

The logo of the Asian Development Bank (ADB), consisting of the letters 'ADB' in a white serif font on a black square background.

# Guidelines for the Preparation of Country Assistance Program Evaluation Reports

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Operations Evaluation Department  
Asian Development Bank

## ABBREVIATIONS

ADB	—	Asian Development Bank
CAP	—	country assistance program
CAPE	—	country assistance program evaluation
CSP	—	country strategy and program
DEC	—	Development Effectiveness Committee
DG	—	director general
DMC	—	developing member country
DP	—	development partner
EA	—	Executing Agency
MDB	—	multilateral development bank
MDG	—	Millennium Development Goal
NGO	—	nongovernment organization
NPRS	—	National Poverty Reduction Strategy
OED	—	Operations Evaluation Department
OECD-DAC	—	Organization for Economic Co-operation and Development–Development Assistance Committee
PCR	—	project or program completion report
PPER	—	project/program performance evaluation report
PRS	—	poverty reduction strategy
TA	—	technical assistance
TCR	—	technical assistance completion report

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## I. INTRODUCTION

### A. Background

1. The Operations Evaluation Department (OED) of the Asian Development Bank (ADB) carries out independent evaluations covering all aspects of public and private sector operations, including policies, procedures, and processes, as well as country, sector, impact, and thematic evaluations. The country assistance program evaluation (CAPE) has become a more important evaluation instrument in recent years, as ADB assistance becomes more country-driven, results-oriented, harmonized, and aligned with national poverty reduction strategies.

2. Evaluation is an integral part of ADB's planning cycle. It has two major dimensions: (i) self-evaluation by those operations departments responsible for preparing and implementing projects, programs, and technical assistance (TA) operations; and (ii) independent evaluation by OED. Self-evaluation comprises a number of instruments, including (i) project and program performance reports; (ii) TA performance reports; (iii) review reports prepared during project implementation, typically at mid-term; (iv) project and program completion reports (PCRs); (v) TA completion reports (TCRs); (vi) country portfolio performance reviews; and, in the future, (vii) country strategy and program (CSP) completion reports. OED's independent evaluation comprises project and program performance evaluation reports (PPERs), impact evaluations, project revaluations, TA performance evaluation reports, special evaluations, sector assistance program evaluations, and CAPEs.

3. CAPE preparation is a major evaluation task. It builds on all available independent and self-evaluation materials, as well as government plans and strategies, secondary performance data, country files, project records, stakeholder interviews, sample surveys, and other information sources. A CAPE is designed to inform the preparation of a CSP, which is usually prepared once every 5 years for each developing member country (DMC). A CAPE seeks to understand the complex linkages between ADB's development assistance and DMC socioeconomic performance while identifying opportunities for improving program performance at the country level. The main objective of a CAPE is to support the formulation of the next CSP by assessing the experience of completed and ongoing ADB operations in the country.

4. When ADB began working on its first CAPE in 1998, there was no internationally accepted methodology for assessing the performance of a country assistance program (CAP). Subsequently, OED experimented with a number of approaches. Its objective was to learn what approach and method would work well in practice. These guidelines build on the experience and lessons from ADB's first generation of CAPEs, and they draw on a review of the experience of other multilateral development banks (MDBs). While the guidelines draw fully on OED's and international experience, it is expected that they will be further refined in light of their application. Recently, OED has introduced a sector assistance program evaluation product and has started conducting special evaluation studies on ADB's policies. Evaluators are encouraged to use the CAPE evaluation framework, modified as appropriate, for these evaluations.

### B. Evaluating Performance Against Mandate and Country Commitments

5. CAPEs are required for both accountability and lesson identification. They assess and interpret past performance to provide forward-looking conclusions and recommendations. They are used by ADB's Board of Directors to verify that ADB assistance is in line with ADB's policies and strategies, and to determine whether the expected development results were achieved. For operations staff, CAPEs provide lessons that can be useful in shaping future CSPs. In DMCs,

stakeholders benefit from the lessons identified in CAPEs to enhance the development effectiveness of external assistance.

6. The poverty reduction strategy (PRS) establishes a series of parameters against which ADB's CAPs are to be evaluated. The PRS unequivocally defines ADB's overarching mission as poverty reduction:

The goal of an Asia-Pacific region free of poverty clearly defines the mission of the Asian Development Bank. All other strategic objectives will be pursued in ways that contribute most effectively to this goal.<sup>1</sup>

7. Within the PRS framework, ADB support for poverty reduction will be effected through interventions aimed at pro-poor sustainable economic growth, inclusive social development and good governance.<sup>2</sup> The relative importance accorded to each of these three pillars will depend on country circumstance at a particular time. The PRS also identifies five areas of thematic (i.e., crosscutting) intervention, which complement the three poverty reduction pillars. These were confirmed by the review of the PRS. These are: (i) gender equality, (ii) environmental sustainability, (iii) private sector development, (iv) regional cooperation, and (v) capacity development. The PRS calls for ADB assistance to be country-focused (i.e., well-rooted in country context and country poverty assessment), harmonized among the efforts of other development partners, fully integrated with the National Poverty Reduction Strategy (NPRS), and results-oriented. The PRS also signals Management's intention to monitor development results at the country level:

Country outcomes will be monitored in terms of the three pillars and thematic priorities and will be aggregates of all ADB interventions—both lending and nonlending—in the country. Country teams will be responsible for monitoring the PRS at the country level. CSP updates will monitor progress on outputs and outcomes (footnote 1).

8. ADB is also committed to adhering to global standards of good practice in the delivery of external assistance. CAPEs are therefore also used to assess the extent to which ADB's global commitments are being met at the country level. Since the Millennium Summit in 2000, ADB has participated actively in several international consultations aimed at identifying and endorsing good practices to spur progress toward the Millennium Development Goals (MDGs). At the Marrakech Roundtable on Managing for Results in 2004, the development community affirmed its commitment to align activity with desired development results. It defined how support should contribute to country outcomes and called for using—and strengthening—country-level monitoring and evaluation systems to track progress and assess outcomes. The Paris High-Level Forum on Aid Effectiveness, of 3 March 2005, produced a declaration on aid effectiveness that was agreed by development institutions and representatives from over 100 countries. It embraced the principles of country ownership, harmonization, alignment, managing for results, and mutual accountability. Fostering strong government ownership of the

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<sup>1</sup> ADB. 2004. *Fighting Poverty in Asia and the Pacific: The Poverty Reduction Strategy of the Asian Development Bank*. Manila.

<sup>2</sup> The first poverty reduction strategy (PRS) was adopted in 1999. Country strategies and programs formulated prior to 1999 would have been aligned with a range of other corporate policies and priorities. While ADB's country assistance program will be evaluated for its contribution to the main pillars of the PRS, and while poverty reduction, growth, social development, and good governance have long been major corporate objectives of ADB, this does not imply that earlier strategies and programs are expected to be fully consistent with the post-1999 PRS.

development agenda has been repeatedly emphasized in international agreements aimed at improving aid effectiveness.

9. The CSP is designed to translate ADB's overarching goal, strategic objectives, and operational priorities into country-specific strategies that will support the NPRS and be integral to its realization. The CSP is updated annually in response to changes in the development setting and to lessons drawn from program implementation. The CSP, together with its annual update, is also the main vehicle for incorporating lessons to help refine ADB's country assistance. ADB's Executive Directors and Management attach considerable importance to the extent to which lessons from independent evaluation are incorporated into the CSP. For this reason, if a CAPE has been prepared, it shall be presented and discussed by the Development Effectiveness Committee of the Board prior to the submission of a CSP.

### **C. Evaluation Harmonization**

10. To the extent possible, CAPEs should be based upon methods that allow the global development assistance community to compare the effectiveness and contribution to results of ADB assistance with those of other development assistance providers. This implies a need for common definitions, assessment criteria, evaluation practices, rating approaches, and dissemination techniques across the independent evaluation offices of the various assistance agencies. Harmonization of evaluation approaches can also improve the utilization of results by governments and other stakeholders if different agencies use common standards and approaches. Common evaluation techniques are also important if development effectiveness as a whole in a country is to be assessed, given the adoption of the MDGs, adoption of multi-donor assistance arrangements (i.e., sector-wide approaches), and agreements to harmonize and align assistance with NPRS by many assistance providers, including ADB.

11. The Working Group on Aid Evaluation of the Organization for Economic Co-operation and Development's Development Assistance Committee (OECD-DAC) has held two seminars on country program evaluation methodology, in 1994 and in 1999. These workshops recognized the growing importance of country program evaluation as institutions move from individual projects as their basic form of development support to a combination of projects with policy-based and sector program assistance. The 1999 workshop recognized a broad consensus on the basic evaluative criteria employed by most institutions, and agreed that the criteria for evaluating aid at the country level could draw on those criteria used for evaluating public sector projects (i.e., relevance, efficiency, effectiveness, impact, and sustainability). Since the 1999 workshop, a common core of good practices for country evaluations has evolved, and gradually these practices have been adopted and endorsed by the independent evaluation offices of the various MDBs. The Evaluation Cooperation Group of the MDBs, of which ADB is a member, has placed the issue of country program evaluation methodology on its agenda. The intent is to develop good practice standards for this work, just as the Evaluation Cooperation Group already has adopted standards for project-level evaluation, private sector operations, and policy-based lending.

### **D. Country Assistance Program Evaluation Goals and Objectives**

12. The goals of the CAPE are to assess ADB's contribution to the results achieved in a DMC over a defined period of time and to draw lessons on how ADB could improve the future performance of its development assistance program. While the evaluation combines a retrospective assessment of actions and accomplishments with anticipation of outcomes from present operations, the CAPE's purpose is to contribute forward-looking lessons to assist in

improving the following CSP and to provide general lessons within ADB. CAPEs are not intended to assess a country's development progress. They do not evaluate the performance of a government or the progress of a country, per se. Rather, they focus upon the outcomes of a specific program of assistance that has been agreed by the government and ADB.

13. The main objective of the CAPE is to identify and assess the key factors that contributed to the outcomes of ADB's assistance program in order to draw lessons. An assistance program needs to be evaluated on the appropriateness of the strategies pursued and on how well it met its particular objectives, which are typically a subset of the country's development objectives. If ADB's assistance program is large in relation to the government's total development effort, the program outcome will be similar to the country's overall development progress. However, most ADB assistance programs provide only a small fraction of the total resources devoted to a country's development effort. In its CAPE, OED assesses (and rates) only the results to which ADB contributed and not the country's overall development performance, although the latter is clearly relevant for judging the program's outcome.

#### **E. Country Assistance Program Evaluation Coverage and Scope**

14. In any DMC, ADB may be active in many different sectors and subsectors, and the assistance effort can encompass a wide array of multifaceted projects, programs, TA, and knowledge products. ADB's assistance extends beyond its formal activities to include the role it plays in policy dialogue, as well as in coordinating and catalyzing assistance from other development partners, the private sector and civil society. It is the combinations of various facets (i.e., lending and nonlending services) of ADB assistance that are crucial to influencing results at the country level. A CAPE will identify and evaluate those bundles of assistance services that jointly contribute to development results.

15. In most countries, a CAPE cannot individually assess the performance of all ADB assistance activities and roles. Trying to deal with too many issues creates a risk that the findings will be superficial. Instead, a CAPE will identify and assess key issues in a fairly deep manner in order to assess clearly why results came about, and to draw lessons and recommendations for future assistance.

16. The CAPE will cover the country context, the quality of ADB's strategy and program, its implementation and outcomes, and ADB's perceived contribution to overall development. The scope will be restricted by (i) concentrating on performance during the last decade, recognizing that contemporary results are influenced by assistance strategies and operations launched much earlier; (ii) assessing the main evolving program thrusts of assistance and identifying key assistance actions (i.e., activities and assistance roles) in a given sector or thematic area; and (iii) carrying out purposeful samples of related bundles of key assistance activities (i.e., projects, programs, TA, knowledge products, catalytic and coordinating activities), including the role of resident missions.

17. **Sampling.** The CAPE will draw its inferences from a purposeful sample of ADB's assistance activities designed to reflect the main, evolving program thrusts of ADB's sector and thematic assistance. The sample will cover all of the main sectors in which ADB has engaged. Sectors (and subsectors) in which ADB has had very few operations, and no lending presence, will generally not be included. Within each sector (or thematic area) the CAPE will review the major program thrusts of ADB assistance. Each program thrust will generally include a combination of completed and ongoing projects and programs, plus associated TA, economic and sector work, policy dialogue and activity to coordinate development partners.

18. While the CAPE will generally restrict its coverage to the performance of ADB assistance during the past decade, including the expected performance of ongoing operations, it will review the design of ADB's assistance program over a longer period of time to shed light on contemporary results and present activities. Older projects and significant shifts in the portfolio may thus be used to assess ADB strategy and programming during the past decade by pointing to missed opportunities and identifying development constraints that would not otherwise have been revealed.

19. Within the main program thrusts, CAPEs should cover all facets of ADB assistance roles and operations in the DMC concerned, such as:

- (i) economic, thematic and sector work undertaken by staff and staff consultants or financed from advisory TAs, including economic reports, economic reviews, sector strategies, evaluation reports and thematic studies on such crosscutting issues as the environment, private sector, governance, gender, or poverty;
- (ii) country assistance programming, including the formulation and actual design of the previous country operational strategies and programs;
- (iii) reported results (i.e., outputs, outcomes and impacts) based on portfolio performance data, including project and TA implementation progress reports, performance evaluation reports, sector assistance program reports, and special evaluation studies as they apply to the country concerned; and
- (iv) such nonlending services as policy dialogue, development partner coordination and harmonization, provision of new knowledge, and fostering ownership and participation.

20. **Scope.** A CAPE should address certain common issues for all countries while also providing scope for key country-specific issues. Common issues may include:

- (i) **Context.** Influence of the country context (political, social, economic and historical) on the nature of development challenges, government's strategic response, and the role of ADB assistance.
- (ii) **Alignment.** ADB's overall country strategy and assistance programs and their alignment with the NPRS or national development plans, as well as their relevance and responsiveness to country-driven development challenges.
- (iii) **Harmonization.** Extent to which ADB's assistance strategy and programs were effectively coordinated, positioned, and integrated with those of other development partners. This includes procedural harmonization both between a client government and development partners and among development partners.
- (iv) **Synergies.** Extent to which ADB's assistance strategy and program combined interventions and assistance roles to contribute to development results that were greater than the sum of the individual assistance efforts.
- (v) **Good Governance.** Extent to which ADB's assistance strategy and programs supported improvements in sector and core governance, including efforts to assist the government to combat corruption and foster institutional development.
- (vi) **Implementation.** Performance in, and factors affecting, implementation of the ADB assistance program. This includes the progress of ongoing operations and the likelihood that these will achieve the desired results.
- (vii) **Results.** Extent to which ADB's country strategy and assistance programs contributed to generating important outputs and outcomes in key sectors, poverty

reduction pillars (growth, social development, good governance [footnote 1]<sup>3</sup>), and key thematic areas (private sector development, environmental sustainability) receiving ADB support.<sup>4</sup>

- (viii) **Impacts.** Long-term contribution to poverty reduction and economic development that is either achieved or expected as a result of direct, indirect, and catalytic influences of ADB assistance.
- (ix) **Corporate Commitments.** The extent to which country assistance contributed to corporate commitments, including progress towards meeting policy goals in areas such as regional cooperation, safeguard policies, and the anticorruption policy.

21. Country-specific issues may also be addressed in the CAPE. These would include issues that have a unique bearing on the identification of development challenges, the formulation and delivery of ADB strategies and programs, and the realization of assistance results.

## II. COUNTRY ASSISTANCE PROGRAM EVALUATION METHODOLOGY

### A. Key Questions and Evaluative Criteria

22. A CAPE is designed to answer three interrelated questions:

- (i) Was ADB's strategy and program relevant to the development challenges facing the DMC? How and to what extent did ADB contribute to the major development objectives of the country, as stated in the country strategies? Was ADB's strategy and program aligned with national priorities, well positioned given ADB's mandate and country competence, and harmonized with the assistance provided by other development partners? Was ADB's program, as delivered, consistent with its declared strategy and program?
- (ii) Was ADB assistance (lending and nonlending) effective in achieving the desired objectives? If so, were these objectives achieved efficiently? Are the achievements sustainable over time?
- (iii) Did ADB assistance contribute to outcomes that will improve the DMC's capacity to combat poverty and foster sustainable socioeconomic development?

23. The answer to these questions hinges on the effectiveness of ADB's development assistance effort. According to the OECD-DAC Evaluation Glossary,<sup>5</sup> development effectiveness means "the extent to which the development intervention's objectives were achieved or are expected to be achieved, taking into account their relative importance." By extension, performance of a CAP can be defined as the extent to which ADB's program achieved its development objectives, taking into account their relative importance.

24. An explicit set of performance criteria is needed to provide an objective set of standards for making evaluative judgments about the development effectiveness of ADB's CAP. The criteria that will be used include the relevance, efficiency, effectiveness, sustainability, and impacts of the assistance effort. These criteria are recommended for evaluating public sector

<sup>3</sup> The degree to which ADB's anticorruption policy has been upheld and the specific assistance provided for combating corruption will be covered as part of the review of ADB support for good governance.

<sup>4</sup> Other thematic initiatives, such as gender and regional development, will be assessed for those DMCs in which these are identified as key constraints to poverty reduction.

