

**Orientation Program For DMC Officials, 2008**

# **Independent Evaluation**

**R. Adhikari**

**Director, OED1**

**Operations Evaluation Department (OED)**

**17 October 2008**

**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

# Brief History

- 1978 – Post-Evaluation Office formed
- 1999 – Operations Evaluation Office
- 2001 – Operations Evaluation Department created
- 2004 – Independent Evaluation Department created
- 2008 – External Experts Review on the Independence and Effectiveness of OED

# 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 operations

## **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  
ADB was the first MDB to introduce this
- Access to information
- DEC endorses and Board approves Work Program

# 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 and Networking** 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



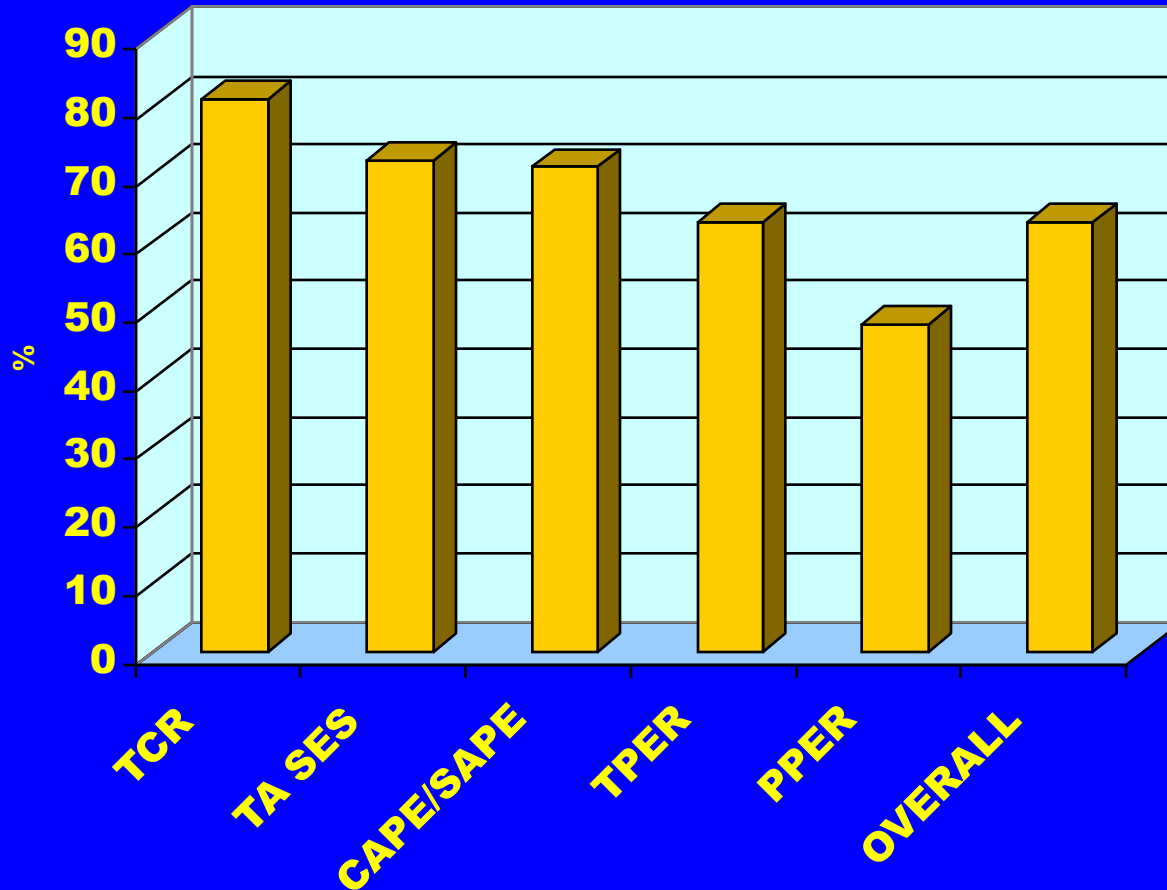
Project implementation: 4-7 years  
 Completion report: 1-2 years after completion  
 Project evaluation: 3 years or more after completion

