Independent Evaluation for Accountability and Learning:
Case Study of Greater Mekong Subregion (GMS) Highway Expansion Project

ODA Workshop
Thailand, January 2019
OUTLINE

- Why evaluate?
- How ADB evaluates?
- Case study of a transport sector project
- Challenges and suggestions in project evaluation
WHY EVALUATE?
Why Evaluate?

Accountability
Are we doing the right things? Are we doing things right?
Resources are properly allocated and used, and intended outcomes realized

Learning lessons
Identification of lessons for improving development impact of future policies, strategies, programs and projects
Accountability – Who is involved?

ADB Departments
- Operations
- RSDD, SPD, ERD, OREI
- Others (accountability and learning)

ADB Management
(use of evaluations, acting on recommendations, influence on ADB directions)

Developing Member Countries
(use of evaluations, evaluation capacity development)

International Evaluation Community
(harmonization and joint evaluations, ECG, OECD-DAC)

Independent Evaluation
(independent evaluation, capacity development)

Independent Evaluation (oversight)

Self Evaluation

ADB Board of Directors (DEC)
Who Evaluates at ADB?

Self-Evaluation
- Policies, Strategies, Business Processes, Country and Sector Programs and Projects

Independent Evaluation
- Corporate, Thematic, Country and Sector Programs and Projects

Development Results
Independent Evaluation Department’s Scope of Work

EVALUATION
- Corporate
- Thematic
- Country
- Sector
- Projects

KNOWLEDGE
- Communications and outreach
- Knowledge and evaluation capacity development (ECD)
HOW ADB EVALUATES?
RESULTS BASED EVALUATION AND EVALUATION CRITERIA
Project Cycle and Results Chain
Evaluation Criteria: Sovereign

Core Criteria
- Relevance
- Effectiveness
- Efficiency
- Sustainability

Other Criteria
- Development impacts
- Executing agency performance
- ADB’s (and cofinancers) performance
## Definitions of Evaluation Core Criteria

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<tr>
<th>Criteria</th>
<th>Definition</th>
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<td><strong>Relevance</strong></td>
<td>• Consistency of a project's impact (goal) and outcome (objectives) with the government’s development strategy, ADB’s lending strategy, and the adequacy of the design</td>
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<td><strong>Effectiveness</strong></td>
<td>• The extent to which the outputs and outcomes, as specified in the project document or log frame, either as agreed at approval or as subsequently modified, were achieved</td>
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<td><strong>Efficiency</strong></td>
<td>• How economically resources were converted to results, using indicators such as the economic internal rate of return, cost-effectiveness, and process efficiency</td>
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<td><strong>Sustainability</strong></td>
<td>• The likelihood that institutional, financial, and other resources are sufficient to maintain the outcome over its economic life using indicators such as the financial internal rate of return</td>
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## Definitions of Evaluation Other Criteria

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<td><strong>Development Impact</strong></td>
<td>• Long-term changes to which project plausibly contributed, whether intended or unintended</td>
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| **Executing Agency Performance** | • Implementing project activities as per the rationale, objectives and loan agreement of the project  
                                | • Compliance with loan covenants, safeguards, reporting and other fiduciary requirements         |
|                                | • Ensuring support for project steering committee and counterpart funding                         |
| **ADB’s Performance (and Cofinancier)** | • Adequacy of project preparation  
                                | • Prompt and appropriate mid-course corrections, as required                                    |
CASE STUDY OF A TRANSPORT SECTOR PROJECT
Thailand: Greater Mekong Subregion (GMS) Highway Expansion Project

- **Project Description**
  - Upgrade 178 km of two-lane National Highway (NH) to four-lane highway
    - NH 12 from Phitsanulok to Lom Sak (105 km) along GMS East–West Economic Corridor (EWEC)
    - NH 359 from Phanom Sarakham to Sa Kaeo (73 km) along GMS Southern Economic Corridor (SEC)

- **Project Schedule (Actual): 2010 – 2017**

- **Project Cost (Actual) $145.13 million**
  - Kingdom of Thailand: $75.72 million
  - ADB: $ 69.41 million
Thailand: Greater Mekong Subregion (GMS) Highway Expansion Project

- **Expected Project Impact**
  - Increased competitiveness of the local economy in the provinces along EWEC and SEC
  - GDP to increase by 20% in the provinces where the project highways are expanded
  - Value of cross-border trade by road transport with other GMS countries along EWEC and SEC to increase by 20%

- **Project Outcome**
  - More efficient and safer project highway sections along EWEC and SEC in Thailand
    - Reduction in passenger and freight operating costs by 10%
    - Reduction in travel times by 15%
    - Increase in traffic volume by 5%
    - Reduction in traffic fatalities by 40%

