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| Attaching support for this reform agenda to a crisis fighting effort and to an IMF (International Monetary Fund) adjustment program was a major handicap for the AETP (Accelerating Economic Transformation Program). A multiyear pursuit of structural transformation objectives would have benefited from not being linked to the short-term financial targets that govern macroeconomic stabilization programs, crucial as they are. In terms of both the efficacy of program design efforts and the depth of the necessary policy dialogue, a structural transformation agenda requires a continuity of engagement, experimentation, and monitoring that macroeconomic stabilization support efforts in general cannot accommodate. Macroeconomic adjustment programs often get paused or cancelled if financial targets are not met (irrespective of institutional reform achievements), and the timing of policy agreements is governed by financing pressures. In addition, macroeconomic stabilization programs have had, at best, a mixed track record in promoting medium-term growth. In view of the absence of any other modality in ADB at the time to support the macroeconomic stabilization challenge through quick disbursement of large foreign-currency resources, perhaps the programmatic approach pursued should have been focused exclusively on Output 1.  project cycle stage: Concept, Design, Feasibility, Implementation    Objectives under Output 3 could have been pursued further through other ADB modalities when the AETP (Accelerating Economic Transformation Program) was discontinued (as in Output 1 on energy and social protection). The lack of structural transformation had been presented as one fundamental reason why the BOP (balance of payments) crises are recurrent in Pakistan. There was a strong consensus during subprogram 1 and subprogram 2 that resource mobilization, internal or external, is not what constrains Pakistan development in normal times (i.e. outside crisis episodes). BOP inflows, credit-fueled increases in private demand and pro-cyclical fiscal policies actually seem to push aggregate demand forward at rates that eventually become inconsistent with external balance in Pakistan. Structural transformation, the industrial and export development process through which a country acquires, over time, capabilities in products whose exports grow faster per percentage point of world economic growth, seems to be the only way to break the boom-bust macroeconomic pattern of recent decades. Substantial policy work during subprogram 1 and subprogram 2 had produced a number of policy avenues for subprogram 3 and subprogram 4.  project cycle stage: Design, Feasibility, Implementation |
| One of the PMDGP's (Punjab Millennium Development Goals Program) principal lessons is that interventions in countries with difficult socioeconomic conditions and generally weak implementation capacity require more comprehensive due diligence during design. When large complex programs are prepared in this context, ADB needs to carry out detailed, rigorous, and objective analysis of the potential implementation risks, especially those related to the executing agency. Once that is done, all necessary mitigation measures must be built into the design.  project cycle stage: Design, Implementation, Country Partnership Strategy    A well-thought-out conceptual design is a key to the success of any program. In the case of the PMDGP (Punjab Millennium Development Goals Program), the design set a commendable goal in the intended outcome, but it seems to have overestimated the capacity of the GOP (Government of Punjab) to help achieve it. It also relied too heavily on the establishment of the MSDSs (minimum service delivery standards) as a strategy for attaining MDGs (Millennium Development Goal) 4 and 5. In addition, the challenges commonly faced in such programs and projects due to the rotation of managers and inadequate ability to attract and retain suitably qualified staff should have been taken into account when considering the PMDGP timelines and setting the outputs and targets.  project cycle stage: Concept, Design, Implementation    Given the weak capacity of the executing agency, a large, well-conceived, and properly structured TA (technical assistance) project should have been piggybacked on the program to address the obstacles presented by inherent system inefficiencies and limited capacity.  project cycle stage: Implementation |
| 1. The design and implementation of the cluster program shows that it was too ambitious in its scope, and that depth of program engagement is more important than breadth of reforms. Improving the overall efficiency of the government is a complex undertaking. It requires major changes in existing institutional arrangements, human resource capacity, and legal and regulatory frameworks. Thus, (i) design should be based on thorough analysis of underlying issues to develop a realistic and properly sequenced set of reforms; (ii) proactive, frequent, and sustained dialogue with the political leadership as well as high- and mid-level officials is critical to create government ownership and buy-in for reforms; (iii) cluster program-type programs require a medium- to long-term implementation time frame, with very regular reporting and progress discussions, flexible implementation arrangements, frequent consideration of the need for any course corrections or changes, and a strategically planned, carefully managed, and integral role for technical assistance (TA); and (iv) given security concerns, TA design should allow sufficient time for recruitment of consultants. [Main text, para. 52]  project cycle stage: Design, Implementation  Lesson Topics: |
| Need for adequate resource allocation to preparatory works for new projects. The cost overrun of the civil works component was a primary reason for the cancellation, and was caused by inadequacies in the investment program appraisal with respect to safeguards, engineering design and the cost estimate. The project preparatory TA was conducted with very limited resources - only about $0.75 million was allocated to complete a comprehensive feasibility study for the investment program within 8 months, which was insufficient for a country that had become an ADB member country only one year before the TA's commencement, and for construction of roads in a greenfield site. The budget and implementation duration should have been carefully examined and discussed in depth with the government prior to the project preparatory TA's implementation. ADB currently has a different financial modality to provide project preparatory support to its developing member countries, called as project design advance, that involves more robust funding for needed studies and detailed advance design, with greater government ownership.  Need for comprehensive due diligence in safeguards and technical aspects. The cost overrun had two major causes: (i) an insufficient safeguard assessment during appraisal, and (ii) an inaccurate cost estimate. A comprehensive safeguards impact assessment during appraisal could have avoided the later realignment. Detailed analysis of alternative alignments and their associated potential safeguards impacts, both of environmental and social, should have been conducted as well. The original alignment was to be located in the vicinity of the protected wetland area, which should have been examined together with the cost for environmental mitigation measures to be implemented. Several factors contributed to the inaccurate cost estimate, including market volatility. The estimates were prepared in 2009, when global construction activity was low. ADB has discussed with the government the need to minimize the risk of estimation errors or design changes in future projects. As a first step, the government and ADB agreed to plan robustly and execute preparatory work with more attention to detail, especially with regards to engineering designs, safeguards, procurement and cost estimation. The government will also explore value-engineering and non-traditional project delivery methods such as design-build to mitigate the risks the project encountered during implementation. Furthermore, the critical cost factors and the technical parameters of roads to be improved in future projects should be examined, with allowance for price and quantity adjustments for uncertainty, and including adequate contingencies to minimize the risk of cost overruns.  Need for the government's continuous capacity enhancement in project preparation. The government should have conducted its own robust due diligence prior to processing new projects, particularly in terms of engineering and safeguards. Further, international financial institutions, including ADB, should continue providing technical support, including institutional and capacity development programs, to enable the executing and implementing agencies to independently prepare projects with sound technical inputs. |
| Do not reengage in a sector with poor past performance until the government demonstrates its commitment and ownership by creating an enabling environment for delivery of sustainable outputs.  At appraisal, all parts of previous project arrangements should be thoroughly reviewed to identify the real causes of past project implementation issues. For key past problems, new solutions should be sought, rather than trying to modify past arrangements.  Despite the urgency of government requests for additional financing, conduct a thorough due diligence on all government entities involved and ensure that the available resources fit the scope of the project.  Understand that project implementation will require significant ADB staff resources, and allocate resources for additional support to bolster areas where project implementation was previously weak. |
| 1. A thorough analysis of institutional capacity is required during the design process. The state of inter-institutional linkages and the possible effect on project implementation of weaknesses and difficulties with these linkages also needs to be considered. [Main text, para. 44(i)]  project cycle stage:   Lesson Topics:    2. Policy-related work - which in this project involved preparation of a national agribusiness policy and provincial and special areas horticultural policies - will almost invariably take longer than expected and consume a disproportionate share of management resources during implementation. [Main text, para. 44(ii)]  project cycle stage:   Lesson Topics:    3. Consultancy output for policy work needs to be very specifically defined. For example, should the output be a policy framework or a complete, agreed and adopted policy. If the latter, it must be made clear and agreed with the borrower who is to sign off on the policy document. [Main text, para. 44(iii)]  project cycle stage:   Lesson Topics:    4. Attempting to work along the whole value chain from farm production to market (either domestic or export), as this project attempted to do, will almost certainly be more difficult than concentrating on a few key links. [Main text, para. 44(iv)]  project cycle stage:   Lesson Topics:    5. It is essential that the objectives in the report and recommendation of the President be adequately reflected in operational plans. There is little evidence, for example, that vertical integration in the value chain was facilitated by the project. [Main text, para. 44(v)]  project cycle stage:   Lesson Topics:    6. Developing a private sector-driven market information system in a country where government is the dominant or possibly the sole existing provider of such information is likely to be a complex, time-consuming process and one that may require some form of income guarantee for the private provider or providers. [Main text, para. 44(vi)]  project cycle stage:   Lesson Topics:    7. Agreement should be obtained from the borrower during loan negotiations on the use of project funds to provide equipment and services to wholly private sector firms. [Main text, para. 44(vii)]  project cycle stage:   Lesson Topics:    8. A clear strategy to exit from support for agencies or offices established under projects needs to be defined at the outset by firmly establishing whether the entity is expected to have a continuing role post-project and, if so, how its operations are going to be financed. [Main text, para. 44(viii)]  project cycle stage:   Lesson Topics: |
| Alignment with overall reforms: The project only supported implementation of reforms in the participating towns and WASA in line with PLGO 2001 and urban policy actions agreed with the government for the project (para. 53). Ownership and commitment to reforms deteriorated in general and project implementation was adversely affected. Although these risks were identified in the project design, no flexibility was built into the design to respond to these external factors. Major urban reforms cannot be undertaken in isolation from the external environment; they require political will, incentives, flexibility in design, and critical mass within the system to champion such reforms.  Clarity of roles and responsibilities: The PPTA and the RRP identified overlap in administrative and geographic alignments of agencies such as WASA, town administrations, RDA, the Cantonment Board, and the CDG responsible for municipal and other urban functions (para. 55). The policy actions, PSC and PIRC established for the project were unable to address these gaps. Clarity of roles, and geographic, administrative, and sector alignment are prerequisites for effective urban governance and need to be addressed at the planning stage or should be part of project readiness checklist.  Inclusive implementation arrangements: The PPTA also identified and consulted key stakeholders, including private sector developers, DHA, and the Cantonment Boardï¿½accepting their role in influencing project scope and cost. However, no formal agreement was signed with these stakeholders (para. 54). Formal arrangements with key stakeholders on the scope and cost- sharing arrangement should be part of the design and planning stage, to avoid delays and confusion at the project implementation stage.  Addressing the fundamentals reforms upfront: Major governance issues of autonomy and incentives to perform, which plagued the key implementing agencies that were the urban service providers, were only captured piecemeal in the policy framework. This allowed these issues that were fundamental for the success of the project to be addressed (or not be addressed) during project implementation. The design also allowed major investment subprojects to be implemented without addressing these fundamental issues. All critical conditions that are fundamental to project success should be part of project readiness at entry.  Provision of optimal environment for change: The project design included community and private sector participation in the delivery of urban services, supported by some concrete small-scale activities. However, the project did not provide clear direction and adequate resources to deliver these activities (para. 46). Flexibility is important in the design of complex loans, but for this flexibility to be used effectively, additional capacity, a guiding framework, and resources should be included in the sector loan, with supporting technical assistance to guide the use of the resources. Secondly, private sector participation requires professional management at both public and private sector ends and economies of scale rather than a piecemeal approach in a few areas.  Ensuring quality in complex reform oriented projects: The consultants under the loan were hired through QCBS. The staff costs in the bids were inadequate for quality staff. This hiring process allowed weak firms to bid low and win the bids, without fully appreciating the tasks ahead. The request for proposal for complex sector loans should either be quality-based or include a bid rejection option in case of underbidding in QCBS. |
| Executing agency capacity. Capacity in the executing and implementing agencies was expected to be built through the accompanying TA loan. Program outputs like developing sector strategies, implementing expenditure tracking and service delivery surveys, training communities to manage and monitor social service delivery, and other outputs critical to achieving Program outcome depended on effective technical assistance (TA) loan administration. However, executing agency capacity to administer the TA loan was inadequate. Given the capacity constraints in the province, more frequent and regular TA review missions and direct support through ADB- administered TA could have improved Program implementation. However, security concerns made it difficult to attract and retain good consultants.  Sector focus of policy reform. Given provincial and district capacity limitations, a Program focusing on a single sector would have had a better chance of success. Sustained support in one sector can be less demanding for both the government and ADB. Multi-sector policy reform interventions involving governance reform are difficult to manage, and a new system of local political governance imposed by the federal government added further complications.  Reform sequence. The sequence of reforms in the policy matrix was such that all substantial results could be achieved only after the completion of second tranche actions. In addition, liberal assessment of compliance allowed the release of the first tranche without achieving much toward sustainable outputs. More result-oriented sequencing of policy actions for the first tranche could have achieved some sustainable improvements in social service delivery. |
| Design  A well-thought-out conceptual design is a key to the success of any project. In this case, the project design had commendable objectives, but it overestimated the commitment and capacity of the executing and implementing agencies, and relied too heavily on consultants.  Before a complex and innovative technical education and vocational training (TEVT) project is designed, particularly in a relatively less developed region like Balochistan, it is necessary to have extensive consultations with stakeholders directly involved with the TEVT system to develop realistic objectives and activities.  In provincial projects, it is important to clarify the sector reforms that can be authorized at the provincial level. A number of the proposed reforms, such as the competency-based training (CBT) and on-the-job training, required changes in the curriculum, which fell under federal purview.  Inadequate review by ADB of the Planning Commission form 1 (PC-1) and inconsistencies between the PC-1 and the report and recommendation of the President (RRP) slow down project implementation. To ensure a thorough review of the PC-1 by ADB, the project officer should be required to prepare a comparative statement identifying both the similarities and differences between the PC-1 and the RRP and loan agreement, and the Planning and Development Department (PDD) should be advised on corrective measures before the loan is declared effective.  Implementation  Weak capacity of project staff results in procedural lapses, possible violations of the loan agreement, and slow implementation. Moreover, stringent internal audit controls and close monitoring of expenditures bring more transparency in financial transactions.  Frequent changes in project administration at ADB caused confusion and had a negative effect on project implementation. During the project, administration moved from the South Asia Department to the Central and West Asia Department, and from the Social Sector Division, via the Governance and Finance Division, to the Pakistan Resident Mission.  Given the weak capacity of the executing and implementing agencies, consultants should have been recruited before loan effectiveness. Had the consulting services been available, the project would most likely have achieved at least some of its objectives. |
| 1. The government did not have a strong commitment to the objectives of the project. After just over a year after project effectiveness the government requested a major change in scope so as to focus the project on irrigation and drainage, and land improvement issues. This implies the project design did not completely match the long-term objectives of the government. It is important that there is a clearer understanding between ADB and government of the key development objectives at the time of project design so as to avoid costly changes in scope during project implementation.  project cycle stage:   Lesson Topics:    2. The project design included 2,559 person-months of national consultants, approximately 35 people for each year of the 6 year implementation period. Despite the national consultant inputs appearing to be recruited through a firm/s on a quality- and cost-based selection basis, such a large requirement of consulting input could have potentially been difficult to effectively manage.  project cycle stage:   Lesson Topics:    3. The project performance report (PPR) ratings were inconsistently applied over the period of project implementation. The ratings are 'satisfactory' and 'highly satisfactory' until November 2008, and are then rated 'at risk' and 'potential problem' for the month December 2008. The ratings then revert to 'satisfactory', before the project is again rated 'at risk' and 'potential problem' in December 2009. There is no justification to explain this inconsistency and is likely due to staff error from inadequate attention in correctly updating the PPR and applying correct performance ratings.  project cycle stage:   Lesson Topics: |
| Proper sequencing and project readiness. Proper sequencing of project activities is essential for project success. The project had strong policy, legal, and regulatory content, some of which were addressed through conditions for loan effectiveness and disbursement. However, several more policy, legal, and regulatory reforms were to be supported through the cluster technical assistance (TA) that was approved with the project. Fact-finding for cluster TA was conducted only after project approval. In the absence of an enabling policy and regulatory environment, several project activities were either delayed or had to be cancelled altogether. There were also gaps in terms of project readiness. For instance, the project preparatory TA for assessing the feasibility of component 3 was only approved after project approval. When the project preparatory TA concluded that this component was not financially viable, it had to be cancelled.  Capacity constraints and project complexity. Overly ambitious and complex projects are less likely to be successful. The project, which attempted to tackle a wide range of issues in several subsectors within a short time frame, was too complex given the capacity constraints of the Ministry of Finance (MOF) and the implementing agencies. Although the MOF had effectively executed ADB projects before, those projects were considerably less complex. Several implementing agencies had little or no previous experience in development-partner-funded projects. |
| Lessons from previous projects. Lessons from two older ADB urban sector loan projects to Karachi in 1986 and 1991, respectively, which were rated unsuccessful and partly successful, include the need for (i) greater attention to sustainability, (ii) enhanced project design based on sound assessments, (iii) careful consideration for institutional shortcomings of executing and implementing agencies, and (iv) greater efforts to address the financial insolvency problems of the Karachi local government bodies. A specific lesson derived from the previous Karachi Urban Development Project is that urban upgrading is complex and must be able to deal with the broad range of problems faced by katchi abadis dwellers, including regularization and security of tenure. All these lessons suggest that urban development assistance demands a holistic approach. To be of lasting value, major capital investments need to be supported by capacity building, policy, regulatory and institutional reforms, as well as new and innovative financing vehicles that facilitate provision of high-quality infrastructure services on a sustainable basis. However, although the technical assistance (TA) loan for Megacity Development Project incorporated these lessons in its design, it failed for various structural reasons, with the lack of consensus between various levels of authorities being the most serious challenge.  Avoidance of challenging issues. At both government levels (the government of Sindh and City District Government of Karachi or CDGK), there was a systematic avoidance of exposure to and tackling of various governance and institutional issues, as well as reforms required to examine and correct these challenges. Analysis of the few project subcomponents completed illustrates that the government of Sindh and CDGK only implemented easy studies that did not and could not tackle major disputes or issues that might require serious reforms in Karachi. ADB, the government of Sindh and CDGK should have been far more insistent at the outset of the project on the critical reform and governance issues than was the case on this project.  Problematic shifting of priorities. Continuing problems with government approvals, and constant changes in focus, scope, and direction caused major delays. ADB noted a range of concerns over the continuing delays on the processing of the Project in its previous incarnation, the Karachi Mega City Development Program, after developing the loan proposal to the point of loan negotiations in May 2008. Following meetings in July 2008, the program was reconfigured at the request of the government of Sindh, this time an integrated, holistic urban transport program for Karachi, with new implementation arrangements. Unfortunately, the agreed deadlines were not respected while no progress was evident on steps to achieve institutional reforms. The requested revisions to the proposed Project, for a truncated investment in bus rapid transit, a shift in geographic focus to secondary cities, and a two- tranches structure did not lend itself to the envisaged sector reforms, nor was it suitable for ADB's multitranche financing facility (MFF). By November 2008, the proposed Sindh Urban Mass Transit Investment Program was also cancelled. The TA loan was originally designed to provide the prerequisite planning, systems integration, and capacity development to address the sorts of issues that arise in urban planning. However, it did not succeed.  Counterpart funding and incentive issues in TA loans. Despite the challenges in project implementation, the project support unit (PSU) and local support unit (LSU) had utilized close to $4 million in counterpart funding, while ADB disbursed only 15% of the TA loan. As a result, the actual split between ADB and the government was 15:85, when the agreement was 70:30. Thus, a key lesson is that there should have been far greater oversight on the utilization of counterpart funds, as the ADB-financed expenditures and activities and overall progress of the TA loan lagged far behind. The resource utilization also shows a fundamental flaw in the design of TA loans, in which a significant share of resources is allocated for international consulting inputs. The various challenges in this TA loan, including protracted internal government approvals, delayed consultant selection. In future, ADB should very carefully examine the incentives of the executing and implementing agencies in utilizing resources. Core activities, such as recruitment of experts, are typically delayed while routine activities, such as maintenance of offices and vehicles, are approved on time, without a continuous assessment of project progress.  Weak government commitment. Given the political environment and the likelihood that a significant lack of consensus might be a daily reality on this project, the design should never have been so complex, with four different subcomponents, leading to a much larger MFF expectation. Perhaps a lesson here is that to achieve early and committed buy-in to required reforms and institutional shake-up, smaller and simpler components could be tested through a small scale or project preparatory TAs, which may lead to visible and larger MFF commitments. |
| The project supported reforms only in the 24 participating tehsil municipal administrations (TMAs). The provincial government was expected to undertake reforms and address capacity gaps in all the other TMAs (52 in all). This arrangement seriously isolated the reform process. Sector loan projects should assess the political will, capacity, and incentives related to policy actions at all levels before building the support and incentives mechanism for reforms.  The policy reforms agreed on at appraisal were overshadowed by the broader reform agenda introduced under local government ordinance (LGO) 2001 before project approval. Where major changes occur in the external environment of projects before ADB approval, it is more efficient to revise the project design up front rather than postpone the major adjustments.  The project design was based on the assessment of seven sample TMAs and assumptions related to support for LGO 2001 from other sources to address capacity issues. The basis of the capacity assessment was seriously compromised during implementation. The project design did not have enough flexibility and depth to fill these capacity gaps, which would have required major changes in institutional arrangements and additional funding, a possibility that was avoided during implementation. Sector loans that include policy reforms should have much more flexibility and depth to absorb the changes that accompany most reform processes.  There was a 3-year gap between the project preparatory technical assistance (PPTA) evaluations (in the last quarter of 1999) and the start (effectiveness) of the project (in the last quarter of 2002). Most structural and financial management plans, base maps, and priority subprojects therefore had to be reappraised at the start of the project, further delaying the project and straining limited capacity. To keep evaluations and project designs relevant, the time between project preparation and start up should not exceed 1 year.  The project did not provide market-based salaries. Good staff was therefore hard to retain and turnover was high. This was a major reason for project failure. The overall cost implications of paying professional managers market-based salaries are marginal, especially when the substantial impact of weak capacities on project output and outcomes is considered, as this project demonstrated.  The project design offered flexibility in developing models for community and private sector participation in the delivery of urban services, without providing a clear framework or adequate resources for these activities. Flexibility is important in the design of sector loans, but for this flexibility to be effectively used, additional capacity, a guiding framework, and resources should be included in the sector loan, with supporting technical assistance for project administration to guide the use of the resources.  The project schedule was unrealistic for a complex project that relied heavily on existing capacity and several up-front conditions before the subproject investments. The scheduling of complex sector and policy loan projects has to be improved and streamlined on the basis of actual implementation experience.  A major reason for the delay in project start-up was the variance between the report and recomendations of the president (RRP) and the government's PC-1 planning document. Draft RRPs and PC-1s for a project should be shared between ADB and the borrower well before loan approval.  The consultants under the loan were hired through quality- and cost-based selectio (QCBS). The staff remuneration in the bids was inadequate for good-quality staff. The level of effort and the skill set specified in the request for proposal (RFP) also did not match the complexity of the assignment. Similar issues encumbered the RFP for the nongovernment organizations (NGOs), allowing generally weak firms to submit bids that could not fully appreciate the tasks ahead. The terms of reference should adequately capture the complexity of the sector loans, and the RFP fro such loans should either be quality based or include a bid rejection option in case of underbidding in QCBS. |
| Design  A well thought out conceptual design is a key to the success of any project. In this case, the project design had commendable objectives, but it seems that the commitment and capacity of the executing and implementing agencies was overestimated, and there was too heavy a reliance on consultants. Due to lack of capacity and interest by the executing and implementing agencies, sector reforms did not get the traction that was aspired to.  Before a complex and innovative project is designed, particularly in a relatively less- developed region such as the Khyber Pakhtunkhwa (KPK) province, it is necessary to have thorough consultation with stakeholders directly involved with the technical education and vocational training (TEVT) system to develop realistic activities. Some of the innovative activities under the project such as the management development program, performance-based management system, and competency-based training required many more resources and greater time allocated if they were to be developed successfully,.  In provincial projects it is important to identify the sector reforms that can be authorized on the provincial level. A number of the proposed reforms under the project, such as the competency-based training and the on-the-job training, required changes in the curriculum on the federal level.  Inadequate review by ADB of the government project documents (PC-Is) and inconsistencies between the PC-Is and the report and recommendation of the President are perennial problems that result in slowing down the pace of project implementation. A thorough review of PC-Is by ADB should be ensured by requiring the project officer to prepare a comparative statement identifying both the similarities and differences between PC-Is and the report and recommendation of the President and/or loan agreement, and advising the executing agency(ies) on corrective measures before declaring project effectiveness.  Implementation  One of the main strengths of the project was the continued presence of the same project management in the project management unit (PMU), who were selected and appointed on a competitive basis.  More confusing were the frequent changes in the ADB administration of the project. During the project's 3.5-year life span, the administration moved from the South Asia Department to the Central and West Asia Department, and from the Social Sector Division via the Governance and Finance Division to the Pakistan Resident Mission. This was detrimental to the continuity of interaction with the KPK government.  The frequent change in administration also affected the filing of the key project documentation, resulting in some of the files remaining in headquarters and others in the resident mission.  During the inception mission, the KPK government requested a reallocation of loan proceeds in line with what was agreed to during loan negotiations. The requested reallocation required a major change in scope, which was proposed to take place during the midterm review mission, scheduled for the third year of project implementation. The midterm review mission does not necessarily need to come in the middle of the project period; it can be scheduled early on, for instance in the first year of project implementation, if it would help to get the project going after a slow start. |
| The project attempted to indigenize the One Tambon One Product (OTOP) concept that was considered successful in Thailand and Japan. However, only limited efforts were made to understand the likelihood of the success of this initiative in Pakistan. The reasons for the program's success in the other countries and whether the same positives were present in Pakistan were not assessed. Moreover, the success of such projects is often led by a bottom-up grassroots demand for the project outputs, yet this project was a top-down initiative. Future projects that rely on the transfer of foreign programs should assess the suitability of the concept before adapting it from one country to another.  The security situation in Pakistan was a major factor in the failure to recruit international consultants. In countries where security concerns prevail, project design needs to account for the difficulty in recruiting and retaining suitable international consultants. Limiting the role of international consultants to a few key positions and to supervision of national consultant inputs may contribute to greater project success.  The project had a high weighting of consultant inputs in the first 6 months. It is unrealistic to expect that international consultant teams can be on the ground and achieving outputs within such a short time frame in countries such as Pakistan, given the difficulties in recruitment. An alternative may be to phase in international consultant inputs later in the project to allow for a more realistic recruitment process. However, application of the streamlined business arrangement principles should provide greater project preparedness for accelerated consultant recruitment.  The project implementation schedule was amended early in the project to comply with the government's request for immediate action and results via the two- pronged approach. Unless there are clear deficiencies in project design, ADB should resist requests to change the design or implementation arrangements early in implementation, because the original project design should be given a chance to succeed. Corrective action can be taken later as problems become apparent.  Ministry of Industries, Production, and Special Initiatives (MoIPSI) and the project management unit (PMU) had difficulty in understanding the requirements of the design and monitoring framework (DMF) because it lacked clarity regarding activities and output requirements. The PMU noted that, even though terms of reference had been prepared for individual consultants, the exact purpose of some of the positions and the outputs to be delivered were not clear. Review missions need to ensure that the project management fully understands the requirements of the DMF regarding achievement of activities and outputs.  The officer responsible for project design should be involved in the initial stages of project management to ensure a smooth transition from processing to implementation.  ADB should monitor the Planning Commission (PC-1) approval process for Pakistan projects so as to be aware of potential problems and ensure that appropriate levels of counterpart funds are guaranteed at the time of loan negotiations.  The concept of a sustainable self-funding Rural Enterprise Modernization Company (REMC) providing BDS in markets with limited ability to pay was an inappropriate design. The services provided are public benefits, which are traditionally the role of government rather than private companies. The lack of private entities currently providing these services in Pakistan reinforces this point.  It would have been appropriate if management of the project had been transferred to PRM. This would have facilitated communication, supervision, and resolution of issues as they emerged. |
| Executing agencies, ADB project officers, project consultants, and others must very carefully examine and assess the full range of possible impacts from a change of scope. Technically correct, evidence-based positions must prevail.    ADB project supervision and guidance should match a project's complexity and challenges, especially in response to projects at risk. Particularly for a technically complex and nuanced area such as public financial management, ADB project officers should have strong relevant technical backgrounds.    A project modality may not be the best approach to a process issue such as fostering improvements in a public financial management system. A combination of technical assistance (TA) and program lending or a sector development program may have been a more appropriate approach in bringing about improvements. If a project modality is used, financing plans should reflect the nature of the project inputs being financed. Although the project mobilized almost $25 million in grant parallel cofinancing, many of the international consultants were financed from the loan. |
| When the project was prepared ADB was exploring the possibility of addressing the issue of labor welfare and labor standards in its operations. Various first-generation studies, policies, procedures and projects on labor, social protection and governance were under consideration.  The project was a departure from mainstream project design at ADB with respect to the areas addressed and interventions planned, but it had limited potential to address structural poverty reduction measures. It suffered from unsuitable timing, cumbersome conditions and /covenants, and the selection of an inappropriate executing agency. The lessons from the project can be considered for the design of projects that address underfunded critical areas.  1. Feasible Conceptual Framework and Design Approaches  The project experience raises a larger question: whether actions to improve labor rights and welfare are compatible with ADB's existing design modalities (i.e., program, sector and investment loans). The experience in Pakistan has not been encouraging with respect to any of these approaches.  Program loans. Experience indicates that tenancy and labor rights cannot be effectively addressed via program loans. These loans involve (i) support by market forces that have vested interests in private sector development; and (ii) the interest of the government to have access to rapidly disbursed foreign exchange to reduce budget deficits and improve the balance of payments. Tenancy and bonded labor are land-related issues, and labor welfare requires increases in public expenditures, resulting in more budget liabilities; consequently, expansion of labor rights is not easily accomplished under program loans. The ADB experience of including labor rights in the scope of program loans in Pakistan also shows that they are not compatible, the Punjab Resource Management Programs (Subprogram 1) being the best example. Labor- related regulatory and administrative reforms were included in the design but given the program loan focus on fiscal matters and reduction of recurrent costs, these measures were not achieved because these measures required increase in public expenditure and legislation. The agenda of labor rights is also incompatible with these loans because rather than entailing restructuring of commodity, capital and fiscal markets through rapidly-disbursed loans, it involves political processes labor representation in legislative bodies, constitutional and legal provisions, an effective judicial system, and above all the abolition of a feudal structure, which is a root cause of bonded labor.  Sector loans. The experience with sector loans is also not encouraging. A labor and governance review of ADB-assisted road sector loans in Pakistan reported massive violations of labor standards, despite the inclusion of contract conditions on compliance with labor standards in the standard ADB bidding documents. Sector loans lack the scope to address crosscutting themes and have mostly been successful due to established institutional linkages within given sectors. In contrast, the issue of labor rights is not confined to a sector, but is a crosscutting macro-level structural issue involving nationwide economic, sociopolitical, and legal reforms.  Investment loans. Investment loans lack the scope for macro-level structural reforms as they deal with service delivery through existing local structures in a specific geographical area. At best, a capacity-building component can be included in these projects to improve efficiency of the existing structures. Multisector community development projects are generally complicated in nature and adding a labor rights protection agenda to these projects would complicate implementation. This project is a classic example of this.  Conclusion. In summary, the existing ADB operational design modalities do not provide space for promoting labor rights. Links between labor rights and welfare, good governance practices, poverty reduction and the improvement of labor rights through loans by multilateral financing institutions is relatively under-researched, at least with respect to Pakistan. Yet, given the overarching focus of ADB on good governance and poverty reduction, it is critical that this be explored. Poverty reduction not only requires that income opportunities be created, but also that these opportunities constitute a means by which individuals and households can exit the absolute poverty cycle.  2. Feasible Scope and Implementation Arrangements for a Community Development Project  A multisector community development project must be organic in nature (i.e., self- operating, which reduces the coordination demands on the executing agency, and the need for monitoring by ADB). This can only happen if (i) the design includes comparatively more tested and proven interventions and fewer new initiatives; and (ii) the interventions are limited in number and strategic in nature; and (iii) if an appropriate executing agency and nongovernment organizations (NGOs) are selected at the appraisal stage.  Given the sector mandate of line agencies in Pakistan, provincial planning and development departments are the best institutional homes for multisector projects, as these are the only departments with a multisector mandate. In addition, they have established reporting lines and institutional relationships with line departments and district governments. The ADB- assisted North-West Frontier Porvince (NWFP) Barani Areas Development Project (phase I and II), Punjab Barani Areas Development Project, and Sustainable Livelihoods in Barani Areas Project are four examples of successful project implementation by these departments.  The model of involving multiple district-based NGOs for community mobilization and selecting them through the National Competitive Bidding (NCB) process is not successful due to (i) their lack of capacity; (ii) politicization of the recruitment process; and (iii) the lengthy and cumbersome process of recruitment through the NCB process,18 which in the case of the project added limited value because of the limited number of qualified district-based NGOs in Pakistan. In the case of the Sindh Rural Development Project or SRDP (and in many other similar cases in Pakistan, such as NWFP Barani Areas Development Project - Phase II), the process of competitive bidding had been unsuccessful. Almost all of the district-based NGOs participated in bidding, mobilized their contacts against each other, and ended up in serious conflict. To avoid startup delays and politicization of the recruitment process, the most feasible mode of procurement of community mobilization services is single-source selection of one qualified NGO at the appraisal stage. Some of the successful examples of the one-NGO community mobilization model and single source selection at appraisal are: (i) Sustainable Livelihoods in Barani Areas Project; and (ii) Sindh Coastal Community Development Project. These projects have been able to start community mobilization, small-scale infrastructure and training activities soon after loan effectiveness.  Projects that are innovative in nature or complicated in design inherently involve delays and require intensive ADB supervision. The potential delays should be factored into the design. Community development projects require additional time and proper arrangements for community mobilization and social preparation processes. ADB experience with such projects, including the Sindh Rural Development Project, shows they generally experience delays of 2 years. The project period should not be less than 7 years. |
| 1. The program was overly ambitious in its scope and in its implementation structure. Only after modification of the scope and implementation arrangements was progress made. This could have been avoided, had a proper risk assessment and risk mitigation plan been prepared, based on the lessons learned from the previous program. Although the Pasig River Development Plan provided a good framework for the implementation of environmental improvement projects, more and longer-term assistance is required to establish the institutional setting for its effective implementation.  project cycle stage:   Lesson Topics:    2. The program required the cooperation of a large number of government agencies, while responsibility for implementation was given to the newly established Pasig River Rehabilitation Commission, without a well-established mandate or political influence. Without high-level political support, coordination became difficult and program outcomes were not achieved. When the responsibility for project implementation was delegated to sector agencies, it became more effective. The program could have been more effective if a more delegated approach had been followed from the beginning, clearly identifying the subprojects to be implemented by respective agencies, based on established mandates, and with subsidiary loan agreements with the Department of Finance.  project cycle stage:   Lesson Topics:    3. The program assumed that by implementing the policy framework the government would have the tools and capacity to implement the full Pasig River Development Plan (PRDP), leading to the overall objective of improving the Pasig River water quality to class C level by 2014. However, the outputs of the policy loan covered only part of the implementation activities of the PRDP, and therefore it should have been clear from the start that the overall objective was not attainable. Better realignment of the policy and investment loan outcomes and overall impact could have led to a better understanding of the program by the participating utilities.  project cycle stage:   Lesson Topics:    4. The technical assistance contributed substantially to achieving the policy reforms envisaged under the policy loan, but longer-term and more focused assistance will be required since: (i) as a new agency, the PRRC has limited capacity to drive policy reforms; (ii) policy change requires skills, effective institutional incentives and culture change; (iii) the program is ambitious and multi-faceted, encompassing a wide range of stakeholders with a variety of interests, not necessarily linked to the policy agenda.  project cycle stage:   Lesson Topics:    5. Because the government had already purchased most of the housing prior to ADB loan approval, it could not be financed by the loan. ADB funds were therefore directed toward facilities. If ADB had not been involved in the project, the host communities would have received these community facilities much later and they would probably have been of a lower quality.  project cycle stage:   Lesson Topics: |
| 1. To ensure the formulation of a well grounded Project Design, a more thorough preparatory analysis could have been undertaken taking into account local realities such as implementation capacities, relationship between provincial and local governments, willingness to pay and other factors. The project's scope has been noted to be overambitious given the weak capacities of executing and implementing agencies as well as school management committees and communities. [Main text, paras. 6,33,49(i,iv)]  project cycle stage: Design  Lesson Topics:  Project Design: Project design Capacity Development: Capacity assessment  2. ADB should have provided relevant, timely, and high-quality training to the concerned professional staff of executing and implementing agencies to facilitate effective project implementation. ADB could have been quick to assess and constructively engage in addressing procedural and implementation issues which have reduced efficiency and effectiveness of investment as most of the expected outputs and outcomes were not realized. [Main text, paras. 37,40-42,45,49(ii)]  project cycle stage: Implementation  Lesson Topics:  Project Management: Project management Capacity Development: Capacity assessment  3. Periodic performance indicators, evaluation, and regular monitoring should have been made an integral part of the project to enable regular assessment of implementation progress. No effective monitoring and evaluation system was provided in the Project Design, which could have triggered early warning on implementation problems and bottlenecks. The lack of a midterm review was also a missed opportunity to revisit and adjust the project design. Likewise, review missions were too few to address implementation issues. [Main text, paras. 6,30,49(iii)]  project cycle stage: Design, Implementation  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Monitoring & Evaluation: Reporting Project Design: Project design Project Management: Project reporting |
