

ASIAN DEVELOPMENT BANK

TAR:STU 34546

PROPOSED

TECHNICAL ASSISTANCE

FOR

THEMATIC EVALUATION STUDIES

FOR 2003

January 2003

ABBREVIATIONS

ADB	–	Asian Development Bank
CAPE	–	country assistance program evaluation
DP	–	development partner
DFI	–	development finance institution
DMC	–	developing member country
EA	–	executing agency
ECG	–	Evaluation Cooperation Group
IRD	–	integrated rural development
Lao PDR	–	Lao People's Democratic Republic
OED	–	Operations Evaluation Department
PIU	–	project implementation unit
RETA	–	regional technical assistance
SME	–	small and medium enterprise
TA	–	technical assistance

NOTE

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

This report was prepared by S. Curry.

I. INTRODUCTION

1. The Operations Evaluation Department (OED) of the Asian Development Bank (ADB) provides independent evaluation of ADB's operations. This includes evaluation of the performance of completed projects, programs, and technical assistance (TA). It also includes (i) reviewing and selectively validating the self-evaluation activities of operational departments; (ii) providing feedback for the design and evaluability of new operations; (iii) evaluating the effectiveness of ADB's policies, practices, and procedures; (iv) monitoring and reporting on actions taken by ADB and its executing agencies in response to OED evaluation report recommendations; (v) building evaluation capacity within developing member countries (DMCs), (vi) and coordinating evaluation practices and activities with other multilateral development banks through the Evaluation Cooperation Group (ECG), and with other multilateral and bilateral assistance agencies. To enhance its contribution to ADB's development effectiveness, OED carries out a series of thematic evaluation studies in the form of impact, special, and country assistance program evaluations.

2. The primary aims of all ADB's evaluation activities are to provide lessons for future operations, accountability for use of resources, and follow-up recommendations for sustaining the benefits of activities supported by ADB. Completed projects, programs, and TAs are selected independently by OED for purpose of performance audits, which allow an assessment of how well resources have been used and provide lessons for incorporation in new operations. Harmonization of evaluation activities through the ECG up to now has focused on good practices for the evaluation of individual operations. The current agenda of the ECG emphasizes higher level evaluations, involving evaluation of several operations within a sector, or a country, or for a particular topic or policy. Such thematic evaluation studies are multi-activity and often multicountry in scope. The topics for thematic evaluation studies are selected in coordination with operational and other departments.

3. The program of evaluation reports and publications identified for 2003 has been reviewed by the Development Effectiveness Committee of the Board of Directors. It includes 17 project and 9 program performance audits, and 9 TA performance audits (Appendix 1). It includes several other outputs of a recurring nature such as an annual review of evaluation activities, and an annual evaluation of portfolio performance. It also includes eight thematic evaluation studies. Consulting and other services and materials necessary for carrying out the thematic evaluation studies are resourced through regional technical assistance (RETA) funding under ADB's knowledge products and services program. ARETA framework relating to the thematic evaluation studies for 2003 is in Appendix 2.¹

II. ISSUES

4. Impact evaluation studies seek to assess the results of a group of activities in a particular sector, or to compare the results of similar activities in different DMCs. The emphasis is on the broader institutional and development impacts of ADB-assisted activities. Recent studies of this type have included evaluations of the impact of rural roads on poverty reduction, the impact of ADB's investment funds operations, and the impact of selected water supply and sanitation projects. One impact evaluation study is included in the 2003 work program.

5. Special evaluation studies are undertaken in relation to a wide range of topics. Frequently they relate to the policies or strategic concerns of ADB. Recent special evaluation

¹ The RETA first appeared in *ADB Business Opportunities* in November 2002.

studies have included a study of the poverty reduction effect of selected agriculture and social infrastructure projects, a study of the public and private provision of primary education in selected countries, and a study of Asian Development Fund VI and VII operations. Six special evaluation studies are included in the 2003 work program.

