

**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

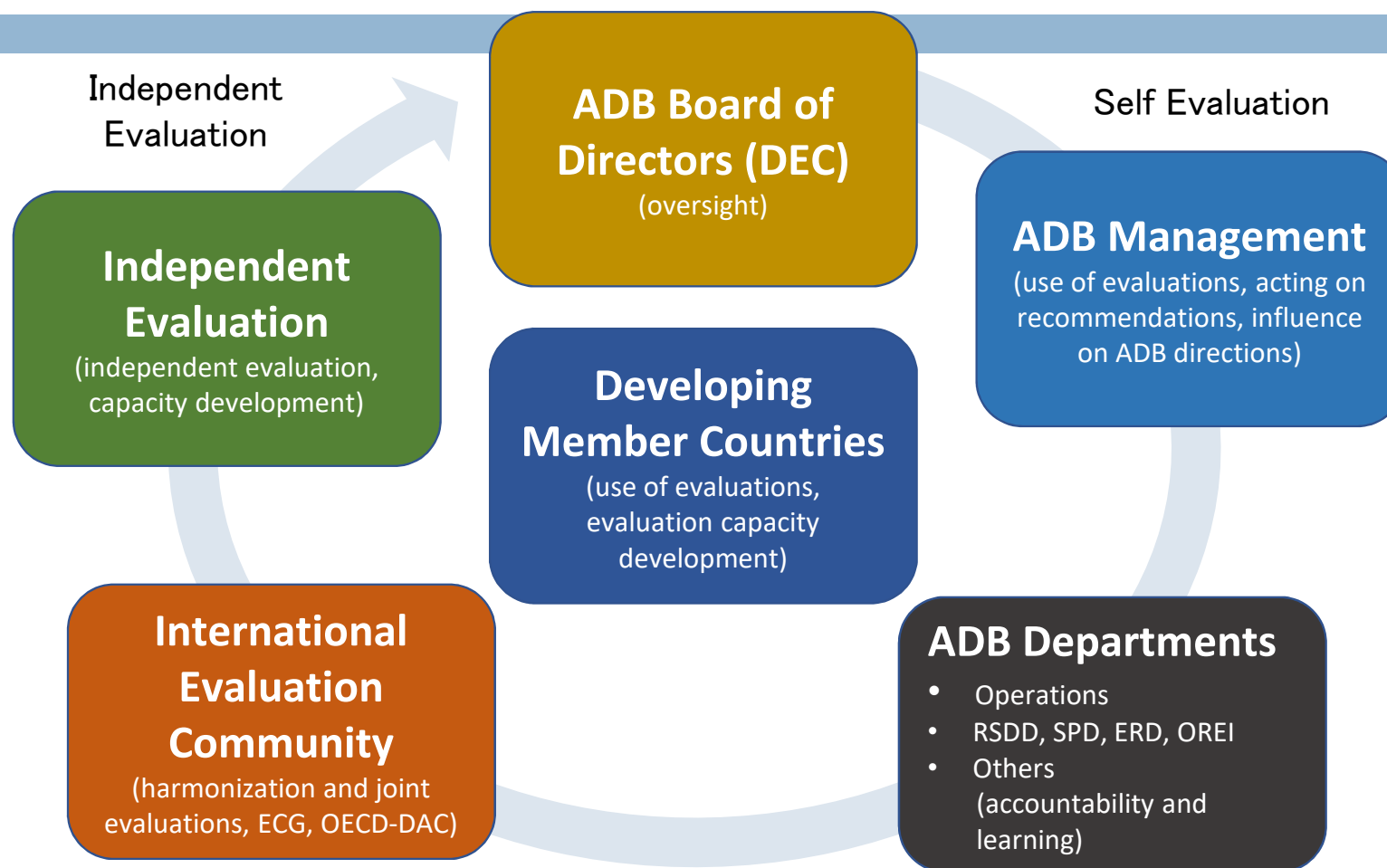
Are we doing the right things? Are we doing things right?
Resources are properly allocated and used, and intended outcomes realized

