

The views expressed in this presentation are the views of the author/s and do not necessarily reflect the views or policies of the Asian Development Bank, or its Board of Governors, or the governments they represent. ADB does not guarantee the accuracy of the data included in this presentation and accepts no responsibility for any consequence of their use. The countries listed in this presentation do not imply any view on ADB's part as to sovereignty or independent status or necessarily conform to ADB's terminology.

ADB's Evaluation System and Lessons Learned from Pakistan

Capacity Building Program for Pakistan Government Officials on ADB Processes and Procedures

Sonia Chand Sandhu
Independent Evaluation Department

19-23 August 2024 | ADB HQ, Manila, Philippines



ADB



Outline

1. Why we do independent evaluation?

- Mandate and Organization
- Evaluation Principles and link to monitoring and learning
- Evaluation is integral to the project cycle
- Development Effectiveness

2. What we evaluate?

- IED's scope of work
- Country and project level work

3. How we evaluate?

- Evaluation Criteria

4. What did we learn?

- Highlights of Pakistan project performance
- Lessons for Pakistan: what should we do more and what less



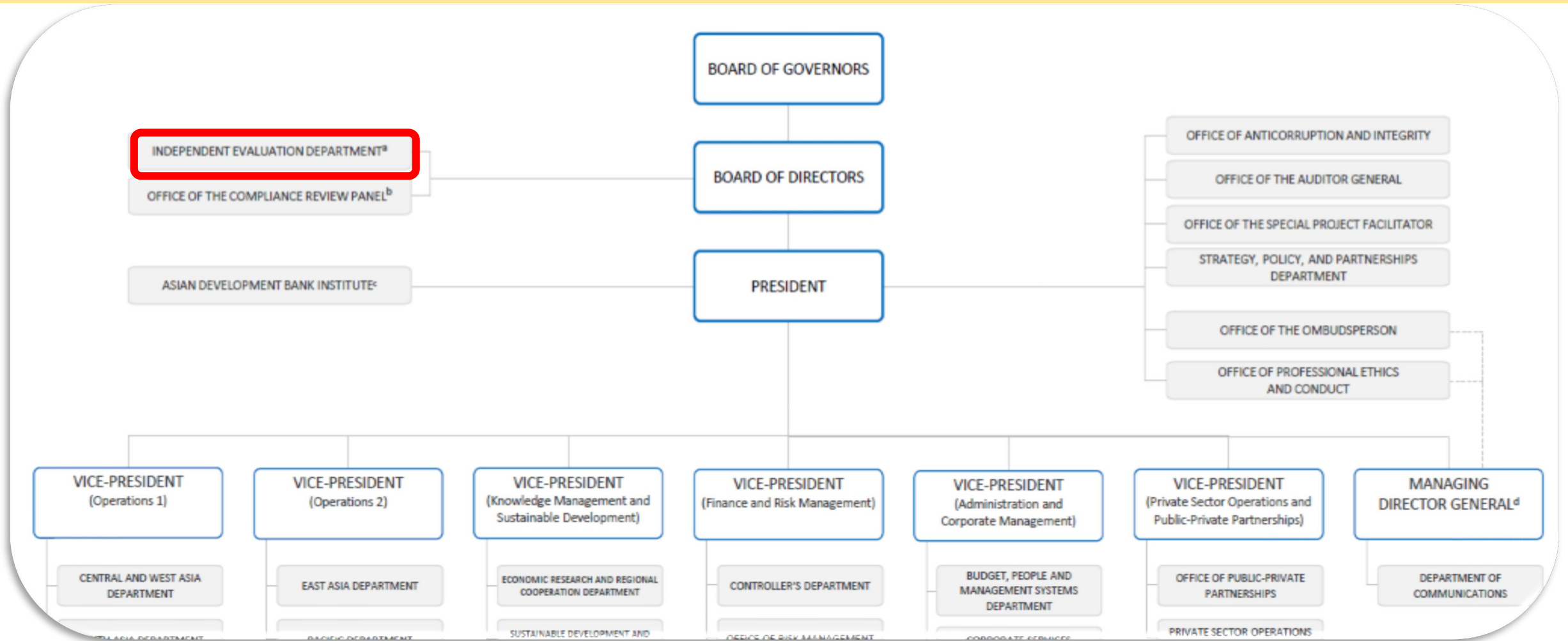
1. Why we do independent evaluation?

Mandate

ADB Evaluation Policy 2008

- **Help** the Board of Directors, ADB Management, and decision makers...understand whether resources have been well spent and outcomes have been achieved.
- **Emphasize** effective feedback on performance to improve the development effectiveness of ongoing ADB operations.
- **Independently** and systematically evaluate to determine relevance, effectiveness, efficiency, sustainability, and impact.
- **Assist** ADB operations and DMC counterparts to develop their self-evaluation capacity.
- **Disseminate** within ADB and more broadly important findings and lessons from evaluations.

Independent Evaluation at ADB



Principles

Development effectiveness

Maximizing development effectiveness of ADB operations through evaluation feedback

Accountability

Is ADB doing the right things? Is ADB doing things right? Are resources properly allocated and used, and intended outcomes realized?

Learning

What lessons are critical for improving development impact of future policies, strategies, programs and projects?

Resource Allocation

How can ADB better improve resource allocation based on evaluation knowledge on what works and what doesn't?

Evaluation is closely linked with monitoring and learning

Development effectiveness

Maximizing development effectiveness of ADB operations through evaluation feedback

Monitoring

Management tool. **Identifies problems**, tracks trends & performance **against stated goals**, basis for research, evaluation and learning
(Sector, RDs, PPF)

Evaluation

Uses monitoring **data**, research results, **evidence**. Enables **judgement** on merit, value, significance of any intervention – current and for future planning.
(Project teams and IED)

Learning

Allows to adapt frameworks, **processes** for progress. Knowledge from M&E is put into **practice** through **lessons**. Occurs Individually and organizationally
(IED, ADB wide and DMCs)

