

# TECHNICAL ASSISTANCE COMPLETION REPORT

Division: Capacity Development and Governance

<b>TA No. and Name</b> TA 6218-REG: Decentralization in Social Sectors			<b>Amount Approved:</b> US\$400,000	
			<b>Revised Amount:</b> US\$400,000	
<b>Executing Agency:</b> Asian Development Bank		<b>Source of Funding:</b> TASF	<b>TA Amount Undisbursed</b> US\$29,699	<b>TA Amount Utilized</b> US\$ 370,301
<b>TA Approval Date</b> 20 Dec 2004	<b>TA Signing Date</b> N.A.	<b>Fielding of First Consultant(s)</b> 15 April 2005	<b>TA Completion Date</b>	
			<b>Original</b> 31 Oct 2006	<b>Actual</b> 30 Apr 2008
			<b>Account Closing Date</b>	
			<b>Original</b>	<b>Actual</b> 29 July 2008

## Description

In line with its continuing commitment to enhance its own development effectiveness, the Asian Development Bank adopted in its Long-Term Strategic Framework the sectorwide approach as a concrete step towards enhancing its focus on developmental impact. The Regional Technical Assistance (RETA) was designed to help address sector-specific results management issues in a gradually decentralizing public administration system. The project builds on a previous RETA on Technical Assistance for Strengthening Results Based Management (RBM) for Sector Agencies (TA 6069-REG for \$300,000 approved on 19 December 2002).

## Expected Impact, Outcome and Outputs

The TA aimed at developing the service delivery capacity of social sector and local government agencies. The expected outcomes were defined as: (a) Strengthen the Management for Development Results (MfDR) orientation of social sector and local government agencies in three gradually decentralizing countries (Cambodia, Indonesia, Mongolia), and (b) establish mechanisms for knowledge management and exchange within and between the three countries. The expected outputs were (a) methodology for MfDR improved and decentralization baseline assessments available; (b) capacity development roadmaps for MfDR and decentralization prepared and implemented; (c) findings and approaches disseminated within each country and across the three countries.

Following the adoption of capacity development as an ADB thematic priority in 2004, the RETA emphasized (i) awareness raising and participatory capacity assessments at local government level, targeting front line service providers in particular; (ii) integrating the RETA activities into in-country, regional and ADB planning and implementation processes for capacity development; and (iii) showcasing of the RETA experience within the wider capacity development community. The emphasis on capacity development also required an extension of the completion date of the RETA.

## Delivery of Inputs and Conduct of Activities

The original inputs included (i) 10 person-months of international consultant support; (ii) up to 27 person-months of local consultant support, (iii) consultant visits to Cambodia, Indonesia and Mongolia for design and implementation of field work; (iv) seminars and workshops in Cambodia, Indonesia, and Mongolia; and (v) support for knowledge management and dissemination. The local consultant input was increased to 30 months. The lead consultant had capacity development and education sector experience. He was teamed up with a planning and decentralization expert. The performance of the international consultants was rated satisfactory. The performance of the local consultants was variable. While the three Mongolian local consultants and one of the Indonesian local consultants performed satisfactorily, the Cambodian local consultant and one of the Indonesian consultants performed marginally. The performance of the Mongolian social sector agencies at all levels of government and of the Yogyakarta provincial government was exceptional, in particular in view of high level leadership provided and strong internal working processes to lead a complex change management process. The performance of health and education agencies in Cambodia and Indonesia was satisfactory. The ADB project officer conducted inception missions and provided support throughout project implementation, in particular related to knowledge management activities.

## Evaluation of Outputs and Achievement of Outcomes

1. *Desk reviews* of decentralization and MfDR materials on Cambodia, Indonesia, and Mongolia were conducted in May 2005 and the need for additional research on the performance orientation of sector and local government planning processes was assessed. A study was conducted to analyze Indonesia's comparatively well advanced system of government and non-government-led local government performance reviews in the context of decentralization.

2. *Methodology and tool development.* A guidance note and initial diagnostic assessment tools were developed in June 2006 to guide participatory assessments of institutional, organizational, and network capacities and the preparation of capacity development action plans. The understanding was that these generic tools would require customization to individual settings and would best be used in guided discussions.

2. *RETA orientation and implementation planning.* Implementation planning missions to Cambodia, Indonesia, and Mongolia were conducted between June and October 2005 leading to the preparation of a stakeholder analysis, and a more detailed scoping of further field work in three countries, including the identification of case study teams and topics.

3. *Methodology and tool orientation workshops* were held in all three countries, including at local government level in Yogyakarta, Indonesia and Darkhan Uul and Tuv, Mongolia between June 2005 and April 2006.

4. *Case study technical support and preparation.* Individual guidance notes for each of the cases were provided. Case study teams were backed up by local and international consultants. 5 case studies were prepared for the Cambodian education sector, 2 for the Cambodian health sector, 4 for the Indonesian education sector (local level), 3 for the Indonesian health sector (local level), 5 for the Mongolian education sector (local level) and 6 for the Mongolian health sector (local level). The quality of the case studies varied depending on the level of ownership, information availability and quality of local consultants, but was generally satisfactory.