| One of the principal lessons from the Reproductive Health Project is that before a similarly complex and large-scale project is prepared, particularly in a country with difficult socioeconomic conditions and generally weak implementation and coordination capacity, a detailed objective analysis of the potential implementation risks (especially the strengths and weaknesses of the executing and implementing agencies) should be carried out and all necessary mitigation measures built into the project design.  A well thought out conceptual design is a key to the success of any project. In this case, the project design had commendable objectives, but it seems to have overestimated the capacity of the executing and implementing agencies, and relied too heavily on nongovernment organizations (NGOs) and the private sector in carrying out social mobilization and marketing.  Before declaring the loan effective, an objective assessment should always be made of the readiness and capacity of the government, particularly of executing and implementing agencies for implementing the project. A standard checklist should be developed to assess the readiness and capacity, and a project should only be declared effective if the government and the executing and implementing agencies score more than 90% on the checklist.  Inadequate review by ADB of Planning Commission Form-1 (PC-I) and inconsistencies between PC-Is and the report and recommendation of the President (RRP) are perennial problems that always result in slowing down the pace of project implementation. A thorough review of PC-I by ADB should be ensured by requiring the project officer to prepare a comparative statement identifying both the similarities and differences between PC-I and the RRP/loan agreement, and advising the executing agency(ies) on corrective measures.  The project had too many activities under each component, many of which were not less than a subcomponent. As a result, the resources were too thinly spread to cover everything, which made implementation difficult for the executing and implementing agencies and had the potential to dilute the impact of the project in the communities.  Instead of keeping two competing ministries (Ministry of Health or MOH and Ministry of Population Welfare or MOPW) as the major executing agencies, the project should have kept MOPW as the only executing agency to implement the project with the assistance of four provincial population welfare departments (PWDs).  Being aware of the weak capacity of the executing and implementing agencies, the recruitment of consulting services should have been ensured before loan effectiveness. Had the technical assistance been available to the executing and implementing agencies, the project would have most likely achieved some of its objectives.  Inadequate and/or delayed counterpart funds are a fundamental problem. ADB may consider linking program loans with supply of timely counterpart funding to ADB-financed projects.  Given the project's intended complexity in design and overextended outreach, it would have made better sense for the project to have had (i) a detailed project administration manual (it had none), and (ii) transfer of its administration to the resident mission to be handled by an officer with specified sectoral knowledge under the overall guidance of its original mission leader. Partial efforts were taken in this direction, but they were too late. |
| The specific lessons learned from this experience include the following:  (i) ADB's loan cancellation processes have a lower level of approval requirements than the procedures to amend or change projects. This difference provides perverse incentives that may support cancellation (ADB's Project Administration Instructions [PAI] 4.04) rather than suspension and major changes in scope (PAI 5.04) even when a change in scope may be more appropriate.  (ii) Regulators in Mongolia have a varied approach to institutional segments within the financial market, generally favoring banks over non-bank financial institutions. Banks have done well, but they still are unable to provide services to certain client groups. When the savings and credit cooperative (SCC) market became untenable, the response should have been to address specific regulatory and operational problems and do a thorough cleaning out of the SCCs, which has yet to occur.  (iii) Credit lines should not play a major role in projects to support growth of credit unions, but should be balanced with legal and regulatory work and capacity building to ensure balanced market development.  (iv) Appropriate legislation should be ensured in the design phase or at the first stages of a financial institution development project to ensure that further investment will lead to responsible institutional growth.  (v) Franchising lending from banks to selected SCCs should be carefully reviewed to consider the risks. An apex SCC organization which engages in training and liquidity management for all licensed SCCs may be a better market option.  The lessons that echo the experience of other ADB projects include the following:  (i) The legal and regulatory environment must enable project operations to proceed without substantial risk, or they must form either a precondition or constitute a deliverable in the first phase of such a project.  (ii) Efforts and resources risk being duplicated when there is inadequate ongoing review of project or pre-project information, assumptions, and covenant adherence. Close attention must be paid to these areas to address changing circumstances for the project.  (iii) Adequate and timely training of project management unit (PMU) staff on ADB systems and practices of project implementation are critical for the timely startup and effective implementation of the project.  (iv) When changes are made in project implementation arrangements or when a project is cancelled, timely consideration of the impacts of the changes should be made and documented, and all participants and beneficiaries should be properly informed.  (v) If project conditions are not adequately communicated, potentially detrimental actions (e.g., a proliferation of very small new SCCs) may take place. |
| Weak comprehension of reforms by the Project Management Unit (PMU). One of the lessons learned from the technical assistance (TA) loan is the need for a PMU to understand and internalize the reform program. The PMU tried to put together TA activities to support the Balochistan Resource Management Program (BRMP) but it did not fully comprehend the reform agenda. TA activities were therefore fragmented and had low impact. A lack of understanding of the reform agenda prevented the PMU from establishing effective focal persons within implementing agencies to drive the reforms. Failure to internalize the reform agenda relegated the PMU's role to organizing training workshops and procuring hardware and software.  Capacity of executing agencies and PMUs is critical. TA loans are likely to be unsuccessful when the recipient government has low capacity. This is quite evident in the evaluation of this TA loan. Ideally, ADB's TA loans give flexibility to executing agencies and PMUs in their implementation. In the case of Balochistan, such flexibility was counterproductive since the executing agency and PMU did not have enough capacity or technical knowledge to identify TA requirements. Integrating them to achieve program objectives was a significant challenge. Constraints were faced in consultant recruitment because of the lack of access to a consultant network.  Need for dedicated PMUs. Any policy reform program at the province level in Pakistan must have its own dedicated and fully resourced PMU. The decision to use the same PMU for both the BRMP and Decentralization Support Program (DSP) led to compromises in staffing. A PMU must have professional, dedicated technical and project management staff, recruited through a process that is open, transparent, and competitive. |
| ADB's processing and administering of the Rural Finance Sector Development Program (RFSDP) showed a prevalence of hope over circumstance.  The sector development program strategy, particularly with its multiple goals, was not a suitable intervention mechanism for Pakistan's rural finance sector, as borne out by this and the Microfinance Sector Development Program.  The success of any sector development program in the financial sector of any country requires the prevalence of a favorable environment for financial markets throughout the program period, which the government was unable to ensure in this case  Importantly, any ADB intervention in the financial sector in any country needs to be based in a strong and viable financial intermediary at the outset and cannot depend on the assumption of successful policy interventions to turn around a financially troubled institution. |
| The Project environment changed from the time it was appraised to when it was implemented. Thus, it is important at project appraisal to make the effort to forecast what the project environment will likely be during project implementation. At appraisal, it would have been possible to predict with some degree of accuracy that the liquidity of participating banks would increase, and their cost of funds might be lower than those under the ADB loan, because of the ongoing improvement in the Indonesian economy after the financial crisis. Had that been done, it is possible that the Project might not have occurred or occurred only on a scaled-down basis.  Delay in the cancellation of the unused portion of the loan made the Government and participating banks pay ADB unnecessary commitment fees. That, as well as other resources expended by the Government, participating banks, and ADB in following up the Project during its implementation period, could have been saved had the unused portion of the loan been canceled earlier. The lesson learned is that early warning signals should be watched carefully. If signs indicate that a loan is going to be unsuccessful, ADB should initiate decisive action to cancel the unused portion of the loan. It can save resources and commitment fees from unnecessarily being incurred on a project that does not have much prospect for success.  Market fluctuations in interest rates affect lending through private sector banks for private sector entities. The ADB loan, however, did not have flexibility to adjust to the changing interest rates in the market. The long-term tenor of the ADB loan was not a decisive factor, as small and medium-sized enterprises (SMEs) mainly required shorter-term working capital loans. The Project was designed on the basis of a traditional public sector development finance institution credit line modality. The structure included London interbank offered rate (LIBOR)-based lending and required fees to be paid to the intermediaries involved, which made the loan price out of the market. In addition, the strict conditions and procedures for subloan approval made the use of the ADB loan both inconvenient and time-consuming for the subborrower. The lesson learned is that a public sector-type modality and structure does not have much prospect for success for financing private banks and private sector enterprises, particularly in a more open and fairly successful economy with sizable bank liquidity and foreign exchange reserves, as in the case of Indonesia. In this environment, SMEs seek the cheapest funds available and the most convenient sources from which they could borrow their needed funds. On both counts, this ADB loan was not competitive.  A more viable instrument for SME promotion would have been to consider the use of ADB credit guarantees scheme under the Partial Credit Guarantee Facility, that is, the ADB private sector window. This facility could have been extended to a selected number of viable private banks operating at the regional level to guarantee up to a certain percentage of well-defined SME loan portfolios without a counterguarantee from the Government. Credit guarantee operations had greater success prospects than loans in situations where there was high liquidity and foreign currency reserves in the market. ADB used such a facility through a selected number of private banks for SME promotion with success in the Philippines. |
| ADB staff should make more effort to understand the political economy of a country, and not design projects in isolation from such a consideration.    ADB should constantly be aware of what other donors are doing. Greater donor coordination would ensure more cohesive assistance that offers a more comprehensive set of measures to address a country's strategic development needs.    ADB project administration units should be actively involved in the latter stages of loan processing, thus ensuring an orderly shift of responsibilities and allowing borrowing country staff time to adjust to new personalities.    ADB should ensure that lessons are heeded in project preparation and processing. |
| Several factors contributed to project failure. At the project design stage, the project lacked adequate upstream preparations, which resulted in poor design. During project implementation, the weak capacity of the project management unit (PMU), project implementation units (PIUs) and consultants, hidden interests of various stakeholders, lack of flexibility, poor communication, and a failure of the excuting agency (EA) and ADB to address and manage risks all caused serious delays and impeded achievement of the project's objectives. The lessons learned are valuable, as understanding these failures could prevent similar projects from repeating the same mistakes.  Lack of Adequate Upstream Preparation Resulted in Poor Project Design. The lack of stakeholder participation and consultations during project preparation adversely affected design and implementation. Critical technical requirements were omitted, including: (i) thorough technical surveys for Hang Bang Drainage Canal, which would have revealed the underground utility structures that had to be removed and relocated; (ii) socioeconomic surveys to determine willingness to pay, tariffs for waste collection, cost recovery and the poverty impact of the project, and to develop gender and social action plans to address the needs of the poor; (iii) an adequate institutional analysis and assessment of capacity of the key stakeholders to implement the project effectively; (iv) adequate terms of reference for both international and national consultants; and (v) foreseeing the need to consider the feasibility of alternative landfill sites. The lack of a rigorous technical design for Dong Thanh caused the Project to overlook the capacity of the landfill site to absorb the added solid waste due to Ho Chi Minh City's (HCMC) rapid urbanization, resettlement requirements, rise in land prices, and environmental issues (e.g., leachate, increased traffic, and garbage pile-up), as well as the desire of the HCMC People's Committee to relocate the landfill site to Cu Chi. The lack of project ownership on the part of the executing agency was attributed partly to the lack of adequate preparations and contributed to unnecessary delays and eventual project failure.  Poor Coordination and Capacity of the Executing and Implementing Agencies. The project had two executing agencies, namely Department of Transport and Public Works (DTPW) and Department of Science, Technology and Environment (DOSTE), that were responsible for their respective components, and there was little coordination between them. Although DOSTE eventually became the sole executing agency and replaced DTPW as the implementer of part A: Infrastructure Improvements, it was already too late to coordinate overall day-to-day activities. The weak capacity of the PMU was attributed to (i) the absence of a full-time director throughout project implementation and the fact that many PMU staff were either too senior for the job or were part- time workers, which caused difficulties in decision making and in managing daily project activities; (ii) a lack of familiarity with ADB guidelines and procedures; (iii) a lack of the communication and technical skills needed to speed up approvals; and (iv) a lack of good advice and expertise from the consultants.  Differences in Perception During Project Preparation and Implementation. The persistent demand of the HCMC People's Committee to relocate the landfill site to Cu Chi dogged Project implementation. Had a thorough analysis been made of the roles and interests of key stakeholders, the reason for changing to Cu Chi landfill site would have become clearer. For example, the higher land prices in Dong Thanh compared to Cu Chi, which is 37 km from the city center, had serious implications for resettlement and the possibility of extending the site. Furthermore, the need for organizational changes in the HCMC People's Committee structure, as well as changes in the composition of the People's Committee personnel that occurred during project design and implementation, were not fully understood by ADB.  Complex Approval Procedures for Changes in Project Design. During project implementation, various issues needed resolution, requiring changes in design and budget, along with necessary approvals from both the EA and ADB. For example, the removal and replacement of underground utilities for the Hang Bang Drainage Canal works. This change had to follow approval processes both at ADB and HCMC People's Committee, as well as the Government, as follows: (i) submission to ADB of detailed information on underground utilities and detailed proposal on risk allocation; (ii) formal agreement with proposed modifications to the Project by the HCMC People's Committee, and formal endorsement of Ministry of Planning and Investment; (iii) preparation and submission of an ADB Board paper reporting a major change in scope; (iv) preparation of a new financing plan, and economic and financial analyses; and (v) a review of the environmental management plan and resettlement plan.  Project Leadership. The Project proceeded without taking into account actual field conditions that required design adjustments, and was reluctant to deviate from the original design. Late action on the relocation of the landfill site from Dong Thanh to Cu Chi and cumbersome procedures to accommodate the change, on the part of both the HCMC People's Committee and ADB, not only caused unnecessary delays but also eroded mutual trust. The requirements for relocation of the landfill site were too much for the PMU to handle, including submission of documents for ADB to initiate the needed action for a major change in project scope. Agreement on the resettlement issue and slow approval of resettlement plans also caused delays in the Hang Bang drainage works. Lack of leadership was evident in the slow progress on the action plan for the development of the Landfill 2 site at Cu Chi. Eventually, ADB found that it was not able to continue support for the SWM subcomponent. The PMU should have sought (and ADB should have provided) advice on how to keep the project on track, for example by engaging an individual consultant funded through loan proceeds. However, this requires effective leadership. |
| The existing procedures under NHB's refinance operations are not suited for directing credit to low income households (LIHs) based on income criteria. Capacity development of NHB in terms of developing refinancing guidelines and procedures that enable tracking of requisite information on end- borrowers should precede any similar interventions in the future.  Higher delinquency among the LIH segment, as reported by ICICI Bank, is likely to pose a challenge to the future growth of the housing finance business for the LIH segment. In addition to better credit norms, availability of products such as mortgage insurance and title insurance would help in delinquency management.  The establishment of linkages between the formal financial system and informal institutions (i.e., community-based financial institution/CFIs and nongovernment organizations/NGOs) is at an experimental stage for housing finance; this contrasts with the current microfinance scenario for income generation and livelihood purposes, which has a different purpose and product structure. Microfinance loans for productive purposes are much smaller than loans for housing finance, and the loans are typically repayable within a year in weekly installments. However, CFIs and NGOs are an important channel for reaching people without regular incomes and those in rural areas, and it would be worthwhile to develop the capacity of these channels for housing finance. Direct lending by National Housing Bank (NHB) to CFIs and NGOs, albeit still small, constitutes an important activity. With direct experience in this area, NHB may be well placed to address the constraints in lending through CFIs and NGOs and create an enabling environment for increasing penetration of housing. ICICI Bank's Kudumbashree program demonstrated the partnership model for housing finance and led to other banks entering the segment in Kerala. However, scalability and sustainability issues - such as community development society (CDS) capacity development and low rates of interest - still need to be addressed.  To develop the housing finance market, including lending through CFIs and/or NGOs, it is important that existing issues related to uncertainties in land titles be addressed. This would involve, among others, reforms at the state level for conversion of presumptive titles to conclusive titles, availability of information on land parcel maps and records of rights. ADB may consider supporting activities in these areas. |
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Critical technical requirements were omitted, including: (i) thorough technical surveys for Hang Bang Drainage Canal, which would have revealed the underground utility structures that had to be removed and relocated; (ii) socioeconomic surveys to determine willingness to pay, tariffs for waste collection, cost recovery and the poverty impact of the project, and to develop gender and social action plans to address the needs of the poor; (iii) an adequate institutional analysis and assessment of capacity of the key stakeholders to implement the project effectively; (iv) adequate terms of reference for both international and national consultants; and (v) foreseeing the need to consider the feasibility of alternative landfill sites. The lack of a rigorous technical design for Dong Thanh caused the Project to overlook the capacity of the landfill site to absorb the added solid waste due to Ho Chi Minh City's (HCMC) rapid urbanization, resettlement requirements, rise in land prices, and environmental issues (e.g., leachate, increased traffic, and garbage pile-up), as well as the desire of the HCMC People's Committee to relocate the landfill site to Cu Chi. The lack of project ownership on the part of the executing agency was attributed partly to the lack of adequate preparations and contributed to unnecessary delays and eventual project failure.  Poor Coordination and Capacity of the Executing and Implementing Agencies. The project had two executing agencies, namely Department of Transport and Public Works (DTPW) and Department of Science, Technology and Environment (DOSTE), that were responsible for their respective components, and there was little coordination between them. Although DOSTE eventually became the sole executing agency and replaced DTPW as the implementer of part A: Infrastructure Improvements, it was already too late to coordinate overall day-to-day activities. The weak capacity of the PMU was attributed to (i) the absence of a full-time director throughout project implementation and the fact that many PMU staff were either too senior for the job or were part- time workers, which caused difficulties in decision making and in managing daily project activities; (ii) a lack of familiarity with ADB guidelines and procedures; (iii) a lack of the communication and technical skills needed to speed up approvals; and (iv) a lack of good advice and expertise from the consultants.  Differences in Perception During Project Preparation and Implementation. The persistent demand of the HCMC People's Committee to relocate the landfill site to Cu Chi dogged Project implementation. Had a thorough analysis been made of the roles and interests of key stakeholders, the reason for changing to Cu Chi landfill site would have become clearer. For example, the higher land prices in Dong Thanh compared to Cu Chi, which is 37 km from the city center, had serious implications for resettlement and the possibility of extending the site. Furthermore, the need for organizational changes in the HCMC People's Committee structure, as well as changes in the composition of the People's Committee personnel that occurred during project design and implementation, were not fully understood by ADB.  Complex Approval Procedures for Changes in Project Design. During project implementation, various issues needed resolution, requiring changes in design and budget, along with necessary approvals from both the EA and ADB. For example, the removal and replacement of underground utilities for the Hang Bang Drainage Canal works. This change had to follow approval processes both at ADB and HCMC People's Committee, as well as the Government, as follows: (i) submission to ADB of detailed information on underground utilities and detailed proposal on risk allocation; (ii) formal agreement with proposed modifications to the Project by the HCMC People's Committee, and formal endorsement of Ministry of Planning and Investment; (iii) preparation and submission of an ADB Board paper reporting a major change in scope; (iv) preparation of a new financing plan, and economic and financial analyses; and (v) a review of the environmental management plan and resettlement plan.  Project Leadership. The Project proceeded without taking into account actual field conditions that required design adjustments, and was reluctant to deviate from the original design. 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| 1. More in-depth and careful assessment of the PPTA outputs could have led the project appraisal team to wait to submit the Urban and Environmental Infrastructure Facility to the Board for approval until one of the envisaged Project components (i.e., to create a project support facility) was formulated. The evidence suggested that ADB did not adequately consider the PPTA's outputs, and perhaps was more focused on project approval than on achieving results.  project cycle stage: Design Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Managing for Development Results Modality: Technical Assistance Project Design: Appraisal Project Design: Subprojects Project Management: Risks/Risk management  2. The absence of an enabling urban sector policy and institutional framework adversely affected the subproject pipeline. In reality, despite the amendment to the State Municipal Acts28 and the implementation of some of the provisions of Constitution (Seventy Fourth Amendment) Act, 1992 (allowing for greater community participation, private sector participation and decentralization), municipalities were not sufficiently empowered and face several constraints. In several states, municipalities are still insufficiently involved in the decision making process. Other problems related to delays in funds transfer to municipalities and poor recovery from various tax and non-tax resources. Reforms in the urban infrastructure sector were slower than envisaged by the processing team.  project cycle stage: Design, Feasibility, Appraisal  Lesson Topics:  Finance & Financial Aspects: Funding Project Design: Subprojects Capacity Development: Institutional analysis Country Context: Decentralization Sector Related Issues: Private sector Policy & Reform: Policy reforms/framework Policy & Reform: Public sector reform Methodologies/Approaches: Community approach  3. Some urban infrastructure subsectors, such as urban transport in large metropolitan areas, could provide commercialization opportunities in the future. Commercialization of more basic urban infrastructure, such as water supply and sanitation, could potentially occur through public-private partnerships. But for this to happen, closer attention should be paid to ensuring that a suitable institutional framework is in place, strengthening urban local bodies' capacity, and structuring projects effectively.  project cycle stage:   Lesson Topics:  Capacity Development: Human resources management Sector Related Issues: Private sector Sector Related Issues: Public-private partnership Policy & Reform: Policy reforms/framework Policy & Reform: Public sector reform  4. Under the Urban Environmental Infrastructure Facility (UEIF), the ADB loan to ICICI Bank was denominated in dollars. However, targeted urban local bodies' revenues were in rupees; therefore, six of the seven subloans were denominated in rupees. While this was not the case for the UEIF, such a currency mismatch may affect the usefulness of a credit line - depending on the availability of hedging instruments and the asset-liability management capacity of financial intermediaries. The local-currency loan product, newly introduced by ADB under the Innovation and Efficiency Initiative reforms would offer a solution to avoid such currency mismatches.  project cycle stage: Design, Implementation  Lesson Topics:  Finance & Financial Aspects: Financial management Finance & Financial Aspects: Foreign exchange Finance & Financial Aspects: Local currency Project Design: Appraisal Project Design: Project design Project Management: Risks/Risk management  5. Development of a well-functioning debt market remains a challenge in India. The term money markets have insufficient depth and limited instruments to establish reliable short-term pricing benchmarks. Likewise, the government securities market lacks the liquidity to establish reliable pricing benchmarks for other long-term instruments. Moreover, development of the corporate-debt market is hampered by cumbersome procedures for public issuance of securities; a narrow investor base (this is partly due to remaining obstacles to institutional investing); and a lack of innovative debt, derivatives, and securitization instruments, among other reasons. ADB funds translated into higher costs than the comparable loans from domestic financial institutions available at lower interest rates, albeit for shorter durations. This was due to a lack of domestic currency hedging instruments. Thus, potential benefits of ADB's longer-tenure loans were not fully realized by ICICI Bank and its subborrowers.  project cycle stage: Country Partnership Strategy  Lesson Topics:  Finance & Financial Aspects: Financing Finance & Financial Aspects: Foreign exchange Policy & Reform: Policy reforms/framework |
| 1. Policy and institutional reforms imposed on an institution under a project need to be realistic and achievable, in view of the limited leveraging power of a project. The Project was ambitious in attempting to transform the management of the Sunderbans Reserve Forest (SRF) within the time horizon of a single project period, considering that the SRF had been managed for over a century by the Forest Department under a traditional command and control regime. The proposed ï¿½revolutionary' reforms should instead have been introduced in an ï¿½evolutionary' manner through a phased approach.  project cycle stage:   Lesson Topics:  Capacity Development: Capacity assessment Capacity Development: Institutional analysis Policy & Reform: Policy matrix Policy & Reform: Policy reforms/framework Policy & Reform: Reform Methodologies/Approaches: Program Approach  2. Policy and institutional reforms in challenging environments (i.e., marked by political patronage and authoritative civil service regimes) are more likely to succeed if they have sufficient ï¿½buy in' and have strong champions within the system. The Project demonstrated that such reforms cannot be enforced simply by dictum (i.e., imposed as loan covenants). The chances of success were also seriously jeopardized by attempting to circumvent the Forest Department on several occasions.  project cycle stage: Design, Feasibility, Implementation  Lesson Topics:  Loan Agreement: Covenants Project Management: Project administration Project Management: Risks/Risk management Capacity Development: Institutional analysis Capacity Development: Ownership Country Context: political economy factors Policy & Reform: Policy reforms/framework Policy & Reform: Reform  3. Institutional reforms that also have a direct bearing on project implementation should be addressed as project-readiness criteria and, to the extent possible, recommended as conditions for project approval rather than project effectiveness. For instance, establishment of the Sundarbans Management Unit and the were long-term institutional changes to the Forest Department but were also essential for smooth project implementation. They could have been addressed as project-readiness criteria prior to approval.  project cycle stage: Design Appraisal  Lesson Topics:  Loan Agreement: Covenants Project Management: Project administration Capacity Development: Institutional analysis Policy & Reform: Public sector reform Policy & Reform: Reform  4. A risk assessment of the executing agency's capacity to undertake institutional and policy reforms should be conducted during the design phase, and specific corresponding indicators should be listed in the project design and monitoring framework. During implementation such indicators should be monitored by ADB through review of project performance reports. In the case of the Project, although the Sundarbans Management Unit, Sundarbans Stewardship Commission, and Stakeholder Advisory Council were established to comply with the effectiveness condition, there was no basis for assessing the effectiveness of these institutions. Therefore, for all practical purposes, the Project was implemented for several years without functional institutional arrangements.  project cycle stage: Design Appraisal Implementation  Lesson Topics:  Monitoring & Evaluation: Indicators Monitoring & Evaluation: Monitoring and evaluation Project Design: Appraisal Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Project administration Project Management: Project reporting Project Management: Risks/Risk management Capacity Development: Capacity assessment Capacity Development: Institutional analysis  5. Projects that involve complex implementing arrangements and challenging reforms require closer supervision. Such projects should be targeted for delegation to resident missions or for special joint supervision arrangements between headquarters and resident missions. However, resident mission staff assigned to such projects should be included as core members from the early stages of project design.  project cycle stage: Design Appraisal Implementation  Lesson Topics:  Project Management: Executing/Implementing agencies Project Management: Project administration Project Management: Project supervision Capacity Development: Capacity assessment Capacity Development: Institutional analysis Other: Resident Mission Policy & Reform: Reform  6. A change in the officer responsible for a project during crucial stages (in this case soon after commencement of the project preparatory technical assistance and between project approval and effectiveness) should be avoided whenever possible. If unavoidable, the transition should be carefully managed to avoid a complete lapse of institutional memory (e.g., by ensuring the active participation of other team members, especially national officers). This can help to reduce unintended changes in project implementation arrangements (such as when the criteria for nongovernment organization participation in this Project were changed between the design and implementation phases).  project cycle stage: Implementation  Lesson Topics:  Project Management: Project administration Project Management: Project supervision Capacity Development: Human resources management  7. Lessons from previous projects implemented by the Forest Department could have been incorporated more effectively into the project design. One such lesson was the Forest Department's poor assimilative capacity of technical know-how imparted by consultants under previous donor-assisted projects. Regardless, the Project included a front-loaded consultancy service package which was largely ineffective. Previous Forest Department projects had also encountered problems with Technical Assistance consultants not being accountable to the Forest Department but instead to ADB; however, the same problem was repeated in this project.  project cycle stage: Design, Implementation  Lesson Topics:  Crosscutting Issues/Themes: Knowledge Management Project Design: Project design Project Management: Consultants  8. The administrative and financial management capabilities of the executing agency must be assessed as a ï¿½quality at entry' issue. For instance, the Forest Department did not have qualified accountants at the time the Project was approved. Furthermore, the Forest Department was implementing several other large donor-financed projects (including two other ADB-financed projects) when the Project was approved. The implications of implementing several large projects for the Forest Department's financial management and administrative staff were not assessed beforehand. Similarly, coordination between project executing agencies was undermined, in this case by having two project directors administering two separateproject proforma.  project cycle stage: Design Appraisal Implementation  Lesson Topics:  Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Project management Capacity Development: Capacity assessment Capacity Development: Human resources management Capacity Development: Institutional analysis |
| 1. Inadequate resources for due diligence during project preparation and underestimation of risks associated with the augmentation of the Afulilo project were key contributing factors to the implementation delays and cost increases, beyond the initial delays associated with loan effectiveness. More careful preparation of cost estimates is warranted. As the feasibility of the gravity-fed canal was not confirmed at appraisal, this uncertainty should have been reflected in the physical contingencies. Given the capacity constraints of the Electric Power Corporation, project preparation did not adequately address risks associated with implementation, including the engagement of an experienced project manager, oversight of project implementation activities, and reporting arrangements. Project preparation should also have identified the risk of a delay associated with loan effectiveness and introduced mitigation measures.  project cycle stage: Design  Lesson Topics:  Project Design: Project design Project Management: Risks/Risk management Capacity Development: Capacity development  2. At the time of appraisal, consideration should have been given to individual contracts for civil works associated with augmenting the Afulilo project, supply and install contracts for mechanical and electrical works associated with upgrades of the transmission line and telemetry system, and for the 2-megawatt generator. Once the gravity-fed canal was found inappropriate, a review of the contract packaging would have been appropriate. If the project had been packaged into separate contracts, much of the delays could have been avoided and all investment components except for the gravity-fed canal could have been achieved.  project cycle stage: Appraisal  Lesson Topics:  Project Design: Appraisal Project Management: Procurement  3. Insufficient resources were spent to prepare the environmental impact assessment. No effective measures were put in place to mitigate the identified social concerns about the water quality from villages located downstream from the Afulilo Hydropower Project. Furthermore, a short land acquisition and resettlement plan and an initial environmental assessment for the south and north coast transmission line components should have been prepared prior to ADB approval of the project.  project cycle stage: Design  Lesson Topics:    4. While project preparation identified and addressed significant issues related to the financial performance of the Electric Power Corporation (EPC) and project financial sustainability, implementation failed to recognize and address the deterioration of EPC's financial performance. Policy dialogue with the Government, particularly with regard to EPC's deteriorating collection performance and lack of implementation of the automatic tariff adjustment mechanism, appears not to have taken place until October 2005 during project reappraisal. The ADB review missions did not appear to have the required expertise to conduct a policy dialogue on EPC's financial performance.  project cycle stage: Implementation  Lesson Topics:  Finance & Financial Aspects: Financial management Project Management: Project management Methodologies/Approaches: Policy dialogue  5. The Electric Power Corporation's (EPC's) project management and implementation capacity were weak. Further consideration needs to be given during project preparation to identifying and addressing risks associated with the implementation capacity of EPC. The externally recruited project manager, although not included under the financing of the project, was not sufficiently experienced in project management. Involvement of EPC staff in the project was also very limited.  project cycle stage: Design  Lesson Topics:  Project Design: Project design Capacity Development: Capacity development |
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| The irrigation system in Indus basin was facing three major challenges when the National Drainage Program (NDP) was launched: (i) weak management, (ii) deteriorating irrigation infrastructure, and (iii) lack of adequate drainage. The NDP tried to address all three challenges at one time, which was not feasible in view of the scale of the problem, capacity of the water sector institutions, and environment in which these institutions operate. Hence, these three challenges still exist even after a decade.    The design of water sector projects should be focused on achieving subsector-focused development objectives. Efforts to tackle many issues at one time through a single project are bound to fail due to the complexity of the issues and scale of the effort required. Using a drainage improvement project as a vehicle for irrigation sector reforms, as was the case in the NDP, is a nonstarter. Reform in a single (sub) sector is more likely to succeed if supported by a reform minded government as it is currently the case in Punjab where irrigated agriculture and water resources activities of multilateral banks and bilateral donors are effectively coordinated and are related to a commonly supported reform agenda.    Overly complex design and ambitious plans are difficult to implement. ADB has been building on the lessons learned from the Project and is no longer pursuing 'umbrella' projects in all provinces under federal agencies like the Water and Power Development Authority (WAPDA).    The institutional reform model tried under the NDP were not adjusted to the political and institutional context of Pakistan. Any model which is not including a role for provincial irrigation departments (PIDs) can hardly work to reform Pakistan's irrigation sector. The concept of asking PIDs to close themselves and hand over their authority to newly created entities like provincial irrigation and drainage authorities (PIDAs) was self-defeating and did not reflect the institutional and political clout of PIDs. In addition, ownership for such reforms at any level in the Government was highly questionable. The PIDs, who were considered the agents of change, never truly accepted the envisaged change.    Multidonor-financed projects with diverse implementation policies, procedures, and implementation periods are difficult to implement, particularly if many components and activities are interdependent. |
| Better Project preparation. ADB should ensure that all land acquisition and resettlement plans (LARPs) have been completed and that the accuracy of the feasibility study has been carefully examined before project appraisal. This would avoid negative social impacts and also increase of Project scope in detailed design to mitigate such impacts, during Project implementation. |
| Implementing a program of power sector reforms leading to full market competition is a complex process that should be consistent with the country's Constitution. Although the Government does not have control over the ruling of the Constitutional Court and the legislative process, thorough policy research and design, along with adequate assessment of the constitutional and legal constraints, should be ensured at the time of program formulation.  As the technical assistance (TA) loan was formulated prior to adoption of the Electricity Law, some of its components had to be adjusted, delayed, or even cancelled. With hindsight, the TA loan should have been provided after enactment of the Electricity Law so as to provide targeted support to implementation of the law. |
| 1. During project preparation and implementation, there was overemphasis on achieving a product - a new policy and a new organization - but there was little time and insufficient resources to deal with the processes, the sociopolitical issues involved, and the overall institutional implications. The TA studies implemented prior to the Project analyzed the project environment with sufficient accuracy, but could not fully assess the political risks involved in establishing the National Water Resource Authority (NWRA) in place of the Water Resources Secretariat - creating a perceived threat within existing water sector agencies. Therefore, comprehensive analysis is needed on how the end product could be successfully achieved or a more process-oriented methodology could have been initiated during project preparation, including assessments of the risks associated with the establishment of NWRA, and resources required for the implementation of part A of the Project.  project cycle stage: Design, Implementation  Lesson Topics:  Project Design: Project design Sector Related Issues: Water resource management  2. Projects designed to support national policy, legislation, and sector reforms - including institutional development - should not be mixed with infrastructure development in selected geographic areas. Such diverse objectives, which require a complex mix of project staff and expertise, should have not been combined in a single project to avoid delays in project implementation.  project cycle stage: Design  Lesson Topics:  Policy & Reform: Policy reforms/framework Policy & Reform: Reform  3. In this Project, an attempt had been made to prepare and obtain approval of a comprehensive National Water Resources Policy that had too many contentious details, such as pricing of water, private sector participation, and regulation of groundwater. Since some political parties, even within the Government, had very different views on these aspects, the proposals reform attracted criticism at the outset. Only key elements of the policy (e.g., enabling the creation of a national agency with a mandate for overseeing water resources management and the key principles according to which water resources will be managed) were needed initially. The remaining policy elements could have been developed once the implementing agency was created and operational. Inclusion, without prior broad consultations, of complex issues - such as water rights, groundwater regulation, and water pricing - in the policy document eventually stalled the process. The policy could have been developed in a gradual manner, enabling wider consultations, to ensure acceptance by all stakeholders. Government leadership is critical in the policy formulation and consultation processes.  project cycle stage: Implementation  Lesson Topics:  Sector Related Issues: Water resource management Policy & Reform: Policy reforms/framework Policy & Reform: Reform  4. Although the Project was designed to involve key stakeholders in a consultative process, the eventual effect was not favorable. The consultation activities have not been effective, as they could not reach grassroots stakeholders or they were not sufficient to present effectively the facts justifying the need for a National Water Resources Policy in Sri Lanka. Policy development and institutional reforms can be effective only when partner organizations and other stakeholders are all equally aware of their responsibilities and benefits. It is also essential that the proposed reform programs are clearly understood and eventually owned by all stakeholders. A strong political will to proceed with such reforms is a product of public confidence and the common acceptance of the proposed reforms. Adequate mechanisms are needed to produce that level of public awareness, confidence, and acceptance - initially by absorbing views of diverse interest groups and analyzing them in terms of program objectives, and finally adjusting the design of the programs to suit the majority views.  project cycle stage: Design, Implementation  Lesson Topics:  Sector Related Issues: Water resource management Policy & Reform: Information dissemination/Public awareness Policy & Reform: Policy reforms/framework Methodologies/Approaches: Consultation/Participation |
| At the time of project approval, there was little experience of borrowing by smaller local government units (LGUs), and hence the project provided a good means of testing the system. Financing from the Municipal Development Fund Office (MDFO) and government financial institutions (GFIs) are good alternatives to direct budget support for LGUs and support the government's objective of reducing fiscal pressure by encouraging LGUs to raise revenue, improve financial management and invest in priority ventures through borrowing and equity. The government and ADB's investment in promising but high risk interventions is acceptable as long as the risks and associated costs are clearly identified for worst case scenarios and decision points to terminate the project, once valuable lessons have emerged , are clear to all parties. This can then form the basis for improvements in service delivery and strengthen the rationale for future investments.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Public governance Finance & Financial Aspects: Financial management Finance & Financial Aspects: Financing Project Design: Project design Project Management: Risks/Risk management Country Context: Decentralization  Choice of financing modalities and improved fundflow processes need to be provided. Although financing from both the Municipal Development Fund Office (MDFO) and government financial institutions (GFIs) is accessible to all local government units (LGUs), MDFO is more attractive to fifth- and sixth-class LGUs, which can receive up to 70% concessional financing from MDFO. Limiting the financing window under the project to MDFO, when six of the eightLGUs were classified as first-class and clearly had alternatives available turned out to be a flaw in project design. Three first-class LGUs out of the eight LGUs dropped from the project and availed GFI financing, due to the faster processing time, albeit they too received funds through the budget. Moreover, an important aspect of loans seems to be the creation of processes for making timely payments to credit worthy LGUs (without having to route small loans through the lengthy budgetary process,). More efficient fundflow processes need not compromise fiduciary safeguards or avoid accountability mechanisms.  project cycle stage: Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Governance Finance & Financial Aspects: Financial management Finance & Financial Aspects: Financing Modality: Lending modality Project Design: Project design Country Context: Decentralization  It is important to thoroughly assess the adequacy and timeliness of budget support. One of the principal reasons for the project's poor performance is that the design process did not include a through assessment of likely budget support. While the project design recognized that timely and adequate budget support might not be forthcoming, the mitigating measure i.e. a thorough assessment of the borrowing capacity of the local government units, did little to address the issue of delayed budget support which was necessary for timely mobilization of project management support (PMS) consultants, thus slowing implementation. In fact, the project (CAMDP) was clearly a low priority project during times of fiscal tightening and was placed in the ï¿½unprogrammed ï¿½category of the budget, along with other projects with funding being contingent on the government meeting certain revenue targets.  project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Counterpart funds Finance & Financial Aspects: Financing Project Design: Project design Project Management: Consultants Project Management: Project management Capacity Development: Capacity assessment Country Context: Decentralization  It is necessary to develop mechanisms that encourage LGUs to follow through with commitments. Despite extensive participatory processes undertaken in the design and selection of subprojects, these proved to be at risk of being cancelled and or changed due to a change in the local government unit's (LGU's) political leadership. Part of capacity building is to have LGUs think hard before they commit to borrowing for certain subprojects. If they withdraw due to a change in priorities (which in itself is ironic) they should do so considering the negative implications this would entail, such as financial or reputational, or a downgrading of credit worthiness. New policies now require the local Legislative Councils to approve subprojects on the basis of a medium-term LGU investment plan.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Crosscutting Issues/Themes: Legal system Project Design: Project design Project Design: Subprojects Capacity Development: Capacity building Capacity Development: Ownership Country Context: Decentralization Country Context: Prioritization  Land acquisition issues need to be resolved before signing subloan agreements. The failure of the government and ADB to agree on the terms of land acquisition for a bridge and a landfill led to the cancellation of these subprojects, after considerable resources had been invested in preparing resettlement action plans and assessing the costs of land acquisition.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Resettlement Loan Agreement: Loan Agreement Project Design: Subprojects  Project implementation could have been strengthened with the timely provision of consultant support at both the PMO and PIU level through a grant TA from ADB.  project cycle stage: Appraisal  Lesson Topics:  Modality: Technical Assistance Project Design: Project design Project Management: Consultants Project Management: Project management Capacity Development: Capacity building  Time for potential delays needs to be built in. The project's original implementation schedule did not allow time for potential delays in loan effectiveness and for delays arising from the lack of budget cover.  project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Counterpart funds Project Design: Project design |