◆ Total    ■ ADF    ▲ OCR    — Trendline

# Project Success By Sector (%)

Sector	1970s		1980s		1990s		Total (1970–1990)		Overall (1968–2002)	
	Total No.	Success Rates (%)	Total No.	Success Rates (%)	Total No.	Success Rates (%)	Total No.	Success Rates (%)	Total No.	Success Rates (%)
Agriculture and Natural Resources	65	33.8	108	43.5	78	47.4	251	42.2	261	42.9
Education	13	76.9	21	52.4	47	83.0	81	74.1	84	72.6
Energy	52	78.8	54	79.6	70	84.3	176	81.3	179	81.0
Finance	32	40.6	19	36.8	23	56.5	74	44.6	78	47.4
Health, Nutrition, and Social Protection	2	100.0	13	38.5	18	61.1	33	54.5	33	54.5
Industry and Trade	26	65.4	15	80.0	15	53.3	56	66.1	60	63.3
Law, Economic Management, and Public Policy					3	0.0	3	0.0	3	0.0
Multisector	16	50.0	37	67.6	69	68.1	122	65.6	123	65.9
Transport and Communications	49	83.7	48	75.0	96	88.5	193	83.9	203	84.7
Water Supply, Sanitation, and Waste Management	26	57.7	18	38.9	34	73.5	78	60.3	82	61.0
<b>Total</b>	<b>281</b>	<b>60.1</b>	<b>333</b>	<b>58.0</b>	<b>453</b>	<b>71.5</b>	<b>1,067</b>	<b>64.3</b>	<b>1,106</b>	<b>64.6</b>

