

Orientation Program For DMC Officials, 2007

OED Presentation

R. Adhikari

Officer In-charge

Operations Evaluation Department (OED)

18 November 2007

The views expressed in this paper/presentation are the views of the author and do not necessarily reflect the views or policies of the Asian Development Bank (ADB), or its Board of Governors, or the governments they represent. ADB does not guarantee the accuracy of the data included in this paper and accepts no responsibility for any consequence of their use. Terminology used may not necessarily be consistent with ADB official terms.

ADB

Presentation Coverage

- Introduction to Independent Evaluation of ADB Operations
- Evaluation Feedback - examples
- OED's Strategic Concerns

OED Presentation - I

Introduction to Independent
Evaluation of ADB Operations

ADB

Brief History

- 1978 – Post-Evaluation Office formed
- 1999 – Operations Evaluation Office
- 2001 – Operations Evaluation Department created
- 2004 – Independent Evaluation Department created

Purpose of Independent Evaluation of ADB Operations

Accountability

- whether ADB is doing right things, resources are properly allocated and used, intended outcomes realized

Generating Knowledge/Learning Lessons

- identification/derivation of lessons for improving development impact of future strategy and programs

Development Effectiveness

- contribute to development results, i.e., maximize Development Effectiveness of ADB Operations

Practical Changes from OED's Independence

- OED reports to the Board through the DEC
- Management's role changed from approving evaluation reports to responding to their conclusions
- The Board appoints the Director General of OED on joint recommendation of DEC and the President
- DEC oversees/reviews performance of DG OED
- Reports are final when approved by the DG OED
- Management responses and DEC chair's summaries of discussion are publicly disclosed
- Evaluation conflict of interest guidelines are in place

Development Effectiveness Committee (DEC) of ADB's Board of Directors

- Assists the Board to carry out its responsibility of ensuring that ADB operations achieve development effectiveness as assessed through operations evaluation
- Reviews the work program and budget of OED.
- Discusses evaluation reports prepared by OED in the presence of both representatives of the Management and OED
- Prepares and presents DEC Annual Report to the Board of Directors
- Monitors actions taken on OED and its own recommendations

Source: DEC terms of reference

ADB

OED's Mandated Activities & Outputs

- **Evaluation** reports on completed & ongoing operations, country strategy and assistance programs, thematic issues, and effectiveness of ADB policies, practices & procedures
- **Feedback** on operations (validation of completion reports, commenting, monitoring actions taken on recommendations and knowledge management)
- **Evaluation Capacity Building** in client countries (i.e., DMCs), and assistance in measuring, monitoring & managing for development results
- **Evaluation Knowledge management & dissemination**
- **External coordination** via Evaluation Cooperation Group (ECG) and with bilateral agencies (OECD DAC Evaluation Network)

Evaluation Framework

Strategic and Institutional (top-down):