EVIDENCE and DATA : Credible and substantiated

Evaluation is integral to the ADB project cycle

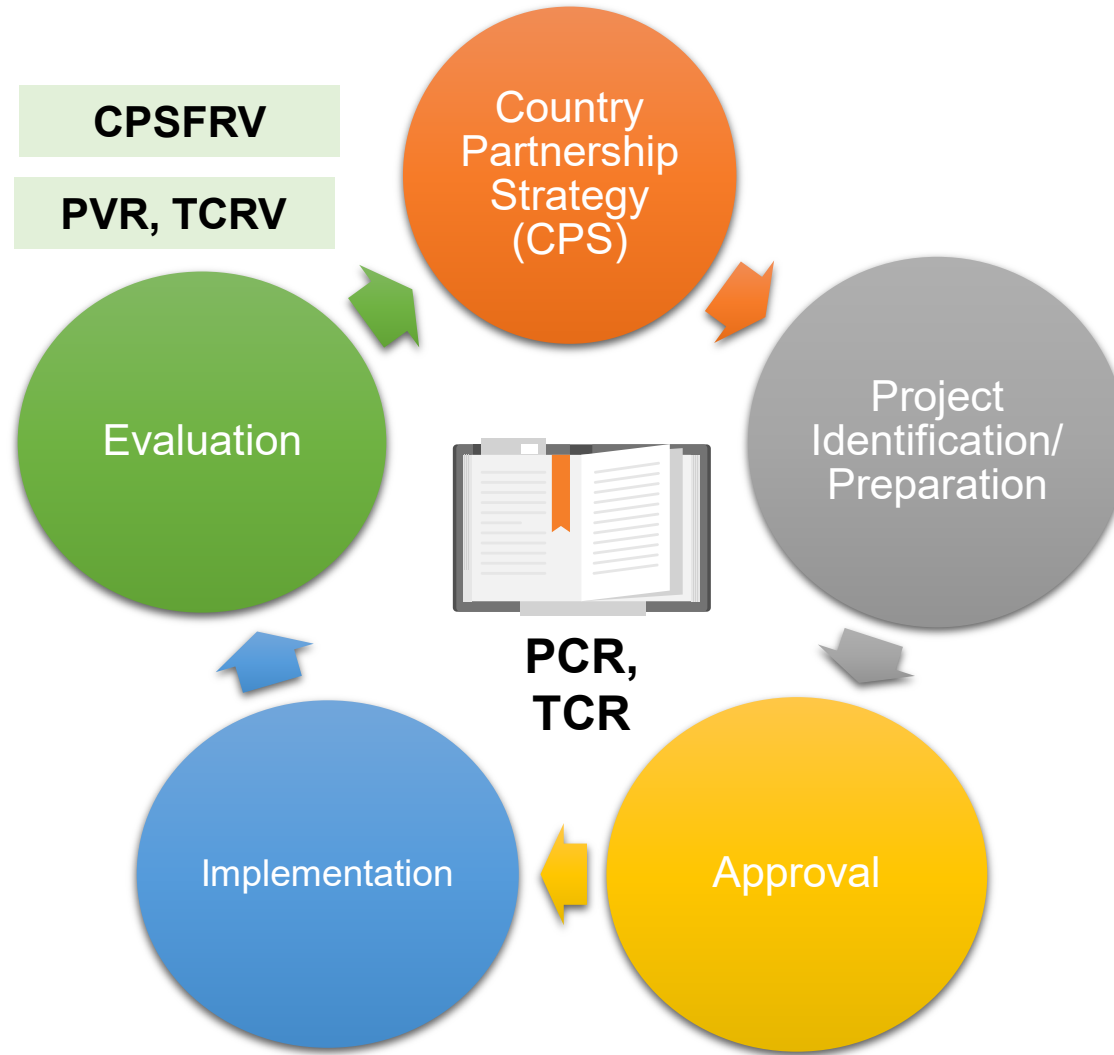
Self-evaluation:

- ✓ Project and Technical Assistance completion report (PCR) and (TCR)

Independent evaluation:

- ✓ Project and TA Validation report (PVR and TCRV)

Complementary



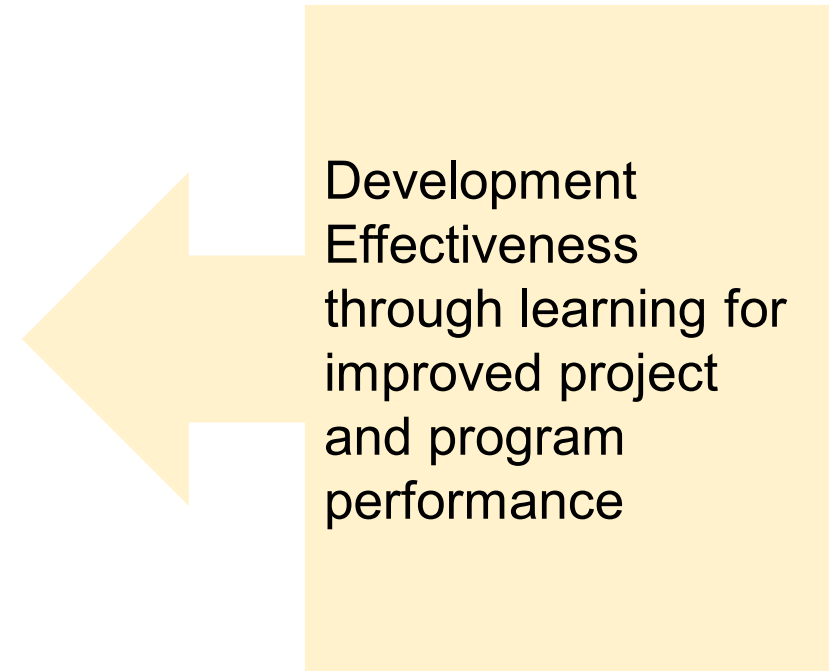
- ✓ Results chain
- ✓ Inform country partnership strategies
- ✓ Inform future project designs
- ✓ Capture tacit and explicit knowledge
- ✓ Identify persistent issues
- ✓ Recommend good practices.
- ✓ Draw lessons
- ✓ Inform country knowledge plans

KEY: CONTEXTUALITY, EVIDENCE, TIMELINESS, CREDIBILITY

ADB: Key Corporate Performance Reports: AER

IED's AER is part of the three complementary and distinct corporate performance reports prepared by ADB. All share the common goals of learning from experience and being accountable to ADB shareholders and other stakeholders.