<sup>5</sup> OECD/DAC. 2004. *Glossary of Key Terms in Evaluation and Results-Based Management*. Paris.

operations by OECD-DAC and by the Evaluation Cooperation Group of the MDBs. They are interpreted to reflect the performance of a CAP as follows:

- (i) **Relevance.** This refers to (a) whether or not the focus of ADB's strategy and program was consonant with the mission of ADB, on the one hand, and the key evolving economic circumstances, priorities and absorptive capacity of the DMC, on the other; (b) the extent to which ADB support was aligned with national policies and strategies; (c) the degree to which ADB support was in line with ADB's evolved comparative assistance advantage; (d) the extent to which ADB's interventions achieved a level of critical mass, were balanced across objectives, selective and focused; and (e) the degree to which ADB assistance was harmonized with that of other development partners. These subcriteria are intended to encompass dimensions of coherence, cohesion, comprehensiveness, responsiveness, positioning, and harmonization of ADB's assistance program.
- (ii) **Efficiency.** Efficiency compares the achievement of the CAP goals and objectives with the use of ADB assistance resources. It is measured by the extent to which resources have been optimally utilized, in terms of (a) the net contribution of ADB assistance to broad-based socioeconomic progress through support for essential policy and institutional reforms; (b) the direct, net economic benefits of the ADB assistance program; (c) the degree to which the benefits of ADB assistance have reached the poor; and (d) the degree of cost effectiveness in delivering the assistance program and coordinating with other development partners in comparison with the costs of providing assistance to other, similar DMCs.
- (iii) **Effectiveness.** Effectiveness refers to how successful the strategy and assistance programs have been in contributing to the achievement of outputs and outcomes in support of the DMC's development goals and objectives at the macroeconomic, sector, and thematic levels. It also refers to the extent to which the results defined under the CAP were actually achieved.
- (iv) **Sustainability.** Sustainability focuses on the likelihood that the achievement of program results and benefits will be sustained. It has important fiscal, social, political-economy, and environmental dimensions. Sustainability is assessed in terms of the extent to which interventions under the CAP have contributed to durable development gains that are likely to prove resilient to identified risks.
- (v) **Impact.** Impacts refer to ADB's contribution to long-term changes in development conditions. This includes how successfully the CAP has contributed to the attainment of specified development goals (i.e., socioeconomic conditions, MDGs, and other specified national poverty reduction goals and objectives). It is also evaluated with respect to the extent to which the assistance program has contributed to building the nation's institutional capacity to manage for poverty reduction. This refers to the improvement in the nation's ability to make effective and efficient use of its human, financial and natural resources in pursuing poverty reduction. Impacts are defined with reference to the counterfactual situation of what might have transpired without ADB assistance, proxies for which may be drawn from pre- and post-assistance indicators and cross-country comparators.

## **B. The Country Assistance Program Evaluation Methodology**

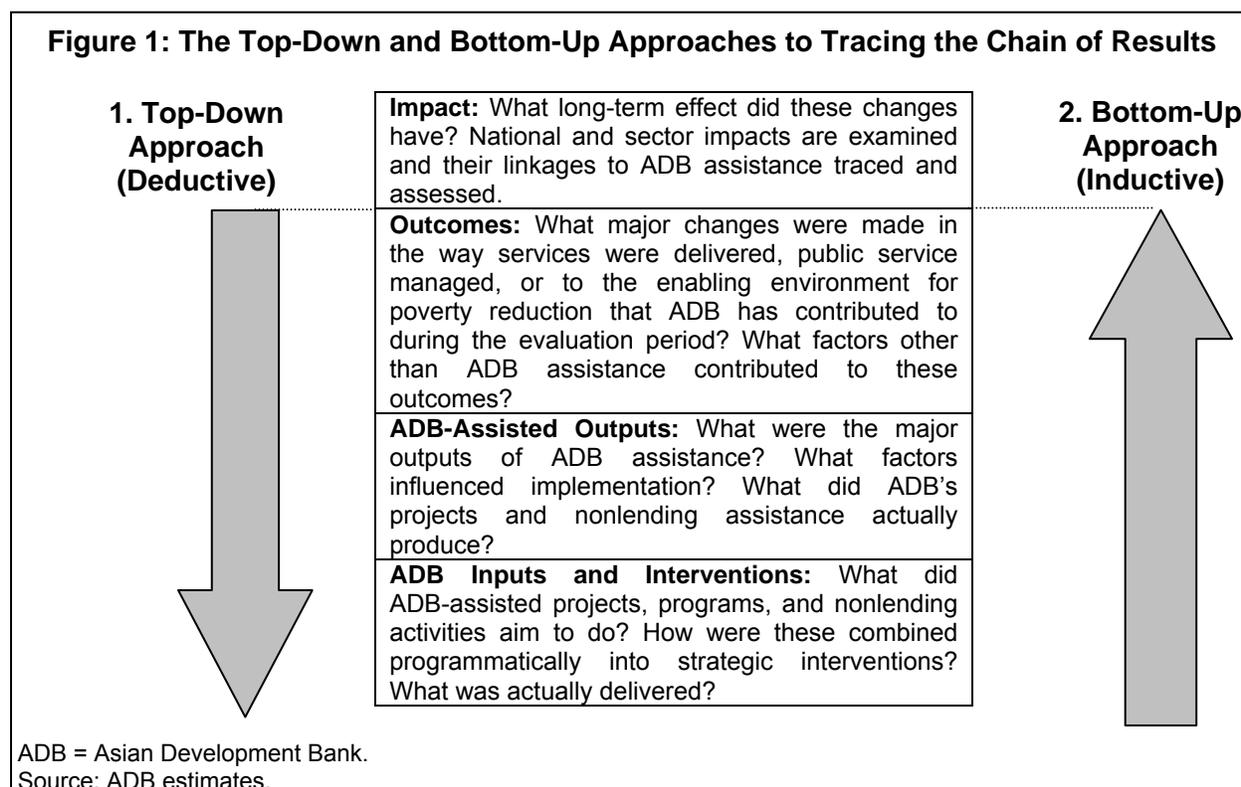
25. The CAPE methodology analyzes country assistance both as a whole and with reference to its major component parts. A combination of top-down and bottom-up approaches to assessing performance is used. Reliance is placed on the judgment of experienced evaluators, but a number of measures are taken to bolster the objectivity of the exercise.

### **1. Asian Development Bank's Results Chain(s) in the Developing Member Country Context**

26. The first stage of the CAPE methodology is an assessment of the degree to which ADB's assistance, as planned, was relevant, given the evolving context of development challenges and opportunities faced by the DMC. For this, it is necessary to identify the key development challenges and opportunities over time, then to compare these to the chain of results (i.e., the expected linkages between ADB-assisted inputs, outputs, outcomes, and impacts to which ADB had intended to contribute). The political and economic setting for development, key challenges and opportunities, and the evolving priorities accorded by the Government to addressing these challenges are identified by drawing upon, among other sources, the NPRS, national development plans, political and economic reports, ADB's knowledge products (e.g., *Asian Development Outlook* and *Country Economic Reviews*), and reports from other development partners, particularly the World Bank and the International Monetary Fund. Special attention should also be devoted to drawing evidence from the reports of the ADB Institute and ADB's Economics and Research Department.

27. Drawing on ADB country strategies and country program documents, the inputs that ADB intended to supply and the results that ADB intended to achieve are identified. ADB provides inputs of various kinds that contribute to three levels of results: outputs, outcomes and impacts. In a results chain, ADB's inputs are the means that were mobilized for conducting the external assistance program. These may be financial, human and physical resources. They may be divided into bundles of related projects, programs, or TA support, and may also include such services provided as aid coordination, policy dialogue and economic and sector work. In some cases, they may refer to an individual project, program or nonlending service, but, in most cases, this will be a combination of lending and nonlending services, often within a particular sector, that aim at contributing to similar results. ADB's outputs are the tangible products (including services) of a program or project. These relate to the completion of activities and are the type of results over which external assistance managers have a high degree of influence. A typical example of an output would be a road or a power station constructed under an ADB project. Outcomes are the actual or intended change in development conditions that ADB interventions seek to support. It describes a change in development setting and conditions. For example, lower transportation costs or better market access could be possible outcomes of an ADB-assisted transport intervention. These also include changes in the policy or institutional enabling environment that result from implementing agreed assistance programs. These could be, for example, changes in the roles of the public and private sectors, sector governance practice, competitiveness, openness, public expenditure incidence, prudential soundness of the financial system, stakeholder voice in decision-making, extent of decentralization, and other changes to the policy and institutional setting. Impacts refer to the overall, long-term effects of various interventions. This is the ultimate result, plausibly but not solely, attributable to an ADB-supported program of assistance, in contrast with outputs and outcomes that reflect more immediate results and may be readily attributable to ADB operations. Changes in economic output, incomes, exports, inflation, health and education levels, poverty incidence, and environmental conditions exemplify the types of impact variables that ADB assistance might

ultimately influence. As illustrated in Figure 1, the results chain of ADB assistance is derived and assessed in both a top-down (deductive) and bottom-up (inductive) manner. In practice, it is unlikely that there would be a smooth, linear progression in time from ADB assistance inputs to desired outputs, outcomes and impacts. Other factors tend to intervene, and, given a dynamic and fluid setting, a key facet of the evaluation is to trace the actual manner in which ADB assistance inputs contributed to development results on the ground.



28. The extent to which a results chain can be identified varies from one country program to another. Factors that are important determinants of the ease or difficulty with which a program can be evaluated include the quality of the country-specific diagnosis, clarity in the definition of objectives, project logic, adequacy of the perceived assumptions and risks, inclusion of suitable output and outcome indicators, baseline measures for outputs and outcomes, and the adequacy of monitoring and evaluation arrangements for outputs and outcomes. In some cases, goals and objectives may be defined in a very broad manner, and the chain of results that link program inputs, outputs, outcomes and impacts may be declared only in very general terms.<sup>6</sup> In those cases, the results chain(s) will need to be retrofitted based on both what is described in the CSPs and from interviews with the ADB country team. When the CSP is well defined, it is useful to prepare a formal results framework to guide the evaluation.

29. Decomposing ADB's assistance program into one or more major results chains has two additional purposes. First, it allows the CAPE to characterize ADB's assistance as a series of (sector or thematic) program thrusts, which constitute the CAPE's main unit of analysis. These program thrusts are combinations of projects, programs, TA, economic and sector work,

<sup>6</sup> While it would be a mistake to conclude that a country assistance strategy and program is better if it is relatively easier to evaluate, that factor does exert an important influence on the extent to which the results chain can be identified and performance against objectives assessed.

policy dialogue and development partner coordination efforts that, in combination, are aimed at achieving related outcomes and impacts. In the power sector of a country, for example, it is possible that several projects, programs, advisory TAs, seminars, workshops, and other nonlending services will have been directed toward the combined aim of enhancing the financial viability of the national power system. From an assistance program perspective, it is the combined results of all these that count. Second, the causality implicit in the result chain(s) serves as a set of hypotheses that can be tested during the course of the evaluation. Drawing on the power-sector example above, possible hypotheses might include: (i) ADB's combined interventions in this "program thrust" did lead to an actual improvement in the financial viability of the power system; (ii) this goal was appropriate and achievable; and (iii) ADB, working with other development partners, provided sufficient assistance so that the Government achieved the desired results.

30. In addition to identifying what chain of results ADB assistance aimed to achieve, the CAPE needs to assess the suitability of ADB's evolving CSPs as an instrument to guide delivery of an assistance program. The responsiveness of the strategy and the program to the national context can be assessed by comparing the alignments between country context and priorities, as well as those between government strategies and priorities, with their articulation in the results chains implicit in the country strategy, and the translation of that strategy into the country program. The relevance of the CSP to country and sector challenges is assessed by examining whether or not the focus of ADB's country (and sector) strategy and program was consonant with ADB's mission, on the one hand, and with the key, evolving economic circumstances, priorities and absorptive capacity of the DMC, on the other. To make this assessment, the CAPE must examine the extent to which ADB's strategies and programs were (i) responsive to national needs, (ii) aligned with the Government's programs and priorities, (iii) coherent and cohesive, (iv) well-positioned given ADB's comparative advantage and the activities of other development partners, and (v) realistic given the context in which ADB was operating. The information required for this is drawn primarily from a review of the available literature and from structured interviews with ADB staff, development partners, and government officials involved in national planning and the management of external assistance.

## **2. Tracing the Delivery of Assistance Inputs**

31. A CAP cannot contribute to development results unless assistance inputs are actually delivered. In the second stage of the CAPE methodology, CAP delivery is assessed. Implementation trends of the assistance program (including all lending and nonlending services) are reviewed, and key factors affecting implementation of the CAP are identified.

32. The first step is to compare program implementation with what the strategies in place indicated were to have been delivered. This is done by comparing the realization of lending and TA with what was planned in the CSP and CSP update pipelines. This involves examining what was delivered with what was planned in each of the main sectors. It assesses the extent to which there are outputs results from synergy and complementarity among sectors and themes, as well as from the interface between ADB's public sector operations and private sector operations. The delivery of the assistance program may be quite different from what was planned because of, for example, the effects of natural calamities, rapidly changing economic conditions, difficulties in implementation, or unrealistic expectations. Where there are, indeed, substantial differences between the program that was delivered and that which was planned, the reasons for this should be identified based on information found in project files, from interviews with ADB staff and government officials, and from the findings of the annual portfolio management review reports.

33. The second step is to make comparisons across different periods of time and with respect to ADB-wide averages to assess the effectiveness with which the ADB assistance program was delivered and the intended outputs created. The efficiency with which ADB assistance is delivered is assessed across several dimensions, including, where feasible, comparisons of the benefits and costs of major assistance activities (i.e., *ex post* internal rates of return), transaction cost indicators, and the unit costs of delivering assistance. The findings from a sample of self- and independent project, program and TA evaluations are validated<sup>7</sup> to confirm that the programs were indeed delivered and the outputs generated as reported. Nonlending services are also examined, including policy dialogue, development partner coordination, and provision of knowledge products, to assess the extent to which desired nonlending services were provided and nonlending outputs achieved. Key factors influencing implementation, good implementation practices to replicate, and bad implementation practices to avoid are distilled from this analysis and serve as key findings upon which recommendations regarding implementation may ultimately be derived.

34. In a number of countries, ADB has decentralized the bulk of the program implementation responsibilities to its resident missions. In the third step, the CAPE will assess the contribution of the resident mission to country programming<sup>8</sup> and to a timely and effective implementation of the agreed program of assistance. This will include examining the adequacy of resident mission staffing, resources and responsibilities, as well as the division of labor between headquarters and the resident mission staff.

### 3. Assessing Results: Triangulation

35. The third (and most important) stage in the CAPE methodology is to identify and assess the results of ADB's assistance program. The main focus is on outcomes—i.e., changes in specific development conditions and ADB's contribution to these. The emphasis is on improving the understanding of the outcome itself, its status, and the factors that contribute to its change. This level of results reveals the most about how effective ADB assistance was in contributing to change that has an impact on the lives of the poor. Of the various categories of results, outputs may simply reflect the fact that projects were implemented, and development impacts may take a long period to be realized. The shorter time frame required to achieve outcomes allows for identifying more credible linkages between ADB assistance and sector or thematic outcomes.

36. **Measuring Results.** The assessment of sector and thematic outcomes and impacts seeks to isolate the contribution, or plausible channels of effect, of ADB's operations to these changes in development conditions. The appropriate comparison for assessing ADB's contribution to development outcomes and impacts is the counterfactual—i.e., what would have happened in the absence of ADB support.<sup>9</sup> If no well-defined counterfactual exists, proxy indicators, indirect measures, comparisons with experience drawn from other countries, and a mix of qualitative and quantitative indicators will have to be used as evidence of ADB's contribution to outcomes and to provide guidance on future assistance choices. For some

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<sup>7</sup> Typically, a sample of key projects, programs, and TAs will be validated during the CAPE.

<sup>8</sup> In some countries, the resident missions also play an important role in helping to define and implement regional cooperation support. In those cases, this should also be covered in the discussion of the role of resident missions in delivering the assistance program.

<sup>9</sup> Serious construction of counterfactuals is relatively rare in CAPEs. There are cases, however, in which a consensus of informed experts can be used to define a suitable counterfactual. Consideration of the counterfactual also helps to focus attention on the additional value, over and above financing, that was provided by the assistance program.

programs, results are easily quantified. In others, such as policy reform and capacity building programs, results are more qualitative and may be of a long-term nature.

37. The most common method for assessing outcomes and impacts is the “before and after” approach, whereby the situation obtaining before development assistance is compared with that which obtains after the assistance. This is the most commonly used method perhaps because it is the simplest and least-cost in terms of data collection. It must be used with care, however, as it can lead to incorrect inferences about a development partner’s contribution when factors other than its assistance were the key determinants of the observed change.

38. Another approach to measuring results is to compare the development outcomes and impacts with the situation prevailing in comparator countries at about the same level of socioeconomic development. This approach requires comparable baseline and performance data for both groups of countries. Since, in reality, many factors cannot be controlled for across countries, this approach is generally used to make comparisons of major “results” that differ starkly across countries that are otherwise similar in most respects. In practice, the choice of impact assessment approach hinges on data availability; in some cases, data will exist for a reasonable counterfactual or a robust cross-country comparison, but in other cases it will not.

39. The empirical evidence upon which the assessment of ADB’s contribution to outcomes is based is gathered from three major sources: perception, data analysis and literature review. Findings and hypotheses drawn from existing documentation and perception are validated using a range of primary and secondary data collection approaches. Confirmation from multiple sources is used to validate findings and confirm hypothesis. This serves to build a robust body of evidence from which conclusions and recommendations can be drawn. It compares findings reached in a top-down manner (i.e., national and sector performance in terms of outcomes and impacts) with findings obtained in a bottom-up manner (i.e., evaluation of specific lending and nonlending services), and it seeks to reconcile any differences that might occur. The use of a triangulation process to identify and assess ADB’s contribution to development outcomes and impacts is illustrated in Figure 2.