6. Country assistance program evaluations (CAPEs) assess the full range of ADB activities within a particular DMC over a substantial period of a decade or more. They seek to address issues, and make recommendations, relating to the focus of ADB activities, including the sector mix and use of assistance modalities. They therefore contribute to assessing current, and formulating new, country strategies and programs. Given the greater country focus of future ADB operations, country level evaluations will play a larger role in evaluation activities. CAPEs have been completed recently for Bangladesh, Mongolia, and Philippines. One new CAPE is included in the 2003 work program.

7. Thematic evaluation studies generally require a longer time and a larger budget than evaluations of individual operations. It is expected that three or four of these thematic evaluation studies will be completed in 2004 rather than 2003. In terms of OED staff time, thematic evaluation studies account for more than 20% of the total. From operational departments, and from other departments and the Development Effectiveness Committee of the Board, there is a demand for these broader studies of the development effectiveness of ADB operations to provide lessons for all the DMCs in the region and for ADB.

III. THE PROPOSED TECHNICAL ASSISTANCE

A. Purpose and Output

8. The purpose of this RETA is to assess the effectiveness of ADB operations and policies through eight thematic evaluation studies designed to (i) assess their relevance, efficacy, sustainability, impacts, and, where appropriate, efficiency; and (ii) provide timely feedback on operational and policy issues to the DMCs and ADB.

B. Methodology and Key Activities

9. The scope of each thematic evaluation study is as follows.

10. **Impact Evaluation Study of Asian Development Bank Assistance in the Power Sector in Bangladesh.** Bangladesh has the third lowest level of energy consumption per capita in Asia. Only about 30% of the country's 130 million people have access to electricity; low coverage has been a key constraint to economic development and poverty reduction. Since the country's independence in 1971, ADB has provided extensive support for power sector development through power generation, transmission, and distribution projects, including 16 in the public sector and 1 in the private sector, plus 18 TA grants. In the 1990s, ADB was the lead funding agency, accounting for about one third of all financial assistance from development agencies in the sector. ADB has adopted a strategy of continued physical investment in system rehabilitation and expansion combined with a focus on reform, including greater private sector participation, and cost recovery by key public utilities. Despite some progress, the power sector in Bangladesh still suffers from severe undercapacity and poor financial performance.

11. The objectives of the proposed study are to (i) provide a comprehensive and independent assessment of the impact of ADB's assistance on the sector's development and financial performance, as well as its wider impacts on economic development and poverty

reduction; (ii) identify the key factors behind the undercapacity and poor financial performance; and (iii) identify critical areas for improvement of ADB's assistance and the power sector as a whole. Recommendations are anticipated on the direction and specific modalities of ADB's continued assistance in the power sector.

12. Special Evaluation Study of Participatory Forest and Water Resources Management. Experience from ADB-financed projects points to the need for greater involvement of stakeholders in all stages of the project cycle. There is a growing emphasis on the involvement of individual and community beneficiaries as well as nongovernment organizations. ADB has provided substantial assistance for participatory forest and water resource management projects with an increasing focus on participatory project formulation/implementation and household/community-based resource management. Experience in water resources management indicates that a firm institutional basis should be developed, with the inclusion of a majority of the intended beneficiaries, from whom financial contributions are sometimes expected, prior to initiating project implementation. However, insufficient information is available about the impact of this participatory approach, specifically in terms of conservation, efficiency, equity in benefit sharing, poverty reduction, and sustainability.

13. This study will undertake a cross-country assessment of ADB-financed participatory forest and water resource management projects involving four DMCs: Bangladesh, Lao People's Democratic Republic (Lao PDR), Sri Lanka, and Viet Nam. The study will (i) review ADB's portfolio related to water and forest resources management, with particular emphasis on participatory resource management operations; (ii) assess relevant policy and institutional conditions, including the capacity and performance of concerned organizations as well as the legal framework; (iii) assess the impact of the participatory approach to planning and managing natural resources; (iv) assess the effectiveness of procedures and arrangements, including management information systems and external audit, contributing to the level of achievement of output and outcome indicators; and (v) identify key factors responsible for the success or failure of such projects.