| 1. Closer monitoring of the likelihood of achieving the primary purpose is essential, especially for environmental time-sensitive projects. The project should have been fully reappraised after the lagoon had irreversibly shrunk almost twofold before major activities even started.    project cycle stage: Implementation    Lesson Topics:   Crosscutting Issues/Themes: Environmental management  Monitoring &amp; Evaluation: Monitoring and evaluation  Project Design: Appraisal    ADB should have been more expeditious in investigating irregularities in procurement.    project cycle stage: Implementation    Lesson Topics:   Crosscutting Issues/Themes: Corruption  Project Management: Procurement    Given the project's inherent environmental dimensions and objectives, all relevant agencies should have been actively involved in project processing and implementation.    project cycle stage: Appraisal Implementation    Lesson Topics:   Crosscutting Issues/Themes: Environmental management  Project Design: Appraisal  Project Management: Executing/Implementing agencies  Project Management: Project management  Methodologies/Approaches: Consultation/Participation    Public consultation should have been more effective in addressing the objections to the Citanduy (river) diversion.    project cycle stage: Implementation    Lesson Topics:   Sector Related Issues: Water resource management  Policy &amp; Reform: Information dissemination/Public awareness  Methodologies/Approaches: Consultation/Participation |
| ADB should have committed more resources to supervise a project designed to introduce a totally new concept in a country that lacked implementing agencies with sufficient capacity. It was critically important to improve the capacity of project staff about the socio-technical profile (STP), and environmental and gender issues at the early stage of project implementation. The poorly planned midproject expansion undermined the development of focused, core areas identified in the project preparation. The expansion also overextended implementing agencies' (APB, PPCU, and DAFO) staff. The distant locations of some of the new project sites also added to the challenge of marketing.  project cycle stage: Implementation  Lesson Topics:  Crosscutting Issues/Themes: Environmental management Crosscutting Issues/Themes: Gender Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Project management Project Management: Project supervision Capacity Development: Capacity building Policy & Reform: Information dissemination/Public awareness  Capacity building is a gradual process that should be carefully sequenced and planned. Creating capable institutions mid-project is unrealistic. Project preparation was inadequate in assessing the institutional capacities of the executing and implementing agencies (DOF/PCU, PPCUs, DAFOs and APB). ADTAs provided significant training to APB, PCU, and PPCU staff, but these training initiatives fell short of building sufficient capacity. The Agriculture Promotion Bank (APB) was a relatively new institution with extremely limited capacity in commercial and agricultural banking. Industrial tree plantation was a new area for the Department of Forestry (EA). A crash course in plantation establishment provided by project and ADTA consultants did not result in an effective plantation extension system.   project cycle stage: Feasibility, Appraisal  Lesson Topics:  Finance & Financial Aspects: Financing Modality: Technical Assistance Project Design: Project design Project Management: Consultants Project Management: Executing/Implementing agencies Capacity Development: Capacity assessment Capacity Development: Capacity building Sector Related Issues: Extension service Sector Related Issues: Rural development  Provision of ADB Asian Development Fund (ADF) resources and public-sector subsidized loans to favored large private-sector enterprises raises questions about governance and validity. If the plantation sector is economically viable in Lao PDR, then private enterprises should be willing and able to borrow at market interest rates. As it stands, many of the large enterprises are not current with their debt payments on subloans - despite (or perhaps because of) the favorable loan conditions granted to them.  project cycle stage: Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Governance Finance & Financial Aspects: Financing Project Design: Project design Sector Related Issues: Private sector Sector Related Issues: Rural development  Targeted and subsidized credit led to abuse and inefficiency, setting back the country's rural credit sector and credit culture. The gross loss and delinquencies significantly damaged the Agriculture Promotion Bank's (APB's) portfolio. Farmers were led to believe that impossible gains were attainable. This left most planters heavily in debt, with little chance of paying off their loans. Less costly approaches that would have been less damaging to APB and to the rural financial sector could have been considered. One possible option: providing guidance and grants for inputs (seedlings and fertilizer) directly to participating small farmers in exchange for land preparation and a commitment to maintain the land.  project cycle stage: Feasibility  Lesson Topics:  Finance & Financial Aspects: Financing Project Management: Operation and maintenance Sector Related Issues: Extension service Sector Related Issues: Rural development  The project demonstrated the viability of establishing well-managed plantations and cultivating tree crops (mainly eucalyptus) across wide areas of the country. However, the government and ADB should have done more to foster and support existing private sector initiatives. Plantation crop production is a business that requires efficient management, scientific know-how (seedling selection, soil- and water-sufficiency assessment, pest control, etc.), significant capital, marketing savvy, and long-term investment prospects. Therefore, it does not easily lend itself to small- and medium-scale farmers looking to learn the business. But there appears to be some room in the industry for advanced small- and medium-scale farmers who link their activities to the activities of those market leaders. Such farmers should seek close integration (in areas such as management, capital, technical guidance, physical inputs, and marketing) with the larger private enterprises. A logical sequence is: (i) larger, corporate-run plantations are established; (ii) at the same time, the market for plantation trees is developed; and (iii) small- and medium-scale plantations are established and linked to the larger enterprises.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Finance & Financial Aspects: Financing Finance & Financial Aspects: Market analysis Project Design: Project design Capacity Development: Technology/Technology transfer Sector Related Issues: Industry and Trade Sector Related Issues: Private sector Sector Related Issues: Rural development  The project gambled that a viable market could be created midproject and sustained. While such gambles are a natural part of private-sector entrepreneurship, they are simply too risky for major public sector investments. More work should have been done in the project-preparation stage to clarify the policy issues and simplify regulations on cutting, transporting, and marketing the final wood product.  project cycle stage: Feasibility  Lesson Topics:  Project Design: Project design Sector Related Issues: Industry and Trade Sector Related Issues: Private sector Policy & Reform: Policy reforms/framework |
| A thorough demand analysis of local government units (LGUs) should have been conducted to ascertain target LGUs' willingness to participate in the project. To strengthen commitment, participatory approach during the design of such projects is absolutely necessary. The financial capacity of the identified LGUs to enter into loan agreements of several million pesos for preparation of feasibility studies and tender documents, which might or might not transform into actual LGU infrastructure, should have been examined first.  project cycle stage: Feasibility  Lesson Topics:  Finance & Financial Aspects: Market analysis Loan Agreement: Loan Agreement Project Design: Project design Capacity Development: Capacity assessment Country Context: Decentralization Methodologies/Approaches: Participatory approach  ADB could have insisted on an earlier project termination, when implementation progress was low and few potential subprojects had materialized.  project cycle stage: Implementation  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Design: Subprojects Project Management: Project management Project Management: Project supervision  Coordination between the executing agency (Land Bank of the Philippines or LBP) and the other executing agency for Part A of the project (Build-Operate-Transfer Center or BOT) during project implementation left much to be desired. Although the BOT Center was quite proactive in producing marketing materials and conducting orientation seminars for local government officials, its activities had limited impact as its staff and offices are located only in the national capital (Manila). In contrast, although the executing agency has a far broader reach through its regional lending centers, which had been provided training, the level of interest and understanding at the executing agency-regional level remained low. The executing agency regional representatives could have enhanced their capacities to market the product to local government units (LGUs) by attending the training conducted by the BOT Center.  project cycle stage: Implementation  Lesson Topics:  Project Management: Executing/Implementing agencies Capacity Development: Capacity building Country Context: Decentralization Sector Related Issues: Private sector Policy & Reform: Information dissemination/Public awareness Methodologies/Approaches: Consultation/Participation  Local executing agency (Land Bank of the Philippines or LBP) branches were usually the first agencies that the local government units (LGUs) approached when seeking funds for development projects. LBP loans include the cost of a feasibility study, so LGUs prefer to use government financial institutions (GFIs). Thus, LBP's role as a financial conduit should be carefully reviewed to minimize conflicts of interest.  project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Financing Project Design: Appraisal Project Design: Project design Project Management: Executing/Implementing agencies Country Context: Decentralization  The facility had limited focus in terms of activity and project eligibility. First, the facility offered loans only to finance feasibility studies and tender documents; it gave no funding for the ensuing project. Second, financing was restricted only for private sector projects and local government units (LGUs) were not fully keen nor familiar or comfortable with bidding projects out. The interest of LGUs would probably have been higher if the facility had allowed financing for LGUs to develop local government infrastructure. There were also problems with the terms of lending in terms of higher interest rate and the lack of understanding of the advantages of fixed-rate borrowing.  project cycle stage: Feasibility  Lesson Topics:  Finance & Financial Aspects: Financing Project Design: Project design Project Management: Procurement Country Context: Decentralization Sector Related Issues: Private sector  The project design should have reflected a basic understanding of the dynamics of political cycles. Local leadership changed every 3 years, and the project selection process lay in the hands of the incumbent or newly elected local executives. More often than not, newly elected officials shelved projects that the former local executives initiated, especially if the officials belonged to different parties. Mitigating measures to alleviate the effects of political changes could have been included in the project design. For example, the project design could have minimized the risk of political interference by following the established division of work among government agencies, which designates the Department of Interior and local governments to assist in local government unit (LGU) infrastructure development. Furthermore, measures to alleviate negative effects of political changes could have been built into the design by adjusting the project schedule to mayoral terms.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Risks/Risk management Country Context: Decentralization |
| A supporting legal framework should be in place before implementation or should be established during the early stages of project implementation. Project success and sustainability becomes difficult without enabling laws and regulatory mechanisms.  project cycle stage: Design, Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Legal system Crosscutting Issues/Themes: Sustainability Project Design: Project design Policy & Reform: Policy reforms/framework  Capacity building and institutional strengthening of executing agencies and other stakeholders are keys for success, which require more attention in the project design. Ideally, capacity building activities should precede the actualimplementation of sub-projects. ADB should provide more assistance in helping executing agencies to comply with ADB procedures and procurement regulations on a continuing basis.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Project Design: Project design Project Design: Subprojects Project Management: Executing/Implementing agencies Project Management: Procurement Capacity Development: Capacity building  For sustainability reasons, only financially viable projects with clearly defined revenue streams and cost recovery mechanisms should be selected.  project cycle stage: Appraisal Implementation  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Finance & Financial Aspects: Financial analysis  Revolving funds such as the Regional Development Account (RDA) may be difficult to manage by the government, given political sensitivities and the limited capacity in required technical, monitoring, and banking skills within regulatory agencies.  project cycle stage: Feasibility  Lesson Topics:  Finance & Financial Aspects: Financing Monitoring & Evaluation: Monitoring and evaluation Project Management: Executing/Implementing agencies Capacity Development: Capacity assessment  Rigorous appraisal, monitoring, and recovery mechanisms must be in place before disbursement. Budgets for site visits and reviews must be made available by the executing agency as part of government counterpart contribution.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Finance & Financial Aspects: Counterpart funds Finance & Financial Aspects: Disbursement Finance & Financial Aspects: Financing Monitoring & Evaluation: Monitoring and evaluation Project Design: Appraisal Project Management: Executing/Implementing agencies  Strong and continuing ownership of the government is required for successful implementation. The basic design, assurances, and project objectives need to be maintained during implementation.  project cycle stage: Design, Feasibility, Implementation  Lesson Topics:  Loan Agreement: Covenants Project Design: Project design Project Management: Executing/Implementing agencies Capacity Development: Ownership |
| All three projects - Angat Water Supply Optimization Project (AWSOP), Manila South Water Distribution Project (MSWDP), and Umiray-Angat Transbasin Project (UATP) - were implemented by the same executing agency, and affected by the same issues, mainly delays resulting from the legal dispute about fiberglass pipes and the impact of privatization. They were also complex and, except UATP, involved several funding agencies. During implementation, the impact of one project was not always reflected in the planning of the other projects, which could have been mitigated by improved program management, and one senior person in charge of critical path monitoring, and risk management.   project cycle stage: Implementation  Lesson Topics:  Finance & Financial Aspects: Financing Monitoring & Evaluation: Monitoring and evaluation Project Management: Executing/Implementing agencies Project Management: Project management Project Management: Risks/Risk management Capacity Development: Human resources management Sector Related Issues: Health and sanitation management Policy & Reform: Privatization  The failure to meet the projected nonrevenue water (NRW) reduction targets has greatly affected project benefits envisaged at appraisal. Considerable investment in water supply improvements has not resulted in the expected timely reduction of NRW, including in the project area of Manila South Water Distribution Project (MSWDP). It appears, that NRW reduction is far more complex and difficult than initially assumed. Projections for NRW reduction have major impact on the calculation of project benefits, and assumptions should therefore be conservative to avoid overestimation of project benefits at appraisal. Besides investing in system improvements, the utility must take responsibility for NRW reduction as an ongoing operational activity. Project design should make use of experiences gathered and lessons learned in NRW reduction from successful and efficient water utilities in the region.   project cycle stage: Design, Feasibility, Appraisal, Implementation, Operation  Lesson Topics:  Project Design: Appraisal Project Design: Project design Project Management: Operation and maintenance Sector Related Issues: Health and sanitation management Methodologies/Approaches: Targeting |
| A strong sense of ownership is an important factor in effectively implementing a project,which is reflected in the sustained support and guidance that the executing agency provides tothe Project Management Office (PMO). To ensure that the PMO remains effective throughout projectimplementation, it should be (a) provided with a team of full-time and permanentstaff, (b) allocated an independent budget for operations and monitoring of fieldactivities, and (c) fully familiar with ADB loan administration procedures. Withoutsuch support, the PMO will be ineffective.  project cycle stage: Implementation  Lesson Topics:  Finance & Financial Aspects: Financing Monitoring & Evaluation: Monitoring and evaluation Project Management: Executing/Implementing agencies Project Management: Operation and maintenance Project Management: Project administration Project Management: Project management Capacity Development: Human resources management Capacity Development: Ownership  ADB should have been more proactive in offering assistance and remedial measures to the executing agency in resolvingcritical issues that caused protracted delays in project implementation, such as the collateral issue. An appropriate monitoring system at the beginning of project implementation is crucial to obtain adequate information needed fortaking timely corrective measures when required.  project cycle stage: Implementation  Lesson Topics:  Monitoring & Evaluation: Data collection and management Monitoring & Evaluation: Monitoring and evaluation Project Management: Executing/Implementing agencies Project Management: Management information system Project Management: Project supervision  In general, the Provincial Financial Bureau (PFB) may not be the appropriate channel to onlend ADB funds to privatecompanies, because it may not have the technical expertise, particularly in risk assessment. A major improvement in the financial sector is needed, so that this task could be assigned to commercial financial institutions - the appropriateconduit for onlending of development funds from multilateral institutions. In the absence of an alternative, some basic requirements must be satisfied to continue utilizing PFB's services: (i) strong technical support and partnershipwith the Project Management Office (PMO) to guide onlending decisions, (ii) an appropriate risk-sharing mechanism, and (iii) a strong sense of project ownership by the provincial government that is reflected in the provision of adequate financial and staff resources. In the ADB-financed Fujian Soil Conservation and Rural Development Project, these requirements were satisfied, and PFB successfully played the role of financial conduit. In that project, the risk was shared by the FujianProvincial Government and the participating town and district governments. The local governments guaranteed the repayment of disbursed loan funds. In case of repayment default, the provincial government would deduct the repaymentamount from the annual town and district governments' public budget. As a result, the local governments had a strong incentive to partner with successful private, commercial agricultural companies to onlend ADB loan funds.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Finance & Financial Aspects: Financing Project Management: Executing/Implementing agencies Project Management: Project management Project Management: Risks/Risk management Capacity Development: Capacity assessment Capacity Development: Human resources management Capacity Development: Ownership Capacity Development: Partnerships Country Context: Decentralization Sector Related Issues: Private sector Sector Related Issues: Rural development  In line with the Provincial Government of Hainan's (PGH's) support for thedevelopment of private companies, the project design depended on new privatecompanies that had little or no experience in agricultural production or processingto implement the project. The performance of the private companies falteredwhen they were assigned (a) a complex set of tasks that did not elicit stronginterests from them and were outside their core business competencies - requiring specialist commercial and technical knowledge of crop production,processing, and marketing that they did not possess; and (b) the taskof promoting agricultural and rural development, which did not interest them.Furthermore, the assumption that attaching a technical assistance (TA) for capacity building wouldsolve the severe capability weaknesses of the implementing agencies (IAs) was wrong in this case. Thesupport provided by the PGH did not have the expected impact on the IAs due totheir lack of adequate experience. In hindsight, a more thorough andcomprehensive analysis of the institutional capability of the IAs, and the risks ofusing such inexperienced companies, would have averted the problems underthe project.   project cycle stage: Feasibility  Lesson Topics:  Finance & Financial Aspects: Market analysis Modality: Technical Assistance Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Risks/Risk management Capacity Development: Capacity building Capacity Development: Institutional analysis Sector Related Issues: Private sector Sector Related Issues: Rural development  Overly ambitious fixed targets set at appraisal precluded a flexible approach to achieve the overallgoal, making the project supply-driven instead of market-driven. Thedesign of future ADB projects should adopt a flexible approach to targetedoutputs, and should be sensitive to changes in market demand and productprices. Moreover, the designation of, and dependence on, a sole implementing agency (IA) could beavoided if a sector approach is adopted. This could decrease the risk of projectfailure. A sector approach for similar projects would be more appropriate.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Finance & Financial Aspects: Market analysis Project Design: Appraisal Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Risks/Risk management Methodologies/Approaches: Sectoral approach Methodologies/Approaches: Targeting  The project needed the support of a strong steering committee to provide leadership and guidance to the Project Management Office (PMO), with a high-level executing agency official as chair to provide direction and ensure the success of the project.  project cycle stage: Implementation  Lesson Topics:  Project Management: Executing/Implementing agencies Project Management: Project management |
| ADB could have insisted that the project be closed in late 2000, when very little implementation progress had beenachieved and many subprojects were canceled. At loan closing in June 2003, 38% of the loan funds disbursed were for interest during construction and commitment charges. An earlier termination of the project would have prevented this distressing outcome and the unnecessarily high costs for the government.  project cycle stage: Implementation  Lesson Topics:  Finance & Financial Aspects: Disbursement Project Design: Subprojects Project Management: Project supervision  Coordination among the three executing agencies during project implementation was not satisfactory. Project implementation would have benefited from having one executing agency and one project management office (PMO) with full responsibility and accountability. The Department of Interior and Local Government (DILG) should have been the executing agency since it is the agency designated to assist local government units' (LGUs') development under the 1991 Local Government Code. SBMA, a government-owned and -controlled corporation, could have assisted project implementation as a member of Project Supervisory Committee (PSC).  project cycle stage: Design, Implementation  Lesson Topics:  Project Management: Executing/Implementing agencies Project Management: Project management Country Context: Decentralization Methodologies/Approaches: Consultation/Participation  During project preparation, political risks should have been carefully reviewed. When the local political leadership that initiated the project changed during implementation, the project faltered. Project design could have minimized the risk of political interference by following the established division of work among government agencies, which designates the Department of Interior and Local Government (DILG) to assist local government units' (LGUs') infrastructure development. Further, mitigation measures against political changes could have been built into the design by adjusting the project schedule to mayoral terms.  project cycle stage: Feasibility  Lesson Topics:  Project Design: Project design Project Management: Risks/Risk management Country Context: Decentralization  Generally, local government units (LGUs) do not follow their own development plans consistently and development priorities tend to change. Recognizing this reality, the project should have built in more flexibility to accommodate additional LGUs and their components by adopting a sector loan approach. The drastic cancellation of loan funds requested during implementation could have been avoided if a sector loan approach had been chosen. In addition, the project should have examined more carefully each LGU's willingness to participate. If a project loan approach had to be chosen, appraisal of subprojects should be completed during loan processing, allowing procurement to begin upon loan effectiveness.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Modality: Lending modality Project Design: Appraisal Project Design: Project design Project Design: Subprojects Project Management: Procurement Country Context: Decentralization  Local branches of Development Bank of the Philippines and Land Bank of the Philippines apply their own appraisal methods, which are less strict than those of the Municipal Development Fund Office (MDFO). These government financial institutions (GFIs) also process loans more quickly than the MDFO. Local government units (LGUs), therefore, prefer to use GFIs. MDFO's role as a financial conduit should be carefully reconsidered. In recent projects, ADB has already used GFIs for channeling loan proceeds to LGUs.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Finance & Financial Aspects: Financing Project Design: Appraisal Project Design: Project design Country Context: Decentralization  Project design could have followed the procedures established by the Bureau of Local Government Finance (BLGF) in assessing the local government units' (LGUs') borrowing capacity. If other procedures were considered more appropriate for the project, the concerned government agencies should have been consulted on the use of those procedures.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Finance & Financial Aspects: Financial management Project Design: Project design Project Management: Executing/Implementing agencies Capacity Development: Capacity assessment Country Context: Decentralization  When evaluating the capacity of selected local government units (LGUs) and water districts (WDs) to provide required counterpart funds, the project should consider only funds from sources that the LGUs can generate, collect, and allocate. At appraisal, the estimates of counterpart funds included allocations from Special Economic Zone Fund (SEZF) and Countryside Development Fund( CDF), which the LGUs did not control. Allocations from these funds were provided either very late or not at all, which prompted the cancellation of several subprojects.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Finance & Financial Aspects: Counterpart funds Project Design: Appraisal Project Design: Subprojects Project Management: Executing/Implementing agencies Capacity Development: Capacity assessment Country Context: Decentralization Sector Related Issues: Health and sanitation management  While capacity building (Part B) was generally successful, the local government units' (LGUs') capacity for infrastructure development needs strengthening. None of the LGUs implemented civil works subprojects within the project period, except for Morong's market subproject. Their capacity to supervise engineering consultants and contractors has been limited.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Project Design: Subprojects Project Management: Consultants Project Management: Project supervision Capacity Development: Capacity building Country Context: Decentralization  While urban development can cover various types of infrastructure, projects should limit the number of components to keep implementation arrangements simple. Local Water Utilities Administration (LWUA) and its water supply component could have been covered by another ADB-financed water supply project. Inclusion of a water supply component, with LWUA as additional executing agency, unnecessarily complicated implementation arrangements.  project cycle stage: Design, Feasibility  Lesson Topics:  Project Design: Project design Project Management: Executing/Implementing agencies Sector Related Issues: Health and sanitation management Sector Related Issues: Urban sector/development |
| Program experience highlights the (i) need for prior, transparent, and participatory assessment of the social and political feasibility and sustainability of reforms; (ii) participatory consideration of alternative means to reduce costs of personnel; and (iii) prior consideration of the means to improve the environment for alternate revenue generation, including far greater commitment to improving the environment for private sector development. A more participatory assessment could, of course, determine that no reform program is feasible.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Governance Crosscutting Issues/Themes: Legal system Crosscutting Issues/Themes: Sustainability Finance & Financial Aspects: Financial management Modality: Program Capacity Development: Human resources management Capacity Development: Ownership Sector Related Issues: Private sector Policy & Reform: Policy reforms/framework Policy & Reform: Reform Methodologies/Approaches: Participatory approach |
| Careful country analysis and diagnosis of issues are essential to identify and prioritize ADB interventions and to design programs.  project cycle stage: Feasibility  Lesson Topics:  Modality: Program Project Design: Project design Country Context: Prioritization  Downsizing of the public service and restructuring of public enterprises are more likely to succeed in a favorable macroeconomic environment, where the government has financial strength and alternative employment opportunities are available. The Economic and Public Sector Reform Program (EPSRP) was designed and undertaken at a time of substantial economic uncertainty, a declining domestic currency exchange rate, rapidly increasing domestic prices, few employment opportunities, and the loss of the Tonga Trust Fund. Such an adverse environment made a large cut in public sector employment politically, socially, and culturally unacceptable.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Governance Project Design: Project design Crosscutting Issues/Themes: Employment Policy & Reform: Policy reforms/framework Policy & Reform: Public sector reform  The complexity and long-term process of the economic and public sector reform need to be recognized. One short-duration program loan cannot achieve lofty goals involving gross domestic product (GDP) growth, inflation rate, fiscal balance, efficient and effective use of resources by public enterprises, and improved public services. When designing reform programs, outputs, objectives, and development goals need to be more realistically linked with policy conditionality.  project cycle stage: Feasibility, Country Partnership Strategy  Lesson Topics:  Crosscutting Issues/Themes: Governance Modality: Program Project Design: Project design Policy & Reform: Public sector reform  The program lending modality has limitations in its ability to bring about structural changes. To ensure successful implementation of a program, adequate attention has to be paid to the implementability of the policy conditions. This, however, has to be done, very often, by focusing on specific actions rather than on underlying incentives or institutional capacities. For instance, the Economic and Public Sector Reform Program (EPSRP) required actions like corporatization, but had to leave corporate governance unaddressed.  project cycle stage: Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Corporate governance Modality: Program Project Design: Appraisal Policy & Reform: Public sector reform |
| ADB should respond quickly with necessary changes in terms and conditions as requested by the government and participating financial intermediaries (PFIs) during project implementation. As discussed above, ADB left the interest rate issue unresolved, although the government and the PFIs requested a change from ADB's pool-based interest rate to a market-based interest rate, at a very early stage in project implementation. Had that been done at an early stage, loanutilization and attainment of project objectives would have been much greater. The extensions made in the dates for loan commitment and closing, and the relaxations made in some loan conditions, were largely ineffective in achieving these aims.  project cycle stage: Implementation  Lesson Topics:  Finance & Financial Aspects: Financing Loan Agreement: Covenants Project Management: Project administration Project Management: Project supervision  As far as possible, ADB should not mix private sector-related lending practices with those of the traditional development finance institution (DFI)-type lending such as the subloan conditions prescribed for the subborrowers/subprojects and the loan conditions prescribed for participating financial intermediaries (PFIs). First, the pricing of ADB's private sector-related loans should be competitive with those of commercial sources, and second, ADB loan conditions and controls should be kept to the bare minimum. Otherwise, private sector banks and subborrowers will seek alternative sources of finance, as happened under this project. The numerous loan conditions and controls should be replaced by specific guidelines, which should be properly laid down and well explained, up front, to all participating parties. Thereafter, the project should be allowed to proceed in accordance with existing practices and market conditions.  project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Financing Finance & Financial Aspects: Market analysis Loan Agreement: Covenants Project Design: Project design Project Design: Subprojects Sector Related Issues: Private sector  The long and time-consuming subloan reimbursement procedure increased the cost of funds to the private sector subborrower. Such increased costs, in turn, reduced the competitiveness of the export-oriented subprojects.Therefore, ADB should take steps to shorten that procedure as much as possible.  project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Disbursement Finance & Financial Aspects: Financing Project Design: Subprojects Project Management: Project administration Sector Related Issues: Industry and Trade Sector Related Issues: Private sector |
| Country ownership. The potential for large shifts in the political and economic context can create significant challenges for implementation. The program was able to succeed despite encountering such challenges as it was strongly aligned with Nauru's own strategic policy agenda, in particular the National Sustainable Development Strategy.     Technical foundations. The program benefitted from, and integrated, a range of TA from ADB and other development partners. This provided a strong foundation for the program's reform agenda, which meant policy actions were both well founded and viewed as appropriate by the government, despite the political and economic changes.     Donor coordination. Strong coordination amongst development partners, notably with the Government of Australia, was essential to the program's success. Australia provided in-line advisors to support the government to implement many of the program-related reforms (e.g., within the MOF and NUC) as well as TA that complemented the program. ADB's donor coordination role also meant ADB was requested by Nauru and its development partners to assist with the crucial task of establishing a new Nauru trust fund.     Simplification. Institutional capacity within the government remains constrained. It is essential that ADB programs are as simple as possible in clarity of the policy agenda and ease of administration. Fewer policy actions with a tighter focus on the most important measures would assist and can help to avoid dilution of focus. |
| DISCOM-East was proactive in solving problems in the development of design documents, procurement, the timely delivery of equipment and in resolving the numerous issues and problems normal to project implementation. Lessons for future ADB projects include the need for capable and committed implementing agencies. DISCOM-East demonstrated that; (i) open communication and willingness to deal with stakeholders - and particularly contractors - are helpful in resolving complex technological and economic issues leading to better resolution in a timely and cost efficient manner, (ii) a properly administered procurement process will lead to improved bids with lower prices and better quality of equipment and workmanship of contractors; (iii) ability to adjust project scope due to actual field conditions and to apply technical optimization will improve project implementation and outcome; and (iv) assignment of experienced and sufficiently ranked technical managers with autonomy to plan, design and implement the project, will lead to better project implementation. |
| There were implementation delays during the initial period of the project, especially in achieving loan effectiveness, recruiting implementation consultants, and awarding contracts. These delays occurred even though advance procurement action had been approved. To minimize delays in achieving loan effectiveness, it is recommended that the practicalities of achieving all proposed loan effectiveness conditions are reviewed and discussed with the borrower and the executing agency during appraisal. To address start-up issues, ADB should assist the executing agency with the implementation of project start-up tasks such as consultant recruitment and the preparation of comprehensive feasibility studies and detailed engineering designs.    The delegation of project administration responsibilities to the resident mission during the project helped facilitate close working relationships between ADB staff and key government and EDC officials. The experience EDC gained from this project and the relationships that have developed between the resident mission and government counterparts should greatly benefit any future project. |
| The project demonstrated that the upgrading of national roads that connect the poorer districts of the Lao PDR is a viable means of addressing accessibility to markets and services for poor rural districts. The project provides an important link in the GMS (Greater Mekong Subregion) transport corridors connecting northern Thailand, northern Viet Nam, and the southern provinces of the PRC (People's Republic of China). The project will enhance subregional connections between the northern Lao PDR and surrounding countries, as well as economic growth and poverty reduction within the country.  project cycle stage: Operation    Project implementation delays in the civil works for contract R4-1 (Xieng-Ngeun - Pak Khone) were caused by a non-performing contractor, requiring the reallocation of part of the civil works to the performing contractor for contract R4-3 (Nam Pui Bridge - Paklay Bridge) to expedite and complete works in a timely manner. The lesson learned from this is that the executing agencies of future projects need to identify and replace non-performing contractors at an early stage and replace them with performing contractors. An additional lesson learned is that executing agencies need to carefully scrutinize the financial, management, and equipment capacities of bidders during bid evaluation.  project cycle stage: Implementation    Another important lesson learned from the project was that the use of a 6-year implementation period and design - construct contracts for the civil works packages was successful in addressing implementation delays that have occurred in previous road projects in the Lao PDR. The reasons for this success are (i) consultants can review contractors' designs easily and maintain the quality of design, and (ii) design - construct contracts can shorten the implementation period. The four project road contracts under the direct control of ADB and the supervising consultants, together with the rural access road and periodic road maintenance contracts were completed within their contract periods. Only project road section R4-1, financed by the Government of the Republic of Korea, experienced delayed implementation and a civil works contract extension of 14 months, with provision of additional government contributions for road works.  project cycle stage: Design, Implementation    Regarding use of the RMF (road maintenance fund), while the funding base for the RMF is broadening and annual expenditure allocations increasing, the fund is now spending only part of its income on maintenance and the amount for routine maintenance is relatively small. The RMF is not independent from the government budget system, and in 2014 - 2015 only 89% of fuel levy revenue is budgeted to be spent. This raises potential concern as to the future sustainability of the overall road maintenance. It is recommended that future projects consider how the road maintenance funds accounting system could be independent from the government budget system and made more flexible, to cover all maintenance work for roads. As for the road maintenance for the project roads, the PCR (project completion report) mission noted some maintenance work in progress during the field visit. However, more significant road maintenance activity occurs after the annual rainy season and needs to be reviewed.  project cycle stage: Operation |
| Given the range of physical, nonphysical, and capacity building activities throughout the project duration, the formulation of appropriate indicators measuring the project's outcomes should have been more realistic in line with the sequencing of project implementation activities. Much of the quality impacts, such as improved exam scores and employment rates, were beginning to take effect only toward the end of project implementation, following the completion of upgrading physical facilities, improvement of teachers' qualifications, and adoption of new teaching methods.  project cycle stage: Concept, Design, Implementation, Completion    Given the complexity of the project activities that were implemented across 90 model and 230 alliance schools throughout the nation, the project design could have considered more efficient implementation arrangements in procuring equipment for all the schools. The initial arrangement of central procurement through NCB (national competitive bidding) method turned out to be very time-consuming and less effective. More thorough due diligence for procurement arrangements would have facilitate smoother implementation of project activities at lower costs.  project cycle stage: Design, Implementation    Since major project activities were managed by the schools themselves, a specific approach should have been designed to provide remedial support to relatively poor performing schools such as additional capacity development programs, especially in planning and management practices, monitoring and evaluation.  project cycle stage: Design, Implementation    The delayed start of establishing EMIS (Education Management Information System) across model vocational schools prevented the adequate gathering of data throughout the project duration. Although an M&amp;E specialist was also recruited to independently monitor and evaluate project activities, the project performance management system and specific measures for key output and outcome indicators were not all adequately developed. This makes it difficult to fully assess the progress of some indicators or the quality of outputs achieved.  project cycle stage: Implementation |
| Integrated projects planning for economic corridors and regional economic impacts. The newly built 50 km section of the A380 highway is located along CAREC (Central Asia Regional Economic Cooperation) Corridor 2 which has two border-crossing points (i) Termez at the Afghanistan border and (ii) Daut-ata at the Kazakhstan border. The remaining sections of the A380 highway are being improved under ongoing projects and future projects planned by the government. Due to better road conditions and increased road capacity, the travel time on the project road has been reduced by over 60%, from 90 minutes to only 35 minutes and overall on the corridor it has impacted 20% travel time reduction and annual average daily traffic increase five folds within last 5 years. Future projects should also be planned similarly for integrated road sections on a corridor to achieve optimum regional economic impacts, instead of developing only isolated part of a corridor.  project cycle stage: Design, Completion    Realistic estimation of project and contract duration. In future, project schedules should carefully take into account (a) actual construction period available in a year considering the potential inclement weather conditions; (b) delays in contractor mobilization; (c) longer-than- expected time spent by government agencies in procurement matters due to their limited capacity or lengthy internal approval procedures; and (d) possible flaws in the initial designs that may require additional surveys and increase the scope of the contract. Existing practice of about 18 months of construction period needs to be reviewed by the government considering that most of the completed and ongoing projects had to be extended in view of the above-mentioned issues.  project cycle stage: Design, Feasibility    Maximizing gender benefits. The gender training subcomponent, which benefited from the synergy with RETA (regional technical assistance) 7563 grant, showed overwhelmingly successful results achieving extensive gender benefits. This included improved community knowledge of basic health, sanitation, and reproductive health by providing facilities and improving mobility; and group formation and development of livelihood skills for local women through training a selected group of Sarimoy women in business skills development. These trainings improved their knowledge of taxation and business planning, which increased their self-confidence and capability in both their public and private lives. Considering the enormous benefits, future projects should include gender training components and small entrepreneur or business loan and mentorship programs, through which microloans and financial and business management training could be provided to local communities.  project cycle stage: Implementation, Operation    Uzavtoyul to implement RAMS (road asset management system) directly. Future RAMS components should be implemented directly by the end user Uzavtoyul rather than through the PMU (project management unit) to ensure better coordination between the consultant and the end user. This implementation strategy will maximize long-term sustainability and provide the end user with full planning and implementation control and ownership of the outcomes.  project cycle stage: Design, Implementation |