	FOCUS	PURPOSE AND VALUE ADDITION
Annual Evaluation Review	The Board-required report of the Independent Evaluation Department (IED) is produced to promote accountability and learning. It focuses on the operational performance and results of ADB and provides a synthesis of the evaluations prepared by IED in the preceding year and an in-depth analysis of performance trends of completed operations. It includes a special topic to strengthen results, and reports on Management's acceptance and implementation of IED recommendations.	The Annual Evaluation Review provides consolidated issues and lessons from independent evaluations.
COMMON FOCUS  performance of completed operations		
Development Effectiveness Review	The review is Management's flagship report on ADB's performance in achieving the priorities of its corporate strategy, using indicators in the corporate results framework as the yardstick. Focusing on operations financed by ADB, it assesses ADB's development effectiveness, highlights actions ADB has taken to improve, and identifies areas where ADB's performance needs to be strengthened.	The findings provide the Board of Directors and ADB Management with performance information to guide ADB's strategic and operational directions and resource planning.
COMMON FOCUS  performance of active portfolio		
Annual Portfolio Performance Report	The report provides a strategic overview and analysis of the performance trends, size, composition, and quality of ADB's active portfolio based on key indicators. It includes all operations and projects, including those funded by special funds and cofinancing fully administered by ADB. It identifies key issues, actions taken by departments to support improvement, and lessons for future ADB interventions, and makes recommendations for improvement to ADB Management.	The report provides ADB Management with evidence-based recommendations grounded in an in-depth analysis, including by region, of ADB's full portfolio of active committed sovereign and nonsovereign operations and projects.



Source: Development Effectiveness Review 2023

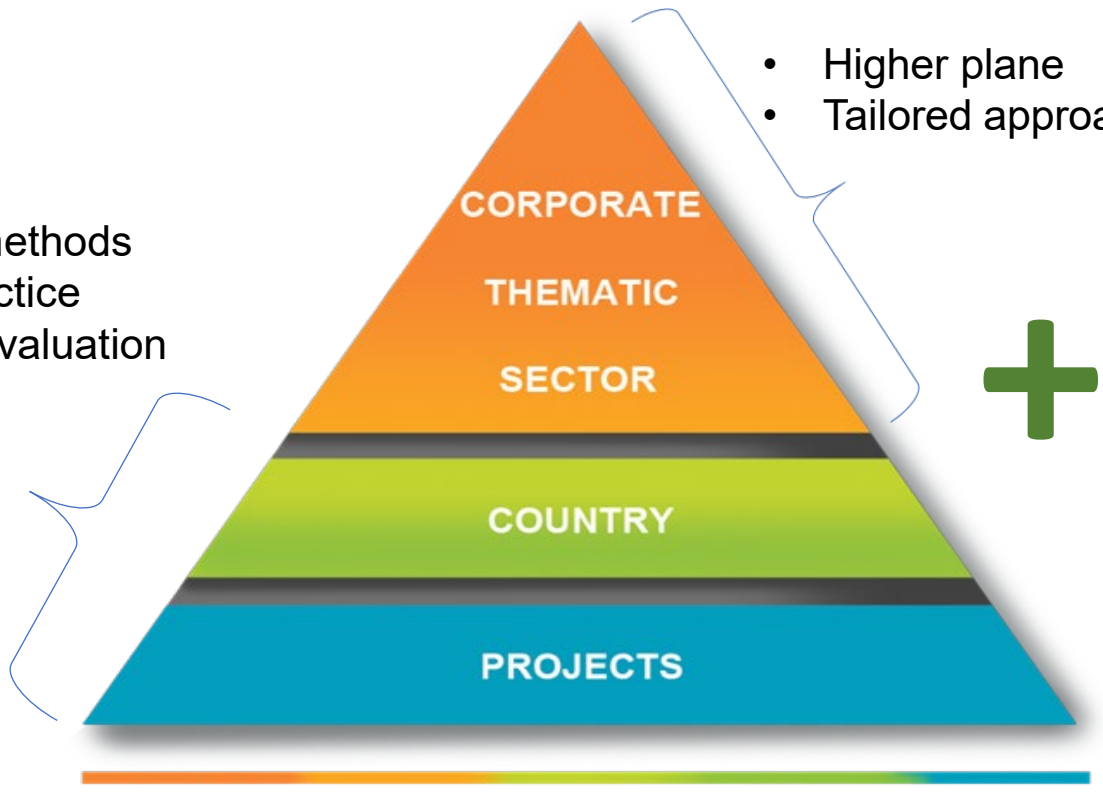


2. What we evaluate?



IED's Scope of Work

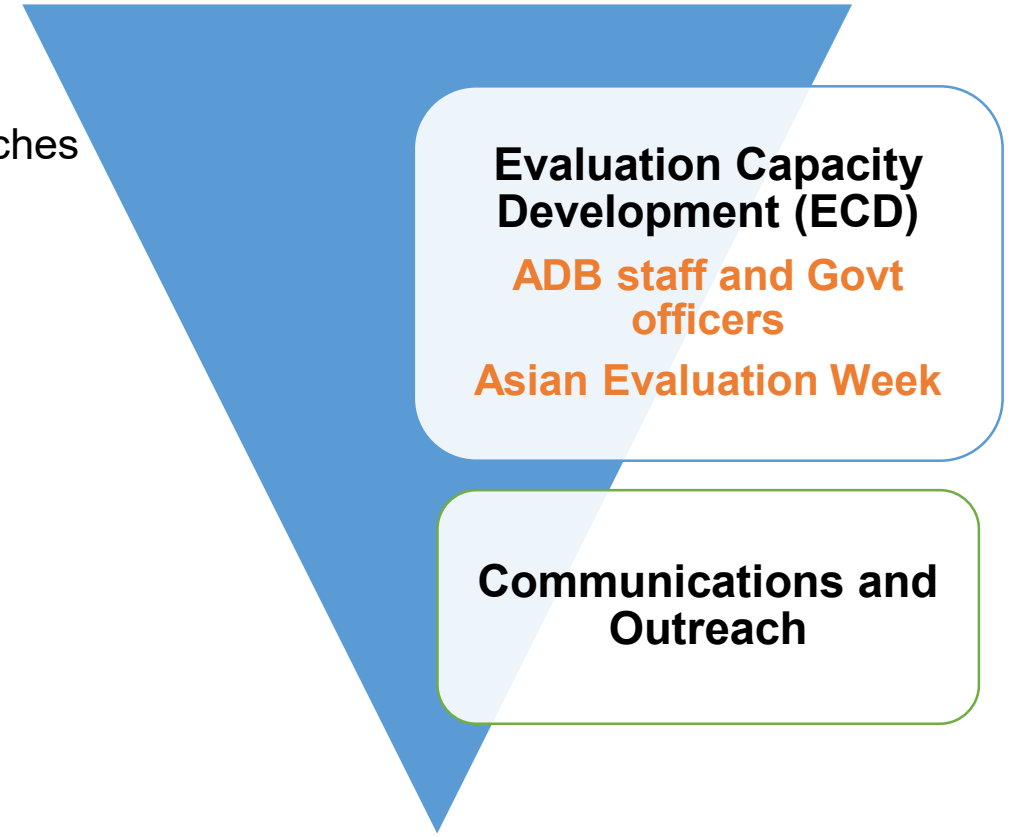
LEVELS OF EVALUATION



- Standardized methods
- ECG Good Practice Standards for evaluation and validation
- Guidelines