Strategic positioning; Contribution to Development results; and ADB performance

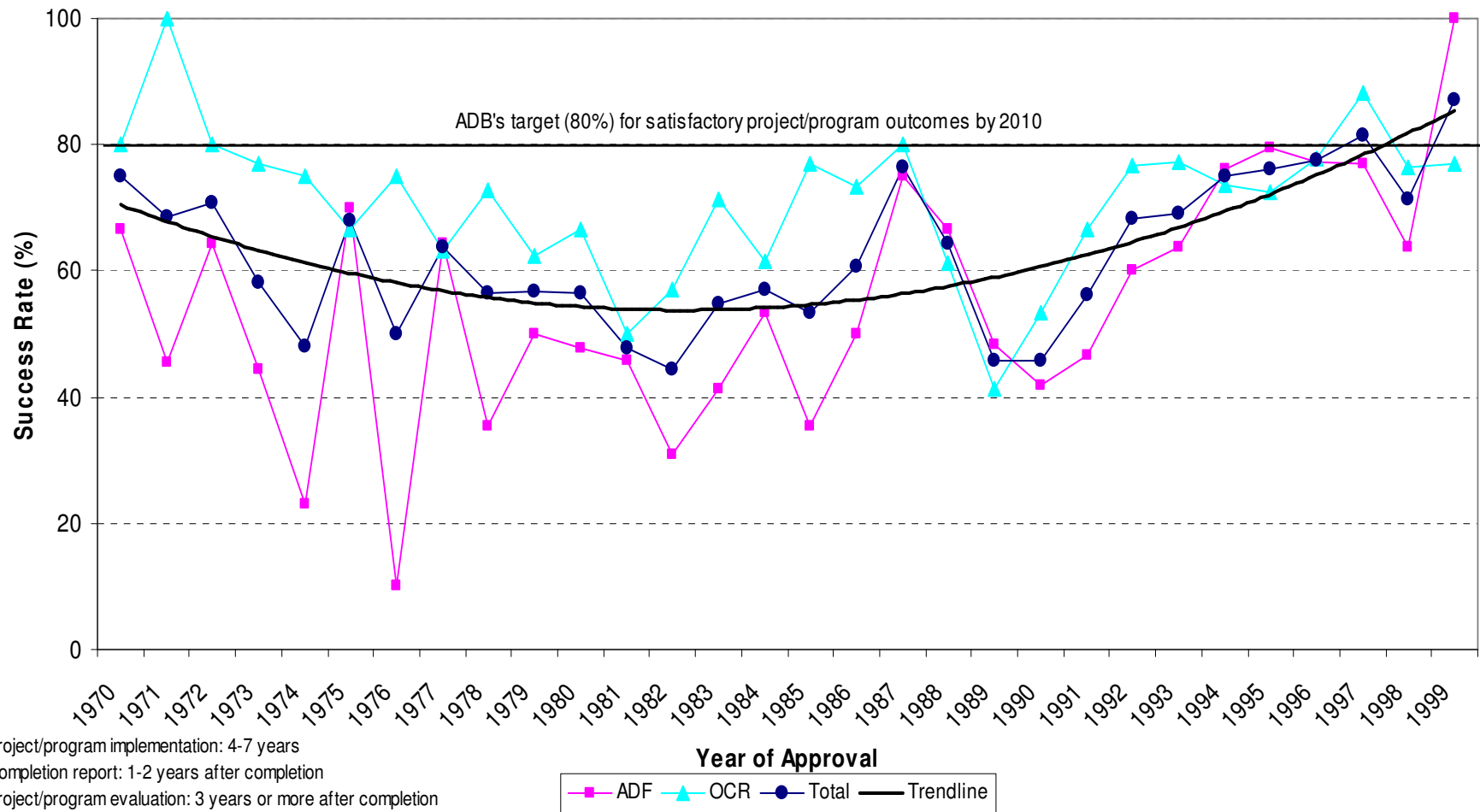
Operational Performance (bottom-up):

Relevance, Effectiveness, Efficiency, Sustainability, and impacts (socioeconomic, environment, institutional)

