



Technical Assistance Report

Project Number: 46011-001
Research and Development Technical Assistance (RDTA)
August 2012

Selected Evaluation Studies for 2012, Phase 1

ABBREVIATIONS

| | | |
|-------|---|--|
| ADB | – | Asian Development Bank |
| ADF | – | Asian Development Fund |
| CAPE | – | country assistance program evaluation |
| CPS | – | country partnership strategy |
| DEC | – | Development Effectiveness Committee |
| DMC | – | developing member country |
| EAP | – | evaluation approach paper |
| IED | – | Independent Evaluation Department |
| RCAPE | – | regional cooperation assistance program evaluation |
| TA | – | technical assistance |

TECHNICAL ASSISTANCE CLASSIFICATION

| | | |
|---------------------------------|---|---|
| Type | – | Research and development technical assistance (RDTA) |
| Targeting Classification | – | General intervention |
| Sector | – | Multisector |
| Themes | – | Economic growth , governance, private sector development, social development |

NOTE

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

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|-------------------------|--|
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In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.

I. INTRODUCTION

1. The approved work program of the Independent Evaluation Department (IED) for 2012–2014¹ is driven by the (i) need to keep abreast of emerging regional development issues to inform Asian Development Bank (ADB) operations and development policy in developing member countries (DMCs), (ii) imperatives of ADB's Strategy 2020² and the Asian Development Fund (ADF X and XI), and (iii) need to meet client expectations about IED as revealed in last year's perception survey carried out by ADB Management.³

2. Since 1997, nineteen “umbrella” or facility-type technical assistance (TA) projects administered by IED have supported similar yearly programs of high level evaluations that involve multiple countries, sectors, and themes.⁴ These have been instrumental in providing timely and responsive financing for IED knowledge products and services that effectively discuss emergent operations, and strategy and policy issues. An umbrella TA approved last year is now financing most of the 2012 evaluation studies of the work program for 2012–2014.⁵ The two-phase research and development TA for 2012 will support a further round of evaluation studies from this program cycle.⁶

II. ISSUES

3. ADB continuously works to improve the development effectiveness of its operations and be accountable to its stakeholders. It is but a small player in a changing Asia and Pacific region, where regional performance has been marked by growing populations and increasing economic productivity, and crises of natural and other origins. Past global economic and financial crises had dampening effects on Asian economies and similar crises may recur in the future. The effects of poverty, natural disasters, environmental degradation, health hazards, and poor public sector management constrain economic growth while market constraints and underinvestment in people and assets restrict its inclusiveness.

4. The new results framework laid out under Strategy 2020 has enabled ADB to monitor its developmental role and improve business performance. Taking into account the constraints to Asian development, the findings, lessons, and recommendations from evaluations funded under this TA will provide feedback and learning — particularly when formulating ADB's future policies, strategies, and programs.

5. Under the guidance of its new leadership team, IED has initiated significant changes in its work program and internal processes so as to strengthen the department and make it more relevant, responsive, and influential to ADB work (e.g., enhancing accountability and learning). The work program for 2012–2014 puts emphasis on high-impact evaluations. High level evaluations are being selected for their strong potential impact on ADB policies and operations (and also on DMCs). Since each high level evaluation is a product in its own right, it demands a more rigorous set of evaluation questions, more use of complementary and external expertise, more teamwork within IED across divisions, more in-country consultations, and more elaborate

¹ The 2012–2014 work program was discussed and endorsed by the Development Effectiveness Committee on 29 September 2011 and approved by the ADB Board of Directors on 7 December 2011. <http://www.adb.org/site/evaluation/ied/work-program>

² ADB. 2008. *Strategy 2020: The Long-Term Strategic Framework of the Asian Development Bank, 2008–2020*. Manila.

³ ADB. 2011. *Perception Survey of the Independent Evaluation Department*. Manila.

⁴ High level evaluations include major evaluations such as special, real-time, and impact evaluations; evaluation knowledge briefs; and country/regional evaluations.

⁵ ADB. 2011. *Technical Assistance for Selected Evaluation Studies for 2011*. Manila.

⁶ The Phase 1 TA first appeared in the business opportunities section of ADB's website on 4 June 2012.

dissemination plans. This desired move toward greater quality, reach, and impact has budgetary implications, i.e., fewer numbers but more in-depth evaluations.