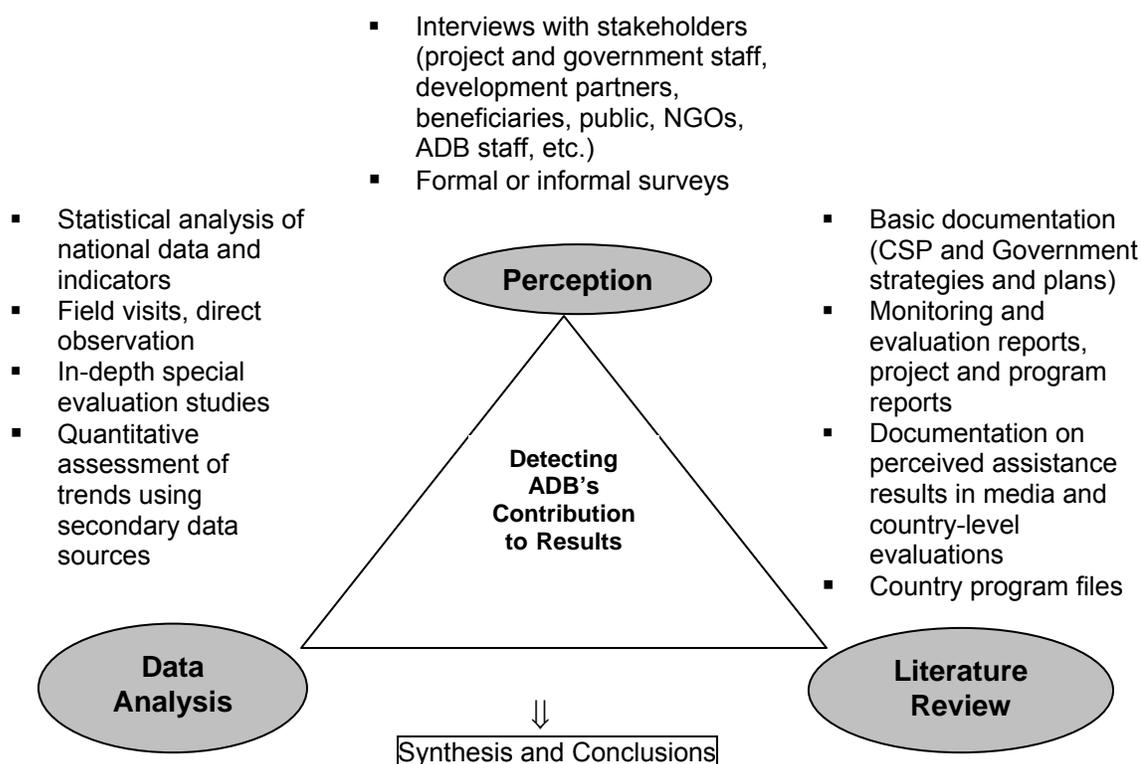
40. The results of ADB assistance will be examined for major program thrusts—i.e., combinations of lending, TA, policy dialogue, economic and sector work, and donor coordination that are aimed at achieving similar outputs, outcomes and impacts. The manner, however, in which the results attributable to the individual components of a program thrust are assessed may differ by assistance instrument.

41. **Assessing Results of Lending Operations.** The results of related lending operations within a particular sector or thematic program thrust area will be assessed. The CAPE will examine and verify the main findings about the results of ADB assistance from self- and independent evaluations for completed projects, programs and TA activities. Results may also be assessed from a visit to the main field site of ADB activities, meetings with project and program beneficiaries, and interviews with representatives of the main executing agencies (EAs) and other stakeholders. The objective is to assess if, after passage of time, the main findings, conclusions and overall assessment in the earlier evaluation remain valid.

42. For ongoing projects, programs, and TA, the CAPE will draw inferences about the likelihood and nature of expected results (i.e., outputs, outcomes and impacts) from progress made in implementation and from the context in which implementation is taking place. The CAPE will also assess the results of ADB’s private sector operations, primarily to assess the

degree to which these have served to complement ADB's public sector operations, catalyze higher productivity and stimulate increased inflows of foreign direct investment.

**Figure 2: The CAPE Triangulation Process:  
Detecting ADB's Contribution to Outcomes**



ADB = Asian Development Bank, CAPE = country assistance program evaluation, CSP = country strategy and program, NGO = nongovernment organization.

Source: Operations Evaluation Department.

#### 43. **Assessing Results of Economic and Sector Work, Policy Dialogue, and TA.**

Economic and sector work, policy dialogue and capacity building interventions contribute to results that are both crosscutting and intermediate to other sector results. In some cases, policy dialogue, economic and sector work, and TA support may be designed with a rather narrow set of objectives in mind (e.g., to facilitate preparation of a future loan), and in others the objective may be much broader in scope. Nonlending interventions may contribute to new knowledge, awareness, competencies and capacities, as well as to actual changes in the legal and regulatory settings, and in the nature and content of the government plans, strategies and policies. Nonlending interventions may encourage interaction and relations between various public sector entities, as well as between government, private sector and civil society. Moreover, nonlending interventions can enhance the abilities of public and private organizations to fulfill their respective mandates. The CAPE should assess the "narrow" outcomes of nonlending services (i.e., to determine whether TA and economic and sector work contributed to the lending program) in the review of assistance outputs, since the adequacy of nonlending services is important in that regard. In the review of CAP outcomes and impacts, it is the broader outcomes of nonlending services that should be identified and assessed. Within each sector and thematic

thrust area, the CAPE should examine the extent to which economic and sector work, TA<sup>10</sup> and policy dialogue contributed to new knowledge, awareness and capacities, as well as to actual change in the policy, regulatory environment and institutional setting, including improvements in the mandate, financing, incentive structure, and organizational capacity of those public and private sector organizations assisted by ADB.

**44. Assessing Results of Development Partner Coordination and Fostering Country Ownership.** ADB coordinates its activities with other development partners to minimize duplication, reduce transaction costs, and to foster a cohesive response to sector development challenges. ADB subscribes to the principles of the 2005 Paris Accord and to a number of preceding agreements on enhancing aid effectiveness. Consistent with these commitments, ADB often assists governments to develop their institutional capacities to define national strategies and priorities, and to coordinate external assistance. With respect to the latter, the CAPE will review the arrangements for coordinating external assistance, and it will examine ADB's role in building government and country ownership. With regard to ownership, the CAPE will examine the extent to which ADB assistance fostered involvement of all stakeholders (e.g., government, private sector, civil society, nongovernment organizations [NGOs] and other development partners) in the formulation and implementation of CSPs. This will also include ADB's contribution to improving the Government's ability to plan its public investment program, to mobilize external resources, to implement projects and programs, and to monitor and evaluate the results of external assistance.

**45. Analyzing Impacts.** While the main emphasis of the results assessment will be on analyzing outcomes, impacts will also be identified and assessed. The CAPE will collect and present major poverty, economic, social, sector and thematic performance indicators, and it will identify the plausible (qualitative) linkages between ADB assistance and movements in these indicators. Impact indicators for which there is no plausible linkage to the program may also be included in order to identify and illustrate areas in which ADB intervention may well, in retrospect, have been warranted. For ADB interventions that directly benefit well-defined groups (i.e., targeted interventions), the CAPE will draw on project survey data and monitoring reports to describe the nature and magnitude of project benefits. Such data can also be used to illustrate the range of anticipated and unexpected results arising in different sectors and from the use of various assistance instruments and approaches.

**46. Analysis.** After the information on results is collected, it is analyzed and synthesized. The data collected is analyzed across various dimensions to reveal differences, changes and trends. The information that has been gathered is organized according to various evaluation questions and sub-questions. The data collected is assessed to ensure that the key findings are logically consistent across the various stages of the development assistance process, that the multiple sources of data agree with one another, and that there is robust evidence upon which to base key findings and conclusions. Out of this synthesis will flow answers to the research questions and evidence to support or reject the hypotheses that guide the evaluation.

#### **4. Attributing Asian Development Bank's Contribution**

**47.** In practice, ADB, together with the other development partners, contributes to a collective assistance effort that aims to achieve certain development outcomes and impacts. Those development outcomes and impacts ultimately reflect the joint influences of six agents:

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<sup>10</sup> This would also include regional TA if that was directly linked to the achievement of the key program thrusts that have been selected for the analysis of ADB's contribution to development results.

(i) the DMC government, (ii) ADB, (iii) other development partners, (iv) private sector, (v) civil society, and (vi) exogenous forces (e.g., events of nature, economic developments, global market conditions, international economic shocks). Under certain circumstances, a negative contribution from any one agent might overwhelm the positive contributions from the other five and lead to an unsatisfactory outcome and/or impact. The fourth stage of the CAPE methodology aims at addressing the attribution problem by examining the extent to which ADB's assistance contributed to major "performance" results, or whether these can primarily be attributed to factors other than ADB interventions. This is done by examining the role of the other actors to determine the extent to which ADB made a meaningful contribution to the processes that resulted in the observed outcomes and impacts. Towards this end, the actions of key actors are examined for consistency with the policies and procedures necessary to the success of ADB's assistance strategy and by international standards of good practice.

48. Attribution requires examining the main results that did, or did not, materialize in each of the main program thrust areas and then apportioning responsibility to the six agents listed above. This is accomplished in the CAPE from a review of documentary evidence and by interviewing key stakeholders to assess whether (i) the actions of the other stakeholders were consistent with and supportive of achieving the results that ADB was aiming to contribute to, (ii) the assumptions underlying the results chain were realistic and reasonably resilient to shocks and uncertainties, (iii) the program was delivered in a fashion consistent with achieving the desired development results (primarily development outcomes), and (iv) there is any evidence that the main outcomes were achieved primarily due to the efforts or involvement of another stakeholder or by exogenous events.

## 5. Reaching Conclusions and Recommendations

49. The fifth stage in the CAPE methodology involves formulating conclusions and recommendations. To draw operational conclusions, future challenges and opportunities for the DMC are identified and summarized. Typically these come from national plans, NPRS, and recent ADB assessments. The evidence from the key findings is then interpreted in light of these future country challenges and opportunities to generate a small number of both general options and more specific recommendations, all of which are aimed at enhancing ADB's future development effectiveness.

50. **Disclaimers.** The limitations of the CAPE methodology must be frankly acknowledged, and CAPE findings and recommendations should be framed with these qualifications in mind. In practice, ADB's contribution to results can never be fully isolated and attributed since other factors will also contribute to common development outcomes. The fact that the counterfactual is unobserved implies that ADB's contribution to development results can only be approximated. In many cases, the insufficiency or absence of specific, monitorable performance goals, objectives, targets and indicators in the country strategy and assistance program implies that the results chains that are assessed will be defined imprecisely. Weaknesses in monitoring systems will inevitably impose limits on the evidence that can be brought to bear. CAPE conclusions will likely be drawn from a subset or sample of country assistance performance, given what is typically a very wide array of lending and nonlending services. Finally, only those findings and recommendations are presented that are clearly evidence-based.

### III. REPORT CONTENTS

#### A. Format and Finalization of the Country Assistance Program Evaluation

51. A CAPE will typically follow the broad structure outlined in these guidelines. This helps to ensure consistency between evaluations and in locating information in reports. However, there may be variations to suit the specific circumstances of a given program. These guidelines are intended to assist in analysis and report preparation. Evaluators are to exercise their best professional judgment to avoid redundancies and repetition, and to focus attention on significant issues.

52. A position paper will be prepared to guide preparation of the CAPE. It will identify the approach, methodology, key issues to be addressed, time frame and resources required. The position paper will be discussed with the ADB divisions concerned, including the country team, before submission to the director general (DG) of OED for approval. After the bulk of the CAPE fieldwork is completed, a short paper (five pages) summarizing the main findings and conclusions will be prepared and discussed with the ADB division concerned and OED management. A draft CAPE will then be prepared and initially reviewed within OED. The draft is then circulated to ADB departments and offices concerned. After adjustments to reflect the comments of the ADB offices concerned, the draft will be forwarded to the government and within ADB for formal review and comment. A mission may be undertaken in order to have a full discussion with the government on the CAPE findings. The director of the concerned OED division normally attends these discussions. In the case of large programs, the DG of OED may also attend. CAPE recommendations should be provided early enough in the evaluation process so that they can be assessed and internalized by operations staff. Those recommendations that would require ADB or the DMCs/EAs to take action should be fully discussed in aide-mémoires and be highlighted when the draft report is sent to the government for comment. After the draft CAPE is circulated for comment and the appropriate changes are made, there should be a meeting at the DG level to discuss the recommendations. This meeting aims to build greater understanding and acceptance from senior staff for the CAPE findings and recommendations. Comments received will be considered in finalizing the report. Substantive differences between other ADB departments, the government, and OED are to be reported in an appendix or footnotes in the CAPE.

53. The style and format of the CAPE should adhere to ADB's *Handbook of Style and Usage*. The main text will be a maximum of 50 pages, excluding appendixes, for large programs and 35 pages for small programs.<sup>11</sup>

54. All OED evaluation reports and studies are made public upon approval of the DG, at which time they are circulated to Management and the Board of Directors. All CAPEs are discussed in ADB's Development Effectiveness Committee (DEC). The Management's response to the CAPE, OED's reply (if any) and the DEC's summary are all made publicly available. Evaluation reports approved after 1995, including all of the CAPEs, can be accessed from the ADB intranet and through an internet site ([www.adb.org/evaluation](http://www.adb.org/evaluation)).

55. The CAPE document itself should have seven major chapters, the first introducing the methodology, the second and third dealing with diagnosis, country strategy formulation and programming, the fourth directed to program implementation, and the fifth addressing the results achieved. The sixth chapter will assess overall performance, and the seventh will discuss key

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<sup>11</sup> A template of an indicative report outline for a CAPE is included as Appendix 1.

findings and lessons as well as provide recommendations. Chapter headings for the CAPE are as follow:

- EXECUTIVE SUMMARY
- I. INTRODUCTION
- II. THE DEVELOPMENT CONTEXT AND GOVERNMENT PRIORITIES
- III. ADB'S COUNTRY STRATEGY AND PROGRAM
- IV. PROGRAM IMPLEMENTATION
- V. RESULTS ACHIEVED AND FACTORS INFLUENCING PERFORMANCE
- VI. PERFORMANCE ASSESSMENT AND RATING
- VII. KEY FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS
- APPENDIXES

## **B. Executive Summary**

56. Recommendations in CAPEs should influence decisions on future ADB operations in the country. Thus, the executive summary, containing the main findings, lessons, conclusions and recommendations of the CAPE, is very important. The findings and recommendations should identify specific ways of improving the development effectiveness of ADB assistance and should address strategic issues of relevance to ADB and the country. Recommendations should be specific, monitorable, actionable, relevant, results-oriented, and time-bound. An overall assessment rating will be given and explained. The typical length of an executive summary is five pages.

## **C. Introduction**

57. This section will introduce the goals and objectives of the CAPE. It will briefly summarize the methodology and the manner in which it has been applied in the case. It will also outline the study's limitations.

## **D. The Development Context and Government Priorities**

58. This chapter describes the basic context within which ADB's country strategies and programs were developed. It will describe the country's economic and social situation as well as major challenges to development. This will generally be built up from an analysis of ADB documents (economic and sector work, country strategies, programming documents, key loan documents), along with an analysis of official country documents on development issues, reports from other development partners, reports from private sector sources, and the available academic literature. It will include an assessment of key economic and political developments, and it will assess broad trends in country performance using indicators of policy performance and governance, such as those reported on in ADB's performance-based resource allocation system. Progress made in reducing poverty and toward achieving MDG targets will be covered in this section. The section will summarize the government's strategic priorities, drawing on planning documents and the NPRS, and it will also assess the policies that were actually pursued. The chapter seeks to answer the following questions:

- (i) What were the major development issues in the country at the start of the period?
- (ii) Did these issues change over the course of the period under review, and, if so, how?

- (iii) How did the evolving political and economic setting influence key development issues?
- (iv) Did the government articulate in any formal way its development and strategic priorities? If so, what were these priorities and their rankings?
- (v) Was there consistency between stated policies and those that were actually pursued?
- (vi) What other development assistance actors were active in the country during the period? What were their operational priorities and what was the nature of cooperation between these entities, ADB, and the Government?

## **E. The Asian Development Bank's Country Strategy and Program**

59. This chapter will describe the development of ADB's CSPs over the period under consideration. It will evaluate ADB's role in promoting participation and partnership, its efforts in aid coordination and resource mobilization, and its selectivity, creativity, efficiency and clarity of purpose. Insofar as they affect program design, judgments will also be made about the roles of other actors, but this would be of secondary importance.

60. The purpose of the analysis of ADB's evolving CSPs is to explore the processes used to arrive at a CSP and its content. This includes:

- (i) The consistency and appropriateness of the government's development strategy, poverty reduction plans, and resource requirements, as well as its strategy for mobilizing and utilizing development assistance.
- (ii) The ADB CSPs, in order to assess the extent to which these are (a) aligned with the government's strategies and plans; (b) informed by quality economic and sector work; (c) supported by appropriate policy dialogue and a sound analytical framework; and (d) consistent with ADB's PRS and medium-term strategic framework as well as with country, sector and thematic strategies. For later CSPs, the quality of poverty, private sector, governance, environmental and gender assessments will be discussed.
- (iii) The activities of other development partners and the arrangements for coordinating and harmonizing assistance to determine whether ADB has effectively complemented the assistance of other development partners. Particular focus should be accorded to the degree to which ADB's CSPs positioned ADB to provide support in areas where it had a comparative advantage.
- (iv) The coherence and quality of the lending and nonlending assistance that was planned for.
- (v) The degree to which political economy factors were explicitly considered in designing the CSP.

61. Factors to consider include the following:

- (i) a national development agenda underpinning the assistance program;
- (ii) ownership and favorable political economy of decision-making;
- (iii) adequacy of country and sector knowledge and analysis;
- (iv) institutional capacity to manage and utilize external assistance, and to implement agreed reforms;
- (v) the extent to which program logic includes identifying (a) the goals to be achieved; (b) the specific objectives of ADB assistance, program measures, their

- expected outputs, outcomes, and impacts; (c) the key assumptions and risks to performance; and (d) the design alternatives considered;
- (vi) the extent to which risks (both internal and external) are clearly identified, and risk mitigation and management strategies agreed upon;
- (vii) adequacy of ADB support provided to enable the country to meet defined objectives, financing rationale established, and financing impacts (i.e., particularly on borrowing capacity) assessed; and
- (viii) reporting, monitoring, and evaluation indicators identified, and responsibilities assigned and funded.

62. **Characterizing ADB's Inputs.** This section will characterize ADB assistance in terms of one or more results chains to which ADB assistance was expected to contribute. The results chains are gleaned from CSP documents and serve to provide a framework of goals, objectives, and performance expectations against which the program will be evaluated. Inputs, in a result chain, are those strategic interventions aimed at achieving targeted outputs, outcomes and impacts. These may be in the form of various combinations of ADB's projects, programs, TA and nonlending services, both within and across sectors, and within and across various time periods. Results chains will be presented for each of the major program thrusts. A formal results framework may be presented to guide the evaluation where the program logic is clear and the program is relatively very open to evaluation.