14. Special Evaluation Study of Rural Development Projects in Poor Regions. Integrated rural development (IRD) projects have been widely used by ADB to address the dual objectives of poverty reduction and balanced regional development. An IRD project typically includes multiple components covering rural infrastructure, agricultural production, and social services. Evaluation of a set of early IRD projects found that a top-down and supply-driven approach in the design of these projects resulted in less relevant project interventions, lack of beneficiary ownership, inefficiency, poor sustainability, and insignificant impact on rural poverty. Since the mid-1990s, a community-based approach with strong ownership of local communities and their active participation in subproject design and implementation has been used in a new generation of IRD projects, with some encouraging initial results.

15. The study will examine a set of recently completed and approved IRD projects that have used the community-based approach in a number of DMCs that may include Indonesia, Pakistan, and Philippines. It will summarize their positive experience, analyze problems encountered, investigate underlying factors, and develop recommendations for future improvement. The major scope of the study will include (i) a comparison of the old and new IRD projects in terms of design, implementation, beneficiary ownership, and performance; (ii) an investigation of the conditions required for success; and (iii) recommendations for improvements.

16. **Special Evaluation Study of Small and Medium Enterprise Activities.** Almost 90% of the jobs created in ADB's DMCs are in small businesses. ADB has provided support to small and medium enterprises (SMEs) through both public and private sector operations. Frequently, this has involved lines of credit through government-owned development finance institutions (DFIs), often at subsidized interest rates. Many earlier DFI loans failed due to a poor regulatory and business environment. More recently, the emphasis has been to help improve the overall investment climate and the provision of assistance to SME support networks, clusters, linkages, and business development services. The instruments used have included DFI loans, program loans, TA, and investments directly in companies and venture capital funds. Support has been undertaken by a variety of operational departments, including those responsible for ADB's activities in industry, finance, education, agriculture, and the private sector.

17. There appears to be no ADB-wide SME policy or even a central depository of experiences, lessons identified, and standard operating policies and procedures; it is difficult to gauge the extent of ADB's SME activities and key success factors. The study will review ADB's involvement in the SME sector. The scope will include an examination of a selection of SME projects in three or four DMCs, which may include Sri Lanka, Thailand, Uzbekistan, and Viet Nam, to determine the success or failure of the projects, identify key lessons, and make recommendations for future operations in the sector. In its formulation and conclusions, the study will draw on the experience of other assistance agencies, and on cooperation mechanisms at the country level. The study will feed into the development of a framework for SME support.

18. **Special Evaluation Study of Capacity-Building Technical Assistance in the Lao People's Democratic Republic.** ADB has provided advisory TA to Lao PDR over the past 30 years totaling more than \$60 million in grant funds. Many of the TAs were designed to build the capacities of local institutions. Such continuing cooperation with some of the line ministries and central agencies should have resulted in an improvement in public resource and sector management. However, a common perception is that there is a need to continue assistance for capacity building. It is necessary to take stock of experience so far, to assess the approaches that have been taken, and to identify changes that could be introduced.

19. The objective of the evaluation is to assess how effective ADB assistance has been in building the capacities of central ministries and agencies for public resource management, and line agencies at the central and provincial levels for sector management and for project implementation. The evaluation scope will include a review of (i) ownership and commitment to institutional change; (ii) approaches and modalities used for identifying, designing, and implementing capacity building; (iii) effects of ADB-funded operations on institutional performance, using key performance indicators; and (iv) impact of institutional change on public resource management practices and on sector performance, including service delivery. The findings of the evaluation are expected to be useful in planning the future TA program for Lao PDR and to provide an input into country strategy and program updates.