- **Project Output**
  - Upgrade 105 km of NH 12 and 73 km of NH 359
    - Complete the highway upgrade
    - Implement Resettlement, Environmental management plans, and HIV/AIDS and human trafficking awareness program
    - Establish resettlement coordination committees, conduct capacity building training on resettlement, gender sensitization and livelihood restoration
    - Implement Road safety audits, construct road safety features, develop and implement road safety public awareness program
  - Develop of a project performance management system
  - Prepare implementation plan for the Strategic Intercity Motorway Network

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Thailand: Greater Mekong Subregion (GMS) 
Highway Expansion Project – Evaluation Results

- **Relevance** of Design and Formulation – Relevant
  - Consistent with the Thailand government’s development strategy, the National Economic and Social development plan, and the Transport Infrastructure Development Plan for 2015–2022
  - The project outcome consistent with ADB’s Current and Country Partnership Strategy, its regional cooperation strategy and program update.

- **Effectiveness in Achieving Project Outcomes and Outputs** – Less than Effective
  - Two out of four project outcomes performance indicator targets achieved
    - Reduction in passenger and freight operating costs of 10% not achieved, Reduction in traffic fatalities of 40% not achieved
  - Seven out of eight project outputs performance indicator targets achieved
    - Establishing resettlement coordination committees and conducting capacity building training on resettlement, gender sensitization, and livelihood restoration by the end of 2009 partly achieved
Thailand: Greater Mekong Subregion (GMS) Highway Expansion Project – Evaluation Results

- **Efficiency of Resource Use – Efficient**
  - Economic internal rate of return (EIRR) of the overall project estimated at 16.3%
  - Process delay occurred with 20 month delay during preconstruction stage but the civil works completed on time

- **Preliminary Assessment of Sustainability – Likely Sustainable**
  - Department of Highway’s (DOH) institutional and financial resources sufficient to sustain the project highways over their economic life
    - Permanent district offices responsible for administration of NH 12 and NH 359, and the resident engineers continue O&M tasks
    - DOH’s annual budget for Operate and Maintain (O&M) of national highways secured throughout the country

- **Overall Project Assessment – Successful**
Three factors for the civil works to be completed on time:

- Contract package size, no requirement for land acquisition, and deployment of DOH resident engineers at the contractor’s camp sites

Importance of the executing agency’s institutional capacity to implement the civil works and manage the contracts

Engage national contractors who have experience in safeguard issues

Avoid delays during the pre-construction stage

- Prepare bidding and contract documents in advance and avoid revision during contract negotiation

Investigate the causes and characteristics of the traffic accidents and propose measures to avoid similar accidents
CHALLENGES AND SUGGESTIONS IN PROJECT EVALUATION
Challenges in Transport Project Evaluation

- Short evaluation period versus Long project life cycle
- Quantifying the direct project benefits
- Sector versus Thematic based evaluation
- Increased need for a cross-sectoral and thematic collaboration
- Complexity of the projects
- Quality of the data and continuous monitoring needs
- Stakeholder coordination and commitment
- Applying lessons learned
Items to Consider in Transport Project Evaluation

- **Relevance** Criterion:
  - Possible scope changes, cancellations, and cost overrun
  - Adequate mitigation of known risks
  - Appropriateness of the project design in achieving the intended outcomes
  - Availability of baselines and SMART (Specific, Measurable, Achievable, Relevant, Time-bound) indicators

- **Effectiveness** Criterion:
  - Accurate demand projections to achieve the expected outcomes
  - Achievement of both the outputs and the outcomes
  - Availability of baseline and completion data
Items to Consider in Transport Project Evaluation

- **Efficiency** Criterion:
  - Process efficiency related to start up issues, recruitment and procurement delays
  - Reliability of economic internal rate of return:
    - Reasonable assumptions, e.g. overestimate of demand/benefits
    - Implementation delays not reflected in cost–benefit streams

- **Sustainability** Criterion:
  - Evidence of adequate O&M budget
  - Evidence of sufficient tariff for revenue generating projects
  - Required institutional capacity of agencies involved
    - Staff strength, Technical capacity, Financial performance
Other Considerations in Making Evaluations Influential

- Evaluation findings, lessons and recommendations only add value when they are used.
- Dissemination and outreach should enhance visibility, learning, and usage of evaluations.
- User-friendly and Timely.
Key Takeaways

- Evaluation contributes to accountability and learning
- Recognize international standards for evaluation criteria
- Evaluation helps track trends in performance and results
- Knowledge from evaluation can be influential when it is timely, valued, accessible and used
- Overall evaluation helps maximize development effectiveness