63. **Sector and Thematic Coverage.** This section will classify ADB's assistance inputs by sectors, strategic pillars of poverty reduction, and key thematic initiatives. In each area, the classification will identify (i) ADB's evolving strategy (sector, pillar and thematic), including the goals, objectives and principal results that were to be achieved; (ii) the lending and nonlending programs that were to be delivered to contribute to these results; and (iii) any supporting services (i.e., economic and sector work, donor coordination, policy dialogue) that were to complement ADB's direct support. ADB's role in each sector should also be identified in terms of whether it was a lead, major or minor development partner. In describing ADB's involvement, all major sectors and poverty reduction pillars should be addressed. Certain thematic issues (i.e., private sector development, capacity building, environment, and governance/corruption) should be included in the classification presented in all CAPEs. Other thematic issues should be assessed if these are deemed to be major thrusts of ADB assistance in the DMC concerned. Topics of special relevance to ADB's assistance in a particular DMC (such as regional integration, government-NGO partnerships, regional development and support for economic diversification) may be characterized and assessed as country-specific thematic issues.

64. The assessment of ADB's CSPs focuses on establishing the rationale for ADB's assistance program, both at the outset of the process and through the period under review. It covers both ADB's assistance goals and objectives as well as the mix of instruments that were to be supported to achieve those objectives. It seeks to answer the following questions:<sup>12</sup>

- (i) Which development issues for the country were addressed in ADB's formal CSPs?
- (ii) Did ADB's diagnosis cover important country development issues and focus on those for which ADB has a comparative advantage? Was adequate analysis and economic and sector work undertaken to underpin the CSP?
- (iii) To what extent was ADB's strategy and program aligned with the government's NPRS or other key national development policies and programs?

<sup>12</sup> While OED has not yet agreed on a structured process for assessing and rating the quality of CSPs, evaluators are encouraged to derive ratings. An example of strategy rating by a recent OED evaluation is contained in Appendix 6.

- (iv) What was ADB's articulated strategy for achieving program-level goals?
- (v) Did ADB's strategy establish clear and realistic goals, objectives, and monitorable progress indicators?
- (vi) Was ADB's program consistent with its country strategy? Was ADB assistance suitably positioned within the context of development assistance activities of other actors, establishing *ex ante* a well-articulated division of labor?
- (vii) Were the lending and nonlending assistance activities well designed? Were they informed by suitable economic and sector work? Did they build on country-specific or regional good practices? Did they take into consideration the economic, social and institutional factors that influence the DMC's capacity to absorb and effectively utilize external assistance?
- (viii) Did ADB's strategy drive the lending program, or was the reverse true?

65. Table 1 presents the main issues to be assessed in the coverage of sectors, poverty reduction pillars and thematic aspects of ADB's assistance program. In addition, ADB prepares a large number of documents that provide it with mandates, direction, and guidance for undertaking activities in diverse sectors and thematic areas. Policy and strategy papers can be reviewed to identify, in great detail, the key issues involved in various sectors and thematic areas as well as good ADB assistance practice. The policy and strategy papers are available online at <http://www.adb.org/Development/policies.asp>.

66. Ownership is an important determinant of CAP performance. Although country ownership is a common phrase, it is not well defined. Elements of strong country ownership include: (i) selection of strategies, reforms, sectors and projects that are fully aligned with government priorities; (ii) clear allocation of responsibility at the EA level to plan and implement projects and to mobilize substantial counterpart funding before a decision is made to borrow; and (iii) support provided for agreed projects and programs that is demonstrated by a proven ability to mobilize the necessary counterpart funding and EAs that are adequately staffed by competent professionals. A key indicator of country ownership is the degree to which government leaders and EAs provide consistent support for institutional and policy reforms that were supported by ADB assistance. To assess ownership of the country strategies and programs, this section will answer the following questions:

- (i) Did the government<sup>13</sup> actively participate in the design of the CSP?
- (ii) Did the EAs and the agencies responsible for implementation support the agreed upon sector policy and institutional reforms embedded in the CSP?
- (iii) Were the agreed sector and thematic reforms carried out and sustained?
- (iv) What were the responses to policy slippage and project noncompliance?
- (v) Were the purpose, objectives, and likely effects of the country program, and, in particular, ADB-supported sector and thematic reforms adequately communicated to key interest groups and the public?

67. **Ease of Evaluation.** The evaluability of CSPs will vary from one country to another. This section should assess the degree to which the ADB CSP was "evaluable" and whether adequate arrangements were made for its monitoring and evaluation. If gaps in those processes exist, the extent to which capacity building assistance was made available should also be assessed.

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<sup>13</sup> Where there is more than one level of government (e.g., federal, provincial, and local), it is important to assess participation of each level.

**Table 1: Strategic Issues to be Assessed at a Sector and Thematic Level in the CAPE**

<b>Issue</b>	<b>Mandatory/Optional Coverage</b>	<b>Strategic Issues to be Assessed</b>
Sector Strategy and Program	Mandatory	ADB's main strengths lie in financing relatively large investments with medium- or long-term impacts and in conducting dialogue with governments to support policy and institutional reforms that have widespread, indirect impacts. Degree to which this role was played should be examined for each sector where ADB had a sizable presence.
Pro-Poor Growth	Mandatory	Pro-poor growth issues include quality of macroeconomic management, employment policies, private sector enabling policies, infrastructure development for market access, regional integration, quality and productivity of the natural resource base, and policies influencing income distribution.
Social Development	Mandatory	Extent to which ADB assistance has helped DMCs plan for human capital development and develop the policies, institutions, and infrastructure needed to deliver basic social services to the poor effectively. Extent to which assistance supported human capital development, sustainable population growth, gender development, social capital formation and inclusive development, and social protection.
Good Governance (including anticorruption)	Mandatory	Core and sector governance, including issues of corporate governance, extent to which good governance (accountability, transparency, accountability, participation) has been mainstreamed into sector operations and participation with civil society has been encouraged. Special attention should be paid to the extent to which ADB's anticorruption policy was addressed, the measures taken to protect ADB from becoming infected with corruption (if corruption is a serious problem in the country), and the country-specific anticorruption strategies and measures.
Private Sector Development	Mandatory	Extent to which ADB assistance has helped DMCs to create an enabling environment for private sector participation in development and to generate business opportunities through public sector operations. Contribution to corporate governance, regulatory reform including privatization, contracting-out and private-public partnerships, and private sector operations to demonstrate new approaches and remove investment obstacles.
Environmental Sustainability	Mandatory	Extent to which advisory and regional technical assistance grants, projects and programs contributed to (i) environmental interventions; (ii) mainstreaming of environmental issues in projects aimed at fostering economic growth; (iii) maintenance of global and regional life support systems; (iv) fostering effective partnerships; and (v) integrating environmental considerations into ADB operations. This would include, where relevant, assessing ADB's direct contribution to reducing environmental degradation (in the areas of brown and green pollution control), to resource conservation, and to building institutional capacity and effective policy and regulatory capacity to foster environmental sustainability.
Gender Equality	Optional	Extent to which cultural traditions dictate the segregation of sexes or women require special assistance to enable their full participation in economic and social activities. Extent to which gender and development issues were taken into consideration in its economic and sector work, loans, technical assistance, policy dialogue, CSP formulation, and other activities. Attention should be accorded to ADB efforts to mainstream gender operations into its lending and nonlending operations, and the degree to which ADB contributed to women's empowerment, gender equality, greater economic participation of poor women, and improvement in women's living standards.
Regional Development	Optional	Extent and manner in which regional cooperation was pursued as a means for DMCs to eliminate both physical and institutional impediments to trade and investment, to jointly develop the facilities required for delivering essential public services, to facilitate the combating of global crimes and health issues, and to share knowledge.
Capacity Development	Mandatory	Extent to which ADB provided strategic support to enhance a DMC's capacities to formulate and implement policies, reforms, and investments needed for poverty reduction.
Country-Specific Themes	Optional	Issues identified in the position paper that are either a unique assistance focus, a special manner of delivering assistance, or a unique means of improving effectiveness in the particular DMC. Some of these factors could relate to new initiatives and policies (e.g., medium and long term strategies; Innovation and Efficiency Initiative; middle-income country strategy; performance-based allocation policy for ADB; managing for development results) that may be relevant to the issues to be covered in the CAPE.

ADB = Asian Development Bank, CAPE = country assistance program evaluation, CSP = country strategy and program, DMC = developing member country.

Source: Drawn from ADB. 2004. *Enhancing the Fight against Poverty in Asia and the Pacific: Poverty Reduction Strategy of the Asian Development Bank*. Manila.

## F. Program Implementation

68. This section evaluates the implementation performance of the assistance program. The focus is on the timely and efficient production of ADB assisted outputs as a result of ADB's lending, TA, donor coordination, research and policy advice. The assessment of ADB program implementation seeks to answer the following questions:

- (i) How did ADB's actual program unfold in the country during the period, in terms of commitments and disbursements of lending and nonlending assistance?
- (ii) Were activities actually undertaken as anticipated?
- (iii) What were the key factors that affected implementation of ADB lending and nonlending services?
- (iv) How well did the portfolio as a whole execute in terms of standard portfolio performance indicators comparison with ADB-wide and regional averages?
- (v) Were outputs delivered in an efficient manner, as measured by comparison to their costs, to ADB staff time, and to the transaction-cost burden imposed on government?
- (vi) What major issues arose during the course of implementation? How were they resolved?
- (vii) How was the performance of major assistance activities rated, by self- and independent evaluations? How did performance compare to regional and ADB averages?

69. Assessment of program implementation draws on standard indicators, at both the country and regional levels, of portfolio performance. In preparing this section, the evaluator will review and draw on the country appendix in OED's *Annual Report on Loan and Technical Assistance Portfolio Performance*. In addition, this section will build on the findings of self- and independent evaluation and supervision reports. Effectiveness ratings accorded to projects, programs and TAs in PCRs, TCRs and PPERs are also summarized in this section. *Ex post* economic internal rates of return for major investments may be reviewed as one of several indicators of investment project efficiency. Various proxies for transaction costs to the government can also be assembled, including the number of missions per annum, the proportion of their time that senior government officials report spending on supporting ADB missions, and the average amount of time government officials allocate to the design, implementation, monitoring and evaluation of ADB-supported assistance activities.

70. In assessing implementation of the ADB program, evaluators need to examine not only the extent to which inputs were delivered but also the degree to which measures necessary for their full implementation actually occurred. For example, ADB may have supported the design of a new law under a program loan, but unless that law was actually approved by the parliament and promulgated after the loan was completed, there would be no actual policy-change output. A review of performance indicators, activity surveys, and structured interviews with key stakeholders can be used to assess whether or not the implementation of ADB-supported assistance actually gave rise to the outputs expected of them.

## G. Results Achieved and Factors Influencing Performance

71. This section will discuss ADB's contribution to development results. Here, the focus is primarily on outcomes and, to the extent possible, on impacts, rather than outputs.<sup>14</sup> At the program level, the CAPE should seek to answer the following questions regarding the program as a whole and with respect to each of its major constituent themes:

- (i) What was the overall contribution of ADB's assistance to outcomes at the macroeconomic, sector, poverty reduction pillar and thematic levels?
- (ii) What evidence is there that ADB assistance contributed to the specific sector and thematic objectives established during the CSP process?
- (iii) How likely are the results to be sustained after the conclusion of ADB assistance?

72. Results can be assessed at different levels of aggregation (i.e., by sector and thematic area of intervention) and by poverty reduction pillar (i.e., growth, social development and good governance). To reduce overlap, results should be presented first for each of the key sectors in which ADB was involved, with the results organized by main program thrusts. Case studies may be included to represent both positive and negative outcomes. These should then be aggregated to illustrate the extent to which results in the key sectors contributed to achievements in the thematic pillars that underpin ADB's strategic approach to poverty reduction and to performance in achieving thematic outcomes, such as those pertaining to private sector development and environmental sustainability (and possibly, if relevant, to regional cooperation, gender, and institutional capacity building). ADB's contribution to results should be presented in a manner that minimizes duplication and overlap. Accordingly, ADB's contribution to higher-level results (i.e., at the poverty pillar and thematic levels) should be discussed in summary terms, with an emphasis on assessing the positioning of ADB assistance and the degree to which critical constraints were actually addressed.

73. Whether the level of analysis is at the sector, thematic area or poverty reduction pillar, the approach to assessing results is much the same. The evaluation should compare the key results (i.e., the major outcomes and impacts), both intended and unintended, to which ADB contributed with what was originally intended and with what, in retrospect, was required to achieve desired sector, thematic and national development outcomes and impacts.

74. **Sector Focus and Portfolio Quality.** The 2006–2008 planning directions state that, in the interest of quality, ADB will sharpen the focus of the lending and nonlending assistance program. As a general principle, ADB should prioritize operational areas where it is the principal agency. Past performance should also be considered, with priority given to sectors where ADB has been most successful. CAPE results can help to identify the areas where ADB has been most and least successful across the different sectors in which ADB has been involved. Sector performance will be rated as part of the overall rating of the effectiveness of ADB's CAP (Appendix 2). In general, ADB should remain engaged in sectors in which performance is successful or better, and it should consider exiting from sectors in which performance has long been unsuccessful. For those sectors where performance is assessed as partly successful, a strong rationale for continued engagement will need to be provided along with specific

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<sup>14</sup> In focusing on outcomes, CAPEs need to acknowledge that an *ex ante* specification of results was not part of the guidance for past CSP exercises. While it is essential for the CAPE to examine what results were and were not achieved, the failure to specify a results framework *ex ante* should not be seen as a critique of either Management or country authorities since these expectations have only recently been introduced. Having said this, implicit results can often be identified.

recommendations for moving to successful performance. Past performance is not the only factor to consider when deciding whether or not ADB should remain engaged in the sector. Other factors would include the Government's priorities, strategic considerations, likelihood that factors contributing to past poor performance will be/have been overcome, and ADB's staff and budgetary constraints.

75. **Attribution.** Isolating and attributing the contribution that ADB's assistance program has made to development results is a difficult issue, and, in practice, no development partner is ever fully responsible for any development outcome. The best that can be done is to acknowledge limitations and to examine the six key factors influencing the achievement of results: ADB performance, government performance, private sector performance, civil society performance, development partner performance, and external events (including market developments, conflicts, and natural phenomena) which are beyond the control of all stakeholders. In this section, the performance of each factor is to be examined (i) to assess the extent to which performance of each stakeholder was consistent with and complementary to achieving the results to which ADB intended to contribute; (ii) to assess the degree to which ADB played a role in catalyzing or otherwise inspiring other stakeholders to cooperate towards achieving common development results; and (iii) to identify factors beyond ADB's control that may have exerted a major role in determining the nature and direction of development outcomes. Assessing attribution in this fashion also leads naturally to a more detailed assessment of ADB's additionality and the degree to which the design and implementation of ADB assistance played a catalytic or demonstration role vis-à-vis the other factors that were influential in contributing to development outcomes.

## H. Performance Assessment and Rating

76. In this section, an overall country program performance assessment is made and a concise summary of the principal factors supporting the rating is provided. Performance assessment and rating in a CAPE is designed to play the dual roles of supporting accountability and identifying lessons. As an accountability instrument, the CAPE must provide a uniform, consistent and evidence-based assessment of performance. As a tool for lesson identification, it should focus attention on issues central to the assessment of development effectiveness.

77. The use of established evaluation criteria for the performance assessment is designed to encourage uniformity and objectivity in the way performance is assessed. Formal rating also helps in identifying and isolating those factors that contribute to performance. Uniform performance rating will also allow staff, Management, and the Board to compare various aspects and determinants of performance across countries. To the extent that reasonably similar criteria and weighting systems are adopted by the other MDBs, this will allow government officials and development partners to compare performance of one assistance provider with that of another.

78. **Rating Methodology.** CAPE performance rating and assessment mirrors the methodology used in the CAPE itself. Performance is rated for each sector (in a bottom-up manner), and for country assistance as a whole (in a top-down manner) and then aggregated to produce an overall performance rating and assessment.

79. The bottom-up assessment separately evaluates and ranks performance according to five core criteria (the building blocks of evaluation) for each sector: relevance, effectiveness, efficiency, sustainability, and impact. This includes a ranking and numerical assessment of the development effectiveness of the lending and nonlending services that ADB delivered in the

main sectors where ADB operated. A numerical rating system is used for each criterion, with more weight assigned to those criteria that reflect the contribution of the program to overall development results. Fixed cutoff points are used to assign appropriate descriptors (highly successful, successful, partly successful, unsuccessful) to the criteria and to the aggregate numeric ratings.

80. The top-down approach makes a separate evaluation and ratings for the positioning of ADB's assistance program, ADB's overall contribution to development results, and ADB's performance. Positioning refers to the extent to which ADB's program of assistance chose the right issues to address and the appropriate instruments with which to address those issues given evolving country assistance requirements. ADB's contribution to development results refers to the extent to which the sum total of ADB's program of assistance made an important contribution to development results. The rating of ADB's performance involves assessing the quality and responsiveness of the services that ADB provided in contributing to the design and delivery of development results. The top-down ratings should reflect the views of the borrower, EAs, and other development partners, as relevant, in addition to feedback from operational staff. Numerical ratings are given for performance in accordance with each of these three top-down criteria, and these are aggregated to generate a summary countrywide rating.

81. The aggregate sector rating (i.e., bottom-up) and the aggregate countrywide rating (i.e., top-down) are combined to produce an overall rating for program performance. The detailed rating and performance assessment methodology is presented in Appendix 2.