6. High level evaluations for financing by this TA will take on areas of special interest to ADB, including development results from its country and regional partnership strategies and operations business plans. Possible topics for sector, theme, and corporate evaluations are (i) institutional effectiveness and instruments of ADB, such as its decentralization model; (ii) promotion of inclusive growth; (iii) promotion of good governance; (iv) trade finance; (v) road impact evaluation, and (vi) environment and climate change.

III. THE TECHNICAL ASSISTANCE

A. Impact and Outcome

7. The impact of the TA will be greater development effectiveness of ADB operations, policies, strategies, and business processes. Its expected outcome will be stronger use of evaluation findings, lessons, and recommendations by the ADB Board of Directors, in particular the Development Effectiveness Committee (DEC), and ADB Management. The design and monitoring framework is in Appendix 1.

B. Methodology and Key Activities

8. The evaluation process begins with the preparation of a concept paper by the concerned evaluation team. After approval of the concept note by the Director General of IED (DG, IED) an evaluation approach paper (EAP) is drafted to describe the intended study (including consultant terms of reference and budget).⁷ All major IED evaluations are targeting inputs to various milestone decision points of ADB Board and Management, and IED will schedule the studies in time to meet tight deadlines on its output targets.⁸ Completed major evaluation reports will be circulated and discussed by the DEC.

9. **Country evaluations, sector assessments, and validations of country partnership strategy final reviews.** IED has agreed with ADB Management that it will trigger evaluation studies in direct response to certain ADB country operations (i.e., IED's derived program). This includes the preparation of country assistance program evaluations (CAPEs) or validations of country partnership strategy (CPS) final reviews for select DMCs, provided the CPS into which these feed is announced to IED in time.⁹ The TA will finance at least one CAPE and the validation of one CPS final review. Both will be part of IED commitments in the work program for 2012–2014. Each CAPE will evaluate ADB support to the country and cover ADB strategy, policy dialogue, completed and ongoing projects and technical assistance, and ADB performance. It will provide ADB and the DMC with a basis for determining the future CPS. When appropriate, sector assessments will be undertaken to provide inputs during the preparation of each CAPE. Each sector assessment will evaluate ADB performance within a given sector in the country, focusing again on strategy, policy dialogue, ongoing and completed projects and technical assistance, and performance.

⁷ The draft EAP is being reviewed by peers and discussed in an IED-wide meeting chaired by DG, IED. The final version takes into account comments on all aspects of the evaluation approach.

⁸ Consultant recruitment may start when DG, IED approves the EAP for circulation for interdepartmental comments. IED has introduced formal interdepartmental consultation before final approval of an EAP by DG, IED. IED will consider comments from ADB to the extent possible and, if necessary, make changes to the EAP and publish this in its website. <http://www.adb.org/site/evaluation/ongoing-evaluations>

⁹ A CAPE is done before preparing a CPS, but not all CPSs are preceded by CAPEs. If the work program of IED does not include a CAPE for a country that is due for a new CPS, IED will validate a CPS final review. The CPS final review validation report then serves as the equivalent of a CAPE for the purpose of CPS preparation.

10. **Regional evaluation.**¹⁰ The regional cooperation assistance program evaluation (RCAPE) will assess the development effectiveness of ADB's strategy and support for the 14 Pacific DMCs, including a focused evaluation of progress under the ongoing ADB Pacific Approach, 2010–2014. As appropriate, sector assessments will be undertaken to provide inputs for the preparation of the RCAPE.¹¹ The RCAPE will also draw on recent IED evaluations and studies covering the Pacific DMCs (e.g., transport sector, public sector reforms, governance). Its findings will contribute to the process of making strategic choices and setting priorities for the next Pacific strategy and future operations in Pacific DMCs.

11. **Sector, thematic, and corporate evaluations.** The TA will finance at least one special evaluation study or evaluation knowledge brief as part of IED's deliverables in the work program for 2012–2013.¹² Candidate topic(s) for financing will involve high level evaluations to be selected for their potential benefits to ADB policies and operations (and to DMCs) and as defined in the work program for 2012–2014. These range from evaluations of institutional effectiveness and instruments of ADB, to reports with a sector or theme focus (para. 6).

12. Based on present requirements, priority consideration will be given to a study on ADB's decentralization model.¹³ The special evaluation study (SES) aims to assess progress made and challenges in ADB decentralization, and to draw on lessons and provide recommendations for strengthening and improving on-going decentralization process.¹⁴ This will include a review of the current status and supporting measures of ADB decentralization of decision making from its head office to resident missions regarding the transformation of administrative and financing authority in resource management and project preparation and implementation.