- Higher plane
- Tailored approaches

KNOWLEDGE MANAGEMENT



Evaluation Capacity Development (ECD)
ADB staff and Govt officers
Asian Evaluation Week

Communications and Outreach

Country Level Work

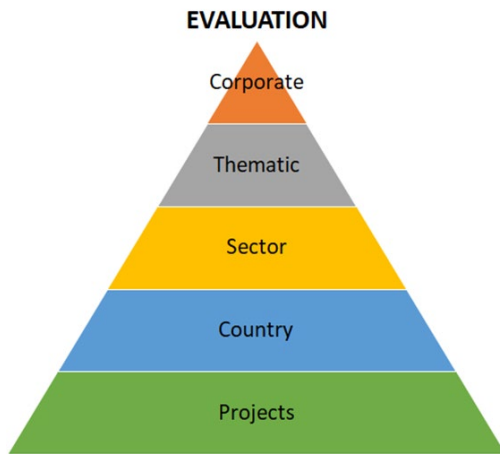
- At the country level, ADB completes annually (on average) 5-8 country program strategy final reviews
- IED validates all of them (examples shown).
- IED fully evaluates 1-2 country programs, called CAPEs, which are presented to the Board



Project Level Work



- IED validates **100%** of all
 - PCR (100+),
 - XARR (30+), and
 - TCR (90+)



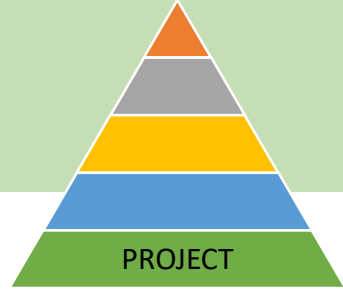
- IED fully evaluates **8-10** sovereign and private sector projects (PPERs) and
- **1-2** TA projects annually



3. How we evaluate?

Evaluation Criteria: Project

Sovereign Project Assessment



Is the intervention doing the right thing ?

Is the intervention achieving its intended objectives and outcomes?

How well were resources being used ?

Will the benefits last ?

Core Criteria* (Quantitative)

- Relevance
- Effectiveness
- Efficiency
- Sustainability

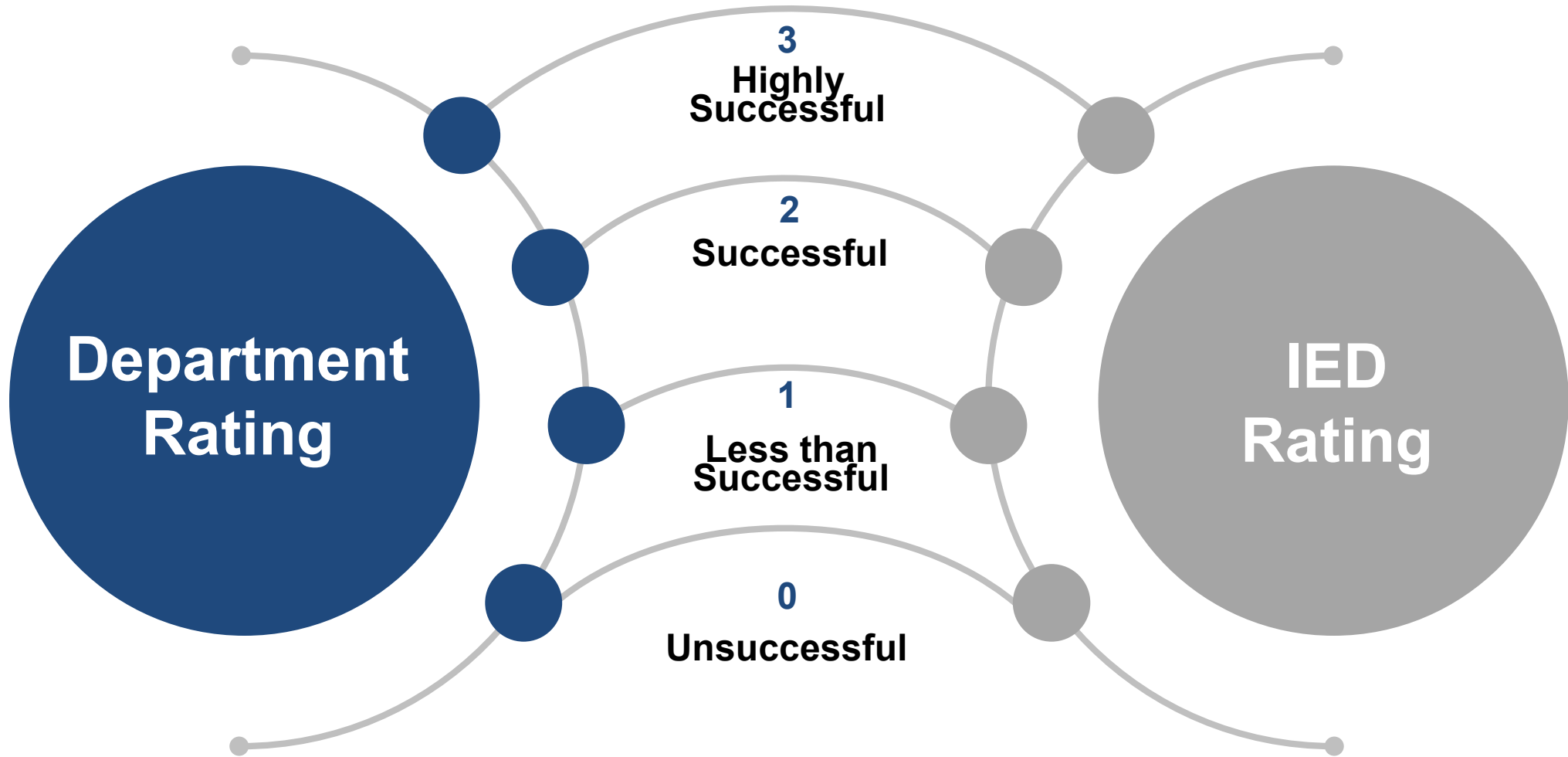
Other Criteria (Qualitative)

- Development impacts
- ADB's (and cofinanciers) performance
- Executing agencies performance

*New criterion on **Coherence** included in December 2019 revision by OECD-DAC, after extensive consultation with Evaluation Cooperation Group, including ADB.

