

Session 3

Evaluation Findings

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Introductory Course on Economic Analysis of
Policy-Based Lending Operations
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ADB

Evaluation Findings: Where to Look

Special Evaluation Study on Program Lending. ADB. 2002.

Annual Evaluation Review. ADB. 2005, 2006

Annual Report on Loan and Technical Assistance Portfolio
Performance for the Year Ending 31 December ADB 2005, 2006

Adjustment Lending Retrospective. World Bank. 2001.

Annual Review of Development Effectiveness: The Effectiveness of
Bank Support for Policy Reform. WB. 2003.

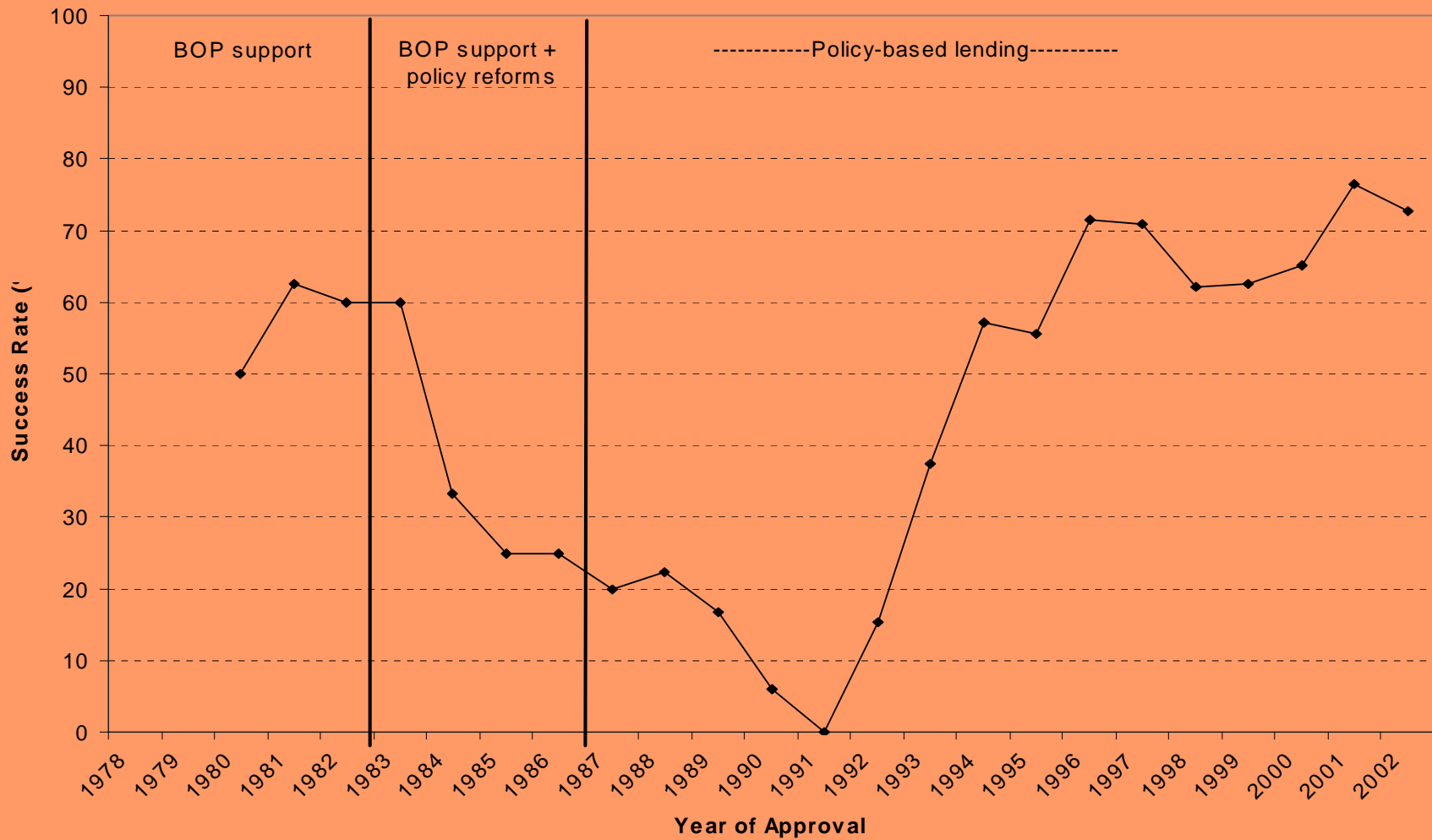
Evaluation of General Budget Support, IDD and Associates for OECD,
DAC. 2006.

Good Practices for the Evaluation of Policy-Based Lending. IEG. 2005.

Economic Analysis of Policy Based Lending: Key Dimensions. ADB.
2003.

Trends in PBL Ratings

% Programs Rated Successful (3-Year Moving Average)



Program Loan Performance by Sector

PCR/PPER Ratings of Loans Approved between 1978 to 2004

Sector	No. of Rated Programs				Proportion (%)		
	HS/GS/S	PS	US	Total	HS/GS/S	PS	US
Agriculture and Natural Resources	9	23		32	28	72	0
Education	2			2	100	0	0
Energy	3	3		6	50	50	0
Finance	17	5	1	23	74	22	4
Health, Nutrition, and Social Protection	4	3		7	57	43	0
Industry and Trade	7	3	1	11	64	27	9
Law, Economic Management and Public Policy	11	6	1	18	61	33	6
Multisector	2	1		3	67	33	0
Transport and Communications		2		2	0	100	0
Total	55	46	3	104	53	44	3

Factors Affecting Results: A SWOT Summary

	Factors contributing to desired outcome	Factors detracting from desired outcome
Factors internal to ADB	<p>Strengths</p> <ul style="list-style-type: none"> •Reforms consistent with government's agenda •Sufficient sector analysis, dialogue •Policy alternatives understood by client •Reform well targeted •Consensus for reform •Awareness of reform outcomes and outputs •Design, policy matrix implementable •Conditions realistic, focused, acted upon before startup •Right IA with sufficient capacity •Sufficient program period •Direct and indirect costs identified and met by the program or counterpart funding 	<p>Weaknesses</p> <ul style="list-style-type: none"> •Macroeconomic and wider sector policy insufficiently considered •Reform inconsistent with government priorities •Policy alternatives not understood •Program design too complex •Reforms proceed despite poor awareness •Outputs did not meet desired outcomes •Too many tranche release connected conditions, back-loaded •Low IA capacity to carry out reforms, new functions •Key direct and indirect costs not identified such as political economy of decision making
Factors external to ADB	<p>Opportunities</p> <ul style="list-style-type: none"> •Stable global and regional markets •Stable economic, social and political environment •Complementary macroeconomic and institutional reforms 	<p>Threats and Risks</p> <ul style="list-style-type: none"> •Shocks that arise while implementing reforms •Negative changes in the broader market and policy environment •Absence of complementary macroeconomic and institutional reforms •Changes in governments, policy swings, wavering commitment