13. **Dissemination of knowledge publications.** To make its evaluation products more accessible and influential, IED continues to disclose, disseminate, and share evaluation feedback on performance and lessons (para. 5). Using evaluation study results, it will prepare and publish syntheses, briefs, and occasional papers tailored to widen readership and provide continuous feedback on ADB's operations, strategies, and policies.

C. Cost and Financing

14. The cost of the TA is estimated at \$750,000. The TA will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF–IV). The cost estimates and financing plan are in Appendix 2.

¹⁰ The timing for the evaluation of the Pacific Approach will be discussed in the second quarter of 2013 subsequent to a midterm review by the Pacific Department.

¹¹ Sector activities for assessment will consider ADB priorities in the Pacific (including maturity and size of the program on which to base a sector assessment) and be discussed with ADB's Pacific Department as appropriate. (see footnote 3 of Appendix 3).

¹² Special evaluation studies will include evaluations of policies and strategies, and corporate functions. The assessments will (i) cover different modalities, sectors, or countries; and (ii) extract and aggregate data and information on specific themes. Evaluation briefs will offer insights and lessons on current issues as well as selected ADB projects and programs.

¹³ The study is one of four IED evaluations for action under ADB's ADF XI implementation plan. The evaluation on ADB's decentralization model, with particular consideration of its business model for working in low-capacity countries, is tentatively scheduled for completion in the first half of 2013.

¹⁴ In line with its Strategy 2020, ADB has undertaken organizational arrangements that support country ownership with its professional and capital resources, to overcome internal weaknesses and effectively meet the diverse needs of clients. Within the ADB, departments are given more flexibility to make best use of their resources. Other major changes include further decentralization of decision making to resident missions, to reduce documentation requirements for lower transaction costs of project preparation and implementation.

D. Implementation Arrangements

15. ADB will be the executing agency for the TA. IED will implement it and supervise all planned studies. The studies will require the services of 11 international consultants for about 22 person-months and 19 national consultants for about 29 person-months.¹⁵ The outline terms of reference for consulting requirements are in Appendix 3. More detailed terms of reference for each study will be developed in the EAP. ADB will engage consultants primarily on an individual basis in accordance with its Guidelines on the Use of Consultants (2010, as amended from time to time). Specific requirements for services of consulting firms (e.g., surveys) will be considered during preparation of the EAP.

16. Disbursements under the TA will be made in accordance with ADB's *Technical Assistance Disbursement Handbook* (2010, as amended from time to time). Tracking of study progress will be recorded through internal monitoring sheets on key milestone events, mission back-to-office reports, and ad-hoc presentations or consultations on evaluation study findings. The TA outputs will be disseminated in accordance with IED's evaluation policy, particularly with regard to public disclosure, dissemination, and lessons. The TA is scheduled to start on 15 August 2012 and expected to end by 31 August 2014. Implementation arrangements will be flexible to accommodate alterations in IED's work program or changes in response to priorities under Strategy 2020 and ADF assistance (ADF X and XI). ADB will obtain a no-objection from the DMC government before starting any activity financed under this TA in the territory of that country.

IV. DECISION

17. The Director General, Independent Evaluation Department, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of \$750,000 on a grant basis for Selected Evaluation Studies for 2012, Phase 1. This action is hereby reported to the Board.

¹⁵ The number of consultants and their inputs are tentative. Consultant requirements will be reviewed during the concept paper phase and finalized in the EAP (para. 8).

