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Core & Non-Core Criteria

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Core Criteria

- Relevance
- Effectiveness
- Efficiency
- Sustainability

Non-core Criteria

- Impacts
 - Socioeconomic
 - Environment
 - Institutional
- ADB's performance
- Executing agencies performance

Definitions of Evaluation Criteria

RELEVANCE



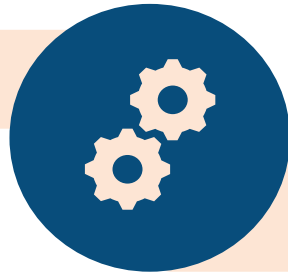
Is the intervention doing the right thing?

EFFECTIVENESS



Is the intervention achieving its objective?

EFFICIENCY



How well are resources being used?

SUSTAINABILITY



Will the benefits last?



Is the intervention the right things?

Strategic alignment of project outcomes with country's development plans, and ADB's country and sector strategies

Design and formulation of project ("appropriate for achieving the intended outcomes")

-transformational impact on the economy

Relevance through time, changes in scope

EFFECTIVENESS



Is the intervention achieving its objective?

The extent to which the **outcomes** and **outputs** as specified in the project document, as agreed at approval or as subsequently modified, were achieved.



Is the intervention achieving its objectives?

The extent to which outcomes were achieved

The extent to which the project outputs have been achieved;
and the **outcomes are a result of these outputs**

Implementation of safeguard and gender action plans is assessed under this criteria

Unintended outcomes can affect effectiveness

EFFICIENCY



How well are resources being used?

Economic efficiency is a measure of how well the project used resources to achieve its outcome(s) on a ***whole-of-life basis***. It uses indicators such as the economic internal rate of return, cost effectiveness, and process efficiency. A quantitative assessment weighs project **economic benefits against economic costs** of the project.



How well are resources being used?

The extent to which project has converted its resources economically into results; assessment uses:

- Economic internal rate of return (EIRR), or
- Cost-effectiveness of the investment (relative to industry practice, least cost analysis), or
- Using social cost /social benefits analysis / cost benefit ratio

Process efficiency (delays, cost overruns, fiduciary and governance issues)

Likely SUSTAINABILITY



Will the benefits last?

Resources are sufficient to ***maintain the outcome over the economic life of project assets*** using indicators such as the financial internal rate of return.



Will the benefit last?

Financial returns

- Continued demand for project services
- Maintenance of project assets
- Financial internal rate of return (FIRR) for revenue generating projects, and O&M
- Resilience of net benefit streams over time



Will the benefit last?

Institutional support

- Institutional changes (Policy reforms)
- Provision of coping and mitigating mechanisms that **reduce risks** adversely affecting project net benefits
- Likelihood that project outcomes and outputs will be maintained over the economic life of the project
- Qualified human resources and skills



Will the benefit last?

Environmental and social

- Environmental sustainability and climate change mitigation or adaptation
- Affected people have access to project benefits
- Continued access to benefits and services for targeted population
- Opportunities for participation

- **Development impact**
 - Social development
 - Institutional development
 - Environment and climate change
- **EA's Performance**
- **Co-financiers performance**
- **ADB's performance**



SERD Recent PVRs - Selected Issues

Preliminary comments

- Based on the recent SERD PVRs (10) purposively selected
- Related to different sectors – Infrastructure, policy reforms, and social sectors
- Illustrating different modalities, viz., project loans, policy-based loans, project preparation facility, TA loans, etc.
- Illustrative messages related to the core and non-core evaluation criteria for training purposes

- Due diligence during designing at the heart of appraisal; deficiencies during implementation point out insufficiency of due diligence
- **DMF, results chain and indicators** – needs fine tuning during implementation
- Defining anticipated outcomes and outputs clearly
- Adequacy of institutional capacity, including at the subnational levels
- Precision in cost estimates and reliable budgetary provisions

- Assessment of project risks to outcomes and outputs, and identification of mitigation measures
- **Changes in project design and its timing**, for ensuring continued relevance of the project
- Coordination between components of projects, especially between outputs and the required institutional reforms,
- For PBLs coordination between policy and investment aspects

- Outcome and output targets inadequately monitored and undertaking remedial measures
- **Baseline data** and benchmarks for tracking progress
- Data specification and availability in readily usable form – relating to the whole project and not just the loan
- Safeguards, gender equity and cross-cutting issues e.g., climate change -- reporting accomplishments rather than just the compliance

- Applicability of formal economic appraisal (as per the rationale in RRP)
- EIRR methodology, its scope, plausibility and assumptions
- Inconsistency between economic analysis and the spreadsheet; and the text and the appendix
- Sensitivity of estimates (revealing project vulnerability)
- Process efficiency – as a supplementary evidence

- Delays, slippages, lack of synchronization of inputs
- Weak performance of contractors and suppliers
- Consultants engagement not detailed, delays and disputes
- **Fiduciary measures and due diligence**
- Inappropriate procurement or lack of adherence to ADB guidelines
- Under-utilization of available finances

- Underfunding of asset maintenance (leaving assets stranded and unserviceable)
- Counterpart funding during construction
- Inadequacy of O&M; difficulties in monitoring it
- Financial analysis of institutions and agencies
- Debt and accounts receivable ratios
- Pending receivables from SOEs

- **Absence of impact indicators** – not output indicators
- Better understanding of institutional reform issues related to the sector
- Attribution issues and the results chain – including the unintended outcomes
- Easy targets, low benchmarks or early preparation?

- Inappropriate sequence of paras.
- **Inconsistency between text and the appendixes**
- A number typos, and data related minor deficiencies in a PCR
- Striving for a credible presentation

Thank you!