Project rating on a 4-point scale

All core criteria are equally weighted





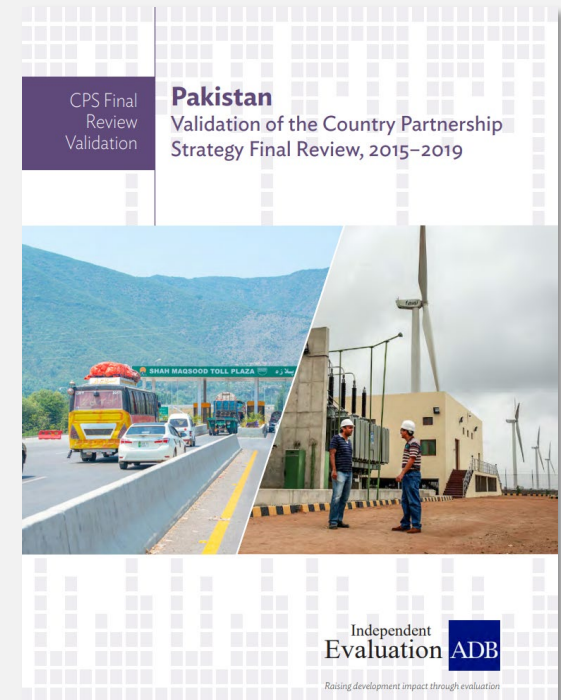
4. What did we learn?

Findings and lessons from evaluations

Country Evaluation: CPS Final Review Validation 2015-2019

ADB performance in Pakistan: Findings

- **Imbalance** between two CPS pillars:
 - **More focus on infrastructure** development vs institutional **reforms**
- Varied performance across sectors
 - **Effective:** TRA and AFNR
 - **Less effective:** ENE, PSM and WUS (Energy program was 46% of the CPS)
- **Start-up and implementation issues** → extension, early closing, cancellation
- **Longer project preparation** at 17.2 months vs 12 months (ADB average)
- **Lack of specific TA** support to infrastructure projects or PSM programs
- **Success with free-standing TA** to address sector-wide issues related to transport sector (legislation and plans)
- Non-sovereign operations: small portfolio focused on energy & finance, **not well integrated** into the CPS



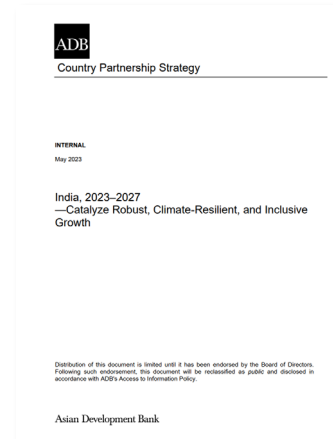
IED. 2020. [Pakistan: Validation of the Country Partnership Strategy Final Review, 2015-2019](#).

Pakistan Country Partnership Strategy 2021-2025

FROM

CPSFRV 2015–2019: Recommendations

- Explicitly **combine support**: infrastructure development + institutional reforms
- Strengthen support for **social sectors** → inclusive growth
- Aim **greater synergy**: sovereign + nonsovereign operations → private sector development



TO

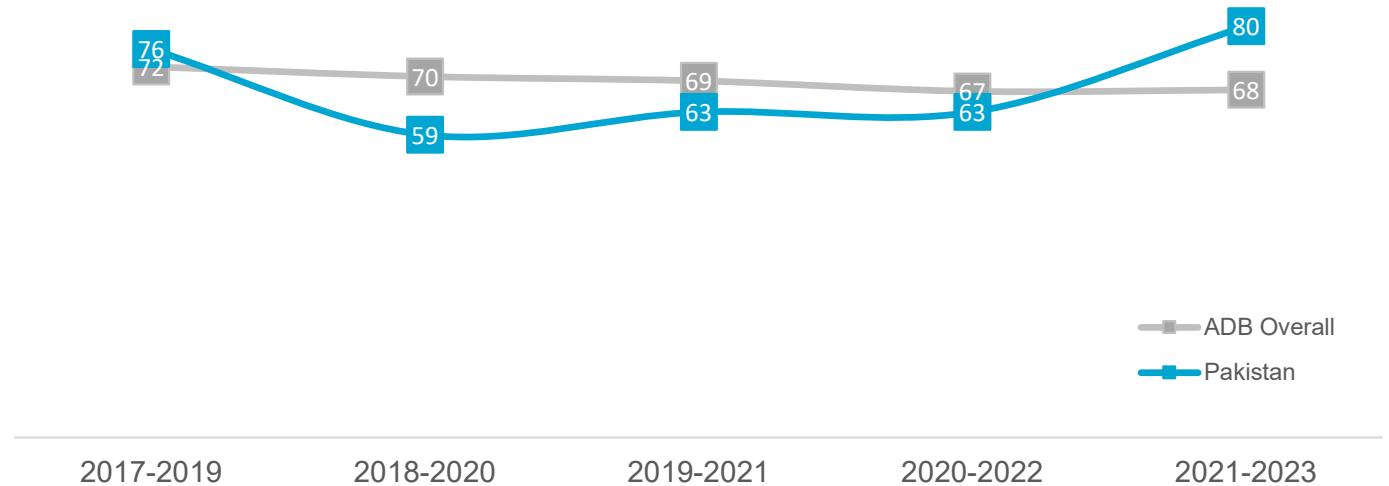
CPS 2021–2025

1. Improving **economic management** – stability and growth, critical structural reforms
 2. Building **resilience** – human capital and social protection
 3. Boosting **competitiveness** and private sector development – jobs and economic opportunities
- * Improved donor coordination with WB and IMF for policy-based assistance