DESIGN AND MONITORING FRAMEWORK

| Design Summary | Performance Targets and Indicators | Data Sources and Reporting Mechanisms | Assumptions and Risks |
|---|--|---|---|
| Impact Greater development effectiveness of ADB operations, policies, strategies, and business processes | Rating of “satisfactory” for quality-at-entry evaluation of projects or programs sustained (by 2018) Cumulative overall success rate of country assistance programs improves every year from the 3-year average of 69% during 2009–2011 (by 2018) | Semiannual review of quality at entry Performance ratings of country assistance programs from self-evaluation (CPS final review report) and independent evaluation (CAPEs and CPS final review validation reports) | Assumptions ADB Management continues to act on lessons and recommendations Evaluation lessons and recommendations continue to be relevant and actionable |
| Outcome Stronger use of evaluation findings, lessons, and recommendations by the DEC of the ADB Board of Directors and ADB Management | Rate of adoption of recommendations by ADB Management improves every year from a 3-year average of 73% during 2009–2011 (by 2015) ADB Management accepts no less than 85% of IED recommendations every year (by 2015) Evidence of improvement in the use of IED findings to provide inputs to and/or influence design of new ADB operations, country and sector strategies, and policies (by 2015) Baseline (favorable responses in 2011): country strategies — 77%, sector programs — 73%, lending operations — 73%, and non-lending operations — 63%. | Management Action Record System ADB Management Response IED client perception survey on satisfaction with evaluation quality | Assumptions ADB Management agrees to evaluation findings and to act on lessons and recommendations Evaluation recommendations remain relevant, suitable, and realistic Announcement of ADB policies and strategies are timed for IED to complete its evaluation |
| Outputs Useful lessons, and recommendations from completed evaluation reports | At least 85% of evaluations programmed under this TA are completed as planned No major quality issues raised on the evaluations in the DEC meetings or DEC annual report by 2014 Clients’ perception of IED reports being evidence-based and drawn from in-depth analyses improves to 75% by 2015 Baseline (favorable responses in 2011): evidence-based — 72%, and based on in-depth analyses — 68%. | IED annual work program Summary of DEC discussions Annual Report of the DEC IED client perception survey on satisfaction with evaluation quality | Assumptions No significant staff attrition Consultants with required expertise are available to join the evaluation team. Evaluation team has access to all required data (e.g., baseline data, secondary data). |

| Activities | Inputs |
|---|-----------------|
| 1.1. SES 2.1. CAPE 2.2. Sector assessments: as inputs to CAPE 3.1 Regional Cooperation Assistance Program Evaluation: Pacific Approach 4.1 Validation of CPS final review 4.2. Sector assessments: as inputs to CPS final review | ADB \$750,000.0 |

ADB = Asian Development Bank, CAPE = country assistance program evaluation, CPS = country partnership strategy, DEC = Development Effectiveness Committee, IED = Independent Evaluation Department, SES = special evaluation study.

Source: Asian Development Bank.

COST ESTIMATES AND FINANCING PLAN
(\$'000)

| Item | Total Cost |
|--|---------------|
| Asian Development Bank Financing ^a | |
| 1. Consultants | |
| a. Remuneration and per diem | |
| i. International consultants | 395.00 |
| ii. National consultants | 115.00 |
| b. International and local travel | 110.00 |
| c. Reports and communications | 10.00 |
| 2. Surveys | 30.00 |
| 3. Workshops, training, seminars, and conferences ^b | 20.00 |
| 4. Miscellaneous administration and support costs | 10.00 |
| 5. Contingencies | 60.00 |
| Total | 750.00 |

^a Financed by the Asian Development Bank's Technical Assistance Special Fund (TASF-IV).

^b Seminars and workshops are not technical assistance outputs but are held either to acquire inputs for draft reports or to disseminate results. This category also includes support to disseminate the Independent Evaluation Department's knowledge product and services using publications or other channels.

Source: Asian Development Bank estimates.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

A. Derived Program from Country Operations¹

1. **Country assistance program evaluations, sector assessments, and validations of country partnership strategy final reviews** (three international consultants for a total of 6 person-months and seven national consultants for 10.5 person-months). Country assistance evaluations provide the Asian Development Bank (ADB) and the developing member countries (DMC) with a basis for determining the future country partnership strategy (CPS).² Depending on country and sector requirements, sector and/or thematic assessments are undertaken to provide inputs to the main country assistance program evaluation (CAPE). Sector assessments will evaluate ADB's strategy, policy dialogue, ongoing and completed projects and technical assistance, and performance within a given sector in a country. Their preparation will require the services of sector and/or theme specialists (both international and national).
2. The international consultants (total of 4 person-months for a CAPE or validation of a CPS final review, and 2 person-months for sector assessments) are expected to (i) update reviews of ADB-financed assistance programs and assess their relevance, effectiveness, efficiency, sustainability, and their impacts on strategic sector objectives; (ii) undertake key informant interviews and conduct stakeholder surveys on the outcome and impact of ADB assistance, and discuss sector development issues and concerns with executing agencies and other government and nongovernment entities, as appropriate; and (iii) help assess the validity of ADB's sector development strategies in the study country.
3. With attention to country and sector requirements, national evaluation consultants (total of 4 person-months for two headquarters-based consultants and 6.5 person-months for five in-country experts) with previous exposure to sector development issues in the study country will be recruited to (i) present an overview of the relevance and implementation of ADB sector strategies; (ii) assess and rate the achievement of project and program objectives, and the delivery of core sector and crosscutting and thematic programs; (iii) comment on ADB's institutional positioning and performance in a sector; (iv) organize and facilitate focus group discussions, workshops, and meetings; and (v) define important issues and lessons in a sector's operations.
4. **Regional cooperation assistance program evaluation** (four international consultants for a total of 8 person-months and six national consultants for 9 person-months). The regional cooperation assistance program evaluation (RCAPE) will evaluate ADB performance in supporting its Pacific DMCs in relation to the objectives and strategy of ADB's Pacific Approach, 2010–2014. Its findings will inform the next Pacific strategy and future operations in the 14 countries. The evaluation will require the services of a consultant team as follows:
5. **Program evaluation specialists.** The international consultants (two consultants for a total of 4 person-months) will act as team leader and co-leader of the consultant team. Both will have experience in undertaking country program evaluations, regional strategic planning, macro–microeconomic analysis, cross-country and cross-sector development and project analysis, and (preferably) have strong familiarity with and experience in the Pacific region.