| Need for including all related works in the scope of work for civil works contractors. For the road development component, earthworks and the construction of the subbase were excluded from scope of work of the international contractors. This reduced the efficiency of the construction works, because the national contractors were unable to complete works of acceptable quality as designed and it took considerable time to rectify the defects. These works should have been integrated within the overall scope of the civil works.  project cycle stage: Design, Implementation    Need for timely taking over of completed project sections by the government. At completion, the taking over of section 1 by Uzavtoyul was delayed due to administrative problems within the government. This contributed to poor maintenance after the defects liability period. This issue was resolved in 2014. Future taking over of completed road sections needs to be conducted in a timely manner by the government.  project cycle stage: Completion, Operation    Need for careful assessment of project management and construction supervision consultant's qualification. The PMCS (project management and construction supervision) consultant's performance was found to be generally satisfactory. However, the team leader was replaced three times during implementation, which affected the progress of civil works. In future, CVs (curriculum vitae) of the candidates should be assessed carefully to ensure highly qualified and experienced experts are selected, with a preference for permanent staff of the consulting firm.  project cycle stage: Implementation    Need for minimizing staff turnover in the executing agency during implementation. The PIU's (project implementation unit's) project director was changed frequently affecting the project management efficiency. Such frequent changes of the project director should be minimized.  project cycle stage: Implementation    Higher ADB financing for civil works components. The project completion review mission noted that ADB financing for these components was only 2.8% of the total civil works costs, against 14.9% at appraisal. This is rather marginal compared to the resources spent administering the project. For efficient use of ADB resources, ADB financing of civil works should be at least 50% of project costs for projects of this size. It is noted that for other components, ADB financing was 100%, which helped to resolve the disputes efficiently.  project cycle stage: Design, Completion    Regular assignment of the PIU's (project implementation unit's) representatives at the project sites. For future projects, it is recommended that the PIU assign a representative to the project site to monitor the civil works progress closely with the construction supervision consultants, which will help the PIU identify issues at early stage and take prompt actions for resolution.  project cycle stage: Implementation |
| The project demonstrated that Azerenergy is a capable implementing agency for power projects and that there is private sector capacity to undertake major construction projects related to augmentation and rehabilitation of power transmission and distribution networks. With proper planning, effective project monitoring mechanisms, and motivated and well-trained personnel, such projects can be successfully and expeditiously implemented. The government, with the assistance of ADB, should continue to upgrade and expand the transmission and distribution networks to ensure system losses are minimized, electricity supplies are reliable, and the growing demand for electricity in the country is met.  project cycle stage: Design, Implementation    There was some confusion in Azerenergy about the correct approach to use in calculating the debt - equity ratio and the DSCR (debt service coverage ratio). Financial ratios should be defined in loan covenants, particularly if they form part of the financial covenants of the loan. Moreover, ADB should more closely review these covenants during review missions to evaluate - and if needed initiate measures to ensure - compliance.  project cycle stage: Design, Feasibility    To enhance its operational and financial performance, Azerenergy is (i) streamlining its core business and transferring distribution networks assets and liabilities to Azerishiq, which will improve its financial performance and reduce administrative expenses; (ii) expanding power export to Georgia, Turkey and Russia; (iii) introducing enterprise resource planning, and enhancing internal audit and control to improve budgeting and planning functions; and (iv) accessing capital markets and diversifying financing channels (Azerenergy successfully obtained a corporate credit rating of BBB-/A-3 in February 2013).  project cycle stage: Operation |
| A lack of data and documentation was noted throughout project implementation. The project procurement-related audit noted this, and, as determined by the project completion review mission, data is unavailable within the executing agency. For example, there are no traffic counts after 2009, only two benefit monitoring evaluation reports were available, and the project completion report lacks important information. ADB needs to ensure during project implementation that data requested is provided by the executing agency.  project cycle stage: Implementation, Completion    The consultant supervision costs were the responsibility of the executing agency. As was previously noted, the delays in civil works resulted in increasing consultant supervision costs and the executing agency decided to terminate the consultants and recruit individual consultants. The consultants were paid by the executing agency and the change was made over ADB's objections. For future projects, it would be better for ADB to pay for consultant supervision, as more control will then be available for implementation of the project and, if necessary, consistency will be obtained by extending the consultant supervision contract.  project cycle stage: Implementation    One of the contracts issued that was declared misprocured by ADB because the bidder failed to meet minimum post-qualification financial threshold requirements, and which was then paid for by the executing agency, was completed successfully and within budget by the national company. That work was of high quality. Though appointment of national contractors for civil works was one of the project's key goals as a means of encouraging development of the private sector for future work, this was a case in which ADB's procurement guidelines blocked the loan financing of a national contractor who, as it turned out, was capable of doing the job. It is recommended that, for future contracts, means be found to introduce greater flexibility into the post-qualification financial criterion in conjunction with a close review of the company's past experience. In such cases, the criterion might be flexibly adjusted prior to contract award through close consultations between the executing agency and ADB.  project cycle stage: Implementation |
| Achieving sustainability requires a consistent and long term approach. The sustainability of project outcomes is greatly dependent on an ongoing commitment by the government to road maintenance, rehabilitation and asset management. Significant steps have been taken to harmonize donor assistance to the transport sector in support of a sector-wide approach. The ongoing Transport Sector Development Project and its support to MID (Ministry of Infrastructure Development) provides a predictable medium-term source of financing through NTF (National Transport Fund). CPIU (Central project implementation unit) already uses government systems, 'topped up' as required, for procurement and other technical and safeguard procedures, and policies for planning, implementing, and maintaining transport assets within the framework of the NTP (National Transport Plan).  project cycle stage: Implementation, Operation    Sound technical and economic safeguard procedures are required to support NTP (National Transport Plan) implementation. All such procedures are essential for translation of the NTP into worthwhile and fully supported investments on the ground. Appropriate engagement and communication with stakeholders is essential to ensure these processes are fully understood as well as the reasons for particular technical decisions. A stronger country safeguards system, including guidelines on obtaining land for transport projects, is essential. ADB is assisting the government to strengthen its safeguards system in the transport sector, including developing guidelines on environment and land acquisition, and building capacity within MID (Ministry of Infrastructure Development), Ministry of Lands, Housing and Survey, and Ministry of Environment, Climate Change, Disaster Management and Meteorology.  project cycle stage: Appraisal, Implementation    Climate change adaptation. The project implemented several measures to mitigate impacts from climate change. At present, these measures are effective and efficient. Continuous monitoring and maintenance of improved assets is needed to ensure sustainability of the adaptation measures.  project cycle stage: Implementation, Operation    Community liaison. Effective and efficient community liaison by experienced persons is important to resolving conflicts between the community and workforce, and between expatriate and local labor. Greater capacity will be required in MID (Ministry of Infrastructure Development) to manage community liaison, identify affected people, and manage the process of compensation to avoid community dissatisfaction.  project cycle stage: Implementation    Imprest accounts. The project received financing from various sources at different time intervals through grant agreements 0175, 0176, 0177, 0207, 0210 and recipient's contribution through government annual budget and the NTF (National Transport Fund). The disbursement of funds was carried out through direct payment and reimbursement procedures by maintaining three first generation and five second generation accounts. Even though PMCBU (project management and capacity building unit) managed these accounts satisfactorily, substantial delay occurred at the end of the project due to cumbersome nature in reconciling and winding up the accounts.  project cycle stage: Design, Implementation |
| One of the significant lessons from the project is the positive impact of early fielding of PIA (project implementation assistance) consultants. During project preparation, the capacity of the executing agency, MOW (Ministry of Works), was assessed as insufficient, particularly for detailed design, construction supervision, and overall project planning, monitoring, and reporting. The project design therefore provided for PIA consultants to assist and support MOW. Recognizing the importance of the PIA team and its own unfamiliarity with ADB procedures for selecting consultants, MOW requested advance action and ADB's assistance for the recruitment. This is believed to have significantly reduced the risk of delays in recruiting the PIA consultants - which typically would result in slow project start-up and late implementation - and allowed for fielding of consultants within weeks of grant effectiveness. The project was implemented largely on time and on budget.  project cycle stage: Design, Implementation    Under a sector modality, core subprojects should only be included at project appraisal if detailed feasibility studies have shown them to be implementable. Under this grant project, a core subproject (Sopu drainage channel) had to be dropped in the implementation phase when detailed design and feasibility studies revealed huge and unfeasible land acquisition needs.  project cycle stage: Design, Feasibility, Appraisal, Implementation    ADB provided guidance and support throughout the project with frequent project review missions. Regular communication between MOW (Ministry of Works), PIA (project implementation assistance) consultants, and ADB allowed for continuous assessment of the direction toward attainment of the project's immediate objectives; review of institutional, administrative, organizational, technical, environmental, social, economic, and financial aspects of the project; assessment of the need to restructure or reformulate the project; and updates to the project's design and monitoring framework when necessary. Such regular tripartite interaction also allowed for good planning and implementation of additional, non-core subprojects to realize the benefits of savings from other project components, and also achieve completion of additional works within the fund utilization period. Although MOW went through a reform process during project implementation, close coordination between it and ADB prevented any major disruption to the project.  project cycle stage: Appraisal, Implementation    For projects where machinery and equipment are to be purchased from project funding, it should be ascertained during project design that the executing agency is making sufficient allocations to the operational budget in the year targeted for the procurement of the equipment, and the years to follow. Otherwise, the equipment is not used effectively for lack of operational budget in the first year.  project cycle stage: Design, Implementation, Operation    Allowing some NCB (national competitive bidding) packages in any project gives an opportunity to engage and test the ability of reputable local contractors. In this project it was noted that the local contractors for smaller NCB packages offered some very competitive rates and, with close supervision from the project team, were able to complete and deliver components in a timely manner. However, not every local contractor may be in the best position to handle larger ICB (international competitive bidding) contracts, as was seen in the poor performance displayed under an ICB contract won by a local contractor in joint venture with an overseas partner. The PMU (project management unit) acted swiftly to resolve the issues caused by the poor performance, and all activities under the component could be completed within the grant implementation period.  project cycle stage: Implementation    Proper engagement and communication with stakeholders is vital to ensure that the rationale and the objectives of the project are fully understood, and this helps during project implementation by speeding up important decisions. The good interaction between MOW (Ministry of Works), the PSC (project steering committee), and the PIA (project implementation assistance) consultants proved highly beneficial in completing this project on time.  project cycle stage: Implementation |
| Promoting the success of MSE (micro and small enterprise) operations and helping PCBs (participating commercial banks) fulfill their greater developmental functions would address existing constraints. Access to finance is just one constraint hindering the development of MSEs. In a 2003 survey of SMEs (in Uzbekistan, the International Finance Corporation identified some of the negative factors hindering the operation of enterprises. These include administrative procedures, currency conversion, access to finance, taxation, and import and export restrictions. More effective consultation and dialogue among various market participants and government agencies regarding proposed reforms can limit inconsistencies between government policies and the formulation and implementation of rules and regulations.  project cycle stage: Implementation, Operation    Monitoring and analysis of the MSE (micro and small enterprise) sector would benefit from estimates of the credit gap to confirm additionality of ADB FILs (financial intermediation loans). This could also help ensure that private sector funds are not displaced given the features of sovereign loans. How FILs catalyze the entry of new funds into the market needs to be better documented, and FILs' ability to move participants to more market-based finance needs to be improved.  project cycle stage: Operation |
| A program concentrating on a single area is much more likely to have a bigger impact than a program with several focuses  project cycle stage: Design    In order to have a meaningful and more sustainable impact, policy reforms should focus on areas in which ADB has been engaged and remains involved over a longer time period.  project cycle stage: Operation    Where country systems are weak, program monitoring could benefit from TA (technical assistance), as in Tajikistan. The TA could focus on expenditure tracking mechanisms, internal controls, and external audits; and be conducted in two stages. In the first stage, when monitoring capacity is still weak, experts could be engaged to monitor program-supported expenditures rather than relying on the government to submit monitoring reports. The second stage would focus on improving country systems to help the transition of monitoring tasks from external experts to government staff.  project cycle stage: Implementation, Operation, Country Partnership Strategy    In countries with capacity challenges, reforms take time as limited capacity results in implementation delays. This must be accounted for in design.  project cycle stage: Implementation    A multiple tranche design or program cluster design is useful, as it brings more balance to the program and helps keep up the government's commitment, even though such a design has high transaction costs for the government and ADB. Such designs also discourage the tendency for the government and ADB to include easier actions in the initial tranche and tougher ones in the later tranches, thereby unbalancing the program and leading to less than successful ratings. The incentive tranche kept ADB and the government engaged and kept the reforms on track.  project cycle stage: Design    Policy reforms invariably require a champion to steer and lead. The Minister of Labor and Social Protection, who had earlier been the Chairman of Amonatbank, was the key figure in promoting the plastic cards pilot program. Despite some issues (some of which may still linger), this remains a modern step in pension reform in the region. Similarly, the reforms in the Tax Committee had considerable government ownership and support. During the program, the President announced issuance of a new Tax Code, an action that was endorsed by the program.  project cycle stage: Implementation, Operation    Gender-related goals are generally easier to monitor if they are policy conditions instead of targets in the DMF (design and monitoring framework).  project cycle stage: |
| The provisions of funds under a program loan will generally only have an immediate impact on the overall level of economic activity if a pipeline of projects is in place when the funding becomes available. This was not the case when the ERSP (economic recovery support program) subprogram 1 loan was disbursed, but the delay in capital project construction to ensure more sustainable and beneficial projects were implemented was desirable. The Cook Islands governance of infrastructure projects had improved by the time of the release of subprogram 2 funds with project priorities and planning further advanced, providing a number of potential projects that could immediately use the ERSP funding assistance. The program modality is beneficial in that it enables the recipient government implementing agency to maximize the use of local suppliers of goods and services through appropriate project selection and contract package sizing.  project cycle stage: Implementation |
| The project experienced disbursement delays to SME (small and medium-sized enterprise) sub-borrowers, partly due to safeguard requirements. Significant support from the project team was required and signaled the need for PFIs to adopt a minimal ESMS (environment and social management system) to be able to meet categorization requirements. It also showed the importance of continuous dialogue, awareness raising, and capacity building, crucial to making safeguards an important consideration in the credit decision-making process and to the sustainability of the results. ADB's support increased the capacity of the PFIs (participating financial institutions) and improved their standing with other donors and funders.  project cycle stage: Implementation    Damu charged a uniform margin to all PFIs (participating financial institutions). In line with the government's intention that Damu function effectively on a self-sufficient basis, Damu should have priced its loans to PFIs according to risk. This intention was limited both by the project's design and by Damu's capacity. A minor change in the MFF (multitranche financing facility) has given Damu the flexibility to charge market-based margins to improve its sustainability and reward better-performing PFIs.  project cycle stage: Feasibility, Implementation    Up-front disbursement to the PFIs (participating financial institutions) of the entire loan amount was required by the funding mechanism used for the tranche. While this helped avoid problems in the financing of subprojects, it also limited the option to reward better-performing PFIs. In this case, the only available incentive mechanism was participation in future tranches under the MFF (multitranche financing facility).  project cycle stage: Design, Implementation    The overall objective of supporting SME (small and medium-sized enterprise) medium-term lending was only partially achieved. A key success factor lies in the selection of PFIs (participating financial institutions), which should be sustainable finance providers. The development of SME portfolios requires not only exceptional liquidity support at a time of liquidity squeezes, but also a strategic commitment and adequate capacity and technical expertise of PFI staff and their SME clients. While the parallel TA (technical assistance) contributed to this, more targeted assistance could have improved the performance of the project. Additional covenants could have been added to improve its impact. Limited access to finance for SMEs is also linked to other factors, such as financial infrastructure deficiencies, supervisory weaknesses, and the overall health of the financial sector, which could not be addressed through a credit line intervention.  project cycle stage: Feasibility, Implementation    Finally, the DMF (design and monitoring framework) indicators were not appropriate to assess the overall effectiveness of ADB's intervention. The performance indicators should have been more accurate, better defined, and aligned with the stated impact and outcome. The indicators also did not measure improvements in the loan maturity for SME (small and medium-sized enterprise) loans in the PFIs' (participating financial institutions) portfolio, which was considered relevant for development impact.  project cycle stage: Completion, Operation |
| Fully staffed PMUs (project management units) and complete involvement of the executing agencies from the outset are necessary to create ownership and commitment.  project cycle stage: Implementation, Country Partnership Strategy    Project timelines need to take into account implementation complexity, the experience of the executing agency, consultants and contractors, and the available working seasons.  project cycle stage: Design, Feasibility, Implementation    Use of innovative practices like electronic measurement books and advanced technologies like trenchless technology for pipe laying can help improve implementation efficiency.  project cycle stage: Implementation    Access to transport facilities at resettlement sites is key to protect the livelihoods of resettled people, especially women and the differently-abled. It is necessary to protect sites from which people are relocated, from squatting.  project cycle stage: Implementation    Secondary displacement due to land acquisition and resettlement always needs to be included in resettlement plans.  project cycle stage: Design, Implementation    For projects with a canal rehabilitation component, a component to integrate bank protection and maintenance with community involvement can support sustainability.  project cycle stage: Design, Implementation, Operation |
| Implementation delay. The project implementation initially experienced delays mainly due to slow mobilization by the civil works contractors, even though the pre-construction activities were carried out in a timely fashion by MPRDC (Madhya Pradesh Road Development Corporation). Subsequently, the termination of a poorly performing contractor and procurement of a new contractor for completing the balance of works, and the addition of three new subprojects in 2009 - 2010 further affected the implementation schedule. Nonetheless, ten civil works packages were completed before original loan closing date, whilst the others were completed about 8 months before the extended loan closing date. This was achieved by close coordination between MPRDC and ADB in identifying issues and preparing action plans to expedite the implementation and recoup time lost. Consequently, the contractors improved their planning and mobilized additional resources. The supervision consultants closely monitored the progress achieved by the contractors on the action plan. The recouping of time lost was facilitated by MPRDC through early decision-making and fast processing of payments. Timely identification of the issues, formulation of suitable action plans and close monitoring of progress helps improve project implementation.  project cycle stage: Implementation    Performance of contractors. Despite reiterated requests and financial support from MPRDC (Madhya Pradesh Road Development Corporation), one civil works contractor continued to perform poorly and the contract had to be terminated. Incorporating additional evaluation criteria in the bidding document on past poor performance or terminated or abandoned contracts would facilitate identification of such contractors in future procurement activities.  project cycle stage: Implementation    Financial management. Based on observations of financial auditors, ADB recommended MPRDC (Madhya Pradesh Road Development Corporation) to strengthen internal audit system with regard to nature and scope of verification, timely preparation of audit reports, and to improve fund management. These measures together with regular and robust assessment of financial sustainability would facilitate better financial management.  project cycle stage: Implementation, Operation |
| Underestimation of costs. The project encountered a significant cost overrun due to underestimation of costs at the time of processing of the original loan. To enable quality completion of the project, ADB approved a supplementary loan and the government provided additional counterpart funds. For future projects using the sector loan modality, consideration may be given to setting appropriate level of cost contingencies, taking into account the uncertainties caused by (i) the unavailability of designs and detailed estimates, and (ii) higher price escalation due to a longer gap between the processing of the loan and the actual time of subproject appraisal, approval, and contract award.  project cycle stage: Design, Feasibility, Implementation, Completion    Performance of the contractors. During implementation, significant delays in mobilization and completion of contracts were caused by weak capacity and poor performance of some contractors. For future projects, the criteria for qualification of contractors and for the award of multiple contracts should be strengthened. The contractual provisions related to contractor performance, such as mobilization, staffing, and deployment of equipment and funds, need to be strengthened so that poor performance by contractors is discouraged.  project cycle stage: Implementation, Completion |
| Addition of At-Bashy road. The final approval for constructing the At-Bashy access road was not provided until May 2013. The late addition of this component was part of the reason that the grant and loan closing date needed to be extended. Additional works of this magnitude should be identified, appraised, and approved at an earlier project stage to ensure completion of all works within the allotted period.  project cycle stage: Design, Appraisal, Completion    Communication. During construction of At-Bashy road, some disputes arose between the contractor and the local population, causing late completion of minor but essential works e.g. sidewalks and drainage. Information on these incidents was not promptly reported to all parties concerned. Not being fully aware of the situation, IPIG (Investment Projects Implementation Group) initially advised ADB that there was no need to extend the loan and grant closing period. However, when the extent of remaining works to be completed became apparent, an extension was provided. This issue was swiftly resolved. It is important to ensure proper communication between contractors, consultants project implementation unit and, ADB by fielding an ADB mission to help dispute resolution. It is also vital to field ADB missions to coincide with the completion of physical works, to enable the mission to verify completeness of such works and assist in determining whether loan and/or grant extensions are needed.  project cycle stage: Design, Implementation, Completion    Inspection facility. Construction on the proposed facility has not yet started. The inspection facility is planned to be delivered using alternative financing sources. Cross- border facilities such as this require both expert inputs from, and coordination between, various government agencies. This can be difficult to achieve in a timely manner. In addition, specialist skills are needed for designing and implementing such projects.  project cycle stage: Design, Implementation  Frost heave cracking. The combination of high altitude, low temperatures during winter and frozen ground beneath the project road resulted in the appearance of frost heave cracks. Cracks have been filled in with bitumen but will reappear after each winter. The cracking issue needs to be monitored on an ongoing basis with cracks filled in as they appear. To minimize risk of further cracking, snow needs to be removed entirely from the roadbed and not merely left on shoulders, and weight limits for goods vehicles need to be strictly enforced to ensure undue stress is not placed on the project road.  project cycle stage: Design, Implementation    Maintenance. In order to sustain project benefits it is critical that the project road is appropriately maintained. The frost heave cracking issue needs to be monitored by MOTC (Ministry of Transport and Communications) on an annual basis and, in order to prevent further widening, cracks must be filled as they appear. Whilst maintenance budgets have increased, MOTC needs to allocate further resources to protect the substantial investment in road infrastructure that has occurred on this road corridor over the last decade.  project cycle stage: Operation    Capacity development component. Originally a total of $0.5 million was allocated to the capacity development component, but only $0.01 million was actually spent. Additional attention could have been given at appraisal to properly identify and cost each part of the capacity development component.  project cycle stage: Design    Consultation. There is a need to ensure an appropriate level of public consultation during project development to enable the local population to have an input into project design and ensure greater'buy-in', which would likely result in fewer disputes between the contractor and local population.  project cycle stage: Concept, Design, Implementation    Road Safety. Despite the safety features (e.g., barriers) built into the project, the increased speeds resulting from the new road will likely have an impact on both the frequency and severity of road traffic collisions. Collisions on the project road will need to be monitored carefully by MOTC (Ministry of Transport and Communications) during 2015 - 2020 in coordination with the police force and, if and when collisions start to occur, timely and appropriate remedial engineering measures may need to be put in place to counteract any increased risk.  project cycle stage: Operation |
| Multiple and interrelated women's issues are best addressed through integrated approaches for creating better synergy. The project's approach of strengthening the capacities of the DWD (Department of Women Development) and WDOs (Women Development Offices), formation and capacity building of women's organizations, building women's knowledge about their rights, and targeted interventions to address women's practical needs, such as income generation, time-saving technologies, and women-friendly infrastructure, has given women better access to opportunities and services that responded to their needs not only for survival but also for better social mobility and empowerment. Access to microfinance and support through start-up grants were instrumental for women's economic empowerment.  project cycle stage: Operation    In order to reduce the gap in overall human development and gender equity indexes, the targeted interventions on women's empowerment are still highly relevant in Nepal. VDC (village development committee) clustering in the project area based on geographic contiguity and similarity should be considered when selecting project sites in remote areas. Doing so can improve staff mobility, service delivery, monitoring, and supervision.  project cycle stage: Design, Implementation, Operation    Intersectionality is an important element to be addressed in projects promoting women's empowerment and gender equality. Women are a heterogeneous group and their diversity based on caste, ethnicity, religion, region, and language are critical factors contributing to their abilities to benefit from and contribute to the overall project implementation.  project cycle stage: Implementation, Operation    Coordination with like-minded donors and other stakeholders on a regular basis helps in improving project implementation, harmonizing approaches, eliminating duplication, creating synergies, and resolving implementation issues.  project cycle stage: Implementation |
| Designing the project with mechanisms for communication and coordination between existing government institutions in project districts and project management structures can facilitate smooth project implementation and monitoring. This also ensures that sector offices will provide beneficiaries with follow-up services after project completion.  project cycle stage: Design, Implementation, Completion    The timely design and execution of a results-based monitoring system is an important means of collecting and reporting project outputs and outcomes in a disaggregated way during project implementation, and carrying out an objective impact evaluation upon completion.  project cycle stage: Implementation, Completion    Enterprises operated by farmer groups, especially those composed of women, the poor, and disadvantaged people, should be provided with refresher skills training, access to finance, follow-up services, and ways to maintain market links to sustain operations and benefits. The provision of land lease financing serves as a good way to reach poor and landless families by helping them access productive resources and benefit from commercial agriculture.  project cycle stage: Operation    Women and disadvantaged groups often do not have enough time to participate fully in project implementation and capacity development activities and thus benefit from the project. Designing the project to include targeted interventions such as intense mobilization, training, and the facilitation of access to finance, extension services, and inputs optimizes the possibility of visible improvements to their livelihoods.  project cycle stage: Design, Implementation    The project may be able to secure the involvement of larger processors and traders by making large financial contributions to their business plans, as smaller contributions are not helpful.  project cycle stage: Operation |
| Need for a high-level coordinating body. For a complex, multicomponent project, regular monitoring of implementation progress by the government through a high-level and active plenary body or steering committee is indispensable. Regular interaction among the borrower, stakeholders, consultants, contractors and suppliers, and ADB through the executing agency's PMO (project management office) contributed greatly to the success of the project.  project cycle stage: Implementation    Plan and coordinate preliminary activities well to minimize delays. The executing agency needs to pursue a set of well-planned and concerted actions to ensure timely completion of all critical activities for identification and appraisal of subprojects; government approval of the initial environmental examination, environmental management plan, and resettlement plan as appropriate; recruitment of consultants; streamlining the procurement of civil works contracts; and continuous cooperation among the executing agency and LGIs (local government institutions). The delay in project implementation is attributed mainly to protracted recruitment and fielding of the consultants and the consequent delays in preparing the SARs (subproject appraisal report).  project cycle stage: Appraisal, Implementation    Use advance actions. The project experienced delays of 24 months for several reasons. The absence of borrower's advance action largely contributed to these start-up delays and affected project implementation. ADB has been emphasizing this issue through its country and tripartite portfolio review meetings, and has included in most ADB-assisted projects provisions for advance action for selection of consultants, selection of subprojects, stakeholder consultation, and preparatory work for land acquisition and resettlement, if applicable.  project cycle stage: Implementation    Ensure sufficient consultation during project preparation. DFID's Department for International Development [United Kingdom]) decision to reduce substantial portions of its funding during project implementation indicated the need for greater consultation among cofinanciers, borrower, and other stakeholders during project preparation.  project cycle stage: Implementation |
| Implementing reforms under a project loan is generally difficult and less effective in accomplishing outcome than having a dedicated separate program loan meant for pursuing reforms.  project cycle stage: Implementation    The decentralization of DSHE (Directorate of Secondary and Higher Education) at all levels needs political will and supportive top level administrative decision to bring efficiency and transparency through bottom-up management. Without an effective and meaningful decentralization, DSHE may find difficulty in implementing the secondary education sector development plans in the future.  project cycle stage: Implementation    Where implementation delays are inevitable, advance actions, proactive project management, and effective progress monitoring are helpful to achieve timeline and targets.  project cycle stage: Implementation    Many project implementation support staff were recruited and trained. These staff gained valuable experience under SESDP (Secondary Education Sector Development Program) but could not be retained in the follow-up SESIP (Secondary Education Sector Improvement Program). Although it will benefit the education sector broadly, it is more efficient for the project to retain the trained officials.  project cycle stage: Implementation    Strengthening the role and capability of the head teacher as a mentor is a key to improving the school performance.  project cycle stage: Operation    Increasing the number of female teachers in secondary schools, particularly in the rural and especially in remote areas is difficult, but for quality of education, this is needed.  project cycle stage: Operation |
| Several sustainability lessons from CMDP II (Second Capital Market Development Program) may be relevant to future interventions. A key aspect was following an integrated approach fostered through consultations. Policy coordination under CMDP II resulted in ensuring identification of responsibility and minimal replication of effort. In addition, CMDP II correctly understood the shortcomings in the government's response to the crisis, related to poor surveillance and failure to address the underlying causes in weak governance and incompatible incentives. At the outset, CMDP II proactively proposed remedies with proven records in addressing governance issues in the exchanges, especially demutualization.  project cycle stage: Implementation    An important aspect of CMDP II (Second Capital Market Development Program) was using a crisis as an opportunity to push reforms. This was reflected in CMDP II design that resulted in mutually reinforcing actions that simultaneously addressed the causes behind the crisis and expanded the financial sector to meet the needs of the real sector. In this regard, fundamental reasons for the crisis were the falsification of financial statements and the consequent exploitation of small investors. The accreditation system for auditors will help promote market information credibility. These actions provided mechanisms to restore investor confidence and encourage issuances and expanding products. However, the continuing weakness in the corporate debt market infers a lack of focus on issues related to market distortions and the absence of a recovery mechanism. Addressing these factors will fill gaps in the market and dovetail CMDP II achievements.  project cycle stage: Implementation |
| Where principles and approaches proposed under a project are innovative in the context of the prevailing institutional framework, capacity building of implementing agencies should be undertaken in advance to ensure ownership of those principles and the capacity to implement projects dependent upon them. Effective ADB supervision can help to overcome limitations in implementing institutions' capacity.  project cycle stage: Implementation    Project preparation should consider the capacity of local civil works contractors and ensure that eligibility criteria for bidding are not so prescriptive that they preclude participation by all but large contractors who may not be interested in smaller-scale works.  project cycle stage: Appraisal    Some form of incentive may be necessary to attract staff to project management units and new units or sections within executing agencies specifically established for project activities.  project cycle stage: Implementation |
| Land Acquisition and Sludge Disposal. Potential land for use by the project was secured and confirmed at appraisal and confirmed before loan effectiveness. However, land issues related to sludge disposal still arose during implementation, resulting in the cancellation of Component E. Sensitivity in site selection, careful assessment of land acquisition issues, and consultation with stakeholders during preparation are therefore essential.  project cycle stage: Design, Appraisal, Implementation    Implementation Arrangements. The project management office serves a critical coordinating function in executing projects that involve several implementing agencies. The NPMO's (Nanjing project management office's) strong leadership and good communication skills proved to be crucial for the efficient implementation of the project. In addition, the establishment of databases and monitoring mechanisms by each implementing agency during the early stages of the project was very useful. Assurance of a good partnership among implementing and oversight agencies is essential.  project cycle stage: Implementation    Loan Reallocation. To optimize the utilization of the loan, cost savings identified during implementation can be reallocated to other components during the midterm and final reviews. Under the project, NMG (Nanjing Municipal Government) was able to reallocate the proceeds from the cancellation of component E to the other components, resulting in optimum utilization of loan proceeds.  project cycle stage: Implementation    Flexibility in Project Design. Changes in the design of the project during implementation should be considered in order to achieve a better outcome. For instance, the cancellation of the Jiangxinzhou WWTP (wastewater treatment plant), because of the introduction of new technology to use the sludge to co-incinerate at a power plant, has provided a cleaner form of power generation and is good practice for recycling waste. Likewise, Mount Fenghuang was cancelled due to LAR (land acquisition and resettlement) issues, and sludge co-incineration was used instead, which resulted in a better outcome.  project cycle stage: Design, Implementation    Wastewater Tariff Revision. NMG (Nanjing Municipal Government) should continue to regularly review the tariff level, monitor and ensure that the wastewater tariffs are capable of meeting full cost recovery, covering the O&M (operations and maintenance) costs, interest, depreciation, debt repayment, and a reasonable profit margin.  project cycle stage: Operation    Operation and Maintenance (O&M). In Nanjing, management responsibilities for O&M of river systems, drainage systems, WWTPs (wastewater treatment plants), and sewerage systems were fragmented between Nanjing Qinhuai River Construction Company and Nanjing Municipal Water Company (under NCIC or Nanjing Urban Construction Investment Holding [Group] Company Limited), NDMD or Nanjing Drainage Management Department (under NMUMB or Nanjing Municipal Urban Management Bureau), water resources bureaus, and the district governments. This resulted in considerable confusion and inefficiency. However, certain institutional reforms (with a simpler division of responsibilities) introduced by the NMG (Nanjing Municipal Government) during project implementation, have helped to streamline O&M functions.  project cycle stage: Implementation, Operation |
| This is the first emergency assistance loan to be processed for the PRC under ADB's Disaster and Emergency Assistance Policy. The project comprised more than 363 subprojects in 23 counties in two provinces, including reconstructing and upgrading rural roads ranging in length from 3 km to 32 km and rebuilding 12 schools. The PMOs (project management offices) and implementing agencies had no experience in implementing ADB projects. Their relatively weak capacity in managing many subprojects resulted in implementation lagging during the first 2 years. The TA (technical assistance)-supported training strengthened the project management capacity and knowledge of ADB policies of the staff of the PMOs and implementing agencies. A special review mission was conducted in both Sichuan and Shaanxi provinces in 2010 to fully coordinate the major reconstruction works and identify the bottlenecks that impede construction progress and resettlement implementation. Further, procurement and disbursement arrangements were also facilitated to ensure timely approval, award of contracts and disbursements.  project cycle stage: Concept, Implementation    The project engagement of external monitors in both Sichuan and Shaanxi enabled timely response to any involuntary resettlement impact during project construction and ensured full compensation and income restoration of affected villages. The emergency loan adopted a framework approach for resettlement safeguard management, i.e., a resettlement framework was prepared during loan processing, and during implementation detailed resettlement plans were prepared for all subprojects with adverse impacts. In general, this approach worked well for the emergency project with minor to moderate resettlement impacts to achieve streamlined loan processing. The environmental management practices during construction were implemented well by contractors and public participation was solicited effectively with public awareness campaigns on environmental protection and public health and well integrated with operations and maintenance of completed roads and education facilities. This approach facilitated project implementation and in the future can be adopted taking into account the emergency nature of components.  project cycle stage: Implementation |
| The land acquisition and resettlement costs should be budgeted adequately during project preparation. The resettlement costs for the project increased by over 300%, mainly because of the significant increase in land compensation rates resulting from the nation-wide resettlement policy reform in 2008. When budgeting for resettlement cost, the project team should assess whether the existing resettlement policies are outdated and compare the policies with the market prices to assess whether the policies are reasonable. Based on a detailed measurement survey and cost assessment, the project team should then budget adequately for resettlement costs to ensure that the implementing agency has adequate funds to pay compensation to the affected people.  project cycle stage: Design, Feasibility    When establishing the project implementation team, it is better to mobilize staff with experience in ADB-financed projects under the same executing agency or implementing agency. The project was the fourth road project supported by ADB in Yunnan and YPDOT (Yunnan Provincial Department of Transport) was the executing agency for all previous projects. Unfortunately, only three working level staff of WKEC (Wukun Expressway Company Limited) had worked in the previous ADB-financed projects. Although the project implementation was successful, the overall performance of the project implementation could have matched that of the previous projects.  project cycle stage: Implementation |
| The project helped develop the EMS (environmental management system) to enhance environmental management of the SBIZ (Southern Baiyin Industrial Zone). This enabled the BHTIP (Baiyin High-Tech Industrial Park) to become an environmentally friendly industrial park demonstrating'ï¿½circularâ€ economic development. The three-layer institutional setup, integrated environmental management platform, and early warning system help ensure that the environmental protection targets are met, potential environmental risks identified in advance, and actions and measures taken immediately to respond to emergencies. Following on this success, the Gansu Baiyin Integrated Urban Development Project will develop a more sophisticated EMS for another industrial park in Baiyin.  project cycle stage: Operation    As one of the first batch of comprehensive urban development projects in the PRC (People's Republic of China), lessons were learned with respect to LAR (land acquisition and resettlement) : (i) LAR impacts for urban projects usually are larger due to the high population density in urban or semi-urban areas; (ii) compensation rates could rise during implementation due to increased value of land and affected persons' property; and (iii) LAR implementation is influenced by the pace of urbanization rather than the schedules for individual projects, and that may result in delays which are beyond the project's control. BMG (Baiyin Municipal Government) had to reprioritize its urban infrastructure construction plan including the roads construction plan to better handle the large LAR impacts resulting from the city's rapid urbanization. As a part of the reprioritization, construction of some road sections was removed from the project scope so that LAR impacts would be reduced and the project could be completed within the extended loan period. Despite the reduced LAR impacts, the total LAR cost have increased by 60%. This was mainly due to higher compensation rates resulting from rapid urbanization and increase in land value. BMG had to mobilize additional counterpart funds to cover the cost increase.  project cycle stage: Design, Implementation    Procurement of civil works should take full consideration of LAR (land acquisition and resettlement) progress. Otherwise, even if procurement is completed quickly, it may not be possible to commence contract execution. Furthermore, disputes may also arise if land cannot be acquired and transferred to contractors on time.  project cycle stage: Implementation    Engineering design works could be further improved with more detailed on-site survey and adequate geological exploration to minimize contract variations during implementation due to unexpected geological conditions and missing items in the bill of quantities.  project cycle stage: Design, Implementation |