Learning lessons

Identification of lessons for improving development impact of future policies, strategies, programs and projects

Maximize
Development
Effectiveness

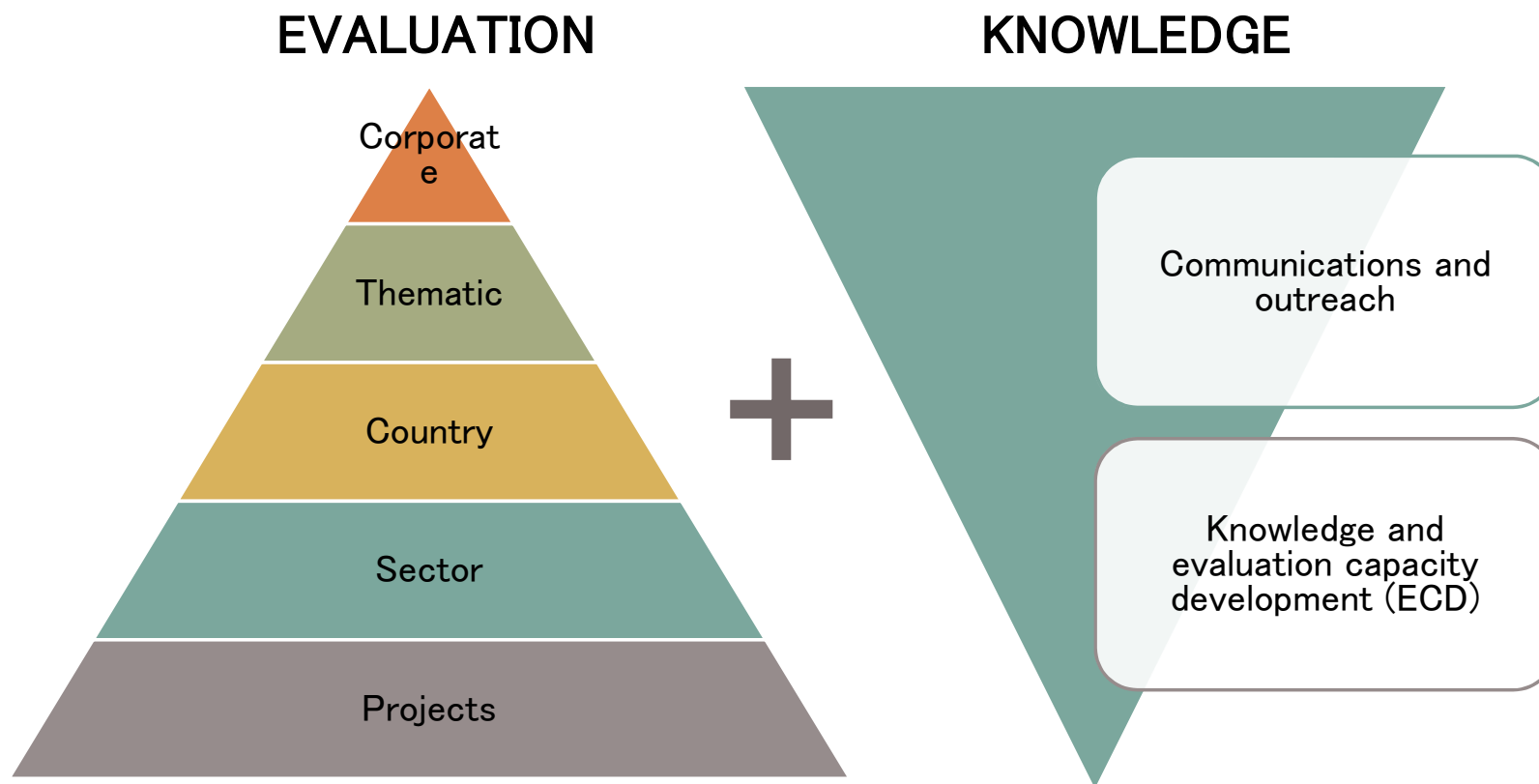
Accountability – Who is involved?