20. **Special Evaluation Study of Project Cost Estimates.** Accurate and reliable project cost estimates are a key ingredient of effective development assistance. The large number of projects that have experienced either significant cost underruns or overruns has been a persistent issue in ADB operations. Of all projects with project completion reports circulated from 1965 through 2002, about 58% (484 projects) reported an average cost underrun of 26% of total project cost, while 39% (325 projects) reported an average cost overrun of 40%.² More recently (1998-2002), 72% of all projects had cost underruns and 25% experienced cost

² Figures exclude DFI projects and program loans, which will both be excluded from the special evaluation study.

overruns. A trend towards cost underruns has thus emerged, while cost overrun problems have attenuated but remain substantive. For the DMCs, loan savings could have financed additional projects and avoided financial charges; cost overruns result in uneconomic or lower than projected returns. For ADB, both underruns and overruns indicate an inefficient allocation of resources and reduced development impact.

21. The reasons for the variations in project costs may include cost estimation procedures of the DMCs, and project preparation and lending procedures of ADB, apart from inherent uncertainty. The major objectives of the study are to (i) determine the major causes of project cost underruns and overruns in ADB-assisted projects in the context of their implementation schedules; (ii) quantify the contribution of each major factor to nonrobust cost estimation at project appraisal; (iii) quantify the resulting financial impact on DMCs; and (iv) make recommendations on required changes in guidelines, systems, and procedures to improve cost estimation reliability, and to share the risk of unpredictable changes in project costs. The study will use primary data from project feasibility and detailed design studies, and secondary data from ADB and government sources in selected DMCs, which may include India, Indonesia, Pakistan, and Viet Nam. A survey of relevant DMC officials and ADB staff will also be carried out.

22. **Special Evaluation Study of the Role of Project Implementation Units.** Administration of projects funded by ADB has typically been conducted by project implementation units (PIUs) created specifically for each project. Although PIUs are intended to enhance administrative capacity and promote technology transfer, some evidence indicates that their use can undermine the long-term capacity-building process of government and executing agencies (EAs). This may be because the PIU typically dissolves once project implementation is complete, with much of the experience gained during the project lost, or because it reflects an externally driven, project-based approach, and does not adhere to organizational lines of authority. An alternative method of project administration, in which the government agency concerned utilizes its existing mainstream operations and personnel resources for implementation, may increase opportunities for institutional learning and capacity building as well as promote greater project responsibility.

23. The proposed study will (i) assess the positive and negative features of the PIU system; (ii) compare the use of PIUs with the positive and negative features of project administration by the permanent administrative structure of EAs; (iii) separately assess the situation for multisector projects involving several EAs or implementing agencies; (iv) determine if there are differences between administration by a central public sector agency and other entities, including local governments; and (v) consider special situations such as post-conflict reconstruction. The methodology will include quantitative assessments through surveys, and case studies, in about four DMCs. Case study projects will include active and completed projects.

24. **Country Assistance Program Evaluation for Cambodia.** ADB has been a major supporter of Cambodia's rehabilitation efforts since its operations resumed there in 1992. It has approved 23 projects with a total loan amount of \$640 million. The assistance program has also included advisory TA; RETA; economic, sector, and thematic work; and policy dialogue. A key aspect of the assistance program has been the resources devoted to capacity building in the context of a shortage of skills and a reliance on external resources.

25. The overall objective of the CAPE is to assess the development effectiveness of ADB assistance to Cambodia since 1992. The evaluation will (i) review Cambodia's macroeconomic development plans and goals; (ii) assess the country strategy and assistance program in terms of relevance and responsiveness to the country's needs; (iii) assess the forms of coordination with other development partners; and (iv) assess the country assistance program in terms of composition, effectiveness, sustainability, and impacts. Lessons identified will be used to assist in the design of ADB's future country strategy and program, and in improving coordination among development partners.

C. Cost and Financing

26. The RETA is estimated to cost \$1.4 million (Appendix 3). It will be financed by ADB on a grant basis from the ADB-funded TA program.

D. Implementation Arrangements

27. OED will implement the RETA. An evaluation report will be prepared for each of the eight thematic evaluation studies. The studies will be carried out by OED staff with the assistance of international and domestic consultants. Altogether, about 37 person-months of international consulting and about 53 person-months of domestic consulting inputs will be required. The individual areas of expertise, duration of engagement of consultants, and outline terms of reference are given in Appendix 4. In keeping with OED's practice, a position paper for each study outlining the detailed approach, methodology, and terms of reference will be prepared prior to engaging consultants and commencement of the studies. Consultants will be engaged according to ADB's *Guidelines on the Use of Consultants* and other arrangements satisfactory to ADB on the engagement of domestic consultants. Operational departments and DMC governments will be consulted at all stages of formulation and implementation, and involved in the discussion of results. The RETA will commence in February 2003 and will be completed by the end of 2004.