| Definition of SME (small and medium-sized enterprise). The Ministry of Industries defines enterprises as cottage, micro, small, medium, and large enterprises, on the basis of'employment' and'fixed investment'. As SMEs, by definition, refers to small and medium-sized enterprises, the nomenclature is frequently misunderstood and used inappropriately to address cottage and micro enterprises as well. Surveys show that cottage and micro enterprises constitute 97% of all industries by number and employ 41% of the nonagricultural workforce. The SMEDP (Small and Medium-Sized Enterprise Development Project) financed 13,645 enterprises having on average 6.4 employees per enterprise, indicating that a vast majority of beneficiaries are cottage and micro enterprises.  project cycle stage: Concept    Data availability. There is no comprehensive, standardized, and updated database on the SME (small and medium-sized enterprise) sector that also includes cottage and micro enterprises. It is challenging to acquire reliable basic statistics, such as the number of SMEs and SME employment. The Sixth Five- Year Plan, 2011 - 2015 recognized the lack of data as a barrier to understanding the role of SMEs. In the absence of reliable key statistics, alternative inferential methods have been used extensively to assess the SMEDP's (Small and Medium-Sized Enterprise Development Project) performance parameters. The change in the definition of SMEs, incompatible presentations of data by various agencies, and complex definitions have complicated the understanding of the SME sector and its contribution to the national economy.  project cycle stage: Concept, Implementation    NBFIs (nonbank financial institutions) find the refinancing scheme more valuable. The funds disbursed through NBFIs increased to 48% of total facility for the SMEDP (Small and Medium-Sized Enterprise Development Project) compared to 20% for the previous SMESDP (Small and Medium Enterprise Sector Development Program). At the national level, banks and NBFIs disbursed SME loans at a rate of 87.8% and 2.2% in 2013. This disproportionate performance can be explained by the higher cost of NBFI funds as compared with banks, as the refinancing scheme provided them an opportunity to reduce their weighted average cost of capital. This indicates that NBFIs would be more interested than banks in any innovative interventions in the financial market.  project cycle stage: Operation    Women entrepreneurs. The SMEDP (Small and Medium-Sized Enterprise Development Project) disbursed 6.4% of the total facility to women-led SMEs, falling short of the target of 15.0%. Initial disbursements under this component were slow due to a lack of market awareness among women entrepreneurs. The target was also overly optimistic to comply with the provisions set out in the Refinance Scheme for Women Entrepreneurs of SME, given that the percentage of SME loans disbursed to women entrepreneurs was 3.4% - 3.9% during 2010 - 2013. The interest rate cap at 10.0% on loans to women-led SMEs might have also eroded PFI's (participating financial institution's) motivation for such lending, as PFIs usually lend to general SMEs at a much higher rate.  project cycle stage: Concept, Implementation    Subloan database. The reimbursement applications made by the PFIs (participating financial institutions) to the implementing agency were not standardized; the PFIs used different spellings in fields and the fields were different as well. This made analyzing the subloans for all 13,465 SMEs (small and medium-sized enteprises) (on the basis of location, industry, etc.) virtually impossible. The database would have been more effective if a standard reporting template with all required fields and their probable values had been prefixed.  project cycle stage: Implementation |
| Cost estimation. The initial cost estimates based on the feasibility-level design were inaccurate. Cost estimates based on a detailed design, together with an analysis of unit rates and price escalation factors, would have produced more reliable estimates which would have helped to reduce the implementation delays early in the project.  project cycle stage: Design, Feasibility, Implementation    Provisions for price escalation in civil works contracts. The absence of such provisions contributed to repeated contract terminations and delays. In inflationary conditions, contracts need to include provisions for price escalation.  project cycle stage: Design    ADB missions and Resident Mission support. During the early stages, the project would have benefited from more frequent missions by suitably qualified staff, as well as the involvement of an international transport staff person at the Mongolia Resident Mission to support project implementation.  project cycle stage: Implementation    Incorporating lessons and risk mitigation. Previous ADB-funded road projects in Mongolia had shown that the MRT and contractors have limited experience and that there have been problems with contractors' mobilization efforts. These lessons were not sufficiently incorporated in the implementation arrangements.  project cycle stage: Implementation |
| Extensive, participatory consultations were conducted during project design and implementation. The needs and requirements of the beneficiaries and affected people, mostly ethnic minority groups, were incorporated into the design. As ADB's first loan for urban development in XUAR, the project prioritized promoting inclusive growth and sustainable development in the region through introducing a new urban development perspective, which addressed social benefits, environmental protection, and public participation. The project has a demonstration effect and provides lessons on planning and managing sustainable infrastructure development to other similar border cities and land ports with tourism potential in the region.  project cycle stage: Design, Implementation    Capacity building was emphasized in the project design and during implementation. A comprehensive training program was developed and implemented to strengthen the executing agency and implementing agencies' capacity in project management and O&M. Training was conducted to introduce ADB's policies and procedures in implementation and the experiences and best practices in urban development. This ensured that Xinjiang PMO, with strengthened institutional capacity, could continue to take the lead in managing subsequent ADB urban projects in XUAR.  project cycle stage: Design, Implementation    The project implementation arrangements were effective. The Xinjiang PMO executed clear division of responsibilities among different institutions. Through coordination efforts of Xinjiang Housing and Urban-Rural Development Department, close communications were maintained and issues were solved quickly.  project cycle stage: Implementation    The estimate of financing charges during implementation, $18.1 million and capitalized in the ADB loan, was too large compared to the actual interest during construction of $1.9 million. The large surplus could result in loan proceeds cancellation if no proper usage could be found before project completion.  project cycle stage: Design, Implementation, Completion |
| The sustained commitment by the GOWB ensured that reforms transcended short-term political considerations. For a policy-based program to be successful, sufficient resources must be devoted to cultivate dialogue with all stakeholders and institutionalize ownership of reforms.  project cycle stage: Implementation, Operation    Policy-based programs targeting fiscal consolidation should not sacrifice economic growth by insisting on rapid and drastic fiscal adjustment in the short-term. Instead, fiscal space must be created gradually through carefully sequenced and multifaceted reforms that promote a sustainable fiscal trajectory along with economic growth. To achieve this balanced approach, revenue collection should be augmented with more efficient tax administration and an expansion of tax base instead of tax rate increases, which might hinder economic growth. Expenditure rationalization should complement revenue reforms by substituting the fiscal savings generated through streamlining current expenditures with growth-enhancing capital outlay in infrastructure and critical social sectors. To promote economic growth, private investment must be encouraged at the same time, especially through PPPs in public service delivery, which reinforces the rationalization of public spending and improvement in the quality of services. Finally, accompanying social programs embedded in the MTEFs are necessary to distribute the reform benefits more equitably across the society, and especially to disadvantaged socioeconomic groups.  project cycle stage: Implementation, Operation    The effective use of IT-based e-governance systems not only strengthens the government's capability and efficiency in tax administration, expenditure, and debt management, but also enhances the quality and accessibility of public service delivery at affordable costs to many different segments of society, including the poor. IT-based public sector reforms are also very effective at standardizing processes and preventing leakage, fraud, and corruption, and thereby improving accountability and governance at all levels of public administration. For sustainable fiscal reforms with maximum institutional impact, policy-based programs should prioritize investment in IT-based systems.  project cycle stage: Operation    A program design of this nature should avoid numerous and complex policy actions, and focus on the core elements of the government's reform agenda. Policy actions must be prioritized thoroughly based on a clearly defined, time-bound roadmap. Policy-based programs should be supported by an accompanying TA to meet all targeted policy actions in a timely manner, and strengthen the government's capacity to ensure the effectiveness and sustainability of the reforms. An accurate assessment of training and capacity building needs should be carried out at the fact-finding stage to determine the precise scope of the TA support.  project cycle stage: Design, Appraisal, Implementation    Ensuring continuity of staff at the program directorate builds institutional memory and supports the successful implementation and sustainability of the reforms.  project cycle stage: Implementation, Operation |
| The radical change in scope of the project after the MRM on 8 May 2007 deserved more consideration, especially with respect to the economic rationale of emergency equipment. The economic evaluation at appraisal should have been carefully reviewed to eliminate the calculation mistakes made.  project cycle stage: Design, Feasibility    Although the delay in implementation was caused for justified reasons, i.e., a careful review of the required specifications of the second batch based on progressive understanding of actual needs, the project scheme could have allowed for a longer implementation period.  project cycle stage: Design, Implementation |
| Executing agencies' recruitment of consultants remains time-consuming and was the main reason for start-up delays. This problem is not specific to the project but is common in all ADB-financed projects in Viet Nam. Delays in recruiting consultants result in delay of such project activities as detailed design, resettlement planning, environmental management planning, and preparing bidding documents. The delays in bidding and contract awards caused total project costs to rise and held back delivery of the facilities to the final recipients.  project cycle stage: Design, Implementation    The project substantially achieved the targeted outputs despite the start-up delays caused by the prolonged process of recruiting consultants. This demonstrated that the executing agencies at provincial level have the capacity for project implementation and the decentralized approach to project preparation and implementation is appropriate.  project cycle stage: Feasibility, Implementation, Operation    The result of efforts to increase tariffs varies among project provinces. Some provinces showed strong commitments in implementing the reform agenda set by the project (for example, Binh Thuan, Dak Lak, and Khanh Hoa provinces). Meanwhile, other provinces were reluctant to raise the wastewater tariff and solid waste collection fee to the required levels (Ninh Thuan and Phu Yen provinces).  project cycle stage: Operation |
| Active stakeholder consultations during both program inception and implementation are imperative for creating a strong sense of government ownership, and ensuring commitment by all stakeholders to achieving the required policy actions under ADB program loans. Policy actions must be thoroughly assessed, clearly defined, relevant, and achievable within the required time frame, in particular when quick release of funds is critical for urgent budget support in crisis situations.  project cycle stage: Concept, Implementation, Operation    Carefully aligning objectives and outputs of ADB program loans with related TA can help increase effectiveness and sustainability, and ensure efficient implementation of both ADB interventions and ADB TA recommendations. By incorporating related TA deliverables into the program design, the program helped ensure high-level government commitment to policy reforms and accelerate implementation of highly relevant TA recommendations, which may otherwise not have received the same level of attention and commitment.  project cycle stage: Design, Implementation, Country Partnership Strategy    Execution of pilot projects is valuable for (a) assessing ease of implementation, adaptability and potential for full-scale implementation; and (b) for identifying new potential bottlenecks and areas requiring further reforms. The successful pilot testing of a new property valuation method (PVM) demonstrated the potential for substantially increasing local revenues from property taxes as anticipated, but also contributed to potential revisions of the outdated tax laws.  project cycle stage: Design, Implementation, Operation    Policy-based loans can be successfully designed to provide an integrated approach to policy reforms by (a) leveraging constructive policy dialogue, (b) incorporating tailored policy interventions, and (c) ensuring implementation support and capacity development through TA  project cycle stage: Design, Implementation, Operation    Policy reforms are largely politically driven. The involvement and roles of government, stakeholders and politicians and the benefits to each party are important considerations in the design and implementation of policy-based loans. With a change in government in 2013, actions initiated under the program could have been altered, reversed or subject to delays or resistance. However, the program initiatives were fully endorsed by the new government, demonstrating that the program was well thought out and designed to transcend politics.  project cycle stage: Design, Implementation, Operation, Country Partnership Strategy    Financial crises may pressure a government to initiate policy reforms, and provide opportunities for development partners to introduce international best practices through policy-based loans. A key challenge in this context is to ensure that reforms introduced in response to emergency conditions are sustained in the post-crisis period. For the program, implementation of policy actions progressed as planned, and tranche 2 policy actions were achieved ahead of schedule, illustrating the broad political and institutional commitment to continued and sustainable reforms.  project cycle stage: Implementation, Operation |
| The project experienced substantial delays. These were mainly contributed by difficulties in securing sufficient public sector funding and approvals by various government agencies on the SHDP business plan and BOT concession agreement. However, ADB exercised flexibility in extending the TA loan, providing continued assistance to the government to implement the large-scale PPP project. Implementation delays was also attributed by the loan covenants on the ports sector reforms that could not be achieved as planned. Nevertheless, the spirit of these original loan covenants was fulfilled, which was beneficial in improving the operational efficiency at JCT. Although the ports regulator could not be established as planned, this was instead achieved by establishing an advisory committee to act as a grievance redress mechanism for such issues. For similar projects in the future, it may be beneficial to require reforms to be demonstrated as a project readiness criterion before project approval and implementation. Alternatively, if included in loan covenants, such institutional and regulatory reforms could be defined at a higher level - rather than as specific outputs - to allow the government more flexibility during implementation.  project cycle stage: Feasibility, Appraisal, Implementation, Completion, Operation    The decision to suspend the services of the MSC (main services consultant) from September 2005 to July 2006 with the consent of the MSC and approval from ADB was noteworthy. This approach not only resulted in financial savings, it ensured the success of the TA loan. Given that this is the first large-scale PPP project in the transport sector, the TA loan was effective in providing continuous support to government agencies, allowing them to carry out the necessary preparations for the PPP, including preparation of the procurement documents, bid evaluation, and BOT concession agreement negotiations. To minimize professional liability, the MSC was subsequently single-sourced to act as construction supervision consultants for the ensuing loan to implement the HIW works.  project cycle stage: Appraisal, Implementation    To mitigate the risk of lack of private sector participation, the selection of a private sector BOT concessionaire was a loan effectiveness condition for the ensuing loan. This ensured the selection of a credible private sector party to implement the BOT concession.  project cycle stage: Appraisal    The government had explored the possibility of setting up a special purpose vehicle to construct the breakwater using private sector financing, but this was found to be problematic for the following reasons: (i) the breakwater would not generate revenue, (ii) the construction skills required for building breakwaters and terminals are very different, (iii) revenues would only be generated from the operations of the container terminal, and (iv) it would be difficult to attract private sector investment for the breakwater. Hence the PPP landlord model was used, where SLPA (Sri Lanka Ports Authority) would be the landlord, and the breakwater implemented as a public sector component.  project cycle stage: Feasibility, Implementation    Although the completion of the TA loan was delayed by 6 years, the TA loan is still considered a success given its significant contribution in facilitating the development of the first large-scale PPP transport infrastructure project in Sri Lanka. The extensions in completion time allowed adjustments to be made to ensure successful of implementation.  project cycle stage: Implementation, Completion, Operation |
| Project structuring. A key consideration was to draw an optimal balance of public and private sector participation. The government applied a PPP landlord port model whereby the public sector would deliver the basic breakwater infrastructure and private sector deliver two of the three container terminal facilities to be accommodated by the new breakwater. This approach has not only brought about significant efficiencies in delivery, it also resulted in tremendous financial leverage.  project cycle stage: Design, Implementation    Procurement. The project is very large scale and complex in nature, so it was important to bring in quality consultants and contractors. Continuation of services from the main design consultants to provide construction supervision not only reduced the time for procurement but also resulted in minimizing liability risks and disclaimers of responsibility.  project cycle stage: Design    Civil works packaging. Since the works were interrelated, the HIW (harbor infrastructure works) was packaged as a single contract. The large size of the contract attracted good quality and experienced contractors.  project cycle stage: Design, Feasibility    Loan effectiveness. Realization of the full project benefits was contingent upon the public and private sector components being well coordinated and implemented as planned. Implementation of the private sector component - and especially selection of the private concessionaire for the first container terminal - initially presented a major risk. This was mitigated by linking the progress of selecting a successful bidder for private concessionaire with implementation of the breakwater infrastructure (public sector component) as a condition of loan effectiveness. Although the loan effectiveness condition had to be amended to accommodate the commencement of breakwater construction and allow more time for selecting the private concessionaire, the condition ensured risk mitigation.  project cycle stage: Appraisal, Implementation |
| Myanmar presented a unique opportunity for ADB to launch a deeply impactful, highly relevant series of supports to help the government rejoin the global economy, accelerate economic growth, alleviate poverty, and develop the foundations for the long-term sustainable growth of the economy. ADB's approach to reengagement was proactive and positive; through consultations with government, the appraisal team ascertained key drivers of reform and focused on those with high impact.  project cycle stage: Appraisal, Country Partnership Strategy    With the reopening of Myanmar after so many years in relative isolation, the scope of development need was massive. Clearing of arrears was only the start of development support requirements. The government was highly motivated, spurred on by the visible benefits countrywide of the change and reform agenda on which it had embarked. However, the government's lack of familiarity with development finance institution protocol, project design and processing requirements, and implementation management and monitoring requirements has meant that subsequent deployment of development support resources could be more efficient.  project cycle stage: Design, Appraisal, Implementation, Country Partnership Strategy    The program shows that it is important to have well considered and immediately actionable support TA projects available to assist government in areas of high need, great challenge, or unfamiliarity. The three TAs implemented in support of the program reforms were effective in supporting government. The most important of these - the Support for Public Financial Management TA - is on going and should be sustained. In retrospect, given the nascent nature of Myanmar's reengagement, it may have been appropriate to have additional TA support on stand-by while observing government's progress on reforms. Yet it was prudent to take a cautious approach at first before adding additional supports and personnel.  project cycle stage: Implementation, Country Partnership Strategy    The government's goals were clear, leading to clear program goals. Going forward, implementation can be improved though provision of deeper, focused TA and additional engagement directly between ADB specialists and the government over extended periods of time.  project cycle stage: Concept, Implementation, Country Partnership Strategy |
| Preparation and approval of a national feasibility study after loan approval substantially delays loan effectiveness.  project cycle stage: Feasibility    The price of large contracts, particularly those involving heavy equipment expressed in different foreign currencies, may cause escalation of US dollar (loan currency) equivalent price and result in significant cost overruns.  project cycle stage: Appraisal    Policy reforms are difficult to implement when (a) packaged with an investment project; (b) overambitious in terms of scope and time frame; and (c) developed without due consideration of general government policies, people's capacity, and the historic context.  project cycle stage: Design, Implementation    The provision of consultant input and skill mix, and TA duration should match the scope of work.  project cycle stage: Implementation    Duplication of the loan and the related TA activities creates difficulties during implementation and should be avoided.  project cycle stage: Implementation |
| Capacity building (planning). Road Data Collection and Management Unit staff are still unable to complete a road maintenance planning report with solid budget recommendations, which needs to be improved.  project cycle stage: Implementation    Capacity building (implementation). The overall institutional setup for asset management, construction supervision and quality assurance and/or quality control, still needs improvement to be practically usable. In addition, the project completion review mission agreed with MPWT's (Ministry of Public Works and Transport) recommendation for further training of RAMO (Road Asset Management Office) staff as necessary in International Federation of Consulting Engineers-based contracts; the English language; technical reporting; procurement activities; road safety; and social and safeguards aspects, including gender.  project cycle stage: Implementation, Completion, Operation    Road safety audits. Similarly, the project completion review mission found the need for road safety audits to be undertaken as part of the pavement design process, with additional work to solve problems with ineffective lane markings.  project cycle stage: Design, Completion    Road maintenance funding. Sustainable funding was not an objective of the project. Also, sustainable road asset management was not given a sufficient focus by the government, with adequate annual budget allocation for road maintenance. These issues need to be explored in the proposed future project to achieve sustainability of the MPWT (Ministry of Public Works and Transport) road maintenance regime.  project cycle stage: Operation    Project coordination and project readiness. Where multiple cofinanciers are involved in interventions, careful selection (and attention to transparency in collaboration) of co-financiers during project design is required, to enable close and effective coordination during implementation; this is especially the case for parallel cofinanciers. The project design should focus on project readiness, including climate resilient design of pavements (flooding has become more frequent than it was during project design).  project cycle stage: Design, Feasibility, Implementation    Privatizing force accounts. The failure to privatize force accounts remains an issue to be resolved during the proposed future project. MPWT (Ministry of Public Works and Transport) reported that the privatizing activities are now ongoing, although there has been no successful bidding process to date  project cycle stage: Operation    Priority operating cost. POC was a confusing process for MPWT (Ministry of Public Works and Transport) staff, which was implemented with delays, and it is recommended that a similar approach not be used for future intervention.  project cycle stage: Implementation, Operation    HIV prevention program. Although HIV prevention program was implemented as designed, the budget allocated by IDA (International Development Agency) at project design was insufficient. Better project design with more detailed focus on an HIV prevention program is needed for future interventions  project cycle stage: Design, Implementation    Independent procurement agent. This modality was not successful, and is not a good example to follow in future interventions, as shown by the issues that MPWT (Ministry of Public Works and Transport) faced with the IDA (International Development Agency)- funded IPA (independent procurement agent).  project cycle stage: Implementation    Project management. RAMO (Road Asset Management Office) staff were not located in a single area, but scattered across their respective offices. This meant the project director could not supervise them in the course of day-to-day activities  project cycle stage: Implementation    Robustness of cost estimates. Some cost categories were fully used and others insufficient (such as for the HIV prevention program), and more careful cost estimates are needed.  project cycle stage: Design, Feasibility    Link between cost estimate and financing arrangements. There should be a stronger linkage between cost estimates and financing arrangements to achieve the project scope as designed . However, this may have been possible only given sufficient ADB financing, ideally close to that provided by IDA (International Development Agency).  project cycle stage: Design, Feasibility |
| Consistency in project documents between the government and ADB. Some inconsistencies and ambitious targets between the government's feasibility study report and the RRP (Report and Recommendation of the President) required discussions and formal agreements between the MOET (Ministry of Education and Training) and ADB, resulting in delays in project implementation. At the design stage, project targets should be more realistic and attainable. Intensive consultations among stakeholders are needed to avoid such discrepancies.  project cycle stage: Design, Feasibility, Implementation    Capacity of project management unit staff. Limited familiarity of PMU (project management unit) staff with ADB procurement and financial management guidelines and procedures contributed to delays in implementation, procurement of equipment, awarding of contracts of civil works, and disbursement. Moreover, PMU heads were nominated and approved by the MOET (Ministry of Education and Training) only after project approval, which further contributed to delays in project start-up. For future projects, the PMU and PIUs should be established before loan approval. Moreover, once these have been established, recruitment of PMU and PIU staff with prior experience in ADB projects should be immediately undertaken. Training of PMU and PIU staff by project preparatory TA start-up consultants, and by ADB if required, must be carried out and explicitly recommended in the loan covenants.  project cycle stage: Design, Implementation    Recruitment of consultants. The recruitment of consultants remains time consuming. This problem is not specific to the project but common in all ADB-financed projects in Viet Nam. Delays in consultant recruitment result in delays in implementing the entire project. In future, advance actions and project readiness filters should be applied to minimize start-up delays.  project cycle stage: Feasibility, Implementation |
| Long-term perspective. The adoption of the medium-term blueprint for a capital market master plan meant that the government had a set of long-term objectives to guide and shape medium-term policy design and implementation. The close consultations involving the government, ADB, and other development partners strengthened the government's ownership and increased the potential for funding agency buy-in.  project cycle stage: Design, Implementation    Flexibility in design. Capital market development is complex and involves major changes to the legal and regulatory framework, institutional arrangements, financial infrastructure, and human capacity. Hence, sufficient time must be allocated to program implementation. Design flexibility is also a key consideration. The use of the program cluster approach gave CMDPC (Capital Market Development Program Cluster) implementers the opportunity to refine the policy actions proposed for succeeding subprograms to reflect the government's achievements, changes in the policy and economic environment, and lessons from previous subprograms.  project cycle stage: Concept, Implementation    Technical assistance resources. Under the CMDPC (Capital Market Development Program Cluster), the government adopted legal, policy, and institutional measures and established supporting infrastructure. Many of the concepts were relatively new and therefore required extensive consultation and coordination to ascertain stakeholders' understanding, acceptance, and adoption of the new measures. Substantial TA support was necessary to ensure that best practices were incorporated and then consolidated throughout implementation to achieve the intended results. The CMDPC identified a program of TA projects at the outset to help implement the medium-term program and improve the likelihood of compliance with completed activities. The selection of individual consultants was based not only on merit but also on their perceived ability to work well with local counterpart staff and their sensitivity to the local culture. These criteria are considered essential for the successful transfer of knowledge.  project cycle stage: Concept, Implementation    Emerging risks. The transition from a centrally controlled economy to a market-led economy creates new forms of risks. The presence of international banks, the offer of more sophisticated services to depositors (credit and debit cards for automatic teller machines and electronic funds transfer systems), and the increase in lending demonstrate increasing investor confidence in Indonesia's capital market system. With these encouraging developments, however, come new risks and challenges - such as the impact of global financial crises on Indonesia's fiscal sustainability, i.e., close to 30% of Indonesia's bond holders are foreigners.  project cycle stage: Operation |
| A major lesson stemming from the project is its inadequate preparation at appraisal, which caused problems by requiring supplementary financing, which was necessitated by exchange rate fluctuations and cost underestimation. About 55% of the increase in costs was attributable to exchange rate movements, and 45% to an underestimation of the cost. Cost estimates at appraisal were based on an exchange rate of NZ$1.00 = $0.67, whereas the revised cost estimate was based on the prevailing rate of NZ$1.00 = $0.76. More time needs to be taken at appraisal to thoroughly assess costs, especially in an isolated location such as the Cook Islands. At the supplementary financing stage it appears that the economic reevaluation took for granted that the benefits were as envisaged at appraisal, and no reexamination was made of the benefits on which the appraisal was based, despite the rapid decline in the number of cruise ship visits, and the fact that ships were not docking in Avatiu Port. Instead it was assumed that the benefits calculated at appraisal would continue. There were a total of three reallocations following the supplementary financing. This shows a lack of attention to detail when the project was designed and allocations made to different loan categories. It is essential that ADB carefully examine possible cost increases during project design.  project cycle stage: Design, Feasibility, Appraisal |
| Very high turnover of MOH (Ministry of Health) staff slowed policy reforms that required legislative approval and government commitment. Although government changes cannot be predicted, a longer-term assessment of overall political stability would be valuable, so as to prioritize project policy goals that are necessary for project implementation and sustainability. A key lesson is that reform ambitions need to match the actual capacity of government agencies and factor in turnovers. Also, high staff turnover has an eroding effect on the institutional capacity of MOH, particularly in areas of policy analysis, continuity of policy reforms, and institutional memory. Therefore, future health projects should instigate skills development, training on policy analysis, and regular briefings and information sharing for MOH staff to improve counterpart competence, both individual and organizational. The government should enforce the implementation of current legal acts, such as the Civil Service Law, to make professional staff appointments independent from political changes in government. Strengthening legal enforcement is a more sustainable approach, but would require consolidated efforts by all political parties.  project cycle stage: Feasibility, Implementation, Operation    The working relationship between MOH (Ministry of Health) and the project team was to be assisted by working groups whereby MOH staff would work in tandem with project staff and consultants. This arrangement was meant to co-opt MOH in project implementation. Often however, the ministry officials' understanding of their role was limited to reviewing and commenting on project outputs, and that project staff and consultants would be responsible for project outputs. This view is shared widely across all government institutions, not just MOH. The working relationship between MOH and a project team could be improved with clearer cooperation arrangements and agreed schedules. An expanded management board version, where project-related stakeholders are invited to the formal management board meeting as observers with the right to vote, could be an  option to be explored in the future. In the longer term, ADB should consider not to establish a parallel PIU (project implementation unit) and instead engage ministry staff in project administration. Although this approach could possibly result in slower project implementation because of staff overload and unfamiliarity with ADB regulations and procedures, overall government ownership and commitment could increase significantly.  project cycle stage: Implementation |
| Stakeholder analysis and detailed consultation are very important for pioneering projects like this one. Ownership by stakeholders is at risk if project implementation requirements are insufficiently analyzed, and if the institutional environment and human resource capacity is inadequate. This was the first ADB loan to be implemented by DOE (Department of Energy), and it became apparent early on that it was not familiar with ADB procedures, especially on procurement matters and engagement of consultants, which led to project delays.  project cycle stage: Design, Implementation    Projects implemented in a period when a change in government is foreseeable will undergo reevaluation and review by the new administration. If the core PMU (project management unit) team has a strong foundation and capacity to implement the project, and is seen to be politically impartial, the risk of changes to leadership and possibly even decisions can be mitigated. To have an efficient PMU, project monitoring needs to be programmed and reviewed regularly during implementation to ensure that the executing agency has sufficient staff and counterpart budget.  project cycle stage: Design, Appraisal, Implementation    Project cost estimates need to factor in all duties and taxes, not only on machinery and equipment but also on service providers. Assessments of banking rules and the government's budget implementation process are also needed.  project cycle stage: Feasibility, Appraisal, Implementation    Market development of efficient lighting was very fast. Midway through the distribution of CFLs (compact fluorescent lamp) (subcomponent 1.2) the scale had to be pared back because market penetration of the technology had greatly improved.  project cycle stage: Implementation    In projects of this kind, the technical complexities of the equipment and the specialized nature of the works or services to be procured need to be considered when estimating the procurement period.  project cycle stage: Design, Implementation    The time provided to establish and operationalize the Super ESCO (energy service company) was not sufficient. The existing policy environment, particularly for government budgeting and accounting, does not support the ESCO concept of an energy performance contract (EPC). The environment needs to be adjusted first to enable implementation of ESCO projects in the public sector.  project cycle stage: Operation |
| Consideration of local government fiscal capacity. The project originally required participating provinces to provide funds to upgrade the PPMCs (provincial preventive medicine centers), including their laboratories. While local government commitment to preventive health care is significant in Viet Nam, the fiscal situation of some provinces does not allow investments of the scale that was needed. ADB needs to carefully consider the local costs of such infrastructure projects and the fiscal ability of local governments to meet them before committing to an investment.  project cycle stage: Feasibility, Implementation    Phased approach. Implementing the project across almost four dozen provinces and such a wide geographical area led to challenges both in providing laboratory equipment in a timely manner and in ensuring that training was provided in the use of this equipment. A phased approach prioritizing provinces with stronger technical capacities would ensure a closer link between the provision of equipment and training thus increase efficiency.  project cycle stage: Design, Implementation    Need for market-based remuneration. The government's cost norm is too low and not competitive. Because of this, recruiting experienced senior national consultants (with the exception of retired government employees) remains a challenge. Training allowances are also too low. This also applies to its training allowances, which discourages participation by staff who must travel from where they live and work to take part. Future projects should include a clause that allows remuneration for consultants and allowances for staff training to be market-based.  project cycle stage: Design, Implementation |
| Strong coordination. The CMDWC (Capital Market Development Working Committee) and its sub-committee provided a platform for strong coordination among regulators and with market institutions. The Capital Market Development Master Plan was drafted by the sub-committee and endorsed by the committee through a highly consultative process, which greatly helped in fostering a sense of ownership.  project cycle stage: Design, Implementation    Long-term perspective. The master plan - with a medium-term vision and strategies for capital market development - provided the government and regulators with a set of long-term objectives to guide and shape policy design and implementation.  project cycle stage: Design, Implementation    Technical assistance (TA) resources. Under the program, the government and regulators adopted legal and policy measures and introduced new products, many of which were relatively new, complicated concepts that required extensive coordination and consultation to build understanding and acceptance by stakeholders. Through resourceful TA support, the program's policy actions were all successfully complied with, and most post-program partnership follow-up actions were also implemented. Individual consultants were selected on the basis of both technical merit and their perceived ability to work well as a team.  project cycle stage: Implementation |
| One of the major lessons from implementing the project is the importance of obtaining land and forestry permits, acquiring land, and obtaining ROWs (right of ways) for transmission lines at the right time. ADB and PLN (Perusahaan Listrik Negara, or State Electricity Company) have different strategies on the timing of obtaining ROW: PLN's practice is to obtain ROW after transmission towers are erected, while ADB's policy is to obtain ROW before the erection of transmission towers. A clear, standardized, and agreed-on compensation structure between ADB and PLN should have been defined at the beginning of the project.  project cycle stage: Design, Implementation    ROW (right of way) was one of the major hurdles for the transmission line subprojects. Some ROWs were fragmentarily obtained for some sections (e.g., different segments for some sections), and conductor stringing was delayed because contractors preferred to string the sections continuously and at one go.  project cycle stage: Implementation    Clear and timely communication among project stakeholders would have strengthened project implementation, and differences in policy and practice could have been mitigated. Better communication between PLN (Perusahaan Listrik Negara, or State Electricity Company) and ADB would have also avoided implementation delays because both parties would have been more responsive to the needs of and required adjustments for the project.  project cycle stage: Implementation    Building institutional and knowledge management capacity within PLN (Perusahaan Listrik Negara, or State Electricity Company) would have ensured a smooth turnover of the project during personnel changes and reorganization. Capacity assessment and capacity-building activities throughout the project's life would have been effective in addressing institutional and project management gaps.  project cycle stage: Implementation, Completion |
| Country ownership. Country ownership is critical to successful implementation of the EFRP. The effectiveness of the EFRP (Economic and Financial Reform Program) and the CEWG (core economic working group) mechanism has reflected the strong leadership of the minister of finance and his permanent secretary; support from the prime minister, other ministers, and senior government officials; and the commitment of development partners to support these processes.  project cycle stage: Implementation, Country Partnership Strategy    Use of country systems. The CEWG (core economic working group) process has helped to channel a growing share of development partner assistance through government systems and as a result reduce transaction costs over a narrow front of activity, and make greater use of country systems in line with development partner commitments. In 2009 - 2013, the portion of recurrent and development expenditures through budget support increased. Recurrent budget grants comprised 5.2% of total revenue and grants in 2009 and rose to 9.6% in 2013.  project cycle stage: Country Partnership Strategy    Benefits of dialogue and tight focus. The tight focus of the EFRP (Economic and Financial Reform Program) and the ADB policy matrix has helped to strengthen ownership by the government. The CEWG (core economic working group) policy dialogue contains three main elements: (i) discussions on the design and implementation of the EFRP policy matrix, (ii) regular CEWG meetings, and (iii) the annual joint review missions. Policy dialogue was anchored on the EFRP matrix with its objectives of strengthened PFM, budget reform, and economic growth. The CEWG has made an important contribution to harmonizing dialogue around a narrow set of issues and reducing transaction costs.  project cycle stage: Implementation, Operation    Progress fairly steady but slow. Implementation of the EFRP (Economic and Financial Reform Program) has been satisfactory but has often taken longer than anticipated, particularly in the area of legislative reform. The number of policy actions and reforms monitored through the EFRP has varied greatly each year - 49 in 2010, 31 in 2011, 77 in 2012, and 29 in 2013. While reform actions were initially evenly divided between PFM (public financial management) and budget reform on the one hand and economic growth on the other, the clear focus in later years has been on public expenditure and financial management. The joint review mission assessment each year has typically shown that more than one-half of the actions planned have been completed. The performance on actions related to economic growth and the business environment seem to have been stronger in most years than performance on those related to public expenditure and financial management. With the exception of 2011, the share of total actions considered to be off track - i.e., no progress - has been less than 10%. However, almost all legislation has been several years behind the intended timetables and therefore EFRP policy actions that include legislative reform need to have realistic timelines.  project cycle stage: Implementation, Operation |
| Implementation arrangements. While foreign contractors were not attracted to the ICB (international competitive bidding) packages because of the location and limited time available to complete the rehabilitation works, national contractors were able to undertake civil work with a contract value of $1.5 million. Second, there was a high project administration burden associated with the large number of civil works contracts (there were 28 civil works contracts awarded through either NCB [national competitive bidding] or ICB, with an average contract amount of $0.7 million). If the civil works had been repackaged, with a value of $1.5 million per contract, the number of civil work contracts could have been reduced to 13. Third, involvement of PMO (project management office) staff - in the absence of the involvement of permanent executing agency and implementing agency staff with attractive salaries in the fields of procurement, economic and financial evaluations, social and environment safeguards, and financial management - will not improve institutional capacity of the executing agency and implementing agencies in these fields, and will perpetuate the need to establish a PMO for future projects. Fourth, although the project was the first ADB-financed flood-related project in Tajikistan implemented through three government agencies with an integrated approach and in partnership with the NGO (nongovernment organization) that implemented the JFPR (Japan Fund for Poverty Reduction) project, the integrated approach and good collaboration resulted in successful non-physical project outputs, for the project and successful community-level outputs for the JFPR project. In particular, it proved that community- level interventions can be carried out by NGO(s) if firm partnership mechanisms are developed during project preparation.  project cycle stage: Design, Feasibility, Implementation    Project design. The holistic flood risk management approach that combines physical, non-physical, and legal measures (as distinct from previous reactive infrastructure-oriented flood control measures) was quite effective in helping people address flood risks. Second, the specially designed spurs have been effective in stimulating sedimentation, with natural vegetation, inside the river channel, which could augment rehabilitated embankments for effective flood protection, and would reduce O&amp;M (operation and maintenance) requirement. Third, the specified heavy equipment for the O&amp;M activity was, in some cases, too small for flood protection works and not efficient. Fourth, while flood warning systems using radio communication were proposed and were procured under the project, these were largely obsolete because of the prevalent and more efficient use of mobile telephones in the project area.  project cycle stage: Design, Implementation, Operation |
| Implementation of institutional reforms under the program was more effective and efficient when there was an adequate and detailed blueprint with clear and measurable results indicators, as well as where project-type implementation arrangements were in place to facilitate the change process (e.g., the business registration system or the new inspection process for tax administration were supported by detailed blueprints and financed through investment projects). The $2.9 million grant approved under the program cluster was thus very useful. The government accelerated implementation of the SWFT (single window for pre-customs clearance of foreign trade) when the policy action was reworded to become more results-oriented rather than process-focused.  project cycle stage: Concept, Design, Implementation    Despite an improvement in the business environment, firms in the Kyrgyz Republic have had limited progress in developing new productive capabilities: the number and sophistication of products exported with comparative advantage by Kyrgyz Republic firms has declined. It is possible that the increase in investment has been directed to sectors that produce non-tradable goods and services or that produce a limited number of tradable products (e.g., mining). This questions whether improvement of the overall investment climate is sufficient to attract investments that can bring additional productive capabilities to a country.  project cycle stage: Operation    It is problematic to use a country's overall position in the Doing Business report to monitor progress in improving the business environment and overall competitiveness. The report has been subject to criticism and methodological problems have been identified. Its usefulness for monitoring progress in similar programs lies more in monitoring the country's performance over time - particularly in indicators that are not sensitive to the representative case used by the World Bank team - rather than measuring progress against other economies.  project cycle stage: Concept, Design, Operation |
| Some of the functions of an electronic tax administration system cannot be effectively used without certain external preconditions. In particular, automated payment and collection functions require an effective electronic payments system operated by the financial sector and an effective treasury system. These conditions are still not fully present in the Kyrgyz Republic, which limited the project's outcome.  project cycle stage: Operation    Tax administrations (or any other organization) should not overly rely on external experts to develop and maintain software. In particular, they should keep and be able to use the source code of externally developed software. The difficulty in upgrading the legacy system (KITIS, or Kyrgyzstan Integrated Tax Information System) was also due to lack of knowledge by the STS (State Tax Service) of the source code, and lack of an agreement with the software developers. These difficulties and the subsequent decision to develop a new customized software solution significantly delayed the project. It is also critical to have in place information technology expertise to monitor the software development process and ensure that critical features are made effective.  project cycle stage: Design, Implementation, Operation    Automation and improved information technology systems can be first steps for change of business processes and improvements in governance. It is, however, extremely difficult for a tax administration to move into full automation from a very low level.  project cycle stage: Implementation, Operation |