Sovereign Operations Performance

- Recent performance has improved, now exceeding the ADB overall at **80%**
- By sector, improved performance was driven by **energy** and **transport** operations

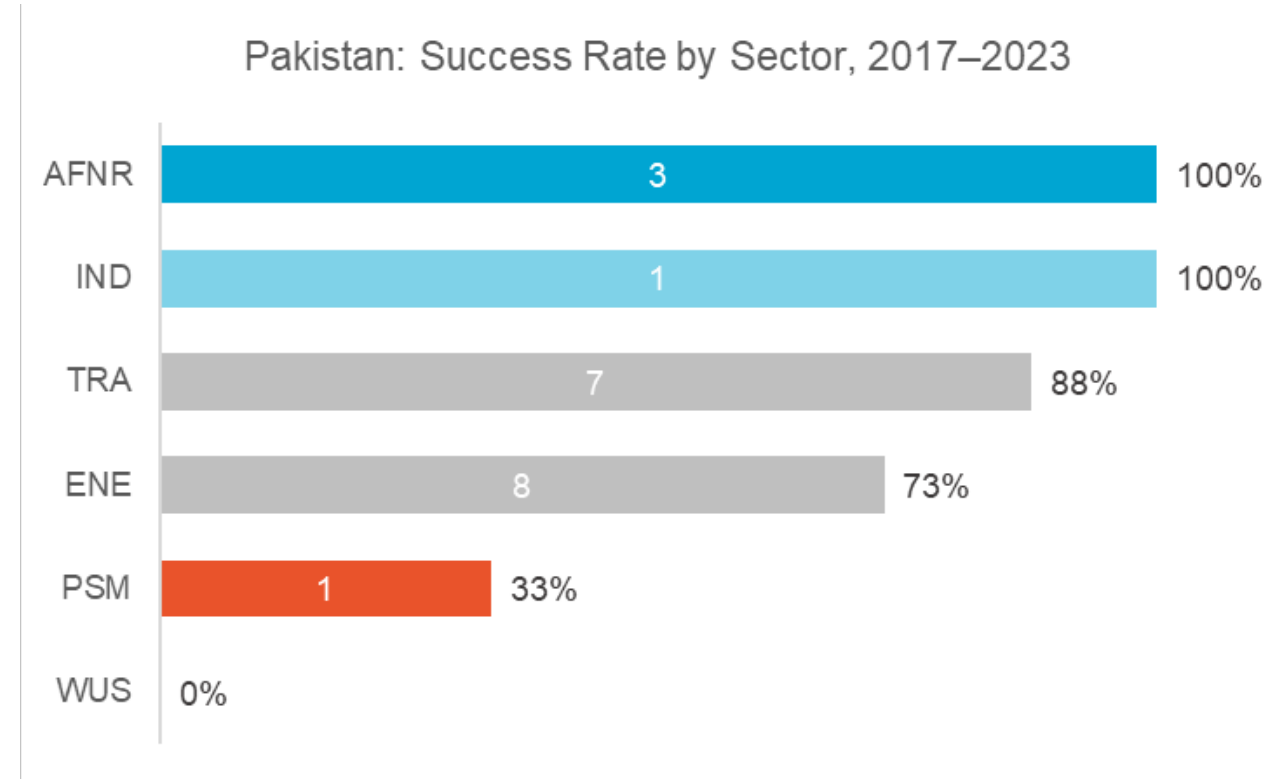
Pakistan vs ADB: Success Rate of Sovereign Operations, 2017-2023
(%, 3-year moving average)



Source: Independent Evaluation Department

Sector Performance

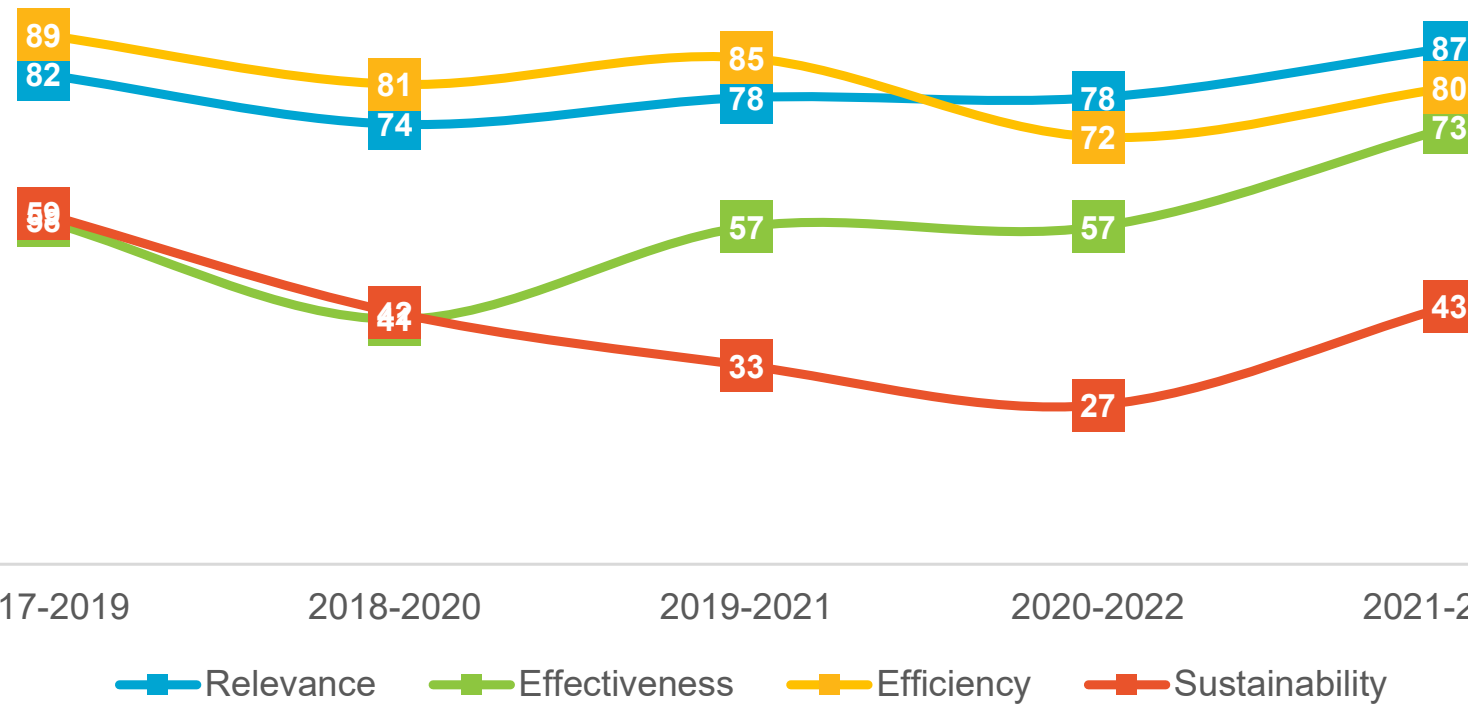
- ENE = mixed performance, most of **successful** projects in electricity **transmission and distribution**
- PSM = **less than successful** projects on **reforms** of state-owned enterprises
- WUS yet to have a successful project