IV. THE PRESIDENT'S RECOMMENDATION

28. The President recommends that the Board approve the provision of technical assistance not exceeding the equivalent of \$1,400,000 on a grant basis for Thematic Evaluation Studies for 2003.

EVALUATION REPORTS AND PUBLICATIONS IDENTIFIED FOR 2003

A. Project Performance Audit Reports (17)

1. Sectors
 - Social Infrastructure (7)
 - Agriculture and Natural Resources (3)
 - Energy (3)
 - Transport and Communications (3)
 - Finance (1)
2. Countries (13)

B. Program Performance Audit Reports (9)

1. Sectors
 - Finance (including corporate governance) (6)
 - Public Sector Management (2)
 - Agriculture and Natural Resources (1)
2. Countries (9)

C. Technical Assistance Performance Audit Reports (9)

1. Sectors
 - Energy (1)
 - Finance (1)
 - Social Infrastructure (1)
 - Others (6)

D. Impact Evaluation Study (1)

ADB Assistance in the Power Sector in Bangladesh

E. Special Evaluation Studies (6)

1. Participatory Forest and Water Resources Management
2. Rural Development Projects in Poor Regions
3. Small and Medium Enterprise Activities
4. Capacity-Building Technical Assistance in the Lao People's Democratic Republic
5. Project Cost Estimates
6. Role of Project Implementation Units

F. Country Assistance Program Evaluation (1)

Cambodia

G. Annual Evaluation Reports (2)

1. Annual Review of Evaluation Activities in 2002
2. Annual Report on Loan and Technical Assistance Portfolio Performance for the Period Ending 31 December 2002

H. Other Reports (2)

1. Performance Audit Guidelines (for projects, programs, and technical assistance)
2. Good Practices for Evaluation of Policy-Based Lending

I. Publications (5)

1. Aid Effectiveness: What Works and What Doesn't
2. Measuring Aid Effectiveness: Meeting the Challenge
3. Evaluation Highlights of 2002
4. Assessing Development Impact Series #6: Irrigation
5. Assessing Development Impact Series #7: Program Lending

REGIONAL TECHNICAL ASSISTANCE FRAMEWORK

Design Summary	Performance Indicators/Targets	Project Monitoring Mechanisms	Risks and Assumptions
1. Goal			
<ul style="list-style-type: none"> The primary goal is poverty reduction, which will be achieved by improving the effectiveness of Asian Development Bank (ADB) operations and enhancing ADB's contribution to the development of developing member countries (DMCs) 	<ul style="list-style-type: none"> Improved performance and sustainability of ADB-financed operations Higher project and technical assistance success rate 	<ul style="list-style-type: none"> Annual review of evaluation activities 	<ul style="list-style-type: none"> Commitment of ADB and government decision makers to accept evaluation process and findings
2. Purpose			
<ul style="list-style-type: none"> To derive lessons from ADB's assessment, and promote sustainability and long-term impact of ADB assistance to DMCs To recommend appropriate measures for design of future projects, and for changes in ADB policies and procedures 	<ul style="list-style-type: none"> Use of lessons and best practices in future operations 	<ul style="list-style-type: none"> Final reports of each study 	<ul style="list-style-type: none"> Commitment of ADB and DMC governments to implement the lessons and recommendations Dissemination of conclusions and recommendations Cooperation among the agencies involved
3. Outputs			
<ul style="list-style-type: none"> Eight consolidated reports presenting the overall conclusions and recommendations for future actions by ADB and DMC governments including analysis of crosscutting priorities and survey results 	<ul style="list-style-type: none"> Reports approved for circulation 	<ul style="list-style-type: none"> Position papers, and inception and progress reports 	<ul style="list-style-type: none"> Validity of recommendations Quality of outputs from consultants
4. Inputs			
<ul style="list-style-type: none"> Consulting services Staff resources 	<ul style="list-style-type: none"> ADB financing of around \$1.4 million to cover the costs of (i) consulting services comprising international consultants for 37 person-months intermittently, and domestic consultants for 53 person-months, intermittently; and (ii) surveys and workshops ADB staff input budgeted at 50 person-months of professional staff time 	<ul style="list-style-type: none"> Project implementation reports, progress reports, consultants' reports, back-to-office reports Financial monitoring by Controller's Department Contract monitoring by Consulting Services Division 	<ul style="list-style-type: none"> Appropriate estimates of costs