82. In writing the section on performance assessment and rating, the evaluator should ensure that the discussion follows a clear and logical path that leads to the conclusion, and, in particular, to the overall assessment. The aggregate sector performance ratings should be presented in qualitative terms (i.e., highly successful, successful, partly successful, unsuccessful), and an explanation should be provided as to which evaluative criteria ratings (i.e., for relevance, effectiveness, efficiency sustainability, and impact for each sector) was most influential in deriving that overall sector rating. The ratings accorded for ADB's country positioning, overall contribution to development results, and ADB performance should be presented. These ratings should be discussed in qualitative terms, and with an explanation of the main factors that influenced the ratings. This will be followed by an overall assessment, presented in the form of a combined qualitative rating and assessment of the assistance program's bottom-up and top-down contribution.

83. The detailed ratings and performance assessment will be prepared as a separate background document for OED's internal use. This will present and explain the scores assigned to each of the criteria (i.e., for each sector, for program performance at a country level, and for aggregate country program performance).

## **I. Key Findings, Conclusions and Recommendations**

84. The final chapter will provide a summary of key findings and will raise issues for the future arising from the evaluation of the past. Evaluative judgments will be drawn from applying the evaluative criteria to ADB's assistance performance, and these judgments will be presented as the key findings of the report. Building on these findings, this section will contain the lessons that can be identified from the evaluation of ADB assistance to a country and, where relevant, this section will offer suggestions for future ADB activity. Lessons include general conclusions, both positive and negative, arising from the review of the entire country program that are

relevant for the future to ADB and its policies, to the borrower, or the borrower's relations with development partners and civil society.

85. Recommendations in CAPEs should be used in making decisions that will have a direct impact on future ADB operations in the country and key sectors. Recommendations should be cast within the context of future country challenges and opportunities, and these should be limited in number and monitorable, relevant, results-oriented, and time-bound. CAPEs recommendations should be conveyed in a constructive manner, rather than in a negative or destructive way.

86. Only major findings, lessons, conclusions and recommendations should be presented in the CAPE. The conclusions and recommendations should not exceed the boundaries of the CAPE exercise, of the evidence presented, or of the analysis that has been made. The CAPE is intended to contribute to the formulation of new CSPs. It is not a substitute for that formulation. Therefore, the full range of analysis and assessment needed to underpin a CSP will not be performed within the context of a CAPE. Caution should be exercised before presenting strategic or programmatic recommendations for which a more detailed analysis may be required.

#### **IV. IMPLEMENTING THE COUNTRY ASSISTANCE PROGRAM EVALUATION**

##### **A. The Country Assistance Program Evaluation Approach**

87. A CAPE is implemented in four stages over a period of 9 to 12 months. This includes preparation, data collection, analysis, and reporting.

88. In the preparatory phase, the OED evaluation task manager reviews and then summarizes information on the country context, ADB's country strategies and programs, program implementation, the results of self- and independent evaluations, and relevant information from the government and other development partners. A position paper, about 10 pages in length, is prepared and discussed with OED peer reviewers and in light of comments provided by the country team. The position paper should cover (i) the goals and objectives of the CAPE, including the key questions it will address; (ii) the country context and the government's development priorities; (iii) the evolution of ADB's CSP; (iv) key general and country-specific issues that the evaluation will assess; (v) the CAPE methodology and approach (in brief); (vi) resources required, evaluation time frame and reporting schedule; (vii) the terms of reference for the various members of the evaluation team; and (viii) a budget.

89. Prior to finalization, the position paper should also be discussed with resident mission staff, the government and other stakeholders during a short reconnaissance mission to the DMC. The reconnaissance mission will be used to validate the key issues, to introduce the CAPE methodology and approach, to identify and schedule meetings with respondents for the main evaluation mission, to identify suitable persons to join the evaluation team, and to identify and assemble secondary data sources.

90. Preparation of a position paper and a reconnaissance mission to the DMC provide the evaluation staff with opportunity to identify country-specific issues to address that are in addition to the standard set of issues that are to be covered in all CAPEs (paras. 18–20). Country specific issues may include challenges specific to certain DMCs (e.g., fostering regional integration, combating trafficking, promoting gender equality), the use of particular assistance instruments that are more important in certain contexts (e.g., the role of program lending in

transition countries), and development of special forms of partnerships (e.g., NGO participation). Following approval of the position paper by the DG of OED, an evaluation team is recruited. To help guide the team in collecting information, it will be provided with background information for review, assessment tools,<sup>15</sup> the CAPE guidelines, and terms of reference reflecting country-specific issues and the team's main responsibilities.<sup>16</sup> The composition of the evaluation team should reflect the exercise's independence and focus on substantive results. It should have a suitable balance of country experience, technical skills, ADB understanding and evaluation abilities. To ensure independence, impartiality and integrity, OED's conflict of interest guidelines will be followed in recruiting consultants for a CAPE.<sup>17</sup>

91. In the data collection phase, the information that is used in the CAPE is typically gleaned from (i) a general country context literature review; (ii) a desk review of published and unpublished reports and articles, research papers, manuscripts, and interim reports that are available from ADB, the Government or independent sources; (iii) structured interviews and/or formal surveys of professionals associated with or knowledgeable about ADB-funded operations (possibly including officials from EAs and others involved in the design, implementation and monitoring of ADB assistance activities); (iv) less structured meetings with a range of others having potentially useful perspectives, such as journalists, local NGOs and other civil society organizations, development partners, and private sector representatives; (v) informal discussions with a range of people, including members of society in general, and particularly those influenced in some way by ADB operations; (vi) discussions with beneficiaries; and (vii) observations in the field from selected project sites.

92. A variety of evaluation techniques and tools may be employed to help structure the information gathering and to ensure that important aspects of country performance are not overlooked.<sup>18</sup> A list of possible tools and techniques is provided in Table 2. Such tools and techniques may be selected and applied in order to answer the evaluation questions in a credible way with high validity and that is subject to time and resource constraints.

93. ADB's country team and resident mission staff should be encouraged to assist the evaluation team in identifying suitable persons to meet, setting appointments and providing their views and feedback to the team. In order to promote a candid and unbiased exchange of views between the evaluation team and the respondents, direct involvement of resident mission staff or of other ADB operational staff in meetings with government officials and other stakeholders in the country is not encouraged during the data collection phase.

94. At the conclusion of the field mission, preliminary findings are presented to the Government, ADB resident mission staff, and other stakeholders in the form of a seminar or a series of seminars. These presentations provide an initial opportunity for the evaluation team to obtain feedback on the findings and preliminary recommendations from professionals in the country. After substantial completion of the fieldwork, and before embarking on the major writing of the CAPE, a short (five pages) paper and/or PowerPoint presentation will be prepared that summarizes the main findings and recommendations. This will be discussed with ADB staff concerned and OED management.

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<sup>15</sup> This may include question lists, questionnaires, evaluation framework matrixes, survey forms, lists of potential respondents, etc.

<sup>16</sup> An example of terms of reference for CAPE consultants, drawn from the Bhutan CAPE, is included in Appendix 3. Question lists that can be drawn on to assess program ownership are included in Appendix 4.

<sup>17</sup> ADB. 2005. *Guidelines to Avoid Conflict of Interest in Independent Evaluations*. Manila.

<sup>18</sup> See Appendix 5 for an example of a client/beneficiary survey used to solicit feedback in the case of the Lao People's Democratic Republic CAPE.

95. Once a draft CAPE report is prepared, OED peer reviewers are asked to review the document. After validation, the findings are presented to the country team in operations for review, and, after incorporating the initial feedback from the country team as appropriate. Formal interdepartmental comments are then sought along with those of the government. A follow-up mission may take place to the country to discuss the findings. The evaluation report is then revised, drawing on comments provided by government and ADB staff. The report is next reviewed by OED management, after which a meeting is held at the DG level to discuss the key findings and conclusions. The report is then finalized for approval by the DG of OED.

## **B. Fostering Participation**

96. Participation is to be encouraged in the CAPE process by (i) consulting with the country team and government in formulating position papers; (ii) using a reconnaissance mission to explain the goals, objectives, expected outcomes, research questions, and evaluation approach to the local stakeholders; (iii) consulting with relevant national and local stakeholders during the operations evaluation missions; (iv) using formal surveys and structured interviews with government officials to broaden involvement in the assessment; (v) presenting preliminary results to country stakeholders; (vi) circulating the CAPE report while it is in a draft stage to the country team and government for comment and review; and (vii) holding periodic and informal meetings between representatives of the country team and the peer reviewers to share findings and exchange views (Table 2). Publication of CAPE reports on OED's web site helps to ensure that the findings are available to the wider public and to stakeholders with an interest in development effectiveness.

**Table 2: Possible CAPE Evaluation Tools and Techniques**

<b>Evaluation Technique</b>	<b>Potential Use for CAPE</b>
<b>Sample Surveys, Questionnaires</b>	Surveys can widen the reach of the CAPE to a larger number of stakeholders, while providing structured knowledge to validate perceptions and to cross-analyze facts and perceptions. Results from such surveys lend themselves well to statistical comparison. These should be kept simple and manageable, and they should be developed early in the CAPE process.
<b>Focus Group Interviews</b>	Focus group interviews represent an inexpensive, rapid-appraisal technique that provides qualitative information. A facilitator guides 7–11 people in a 1–2 hour discussion of their experiences, feelings, and preferences about a topic, raises issues identified in an evaluation framework and uses probing techniques to solicit views. Potential participants include partners and key stakeholders (e.g., Government, project and government staff, donors, ADB officials) and recognized experts.
<b>Stakeholder Meetings</b>	Stakeholders' active participation during the analysis may increase buy-in and it provides a forum to discuss and prioritize findings and recommendations. Stakeholder meetings go beyond focus groups since they involve a number of interest groups that have direct interests in the CAPE's findings and recommendations.
<b>Desk Review/Analysis of Existing Data</b>	During the preparatory phase, a thorough desk review is conducted to synthesize relevant available reports and documents. Further desk review will most likely be required once the evaluation team has been assembled and the key focus of the CAPE has been defined. Desk review should be completed before the launch of the country mission.
<b>Field Visits/Observation</b>	Field visits are essential to validate perceived development results and complement other evaluation techniques. The CAPE should always contain some field visits to validate and/or visualize perceived success stories or failures. The selection of field visits should correspond to the key thrusts of the program and be linked to tracing development results to ADB assistance.

Evaluation Technique	Potential Use for CAPE
<b>Key Informant Interviews</b>	Key informant interviews are qualitative, individual in-depth interviews of 15–35 people selected for their first-hand knowledge about a topic of interest. The interviews are loosely structured, relying on a list of issues to be discussed. They are useful when there is a need to understand partners’ motivations and perspectives, when quantitative data collected need to be interpreted and to generate recommendations.
<b>Trend Analysis</b>	Quantitative assessment of trends using secondary data sources may be used to test and validate stakeholder perceptions.
<b>Mini-surveys/Opinion Polls</b>	Small surveys of external stakeholders and general public, such as beneficiaries, can be used to complement existing in-depth analysis or to clarify critical issues. These differ from surveys in that the audience is neither directly involved with ADB nor expected to have knowledge of ADB, but it may have benefited from ADB’s support.

ADB = Asian Development Bank, CAPE = country assistance program evaluation.

Source: ADB estimates.

### **C. Validating Country Strategy and Program Completion Reports**

97. ADB will make the preparation of CSP completion reports by operations staff mandatory prior to the preparation of a CSP issues paper. It is anticipated that these will cover progress made in achieving CSP results, factors affecting CSP implementation, lessons identified, and recommendations for the next CSP. OED is expected to validate the conclusions of CSP completion reports. When CSP completion reports are regularly prepared, there will be less need to focus CAPEs on the quality of CSPs, since there will already be extensive self-assessment of these. More attention could then be focused in the CAPE on ADB’s contribution to development results at sector, thematic and country levels, as well as on the determinants of performance at these different levels.

98. OED will encourage and assist the process of self-evaluation of country performance by validating CSP completion reports, once these are regularly produced. This will involve a desk review of the CSP completion report, including its validation in terms of compliance with CSP completion report guidelines and with generally accepted country evaluation principles and practices.

### **D. Delivering Effective Recommendations**

99. Recommendations in CAPEs should be used to make decisions having a direct impact on future ADB operations in the country and in key sectors. All information presented in the CAPE should therefore be logically linked to the main findings and recommendations. Extraneous information, if presented at all, should be relegated to supporting appendixes.

100. The CAPE findings and recommendations should identify options for Management’s consideration as well as specific ways and means through which Management can improve the development effectiveness of ADB assistance. To the extent possible, CAPE recommendations should be provided early enough in the evaluation process so that they can be assessed and internalized by operations staff. CAPE recommendations that would require ADB or the DMCs to take action should be discussed in preliminary presentations of CAPE results and be highlighted when the draft report is sent to the government for comment. After the draft CAPE is circulated for comment and the appropriate changes are made in the report, there should be a second meeting with senior ADB operations staff to discuss the recommendations. This will

allow time to build a greater understanding and, hopefully, acceptance by Management and senior staff of the CAPE recommendations.

#### **E. Scheduling Country Assistance Program Evaluations and Pre-CAPE Assessments**

101. CAPEs must be planned approximately 2 years in advance of the preparation of a new CSP if the findings are to be made available at a formative point in the CSP preparation process. The CAPE should be prepared and made available 3–9 months prior to planned CSP Board discussions. This will provide ample opportunity for close interaction between the CAPE team and the CSP country team. In consultation with the operational departments, OED management will identify the countries for which new CSPs are planned, and it will prepare a rolling schedule of future CAPEs, which will then be reflected in OED's annual work plan.

102. Given staffing and other resource constraints, CAPEs may not be prepared for all countries that are preparing new CSPs. In selecting country cases for a CAPE, preference will be accorded to the size and perceived importance of the CAP, how long since a CAPE was prepared for that particular country, and the likelihood that a particular CAPE will generate findings of broader interest.

103. In countries with relatively small portfolios, and where there is an ample stock of self- and independent evaluations of projects, programs and TA, it should be possible to assess country assistance performance in key sectors and thematic areas during the course of the CAPE. In the major borrowers, with large and complex assistance programs, however, it may be necessary to undertake preparatory studies to prepare for a CAPE which, to the extent possible, will follow a methodology similar to that outlined for CAPEs. Such preparatory studies may include:

- (i) **Sector Assistance Program Evaluations.** This would be analogous to that of a CAPE, but would be confined to the key sectors of ADB involvement. A small number of major sectors could be examined separately as a prelude to a larger CAPE exercise.
- (ii) **Impact Evaluations.** Special studies of the impact of certain categories of ADB's operations could be conducted in advance of the CAPE. This could be the case if impact assessment requires, for example, large-scale, formal surveys or beneficiary surveys at a large number of project sites.
- (iii) **Special Evaluation Studies.** Countries may be included in special evaluation studies of particular types of assistance instruments or thematic initiatives to augment the country-specific evaluation knowledge base for later use in a CAPE.

104. The timing of a CAPE will also be taken into consideration in the timing and scheduling of PPERs, a disproportionate number of which may be undertaken in a country in advance of a CAPE.

#### **F. Country Assistance Program Evaluations in Small-Portfolio Developing Member Countries**

105. There are a number of countries in which ADB has played a relatively small role. In these cases, a full CAPE may not be warranted.

106. If a CAPE is undertaken in a DMC having a small assistance portfolio, the same methodology, approach and reporting structure will be applied as detailed above, but the CAPE

report would be shorter (i.e., not to exceed 35 pages), and the level of resources allocated to the task would reflect the smaller volume of assessment. In these cases, the reconnaissance and the main field mission may be combined, and a period of approximately 6 to 9 months would be allocated to prepare the CAPE.

107. If a CAPE is undertaken in a country where ADB has had a small assistance portfolio, it may not be necessary to draw performance inferences from a sample of related lending, TA, economic and sector work, and policy dialogue. Where the portfolio is very small, it is preferable to review the results of all lending and nonlending assistance provided by ADB over the past decade, including ongoing operations, with the findings organized by major and minor program thrusts. The advantage of covering all lending and nonlending assistance is that a more complete picture can be obtained of ADB's contribution to development results, including in those areas that played a relatively minor role in the overall assistance program.

### **G. Subsequent Country Assistance Program Evaluations**

108. While focusing on the results of development assistance during the past decade, the first CAPE prepared for any DMC would need to trace the overall evolution of ADB's assistance and the linkages between the country context, national priorities and strategies since the start of ADB's assistance. For subsequent CAPEs, it would not be necessary to repeat the historical review of ADB assistance. Subsequent CAPEs should follow the standard CAPE guidelines, but these also should include a summary of the main findings and recommendations of the previous CAPE and assess the extent to which these findings and recommendations were adopted in CSPs that followed the CAPE.

109. Subsequent CAPEs will review the performance of the ADB program during the past decade but will accord more emphasis to the period since the last CAPE was completed. The lending and nonlending assistance in these more recent years will consist largely of ongoing operations or of operations that have only recently been completed. In such a case, a CAPE will base its assessment of ADB's contribution to development results on anticipated outputs, outcomes and impacts of ongoing operations, and it will identify key factors that are likely to influence program performance.

110. If the assistance portfolio of a subsequent CAPE is dominated by a large number of ongoing operations, it would be impossible to assess the efficiency of the program. In such case, the efficiency criteria would be excluded from the overall sector rating and performance assessment. The relevance, effectiveness, sustainability and impact of the program in the different sectors would still be assessed, but largely on the basis of anticipated (rather than actual) results.

111. Since each subsequent CAPE will build on the findings of the previous one, less time and resources will be required to complete these. While the findings should be reported in a format similar to the first CAPE, a subsequent CAPE should be substantially shorter.

## REPORT TEMPLATE

1. This is a template for the structure and contents of a country assistance program evaluation (CAPE). It is consistent with the guidance on chapter contents and headings provided in the guidelines. Page lengths are provided for guidance only. While the main chapter headings are prescribed in the guidelines, the contents of each chapter should be structured to convey the evidence and findings in a logical, concise and coherent manner.