| 1. Project-related matters. The success of India Infrastructure Project Financing Facility II draws important lessons of building and maintaining strong partnerships during project implementation, not only with the government and India Infrastructure Finance Company Limited (IIFCL) but also with development partners, banks and financial institutions, project sponsors, and other stakeholders. Building awareness, continuous dialogue, and strengthening safeguard practices of IIFCL and banks/ and financial institutions are crucial to ensure effective project implementation and disbursements. With continuous support from development partners, IIFCL will build on integrating safeguard measures to minimize subproject risks through (i) continued training to enhance capacity of its environmental and social safeguard management unit and consortium partners; (ii) regular updates of its environmental and social safeguard framework (ESSF) to align with the requirements of development partners; and (iii) leading the advocacy with banks and financial institutions through workshops and dissemination. IIFCL conducted consultation workshops for banks and financial institutions on the ESSF approach for addressing safeguard issues when financing infrastructure public-private partnership projects. The extensive coordination and collaboration with other development partners such as the World Bank, Japan Bank for International Cooperation, and German development cooperation through KfW to develop a common ESSF is an important lesson in achieving successful project implementation. [Main text, para. 52]  project cycle stage: Design, Implementation  Lesson Topics:    2. ADB financial sector operations in India. The limited fiscal space for government guarantees, including to India Infrastructure Finance Company Limited, emphasizes the need for innovation and well-structured ADB interventions in the financial sector and infrastructure financing, including public nonsovereign operations, for ADB to remain relevant to changes and financial market developments in India. It is becoming apparent that domestic capital market reforms are important to address the issue of long-term capital and provide opportunities for insurance, pension, provident, and mutual funds to finance infrastructure development in India. [Main text, para. 53]  project cycle stage: Implementation, Operation  Lesson Topics: |
| The free connection policy has clearly shown its enormous impact on water supply coverage. A condition of connecting a premise to the water supply is that it must have a sanitation facility complying with local sanitation regulations. Residents are willing to install an approved sanitation facility so they can access the free connection to the piped system. Moreover, this policy has tremendously impacted sanitation coverage in the target communities.   The tariff adjustments enabling the participating provincial nam papas substantially to comply with the agreed financial objectives for the sector have demonstrated that key reforms do need to be leveraged from closely linked investments. The executing agency has acknowledged the success of the tariff reform leveraged off the water supply investments under the project.   Design of the project was developed based on an understanding that a significant degree of sector reform had been achieved and capacity developed under previous initiatives. In reality, this understanding was overly optimistic. With the benefit of hindsight, the design was too complex and ambitious, such that the scope exceeded the resources available and the absorptive capacity of some stakeholder institutions.   Procurement packaging needs to be rationalized for effective and efficient contract management. No matter how small, contracts still require significant resources for bid document preparation, bid evaluation, contract negotiation and award, and contract management. |
| At project implementation, Perusahaan Listrik Negara (PLN) (State Electricity Company) should have assessed whether the engineering, procurement, construction modality was effective and appropriate for renewable energy projects. Experience from the project indicates that it may be more effective and efficient to procure engineering services and civil and electromechanical works separately.     ADB and the government should have evaluated the cost efficiency of renewable energy-based power generation in remote regions. Based on the total cost of each of the subprojects which included design, engineering, construction, project management, and social safeguards compliance), the average cost of 1 MW of power generation in 2013 is $2.7 million, considerably higher than diesel-based generation at $1 million per MW. However, the cost of $2.7 million per MW does not factor in the feed-in tariff for renewable energy and the longer life span of renewable energy plants compared with diesel generators. Additionally, the health and environmental benefits accrued from renewable energy use are much higher than those of diesel.    On social safeguards, the project was hampered by difficulties in land acquisition, securing forestry permits, and soliciting project acceptance from affected people. The project lacked preparatory work on addressing social issues at the outset. There were gaps in communication between the following stakeholders: (i) ADB and PLN on how social safeguards were to be implemented, especially since the latter's existing corporate social responsibility guidelines may have been used in congruence with ADB's Safeguard Policy Statement (2009); (ii) the project and the affected people on the social, environmental, and health impacts of the power plants on their communities; (iii) the government, PLN, and local and provincial governments on project implementation and accountability, since the local/provincial governments were also given the authority to approve rural electrification projects; and (iv) PLN's head office and PLN's regional/local offices on complying with ADB's Safeguard Policy Statement (2009).     On project management and implementation, PLN's financial and management capacity needed to be strengthened and/or supported by qualified consultants and training. The project's design should have therefore included capacity assessment and capacity-building components to improve PLN's internal and project-related financial and management systems.     The feed-in tariff should apply to public and private power producers to boost renewable energy development and give it a bigger share of the energy mix in Indonesia. The project would have benefited from the feed-in tariff which provides better rate of return for the renewable energy power development. |
| The project yielded the following insights for similar, future community-driven development projects: (i) Inclusive involvement of community members in decision making and implementation of infrastructure projects is needed to ensure ownership and transparency. (ii) Community facilitators and consultants must be well selected so that only qualified and committed personnel are deployed to support communities in the empowerment process and on technical matters. (iii) Sufficient time should be allowed to ensure that all community members understand the community-driven development approach and will be involved in prioritizing their needs, taking investment decisions, and developing infrastructure proposals. (iv) Project managers (government officials) must understand the value of promoting genuine participation and public trust and be interested, motivated, and capable to do so. Project management training for officials may need to include these aspects. |
| Secondary school teachers, especially in nongovernment secondary schools, having relatively weak academic and teacher training background may not acquire enough teaching competency for quality teaching from one-time training; rather, they need repeated trainings.   Cluster-based local training using indigenous training materials can ensure cost-effective teacher training. For secondary school teachers, expensive overseas study tours and training may not add appropriate skills and knowledge or represent good value for money.   Training for inclusive education proved effective for creating an inclusive environment in schools, especially in remote and underserved areas. Inclusiveness is a common area of teacher training that demands mainstreaming.   Continuous follow-up and support to school monitoring and supervision is critical for achieving desired school performance and quality standards. |
| Special features. The inclusion of special features in project design should have been supported by careful formulation within the existing institutional context and allocation of sufficient funding to ensure adequate implementation and achievement of expected results. |
| The 299.7 km four-lane expressway was constructed along the existing two-lane class II national highway (G314) and about 85.0 km of the existing highway was intermittently utilized as a part of the expressway. The advantages of using the existing road were the low cost of construction and less land acquisition and resettlement. However, there were disadvantages. First, using the existing road resulted in higher maintenance costs. Destruction of the existing road will be accelerated as traffic volume increases, since the existing road was built with a lower design standard for structure and pavement. Thus, major maintenance or reconstruction of the existing road will need to be carried out much earlier than for the newly built sections, which will increase maintenance costs and cause disturbance to road users. Secondly, using the existing road resulted in inconvenience to the local residents, especially for short distance travel. The national highway had served as the main road for local residents, which was free and easy to access. After construction of the expressway, local residents now have to travel longer distances since the expressway is enclosed and can only be entered at interchanges, and no alternative road was provided parallel to the expressway. |
| Small enterprises should have been made more rewarding in terms of financial returns on investment and employment opportunities compared to medium and large enterprises. Due to improvement of technology; efficient use of increased capital cost, operating cost, and cost of labor; and ability to meet need for higher efficiency and demand for high quality standards of produce in the market, medium to large agribusiness enterprises are staying in the competition.  The agriculture marketing subsector in Bangladesh is growing fast and requires public support for promotion, facilitation, legal and regulatory supports, and necessary infrastructure development and training. The future development of agriculture, agro-economy, and rural employment depends on the development of this subsector. There is a need for an appropriate and capable agribusiness development agency that can support future demand, which is now mandated to Department of Agricultural Marketing (DAM). The DAM has limited manpower, which needs to be strengthened at the district and sub-district levels. Through proper human resources management and capacity development of DAM staff through appropriate in-house and external training.  Agriculture marketing associations are not well-organized and federated to meet the needs of the fast-growing domestic agriculture market of Bangladesh.  The progress of value addition and supply chain development has been inadequate. The concept of value addition, supply chain management, and improved quality of products needs to be linked to export options, reduction of wastage, high quality standards, compliance with phytosanitary and public health standards, and an increased role of women at different levels of agribusiness development. There remains a need for continued support to women to enable them to diversify and scale up their enterprises, and gain access to upper levels of the value chain.  The executing agencies should have had adequate capacity and experience in recruiting consultants to ensure timely availability of necessary consultant inputs. If necessary, advance actions should have been initiated to ensure the fielding of consultants in time.  The participation of women improved project outcomes and gave them more opportunities in business, employment, skill development, marketing, and income generation. |
| Ambitious project design including diverse technical and geographic coverage combined with innovative project procedures can delay implementation until all implementing agencies fully understand the process.   Competitive bidding for agricultural research based on clear selection criteria that prioritize marginal areas and are formulated jointly by researchers and extension workers can lead to more user-responsive and demand-driven research, which also can be immediately extended to poor farmers. Preliminary impacts reveal more efficient use and more equitable distribution of public research funds.   Competitive bidding for extension contracts based on demand-driven proposals generated at field level through a participatory process involving the poor can have a significant impact on (a) the timeliness and transparency of decision making, (b) the variety of extension messages delivered, and (c) the number and range of institutions and organizations providing extension services.   Inadequate assessment during project preparation of implementing agencies' financial and human resources capacity, especially when introducing innovative implementation mechanisms, can lead to delays in project implementation.   Unrealistic estimates of the time required for students to complete PhD programs can result in having to extend the project closing date.   Insufficient or inappropriate design of consulting services, and delays in recruiting them, can cause problems early in project implementation and a failure to provide adequate support for key project activities in which project management has limited experience.   Requiring the collection of gender-disaggregated data for all project activities is an effective means to improve gender mainstreaming in project implementation. Monitoring of and regular reporting on the participation of indigenous people in project activities can also lead to better awareness of special measures required for indigenous people.   The lack of an effective project performance monitoring system risks undermining the success of a project by failing to properly report project outputs and outcomes. |
| To minimize the cost for rehabilitating local roads, some existing bridges were not included in the project for reconstruction or reinforcement. The improved road network together with the construction of other expressway projects in the area triggered a significant increase in traffic volume, which resulted in damage to Changyishao Bridge in Huayuan-Fenghuang. In June 2012, serious safety problems were detected that subsequently stopped vehicle traffic on the bridge. A temporary access road was later built to meet the demands of local traffic; bridge reconstruction commenced in December 2013 with expected completion by December 2015. Careful detection and assessment of existing bridges should be conducted at the design stage for future projects involving the rehabilitation of local roads. Meanwhile, the generated traffic by the improvement of local roads and construction of adjacent expressways must be considered. |
| Early proactive engagement with project stakeholders could have been done for readiness in critical areas. Although the project largely achieved its intended outcome and outputs and had significant impact on the capital market and insurance sector of the country, implementation began much later than scheduled because of delayed recruitment of consultants.     Training component could be spread over the implementation period. The training component related to Investment Corporation of Bangladesh and Insurance Development and Regulatory Authority were not fully used because of time constraints and logistical problems. There appeared to a rush at the end of project period to find appropriate trainings.     Commitment of stakeholders played crucial role to achieve success. Despite delay in recruitment of consultants, commitment and ownership of executing agency and implementing agencies played the vital role in achieving the intended results.     Information could have been updated and stored in a better way. There have been difficulties in acquiring the project information needed to prepare the project completion report (e.g., a full set of consultant's reports). The underlying reason for the delay in consultant recruitment could not be discerned from the consultant recruitment and monitoring sheet because of the absence of detailed explanations for major delays. |
| Strong commitment from the executing agency and the implementing agency is critical for successful project implementation. Yunnan provincial government and Kunming municipal government strongly supported the project. Additional CNY260 million counterpart funds were provided, and the provincial and municipal governments committed to share partial ADB loan repayment to help release Kunming Water Supply Group Company Limited (KWSG)'s financial burden. Kunming municipal government approved the Kunming Qingshuihai Water Resources Protection Regulations to promote watershed management as planned, and provided production assistance and livelihood subsidies to the affected farmers to mitigate the potential impacts. KWSG established a strong project implementation unit with adequate and capable staff, which is a fundamental reason for the successful project implementation. Engineering design was completed before ADB approved the loan, and advance procurement was applied which expedited the project implementation. Although it is an enterprise, KWSG demonstrated strong social responsibility. Additional input was provided for the land acquisition and resettlement implementation so that the affected people not only restore their livelihood quickly but also enjoy better living conditions in each of the four resettlement sites.     In addition to the physical works, a water quality online monitoring system was established under the project. The system will be integrated into the management information systems developed by KWSG which, as the central water supply monitoring and control platform, will play a significant role in supervising and monitoring the overall supply of reliable, safe and clean water to the city in the future.     The project facilitated the following corporate governance reforms of KWSG: (i) capacity development on reservoir management, safety and operation, and online water quality protection; (ii) improved corporate and business planning; (iii) enhanced financial management; (iv) assignment of two independent directors to represent water users on the board of directors; (v) strict enforcement of ï¿½one household, one meterï¿½ policy; (vi) substantial reduction in water loss from 38% to 22%; (vii) expanded distribution networks to connect more industries; and (viii) reduction of industries' groundwater use by 86%. All of these will contribute to more efficient, reliable, and safe water supply in Kunming.     Procurement could have been improved. Civil works for conveyance works could have been grouped in bigger packages to attract contractors with good reputation, higher qualification, stronger financial resources, and more experience with large civil works contracts. This will reduce the risk of contract implementation as well as reduce the cost for managing the large number of contracts.     The cost estimates at appraisal are conservative as they are based on the preliminary design with limited geological investigations. The potential cost increase due to complex and difficult terrain and geological conditions was not fully taken into account.     Although Kunming municipal government and Yunnan provincial government provided additional counterpart funding for the project and committed to share a big portion of the ADB loan repayment, KWSG undertook a heavy financial burden resulting from domestic commercial loans for the project (about 44% of the total project cost) and the associated water plants and distribution works (100% of the total cost). The audit review conducted by National Audit Office on KWSG in 2012 concluded that the provincial and municipal governments should take more responsibility for such large public facilities investments. |
| To improve the environmental performance of loans, the following measures are suggested: (i) a systematic and continuous approach in developing awareness and periodic capacity enhancement of the project staff regarding ADB's environmental policy, procedures, and requirements; (ii) as appropriate, ensuring timely mobilization and continuation of environmental experts by the executing agency, consultants, and contractors until loan closure; (iii) systematic supervision, monitoring, data mapping, and reporting mechanisms on implementation of environmental safeguards; and (iv) periodic reviews by environmental experts associated with the loan in order to undertake timely corrective actions, where needed.  The following social measures are suggested: (i) advance capacity development for project staff on ADB's social safeguards policy, procedures, and requirements; (ii) deployment of resettlement experts by the executing agency and consultants until loan closure, as appropriate; (iii) engagement of experienced nongovernment organizations to assist in implementing resettlement; (iv) timely supervision, monitoring, evaluation, and reporting on implementation of resettlement plans; (v) periodic social safeguards reviews by ADB experts and then initiating corrective actions, as required; (vi) addressing issues related to temporary impacts due to use of private land for stringing transmission lines and erecting towers, which are perceived by affected persons to cause permanent impacts by restricting access to the affected land for purposes of cultivation and devaluing land and assets under the corridor of impact; and (vii) ensuring disbursement to affected persons of compensation for damage to crops and trees prior to commencing civil works related to stringing transmission lines. Such measures can be expected to improve the social safeguards performance in ADB-assisted projects.  Madhya Pradesh Power Transmission Company Limited (TRANSCO) followed integrated project management practices to ensure (i) proper planning, (ii) effective project monitoring mechanisms, and (iii) application of skills of motivated and well-trained personnel. In addition, ADB needs to strengthen its assessment of the safeguards capacity of the executing agency at the project appraisal stage, identify capacity gaps, and suggest measures for efficient safeguards management. These would help in successfully implementing infrastructure projects even on vastly spread terrains like that of Madhya Pradesh. The knowledge and insights TRANSCO has gained in these aspects may be assembled and disseminated to other executing agencies in appropriate fora. Timely management of rights-of-way in spite of constraints and optimally utilizing ADB and counterpart fund, offer lessons to be adopted for other projects.   The advance procurement actions greatly helped in timely project execution and should be adopted for future projects. Moreover, this project's partnership process involving stakeholders, and particularly contractors, in addressing complex technical and economic matters can set an example for future ADB projects in India. In general, good project management practices were followed and involved sequencing activities and a well-structured breakdown of the work content. This resulted in enhancing construction management practices to a higher level of efficiency by adopting a more formal project management methodology that is based on global standards.   TRANSCO is of the view that the multitranche financing facility was appropriate for managing a large infrastructure project. This helped it to be in an appropriate state of project readiness and contributed to savings on commitment fees and interest cost. TRANSCO advocates using similar structures elsewhere, and particularly for fledgling new organizations. Depending upon the complexity of a given project, it views a facility with duration of 7-10 years to be about ideal. |
| Project design. The project was originally designed primarily to reduce obstacles to the development of micro, small, and medium-sized enterprises (MSMEs) through complementary initiatives. However, at the request of the government, a public-private partnership (PPP) output that was somewhat unrelated to MSMEs was also included. Although PPPs are an important aspect of private sector development, and MSMEs may participate in PPP projects, the activities in support of PPPs did not add much value to the overall project. The PPP development initiative could likely have been better executed through a separate PPP-focused project. Furthermore, a simpler and perhaps less ambitious project that had fewer outputs, involved fewer participants, and required less expert knowledge (particularly related to PPPs) might possibly have been completed on schedule.   Project appraisal. Better cooperation between ADB and the executing agency in the preparation of the design and monitoring framework, as well as a more detailed assessment of appropriate project impact, outcome, and output performance indicators, could have improved performance monitoring, project evaluation, and possibly the project's ratings. In addition, a more detailed analysis of imprest account ceilings could have limited delays in project implementation. The imprest account ceiling for the line of credit facility had to be raised, with some difficulty, during implementation. This problem was fully addressed in the follow-up Inclusive Micro, Small, and Medium-Sized Enterprise Development Project (IMSMEDP).   Project coordination. While Enterprise Development Unit successfully served as a central project administrator in place of a dedicated project management unit (PMU), the roles, responsibilities, and reporting lines were not sufficiently clear from the outset. This caused some communication issues and processing delays throughout implementation. This issue has been addressed in the follow-up IMSMEDP, which makes use of a dedicated PMU.   4. Project groundwork. Structuring and implementing a PPP project is complex, time-consuming, and requires significant resources and commitment by all parties involved. Knowing that the PPP concept was at an early development stage in the Maldives at the time of project inception and that few ministries had the capacity or resources for PPP project development, ADB and the executing agency should have identified appropriate focal points and obtained stronger management commitment from relevant line ministries to ensure efficient implementation.   5. Improved monitoring. Considering the broad scope of the project and the capacity constraints of the Ministry of Finance and Treasury and the implementing agencies, implementation might have benefitted from more extensive monitoring and more frequent reviews, as well as the establishment of a project performance and monitoring system. By the time of the midterm review - 17 months behind schedule, in March 2012 - only 75% of contract awards were complete and disbursements stood at only 54%.   6. Consulting packages. Although the initiatives under the project were largely complementary, each project output required a distinctly different knowledge base and skill set in consulting services. However, output 2, suboutput 2 made use of three consulting packages, involving a consulting firm and two individual consultants. While the use of two individual consultants was deemed the most economical approach at the time of inception, their deliverables overlapped somewhat and could possibly have been consolidated in one contract package to improve overall project management.   7. Interest rates for financial intermediation loans. ADB policies for financial intermediation loans require that onlending rates for subborrowers should be market-based. For the PSDP, the Bank of Maldives line of credit facility onlending rates were in line with similar loan schemes in the Maldives targeting MSMEs from financial intermediation loans from other international financial institutions, and were in excess of Bank of Maldives' cost of funds. The line of credit facility lending priorities included extending credit to new MSMEs in outlying atolls, where the broader strategy was to support inclusive economic growth, job creation, inclusion of outer islands in national development, and private sector investments. In future, projects involving financial intermediation loans will require careful monitoring of compliance with ADB policies. This is particularly important for onlending to repeat MSME borrowers to ensure a move towards more commercial lending practices.   8. Output specific. Stakeholders have provided the following observations to improve sustainability:   (a) Line of credit facility. The line of credit facility could have been structured as a revolving facility to extend the benefits to MSMEs and improve sustainability. To leverage ADB funds, ADB could also have provided the line of credit facility under a fund management arrangement through which the BML could have administered the less expensive ADB funds and cofinanced at market rates. This would have resulted in competitive, all-in, blended costs to the borrowers.  (b) Cost-sharing facility. Instead of a cost-sharing scheme where development partner funds are depleted - or perhaps in addition to one - a scheme that used cost-sharing facility funds as equity-type capital could have been designed under which the cost-sharing facility would be repaid if and when the business benefiting from the funds became successful. Such an arrangement could also help align incentives between the business development service center and the MSMEs.  (c) Business development service centers. While it may be difficult to charge small enterprises that may be cash constrained up-front fees for training and advisory on business plans or marketing, business development service center could instead arrange with these businesses to earn commissions or to benefit from profit sharing on future sales. This would make the business development service center operations more sustainable. |
| The government and the Ministry of Energy and Environment (MEE) had implemented the Regional Development Project prior to this follow-up project. The government asked that project implementation support be provided to help implement Regional Development Project, Phase II - Environmental Infrastructure and Management. Although MEE was not fully conversant with ADB procedures at first, timely support from ADB and willingness of the MEE staff to adopt these practices helped implement the project. The Ministry of Finance and Treasury and the government fully supported the project.   Like the agencies that acted as the implementing agency before it, the Ministry of Energy and Environment experienced problems in obtaining approval for (i) establishment of the regional project advisory committee; (ii) government budgetary support; (iii) an operations and maintenance strategy; and (iv) project design changes. Investment under the project should have also includes increased institutional governance strengthening, ensuring a well-balanced, sustainable project. |
| Reforms with broad-based consultations reflecting country needs and context have better chances to succeed. Much of the program's success can be attributed to participation and ownership of stakeholders during formulation and implementation of the policy reforms, as well as to alignment of the policies with the prevailing political and economic situation.   Funding is necessary but not in itself sufficient for improved decentralization and local governance. Strengthening of regulatory arrangements and institutional capacity of central and local agencies for technical, procurement, financial, and safeguards management can play important roles in improving the quality of project implementation and achieving intended objectives.  Lack of project readiness leads to project implementation delays. Completing requisite preparatory works prior to project approval maximizes the possibility of timely project implementation by giving adequate attention to construction quality and sustainability of facilities. Proper provisioning and implementation of advance procurement and retroactive financing can also minimize implementation delays.   Packaging of numerous small civil work contracts and consultants to be procured in a decentralized manner poses procurement risks and creates challenges for timely procurement and proper management of contractors and consultants.  Proper legislation and project design can ensure social inclusion and easy access of women, socially disadvantaged groups, and minorities to national politics, civil service, and leadership in local infrastructure development and management. |
| The success of the project can be attributed to a combination of solid government ownership and strategic vision; the long-term partnership between the government, ADB, and a number of development partners; the high level of advocacy of civil society groups; and a series of well-targeted technical assistance projects that bridged existing knowledge gaps. The Southern Transport Development Project is an invaluable source of lessons for mega road project planning and implementation.  Planning and preparing a mega greenfield road project requires adequate allocation of resources and time to allow for timely and efficient commencement of civil works. The project implementation essentially focused on the concept finalization and detailed engineering in the first 4 years. For a country with no prior experience of expressway development, direct support from ADB on project conceptualization and detailed formulation is necessary to ensure project quality and final success. Even with such support, the finalization of engineering design took twice as much time as planned at project appraisal. ADB's lending instruments are now more diversified than they were in 1999. A recommended model is to use a technical assistance loan or a project design advance to assist the government in finalizing the engineering before the project loan proposal is submitted to the ADB Board.  The impact of the lead time between the initial conceptualization and the commencement of services can be significant enough to change the feasibility of project alternatives and may result in a different preference. It was already envisaged in 1999 that the Southern Expressway would ultimately be a six-lane, high-capacity, limited-access express highway, and a stage-wise construction approach was adopted. However, the fast social and economic development in the southern region demanded a high-capacity highway earlier than the projection. The government, cofinanciers and ADB demonstrated great patience and flexibility to allow the further development of project concept during the early stage of project implementation, and finally ensured the relevance of project outputs.   Managing the public relationship is an important part of successful project management. Even with the best ever compensation package in Sri Lanka, strong public protests were faced at the beginning of the project with regard to the land acquisition and compensation process. A proper project communication plan was not prepared during the project formulation and early implementation stage. To manage the public relationship, the Road Development Authority established a project communication plan in 2005 and ran a number of public awareness campaigns. Finally, the Road Development Authority gained strong support from stakeholders.  Lastly, the implementation of mega projects can provide good opportunities for improving safeguard systems. Under the Southern Transport Development Project resettlement implementation plan, the mechanism of land acquisition and resettlement committee system was introduced to Sri Lanka for the first time. These committees were very popular among affected people as they played a very constructive role in redressing grievances. This mechanism managed a large number of cases which would otherwise have resulted in legal procedures, and thus significantly reduced implementation delays. The government also adopted the land acquisition and resettlement committee system in others sectors. It was also learned that the grievance redress system needed to be established as early as possible and stakeholders made aware of it. |
| Ownership and continuity. Government leadership was strong in formulating the policy reform matrix, in coordinating policy dialogue, in mobilizing external budget support, and in formulating the program. Program reforms were championed by the Finance Minister, the permanent secretaries for Cabinet and Ministry of Finance and Economic Development, and the Australian-funded budget advisor. Their support was crucial to ensure that reforms were complete before the date that ADB's Board of Directors was to approve the grant. Follow-through on agreed reforms was frustrated, however, by the untimely death of the Finance Minister, three changes in finance secretary, the departure in 2013 of the Australian-funded budget advisor, and the 2013 change in government. This points to the need to ensure bipartisan support for reforms, so that their implementation is not adversely affected by changes in government or key officials. A communications strategy should be included as part of the program to create shared understanding and ownership of the reforms.   A single, government-led, policy matrix can enhance coordination and collaboration amongst development partners. The policy reform matrix has evolved into a highly consultative process around which development partners coordinate their budget support and technical assistance for reform. This process has helped the partners speak with one voice to the government and has created a situation in which line ministries actively compete to have reforms listed in the policy reform matrix.   Medium-term policy engagement. While a single-tranche modality was selected for ADB's operation, this was embedded in a programmatic, multiyear, policy reform effort with ongoing reforms contained in the policy reform matrix supported by several partners. The reforms selected were few in number but large in potential impact. They were clearly defined, widely owned, and had time-bound milestones that triggered financial and technical support, either by ADB or by other partners supporting the government-led reform effort. Furthermore, Government and partners have moved towards adoption of a programmatic approach to budget support to operationalize the coordinated, multi-donor, medium-term, programmatic dialogue already underway.  Complementary TA support. Capacity-building technical assistance support should be closely linked to policy reform matrix implementation. Capacity constraints hamper the government's ability to follow through on agreed reforms. Even though the program reform agenda was carefully prioritized and focused, the government had other policy reform matrix reforms and routine government administrative matters to attend to. Three rounds of supplementary financing were provided for the Institutional Strengthening of the Ministry of Finance and Economic Development Technical Assistance to help authorities follow up on agreed reforms. In retrospect, programing technical assistance resources to assist the authorities define, secure approval, and implement agreed reforms at the start would have been more efficient.   Public enterprise reforms. In small economies like Tuvalu, there will be constraints on efforts to sell state assets and encourage new private investment as economies and markets are simply too small to attract sufficient private interest. Pragmatic and flexible approaches, likely involving some measure of experimentation, need to be adopted in order to ensure that services are not disrupted, that losses are curtailed, and that performance improvements are realized. |
| Single-tranche program. A single-tranche program operation can encourage up-front delivery of important reforms, particularly if launched as part of a programmatic, multiyear, policy reform effort where ongoing reforms are supported by several partners. This ensures reform sustainability.     Limited but meaningful policy actions. In a single-tranche operation, those reforms selected for development-partner support should be few in number but large in potential impact. Technical assistance support should be available at program commencement. They should be clearly defined, widely owned, and have time-bound milestones that trigger financial support, either by ADB or by other partners supporting the government-led reform effort.     A single, government-led policy matrix can enhance coordination and collaboration amongst development partners. The Joint Policy Reform Matrix has evolved into a highly consultative process around which development partners coordinate their budget support and technical assistance for reform. This process has helped the partners speak with one voice to the government and has created a situation in which line ministries actively compete to have reforms listed in the Joint Policy Reform Matrix. The Pacific Islands Forum Secretariat has identified the Joint Policy Reform Matrix as an international best practice in supporting government-led reform.     Reforming large state-owned enterprises and complex regulatory reform. The impact of political sensitivities need to be factored into reform programs for major SOEs, particularly public utilities. Moreover, there may not be much legitimate appetite for foreign investment into distressed state-owned enterprises. |
| The National Highways Authority of India undertook several measures towards achieving project readiness such as (i) project preparation using its own funds; (ii) deployment of a project team at its headquarters and field office during the initial stage to supervise project preparation and undertake procurement activities and pre-construction activities; and (iii) advance action on civil works procurement, recruitment of construction supervision consultants, and pre-construction activities such as shifting of utilities, cutting of trees, and land acquisition. All the contracts were awarded within 5 months from the Board approval for the project.  However, due to inappropriate selection of the contractors, a significant delay in the completion of the contracts was caused by (i) weak planning; (ii) weak project management capacity; (iii) poor performance of the contractors; and (iv) inadequate participation of the lead partner, particularly the joint venture contractor, who was awarded three contract packages. Three out of five civil works contracts were ultimately terminated after a considerable delay. The criteria for the qualification of the contractor under a joint venture and for the award of multiple contracts should be strengthened. The contractual provisions to ensure the participation of the lead partner need to be strengthened. The performance of contractors on projects in India has always been a matter of concern. The contractual provisions related to contractors' performance, such as mobilization, staffing, deployment of equipment and funds, release of payments, bonus for early completion, and penalties, need to be strengthened so that poor performance by the contractor is discouraged. The performance of the contractor should be assessed in the initial stages of the contract and the decision on termination, if warranted, should not be delayed. |
| Private sector participation in utility operation has been mutually beneficial for government, private sector, and consumers benefitting from reliable service at competitive prices.  With adequate implementation arrangements, projects can strengthen interagency coordination and cooperation, as this project has done.  Additional potential synergies among components and associated benefits should be planned during project preparation to enhance project outcome.   Projects with wastewater treatment plant components should be careful using health or water quality indicators, as many other factors influence these indicators outside the control and contribution of the project.  The project demonstrated how well-scheduled feasibility design, detailed design, and the use of advance contracting can accelerate project implementation. |
| Project implementation delays. Project implementation experienced significant delays. The initial delay was caused by insufficient project readiness, inadequate dedicated staff assigned by Public Works Department, delays in finalizing the design reports and bid documents, and time needed to obtain environment and/or forest clearance for tree cutting. During construction, the delays were caused by poor performance of some contractors and Naxalite attacks. To avoid implementation delays, project preparation should be undertaken before approval. A project implementation unit with adequate staff should be in place before approval. Other projects also identify these lessons and corrective actions have been incorporated. Coordination with other government agencies for forest and environmental clearance should be enhanced. ADB has been providing training to the project implementation unit on procurement, safeguards, and contract management.  Performance of contractors. During implementation, the significant delay in completion of the works was caused by poor performance of some contractors. For future projects, the qualification criteria for contractors should be strengthened. The contractual provisions related to contractor performance, such as mobilization, staffing, and deployment of equipment and funds, need to be strengthened to minimize the possibility of poor performance by the contractors.  To improve the environmental performance of projects, the following measures are suggested: (i) a systematic and continuous approach in developing awareness, and periodic capacity enhancement of project staff regarding ADB's environment policy, procedures, and requirements; (ii) ensuring timely mobilization and continuation of environment experts by the executing agency, consultants, and contractors until closure of a project as appropriate; (iii) systematic supervision, monitoring, data mapping, and reporting mechanisms on implementation of environmental safeguards; and (iv) periodic reviews by environment experts associated with the project to undertake timely corrective actions, if any. These measures will be particularly relevant, given the magnitude of air and noise emissions from road operation and community safety impacts, which may increase due to the likely increase in traffic growth rates. |
| Sequencing of reforms is crucial to achieve intended outcomes that call for a long-term partnership. For example, institutionalizing citizen engagement in local governance and instituting accountability measures before providing increased funding to local bodies reduce fiduciary risks and improve the likelihood that funds will be used properly.     Regular review of existing policies and guidelines is important to assess their effectiveness and relevance in a given context, and a one-size-fits-all approach in policies and guidelines fails to achieve intended outcomes. An example of an inappropriate one-size-fits-all approach is the mobilizing of only one social mobilizer in every village development committee irrespective of its size and population, even though village development committee populations range from 1,000 to 80,000. The policy to use only users' committees for infrastructure projects is another.     Public engagement in local governance processes not only empowers people, but also promotes transparency and accountability in decision making by public authorities.     Policy reforms will be effective and sustainable if they are based on the findings of reviews, the assessment of gaps and of the positive and negative impacts of such gaps on development outcomes, and adequate public consultation.    Capacity development is an important element of institutional strengthening. It should be linked to the findings of assessments such as the minimum conditions and performance measures so that efforts can be properly targeted to address the weaknesses identified.     An integrated approach to the key elements of policy reform, institutional strengthening, a monitoring mechanism, and capacity development is needed for effective gender equality and social inclusion mainstreaming. |
| Health Sector Development Program supported the entire Health Sector Reform Agenda, with six reform areas, a large number of stakeholders, multiple levels, and intervening policy alterations, making it a complex undertaking. However, the government reported that ADB's support for the entire reform program helped advance reforms. Nevertheless, careful consideration should be given to the scope of program support.   A high on-lending rate prevented the targeted provinces from participating. At appraisal, careful consideration needs to be given to the project's financial feasibility. Limited project funds could finance only about 30% of required investments in targeted health facilities. Although additional funding was mobilized to complete upgrading of these facilities, more detailed advanced planning could mitigate financing risks.   Design flaws resulted from the rehabilitation of existing facilities. Budget constraints may have led to the use of substandard materials. Some equipment was purchased that did not meet technical specifications. Further improvements can be made by improving specifications, adequately budgeting for works and equipment, and ensuring proper commissioning. |
| A strong technical and economic rationale for the project ensures its success even if the institutional arrangements for its implementation change. Significant changes to the power sector in Hebei Province and to the implementation arrangements of the Zhanghewan Pumped Storage Hydro Power Plant (ZPSHPP) did not affect implementation of the ZPSHPP, as it had strong technical and economic relevance to the needs of the Hebei power system.    The overall financial strength and institutional capability of the sector are important to ensure the successful implementation of large infrastructure projects which require a significant amount of counterpart financing. The ADB loan contributed 21% of the cost of the ZPSHPP and 15% of the total project cost; the remaining financing was mobilized from domestic banks, shareholder financing, and local government financing.     Establishing a dedicated entity for the design, construction, and operation the ZHSHPP contributed to the smooth implementation of the project and its subsequent operation. The core staff of Zhanghewan Pumped Storage Company (ZPSC) has been involved in the project from its inception, so the Company has a strong sense of ownership and institutional memory.     Competent implementation supervision consultants are important to ensure the quality of the technical design and the performance of contractors for complex infrastructure projects. ZPSC highly appreciated the contribution from implementation consultants for the smooth implementation construction of the project within the original schedule.     Affected households should be provided with full information regarding their entitlements, livelihood options, and access to other services; and to secure their agreement for proposed resettlement sites as early as possible. The project owner should proactively engage in the consultation process, without delegating the responsibility for managing the resettlement to local government agencies. Consultations with the affected people were not effectively conducted by the local government, which caused significant delays because of lack of consensus on the resettlement sites. This could have been avoided if ZPSC had played a more active role in managing the resettlement program.     Obtaining the agreement of affected people to the proposed resettlement sites and entitlements is also significant. Selecting relocation sites near an economic center provides better access to employment opportunities, and public services (such as schools and hospitals) help in obtaining the agreement of the affected people. Providing better housing conditions with basic infrastructure (such as piped water, electricity, internet, and telecommunications) modernized the lifestyle of the affected people, compared with old villages in mountainous areas. In addition, a combined monitoring method - with direct inspection through the missions and regular monitoring - is highly effective for sensitive resettlement cases.     The project design and monitoring framework included components that are not directly related to the project. The implementation arrangements for these components were different from ADB-financed ZPSHPP, and ZPSC did not have any role in implementing these components. This prevented effective monitoring of the implementation of these components by ADB review missions, and confirming their efficacy in achieving the outcomes. Furthermore, the indicators to measure the poverty alleviation impacts were poorly defined as a result these could not be monitored during review missions. ADB should have required Hebei Electric Power Corporation to establish a coordinating mechanism to supervise the implementation of different project components and insisted on more information about these components to be included in annual progress reports and safeguard monitoring reports and inappropriate indicators should have been appropriately revised     The relevance and rationale for including an institutional strengthening component to promote power sector reforms is questionable given the uncertainty over the government's strategy for power sector reforms. It is necessary to ascertain the government's vision and strategy for far-reaching sector reforms before committing resources to implement these reforms in lending projects. |