COST ESTIMATES
(\\$)

Item	Cost
1. Consultants	
a. Remuneration	
i. International Consultants	670,000
ii. Domestic Consultants	170,000
b. International and Local Travel and Per Diem	325,000
2. Reports, Communications, Workshops, and Surveys	125,000
3. Contingencies (7.9%)	110,000
Total	1,400,000

Source: Asian Development Bank estimates.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

A. Impact Evaluation Study of Asian Development Bank Assistance in the Power Sector in Bangladesh

1. International Consultants

1. An international power sector specialist will be recruited for 3 person-months. The consultant will provide technical inputs in evaluating the overall strategy, design, efficacy, efficiency, and sustainability of the Asian Development Bank's (ADB) assistance. In addition, he/she will act as the consultant team leader, and will coordinate the inputs of all consultants and prepare the consultants' report. A second international consultant, a power sector financial analyst, will be required for 1 person-month to evaluate the historical and present financial performance of the power sector.

2. Domestic Consultants

2. A domestic power sector reform specialist will be engaged for 2 person-months. The domestic consultant will provide critical support for the power sector specialist, particularly for institutional aspects of the evaluation, and ensure that the recommendations are practical and effective. A further 2 person-months of domestic consultant services of a socioeconomic impact specialist will be used to investigate the socioeconomic impacts, including impacts on poverty and the quality of life, of ADB assistance in the power sector. The socioeconomic impact specialist will carry out a survey among key customers and stakeholders, including but not confined to industrial, commercial, and residential (particularly rural) users, and affected families.

B. Special Evaluation Study of Participatory Forest and Water Resources Management.

1. International Consultant

3. An international consultant with experience in household/community-based resource management in Asia will be recruited for 3.5 person-months. The consultant will (i) review ADB's portfolio related to water and forestry resources management, with particular emphasis on participatory resource management operations; (ii) assist in the assessment of the relevant policy and institutional conditions including capacity and performance of concerned organizations, and legal framework, and analyze the relationship between ADB's participatory resource management interventions and these conditions; (iii) assist in the assessment of the effectiveness of procedures and arrangements, including management information systems and external audit, contributing to the level of achievement of output and outcome indicators; (iv) help identify key factors for sustainable water and forest resource management, and derive lessons; (v) guide the domestic consultants in each developing member country (DMC) in the collection of relevant data; and (vi) contribute to a report, summarizing the main findings and conclusions on ADB's contribution to participatory natural resources management in each DMC and overall recommendations for future involvement.

2. Domestic Consultants

4. A domestic consultant will be engaged for each of the four DMCs, for a total of 6 person-months. They will (i) assist the international consultant in collecting relevant information

on policy, institutional, and legal conditions; (ii) undertake a detailed and historical review of ADB's portfolio related to natural resource management interventions; (iii) conduct intensive interviews with concerned stakeholders of related projects; (iv) assist in analyzing good practices for sustainable water and forest resource management; and (v) assist the international consultant in preparing the report through relevant data analyses and processing.