### ABBREVIATIONS

EXECUTIVE SUMMARY (5 pages)

### CONTENTS

- I. INTRODUCTION (3 pages)
  - A. Goals and Objectives of the CAPE
  - B. Assessing Development Effectiveness: Applying the CAPE Methodology
  
- II. THE DEVELOPMENT CONTEXT AND GOVERNMENT PRIORITIES (4 pages)
  - A. The Evolving Political, Economic and Social Setting for Development
  - B. Government's Development Priorities and Strategies
  
- III. ASIAN DEVELOPMENT BANK'S COUNTRY STRATEGY AND PROGRAM (5 pages)
  - A. The Evolution of ADB's Country Strategies and Assistance Program
  - B. Expected Results of Key Program Thrusts
  - C. Positioning of ADB Assistance vis-à-vis Other Development Partners
  
- IV. PROGRAM IMPLEMENTATION (5 pages)
  - A. Trends in Lending and Nonlending Program Performance
  - B. Consistency Between the Planned and Realized Program
  - C. Factors Affecting Implementation
  
- V. RESULTS ACHIEVED AND FACTORS INFLUENCING PERFORMANCE (20 pages)
  - A. The Program's Contribution to Outcomes and Impacts, by Key Sectors
  - B. The Program's Contribution to Outcomes and Impacts, by ADB Pillars
  - C. The Program's Contribution to Outcomes and Impacts, by Thematic Areas
  - D. Factors Affecting the Delivery of Results
  - E. Attribution of Results
  
- VI. PERFORMANCE ASSESSMENT AND RATING (3 pages)
  - A. Sector Performance
  - B. Countrywide Performance
  - C. Overall Assessment

## VII. KEY FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS (5 pages)

- A. Key Findings
- B. Future Challenges and Opportunities
- C. Conclusions and Recommendations

### APPENDIXES<sup>1</sup>

- 1. List of Projects and Technical Assistance
- 2. Country Political, Economic and Social Development
- 3. Summary of the Government's National Development Plans and Poverty Strategies
- 4. Summary of ADB's Evolving Country Strategies and Programs
- 5. Trends in Portfolio Performance During the Assessment Period
- 6. Summary of the Main Findings of Project, Program and TA Evaluations
- 7. Sector Assessments<sup>2</sup>
- 8. Thematic Assessments
- 9. Special Country-Specific Study Results<sup>3</sup>

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<sup>1</sup> All appendices are optional, and those listed below are representative of the type that have been included in previous CAPEs. CAPE appendices serve to provide more detailed evidence and background information than can be accommodated in the main report. The findings of CAPE research into special, country-specific topics can also be included in the appendices.

<sup>2</sup> Detailed sector assessments generally cover the sector context; the Government's sector strategy; ADB's sector assistance program; the implementation of ADB's assistance program to the sector; and the results of that assistance, in terms of the delivery of agreed outputs, outcomes, and impacts. The contribution of the sector assistance program to ADB's pillars and to selected thematic objectives is also reviewed. A rating and performance assessment of ADB's contribution within a sector is also included.

<sup>3</sup> An example of this would be the appendix on ADB-NGO partnership in the Bangladesh CAPE.

## PERFORMANCE ASSESSMENT AND RATING

### A. Introduction

1. The country assistance program evaluation (CAPE) performance assessment mirrors the methodology used in the CAPE itself. It makes an assessment and rating of the performance of Asian Development Bank's (ADB) operations in key sectors (i.e., a bottom-up approach) and it makes an assessment and rating of ADB's overall positioning and contribution to development results at a national level (i.e., a top-down approach). A combination of the bottom-up and top-down ratings approaches is then used to derive an overall performance assessment.

2. The bottom-up approach to determining an overall assessment rating is to separately evaluate and to rank for each sector five core criteria (the building blocks of evaluation): relevance, effectiveness, efficiency, sustainability, and impact. The top-down approach is to assess country positioning and contribution to development results for the country program as a whole. Each criterion within each sector is assigned a whole-number rating. These ratings are then aggregated by sector, across sectors, and by the two country-level criteria. The assigned weights vary between criteria, reflecting the contribution that each makes to overall development performance. Finally, fixed cutoff points are used to assign appropriate descriptors (highly successful, successful, partly successful, unsuccessful) to the aggregate numeric ratings. Evaluators may also include country-specific subcriteria and vary the weights used to aggregate across criteria, provided that the variation is justified and reported in the CAPE position paper<sup>1</sup> or as subsequently agreed modifications to the position paper.

### B. Bottom-up Sector Performance Rating

3. Since ADB assistance programs are customarily organized along sector lines, program performance will, in the first instance, be assessed for each of the key sectors for which ADB has provided support. The evaluation criteria of relevance, effectiveness, efficiency, sustainability, and impacts are rated on a 4-point scale. Twice as much weight is allotted to criteria relating to the delivery of development results (i.e., effectiveness, sustainability, and impacts) in order to emphasize the importance that ADB accords to making a durable contribution to poverty reduction outcomes. The sector rating criteria and scoring system are discussed below.

4. **Relevance.** This refers to (i) whether or not the focus of ADB's sector strategy and sector program was consonant with the mission of ADB, on the one hand, and with the key, evolving economic circumstances, priorities, and absorptive capacity of the developing member country (DMC), on the other; (ii) the extent to which ADB sector support was aligned with sector policies and strategies; (iii) the degree to which ADB sector support was in line with ADB's evolved comparative assistance advantage; (iv) the extent to which ADB's sector interventions achieved a level of critical mass, were balanced across objectives, selective and focused; and (v) the degree to which ADB sector assistance was harmonized with that of other development partners. The above subcriteria are intended to encompass dimensions of coherence, cohesion, comprehensiveness, responsiveness, positioning, and harmonization in ADB's sector assistance program. Ratings will be assigned to the relevance of ADB's country strategies and programs for each sector as follows:

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<sup>1</sup> A brief concept paper highlighting the approach and major issues to be addressed in the evaluation was prepared by the mission leader for approval by the director general of OED.

- (i) **Highly relevant** (3 points). ADB's strategies and programs are deemed to be completely relevant to the key sector development challenges and opportunities, country-driven, aligned with sector strategies and priorities, focused, balanced, sufficient to achieve results, and harmonized with assistance provided by other development partners (DPs).
- (ii) **Relevant** (2 points). ADB's country strategies and programs are deemed relevant, with minor reservations, to the key sector development challenges and opportunities, country-driven, aligned with sector strategies and priorities, somewhat focused, generally balanced, sufficient to achieve results and harmonized with assistance provided by other DPs.
- (iii) **Partly relevant** (1 point). ADB's country strategies and programs are deemed partly relevant when they address a minority of the key development challenges and opportunities faced by the DMC, are partly country-driven, partly aligned with sector strategies and priorities, inadequately balanced, insufficiently resourced in certain areas, and only modestly harmonized with assistance provided by other DPs.
- (iv) **Irrelevant** (0 point). Strategies and programs are deemed irrelevant if they do not address the major sector challenges and opportunities, are not country-driven, not well-aligned with sector strategies and priorities, are poorly focused, insufficiently resourced compared with sector objectives, and not harmonized with assistance provided by other DPs.
- (v) The evaluator will provide a rationale for the score selected for sector relevance. This rationale may also include other country-specific factors impinging on the relevance scoring.<sup>2</sup>

5. **Effectiveness.** The effectiveness of lending and nonlending assistance refers to how successful the sector strategy and assistance program has been in contributing to the achievement of outputs and outcomes in support of the DMC's sector development goals and objectives. It also refers to the extent to which the results defined under the country assistance program (CAP) were actually achieved. Effectiveness refers, as well, to achievement of outcome, which is the extent to which the outputs defined for the various types of lending and nonlending interventions supported under the CAP for the sector were actually achieved.

- (i) **Highly effective** (6 points). Effectiveness is judged highly effective if a sector assistance program completely achieves its main objectives, contributes to the delivery of key outputs and outcomes, and can demonstrate good practice in several areas.
- (ii) **Effective** (4 points). Effectiveness is judged effective if a sector assistance program achieves about three-quarters of its main objectives in the sector, partially contributes to the delivery of key outputs and outcomes, can demonstrate good practice in 1–2 areas, and possibly has some minor shortcomings.
- (iii) **Less effective** (2 points). Effectiveness is judged less effective if a sector assistance program achieves between half and three-quarters of its objectives, outputs and outcomes.

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<sup>2</sup> For example, it may be that fostering regional integration (or other country-specific criteria) is of paramount importance in a particular sector of a DMC. In this instance, both the relevance criteria and scoring could be adjusted to take this country-specific priority into consideration.

- (iv) **Ineffective** (0 point). Effectiveness is judged ineffective if a sector assistance program achieves less than half of its objectives, outputs and outcomes and with major shortcomings.
- (v) The evaluator will provide a rationale for the score selected for sector effectiveness. This rationale may also include other country-specific factors impinging on the assessment of effectiveness.

6. **Efficiency.** Efficiency compares the achievement of the sector assistance program goals and objectives with the use of ADB assistance resources. It is measured by the extent to which ADB's resources provided for each sector have been optimally utilized, in terms of (i) the net contribution of ADB assistance to broad-based socioeconomic progress through support for essential sector policy and institutional reforms; (ii) the direct, net economic benefits of ADB's sector assistance; (iii) the degree to which the benefits of ADB's sector assistance have reached the poor; and (iv) the degree of cost assistance in delivering the sector assistance program and coordinating sector operations with other DPs, compared with the costs of providing such assistance to other, similar DMCs.

- (i) **Highly efficient** (3 points). A program of assistance in a sector is deemed highly efficient when ADB assistance has contributed to major improvements in the sector policy and institutional enabling environment, the returns to major projects are high, a large portion of the program is deemed to have been successful, a large portion of technical assistance (TA) activities is rated a success, and the cost of delivering assistance is substantially lower than for comparator countries.
- (ii) **Efficient** (2 points). A program of assistance is deemed efficient when ADB assistance has contributed to modest improvements in the sector policy and institutional enabling environment, the economic returns to major projects are above 12%, the majority of the programs are deemed to have been successful, the majority of TA activities have been rated a success, and the cost of delivering the assistance is just about equal to the cost of delivering assistance to comparator countries.
- (iii) **Less efficient** (1 point). A program of assistance is deemed less efficient when ADB assistance has made a negligible contribution to improvement in the sector policy and institutional enabling environment, the economic returns to major projects are modestly below 12%, and the costs to deliver the assistance is about 20–30% higher than the cost of delivering assistance to comparator countries.
- (iv) **Inefficient** (0 point). A program of assistance is deemed to be inefficient if ADB assistance has made no contribution to improvement in the sector policy and institutional enabling environment, the economic returns to major investments are well below 12%, a minority of the sector programs are deemed successes, a minority of the TA projects have been assessed as successful, and the cost of delivering assistance is more than 30% higher than the cost of delivering assistance to comparator countries.
- (v) The evaluator will provide a rationale for the score selected for sector efficiency. This rationale may also include other country-specific factors impinging on the efficiency scoring.

7. **Sustainability.** This criterion focuses on the likelihood that the achievement of sector results and benefits will be sustained into the future. It is assessed as the extent to which sector interventions review have contributed to durable development gains that are likely to prove resilient to identified risks. Sustainability has important fiscal, social, political-economy and

environmental dimensions. Ratings will be assigned to the sustainability of ADB's programs for each sector as follows:

- (i) **Most likely** (6 points). Sustainability is judged most likely if it is established that the benefits of an assistance program are fully resilient to risks that might derail them.<sup>3</sup>
- (ii) **Likely** (4 points). Sustainability is assessed to be likely if the benefits of an assistance program are moderately susceptible to likely risks.
- (iii) **Less likely** (2 points): Sustainability is assessed to be less likely if the assistance program benefits are moderately vulnerable to some risks.
- (iv) **Unlikely** (0 point). Sustainability is judged unlikely if there are major risks that threaten the resilience of CAP benefits.
- (v) The evaluator will provide a rationale for the score selected for sector sustainability. This rationale may also include other country-specific factors impinging on the assessment of sustainability.

8. **Impact.** This refers to ADB's plausible contribution to long-term changes in development conditions through its program in a particular sector. This includes how successful the sector program has been in contributing to the attainment of specified development goals (i.e., socioeconomic conditions, income poverty, non-income Millennium Development Goals [MDGs], and other specified national poverty reduction goals and objectives). It is also evaluated with respect to the extent to which the sector program has contributed to building the sector's institutional capacity to manage for poverty reduction. The latter refers to improvement in the sector's ability to make effective and efficient use of its human, financial and natural resources to pursue poverty reduction. Ratings will be assigned to the actual and expected impact of ADB's programs for each sector as follows:

- (i) **High** (6 points). Actual and expected impacts are rated high if a clear contribution has been made to attaining sector development goals, institutional capacity in the sector, national poverty reduction goals and objectives or MDGs.
- (ii) **Substantial** (4 points). Actual and expected impacts are rated substantial if a clear contribution has been made to attaining sector development goals, institutional capacity in the sector, national poverty reduction goals and objectives or MDGs, but there are still major areas of weakness in the areas that have been assisted.
- (iii) **Modest** (2 points). Actual and expected impacts are rated modest if limited progress was made in strengthening the institutional capacity of the sector, and if there was very little evidence of any contribution from the assistance program in the sector toward attaining sector development goals, national poverty reduction goals and objectives or MDGs.
- (iv) **Negligible** (0 point). Actual and expected impacts are rated negligible if no progress was observed toward strengthening institutional capacity, major institutional weaknesses remain, and there is no evidence of any contribution from the sector assistance program toward attaining sector development goals, national poverty reduction goals and objectives or MDGs.

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<sup>3</sup> Among key resilience factors are: technical resilience (including adequate recurrent finance to operate and maintain project assets), financial resilience (including policies on cost recovery), economic resilience, social support, environmental resilience, ownership by government and other stakeholders, institutional support (including a supportive legal and regulatory framework), and resilience to such exogenous shocks as fluctuations in terms of trade.

- (v) The evaluator will provide a rationale for the score selected for sector impacts. This rationale may also include other country-specific factors impinging on the assessment of impacts.

9. **Sector Performance Rating.** A sector performance score is derived for performance in each sector by adding up the scores accorded to each criterion. Program performance in the sector is assessed as highly successful if the sector performance score is equal to or greater than 20, successful if the sector performance score is greater than 15 and less than 20, partly successful if the sector performance score is greater than 10 and equal or less than 15, and unsuccessful if the sector performance score is 10 or less.

10. **Aggregating Across Sectors.** A total-sector performance score is to be reported as a measure of the bottom-up performance of ADB's assistance program. Sector performance scores are to be weighted by an index of 2 for major sectors, and 1 for minor sectors. Major sectors are those in which ADB was either the lead development partner, had an extensive portfolio of lending and nonlending services, or provided assistance that has generated major development results. Conversely, minor sectors are those in which ADB was not the lead development partner, provided a modest amount of lending and nonlending support, and in which the contribution of ADB's assistance to development results was more limited. The aggregate bottom-up rating (i.e., sector performance score) is computed as:

$$\text{Total-sector performance score} = \frac{\sum (W_i * \text{Sector performance score})}{\sum W_i},$$

where  $W_i$  is equivalent to 1 for minor sectors and 2 for major sectors.

Aggregate sector performance is assessed as highly successful if the total-sector performance score is equal to or greater than 20, successful if the total-sector performance score is greater than 15 and less than 20, partly successful if the total-sector performance score is greater than 10 and equal or less than 15; and unsuccessful if the total-sector performance score is 10 or less.

#### **D. Country Positioning, Contribution to Development Results and Asian Development Bank Performance**

11. ADB's development effectiveness depends on its performance in key sectors. But it depends also on the positioning of its assistance, the contribution of that assistance to overall development results, and the quality and responsiveness of ADB's services. A top-down perspective is used to assess and rate ADB's country positioning, the overall contribution of the assistance effort to national development results, and the quality and responsiveness of ADB's services. It assesses whether or not ADB's choices of sectors, thematic initiatives and partnership arrangements were appropriate, given evolving country requirements and priorities. In light of that positioning, it assesses the extent to which the program's overall contribution to development results was as great as could have been reasonably expected. It then assesses the quality of the services ADB provided to influence the delivery of development results.

12. **Country positioning.** This is a measure of how well ADB responded to (or even anticipated) the evolving development challenges and priorities of the Government, built on the organization's comparative advantage, and designed the country strategies and programs in a manner that took into consideration the support available from other development partners. Country positioning involves an overall assessment of (i) relevance, to gauge whether the most strategic opportunities for assistance were exploited effectively; (ii) responsiveness, which is the timing and scope of ADB engagement in what turned out to be major development priorities in

the country; (iii) operational flexibility, which considers how the mix of lending and nonlending services, as well as operational approaches were tailored to the particular conditions of the country; (iv) portfolio management, which is the progress made in implementing the agreed program of assistance; and (v) partnerships, to determine the extent to which ADB was able to forge productive relationships with other development partners within the wider framework of development cooperation in the country. Ratings will be assigned to the strategic positioning of ADB's country assistance strategies and programs as follows:

- (i) **High** (8 points). ADB's CSPs were fully aligned with the government's national development priorities and programs, were country-focused and fully supported by the government, were designed to effectively address binding constraints to poverty reduction, built on ADB's comparative advantages, were well-harmonized with assistance of other development partners, were translated into a suitable mix of lending and nonlending operations, and were implemented in a timely and effective manner.
- (ii) **Substantial** (6 points). ADB's CSPs were generally aligned with the government's national development priorities and programs, were supported by the government, addressed key constraints to socioeconomic development, built on ADB's comparative advantages, were generally harmonized with assistance of other development partners, and were reflected in a suitable lending and nonlending program that was generally implemented effectively.
- (iii) **Modest** (4 points). ADB's CSPs were not fully aligned with the government's national development priorities and programs and were only partially supported by the government. While addressing key issues, they did not address the binding constraints to poverty reduction. The assistance provided was not fully harmonized with that of other development partners, and there were flaws and imbalances in the lending and nonlending program that affected implementation.
- (iv) **Negligible** (0 point). ADB's CSPs were donor-driven and only partly owned by the government. There is little evidence that they were addressing binding constraints to poverty reduction or that assistance was effectively harmonized with the nation's development partners. Implementation was poor due to flaws in the design of the lending and nonlending program.
- (v) The evaluator will provide a rationale for the score selected for country positioning. This rationale may also include other country-specific factors impinging on the assessment of country positioning.