Source: Independent Evaluation Department

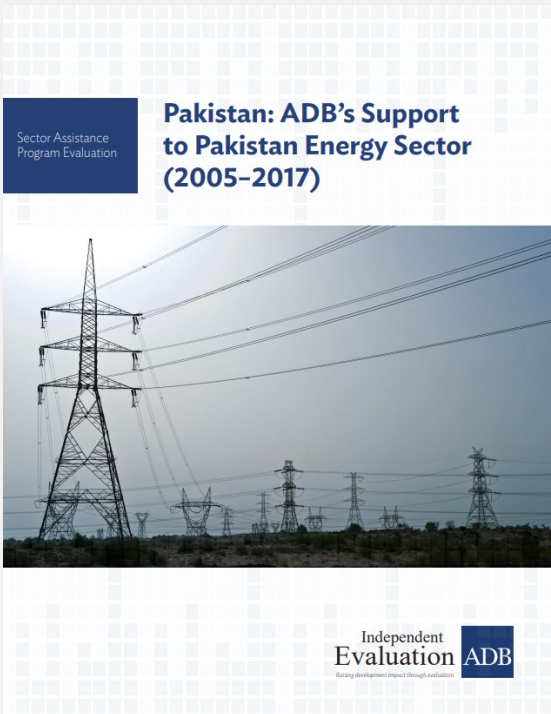
Project Trends: Projects are relevant, effective, efficient, but sustainability remains a challenge

Pakistan: Success Rate by Evaluation Criteria, 2017–2023
(%, 3-year moving average)



Note: In 2017, IED started to validate 100% of project completion reports
Source: Independent Evaluation Department

Sector Evaluation: ADB's Support to Pakistan Energy Sector (2005–2017)



Findings and Learnings:

- Weakest link: **power distribution leading to less than likely sustainable** projects
- Need for continued and strong **political support** for significant **reforms**
- Incomplete restructuring and unbundling of power sector led to prolonged reliance on **subsidies and bailouts**
- Distribution companies with **insufficient incentives** resulted in high **losses** and **low performance** level

Successes:

- ADB successful in **power transmission** and conventional **generation**
- Substantial contribution towards **improvement and expansion** of transmission and distribution network capacity



Lessons from Project Validation: Power Transmission Enhancement Investment Program (MFF)

PCR Lessons:

- Engagement of [facility management consulting firm](#) and [individual consultants](#) strengthened procurement and design capacity and [reduced duration](#) between tranche approval and awarding of first major contract
- Updating of “[type test policy](#)” ([quality control mechanism](#)) improved contract execution efficiency
- Monitoring mechanism needed for regular assessment of physical and financial performance of assets

PVR Lessons:

- Using advance procurement for streamlining large investment programs by [engaging loan-funded project management consultant](#) from the beginning of implementation stage
- For assessing capacity-building, identify [quantifiable indicators in the DMF](#) at project appraisal.

Sources: IED. 2023. [Validation Report: Power Transmission Enhancement Investment Program \(Tranche 4 and Multitranches Financing Facility\) in Pakistan.](#); and ADB. 2022. [Completion Report: Power Transmission Enhancement Investment Program in Pakistan.](#)

Project Validation: Sindh Cities Improvement Investment Program (SCIIP)

Findings:

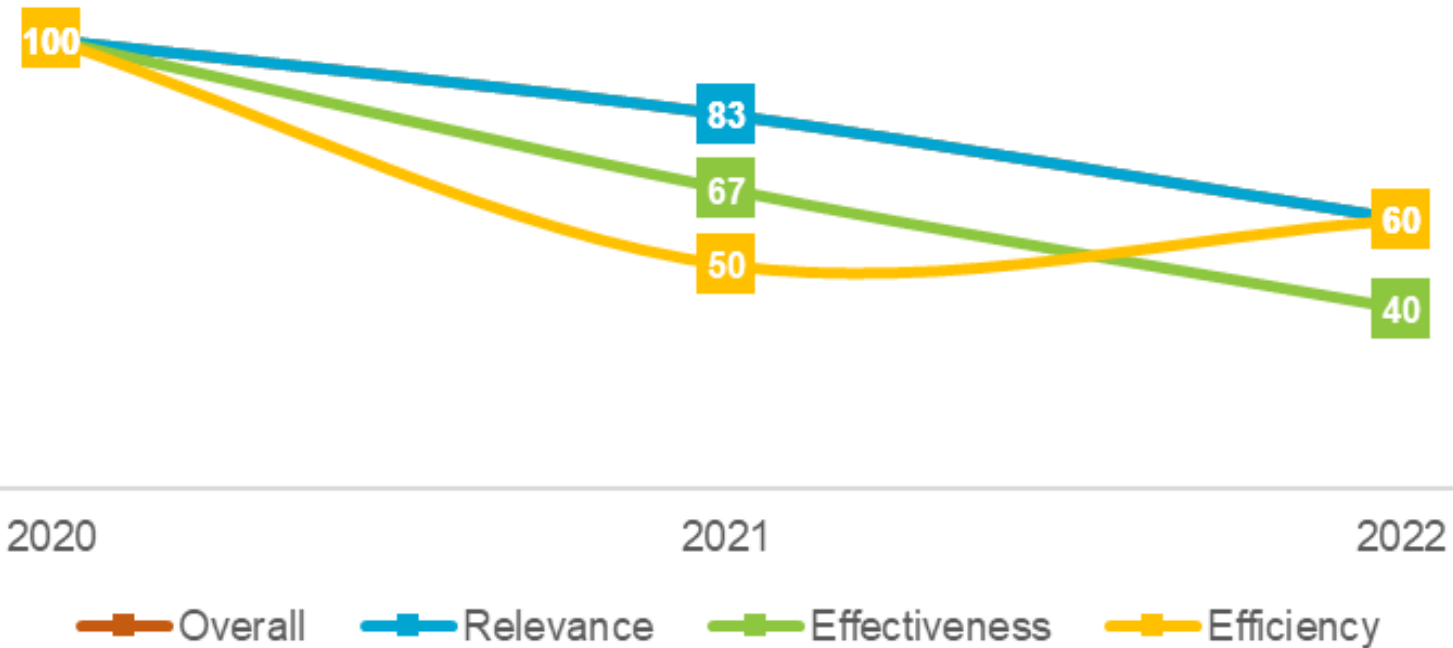
- Only **2 of 5 tranches** delivered i.e., \$85.8 million of \$400 million
- **Early Closure** of the North Sindh Urban Services Corporation (IA) due to **shortfalls in govt. ownership**
- Design phase (shortfall) in **assessing feasibility** of government's devolution strategy
- **Weak coordination** between central and local governments especially.