| Institutional coordination. The project developed good coordination across the three executing and implementing agencies both horizontally and vertically, which was essential to deliver project outcomes that relied on an integrated approach.  Appropriateness of a participatory approach. The project has shown that the participatory approach in irrigation development and management is a feasible concept and that farmers are eager to be involved with irrigation operation and maintenance (O&M) and management. The involvement of water users association and water users association federation in the irrigation commission provided a good approach to address irrigation water distribution, cropping patterns, and O&M planning and implementation.  Farmer involvement in rehabilitation. Water user association involvement in rehabilitation works yielded better quality and more efficient implementation than similar works implemented by contractors. The water users association and water users association federation were also willing to contribute their own resources to the work program.  Participative irrigation development and management system. The project was transformative in developing the national system for participatory irrigation management and development. In most project provinces, this approach is now applied to the government's own provincial and district programs.  Roles, tasks, and capacity of water users associations and federations. Further support is needed at district and provincial level to ensure water users association and water users association federation develop into effective and sustainable organizations. Sufficient district and provincial level resources should be allocated to ensure that project gains are sustained and enhanced.   Operation and maintenance of rehabilitated infrastructure. Greater focus should be placed on O&M arrangements, which should be incorporated into the participatory irrigation management agreement with district governments. The Rencana Pengembangan dan Pengelolaan Irigasi (district irrigation management plan) is an effective planning mechanism that provides appropriate O&M for district systems using a needs-based budget approach.   Agricultural development. The agricultural program was initially limited to classroom training, but adjusted to promote field level agriculture demonstrations and rehabilitation of tertiary irrigation canals. It was very successful and contributed to the high economic returns of the project.  Financial management. The use of prorated financing across the three sources of funds for all expenditure categories should be avoided. Adequate initial advances to imprest accounts should be provided to minimize pre-financing of loan activities through government temporary accounts. The fund flow mechanism adopted by Directorate General of Regional Development for regional activities should not be used in future projects. |
| Project implementation capacity of the executing and implementing agencies. The provision of training for the executing and implementing agencies at the outset, not only in ADB procurement procedures but also in project management techniques, would probably have reduced the project start-up delays. Future projects should include appropriate training to new executing and implementing agencies at start-up.     Training in basic information and communication technology skills. While the project recognized the importance of training in basic ICT skills for users of the unified automated information system, it left the provision of this training to the executing and implementing agencies. Because this is a prerequisite for any large-scale ICT system development, future projects should set this as an appropriate loan covenant. |
| The Afghanistan component of the project demonstrated that importing relatively inexpensive electricity from Tajikistan, and elsewhere if available, can result in enormous economic benefits to Afghanistan and financial benefits to Da Afghanistan Breshna Sherkat (Afghanistan Power Utility). It would be prudent for the Government of Afghanistan and ADB to pursue further investments in the power sector to take advantage of surplus electricity in neighboring countries.   Financial management assessments undertaken at appraisal need to fully assess the potential for executing agencies to provide the level of funding proposed in the project financing plan to avoid cancelation of project activities that may negatively affect project viability and sustainability.   Although the economic and financial benefits of the project were substantial for Afghanistan, they would have been greater if investment in distribution had been undertaken in a timely manner to take advantage of the capacity to import electricity through the project transmission line. The transmission line is currently used at less than full capacity - about 200 MW. It is possible to energize it to transmit up to 600 MW of electricity. |
| Subproject packaging and procurement. During procurement for civil works packages, the response to bid was low. Some packages received no response, even after the 7th call. Repackaging and rebidding for such contract packages slowed down the procurement process. In the meantime, the ADB procurement review revealed that a number of contractors had been awarded more than one contract and that most of them submitted bids for multiple contracts within a district. This indicates that the size of the packages should be determined in close consultation with the implementing agencies to suit the technical and financial capability of local contractors.   Time requirements for completing a subproject. Following the Pradhan Mantri Gram Sadhak Yojana (Prime Minister's Rural Roads Program) guidelines, each civil works contract has a stipulated completion period of 12 months. However, 12 months were found to be inadequate, especially considering the pre-construction activities, contractor's capability, and weather conditions in the project area. At least 18-24 months were found to be needed for all project activities. Proper timing of signing the civil works contracts, in relation to the monsoon period, may avoid the loss of construction time to the monsoon. This should be incorporated and considered in other similar projects.   Fostering local contractor industry. All civil works contractors for the project were local, and some of them were small and lacked working facilities, fund resources and/or skilled and qualified staff. During civil works procurement, the responses from bidders were low, which led to repackaging (split into small packages) and rebidding of some civil works packages. Some of the civil works packages were geographically spread out, which made it difficult for contractors to manage their resources, labor, and materials. In future projects, local road development authorities may develop adequate measures to assist small contractors in terms of equipment, funds, and project management. In the meantime, the state governments should strengthen contract management to ensure the proper and timely completion of subprojects.   Monitoring of environmental impacts. It is important to ensure continuous engagement of project implementation consultants to avoid gaps in environmental impact monitoring activities during project implementation. In future projects, if a new project implementation consultant is to be recruited, the start of the new contract should be immediately after, or overlap with, the existing project implementation consultant contract. The handover process should be seamless to avoid the gap in the monitoring activities. Capacity building for project implementation consultants in environmental impact monitoring should be considered to ensure consistency in the quality of monitoring activities. |
| Water reuse. Water reuse was included in the project design, which contributed to water conservation and efficiency. For commercial use of reclaimed water, identification of suitable industrial users is critical. Lingqing and Gaotang municipal wastewater management subprojects identified two existing paper mills close to the wastewater treatment plants as potential users at appraisal, and started providing treated wastewater upon operation of wastewater treatment plants to generate revenues. The Binzhou subproject failed to commercialize water reuse as the major potential industrial user relocated.   Clean Development Mechanism program for small-scale landfills. The Clean Development Mechanism program has been implemented successfully in large-scale landfills. With strong support from ADB and Shandong Provincial Government, the Zouping solid waste management subproject was successfully registered as a Clean Development Mechanism project under the Kyoto Protocol. The implementing agency, Zouping County Domestic Solid Waste Limited Liability Company, signed a carbon purchase agreement with the Asia Pacific Carbon Fund. This subproject provided the first pilot of a small-scale landfill and actively contributed to global greenhouse gas reduction. ADB's technical support and commitment from local governments to achieve more environmental benefits are critical for Clean Development Mechanism program implementation.   Cost recovery scheme for solid waste management project. In the PRC, tariff setting and collection for solid waste management generally lags behind other public services. In small cities or counties where solid waste management services are being extended to rural residents to promote integrated urban-rural development, the situation is even worse. For most solid waste management projects, local governments provide subsidies for their operation, in particular the solid waste collection and transfer. Although the situation is improving, it may take longer than expected to increase the tariff to cost recovery levels. For future projects, a more realistic cost recovery scheme or partial cost recovery scheme shall be considered.   Flexibility to optimize project design during implementation. This flexibility, which is critical to enhance effectiveness of project outcomes, enabled the project to use loan savings to expand the municipal wastewater management and solid waste management subprojects' service areas and improve project facilities' operation efficiency. On the other hand, when the urban plan of Shanghe County was updated, the design of the Shanghe municipal wastewater management subproject was changed to a two-phase construction plan to avoid overcapacity of the wastewater treatment plant, which has been an issue according to prior ADB-financed projects. In addition, local governments leveraged further financing to expand infrastructure, such as sludge treatment and disposal facilities in municipal wastewater management subprojects and the wetland in Binzhou to further purify the wastewater treatment plant effluent for landscaping works use. These measures enhanced outcome effectiveness and sustainability of the project. |
| Although the final cost of the project was much higher than the appraisal estimate, the increase was largely due to the unrealistic cost estimate at the feasibility study stage, which is evident even when other factors, such as price increase of construction materials, modification to the original design, and the addition of facilities, are considered. The completion review noted that many cost items in the original estimate were based on outdated cost quotas that were far below market prices. This significant underestimation of the project's cost also affected the financial and economic evaluations made during project preparation.  The component for institutional strengthening was not implemented. The main reason was the change in the operational arrangement for the railway. The executing agency was unable to identify alternative areas for institutional strengthening. This affected the realization of value addition of ADB's assistance. The executing agency needs to identify its priorities in the sector, as well as the project company that can benefit from the expertise of international or national consultants.  The project budget did not include adequate resources for resettlement and social impact monitoring. This resulted in difficulties in complying with the requirements for timely monitoring reports and reports on the project's benefits and impact during the construction stage and after project completion.   Although generally sound, the project framework and the project performance management system designed at appraisal contained some impractical indicators, and the information required to monitor their achievement was not available from the executing agency's normal reporting system. In addition, due to limited budget available, the project benefits and impacts were not reported adequately during implementation. |
| Choose sustainable implementation arrangements. Although the same person headed the Agency for Vocational Education and the project implementation unit, there was a lack of integration between the two organizations. The project activities were separately implemented and managed by the project implementation unit without involving the staff of the Agency for Vocational Education. As a result, activities initiated under the project may slow down after the departure of the project implementation unit consultants. An alternative is to embed the project implementation unit within the existing administrative structure of the agency, involving key staff supported by project implementation unit consultants. Such an arrangement will automatically mainstream project activities into the regular activities of the agency, thereby enhancing sustainability.   Use a competitive funding mechanism to select schools for assistance. If the criteria are not carefully determined, the government may select schools whose management and staff are not ready and/or committed to the objectives of the project or the changes it brings. Some of them behave with a sense of entitlement, which leads to complacency in achieving output targets or in adopting new systems and procedures. An alternative selection process is through a competitive funding mechanism. ADB and other donors have used this approach in different countries quite successfully. It forces eligible institutions to compete with each other by preparing funding proposals based on project guidelines. The guidelines specify priority programs that will be supported, eligible expenditure items, the maximum allowable amount per program, and the geographic coverage to ensure equitable representation. Training on how to prepare project proposals can be provided to all eligible institutions. A committee evaluates and selects the proposals worthy of support. Experience has shown that such an approach engenders a strong sense of ownership and commitment to deliver the promised results.   Include a change management process. In a project where a new mindset is crucial as new concepts, systems, and processes are introduced, a change management strategy has to be put in place anticipating the possible areas of resistance, and understanding the underlying reasons and means for overcoming such resistance. This aspect is often overlooked, as in the case of this project. |
| Need for realistic cost estimates. During implementation it was realized that costs for civil works and consulting services had been overestimated, and that contingencies were excessive, which resulted in cancellation of 33.8% of the loan proceeds. Furthermore, various changes in scopes and designs were required to accommodate the geological conditions and needs of local populations, which had not been identified at design stage. Robust due diligence should be performed at appraisal (e.g., through detailed engineering studies, examination of market rates of construction materials and consultant remuneration, and inclusion of careful calculations of physical and price contingencies in the project cost estimate).  Need for clear identification of the role of the project management consultant. The expected role of the project management consultant for the investment program was unclear in the beginning, and the original terms of reference did not properly define the tasks and deliverables of each expert, which resulted in considerable refinements to the terms of reference during implementation. The roles and responsibilities should have been properly defined during project preparation.   Need for further improvement of the executing agency's project management capacity. Inadequate knowledge on the part of Ministry of Transport and Communications and Committee for Roads relating to safeguards and procurement, and a lack of staff with appropriate expertise were major factors affecting smooth project implementation, and ultimately resulted in stakeholder complaints. Some improvement has been observed in the executing agency's project management capacity as a result of internal restructuring; establishment of a new unit for financial management; involvement of local authorities in efficient, close monitoring of projects; and adoption of a new national transport sector program. Nonetheless, providing continuous support for building capacity and enhancing knowledge to the executing agency and the newly established KazAvtoZhol Open Joint Stock Company is important, particularly for procurement, safeguards, and administration of contracts for civil works and consulting services. |
| The project was formulated to minimize the potential technical, safety, economic, financial, and resettlement risks. The main technical risks were associated with 25 tunnels (41 km in total length) and 270 bridges (91 km in total length). To mitigate the risks, national and international consultants reviewed the project design and construction methods and incorporated solutions based on advanced technologies and international prevailing practices. During construction, monitoring and contract management information systems were set up and implemented to identify technical problems and implement corrective measures on a timely basis. Given the safety hazards associated with large and high bridge works and long and deep tunnels, the contractors were required strictly to enforce working safety rules and measures and Sichuan Yaxi Expressway Company Limited closely supervised all key construction activities through supervision engineers. In term of the lessons leant from resettlement implementation, the adequate budget, recruitment of qualified external monitor, and earlier planning and construction of resettlement sites are deemed essential.   One of most complex mountainous expressways in the PRC, the project expressway passes through the most difficult and complicated geo-technical terrain. In coping with various technical difficulties and challenges, Sichuan Provincial Transport Department and Sichuan Yaxi Expressway Company Limited initiated 32 technical research and development studies associated with the project's design, construction, and operation. Application of these technical findings has generated significant social and economic benefits. For example, based on a study of operation safety control technology for expressway spiral and small radius tunnels, the project expressway alignment executed a climb of 350 m in a V-shaped valley 2.9 km long by reducing the longitude slope. The study also optimized the number of ventilation fans compared with the preliminary design, thereby halving the power consumption. This study was awarded a prize by the China Highway Association. Other knowledge achievements and breakthroughs include a key-technology study on deep and super-long tunnel design and construction, a comprehensive technical solution for truss-beam and steel-column concrete for medium-span bridges, as well as design and construction of higher-pier and long-span bridges in serious seismic areas. |
| Complex projects need an effective high-level coordinating body. For a complex, multicomponent project, regular monitoring of the implementation progress by the government through a high-level plenary body or a steering committee is indispensable. Regular interaction among the borrower, the stakeholders, consultants, contractors and suppliers, and ADB through the executing agencies project implementation units contributed greatly to the success of the project.   Plan and coordinate preliminary activities well to minimize delays. The executing agencies need to pursue a set of well-planned and concerted actions to ensure timely completion of all activities for land acquisition and resettlement, removal of utilities from rights of way, government approval of the initial environmental examination and environmental mitigation plan, and continued coordination with local government authorities. Delay in implementation of the Roads and Highways Department  component was mostly attributed to delays in (i) procedures and decision making related to procurement, (ii) land acquisition and resettlement including removal of public utilities, and (iii) receiving clearance from Chittagong City Corporation on the construction of pier 19 of the flyover.   Use advance actions. The project experienced implementation delays of about 42 months for several reasons. The absence of the borrower's advance action caused these start-up delays and adversely affected project implementation. ADB has emphasized this issue through its country programming review missions and tripartite project review missions, and has included in most ADB-assisted projects provisions for advance action for the selection of consultants, stakeholder consultation, and preparatory work for land acquisition and resettlement.   Ensure sufficient consultation during project preparation. The Custom House of Chittagong's decision during implementation not to use ADB funds for their automation program indicated the need for greater consultation with the executing agencies and other stakeholders during project preparation. |
| Institutional arrangements. The project management office serves a critical coordinating function in executing urban development projects that involve implementing agencies from several sectors. A project management office with strong leadership, experience with ADB procedures, and good communication skills is desirable. The establishment of databases and monitoring mechanisms by each implementing agency early in the project is important. Placing a monitoring specialist and project performance monitoring system within each implementing agency allows for consistent monitoring throughout the project period.   Consultant recruitment and procurement. Recruitment of consultants through the use of the quality- and cost-based selection method can take 9-10 months, reducing the time allowed for project preparation. In addition, managing a large number of contracts can increase the coordination challenge for the project management office. The ADB threshold between requiring national competitive bidding and requiring international competitive bidding is very easy to exceed, and international competitive bidding is time-consuming, taking 6-9 months. The international consulting company recruited by the project management office provided consulting services at the early stage of project implementation. It ensured successful procurement, implementation, and payments, as well as timely report submission. In project procurement, bidding document preparation, bidding, bidding evaluation, and contract award progressed smoothly. Early recruitment of consultants and national competitive bidding for contracts can reduce project delays.   Resettlement. Although some delays occurred in land acquisition and resettlement, a good consultation process and transparent information disclosure mechanisms helped to build trust and understanding between the different stakeholders. In 2008, Nanning municipal government updated the resettlement regulations, which made the compensation more acceptable to affected persons. The practice of providing commercial land for livelihood restoration based on these regulations was successful and left the affected persons highly satisfied. Allocating commercial land for tertiary industry to affected persons is a good practice for maintaining long-term income sources for affected persons that can be replicated where local regulations permit.   The installation of some sewer networks under the Kelijiang River subproject was planned to coincide with the construction of roads scheduled to be built with government financing. The inability of the government to carry out the planned road construction on time due to resettlement problems forced a change in the project's scope. This showed that to avoid scope changes and delays, the risks of undertaking project components whose timely implementation and design are dependent on the schedule and design plans of non-ADB projects should be carefully evaluated during project preparation, and the actual progress on and potential changes in these non-project activities should be carefully monitored.   Solid waste tariff covenant. The solid waste tariff increase required for cost recovery was estimated accurately at appraisal, and the increase was made part of a covenant to assure the Nanning Shixi Solid Waste Treatment Companyï¿½s financial autonomy. While the tariff was raised in 2007 and 2011, it remained below that set in the covenant and insufficient to ensure cost recovery in the solid waste management operations. The failure to execute the necessary tariff increase was due to the lack of support from relevant government agencies and Nanning municipal governmentï¿½s concerns about social reaction, affordability, and willingness-to-pay in light of inflation. Cost recovery has not been achieved, Nanning Shixi Solid Waste Treatment Company operations are therefore subsidized by Nanning municipal government budget, and further policy dialogue on the tariff increases is needed to realize full cost recovery and sustainability for solid waste services. |
| Achieving sustainability requires a consistent and long-term approach. Significant steps have been taken to harmonize development partner assistance in the transport sector to support a sector-wide approach. The Transport Sector Development Project and its support to Ministry of Infrastructure Development (MID) through the central project implementation unit provides a predictable medium-term source of finance (via the National Transport Fund) and ensures the use of government systems for procurement and other technical and safeguard procedures, as well as policies for planning, implementing, and maintaining all transport improvements within the framework of the agreed National Transport Plan. A wide range of measures will be needed to sustain government ownership, engage stakeholders, enhance MID's access to competent staff, and institutionalize procedures for planning, implementation, maintenance, and monitoring into daily MID processes.    Sustained improvements in transport-related organizational capacity will require continued consultant support with early and continuous client engagement to ensure relevance. Obstacles can be overcome and the impact of capacity building can be improved by high-level client involvement as early as subproject preparation and execution. Selective external capacity building support focused on high-priority needs such as (i) feasibility study; (ii) contract management; (iii) labor-based, equipment-supported maintenance program preparation, procurement, and supervision; and (iv) application of safeguards rather than across-the-board capacity building is likely to be beneficial. While constraints on transport agency performance may occur as a result of weakness in other areas of government, a proactive and competent transport agency would be better able to call for essential improvements.    Need for sound technical, economic, social, and environmental procedures. They are essential for translating the National Transport Plan into worthwhile and fully supported investments. Proper engagement and communication with stakeholders is vital to ensure that the rationale and the processes are fully understood. A stronger country safeguard system, including guidelines on obtaining customary land for transport projects, is essential.    Stronger internal procedures ensure maintenance quality and probity. Quality control remains a weakness. Funding must be provided to support critical maintenance-related activities - progressive improvement of performance-based contracts, timely and appropriate supervision of maintenance contracts, and asset management planning to ensure proper forward planning of maintenance needs. Sound fiduciary procedures are needed to ensure that the quality and quantity of civil works, and the purchase of goods and services, are matched by proper financial records and approvals. Adequate travel budgets and efficient mechanisms at MID and the Ministry of Finance and Treasury are required to ensure MID staff regularly travel to outer islands to inspect ongoing maintenance contracts.    Creating a contracting industry by motivating local communities. This can help maintain roads in good condition while representing value for money and providing positive social outcomes, but it requires adequate resources for effective supervision by engendering accountability of central and provincial governments.    Greater capacity is needed by the government to manage community relations and negotiate compensation for land and resources utilized. Land acquisition for the Makira subproject was minimal and managed in accordance with ADB's safeguard policy. In the future, greater government capacity will be needed to manage community liaison, identify affected persons, and manage the process of compensation to avoid community dissatisfaction.     Cost overruns due to exchange rate fluctuations may be managed by an improved methodology for determining price contingencies. |
| Ensure government ownership and good management. Government ownership and good management are essential. Ministry of Religious Affairs demonstrated strong ownership of the project by making sufficient financial, human, and technical resources available in a timely manner. Good coordination and communication among all project stakeholders, i.e., ADB, government agencies, madrasahs, consultants, and communities, are key factors in the success of the project. Creating positive synergies and a harmonious working environment among key stakeholders throughout the life of the project is essential to successful project implementation.   Promote a community-driven development approach. The success of the madrasah development plan (MDP)-based improvements in each participating madrasah suggests that a community-driven development approach could provide a model for the development of all madrasahs. The requirement to jointly formulate an MDP in each project madrasah created an environment for participatory planning at the level of the individual madrasah for the formulation of both long and short-term plans, and became the starting point of a development process that had the full support of the wider community. Even though project madrasahs were funded entirely through block grants provided from project funds, the MDP-based approach to madrasah strengthening ensured community ownership through the process of MDP formulation. As a result, community participation remained high. This was demonstrated by community cash and in-kind contributions totaling about $3 million to support the provision of teaching and learning facilities.  Systematically involve district administrations. A systematic approach toward involving the district administration and Ministry of Education and Culture education offices is required to realize wider development impact. It would be beneficial to harmonize madrasah development with Ministry of Education and Culture district education plans and integrate MDPs into the annual district development plans. Greater capacity-building of district-level Ministry of Religious Affairs staff will be essential for sustaining quality improvements in the madrasah education system. Greater collaboration with the Ministry of Education and Culture is also essential to ensure more efficient use of government resources.  Support institutional development beyond training. The project was also intended to build the institutional and professional capacity of the madrasah education management system. To that end, the project provided funds for Ministry of Religious Affairs officials to take doctoral and master's degrees overseas. However, institutional capacity building requires more that training. It also requires streamlining of the organizational structure, job functions, professional skills, resources allocation, and accountability system. Further efforts are needed to create and implement a capacity-development plan that will support the institutional capacities of Ministry of Religious Affairs at all levels, starting from the central level. |
| The project demonstrated that the improvement and upgrading of rural roads in the poorer districts of the Lao PDR is a viable delivery mechanism for the planning, development, and management of rural access roads to yield developmental benefits to poorer and remote communities. While project cost escalations compared with appraisal estimates are difficult to anticipate, a primary lesson learned was the benefit of advanced design and tender document readiness for civil works being prepared at appraisal. This allows early civil works contracting and mobilization, ensuring appraisal loan completion dates can be achieved.  The difficulty of accurately assessing the full economic impact and poverty reduction benefits of this project because of the delay in conducting baseline benefit monitoring highlights the need to ensure the immediate commencement of baseline data measurement prior to civil works commencement. This lack of focus on the benefit monitoring evaluation system within both the Ministry of Public Works and Transport and implementing consultants is a lesson learned in that future projects need to include benefit monitoring evaluation capacity building and training with executing agencies at both national and provincial level.   Project implementation delays in the civil works for contracts C03 (Pakton-Ban Vang road) and C05 (Sayabury-Hongsa-Thaxoan road), requiring the reallocation of a part of civil works to the performing contractor for contract C01 (Pakxane-Thasi road) to expedite and complete works in a timely manner, indicates a lesson learned that executing agencies of future projects need to identify and replace nonperforming contractors at an early stage. An additional lesson learned is that executing agencies need to more carefully scrutinize the financial, management, and equipment capacities of bidders during bid evaluation.   Another important lesson learned from the project was the successful integration with complementary agricultural development programs such as the Sanxai coffee estate developments under the International Fund for Agricultural Development project. To more directly facilitate agricultural development activities along rural roads being developed in future, consideration could be given to developing selected rural development schemes to directly support communities located along the rural roads. |
| All Pacific developing member countries, including Samoa, experience great difficulty implementing long-term structural adjustment policies. While demand-side, short-term price stabilization policies may be more readily implemented, longer-term changes to land tenure and state-owned enterprises and efforts to liberalize trade and investment regimes confront a very difficult political economy environment in the Pacific islands. Governments are comfortable with short-term price reforms that pose less of a challenge to the political economy. Reform programs that include structural adjustment policy require careful, if not tough, negotiation. This negotiation requires the buy-in of government, support of all major development partners, and support of senior ADB management. Consideration should have been given in program design to greater consultation between the government and ADB project analysts for improved program management and policy analysis, impact assessment, redesign where appropriate (for example, in the transition stage between subprograms 1 and 2), and implementation. |
| 1. Project engineering design. To avoid potential cost overruns during the project implementation period, the engineering design of roads at the project preparation stage should be based on the most reliable traffic forecasts and sufficient geological and climate surveys to enable the preparation of realistic designs without the need to amend them later. Road safety issues should be identified during the project design period in consultation with local communities, and features that enhance road safety, including on sidewalks and at bus shelters, should be adequately reflected in the project design. [Main text, para. 52]  project cycle stage: Design, Implementation  Lesson Topics:    2. Border infrastructure improvement. The benefits of good infrastructure at border crossings can be fully realized only when countries on both sides of a border fund complementary investments and when their border control agencies cooperate. Projects should support the construction and renovation of border-crossing points in a country where investments to upgrade complementary facilities on the other side of the border have been completed or are nearing completion. [Main text, para. 53]  project cycle stage: Country Partnership Strategy  Lesson Topics:    3. Performance-based maintenance (PBM). Implementing PBM contracts requires sufficient preparation and time for transition. More attention should be given to PBM readiness and to such important factors as allocating proper budgets, developing institutional frameworks, establishing legislation and procedures, recruiting qualified consultants, mitigating negative effects on road maintenance units, and fostering local private contractors. In both countries, the PBM pilot testing was delayed mainly because of the lack of experience and knowledge of the executing agencies. When introducing new concepts and practices to a country, ADB should provide adequate technical support and consider well the local administrative system and situation and share global best practices, as well as including such activities as organizing a study tour and assisting in systematic implementation of related reforms for the whole sector. [Main text, para. 54]  project cycle stage: Implementation  Lesson Topics:  Project Management: Project administration Project Management: Project management Capacity Development: Capacity development  4. Road safety and road asset management. Road safety and road asset management components should be included in all future transport projects because they are essential to the sustainability of projects and to their effectiveness. As road safety involves various agencies, the design and implementation arrangements for this component should be based on extensive discussions with all related agencies and policy dialogue with high-level government bodies. Similarly, comprehensive road asset management plans should be developed during project design in consultation with the agencies responsible for road assets development and for operation and maintenance. [Main text, para. 55]  project cycle stage: Design  Lesson Topics:  Project Design: Project design Sector Related Issues: Transport planning  5. Regional project. This project was designed as a regional project including two countries. A joint effect was observed by executing the two countries' projects simultaneously, yet different institutional frameworks and different effective procedures were required in the two countries. Thus, full agreement among stakeholders is necessary in designing future regional projects. [Main text, para. 56]  project cycle stage: Design  Lesson Topics:  Crosscutting Issues/Themes: Regional cooperation Project Design: Project design |
| 1. The project comprises several components comprising national highways, provincial highways and rural roads, cross-border development, institutional development, and community development. These components were implemented by different government agencies with limited coordination. Combining all of these components into one project was difficult for both ADB and the government to manage. If a project is so comprehensive, a project management unit at the national level should be established to coordinate its implementation.    2. The project experienced substantial delays due to security conditions, which led ADB to close the loan before completion of all the components. As a result, and because of weak government financing, the project experienced serious financial problems. ADB needs to pay more attention to local situation and assist in timely project completion. Only fully completing the project, the benefits anticipated can be revealed.    3. The global price for construction materials rose sharply during implementation. The delays in project implementation made this problem more serious. For some provincial roads under the project, retendering was conducted, but the low rate is unlikely to attract bidders. For future ADB-assisted projects, reasonable price contingencies should be included in the investment plan.    4. Project implementation encountered land acquisition and resettlement challenges. ADB amended the Loan Agreement, which allowed construction to start on the sections where land issues had been resolved. ADB needs to make the government well aware of ADB's safeguard policy and prepare a more feasible loan agreement under future projects.      5. All of the contractors were local, with inadequate funding, expertise, and equipment, which contributed to implementation delays. With rapid road development in Pakistan, such problems may be worsening. To promote capacity development of local and private contractors, ADB needs to strengthen the capacity-building programs, especially in the area where local construction capacity is lacking. |
| 1. The North East Community Restoration and Development implementation structure, including the delegation of responsibility to a provincial project management unit and the inclusion of all stakeholders in the provincial project coordination committee subproject selection process, was effective in implementing restoration activities. It provided a model for coordination between central, provincial, district, divisional, and local government, and encouraged cooperation with other agencies and minimized duplication of agencies' work.  project cycle stage:   Lesson Topics:    2. Implementation is difficult in the fluid security conditions of conflicts and their aftermath. However, staff members were motivated by the evident need for their services, as well as by pressure from both sides in the conflict to address basic infrastructure in all areas.  project cycle stage:   Lesson Topics:    3. Most contracts were relatively small and within the competence levels of local contractors, especially relevant in the difficult conditions for access and supply that applied during and after the conflicts. Use of local contractors, instead of outside companies, strengthened local ownership and avoided aggravating community and ethnic tensions.  project cycle stage:   Lesson Topics:    4. Baseline data are important. During conflicts, data change: infrastructure is destroyed and people are displaced. Monitoring surveys are difficult to conduct because of restricted access. The project management unit failed to expand the management information system to assess subproject impacts, the absence of which made postproject evaluation difficult.  project cycle stage:   Lesson Topics: |
| 1. The Bangladesh Power Development Board corporatization target was a premature step, which underestimated the difficulties in the way of major reforms toward unbundling and corporatization in Bangladesh. The government has already changed its power sector reform agenda. Instead of corporatizing Bangladesh Power Development Board, it plans to restructure Bangladesh Power Development Board business functions into several generation and distribution strategic business units, which will operate under the existing legal structure and be functionally separate with more financial authority. The effectiveness of the strategic business units approach remains to be seen.  2. The construction of oil-fueled power plants by the public and private sectors increased Bangladesh Power Development Board's operational costs. The tariff increases by Bangladesh Energy Regulatory Commission in 2008-2012 were contrary to its tariff-setting methodology, which specifies at least a 10% return on assets. Rationalizing the tariff structure to provide an adequate margin to distribution entities can enable these entities to meet future financial requirements.  3. The cancellation of the Norwegian Agency for Development Cooperation funds and the delayed implementation of the Nordic Development Fund component affected consumer connection. A more reliable parallel financing arrangement has to be made to ensure the realization of designed project objectives. This matter needs to be addressed under ongoing and future loans16 for the power sector. |
| 1. Although ADB approved advance contracting and retroactive financing, project implementation experienced initial delays mainly in procurement. Commencement of civil works was delayed for about 3 months because of delayed recruitment of the construction supervision consultants. In the future, implementation should be scheduled to ensure timely recruitment of consultants prior to civil works start. Contract duration must take into account unexpected weather conditions which may hinder the planned execution of works.  project cycle stage:   Lesson Topics:    2. In view of complexity and needs, customs projects require coordination with multiple ministries and agreements with neighboring countries. Diversified expertise and resources are required both from the government and funding agencies. In the future, customs component should be separated from road rehabilitation projects. Customs modernization should preferably be covered by regional cross-border projects.  project cycle stage:   Lesson Topics:    3. In ongoing and future projects, training and advice on ADB's safeguard policy and procedure need to be strengthened, and this should be extended to consultants and related personnel. Strong safeguards compliance monitoring by the executing agency, consultants, and ADB can help in timely resolution of any issues that emerge during project implementation. Furthermore, the survey of all the houses adjacent to the project road was good practice, and one which should be applied to all other ADB projects in the country.  project cycle stage:   Lesson Topics:    4. Because of budget constraints in the last year of project implementation, counterpart funds were not available for 2012 (as of writing of the PCR). During project implementation, availability of counterpart funds should be consistently monitored to avoid payment gaps to contractors, which may cause construction delay. Early action from the government may be taken, such as seeking supplementary financing, scope reduction, or seeking cofinancing opportunities.   project cycle stage:   Lesson Topics:    5. Road safety and road asset management components should be included in all future projects since they are keys to project sustainability and effectiveness. Since road safety involves various agencies, design and implementation arrangements for this component should be based on discussions with all related agencies and policy dialogue held with high-level government. Similarly, a comprehensive road asset management plan should be developed during project design in consultation with the agencies responsible for road assets development, operation and maintenance, overall financial allocation and releases, and auditing and accounts. Prior to approval of loans, it should be ensured that sufficient funds and proper management are available for the project roads after project completion.  project cycle stage:   Lesson Topics: |
| 1. Having sufficient consultation and participation with stakeholders helps to promote ownership and responsibility. During implementation, a great number of consultation meetings were conducted on the design, construction, safeguards, job opportunities, ethnic minority culture protection, gender, and social mpacts. These included hundreds of participants including representatives of local governments, nongovernment organizations, potential customers, ethnic minority groups, and women's federations at town, county, and city levels. Continued extensive consultations during project implementation promoted participants' sense of ownership and responsibility for the project, and helped to further improve the project design.  project cycle stage:   Lesson Topics:    2. There has been a continuing process of adaptation of the project to the latest construction and operation technology and more environmentally friendly solutions. This has demonstrated that such innovation and reform can improve cost effectiveness, efficiency, safety, and sustainability.  project cycle stage:   Lesson Topics:    3. The costs of construction materials were underestimated. The price for some construction materials, such as cement, steel, stone, and sand increased substantially during project construction. Although there was a price escalation clause in the contracts, price negotiations and contract variations and approval of the variations took considerable time and caused delay in the financial closure of the project.  project cycle stage:   Lesson Topics:    4. The traffic forecast at appraisal was optimistic regarding the first few years after project completion, particularly for freight traffic. Traffic increase assumptions should be carefully reviewed in future projects.  project cycle stage:   Lesson Topics: |
| 1. A properly designed project can minimize the risk of changes in quantities and scope during implementation and can contribute to timely completion within budget. For this project, the geological nature and conditions were complex and fragile and no detailed study was carried out at appraisal. This caused several changes in the estimation of earthwork needed during implementation and made detailed geological studies in the middle of the process necessary. The entire project design and financing plans were affected. Such complex conditions should be carefully examined by conducting detailed studies during project preparation.  project cycle stage:   Lesson Topics:    2. More robust due diligence is needed during project design and formulation to enable the closest possible cost estimates and to set aside enough resources to cover contingencies. This can result in considerable time savings. The values of the works contracts were significantly higher than originally estimated. Further, the amounts had to be increased during implementation because of an unprecedented increase in material costs, besides the extra earthwork needed. At cost estimation, prices of materials should be examined carefully and in relation to neighboring markets, and also by looking at the unit costs of similar items in previously awarded contracts. A sufficient allowance should be kept under contingencies for any unexpected cost increases for construction material and/or changes in contract scope.   project cycle stage:   Lesson Topics:    3. Because the project road is now in better condition, vehicles travel faster than before. Existing road safety facilities are insufficient to minimize accidents. Future projects must include a road safety component to ensure that comprehensive road safety arrangements are in place, instead of relying on existing, insufficient facilities.  project cycle stage:   Lesson Topics:    4. The loan and grant were approved together, and the information and education campaign (IEC) activities under the grant were extended to people engaged in civil works financed by the loan. The IEC activities were managed by the health officials trained through the HIV/AIDS and Mitigation Program. Such synergetic (cross-sector) approaches may be applied to future transport projects, considering the worldwide HIV/AIDS prevalence.  project cycle stage:   Lesson Topics: |