¹ Estimates of consultant requirements are tentative and will be reviewed during discussions on the concept paper and in finalizing the evaluation approach paper (main text, para. 8).

² A country assistance program evaluation (CAPE) is done before preparing a CPS, but not all CPSs are preceded by CAPEs. If the work program of the Independent Evaluation Department (IED) does not include a CAPE for a country that is due for a new CPS, IED will validate a CPS final review. The CPS final review validation report then serves as the equivalent of a CAPE for the purpose of CPS preparation.

6. **Sector and theme specialists.** The international consultants (two for a total of 4 person-months) will have experience in key sectors, subsectors, and thematic areas to be covered by the RCAPE³, and (preferably) strong familiarity with and experience in the Pacific region.

7. **National consultants.** The evaluation team will also require inputs from a headquarters-based consultant (total of 1.5 person-months) and five in-country experts (a total of 7.5 person-months). The latter will have strong familiarity with a country's development issues, systems, political economy, and (preferably) in-country experience with ADB projects and operations.

B. Knowledge Program⁴

8. **Special evaluation studies or evaluation knowledge briefs.** At least one special evaluation study or evaluation knowledge brief from the work program for 2012–2014 will be selected and undertaken by an Independent Evaluation Department (IED) team. Possible study topics include ADB's decentralization model (with particular consideration of its business model for working in low-capacity countries),⁵ the promotion of inclusive growth and good governance, climate change funds, and trade finance program. A team of consultants (four international consultants for a total of 8 person-months and six national consultants for 9 person-months) will assist IED staff in the conduct of the evaluation.

9. **International sector and theme specialists.** The evaluation will require four international consultants for a total of 8 person-months. They must have a strong background (preferably with exposure to evaluation) in the study area. They will contribute to the preparation of a draft evaluation report. The terms of reference will include (i) reviewing literature and analyzing project documents and related evaluation reports; (ii) providing advice on evaluation methods and specifying data requirements to assess results; (iii) participating in field visits to collect data and conducting interviews with relevant stakeholders; (iv) organizing, as appropriate, field surveys; (v) conducting select in-depth studies of ADB assistance; and (vi) providing inputs to prepare the draft evaluation report.

10. **National consultants.** An ADB headquarters-based national consultant (1.5 person-months) will be recruited to assist the evaluation team in reviewing and analyzing project documents and field data. A total of 7.5 person-months of in-country consultant services (for about five countries to be studied in detail) will also be recruited. These consultants will have relevant general and professional experience in their specific study areas. Under the supervision of the lead international consultant, the national experts will provide background information, facilitate country visits by the evaluation team, help conduct surveys, and assist in the conduct of stakeholder interviews and collection of secondary data. When appropriate, national consultants will assist the evaluation team in quantitative analyses and the preparation of separate country reports on ADB performance.

³ Public sector management and governance, public finance management, transport and information communication technology, water supply and sanitation, private sector development, education, health and social protection, and other relevant sectors or subsectors and themes as determined by the RCAPE evaluation team.

⁴ Footnote 1.

⁵ The special evaluation study is one of four IED evaluations for action under the ADF XI implementation plan and is deliverable in 2013.