Lessons:

- **Align the selection of executing agency** with existing responsibilities (in the case of SCIIP, the executing agency should have been Local Government, Rural Development & Housing, Town Planning Department rather than Sindh Planning and Development Board)
- Establish right **institutional framework** before scaling up.

TA Trends: Declining performance of technical assistance

Pakistan: Success Rate by Evaluation Criteria, 2020–2022 (%)



Note: In 2020, IED started validation of TA completion reports
Source: Independent Evaluation Department



TA Validation: Economic Management Support

(Knowledge and support TA for policy advice)















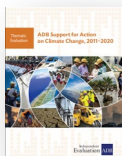
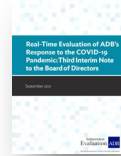




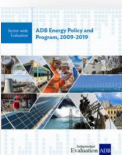



Findings and lessons from successful TA in PSM sector

- 3 [policy notes to support fiscal reform](#) on public finance, tax policy /unit, economic impact of COVID-19
- Policy note on [high-level diagnostic review report](#) of state-owned enterprises (SOE) reforms [informed](#) the SOE Reform Improvement Development Program
- Facilitated establishment of a [tax policy unit](#) and preparation of the [draft SOE bill](#)
- The [small-scale TA](#) design enabled faster engagement of consultants, provided flexibility in scope and implementation arrangements, and was effective in [supporting time-sensitive requests](#) from governments
- Need for [more measurable indicators in the DMF](#) to assess policy actions and/or reforms undertaken

Key Lessons from Technical Assistance Projects

- **Recognize the critical role of government ownership** throughout the TA [project cycle](#): e.g., [coordination of stakeholders at national and provincial levels](#). (good practice observed in health sector TA that facilitated discussions related to health sector reform between various stakeholders) (TAs 9488, 8990, 9392)
- **Importance of knowledge product dissemination to increase knowledge base and open dialogues.** e.g., workshops; events for official launch of a report that engages stakeholders (TAs 9392, 9207, 9255, 9688)
- **Emphasize coordination and consultation** among multiple government agencies and stakeholders e.g., consider an [executing agency at a higher administrative level with convening power](#) to engage stakeholders. (TAs 8990, 9672, 9153, 9614)
- **Adopt a flexible approach:** Flexibility in project implementation, [consultant engagement](#) adjustments and [scope](#) changes for more successful outcomes (TAs 9153, 8990, 9488)
- **ADB can enable strategic partnerships** between development partners to [support Pakistan's development policies and plans and deeper analytical studies as required](#). (TAs 8990, 9392)

Recent High Level Evaluations

2023	 <p>AER 2023: What Explains ADB's Project Performance</p>	 <p>CAREC Regional Program</p>	 <p>ADF 12 and 13</p>	 <p>Investment and Credit Risk Management</p>	 <p>SAPE India Urban Sector</p>	 <p>Strategy 2030 (discussed March 2024)</p>
2022	 <p>AER 2022: Supporting FCAS/SIDS</p>	 <p>Additionality of Nonsovereign Operations</p>	 <p>Real-Time Evaluation on COVID-19 (continued)</p>	 <p>Integrated Water Management</p>	 <p>Finance Sector Operations</p>	 <p>Procurement System</p>
2021	 <p>AER 2021: Supporting the SDGs</p>	 <p>Bangladesh CAPE</p>	 <p>Support for Action on Climate Change</p>	 <p>Real-Time Evaluation on COVID-19</p>	 <p>GMS Regional Program</p>	 <p>One ADB</p>
2020	 <p>AER 2020: ADB Self-Evaluation System</p>	 <p>Transport Sector Operations</p>	 <p>Energy Policy and Program</p>	 <p>Knowledge Solutions for Development</p>	 <p>Safeguards Policy Statement</p>	 <p>Public-Private Partnerships</p>

Wealth of Evaluation Knowledge

The lessons database

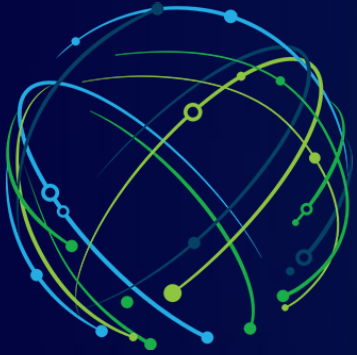
The lessons database provides a vital source of information on what worked, what did not and why in ADB operations since 2010. When applied, these lessons have the potential to improve business processes, better the use of resources, and enhance development effectiveness.

<https://lessons.adb.org/>

Featured Lessons Synthesis



Where we are now...



EVA

Making Evaluation Knowledge Accessible,
Valued, and Used

<https://www.learnfromeva.com/>

adbgeniesupport@adb.org





**Independent
Evaluation**
Knowledge for Development Effectiveness



EVALUATION OF SOVEREIGN PROJECTS

AN E-LEARNING COURSE

<https://elearn.adb.org/course/view.php?id=430>



Thank you!

Independent Evaluation at ADB



[Facebook](#)



[LinkedIn](#)



[Twitter](#)



[YouTube](#)



[Website](#)



[Email](#)