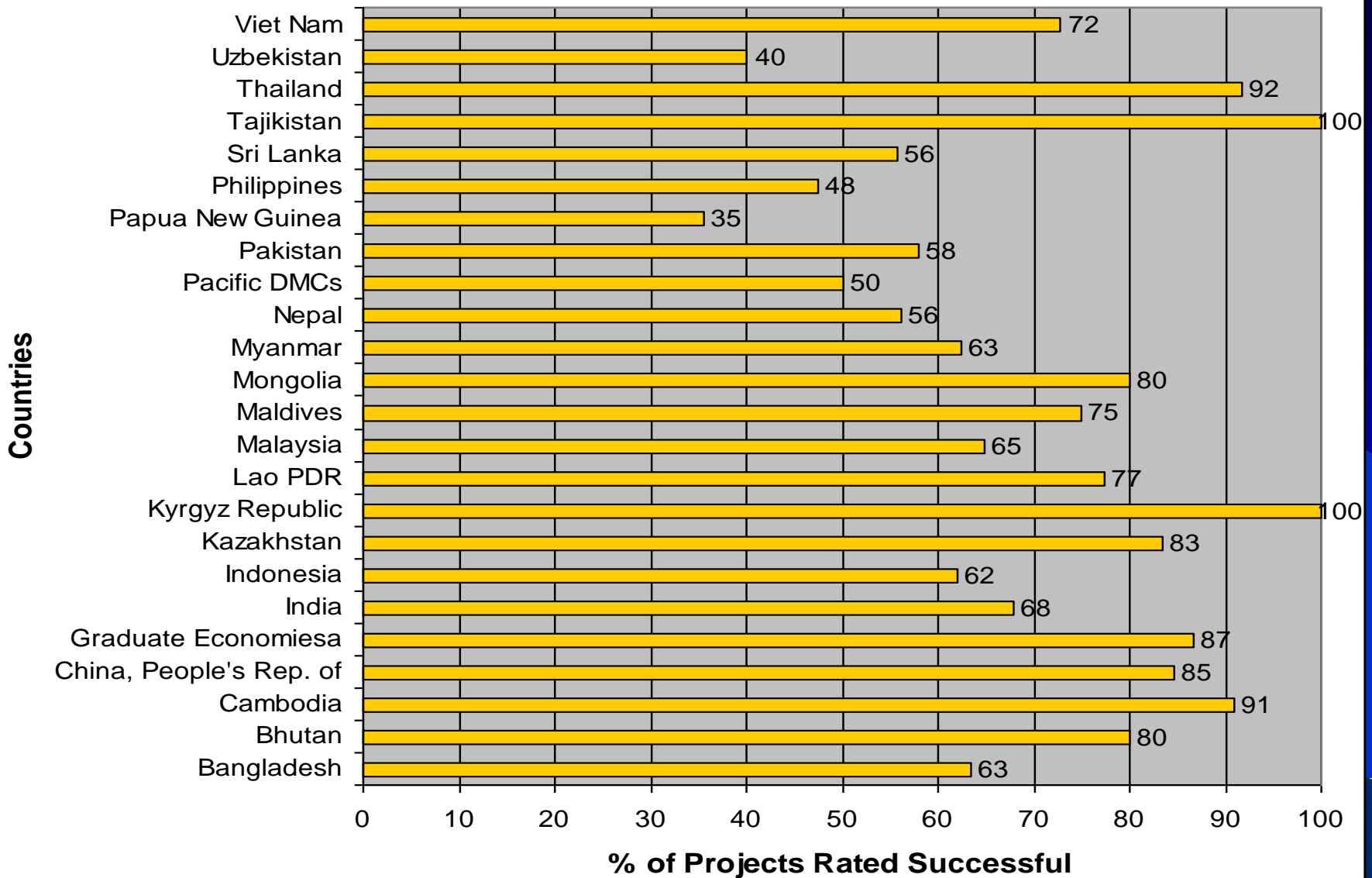
# TA Evaluation results by source



# 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
Mongolia <sup>a</sup>	2008	Satisfactory	Successful
Philippines	2008	Satisfactory	Successful
India	2007	Partly Satisfactory	Successful
Sri Lanka	2007	Satisfactory	Partly Successful
Pakistan	2007	Partly Satisfactory	Partly Successful
People's Republic of China	2007	Partly Satisfactory	Successful
Lao People's Democratic Republic	2006	Satisfactory	Successful
Uzbekistan	2006	Satisfactory <sup>b</sup>	Successful
Indonesia	2005	Partly Satisfactory	Partly Successful
Bhutan	2005	Satisfactory	Successful <sup>b</sup>
Nepal	2004	Partly Satisfactory <sup>b</sup>	—
Cambodia	2004	Satisfactory	Successful
Papua New Guinea	2003	Partly Satisfactory <sup>b</sup>	Partly Successful–Unsuccessful <sup>b</sup>
Bangladesh	2003	Partly Satisfactory	—
Philippines	2003	—	Partly Successful
Mongolia	2002	Satisfactory	Successful <sup>b</sup>
Viet Nam	1999	—	Successful <sup>b</sup>
People's Republic of China	1998	—	Medium to above medium performance (successful) <sup>b</sup>

— = not available, CAPE = country assistance program evaluation.

<sup>a</sup> Based on the draft CAPE for Mongolia, which is under preparation.

<sup>b</sup> Derived from narrative information from relevant CAPE document.

Sources: CAPEs undertaken from 1998 to 2008.

# 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
8. Evaluation Capacity Development in DMC

# Evaluation Website

<http://www.adb.org/evaluation>; [www.evis.adb.org](http://www.evis.adb.org)

## Reports and Publications

18 Special Features Highlighted in Report and Memorandum of the President for ADB Road Projects in the PIC, 1997-2009

Project Name	Loan No.	Loan Amount (US\$ million)	Completion	Project and Cost Recovery	Unutilized Funds	Asset Loss	Asset Stripping	Vehicle Maintenance	Passenger Services
ADB	17	167.1	*	*	*	*	*	*	*
ADB	18	190.0	*	*	*	*	*	*	*
ADB	19	181.1	*	*	*	*	*	*	*
ADB	20	180.0	*	*	*	*	*	*	*
ADB	21	160.0	*	*	*	*	*	*	*
ADB	22	150.0	*	*	*	*	*	*	*
ADB	23	140.0	*	*	*	*	*	*	*
ADB	24	130.0	*	*	*	*	*	*	*
ADB	25	120.0	*	*	*	*	*	*	*
ADB	26	110.0	*	*	*	*	*	*	*
ADB	27	100.0	*	*	*	*	*	*	*
ADB	28	90.0	*	*	*	*	*	*	*
ADB	29	80.0	*	*	*	*	*	*	*
ADB	30	70.0	*	*	*	*	*	*	*
ADB	31	60.0	*	*	*	*	*	*	*
ADB	32	50.0	*	*	*	*	*	*	*
ADB	33	40.0	*	*	*	*	*	*	*
ADB	34	30.0	*	*	*	*	*	*	*
ADB	35	20.0	*	*	*	*	*	*	*
ADB	36	10.0	*	*	*	*	*	*	*

**Evaluation Studies**

## Ongoing Evaluations

Sector/Resilience Program Evaluations	Website
Climate Resilience in India	<a href="#">Website</a>
Food Security in India	<a href="#">Website</a>

Special Evaluation Studies	Website
ADB's Operations in Tanzania and Mozambique	<a href="#">Website</a>
ADB's Capital Market Development Assistance	<a href="#">Website</a>
ADB Support to the and Justice Reform	<a href="#">Website</a>
Effect of ADB Financial Operations on Bank Non-Performing Assets and Status of Loans	<a href="#">Website</a>
Home Development Fund (HDF) and 14 Governance Program Evaluation Report	<a href="#">Website</a>
Building Quality of Data and the Project Cycle	<a href="#">Website</a>
Implementation of ADB's Long-Term Strategy (2010-2013)	<a href="#">Website</a>

Evaluation Briefs	Website
Thanks to Development Goals	<a href="#">Website</a>

## Evaluation Information System

Search the OED Database

The OED's main database is to help OED teams identify opportunities for continuous process development. This is achieved by finding lessons, findings, and recommendations of past evaluations and ongoing and future ADB operations.

The database also helps OED's work in reality, spreading the evaluation information relevant to their work.

**What would you like to filter?**

- Locations
- Management Component
- Management Component

**Related to:**

- Number of lessons by sector
- Number of lessons by topic
- Number of lessons by country
- Number of lessons by industry

## Lessons Outreach

Summary of Findings

ADB's public policy was found to be relevant to ADB's public policy. The study identified member countries (CMB, D, D, D) and ADB's role in providing technical assistance and training to member countries. The study also identified the need for ADB to provide technical assistance and training to member countries. The study also identified the need for ADB to provide technical assistance and training to member countries.

**Learning Curves**

Success Rates

## Evaluation Capacity Development



## Links to Other Resources



**Thank you**

**ADB**