13. **Contribution to Development Results.** This is an assessment of the extent to which ADB's overall country program contributed to the achievement of development results at a national level. This assessment should also reflect any positive or negative synergies arising from ADB support to different sectors (which have already been assessed in a bottom-up manner). This assessment is primarily focused on ADB's contribution to national development outcomes. It assesses ADB's contribution to results at the level of a poverty reduction pillar (i.e., pro-poor growth, inclusive social development, and good governance) and a thematic level of intervention. Ratings will be assigned to ADB's contribution to development results as follows:

- (i) **High** (8 points). ADB made a major contribution to the achievement of outcomes that enabled pro-poor growth, social development and good governance. ADB assistance contributed to positive outcomes in several thematic areas.
- (ii) **Substantial** (6 points). On balance, ADB assistance made a positive contribution to the achievement of outcomes that enabled pro-poor growth, social

- development and good governance. ADB assistance contributed to positive outcomes in a few thematic areas.
- (iii) **Modest** (4 points). On balance, ADB assistance contributed to the achievement of outcomes that enabled pro-poor growth, social development and good governance, but performance in all of these areas lagged the government's and ADB's expectations. Some progress was registered thanks to ADB's contribution to the overall assistance effort in improving outcomes in key thematic areas.
  - (iv) **Negligible** (0 point). There is no evidence that ADB's program of assistance made a meaningful, positive contribution to poverty reduction or to the achievement of priority thematic outcomes. Without ADB assistance, development outcomes would have been much the same.
  - (v) The evaluator will provide a rationale for the score selected for the overall contribution of the program to development results. This rationale may also include other country-specific factors impinging on the assessment of the overall contribution of the program to development results.

14. **ADB Performance.** This criterion focuses on the processes that underlie ADB's effectiveness in discharging its responsibilities as a development partner. This includes, importantly, ADB's efforts and success in providing quality support for lending and nonlending services, demonstrating and adhering to good corporate governance practice, being sensitive and responsive to client needs, fostering client ownership, and the extent to which performance was harmonized with that of other development partners. It also considers compliance with basic operating principles; meeting client capacity building objectives; consistency in furthering ADB's corporate, country and sector strategies; and its client service satisfaction. This rating should reflect the views, as relevant, of the borrower, EAs, and other development partners in addition to feedback from operational staff. Ratings will be assigned to ADB's performance as follows:

- (i) **High** (8 points). ADB provided high quality strategy and program formulation, project and program design and supervision services, was responsive to the needs of the government, and undertook its role in a fashion consistent with fostering client ownership, improved client capacity, client satisfaction, and good corporate governance. ADB forged excellent partnerships with other development partners, government and civil society groups, and it operated in a manner that was fully consistent with ADB's mandate, policies and strategies.
- (ii) **Substantial** (6 points). On balance, ADB provided good quality strategy and program formulation, project and program design and supervision services, was generally responsive to the needs of the government, and undertook its mission in a fashion broadly consistent with fostering client ownership, improved client capacity, client satisfaction, and good corporate governance. ADB forged a number of good partnerships with other development partners, government and civil society groups, and it operated in a manner that was generally consistent with ADB's mandate, policies and strategies.
- (iii) **Modest** (4 points). On balance, the quality of ADB's strategy and program formulation, project and program design and supervision services was mixed. ADB was partly responsive to the needs of the government, and undertook its mission in a way that was partly consistent with fostering client ownership, improved client capacity, client satisfaction, and good corporate governance. ADB forged a small number of partnerships with other development partners, government and civil society groups, and it operated in a manner that was partly consistent with ADB's mandate, policies and strategies.

- (iv) **Negligible** (0 point). On balance, the quality of ADB's strategy and program formulation, project and program design and supervision services was poor. ADB was inadequately responsive to the needs of the government, and it did not sufficiently promote client ownership, improved client capacity, client satisfaction, and good corporate governance. ADB forged very few partnerships with other development partners, government and civil society groups, and it operated in a manner that was, in many areas, inconsistent with ADB's mandate, policies and strategies.
- (v) The evaluator will provide a rationale for the score selected for ADB's performance. This rationale may also include other country-specific factors impinging on the assessment of ADB's performance.

15. **Aggregate Countrywide Rating.** An aggregate countrywide rating is derived by adding up the scores accorded to the positioning, results contribution and ADB performance rating. Countrywide performance, from a top-down perspective, is assessed as highly successful if the total score is equal to or greater than 20, successful if the total score is between 16 and 19, partly successful if the total score is between 11 and 15, and unsuccessful if the total score is 10 or less.

#### **D. Overall Program (CAPE) Performance Assessment**

16. An overall program (CAPE) performance assessment is derived as a combination of the bottom-up assessment of performance in ADB-supported sectors and the top-down assessment of country positioning, contribution to key results and ADB performance. Equal weightings will be accorded to the bottom-up and the top-down assessments. The overall CAPE performance score is derived by adding up the total-sector rating and the countrywide rating. This is assessed as highly successful if the total score is equal to or greater than 40, successful if the total score is between 30 and 39, partly successful if the total score is between 20 and 29, and unsuccessful if the total score is 19 or less.

**TERMS OF REFERENCE  
(BHUTAN COUNTRY ASSISTANCE PROGRAM EVALUATION EXAMPLE)**

1. Under the guidance of the principal evaluation specialist, the evaluation will be supported by two international and two domestic consultants. The consultants are expected to coordinate their work assignments and schedules, and to exchange information in areas of mutual interest and where exchanges will be beneficial to the outcome of the evaluation.

2. Each international consultant is expected to deliver a report on his or her subject matter. The report outline will be agreed among those in the group to ensure that individual reports are comparable and useful in preparing the final country assistance program evaluation (CAPE) report.

**A. International Consultants**

**1. Multisector Project Evaluation and Strategy Specialist (3.0 person-months)**

3. The consultant will be responsible for key evaluation of Asian Development Bank's (ADB) country assistance program (CAP) from the perspective of lending and nonlending program analyses in comparison with the Government's strategies, policies and plans as well as those of other donors. The consultant should have a background on development issues and extensive work experience in development planning, macroeconomics, project design, implementation and evaluation in various sectors. Field experience in similar developing countries is essential. As counterpart, a domestic consultant will be engaged to assist the international consultant.

4. The consultant will perform the following tasks:

- (i) Assist in the preparation of an approach paper that details the methodology to be followed for the study, including (a) a matrix of key questions that will serve as guide during discussions with government officials and other stakeholders; (b) an assessment of Bhutan's development strategies and plans, including socioeconomic performance; and (c) preliminary assessment of major donors' strategy and assistance programs.
- (ii) Review documents and obtain necessary information on ADB's country operational strategy from 1991–2003, and information on activities of other donors which are relevant to the study.
- (iii) Analyze ADB's economic work (economic report and updates, analyses, publications) and assess whether these reports provided a comprehensive and accurate assessment of the situation in Bhutan.
- (iv) Assess whether the economic/sector analyses were taken to a logical and practical conclusion that could be used for strategic planning.
- (v) Evaluate the appropriateness of the CAP formulation in light of implementation issues and problems identified and encountered for each sector as discussed with stakeholders.
- (vi) Supervise and coordinate activities of the domestic consultant, particularly on data collection (documents, reports and statistics), including indicators for measuring outcomes.
- (vii) Based on design analyses, and in consultation with the principal evaluation specialist and domestic consultant, identify projects for which field surveys will be conducted.

- (viii) Conduct field assessments in coordination with the domestic consultant to deepen the analyses and assessment of loan projects and technical assistance (TA) grants.
- (ix) Assess the relevance of the development strategies of both the Government and ADB to various issues in Bhutan, including macroeconomic, sectoral and crosscutting concerns.
- (x) Coordinate with other ongoing ADB exercises relating to Bhutan.
- (xi) In coordination with the other international and domestic consultants, evaluate ADB's CAP and operational strategy from 1983 to the present by measuring its sectoral relevance, efficacy, efficiency, sustainability, institutional development and other impacts.
- (xii) Identify lessons from the CAP, including lending and nonlending programs undertaken by ADB, and formulate recommendations on how to further improve on a per-sector basis.
- (xiii) Draft relevant parts of the CAPE report by incorporating the findings and analyses in consultation with the institutional development evaluation specialist.
- (xiv) Complete the revised draft of the relevant part of the CAPE report by incorporating relevant comments and suggestions received and the results of the participatory workshop.
- (xv) Undertake related assignments related to the CAPE as required by the principal evaluation specialist.

## **2. Institutional Development Evaluation Specialist (2.0 person-months)**

5. The consultant will be responsible for a macro-level assessment of policy reform issues that affect institutions across sectors in Bhutan. The consultant will be responsible for evaluating the country program from the perspective of institutional aspects and primarily through the comprehensive performance assessment of TA operations. The consultant should have a background in economics or related fields, and extensive work experience in project design, implementation and evaluation in different sectors. Field experience in similar developing countries is required. As counterpart, a domestic consultant will be engaged to assist the international consultant.

6. The consultant will perform the following tasks:

- (i) Review established institutional settings in 1983 when ADB began its operations in Bhutan to identify conditions and key issues at the time.
- (ii) Review documents and obtain necessary information on ADB's CAP from 1983–2003 and information on other donors' activities which are relevant to the study.
- (iii) Provide inputs to the paper on methodology for the study to be prepared by the multisector project evaluation and strategy specialist.
- (iv) Discuss and identify implementation issues and problems with stakeholders at ADB and in Bhutan in relation to institutional limitations.
- (v) Supervise and coordinate activities of the domestic consultant, particularly on data collection (documents, reports and statistics).
- (vi) Verify and improve collection of information through discussions with government officials concerned, other donors and stakeholders.
- (vii) Evaluate overall performance of ADB's nonlending services, such as aid coordination and policy through policy/institutional reforms.

- (viii) Evaluate overall performance of ADB's nonlending services, such as institutional capacity building advisory TAs, as well as policy-based economic, thematic and sector work and regional TAs.
- (ix) Mainly from the standpoint of institutional development, and in coordination with the other international and domestic consultants, evaluate ADB's CAP from 1983 to the present by measuring its relevance, effectiveness, efficiency, sustainability, and impact.
- (x) Identify lessons from the country assistance undertaken by ADB, and formulate recommendations on how to further improve on institutional development and public sector performance.
- (xi) Draft relevant parts of the CAPE report by incorporating the findings and analyses in consultation with the multisector project evaluation and strategy specialist.
- (xii) Complete the revised draft of the relevant part of the CAPE report by incorporating relevant comments and suggestions received and the results of the participatory workshop.
- (xiii) Undertake related assignments related to the CAPE as required by the principal evaluation specialist.

**B. Domestic Consultants (2.0 person-months each)**

7. The domestic consultants will assist the international consultants (one for the multisector project evaluation and strategy specialist, and another for the institutional development evaluation specialist) in the sourcing and review of relevant country program documents, government plans and reports, and documents from other sources, and will undertake interviews with selected local beneficiaries of ADB's assistance.

8. Each of the domestic consultants will undertake the following:

- (i) In collaboration with his or her international counterpart, review the key macroeconomic and sector policies of the government and assess sector performance since 1983 in light of the government's strategies and plans.
- (ii) Evaluate the effectiveness of ADB's intervention in the sectors as perceived by beneficiaries, executing agencies (EAs) and other stakeholders.
- (iii) Assist in reviewing country assistance plans and strategy papers, relevant economic and sector work, and policy dialogue with the government since 1983.
- (iv) Assist in reviewing the relevant sector assistance programs as stipulated in the CAPs, and assess their relevance, consistency and impact towards the strategic objectives in the sector.
- (v) Assess the extent of support provided to the sectors concerned by other donor agencies based on available studies and reports carried out.
- (vi) Review other relevant program and project documents, such as country economic reports, the Government's development plans, appraisal reports, and project completion reports that are relevant to ADB's operation in Bhutan.
- (vii) With the international consultant, facilitate field surveys and assessments through close coordination with EAs of selected projects.
- (viii) Discuss with EAs and other government and nongovernment entities development issues and concerns, including outcome and impact of ADB's assistance in the sectors.
- (ix) On the basis of the review made in (iii) to (vi), as well as discussions in (vii) to (viii), identify key sectors of ADB's assistance and assess the level of

achievement of stated sector objectives in terms of (a) economic growth for improving the standard of living and quality of life, (b) poverty reduction, and (c) institutional development and capacity building.

- (x) Undertake related assignments related to the CAPE as required by the principal evaluation specialist.

## ASSESSING OWNERSHIP IN A COUNTRY ASSISTANCE PROGRAM EVALUATION

1. Ownership is the extent to which governments are fully committed to, directly involved in, in control of, and accountable for a program of country assistance.<sup>1</sup> It is an important determinant of program performance. In recent years, evaluation of the links between policy-based lending operations and country ownership has become more sophisticated and more candid. More attention is focused on the country-specific factors that determine ownership of policy-based lending and on the role that the multilateral development banks (MDBs) can play in fostering greater country commitment to the reform process.
2. Often the treatment of ownership is too superficial in country evaluations. As Johnson (1993) remarks: "Ascertaining borrower ownership is usually subject to two caveats: first, no objective standards exist for making even an *ex post* determination of what constitutes adequate ownership of a program; and second, the relationship between program success and ownership can be prone to a *post hoc ergo propter hoc* type circularity in argument: if the program succeeds, then there was ownership, and if it falters, then ownership was absent." While few question the importance of ownership to program success, the evaluation challenge is to introduce a systematic and robust set of tools for assessing credible commitment to the design and implementation of an agreed assistance program.
3. A number of different tools for assessing ownership have been proposed and adapted by the MDB evaluation units. Those include leadership analysis, stakeholder analysis, and reform readiness analysis. Such tools can be used in post-evaluations, to examine the *ex post* link between program performance and country commitment.
4. Leadership analysis assesses the locus of initiative in formulating the program, intellectual conviction among key policy makers, political will among top leaders, and efforts to build consensus among constituencies. It begins with an understanding of the political process and its interaction with policy change supported in an assistance program. It identifies reform champions and assesses the degree of support that they may require to sway political support in favor of one set of program-supported reforms or another. A key focus of leadership analysis is the degree to which the most important political constituencies that support those in power are likely to react to various proposed reforms.
5. Stakeholder analysis is used to map out which groups are affected by the program and to formulate a plan for involving different stakeholders in the definition and implementation of the assistance program. It identifies the main objectives that each would have in the assistance program, including those who likely win and lose from program supported reforms. Strategies for organizing probable winners into coalitions in support of the program, compensating losers, and winning over neutral parties to support reform are explored.
6. Reform readiness analysis assesses the rationale that MDBs, as well as government and other parties, have for supporting different aspects of the program, and it examines the institutional arrangements that affect the ability of different actors to influence program decisions

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<sup>1</sup> See the following sources for a more detailed discussion of issues that arise in the measurement of country ownership: (i) Bolt, Richard, M. Fujimura, C. Houser, F. de Guzman, F. Nixon, and J. Weiss. 2003. *Economic Analysis of Policy-Based Operations: Key Dimensions*. Economics and Research Department Special Study. Manila: ADB. p. 64; (ii) <http://www.adb.org>; and (iii) Johnson, John H. and Suliman S. Watsy. 1993. *Borrower Ownership of Adjustment Programmes and the Political Economy of Reform*. World Bank Discussion Paper No. 199. World Bank.

or implementation. The starting point for reform readiness analysis is an understanding of the varying objectives motivating those party to the agreement on the contents of the Asian Development Bank (ADB) country assistance strategy and program. Reform readiness analysis also includes an assessment of the institutional incentives and capacities for managing the process of change. Either changes in design or implementation arrangements can be made if reform readiness analysis reveals that motivation and ability to manage the program are deficient in some respects.

7. Even when formal ownership assessment tools are not used, high-quality country assistance program evaluations tend to address issues related to the strategic leadership of government in setting program strategies and priorities, the breadth of support for the program, the breadth of ownership in civil society, and the extent to which country strategy and program design reinforced national ownership. The sorts of questions that evaluations address would include the following:

- (i) Did government strategies and programs truly serve as a sound basis for ADB's program of country assistance?
- (ii) Were there program champions in government and did they have high-level political support?
- (iii) Did the executing agencies (EAs) and the agencies responsible for program implementation fully support the program's implementation?
- (iv) Were the purpose, objectives, and likely effects of ADB's country assistance program (CAP), including support for policy and institutional reforms, adequately communicated to key interest groups and the public?
- (v) Did government actively participate in the design of the country assistance strategies and programs?
- (vi) Was the program designed to build capacity or otherwise reinforce national ownership?

8. Some of the other indicators of ownership that are used in MDB evaluations include the extent to which participatory processes involving widespread stakeholder consultation contributed to program formulation and the degree to which the rationale for and likely impacts of the program were explained to and accepted by the general public.

9. Johnson and Watsy have developed a framework that has been used to assess ownership in World Bank evaluations. Their system treats ownership as a four-dimensional independent variable. The four dimensions are (a) locus of initiative, (b) level of intellectual conviction among policy makers, (c) expression of political will by top leadership, and (d) efforts towards consensus building among various constituencies. Each of these dimensions has four levels reflecting the intensity of ownership. The four levels are: very high, high, low, and very low. By order of intensity, the criteria are defined as follows (to reflect ADB's role):

- (i) Locus of initiative:
  - (a) the initiative for formulating and implementing the adjustment program was clearly the borrower's;
  - (b) the program was inspired and developed in close collaboration between the government and ADB;
  - (c) the program was designed by ADB, and it received the borrower's broad commitment to adhere to the program without major dissent; and

- (d) the program was prepared by ADB and funding was extended, despite governmental disagreement and reluctance to implement some aspects of the program.
- (ii) Level of intellectual conviction among key policy makers:
  - (a) there was an observable and detailed consensus among identifiable key ministries/decision-makers about the nature of the crisis and the necessary remedial actions;
  - (b) the diagnosis of the crisis and a common approach to reform became gradually entrenched in policy making circles;
  - (c) there was some disagreement about the nature of the crisis and resistance from the implementing agencies as to the extent and/or the pace of reform; and
  - (d) there was very little agreement among policy makers on the nature and causes of the crisis and/or on the possible courses of action.
- (iii) Expression of political will by top leadership:
  - (a) specific and dramatic up-front actions were initiated either before or at the inception of the program;
  - (b) there was a very strong and detailed public statement by the top political leadership of its support for reform;
  - (c) the top political leadership expressed lukewarm commitment to reform, albeit the exact nature of some key specific provisions was left for later definition, opening the door for reversals or retrogression; and
  - (d) at the outset of the program, there was no clear-cut indication as to whether the government would actually act to overcome the obstacles or opposition, public or private, to the proposed policy reforms.
- (iv) Efforts toward consensus building among various constituencies:
  - (a) the government launched a broad-based public campaign to help in designing the program and/or to elicit support outside the central government;
  - (b) major efforts by top policy makers were made to evoke cooperation from the key implementing agencies in the delivery of the reform program;
  - (c) approval was made by centralized decision-makers, while other agencies were involved only in executing some aspects of the program; and
  - (d) the important sectoral and provincial EAs were neither consulted in advance nor involved in the execution of the program.