5. *High level strategic review meetings* and/or debriefings were conducted to discuss the findings of the case studies and to prioritize capacity development action plans with Ministry of Health (MoH) and Ministry of Education, Culture and Sport (MoECS) in Mongolia (in December 2006), MoH and MoEYS Cambodia (December 2006) and Ministry of Education, Indonesia (November 2006), and case study finalization workshops were conducted with regional governments in Mongolia and Indonesia.

6. *Knowledge management and dissemination.* In 2007/early 2008, A RETA brochure, an ADB project website were prepared (launch of ADB project website expected for April 2008). Sector agency specific RETA websites were designed, translated by local consultants, and uploaded for MOH/MOEYS Cambodia, MOH/MOECS Mongolia and regional sector agencies in Yogyakarta, Indonesia.

The Cambodian State Secretary of Education, Youth and Sport was supported by an international consultant to prepare and deliver a presentation on the sector's experience with results-based joint approaches to capacity development in an international conference in October 2006.

7. *Targeted knowledge management and dissemination:* The case studies fed into ADB's Third Health Sector Development Project in Mongolia and the Indonesia Second Local Government Finance and Governance Reform and informed the development of the education sector roadmap in Mongolia. The RETA has influenced the design of the Pakistan Study on Capacity Development for Local Government Service Delivery study that was initiated in February 2007 financed under RETA 6385 on Governance and Capacity Development Initiative. The tools developed under the RETA were employed in the Indonesian education sector under an Aus Aid-financed project to develop education sector capacity development roadmaps. The tools were also used in a Lao PDR planning capacity building project for provincial development organizations and in the ADB Special Evaluation Study on the Involvement of Civil Society Organizations in ADB Operations.

### **Overall Assessment and Rating**

Overall, the RETA can be rated as successful. The assessment is based on the following scores for the four assessment criteria: A score of 2 for *relevance*. The project's impact and outcome is consistent with ADB's strategic objectives and the country lending strategies which included social sectors in all three countries. The RETA anticipated ADB's MfDR policy and action plan and the Capacity Development action plan and provided useful lessons and initial tools to help implement the first pillar of the MfDR action plan. It should, however, be noted that at the design stage, the capacity development approach taken to support DMC agencies was poorly defined, over-estimating the available local consultant skills and under-estimating the time needed to strengthen existing capacities in sector agencies and local governments to conduct RBM readiness assessments and to prepare capacity development action plans. Despite these shortcomings, a score of 2 is justified, because a learning approach was taken and appropriate adjustments to the project design were made during implementation. A score of 3 is given for *effectiveness* as the project has been effective in achieving its intended impact. The project scores 2 for efficiency as resources have been generally used effectively, but some of the local consultants did not perform as expected which led to some shortcomings in efficiency. Due to the ownership-oriented approach taken under the RETA, the project is likely to be *sustainable* (score 2) in Mongolia and Indonesia, but less sustainable in Cambodia due to a lack of ownership in the later stages of the project. The RETA helped identify further knowledge management needs within RSDD. It was concluded that, while the initial capacity development RBM assessment tool was useful under certain circumstances, a more elaborated readiness assessment tool should be developed. Such a tool was subsequently initiated under RETA 6096 and finalized under RETA 6306 on Mainstreaming Managing for Development Results in Support of Poverty Reduction. Another conclusion was that a tool for strengthening capacity assessment and capacity development in a sector context should be developed. The tool kit is currently under development in RSCG. Overall, the intended impact was achieved as the MfDR orientation of social sector and local government agencies in Cambodia, Mongolia, and Indonesia was strengthened and mechanisms for knowledge management and exchange were established.

### **Major Lessons**

The project was one of the first opportunities for ADB to implement RBM capacity development support at sector and regional level and provided excellent opportunities for learning. The iterative approach taken has proved useful in adjusting to the needs of different groups of stakeholders and in strengthening ownership. Lessons learnt included: (i) engaging local government stakeholders, in particular front-line service providers, in the analysis of performance achievement can be an effective way of identifying binding constraints and opportunities and can complement a more systematic MfDR readiness assessment in particularly in countries which have not yet adopted a country-wide performance measurement system; (ii) ADB can play an important role in facilitating communication between local governments and central government agencies targeted at finding practical solutions for problems that create performance issues at the local government level; (iii) capacity development means different things to different people and there is a need to conduct a dialogue on capacity development concepts and issues prior to engaging in capacity development work; (v) capacity development issues in a decentralized context vary considerably between countries and there is need to get a better understanding of such country-specific limitations and opportunities. This requires a good understanding of the decentralization context, the performance measurement systems and incentives, as well as the sector specific service delivery mechanisms.

### **Recommendations and Follow-Up Actions**

(i) Regional departments should engage in further RBM readiness assessments for service delivery at local government level in the context of CPS preparation and preparation of operations; (ii) there is a need to further sensitize ADB staff and senior government officials in line agencies and local government sector agencies to the challenges of implementing RBM processes in DMCs; (iii) there is a need for more systematic performance measurement in all three countries which should involve the Ministries of Home Affairs/Interior, i.e. building on the Philippines local governance indicator system; (iv) prioritization and sequencing of capacity development activities remains a challenge when resources to address shortcomings are limited.