Who Evaluates at ADB?



Independent Evaluation Department's Scope of Work

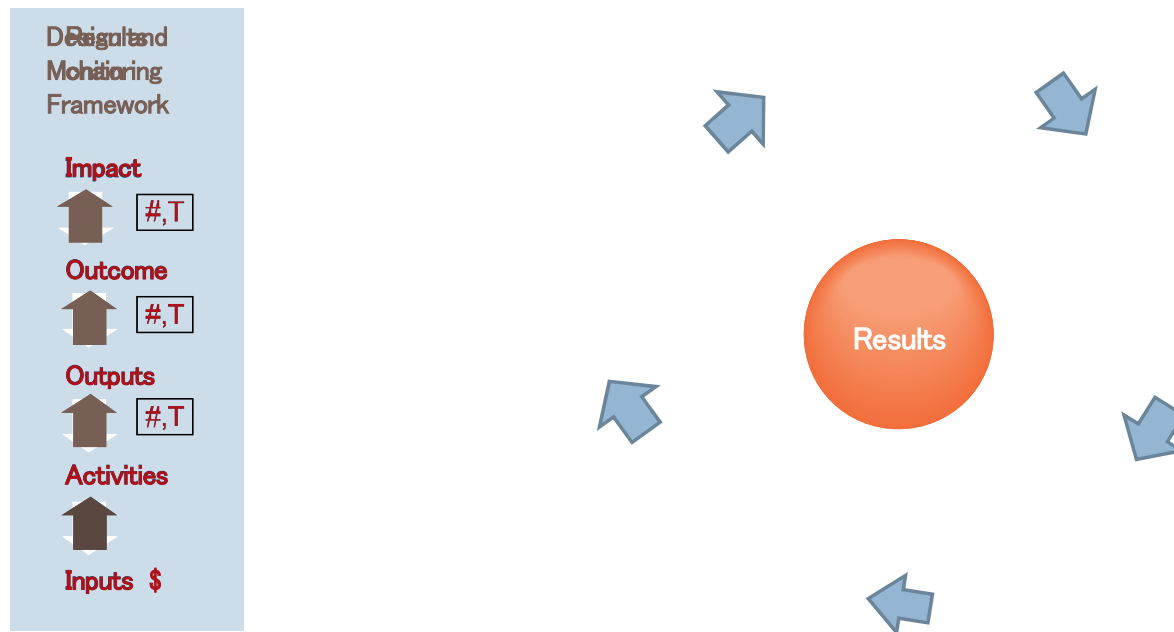


HOW ADB

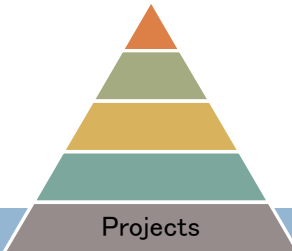
EVALUATES?

**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 cofinanciers) performance

Definitions of Evaluation Core Criteria

Relevance

- 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

Effectiveness

- 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

Efficiency

- How economically resources were converted to results, using indicators such as the economic internal rate of return, cost-effectiveness, and process efficiency

Sustainability

- 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

Definitions of Evaluation Other Criteria

Development Impact

- Long-term changes to which project plausibly contributed, whether intended or unintended