OED Presentation - II

Evaluation Feedback - examples

Results at the Project Level

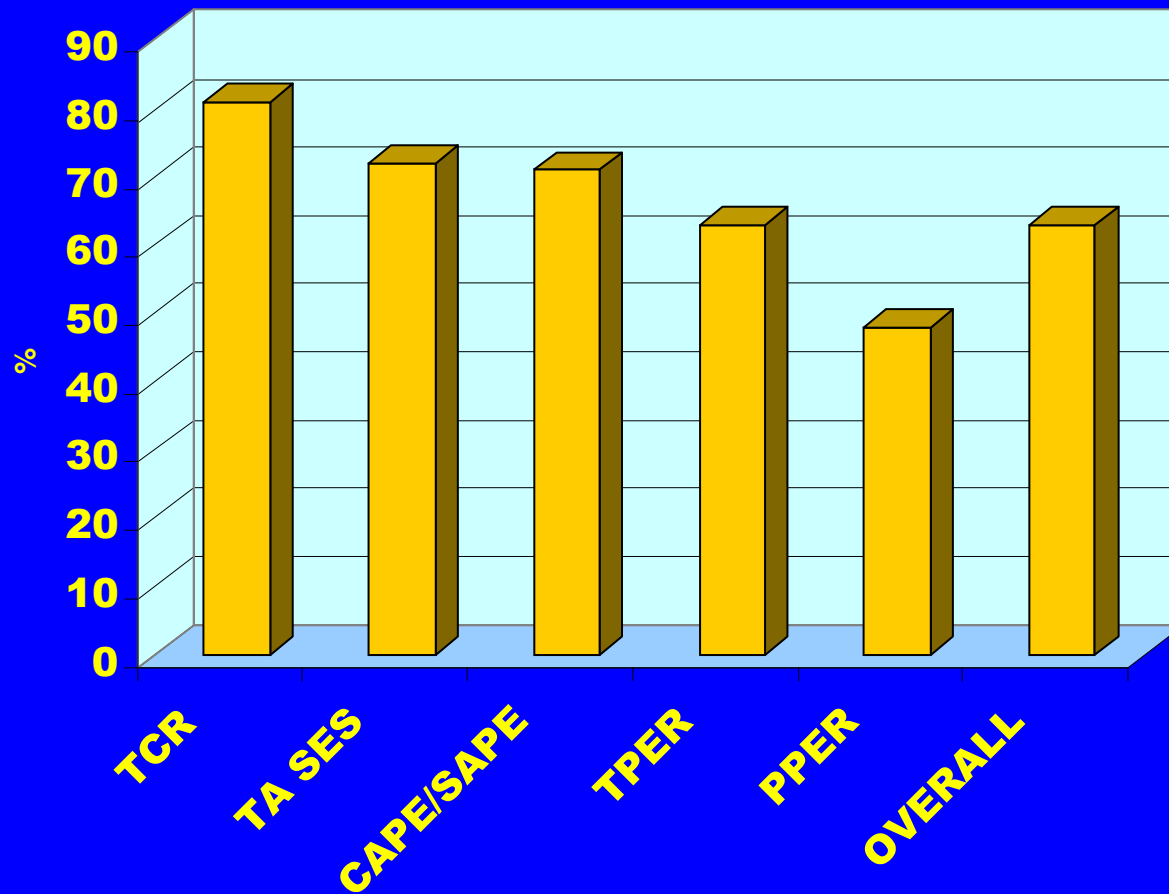


Project Success By Sector (%)

Sector	Approval Period			Total
	1970s	1980s	1990s	
Agriculture and Natural Resources	35	44	47	42
Education	77	52	82	73
Energy	79	80	85	82
Finance	39	37	57	44
Health, Nutrition, and Social Protection	100	38	60	53
Industry and Trade	65	80	53	66
Law, Economic Management and Public Policy ^a			0	0
Multisector	50	68	68	66
Transport and Communications	84	75	89	84
Water Supply Sanitation and Waste Management	58	39	73	60
Total	60	58	72	64

^a Only two projects evaluated so far.

