required a supplementary financing and an extended implementation period to attain most of its performance targets. Additional resources and time were necessary due to the lengthy subproject identification, damage assessment and feasibility study preparation, delays in recruitment of consultants, increased contract prices, and increased number of subprojects, among others. These factors would normally comprise the efficiency of any project. In this case, the project resources were used efficiently as the expected level of outputs was even exceeded at loan closing date thereby realizing the projected outcome, albeit there were delays and cost overruns. This validation therefore concurs with the PCR rating of *efficient* for the project.

D. Preliminary Assessment of Sustainability

18. The PCR rated the project *likely sustainable*. The project funded and completed 67 quality infrastructure subprojects capable of withstanding adverse climatic events. Three others were constructed but rated substandard. All subprojects were operable at loan closing date and budgets for O&M were also being provided. Although optimal O&M funding is not yet at the desired level, this was foreseen to be made available based on the country's experience with the subprojects under RISP. The subprojects constructed were deemed acceptable or at better standards and, thereafter, maintained at functional levels. These investments in flood protection works were anticipated to reduce storm and flood damages while rural roads and irrigation will hasten the resumption of livelihood activities in affected provinces. Accordingly, this validation concurs with the PCR rating of *likely sustainable* for the project.

E. Impact

19. By reinstating essential and quality infrastructures in areas severely affected by typhoons and storms in 2005, the project generated a positive overall impact on some 1 million inhabitants. Although not explicitly highlighted in the PCR, the poverty-focused intervention project greatly contributed in providing relief to poor households residing in the most vulnerable areas and are, therefore, the first to suffer most from natural calamities. The flood protection structures were expected to reduce the number of human fatalities and damage to property. These structures were expected to protect vast and heavily populated agricultural, industrial, and residential lands from floods. Restored and improved access to services and livelihoods were expected following the completion of the irrigation, rural roads, and social services subprojects. Completed irrigation works—the gestation periods of which were shorter than those of newly constructed irrigation facilities—supported an environment conducive for agricultural investments. Benefits from irrigation were expected to accrue earlier than

projected. Rural employment was created during the construction and post-construction stages of the subprojects. Economic growth rates in affected districts were observed to have risen in 2005 from a low of 3.8% to a high of 11.1%; while in 2011 it went from 6.3% to 14.5%. However, to conclude that the project created a sustained economic growth in areas affected by the 2005 typhoons could be premature given the absence of performance targets in the DMF for the impact indicator. It is best to keep in mind that interventions that have long-term economic growth orientations may not be compatible with interventions that address emergency situations. There is also a wider recognition, even among international donors, that the linkage between infrastructure and reduction of poverty can become stronger if governance and institutional frameworks are strengthened.⁸ This validation concurs with the PCR rating of *significant* for the project's impact.

20. In addition, IEEs, EMPs, and resettlement plans were prepared and approved by ADB before subprojects were carried out. During construction, contractors complied with the recommended mitigation measures stipulated in the EMPs, such that minimum environmental damage ensued. Land acquisition and resettlement as a result of the various flood protection works were implemented in accordance with the resettlement plans formulated. Requirements of local inhabitants, including ethnic minorities, for protection from storms and flood damages and rapid resumption of livelihood activities were addressed satisfactorily.

III. OTHER PERFORMANCE ASSESSMENTS

A. Performance of the Borrower and Executing Agency

21. The PCR rated the performance of the borrower, the executing agency, and the implementing agencies *satisfactory*. This validation concurs with this rating. The MARD, CPMU, and the PPMUs exercised managerial competence in implementing simple to complex infrastructure projects and displayed prudence in negotiating with ADB to adjust certain requirements and procedures for project deliverables to be achieved as scheduled.

B. Performance of the Asian Development Bank

22. The PCR rated the performance of ADB, through its resident mission, *partly satisfactory*. This is mainly due to some missteps during the design and project start-up. As the PCR duly noted, the inexplicable packaging of the loan by ADB as an EAL, which inherently carried more restrictions than ordinary loan operations when there were other loan modalities available, negatively impacted on the project's pace and efficiency. The PCR later acknowledged that implementation went back on track after international consultants were finally deployed and the supplemental loan went into effect. As part of its loan administration functions, ADB carried out 1 inception mission, 6 review missions, 1 fact-finding mission for the supplementary financing, 1 special project administration mission, and 1 project completion review mission. ADB acted in a timely manner on government requests for adjustments in the project scope, selection of subprojects, disbursement cycle, and use of imprest accounts. ADB demonstrated flexibility and responsiveness in coordinating with the implementing agencies while rendering prompt assistance and technical backstopping, and resolving project implementation issues. These later actions adequately made up for its earlier miscues. This validation opines that ADB still deserved a performance rating of *satisfactory*.

⁸ Ali, Ifzal and E. M. Pernia. 2003. Infrastructure and Poverty Reduction—What is the Connection? *ERD Policy Brief Series* No. 13. Manila: Asian Development Bank.

IV. OVERALL ASSESSMENT, LESSONS, AND RECOMMENDATIONS

A. Overall Assessment and Ratings

23. This validation agrees with the PCR in rating the project *successful* (see table). The project was relevant to the government's strategies and policy and to the ADB strategy for Viet Nam. The project effectively and efficiently brought in increased and prompt funding for rehabilitating flood-damaged rural infrastructures. It also encouraged the direct involvement and commitment of provincial governments to execute the project with a strong coordinating body at the national level. With shorter gestation periods, benefits flowed in earlier than anticipated. Thus, the project significantly contributed to the rapid resumption of livelihoods and reduced vulnerability to natural disasters in affected provinces. In 2011, the economies of these provinces posted growth rates that were significantly higher than the 2005 levels.

