

# 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

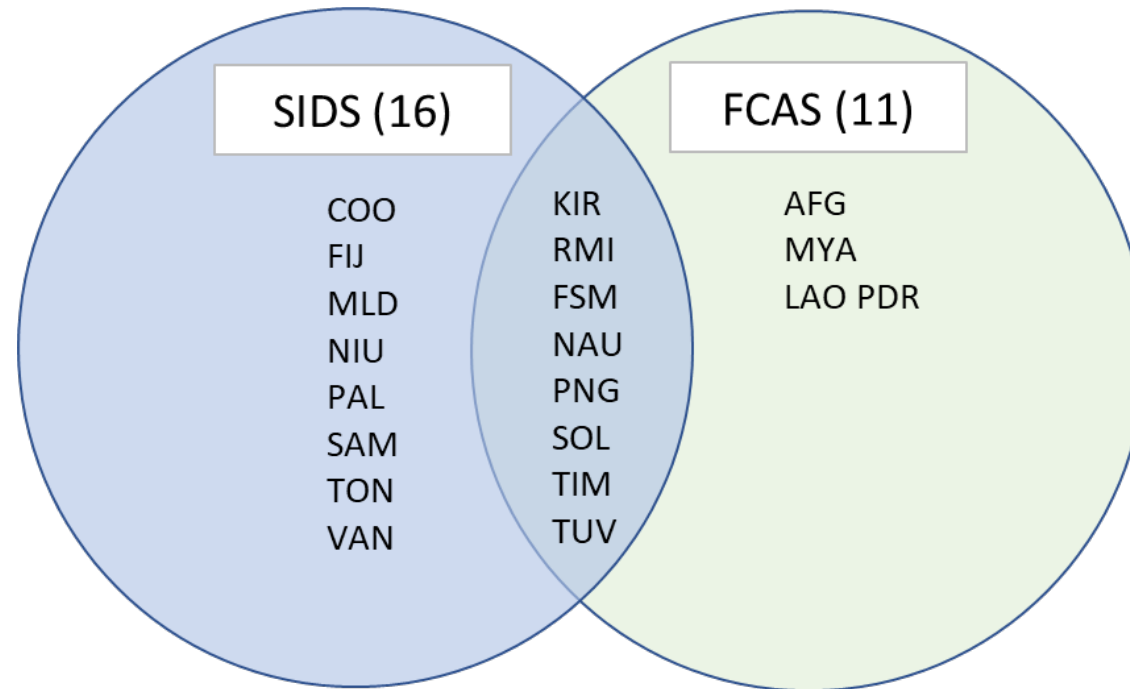
The world and ADB recognize these countries as unique development cases

- ▶ 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

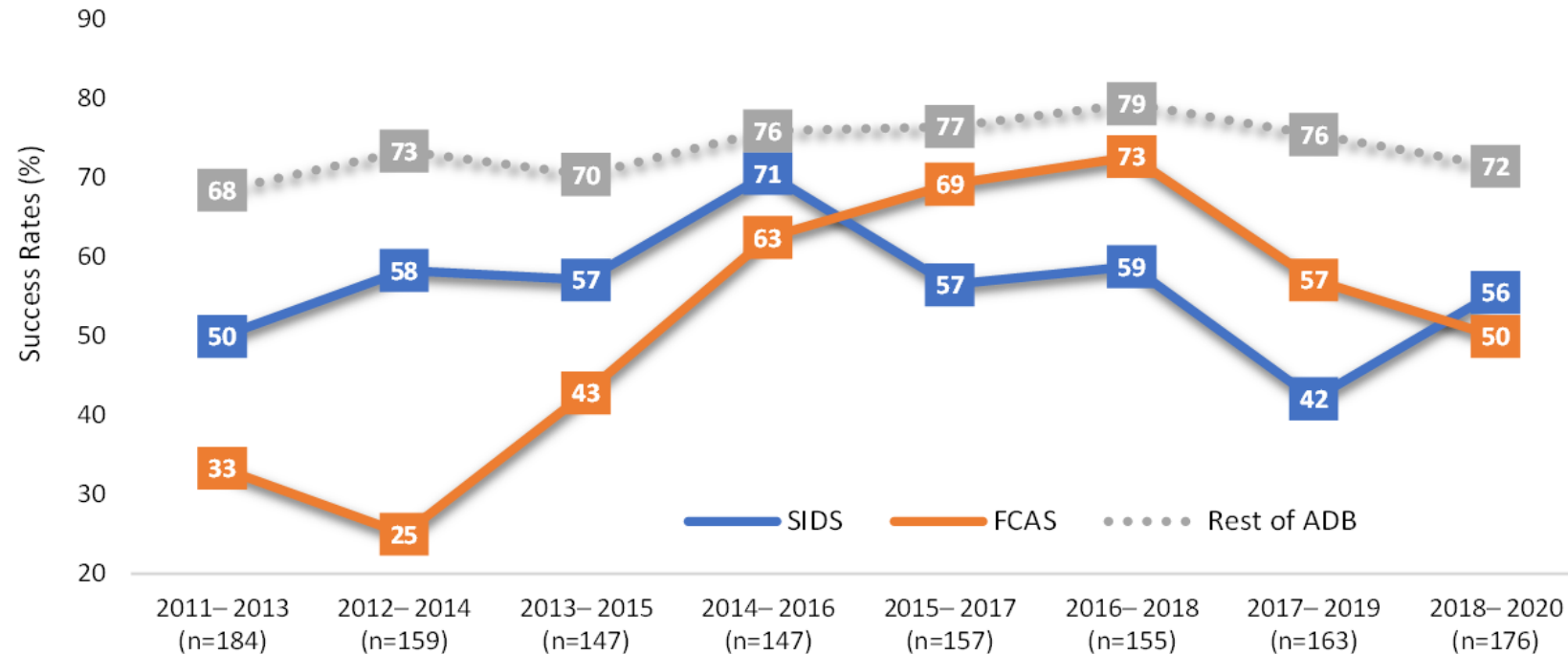
- ▶ Asian Development Fund XI and XII Operations (2019)
- ▶ Asian Development Fund X and XI Operations (2015)
- ▶ ADB Support to FCAS (2010)
- ▶ Annual Evaluation Reviews (all years highlight ADB operations in FCAS and SIDS)

