

Supporting More Effective Development in FCAS and SIDS

What Evaluations Tell Us



Using Past Experience to Guide Future Development in FCAS and SIDS

22 June 2021

Topics

1. Global and ADB Context
 2. The Countries
 3. Evaluation Highlights
- + Some concluding questions...

1. Global and ADB Context

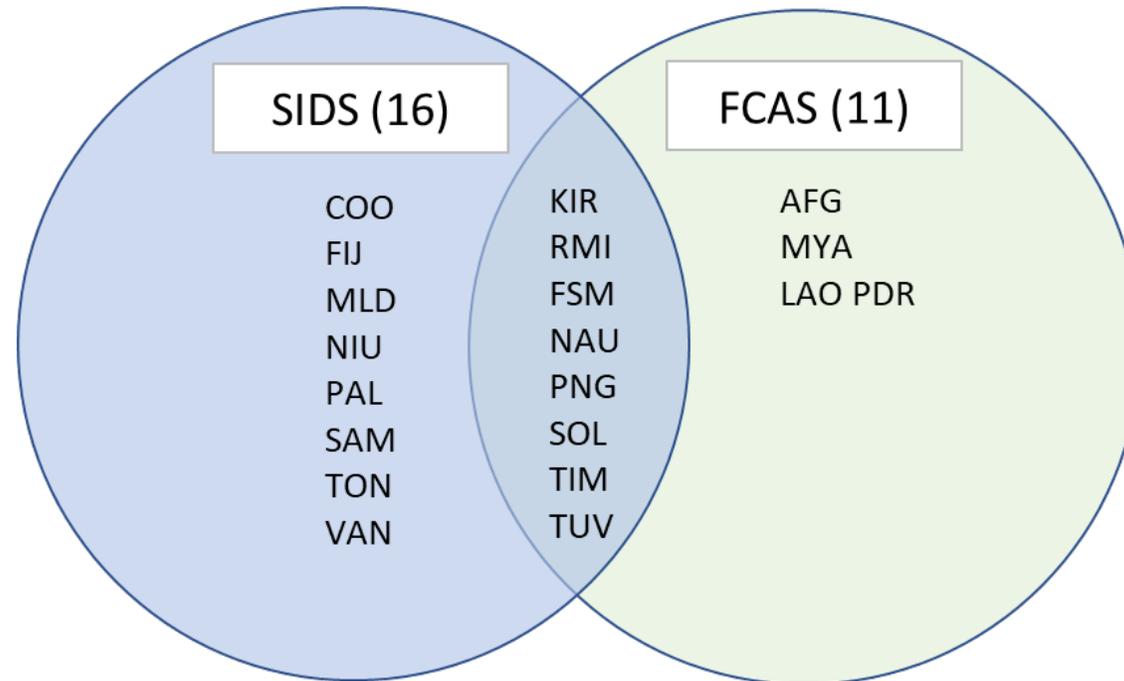
The world and ADB recognize these countries as unique development cases

- ▶ Countries with unique challenges long-recognized by development community
- ▶ SIDS formally recognized in 1992 (Rio Declaration); FCAS evolved from earlier concepts and classifications (LICUS, WPCs, fragile states/situations)
- ▶ Understanding and approaches have evolved, matured, become more harmonized
- ▶ ADB charter pledges “special regard” to needs of smaller states
- ▶ Strategy 2030 reaffirms differentiation; new FCAS/SIDS Approach launched
- ▶ Substantial growth in ADB portfolio: FCAS 54% and SIDS 68% growth from 2015 to 2019—COVID-19 support will add to this growth

2. The Countries

The majority of ADB FCAS and SIDS members are in the Pacific

Current SIDS and FCAS groupings



Source: ADB. 2020. Development Effectiveness Review 2019. Manila.