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

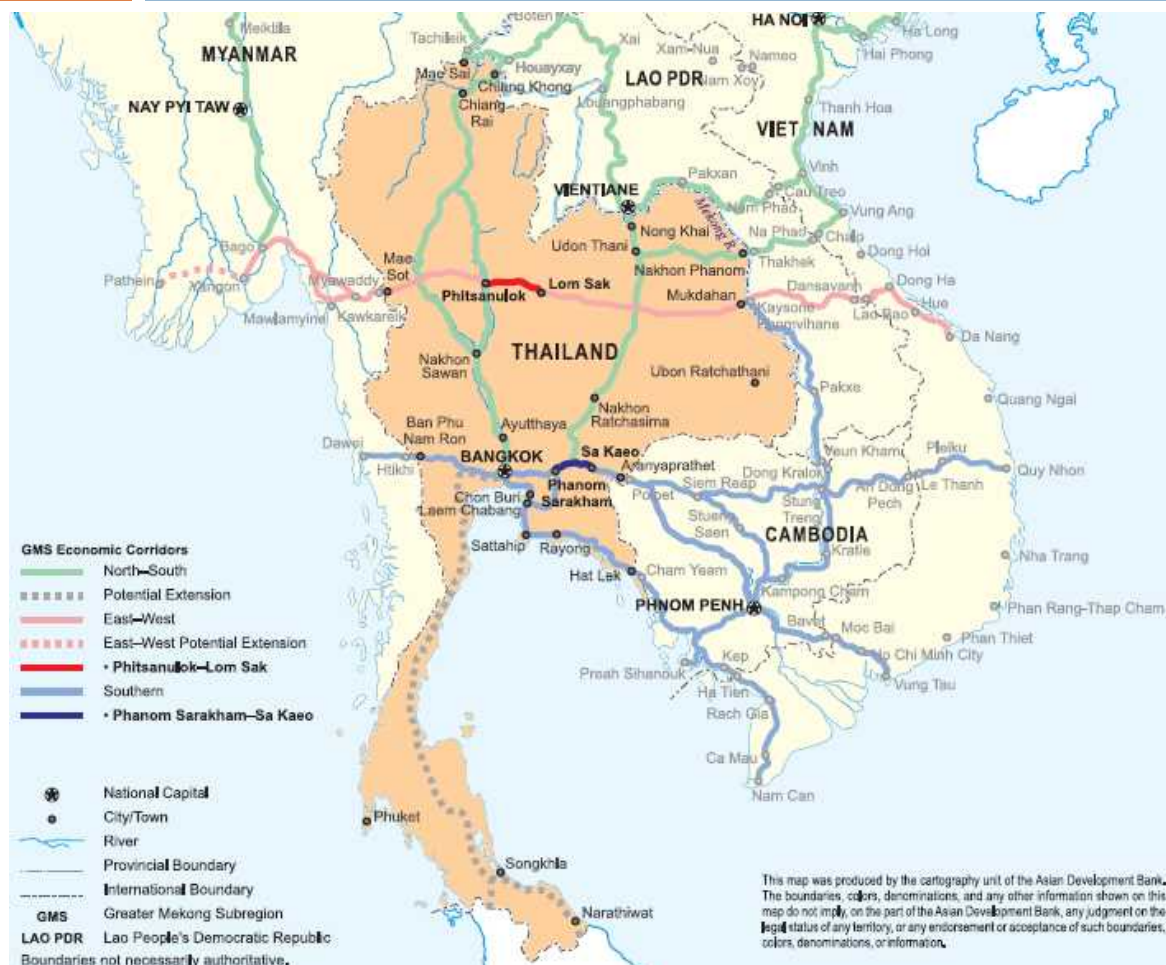
ADB's Performance (and Cofinancier)

- 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

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**

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

- 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



WHAT OPERATIONAL AREAS WILL ADB FOCUS ON?

ADB will focus on seven operational priorities:

- 
Addressing remaining poverty and reducing inequalities
 human development and social inclusion, quality jobs, education and training, better health, social protection
- 
Accelerating progress in gender equality
 scaled-up support for gender equality; women's economic empowerment; gender equality in human development, decision-making, and leadership; reducing time poverty for women; strengthening women's resilience to shocks
- 
Tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability
 low greenhouse gas emissions development, approach to building climate and disaster resilience, environmental sustainability, water-food-energy security nexus
- 
Making cities more livable
 integrated solutions, funding for cities, inclusive and participatory urban planning, climate resilience and disaster management
- 
Promoting rural development and food security
 market connectivity and agricultural value chain linkages, agricultural productivity and food security, food safety
- 
Strengthening governance and institutional capacity
 public management reforms and financial sustainability, service delivery, capacity and standards
- 
Fostering regional cooperation and integration
 connectivity and competitiveness, regional public goods, cooperation in finance sector, subregional initiatives

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

Thank You

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