10. These criterion were applied in the case of an evaluation of World Bank's *Structural and Sectoral Adjustment, 1980–1992* (footnote 1 [iii]). That study found a significant correlation between program ownership and success. In that example, five countries had very high ownership, 14 had high ownership, 42 low and 9 very low. The criteria have also been utilized in World Bank country evaluations in which the assistance program was dominated by support for policy reform.

**LAO PEOPLE'S DEMOCRATIC REPUBLIC:  
COUNTRY ASSISTANCE PROGRAM EVALUATION CLIENTS/STAKEHOLDERS SURVEY**

Name of organization.....

1. What is your perception about the Asian Development Bank's (ADB) role in providing lending and nonlending assistance to the Lao People's Democratic Republic?

1 = as major donor in general  
2 = as major donor in many sectors  
3 = as major donor in a few sectors  
4 = as minor donor

2. Please specify the sectors in which you think ADB has been lead donor.

.....

3. Are there any sectors where you think ADB should reduce/withdraw assistance? If yes, please specify sector(s) and reason(s).

1 = no  
2 = yes (specify sector[s]).....  
(specify reason[s])—you may tick more than one answer below.

a = ADB does not seem to do well in such sectors  
b = ADB is doing well, but other donors' roles are more prominent  
c = ADB is doing well, but there should be more joint efforts with other donors  
d = others (specify).....

4. What is your perception about the level of aid coordination in the country?

1 = highly satisfactory  
2 = generally satisfactory  
3 = needs some improvements  
4 = needs a lot of improvements

5. What level of aid coordination do you think the country needs most?

1 = strategic level (needs more consultations among development partners in order to harmonize country strategies and programs to align more with the Government's priority areas/sectors to achieve Millennium Development Goals in a coherent manner, and to avoid duplicative/piecemeal efforts)  
2 = dialogue level (needs more collective policy dialogue among donors to pursue key policy issues with the Government in a coherent manner and to increase Government's commitment to the required reforms while avoiding inconsistent/conflicting policies)  
3 = technical working group level (needs more meetings or joint efforts at the technical working group level, including preparing country joint portfolio review)  
4 = other levels (specify).....

6. What do you think about ADB's efforts in aid coordination with other development partners (e.g., government agencies, donors, private sector groups, civil society, and nongovernment organizations)?

- 1 = highly satisfactory
- 2 = generally satisfactory
- 3 = needs some improvements
- 4 = needs a lot of improvements

7. Please suggest ways in which ADB should improve aid coordination activities (you may tick more than one answer).

- 1 = doing more discussions/consultations with other development partners to increase harmonization of its country strategy and program with those of other donors and with the Government's development priorities/needs
- 2 = doing more collective policy dialogue
- 3 = doing more joint meetings with other donors to harmonize implementation procedures (including preparing country joint portfolio review)
- 4 = others (specify).....

8. How do you perceive ADB's assistance in terms of relevance to the country's development priorities?

- 1 = highly relevant
- 2 = relevant
- 3 = partly relevant
- 4 = not relevant

9. How do you perceive ADB's assistance in terms of achievement of development outcomes/impacts in the key sectors assisted?

- 1 = highly effective
- 2 = effective
- 3 = partly effective
- 4 = ineffective

10. How do you perceive ADB's assistance in terms of sustainability of its projects in the key sectors assisted?

- 1 = very likely
- 2 = likely
- 3 = less likely
- 4 = unlikely

11. How do you perceive ADB's assistance in terms of contributions to strengthening institutional capacity of government agencies to deliver services more effectively?

- 1 = substantial
- 2 = significant
- 3 = moderate
- 4 = negligible

12. How do you perceive ADB's assistance in terms of contributions to improving governance (e.g., improving rules and regulations to increase transparency/accountability of government agencies and to facilitate private sector development)?
- 1 = substantial
  - 2 = significant
  - 3 = moderate
  - 4 = negligible
13. What is your perception about the role of ADB's Lao Resident Mission (LRM) in helping improve ADB's operations?
- 1 = very useful
  - 2 = useful
  - 3 = not very useful
  - 4 = not useful
14. Please suggest ways to improve LRM's operations in the future (you may tick more than one answer).
- 1 = LRM staff should discuss/consult with development partners concerned more often
  - 2 = LRM staff should visit project sites more often
  - 3 = LRM staff should be more client-oriented
  - 4 = others (specify).....
15. What do you perceive as the strengths of ADB's operations (you may tick more than one answer)?
- 1 = responsiveness to the country's development needs
  - 2 = continuity in key sectors
  - 3 = fostering beneficiary/country participation and ownership
  - 4 = others (specify).....
16. What do you perceive as the weaknesses of ADB's operations (you may tick more than one answer)?
- 1 = lack of a well-integrated, programmatic modality (e.g., sector wide approach [SWAP]) to provide systematic and coherent assistance in some sectors
  - 2 = overly ambitious and complex project/program design in some sectors
  - 3 = lack of synergies between related sectors
  - 4 = others (specify).....
17. Please suggest ways to improve ADB's operations in the future (you may tick more than one answer).
- 1 = focusing on a smaller number of sectors (specify sectors).....
  - 2 = delegating more projects to LRM to administer
  - 3 = adopting the SWAP in some sectors
  - 4 = others (specify).....

18. What do you perceive as the main obstacle for adopting the SWAP?

- 1 = different definitions of the SWAP concept among donors
- 2 = insufficient capacity of government agencies concerned to adopt/implement the SWAP
- 3 = insufficient coordination among donors to encourage the Government to start adopting/initiating the SWAP
- 4 = others (specify) .....

19. To what extent do you think the country's development agenda (e.g., the national growth and poverty eradication strategy [NGPES] and current medium-term plan) have been led by the Government?

- 1 = fully led by the Government
- 2 = generally led by the Government
- 3 = generally led by donors
- 4 = fully led by donors

20. What do you think is the most important way to improve Government's leadership and ownership in the country's development agenda?

- 1 = improving overall aid coordination among development partners
- 2 = improving coordination system among government agencies responsible for planning, aid mobilization, and poverty monitoring
- 3 = increasing government participation in the design of donors' projects and country strategies and programs
- 4 = others (specify).....  
.....

21. To achieve sustainable poverty reduction, what do you think should be the country's development priorities in the next 5 years?

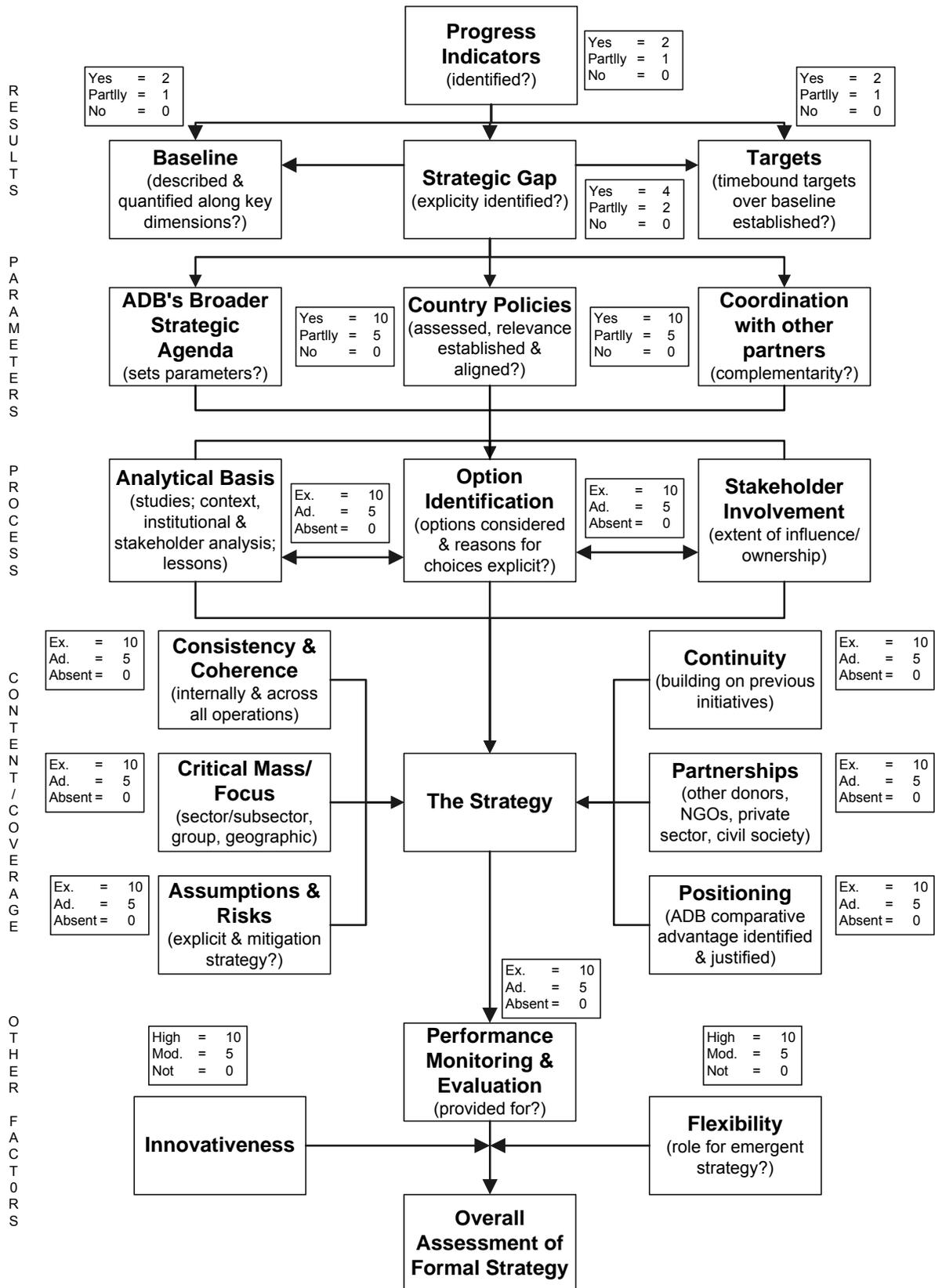
.....  
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22. Do you think the country will have sufficient budget to achieve long-term development objectives identified in the NGPES?

- 1 = no
- 2 = yes

23. What do you perceive as the major development constraints/challenges of the country?

### FRAMEWORK FOR STRATEGY QUALITY ASSESSMENT



Ex = excellent, Ad = adequate, Mod = moderate.

**A. Progress Indicators Identified, Baseline Described and Quantified, Time-Bound Targets Over Baseline Established?**

1. These three indicators assess the extent to which the expected results from the strategy were specified in measurable terms over a quantified baseline situation.
2. The maximum score means comprehensively present overall and for sectors (2).
3. Rating: any score between 2 and 0.

**B. Strategic Gap Identified?**

4. Related to the above, this indicator assesses whether the gap between target and baseline is clearly stated.
5. The maximum score means that the size of the task to be addressed by the strategy is clear overall and for each sector (4).

**C. Asian Development Bank's Broader Strategic Agenda**

6. This indicator assesses the extent to which Asian Development Bank's (ADB) broader strategic agenda (overarching, crosscutting, and sector policies and strategies) influenced choices made in the country strategy. De facto, it may be an assessment of the ability of those policies to exert an influence.
7. The maximum score means that ADB's general, sector, and thematic strategies and policies were explicitly taken into account and were influential in setting the boundaries or parameters for what is in or out of the strategy at the country level (10).
8. Rating: any score between 10 and 0.

**D. Country Policies**

9. This indicator assesses the extent to which stated country strategies, plans, and policies were assessed and taken into account in the strategy. It goes beyond a simple assessment of alignment. Alignment with a flawed strategy or alignment to a policy to which the government is not really committed is not positive.
10. The maximum score means that country policies were carefully assessed, their relevance determined and, where relevant, ADB's strategy was aligned with these (10).
11. Rating: any score between 10 and 0.

**E. Coordination with Other Partners**

12. This indicator assesses the extent to which the programs of other development partners were taken into account and influenced the choices made by ADB, i.e., "aid coordination." Real coordination should go beyond mere avoidance of duplication to exploit opportunities for synergy, including pooling of funds were appropriate.

13. The maximum score means that an assessment of the programs and strategies of other development partners was made, that demonstrable efforts to achieve synergy were made and that dialogue was held with partners. Opportunities for two-way partnership should be evident (10).

14. Rating: any score between 10 and 0.

#### **F. Analytical Basis (10)**

15. This indicator assesses the extent to which the strategy was based on evidence from sound analysis.

- (i) The number, coverage, and rigor of economic, sector, or other studies—where commissioned/carried out by ADB or others—upon which the strategic analysis is based.
- (ii) The economic context and the consequences of this are clearly spelled out.
- (iii) The policy context and the consequences of this are clearly spelled out.
- (iv) The political economy context and the consequences of this are clearly spelled out.
- (v) Institutional analysis has been carried out and the consequences of this incorporated.
- (vi) Stakeholder analysis has been carried out and the consequences of this incorporated.
- (vii) The lessons from previous strategies have been identified and incorporated in the new strategy.
- (viii) Economic modeling has been carried out to compare alternative approaches, particularly with respect to exploring policy options.

16. Rating: any score between 10 and 0.

#### **G. Option Identification**

17. This indicator assesses whether ADB has explicitly considered more than one option before settling on its strategic approach. Did ADB approach strategy preparation with an open mind or was the strategy written to justify decisions already made? Evidence of option consideration indicates that a “closed mind” approach may not have prevailed.

18. The maximum score means several alternative strategic approaches were explicitly considered and the reasons for the preferred approach clearly given (10).

19. Rating: any score between 10 and 0.

#### **H. Stakeholder Involvement**

20. This indicator assesses the extent to which stakeholders had influence and have demonstrated ownership of the strategic choices made.

21. The maximum score means that all key stakeholders participated in the strategy development and that their input demonstrably affected the choices made (10).

22. Rating: any score between 10 and 0.

## **I. Consistency and Coherence**

23. This indicator assesses the extent to which the strategy avoids internal contradictions in its strategic choices and the extent to which the various elements of the strategy link together as a coherent overall program.

24. The maximum score means that there are no internal contradictions in the strategy and that there is a coherence and synergy demonstrably evident in the total of ADB operations (public and private sector operations, technical assistance, economic and sector work, and policy dialogue) (10).

25. Rating: any score between 10 and 0.

## **J. Critical Mass/Focus**

26. This indicator assesses the extent to which ADB's strategy and proposed package of resources to any one area is likely to be sufficient to produce sustained results. A key limiting factor is likely to be ADB's human resources. Are these stretched too thin to provide a critical mass of ideas and support?

27. The maximum score means a clear and limited focus by sector and/or subsector, target group and/or geographic area, consistent with the size of the overall resource envelope, such that substantial and sustainable results are likely to be achieved (10).

28. Rating: any score between 10 and 0.

## **K. Assumptions and Risks**

29. This indicator assesses the extent to which the strategy explicitly identifies the risks that could prevent strategy realization and the assumptions upon which success is predicated. Mitigation measures for risks should be identified. Particularly important are political economy risks.

30. The maximum score means that assumptions and risks associated with the strategy are explicitly identified and that mitigation measures for risks are identified (10).

31. Rating: any score between 10 and 0.

## **L. Continuity**

32. This indicator assesses the extent to which ADB's strategy provides critical mass over time. Is the strategy building on past experience with clearly identified learning?

33. The maximum score means that there is clear evidence of a medium- to long-term commitment to an area of focus such that results can expect to build over time based on accumulated knowledge and experience (10).

34. Rating: any score between 10 and 0.

**M. Partnerships**

35. This indicator assesses the extent to which the strategy incorporates genuine partnerships (not always with ADB as the lead partner) such that results are likely to be greater than those that would be achieved by ADB working alone.

36. The maximum score means that synergistic partnership opportunities are identified with other funding agencies, nongovernment organizations, private sector, and civil society (10).

37. Rating: any score between 10 and 0.

**N. Positioning**

38. This indicator aims to assess the extent to which the strategy identifies and justifies a position of comparative advantage for ADB.

39. The maximum score means that ADB's comparative advantage(s) are clearly identified and justified and the strategy is demonstrably consistent with those comparative advantages (10).

40. Rating: any score between 10 and 0.

**O. Performance Monitoring and Evaluation**

41. This indicator assesses the extent to which the strategy incorporates the means for monitoring and evaluating the attainment of strategy and the results of strategy.

42. The maximum score means that the process of monitoring and evaluation is fully provided for in terms who will do this, how, and when. Costs provided for (10).

43. Rating: any score between 10 and 0.

**P. Innovativeness**

44. This indicator assesses the degree to which the strategy demonstrates innovation.

45. The maximum score means a high degree of innovativeness based on learning and with a well justified rationale (10).

46. Rating: any score between 10 and 0.

**Q. Flexibility**

47. This indicator assesses the degree to which the need for, and means of, flexibility is incorporated.

48. The maximum score means the role and justification for emergent strategy is explicitly covered and the process for decision-making is clearly spelled out (10).

49. Rating: any score between 10 and 0.