C. Special Evaluation Study of Rural Development Projects in Poor Regions

1. International Consultant

5. An international consultant will be recruited for a total of 3.5 person-months on an intermittent basis. The consultant will (i) provide guidance in the design of the evaluation study, including the development of methodology, instruments, indicators, questionnaires, and in-depth case studies; (ii) undertake a literature survey to tap available knowledge from international and regional professionals and practitioners; (iii) participate in field work including the conduct of key informant interviews and focus group discussions; (iv) provide guidance and supervision for the domestic consultants in undertaking rural surveys for case studies; (v) identify and analyze issues relating to the design and implementation of community-based rural development projects and propose recommendations; and (vi) contribute to writing up the main report of the study.

2. Domestic Consultants

6. Four domestic consultants will be recruited: one in Manila and three in three selected DMCs where case studies will be conducted, for a total of 9 person-months. The Manila-based consultant will (i) conduct a literature review of community-based rural development, including the evolution of integrated rural development projects in ADB and other international organizations; (ii) assist in the design of the evaluation study including measures, indicators, questionnaires, and case studies; (iii) collect and analyze various secondary data; (iv) participate in the fieldwork, including informant interviews and group discussions; (v) process and analyze survey data, including interpretation of results; (vi) contribute to writing the main report; and (vii) assist the international consultant as required. The three DMC-based consultants should have extensive experience in field research. Each of them will (i) design a case study under the guidance of the staff officer and the international consultant; (ii) conduct the case study, including data analysis; and (iii) prepare a report for the study findings.

D. Special Evaluation Study of Small and Medium Enterprise Activities

1. International Consultants

7. Two international consultants will be recruited for a total of 5 person-months. They will (i) review overall ADB small and medium enterprise (SME) activities since 1990; (ii) assist in a detailed evaluation of performance, including field visits, to determine the impact of individual initiatives in three or four selected countries; (iii) review activities of other agencies in the selected DMCs, and (iv) make recommendations on the role of ADB in future SME operations.

2. Domestic Consultants

8. In each of the selected DMCs, domestic consultants will be recruited, for a total of 6 person-months, to provide a local perspective on overall SME activities, collect and analyze

data, determine the impact of ADB's involvement through an enterprise survey, and organize a comprehensive workshop of all stakeholders in each country.

E. Special Evaluation Study on Capacity Building Technical Assistance in the Lao People's Democratic Republic

9. International consultants will be recruited for a total of 4 person-months to assess the technical competences that have been built, including an assessment of institutional arrangements, systems, and staff skills. They will help establish and apply a set of key indicators for assessing the impact of ADB-funded technical assistance (TA) on institutional performance. They will assist in reviewing the design and implementation of TA, including assessment of alternative means of achieving objectives. They will also assess the consistency of approach across government agencies and identify success factors for capacity building. The international evaluation team will be supported by a domestic consultant, recruited for 4 person-months, who will organize schedules of meetings, interpret and translate for the evaluation team members, collect data, and conduct survey work as required.

F. Special Evaluation Study of Project Cost Estimates

1. International Consultants

10. Two international consultants with experience in feasibility and detailed design level cost estimation for projects will be recruited for a total of 5 person-months. The consultants will assist in undertaking the following tasks: (i) prepare a study approach paper based on discussions with concerned ADB staff and initial analysis of data on project cost underruns and overruns; (ii) prepare appropriate formats for collection of projected and actual project cost data; (iii) collect and review the records and documentation relating to project cost estimates including contingencies, loan savings, cancellations, cost overruns, and supplementary ADB financing; (iv) discuss with concerned ADB staff, the Government, line ministries, domestic experts, and selected executing agencies (EAs) the various policies, procedures, and requirements on estimating project costs including contingencies and reallocation of loan proceeds; (v) review and analyze government and ADB policies, systems, methods, procedures, and guidelines pertaining to project cost estimates, project cost-sharing, and reallocation of loan proceeds; and (vi) review relevant policies, practices, and experiences of other major development partners concerning project cost estimates. The consultants will assist in analysis of five or six projects with large cost overruns and underruns as case studies, covering the energy, transport, agriculture, and social infrastructure sectors; visit selected projects for detailed data collection and verification, and discuss with the EAs and design institutes the factors responsible for cost underruns and overruns; make comparative analysis between estimated and actual costs, and determine key reasons for loan savings and cancellations; and assess systems and procedures for project cost monitoring by ADB and EAs during project implementation. Specific recommendations will be made on measures, in the light of current government and ADB policies and regulation, to rationalize and improve (i) preparation of project cost estimates, (ii) ADB and EA joint monitoring of project costs during implementation, and (iii) ADB guidelines governing treatment of project cost underruns and overruns.