3. Highlights of Evaluations

Evaluations cover FCAS/SIDS from different levels and perspectives

Country Evaluations

- ▶ Afghanistan CPSFRV (2021/2017)
- ▶ Maldives CPSFRV (2020/2015)
- ▶ PNG CPSFRV (2020)
- ▶ Fiji CPSFRV (2019)
- ▶ Solomon Islands CPSFRV (2018)
- ▶ Myanmar CPSFRV (2016)
- ▶ Timor-Leste CPSFRV (2015)

Pacific Region Evaluations

- ▶ Pacific Approach CPSFRV (2020)
- ▶ ADB Support to Small Pacific Island Countries (2015)
- ▶ ADB Support to Good Governance in Pacific DMCs (2011)
- ▶ ADB Support for Public Sector Reforms in the Pacific (2009)

Corporate Evaluations

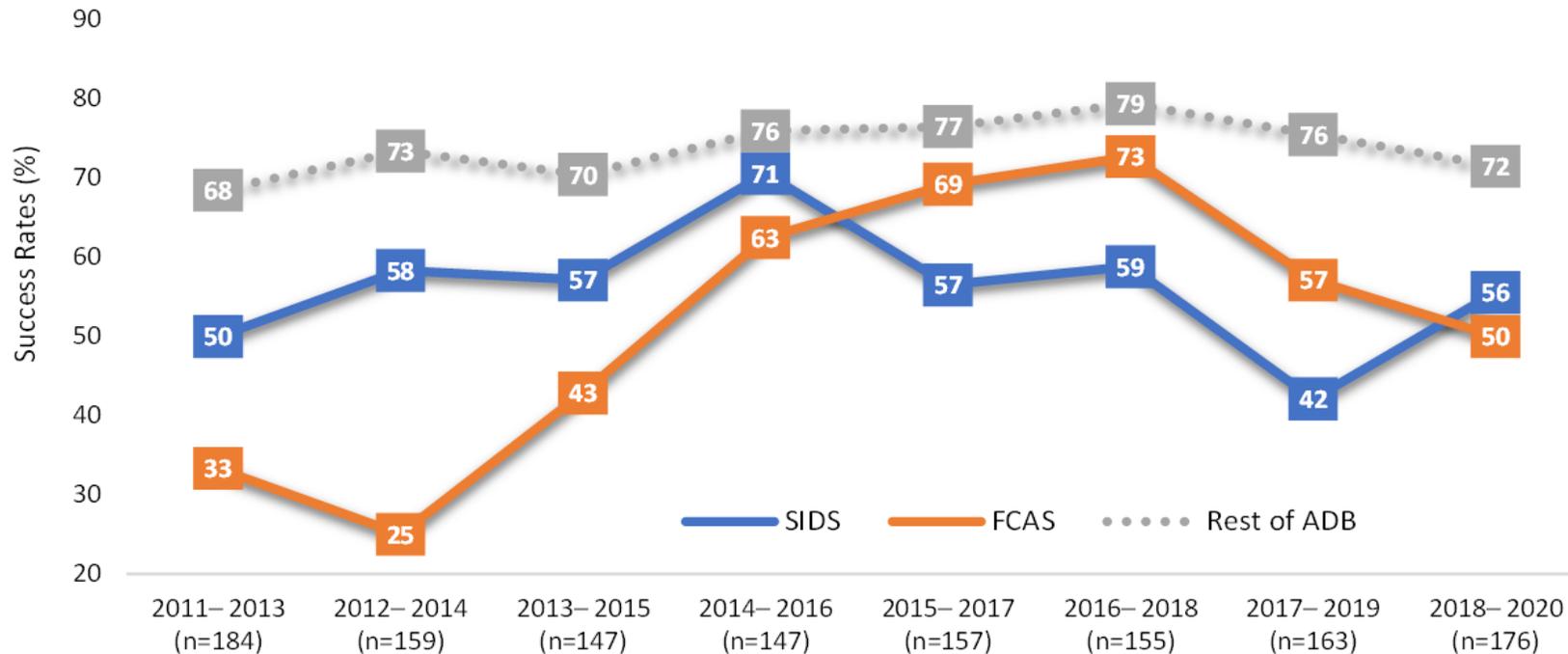
- ▶ Asian Development Fund XI and XII Operations (2019)
- ▶ Asian Development Fund X and XI Operations (2015)
- ▶ ADB Support to FCAS (2010)
- ▶ Annual Evaluation Reviews (all years highlight ADB operations in FCAS and SIDS)