+ 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

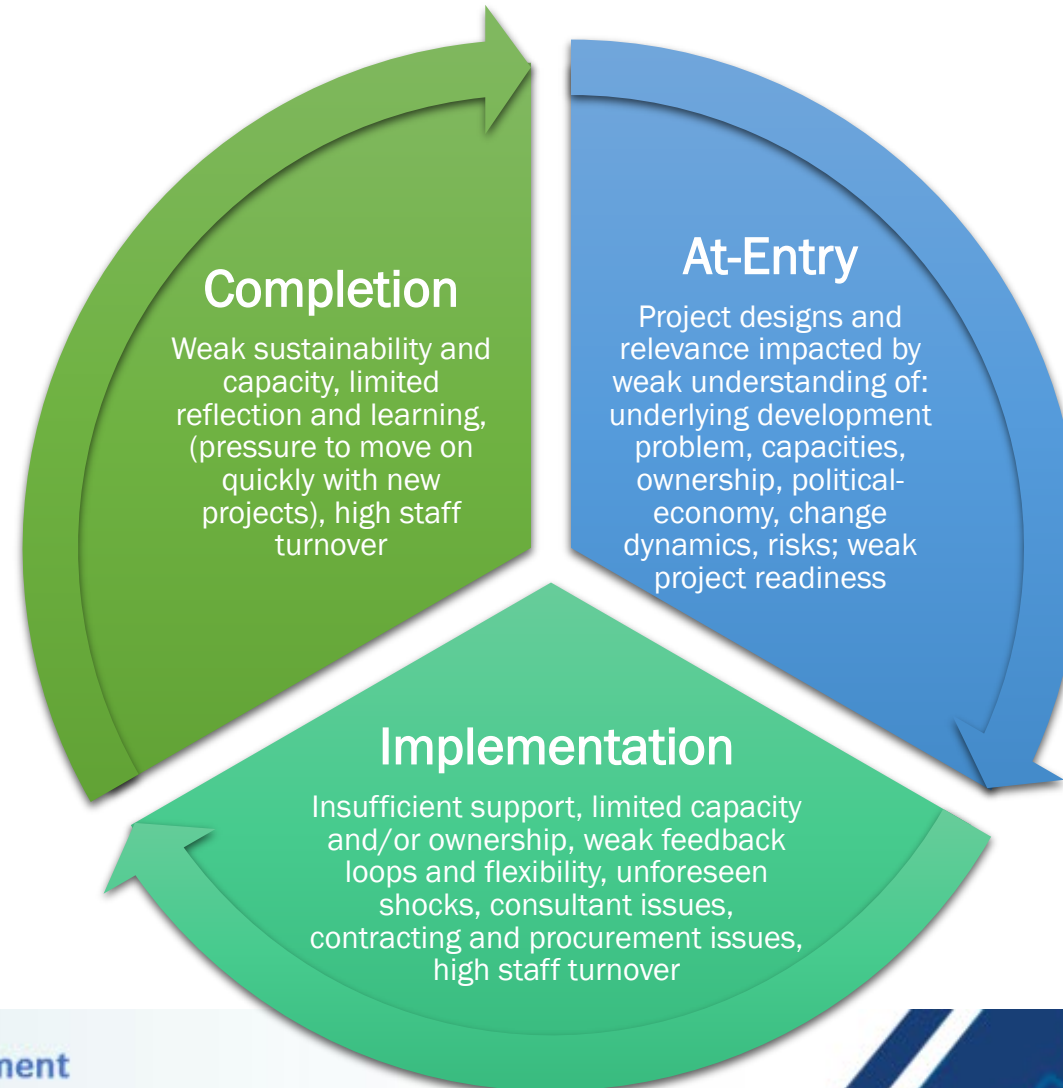


n = number of completed sovereign operations assessed by the Independent Evaluation Department.  
Source: Asian Development Bank (Independent Evaluation Department).



# 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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