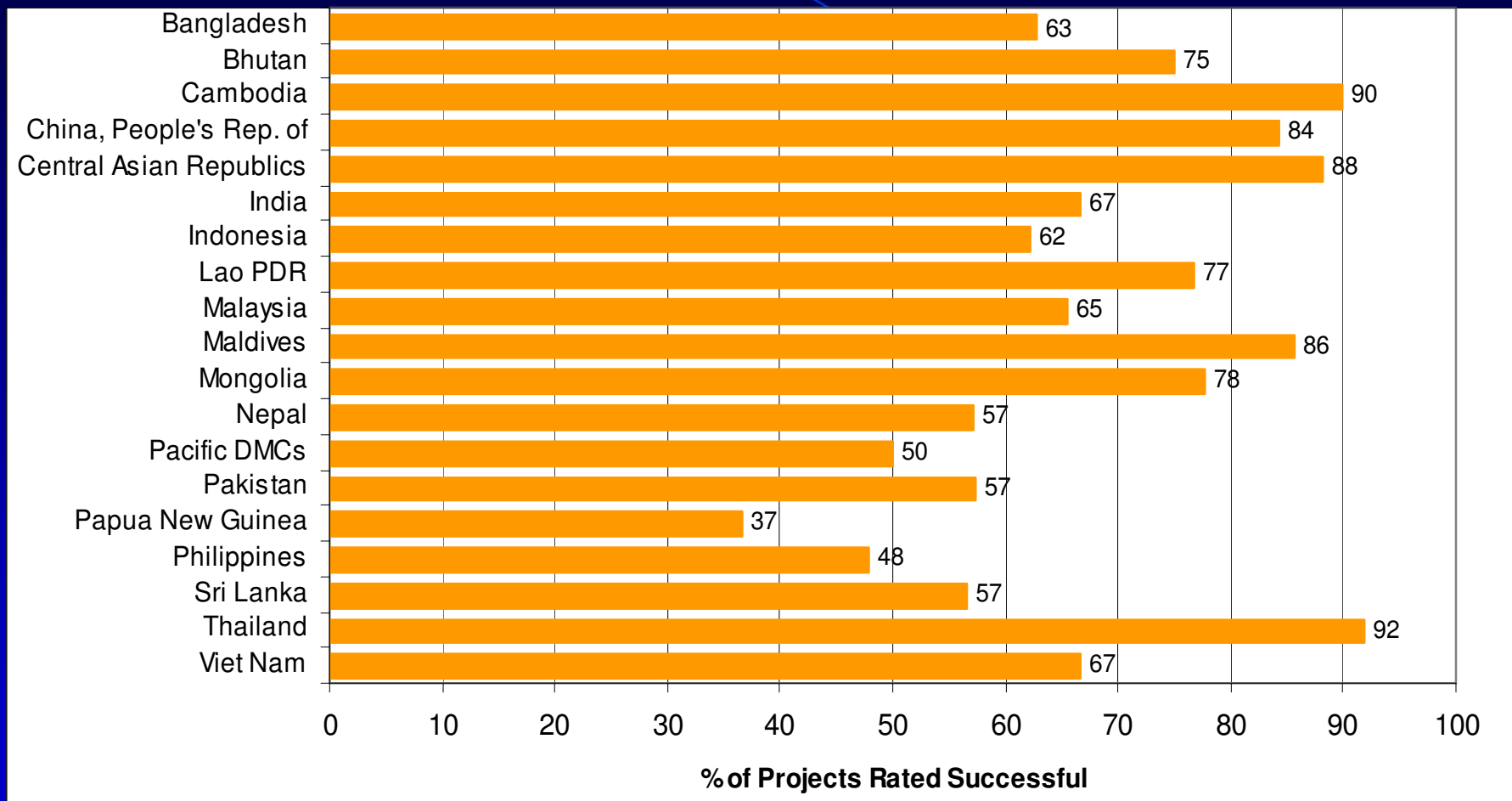
TA Evaluation results by source



Key lessons identified from TA Evaluation

- TA should be client responsive, strategic and long term engagement
- Country ownership is important for successful design, implementation and sustainability of TA outcomes
- Need for clear accountability and responsibility in ADB and DMCs for TA performance
- Knowledge management to add value to stored information (TA reports)

Evaluation Results By Country



Country Level Ratings

Country	Year	ADB Performance	Overall Assessment
India	2007	Partly Satisfactory	Successful
Sri Lanka	2007	Satisfactory	Partly Successful
Pakistan	2007	Partly Satisfactory	Partly Successful
PRC	2007	Partly Satisfactory	Successful
Lao PDR	2006	Satisfactory	Successful
Uzbekistan	2006	Satisfactory	Successful
Indonesia	2005	Partly Satisfactory	Partly Successful
Bhutan	2005	Satisfactory	Successful ^a
Nepal	2004	Partly Satisfactory ^a	—
Cambodia	2004	Satisfactory	Successful
Papua New Guinea	2003	Partly Satisfactory	Partly Successful– Unsuccessful
Bangladesh	2003	Partly Satisfactory	—
Philippines	2003	—	Partly Successful
Mongolia	2002	Satisfactory	Successful ^a
Viet Nam	2000	—	Successful ^a

= not available; CAPE = country assistance program evaluation.

^a Derived from narrative information from relevant CAPE document.

Source: CAPE documents

Evaluation Feedback on ADB Operations – some examples

1. Reduce transaction costs to DMCs, make business processes more effective and efficient in achieving development outcomes
2. Recognize that development needs are diverse, DMC capacities vary; move away from the one-size-fits-all approach that treats all DMCs and executing agencies the same;
3. Ensure sector focus and selectivity in country partnership strategy (CPSs); long term engagement, learn lessons to improve performance; allocate adequate resources for CPS implementation
4. Enhance ADB's role of development catalyst to mobilize other development partners' and private sector resources
5. Make more strategic use of Technical Assistance

Feedback on Institutional Effectiveness – some examples

1. Develop a joint operations strategy in CPS, covering both **public and private** sector sides of ADB building synergies to enhance private sector development.
2. Decentralize and delegate more authority, accountability and resources to ADB's **resident missions**
3. Complete the transition of ADB to an organization that focuses on **delivering development results** rather than on the volume of annual loan approvals
4. Align ADB policy and strategy **aspirations with its human and financial resources**

OED Presentation - III

Strategic Concerns

Strategic Challenges and Opportunities for OED

1. Doing the right studies at the right time & matching absorptive capacity
2. Improving credibility of studies, usability & use of findings
3. Balancing specificity of recommendations while not being prescriptive
4. Balancing accountability and performance improvement functions
5. Balancing the need for OED to create dissatisfaction or discomfort with the status quo (as a necessary precursor to bringing about change) with the need to stay constructively engaged with Management.
6. Balancing production of evaluations, knowledge management and evaluation capacity development
7. Harmonization with other MDBs

Thank you

ADB