+ Project level evaluations numerous evaluations/validations of projects in FCAS and SIDS

3. Highlights of Evaluations

FCAS/SIDS have the most challenging operating environments

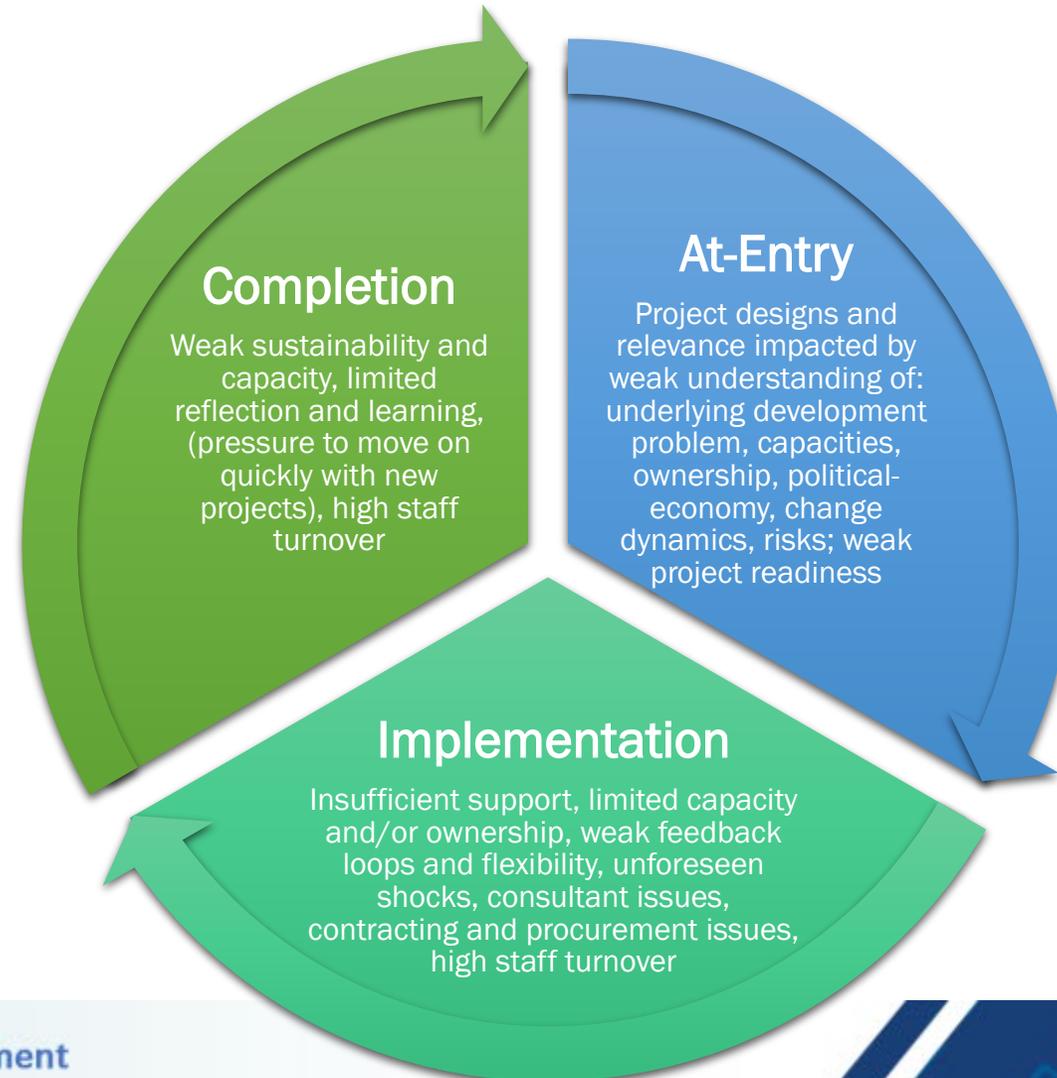
Performance of Sovereign Operations in FCAS and SIDS, 3-year moving average