Overall Ratings

Criteria	PCR	IED Review	Reason for Disagreement and/or Comments
Relevance	Highly relevant	Relevant	As designed, the project contradicted the disaster and emergency policy of ADB resulting in unnecessary constraints that adversely affected its implementation pace and initial efficiency. The approval of the supplemental loan at midterm enabled the project to stay on course. By replicating the RISP implementation scheme, the project was able to take advantage of the technical capacity already developed at the CPMU and PPMU levels. Despite deviation in outputs during implementation, these also tended to ensure that the project remained relevant. While these were reflective of the government's resolve and commitment to complete the project and secure the intended outcomes and targets, these changes in scope, which tended to show weaknesses in project design, did not justify a <i>highly relevant</i> rating (paras. 11–12).
Effectiveness in achieving project outcome and outputs	Effective	Effective	
Efficiency of resource use in achieving outcome and outputs	Efficient	Efficient	
Preliminary assessment of sustainability	Likely sustainable	Likely sustainable	
Overall Assessment	Successful	Successful	
Borrower and executing agency	Satisfactory	Satisfactory	

Performance of ADB	Partly satisfactory	Satisfactory	ADB promptly responded to government requests for adjustments in the project scope, subproject selection, disbursement cycle, and use of imprest accounts. ADB demonstrated flexibility in coordinating with the implementing agencies while rendering timely implementation assistance, technical backstopping, and resolving operational issues. These later actions of ADB adequately made up for its earlier miscues (para. 22).
Impact	Significant	Significant	
Quality of PCR		Satisfactory	See para. 27.

ADB = Asian Development Bank, CPMU = Central Project Management Unit, IED = Independent Evaluation Department, PCR = project completion report, PPMU = provincial project management unit, RISP = Rural Infrastructure Sector Project.

Source: Independent Evaluation Department.

B. Lessons

24. The PCR provided valuable lessons to ADB operations. The clarity of the project's purpose, objectives, processes, and procedures helped ensure the government's commitment and focus in implementing the project, and fostered effective coordination at the national and provincial levels. This validation concurs with the PCR explanation that certain institutional factors, like the use of cost norms in capital expenditure budgeting, led to start-up delays and should therefore be addressed by the government. Receptivity and capacity to adjust to changes in loan administration policy and procedures, and the prompt action on the recommended reforms in rural infrastructure rehabilitation works are important lessons for both the government and ADB in designing and implementing this project. Future interventions to address similar emergency situations through any modality akin to the EAL have to be doubly scrutinized. Projects for EAL consideration should be selected more carefully. The delivery of the desired outputs, especially those that are capital expenditures in nature, could easily be constrained or at worst derailed by restrictions that are inherent in such assistance, but not often seen in ordinary program and/or project loan operations. Rehabilitating damaged infrastructure and facilities often take a long time, and sometimes require redesign to be sustainable. ADB-supported rehabilitation efforts also have to be synchronized with those of other donors and humanitarian relief organizations with vast experiences in disaster relief and mitigation to ensure timely delivery, quality, and immediate impact of the assistance. However, given the short time frames for EALs, longer-term rehabilitation activities should be mainstreamed in future country operational plans with corresponding alternative funding mechanisms explored.

C. Recommendations for Follow-Up

25. This validation agrees with the recommendations of the PCR. In particular, ensuring sustainability would require monitoring the physical state, level of utilization, and O&M sufficiency levels of the funded structures especially in the most disaster-prone communities. This activity should include the completed but substandard subprojects, and those that started late. Monitoring reports that provide clear-cut assessments of the problems and prospects of road construction in the hilly areas of the country could strengthen calls for stricter and closer supervision of contractors and regular on-site tripartite inspection (i.e., involving the government, affected communities, and the contractor) of road projects. So that investment in the TA project would not be wasted, there should be efforts to institutionalize the use of the

training materials developed for geo-information technology for hazard risk assessment in future capacity-building activities of MARD. The Water Resources University could be designated to take the lead in this endeavor.

V. OTHER CONSIDERATIONS AND FOLLOW-UP

A. Monitoring and Evaluation Design, Implementation, and Utilization

26. Without baseline information and/or data, no formal project performance monitoring system was designed and installed. Physical progress and environmental monitoring was delegated to the provincial people's committees. Resettlement plans had to be prepared and their implementation monitored—a task later assigned to the implementation consultants. It is not clear if monitoring reports on the subprojects, which should ideally track down the progress of land acquisition, number of structures demolished, number of affected and resettled persons, and compensation paid, among others, were prepared.

B. Comments on Project Completion Report Quality

27. This validation rates the quality of the PCR *satisfactory*. The PCR is consistent with Project Administration Instruction 6.07 particularly in assessing impact, outcomes, relevance, effectiveness, and efficiency. The lessons and recommendations are explicitly sound and drawn from the findings of the report. The report systematically presented the issues, outputs, and outcomes notwithstanding the fact that the performance or targets for the impact and outcome indicators were not clearly defined in the DMF. Severely constrained by data limitation, the PCR realistically made use of proxy efficiency indicators to highlight the economic viability of the civil works undertaken.

C. Data Sources for Validation

28. The data sources for this validation comprised the report and recommendation of the President, PCR, back-to-office mission reports, and project processing documents.

D. Recommendation for Independent Evaluation Department Follow-Up

29. Like the PCR, this validation believes that a project performance evaluation report (PPER) should be undertaken by the IED 2 years after project completion. The PPER should focus on the monitoring of the actual status, utilization level, and sufficiency of O&M funds for the completed structures. For subprojects located in hilly areas where inherent physical limitations pose serious challenge to road construction works, the PPER should pursue stricter and closer supervision of contractors and conduct regular on-site tripartite inspections of road projects. The PPER could also emphasize the value of the TA outputs as input to future capacity-building activities on hazard risk assessment.