2. Domestic Consultants

11. Five domestic consultants will be engaged, one for each DMC and one for ADB Headquarters, for a total of 10 person-months. The domestic consultants will have home country experience in preparation of feasibility studies and detailed cost estimates for projects,

and knowledge of government project costing systems, methods, regulations, and guidelines. They will assist the study team in (i) collecting and reviewing records and documentation relating to project cost estimates including contingencies, loan savings, cancellations, cost underruns, and overruns; (ii) analyzing primary and secondary data; (iii) preparing individual project case studies and country reports; and (iv) organizing and preparing materials for an end-of-study workshop.

G. Special Evaluation Study of the Role of Project Implementation Units

1. International Consultant

12. One international consultant, widely experienced in project administration and in ADB's DMCs, will be recruited for up to 5 person-months on an intermittent basis. Prior operational experience in a multilateral development bank will be a requirement. The international consultant will (i) conduct background studies; (ii) provide input on detailed study design, final selection of countries, and case study projects; (iii) participate in selected field investigations; and (iv) provide written contributions to the study findings.

2. Domestic Consultants

13. Domestic consultants with project administration experience will be engaged, one in each DMC, for a total of 8 person-months. The domestic consultants will (i) administer a survey of project implementation unit (PIU) and non-PIU staff for the projects under implementation, (ii) conduct a tracer study of the people and physical resources previously assigned to PIUs; (iii) arrange appointments for the operations evaluation mission and collect background information, and (iv) provide written output following a format agreed upon with the mission leader.

H. Country Assistance Program Evaluation for Cambodia

1. International Consultants

14. Two international consultants will be engaged for a total of 7 person-months. A program and sector evaluation specialist will assist with undertaking the following tasks: (i) review ADB's program, project, and other documents relating to ADB's country strategy and assistance program to Cambodia; assistance programs of other development partners (DPs); and the Government's development strategy and goals; (ii) conduct interviews with government officials, EAs, implementing agencies, DPs, nongovernment organizations, the private sector, civil society, and key beneficiaries; (iii) assess portfolio performance, and implementation performance and capacity of the Government and project agencies; (iv) assess ADB's country strategy and assistance program in terms of relevance, effectiveness, efficiency, sustainability, and institutional and other development impacts; and (v) derive lessons and recommendations for design and implementation of ADB's future country assistance program in Cambodia. A macroeconomic evaluation specialist will help: (i) assess Cambodia's macroeconomic, social, and political situation, as well as the Government's socioeconomic development strategy, policies, plans, and constraints; (ii) identify major macroeconomic and social development issues; (iii) assess the Government's institutional and implementation performance and capacity to determine the country's absorptive capacity, including debt servicing capacity; and (iv) assess the effectiveness of ADB's policy dialogue in various sectors and the impact of ADB's interventions in terms of strengthening policy formulation and analysis, sector planning and budgeting capacity of relevant agencies, and establishing an effective information system.

2. Domestic Consultant

15. A domestic sector evaluation specialist will be recruited for up to 6 person-months to assist in (i) assessing the Government's sector strategies, policies, plans, and constraints, as well as the performance of each sector, in the context of ADB operations; (ii) assessing the extent to which ADB's country strategy and assistance program addresses crosscutting issues related to poverty reduction, gender equity, private sector development, good governance, human resources development, regional cooperation, and environmental concerns; (iii) preparing summary evaluations of completed economic, sector, and thematic work and regional TA to assess the performance and impacts of ADB's country assistance program in various sectors in achieving the stated objectives; and (iv) preparing a comparative analysis of ADB and key DP programs to determine whether ADB has played an effective role in complementing other DPs.