n = number of completed sovereign operations assessed by the Independent Evaluation Department.
Source: Asian Development Bank (Independent Evaluation Department).

3. Highlights of Evaluations

At the project level, both country/client and ADB factors affect performance



3. Highlights of Evaluations

Higher level evaluations highlight deep-rooted and wide-ranging factors

On country contexts:

- ▶ Wide range of causes and symptoms of fragility: social, institutional, political, environmental, and capacity related
- ▶ These conditions often exist irrespective of country income levels or classifications
- ▶ Debilitating and destabilizing, work against long term sustainable development
- ▶ A key challenge for development partners and their staff: understanding the context and identifying where and how to intervene—the “law of the instrument” often prevails
- ▶ Capacity almost always a key constraint
- ▶ Over time climate change a more prominent exacerbating factor in these countries

3. Highlights of Evaluations

ADB approaches have evolved, but a stronger institutional focus is needed

On ADB support and performance:

- ▶ Causes and symptoms of fragility continue to constrain ADB's effectiveness
- ▶ Over the decades, approaches have shifted: emphasis on growth, to institution building, to participatory approaches to poverty reduction, to private sector development
- ▶ Some progress on differentiation, scaled up resources, and improved field presence noted
- ▶ Yet ADB still underestimates the prevalence of conflict (including subnational), violence, political-economy, environmental, and capacity risks in some countries
- ▶ Performance held back by insufficient diagnostics, monitoring, and learning feedback loops
- ▶ Increasing attention to climate change, but much more is needed given pace of change
- ▶ A stronger institutional focus on FCAS is needed

3. Highlights of Evaluations

Improving results will require concerted efforts and progress on multiple fronts

On improving results:

- ▶ **Understanding:** stronger diagnostics, deeper understanding of contexts
- ▶ **Smarter programming:** more conflict-, political-economy-, capacity-sensitive programming
- ▶ **Further differentiation:** further evolving approaches, operations, and capabilities
- ▶ **Readiness:** more focus and investment on project preparation and readiness
- ▶ **Tacit knowledge:** scaling-up FCAS-expertise and tacit country knowledge
- ▶ **Learning:** more active monitoring, reporting, and learning feedback loops

Over the longer term:

- ▶ **Resilience:** scale up support for adaptation and resilience as a long-term investment
- ▶ **Capacity:** more systematic and sustained support for capacity (see next slide)

3. Highlights of Evaluations

Capacity really matters, but is really difficult to develop

On strengthening and supporting capacity:

- ▶ Thin capacity of counterparts most frequently-cited factor in unsuccessful operations
- ▶ Counterpart capacity directly impacts project design, implementation, sustainability
- ▶ But capacity and institutional development are inherently difficult engagements
- ▶ Capacity development support often short-lived, focused on implementation/compliance
- ▶ Many efforts to build capacity have failed, frustrating partners, but some have worked
- ▶ In many cases, direct capacity support/supplementation is needed
- ▶ More resources and projects without more support for capacity unlikely to work

Some concluding questions...

1. Can project performance in FCAS/SIDS really improve?
2. With ADB and other partners scaling up operations in these countries, what is being done to also improve coordination and absorption of aid resources?
3. Is a major rethink needed on the way ADB and partners support and build capacity in FCAS/SIDS over the long term?

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