| 1. Subproject selection criteria guided the selection, but the Fujian provincial government's active role in subproject selection contributed to the project's success. Most subprojects made significant progress during project implementation despite the global financial crisis in 2008.  project cycle stage:   Lesson Topics:    2. Private enterprises played an important role in advancing the agriculture sector through branding and marketing of farm produce, introducing quality standards and technology, investing to improve farm infrastructure, and providing extension services. Farmers also benefited from advice on agricultural inputs, credit services, and increased farm gate prices.  project cycle stage:   Lesson Topics:    3. The holistic approach for rural development was not sufficiently emphasized in the project document. The original project design involved a large number of subprojects across 50 counties. This may have overextended loan resources. Reduced and focused geographic coverage would have eased project management pressure at the provincial level and amplified the effect of this holistic approach.  project cycle stage:   Lesson Topics: |
| Roadside stations were introduced to promote community development along the local roads covered by the project by linking the roads with local community activities. However, in the current institutional arrangement, the Gansu Provincial Transportation Department (GPTD) does not have enough resources, including staff and funds, to operate the roadside stations. This brings their sustainability into question. Keeping in mind the poorly maintained and underused roadside station built under a previous donor-funded project in the project area, GPTD sought to design multipurpose roadside stations to be constructed and managed by the private sector.  project cycle stage:   Lesson Topics: |
| 1. Proactive consultation with municipal governments by the Municipal Development Fund to ensure prompt selection of subprojects created a momentum that was maintained during project implementation and contributed to completion of physical works ahead of schedule.  project cycle stage:   Lesson Topics:    2. Considering there were some shortfalls in the road subproject detailed design work (such as drainage and ditch cover, sidewalk, and traffic safety provision), Municipal Development Fund (MDF) technical staff, local consultants and contractors need training on technology and workmanship in order to reach international standards. MDF and ADB need to ensure timely recruitment of construction supervision.  project cycle stage:   Lesson Topics:    3. On-the-job training activities alone are less effective than actual training courses in terms of capacity development. The capacity of the municipal governments remains weak; all lack a filing and database system to store their asset inventories, which will be essential for planning, improvement and operation and maintenance of municipal infrastructure and services.  project cycle stage:   Lesson Topics:    4. Issues regarding legal and/or technical aspects of operation and maintenance (O&M) planning and funding, measures for cost recovery, tariff collection, and the metering system should be properly studied by consultants to mitigate the risk associated with inadequate O&M of project water supply system facilities.  project cycle stage:   Lesson Topics:    5. The management information system proved to be an efficient means to provide all project information and data and helped Municipal Development Fund monitor implementation of the project in a timely manner. The same system should be used other projects.  project cycle stage:   Lesson Topics: |
| 1. Careful and adequate analysis of properties of collapsible loess at project site is necessary, because different types of collapsible loess behave differently while some treatment methods are more effective than others for certain types of loess.  project cycle stage:   Lesson Topics:    2. For projects that encounter collapsible loess, sufficient budget should be allocated to design of foundation treatment and its construction, which is much more economical than to remedy deformation of road when inappropriately treated loess settles at a later stage.  project cycle stage:   Lesson Topics:    3. If possible, pavement layers should be constructed after one year or more of settlement of earthwork, depending on the type of treatment of collapsible loess.  project cycle stage:   Lesson Topics: |
| 1. Curriculum reform requires strong government ownership and commitment in terms of counterpart financing and policy changes required to support the reform. Improving national school education outcomes requires adequate time and funding. Sufficient teacher capacity building activities, learning and teaching materials, and appropriate learning environments should accompany the curriculum reform. Teachers need at least 3-5 days of face-to-face training on the new assessment and classroom teaching requirements, instead of the 1-day orientation and selflearning modules provided to most teachers under this project. Comprehensive due diligence and accurate cost estimates at project design and appraisal are critical for project success.  project cycle stage:   Lesson Topics:    2. Provision of learning and teaching materials (LTMs) for more than one grade should be funded to effectively launch a new curriculum. For textbook bids, good practice involves achieving continuity of content and approach by bidding subject textbooks for a series of grades, i.e., mathematics LTMs for grades 1-4 have to be developed by the same team of authors. A shortage of LTMs and poor teacher capacity can undermine the whole curriculum reform process.  project cycle stage:   Lesson Topics:    3. Better infrastructure directly increases attendance rates, and brings significant savings from improved heating and energy efficiency of buildings. The inclusion of maintenance of supplied equipment and training for relevant staff as part of the supply contract is an effective tool to ensure equipment sustainability and ongoing effectiveness. Thorough assessment of compliance with qualification requirements during consultant recruitment can prevent unnecessary problems and delays during project implementation.  project cycle stage:   Lesson Topics:    4. The dilemma of this project is the lack of achievement and partial achievement of some outcome indicators, while planned outputs were mostly delivered. Ensuring the direct link between supported activities, outputs and outcome, and relevance of their indicators is critical.  project cycle stage:   Lesson Topics: |
| 1. A key consideration in sequencing is that legislative and regulatory reforms require changes in the capacity of institutions, meaning policy and rules; in the organizations charged with implementation; and in the abilities and management practices of responsible government officers. This cascade of legislative and regulatory requirements - from institutions to organizations to people - would seem to provide a strategic sequence for reforms, but, in practice, this is not a linear sequence. Rather, people - officials and stakeholders - are involved from the outset of the reform process. Because policy reforms are an iterative, negotiated process, attention needs to be given to developing and maintaining a broad consensus for reform. This is one of the most difficult and important challenges in sustaining change in management processes. It is important to note that developing and maintaining a broad consensus for reform was one of the hallmarks of the Economic Recovery Program. This ensured unwavering government commitment to the program's strong legislative and regulatory reform content.  project cycle stage:   Lesson Topics:    2. In addition to appropriate reform sequencing, ambitious and complex programs and projects are more likely to succeed if significant attention is given to building the capability and ownership of the relevant stakeholders. The Economic Recovery Program successfully tackled a wide range of issues in a short time, while also contributing significantly to developing capacity at the Ministry of Finance and Treasury.  project cycle stage:   Lesson Topics:    3. Institutionalizing change-management practices among those charged with implementing reforms - such as the efforts undertaken in the Economic recovery Program to provide staff with technical skills to implement new revenue measures at Ministry of Finance and Treasury - requires upgrading of technical and change-management competency. It is necessary to enable government to sustain capacity development programs beyond the life of a program (for example, by providing training experts, particularly to develop soft capacities).  project cycle stage:   Lesson Topics:    4. The Economic Recovery Program (ERP) was developed in close consultation with the government and development partners such as the International Monetary Authority (IMF) and the World Bank through many joint missions, and was designed through a holistic approach. The ADB shared the policy matrix with the IMF and the World Bank and coordinated closely with them in the final design. The ADB also attended the Development Partnership Forum in the Maldives in March 2009 and held discussions with other key development partners. The ERP demonstrated that a comprehensive and holistic consultation process can ensure effective diagnosis of the issues, leading to a strong, relevant policy matrix that prioritizes reform measures and sets realistic timelines in collaboration with the development partners.  project cycle stage:   Lesson Topics:    5. The Economic Recovery Program (ERP) comprised 59 policy actions - 39 for the first tranche and 20 for the second tranche. The total number of policy actions under the ERP was significantly large and represented a challenge in terms of monitoring and implementation. The number of policy measures should be limited so that ADB can monitor compliance with them effectively throughout the program.  project cycle stage:   Lesson Topics: |
| 1. Programs and technical assistance should not depend on passage of law in countries where legislative processes are slow and cumbersome. In this case, reforms to the bank resolution process, such as the authorization of bridge banking powers for Philippine Deposit Insurance Corporation, rely on the passage of legislation, and are still pending. The administrative increase in minimum capital requirements for the insurance subsector was embroiled in controversy and delay, but now appears to be required by law, but only following a 7-year delay. Therefore, where legal amendments are necessary or can make reforms more sustainable, programs and technical assistance should support drafting of legislation, but also enhance the regulatory framework that complements legislative changes.  project cycle stage:   Lesson Topics:    2. There should be strong and widespread political will. For example, the Capital Market Development Plan was initiated unilaterally by the Securities and Exchange Commission and clearly was not reflective of industry sentiment and therefore did not enjoy widespread support. In the case of the Office of the Insurance Commission, pressure from the industry to postpone higher required capitalization contributed to a change in the Insurance Commissioner and a reduction in political will in support of reform. However, the pace of program implementation and reforms accelerated significantly under the new government. A new capital market development plan was launched, under the close leadership of the Ministry of Finance (MOF), which benefited from widespread stakeholder consultations and support. Likewise, increased capital standards have been applied legislatively to the insurance sector with strong MOF support.  project cycle stage:   Lesson Topics:    3. Program design should focus on mplementing reforms not only where commitment is strong, but where resources and external factors are adequate to ensure successful implementation. In the case of the Securities and Exchange Commission (SEC), a persistent and chronic shortage of funding initially compromised its ability to provide effective surveillance and supervision to the capital markets. Additional budget increases still appear necessary to bring Office of the Insurance Commission and SEC remuneration in line with the Bangko Sentral ng Pilipinas, as mandated by Republic Act No. 8799 and Republic Act No. 9829. Further, until enforcement officials are sufficiently protected from frivolous and intimidating lawsuits, expectations of strong enforcement actions may be unrealistic.  project cycle stage:   Lesson Topics: |
| Under the Financial Sector Development Program, the development and approval of key financial sector legislation was an important contribution to sector development. While the delays were inevitable, closer, longterm, in-country dialogue with the government would have been beneficial. This dialogue and close program monitoring will be enhanced by the establishment of a resident mission in Bhutan. ADB has been a long-standing partner of Bhutan's financial sector development since the beginning. A resident mission could better support monitoring of the ongoing financial sector reforms and provide timely assistance to address any systematic, institutional, and legislative deficiencies while continuously providing support for further strengthening the financial system.  project cycle stage:   Lesson Topics: |
| 1. The tranche release criteria were clearly defined. They provided an impetus to achieve tangible objectives that motivated the involved agencies.  project cycle stage:   Lesson Topics:    2. The implementing agency should have been more involved in program design. The Ministry of Economic Affairs' Planning and Policy Division developed the program, but the Department of Cottage and Small Industry (DCSI) was responsible for implementation. The DCSI thought that some components could have been designed differently to improve their impact (e.g., the cost-sharing facility).  project cycle stage:   Lesson Topics:    3. The Bhutan: Micro, Small, and Medium-Sized Enterprise Sector Development Program included innovations that were new to Bhutan, so qualified local consultants were not available. Yet it was difficult to find foreign consultants who understood the Bhutanese context. The design and monitoring framework did identify ï¿½lack of qualified staffï¿½ as a risk. For future programs, however, ADB should further refine this risk to capture the tension between external expertise and local knowledge.  project cycle stage:   Lesson Topics:    4. ADB could have participated in the project steering committee. Without ADB's participation, the committee's decision making was constrained because its decisions were still subject to ADB's concurrence.  project cycle stage:   Lesson Topics:    5. Although delayed, the Micro, Small, and Medium-Sized Enterprise policy paper made effective use of consultations. Several white papers preceded it, and they solicited broad feedback that produced a strong final product. In addition, the paper included a tangible strategy and action plan that gives the Department of Cottage and Small Industry a clear work program.  project cycle stage:   Lesson Topics:    6. Instead of three tranches of $2 million, a better design might have been two tranches of $3 million. Regardless of the size, securing a tranche release has certain fixed administrative costs. If the tranches are small, these costs are proportionally higher and diminish the incentives to implement the preconditions for tranche release.  project cycle stage:   Lesson Topics:    7. The project had a much broader reach than merely providing credit to Micro, Small, and Medium-Sized Enterprises (MSMEs). It invested in their capacities and enabling environment (e.g., the cost-sharing facility, a coordinated government MSME policy, the collateral registry) so that banks could provide and MSMEs could employ credit more efficiently. This broader reach is especially important in frontier markets where these supporting elements are generally less developed.  project cycle stage:   Lesson Topics:    8. There was strong continuity between ADB's earlier support to establish a credit information bureau and this project's support for a central registry. There are natural synergies between the two initiatives that increase the effectiveness and sustainability of each.  project cycle stage:   Lesson Topics: |
| 1. Adverse security issues and project start-up delays are two main factors that have adversely affected and delayed almost all previous projects in Afghanistan, except those where these issues were carefully handled in advance. Furthermore, insufficient surveys during project processing, and major changes in the technical design parameters during project implementation, can also cause serious implementation delays and significant cost overrun. The project suffered security issues until the situation was fixed with the help of additional security arrangements. This caused about 12 months of delay as the project area was prone to major terrorist attacks. It also delayed the contractor's mobilization. Further, because the area was remote and insecure, the initial project design was done through geospatial analysis, eventually resulting in a significant design change and cost increases. Follow-on projects should carefully address these factors up front during loan or grant processing. Advanced contracting must be executed to avert start-up delays. Extensive security measures should be planned and budgeted for from the start.  project cycle stage:   Lesson Topics:    2. Scrutiny of contractors and consultants before their selection is critical to the success of any project. In particular, in projects like this, which draw minimum interest because of security hazards, lack of oversight may jeopardize project implementation. Therefore, in Afghanistan, specifically in projects like this, such risks may be averted by giving more emphasis to quality and the performance record of both the consultants and the contractors, and not just the lowest price. Afghanistan is a tough place to work, and picking a company that is not equipped to deal with the harsh geography, climate, and security environment can easily result in both cost and time overruns. The project completion report mission noted that the consultant had a cordial relationship with the local communities and government, which helped in the timely resolution of several implementation issues, given the tenuous security environment.  project cycle stage:   Lesson Topics:    3. In future projects, both the government and donors should prepare realistic project schedules by carefully taking into account (a) the security situation and the time and resources required to carry out remedial actions for the safety of project teams throughout the projects; (b) actual construction period available in a year considering the altitude of the project areas and inclement weather conditions; (c) probability of rebidding due to lack of interest, competition, or exorbitant costs (beyond acceptable limits) offered by some interested bidders; (d) delays in contractor mobilization; (e) longer-than-expected time spent by government agencies in procurement matters due to their limited capacity or lengthy internal approval procedures; and (f) possible flaws in the initial designs that may require additional surveys and increase the scope of the contract.  project cycle stage:   Lesson Topics:    4. In a project of this nature, where there are serious security risks, and a potential for contractors' or consultants' suspension of works, or expected contract variations due to type of terrain, prompt decision making becomes critically important. This can be achieved through exceptional involvement of donors. ADB provided enhanced supervision both from headquarters and Afghanistan Resident Mission (AFRM). Staff were closely involved in identifying and promptly resolving issues. Any matter requiring ADB's internal approval was expedited and funds releases were processed quickly. Furthermore, AFRM's site supervision, despite security hazards, helped in precisely assessing the field issues. All these factors contributed to the timely resolution of implementation issues and the completion of this challenging project.  project cycle stage:   Lesson Topics: |
| 1. More robust due diligence is needed during project design and formulation to enable the closest possible cost estimates and to set aside enough resources to cover contingencies. This can save considerable time. The scope of the ADB-financed East-West Highway Improvement Project, approved in 2005, included two sections of the east-west highway: Gazakh-Georgian border section and Ganja bypass road, forming part of Yevlakh-Ganja section. However, during implementation, the project experienced unprecedentedly sharp increases in prices for fuel, utilities, and major road construction materials, which significant increased the cost of construction. Consequently, the scope of the East-West Highway Improvement Project was revised to exclude the Ganja bypass road. This delayed improving the Ganja bypass road, which was a muchneeded alternative to the existing highway. At cost estimation, prices of materials should be examined carefully and in relation to neighboring markets and the unit costs of similar items in previously awarded contracts. Contingencies should also consider the exceptional cost increases during implementation.    project cycle stage:     Lesson Topics:       2. Realistic estimation of project and contract duration is important. Inclement weather seriously hampered physical progress in project implementation, especially from August 2011 to February 2012. The contractor had difficulty coping with it, which significantly delayed the completion of works. A more realistic timeframe for implementing a road project should be formulated allowing for unpredictable local weather conditions and other contingencies so that resources can be deployed effectively and efficiently.    project cycle stage:     Lesson Topics:       3. The project constructed a two-lane road. Subsequent to the start of the project, the government decided to widen the road to four lanes by constructing another two-lane road alongside the project road. The widening works are scheduled for completion by December 2013. The ADB-financed two-lane road was completed in December 2012. At appraisal, project design needs to be properly formulated through much broader consultation with line ministries and other stakeholders, keeping in view future requirements and government plans so that administrative and operational issues are not encountered during the implementation and the facility can be made ready for the users in a timely way.    project cycle stage:     Lesson Topics:       4. The project experienced start-up delays, because the contractor mobilized slowly and was unable to tie up with suitable local subcontractors. The contractor was also unfamiliar with conditions in the country at the start, which caused implementation delays. The subcontractors contributed significantly, and without them it would have been difficult for the contractor to successfully complete the project. For future projects, the criteria for qualifying the contractor - and the disclosure of information on subcontractors and the contractual provisions related to contractor performance, such as mobilization, staffing, and the deployment of equipment and funds - need to be strengthened to minimize the risk of poor contractor performance. Moreover, the previous performance of the contractor in the project country should be taken into account when evaluating bids. The Ministry of Transport and Azer Road Service need to provide bidders with adequate local information at pre-bidding meetings, and to publish on its website information on the cost of locally available inputs such as materials, equipment, and labor, to enable bidders to submit sensible bids and implement the project successfully.    project cycle stage:     Lesson Topics: |
| 1. Assessment of executing agency capacity is critical when embarking on an ambitious sector-wide approach and particularly so in a large, complex primary education system like that in Bangladesh with development partners cofinancing the project. The high number of vacancies and limited capacity of the Directorate of Primary Education were acknowledged during the design phase, which should have prompted a need to consider a preparatory phase to get minimum preconditions in place before beginning the implementation. In the Second Primary Education Development Program, the first 2 years prior to the midterm review mission became by default the preparatory phase for finalizing organizational arrangements and policies.  project cycle stage:   Lesson Topics:    2. A systemic approach to reforming the primary education system is required to address the complexity, complementarity and dependency of issues and organizations in primary education. To design such an integrated approach, a comprehensive subsector analysis to guide the scoping of the program and adopting realistic targets is necessary. The baseline study conducted by Directorate of Primary Education for the midterm review mission performed this function.  project cycle stage:   Lesson Topics:    3. Balancing the combined roles of development partners, as agency staff providing oversight on behalf of the agency and as experts providing technical advice, requires constant attention and reflection to ensure that the government remains in the lead during implementation and that development partners get sufficient information to exercise oversight.  project cycle stage:   Lesson Topics:    4. The use of consultant support with an evolving design requires flexibility. Therefore, packaging all consultant support in large lots through firms is not the best option. Institutional capacity development strategies should consider twinning between Bangladeshi and international institutions to developed capacity in the Directorate of Primary Education (DPE) and other local institutions. The international institutions can continue supporting the DPE after program completion.  project cycle stage:   Lesson Topics: |
| 1. A program cluster approach with prior expected actions enveloped by a medium-term framework with flexibility built into its design is an effective approach to supporting government reforms. It promotes continuous dialogue with the government on reforms and allows for program changes to effectively and efficiently respond to new or worsening risks to the economy and shifts in government policy priorities.  project cycle stage:   Lesson Topics:    2. The breadth of the reform undertaking and linkages among policy actions across sectors called for a comprehensive approach to dialogue and support by development partners. Several development partners withdrew or reduced their development assistance to Viet Nam, in accordance with their aid practices for middle-income countries. The number of cofinanciers peaked at 11 for Poverty Reduction Support Credits (PRSCs) 6 and 7 and has fallen since, with some impact on the total level of financing under the PRSCs. Some switched their focus to more specialized policy-based operations as deeper reforms were identified in the PRSC policy dialogue. Development partners provided additional funding for budget support while providing technical assistance to the government to support the policy dialogue in highly technical and complex areas. This dialogue, in turn, helped strengthen the institutional capacity of the ministries or agencies concerned.  project cycle stage:   Lesson Topics:    3. The new series of programmatic development policy lending is taking this broad lesson into account, driven by a new Socioeconomic Development Plan report (2011-2015). Though focused on two of the four pillars of the last Poverty Reduction Support Credit series, policy coordination that reflects linkages in policy areas requires a strong analytical foundation to inform directions and specific decisions. Dedicated and adequate resources for analytical work and short-term technical assistance should enable the government and its partners to assess the potential impacts of related policy actions and help refine the proposals.  project cycle stage:   Lesson Topics:    4. The Poverty Reduction Support Credit (PRSC) series served as an effective framework for policy dialogue and interactions between the government and donors. The PRSC exercise also served as a common forum for donors to raise concerns with the government and provided the donors with broad access to a large number of ministries and agencies. The role of cofinanciers under the PRSC evolved from providers of financing to partners engaged in policy dialogue and the preparation of operations. Information flows from the government expanded as trust with the partners deepened, which reduced the transaction costs for the government ministries and agencies.  project cycle stage:   Lesson Topics:    5. In Viet Nam legislation is often comprehensive but implementation weak. Implementation required close monitoring on an annual basis and ensured continued relevance to the government's reform progress. While the Poverty Reduction Support Credit operations provided financial support for implementing the whole Socioeconomic Development Plan (SEDP), they disbursed against the upfront completion of a number of specific reform measures identified within the SEDP agenda by consultation between partners and the government, led by the World Bank. Implementation was also linked to supporting government systems, including synchronized timing to feed into the formal budget cycle. Lack of understanding of the effectiveness of policy implementation makes it difficult to link the impact of policy reforms to the SEDP indicators in the design, monitoring, and framework of this program.  project cycle stage:   Lesson Topics: |
| 1. The sequencing of multifaceted fiscal reforms is of paramount importance in achieving sustainable outcomes. Regulatory changes in the tax system are a necessary, but not sufficient condition for successful fiscal consolidation. Revenue administration also needs to be strengthened. Increases in revenues should be complemented with more politically challenging measures to enhance expenditure management; budget prioritization and resource allocation; public sector enterprise reform; debt management, and public accountability. Subsequently, encouraging private sector investment through policy actions supports economic growth, and thus fiscal consolidation, by creating opportunities for public-private partnerships and reinforcing government's regulatory function in the economy. Accompanying social programs are likewise necessary to offset the negative impact of the reforms on stakeholders.  project cycle stage:   Lesson Topics:    2. Program design of this nature should focus on the core elements of the government's fiscal reform agenda, and avoid numerous policy actions, with overarching themes, until fiscal consolidation measures generate positive results. Overly ambitious and complex conditions could lead to delays in tranche releases and program completion, undermining the achievement of fiscal outcomes. The careful configuration and sequencing of the policy actions through multiple tranches, using an appropriate time frame, provide the executing agencies with enough flexibility to meet specific targets and a gestation period.  project cycle stage:   Lesson Topics:    3. A key consideration in achieving successful program implementation and sustainability in the long run is the development of competencies in government through capacity-building and training programs. Given the large capacity-building needs of Government of Assam in areas like the modernization of public finance management and information technology systems, the sector development program modality with a project loan component, rather than a regular piggybacked technical assistance, was an appropriate choice. Without such support, the executing agency could not have implemented the policy actions on time.  project cycle stage:   Lesson Topics:    4. The active involvement of state government officials is a must for institutionalization of fiscal reforms. The commitment depends not only on the macroeconomic situation but also on the external and internal push for reform, preferably expressed in fiscal responsibility legislation, government's tenure in terms of the electoral cycle, and on the need to maintain social cohesion. Sufficient time and resources need to be devoted to cultivating dialogue and building consensus among all stakeholders in designing, formulating, and implementing long-term fiscal reforms.  project cycle stage:   Lesson Topics:    5. Building institutional memory strengthens the success of the implementation. Programs of this nature could not deliver the desired outcomes unless the program directorate achieves continuity of staff over the implementation period.  project cycle stage:   Lesson Topics: |
| 1. The consultant's undertaking preparatory work for phases 1 and 2 were not the same as the construction supervision consultant's for all three phases who were also responsible for preparing Phase 3 subprojects. The construction supervision consultant's thus did not have any responsibility for the design of subprojects under phases 1 and 2. This became an issue after the consultant's that had done the preparatory work for phases 1 and 2 had completed their contract and left Viet Nam. Changed site conditions made it impossible for the contractors to follow the approved design, and so delays occurred. To ensure continuity, only one consultant both for supervision and design should have been selected.  project cycle stage:   Lesson Topics:    2. It was noted at appraisal: ï¿½preparation of documentation and commencement of civil works for phases 2 and 3 will follow sequentially as individual tasks are completed under Phase 1.ï¿½ This meant that delays and changes in some subprojects in phases 1 and 2, led to delays in subsequent Phase 3 subprojects. In future, this kind of conditionality should be avoided to prevent delays in implementation.  project cycle stage:   Lesson Topics:    3. In Phase 3, a total of three provinces were delegated full authority to implement subprojects in their provinces. This delegation included negotiations and signing of civil works contracts, approval of variation orders, changes to technical design, and approval of payments to the contractors. The time spent in solving changes in technical design and deciding on variations was significantly reduced, much to the benefit of the project. There was a feeling of local ownership to the subprojects in the delegated provinces. Delegated authority implied increased responsibility, which effectively put pressure on the provincial project management units to solve issues fast that otherwise could hamper the progress and/or negatively affect the quality of the subprojects. Delegation to more provinces could have improved the implementation of the project and avoided some delays. ADB should consider more delegation in future similar projects if provinces have sufficient capacity to handle ADB procedures.  project cycle stage:   Lesson Topics: |
| 1. When policies and views diverge, constructive dialogue is often more rewarding than confrontation. When Decree 115 was promulgated by the government, it directly impacted the loan agreement. While the ADB project team could have invoked the agreement and demanded that either the decree be withdrawn or the project suspended, it chose to conduct constructive dialogue, resulting in a workable compromise. This allowed the physical completion of the project works with its associated benefits.  project cycle stage:   Lesson Topics:    2. Participation in key decisions can have a major impact on the ownership of policies and institutional changes. Once proposed changes to the irrigation management companies and water user groups (WUGs) had been revised to take stakeholder views into account, they were enthusiastically taken up by government agencies, local administrations, and the intended beneficiaries themselves. The degree of ownership for the revamped institutions was tangible during field visits and interviews. This type of enthusiasm can only come from a participatory approach and a willingness to take into account all points of view as well as the actual field conditions. If an attempt had been made to push through the original revisions of the WUGs, results would have been far less promising.  project cycle stage:   Lesson Topics:    3. One of the project's major technical problems was the appearance of cracks in the Khe Ngang reservoir dam. This serious issue could have jeopardized a significant part of the project and could also have had further safety repercussions. The problem was resolved when the Ministry of Agriculture and Rural Development, with ADB assistance, mobilized a senior engineering team to inspect the dam and come up with an acceptable and viable technical resolution. This positive and cooperative reaction by ADB allowed the works to be successfully completed with only a slight delay in the implementation schedule.  project cycle stage:   Lesson Topics:    4. Critical decisions on project investments must be informed, careful, and judicious. At the time of the mid-term review mission in May 2009, contract awards were 8% of the total loan amount and disbursements were 5%. On the basis of such apparent poor performance it would have been possible to cancel the loan and shut down the project at that time. However, a full analysis by the review mission indicated that delays had been caused more by procedural problems than deficiencies in the capacity of the executing agency and that implementation was at the point of finally taking off. The adoption of a comprehensive analysis of the problems facing the project and the decision to continue with implementation allowed the project to be successfully completed.  project cycle stage:   Lesson Topics: |
| 1. Although the project cost estimate was made in 2002, procurement for the civil works was during 2008-2009. Due to price escalation, the bid prices received were much higher than originally estimated. Eventually, the implementing agency reduced the project scope so as to fit the project costs within the original cost allocation. In the future, it would be beneficial to shorten the time between detailed design and procurement and to use advance procurement to minimize start-up delays. Price escalation should also be factored into the project cost estimate.  project cycle stage:   Lesson Topics:    2. There were initial start-up delays due to re-advertising of the institutional development and capacity building component and rebidding of the infrastructure investment component (IIC). The latter impacted the implementation schedule most and resulted in a one-year delay in completing the IIC. This also necessitated extending the loan by one year to December 2010. In the future, it would be beneficial to undertake more robust feasibility studies.  project cycle stage:   Lesson Topics:    3. Due to frequent restructuring within the government agencies, the PIU team was unstable throughout implementation. For future projects, permanent technical staff within the project implementation unit (PIU) team should be retained as much as possible to ensure continuity of key knowledge and information throughout the project. To further mitigate this situation, future projects could include strong procurement and project management support to the PIU to ensure smooth project implementation.  project cycle stage:   Lesson Topics: |
| 1. The project was designed to target vulnerable groups, including the poor, women and children, and ethnic minorities. It mainly targeted poor provinces in border areas, including 7 provinces out of 20 with a predominantly ethnic minority population. The project interventions benefited poor women and children, who are more at risk of communicable diseases. However, based on ADB's results framework criteria, the project is rated unsatisfactory for gender equity. It only partially complied with gender and ethnic minority covenants. While the executing agencies were responsive to prioritizing the needs of women and ethnic groups, these groups were not specifically targeted in outbreak control. Disaggregated indicators could not be provided. Engagement of consulting services also takes time in government systems, and came too late to help integrate gender and ethnic concerns in project activities. The feasibility of indicators and monitoring targets, and the capacity of the executing agencies should be taken into consideration when preparing the project.  project cycle stage:   Lesson Topics:    2. The ministries have a strong tradition of top-down training programs to be implemented by the provinces, often in an ad hoc manner. Provincial capacity to plan and coordinate training activities is insufficient. Provinces also lack core capacities in teaching methodology and in monitoring staff performance.  project cycle stage:   Lesson Topics:    3. Participation in regional dialogues and other knowledge management activities has, through learning and sharing, made national and provincial communicable diseases control leaders more competent, cooperative, and competitive. However, participation in internet-based learning and sharing is still at a nascent stage.  project cycle stage:   Lesson Topics:    4. Carrying out project administration through existing structures helped speed up project implementation. Delegation of project activities to concerned departments and provinces facilitated implementation. Inclusion of project activities in national and provincial annual operational plans provided better integration of health services and funding.  project cycle stage:   Lesson Topics:    5. Financial management requires further improvement through training of provincial staff, timely approvals of annual operational plans, and timely liquidation of advances.  project cycle stage:   Lesson Topics: |
| 1. Evaluation of the two nongovernment organization-implemented voluntary counseling and testing services demonstrated that population mapping, coordination between government agencies and the recruitment of suitable peers improved service targeting (particularly vulnerable populations). Setting optimistic testing targets that encouraged broad-brush recruitment of clients adversely affected testing results.  project cycle stage:   Lesson Topics:    2. Projects should be responsive to change; as the media environment altered, the project design should have been adjusted.  project cycle stage:   Lesson Topics:    3. Behavioral change communication, whether through mass media or interpersonal communication, is complex and specialized, and requires specialized expertise; a chief technical adviser should be provided throughout project implementation.  project cycle stage:   Lesson Topics:    4. Low cost norms made it difficult to attract competent, full-time staff for the central project management unit, resulting in project delays. There is a need to ensure proper staffing of the central project management unit.  project cycle stage:   Lesson Topics:    5. Project delays were mostly caused by lengthy administrative processes resulting from complex ADB and government procedures.  project cycle stage:   Lesson Topics:    6. Project monitoring was not systematic. An indicator list was prepared during the project's early stages, but the indicators were not adjusted and routinely reported as a result of weak monitoring capacity.  project cycle stage:   Lesson Topics:    7. A lack of exit planning resulted in no proper plan for continuation of activities and future use of information, education, and communication materials, including websites, interpersonal communication and training materials.  project cycle stage:   Lesson Topics: |
| 1. Careful poverty analysis, a proper demand and supply analysis for housing, better selection criteria, as well as more pro-poor loan procedures and flexibility in the loan size, term, and use would have enhanced the inclusiveness and beneficial impacts of the project. Given the targeted low-income segment and limited institutional capacity, such projects should not be overly complex in design and difficult to implement. Having a variable interest rate on the loan did not help. Fixed interest rates are more appropriate and preferred by low-income and poor borrowers. The spread levied by some of the participating financial institutions (PFIs) over their borrowing rate from the State Bank of Viet Nam (Housing Finance Facility) was high. The project's capacity building component provided for development of hedging instruments to enable PFIs to offer fixed-rate housing subloans. Hedging is practically nonexistent in Viet Nam. Further, given the weak institutional capacity, consulting support should be properly phased out over the implementation period of the project. Because consulting support ceased in 2006, component C was not fully utilized. More flexible instruments and such product design innovations as graduated-payment mortgages, flexible repayment arrangements, and multipurpose loans might be considered to suit such type of borrowers. In parallel, encouraging financial discipline among low-income borrowers is also important.  project cycle stage:   Lesson Topics:    2. There are perceptions among some government agencies in Viet Nam that the interest rate should be much lower than market rates and be subsidized. Rather than focusing solely on the financing side, the complex issue of housing for the urban poor also needs to be looked at from the viewpoint of supply side constraints and the willingness of lenders to consider this an appropriate business line. Targeted subsidies that are separate from financing also need to be considered. Again, access to credit is more important than is providing interest rate subsidies. In every part of the developed and developing world, housing for low-income and poor people includes subsidies in some form as part of national social policy. Such schemes together with interest rate subsidies are plausible so long as the lending institutions continue to receive subsidies from the government.  project cycle stage:   Lesson Topics: |
| 1. Effective service delivery (of mobilization, training, credit support, technical services, and intensive monitoring) to a large number of rural poor spread over a wide geographical area is possible by establishing workable partnerships between partner nongovernment organizations and the government's service department.  project cycle stage:   Lesson Topics:    2. Livestock enterprises can be potential sources of an increase in income for the rural poor because of high demand for livestock products, the potential for high returns, and due to easy access of rural poor to livestock inputs and production techniques.  project cycle stage:   Lesson Topics:    3. The Department of Livestock Services field offices are able to provide improved technical services, e.g., artificial insemination, vaccination, de-worming, and treatment services for the sick animals to project beneficiaries through establishing effective coordination mechanisms and by ensuring capacity enhancement support.  project cycle stage:   Lesson Topics:    4. Selecting community extension worker from the local community, teaching them technical skills, supplying starter kits to them, and deploying them in the community worked well for service delivery and for establishing linkages amongst project beneficiaries and between the Department of Livestock Services field offices and non-government organizations.  project cycle stage:   Lesson Topics: |
| 1. To increase ownership and longterm commitment to goals, it is important that program support be embedded in a government strategy. Extensive preparation was made for the Rural Finance Sector Development Program in terms of market assessment and dialogue with government. The program was successful due to the close alignment of government and program objectives.  project cycle stage:   Lesson Topics:    2. Considering the extensive nature of program preparation related to client demand, the monitoring and evaluation of the program should have included a periodic assessment of client satisfaction or interim impact of the program objectives on clients. The customer satisfaction survey conducted as part of the project completion report review indicated that clients have appreciated an improvement in access to finance and in services provided, but that there are some serious consumer protection issues that need to be addressed.  project cycle stage:   Lesson Topics:    3. The reason why the program was not rated highly successful is because, despite the fact that the overall objectives were achieved (as defined in the design and monitoring framework), the linkage of the program to ultimately reducing poverty is weak. There was no substantial increase in access to formal financial services to rural, low-income clients.  project cycle stage:   Lesson Topics:    4. If success is likely at the midpoint of a technical assistance (TA), planning for follow-on support should then be undertaken. The outcome of the program could have been stronger with follow-on TA, particularly in the case of the Catalyzing Microfinance for the Poor TA. Feedback from a range of microfinance providers and stakeholders confirmed the need for follow-on support.  project cycle stage:   Lesson Topics:    5. Appropriate design of procurement proposal is important. The criteria for selection of an information and communications technology and management information system consulting firm was overly ambitious. Delays in implementation could have been avoided with more reasonable criteria.  project cycle stage:   Lesson Topics:    6. Translating training into institutionalized practice. Despite intensive onsite technical assistance, the Agriculture Promotion Bank management placed inadequate focus on the development of its human resources and capacity building, which were needed to ensure long-term sustainability. A number of staff training programs designed by the consultants experienced delays. Implementation of recommended action steps (such as the monthly monitoring meetings suggested for the branches) were not given sufficient importance.  project cycle stage:   Lesson Topics: |
| 1. Performance targets and indicators for impact, outcome, and outputs should be realistic and measurable through local efforts, particularly when a target or an indicator has a global perspective. Baseline indicators and targets for project performance, including environmental management, should be developed during project preparation.    project cycle stage:     Lesson Topics:       2. Monitoring methods and frequencies need to be defined and agreed upon by the government and ADB at the beginning of a project, and followed during implementation by the executing or implementing agencies, to ensure the reliability and replicability of the monitoring data and the effectiveness of the project completion evaluation.    project cycle stage:     Lesson Topics:       3. To protect and restore wetlands, strong political support, including funding for nature reserves, is important. To disseminate lessons learned more widely and to help high-level decision making, executing agencies must publish policy briefs.    project cycle stage:     Lesson Topics:       4. The most successful elements of the project were those that had been discussed with the relevant authorities at an early stage so that plans developed under the project could feed into government plans. This provided a lasting and replicable impact from the project. Examples are the work with the water authorities on water allocation for the nature reserves, and the work with the tourism authorities on ecotourism development.    project cycle stage:     Lesson Topics:       5. The steering committee established under the project effectively acted as an inter-agency working committee, with authorization from and representation across various sectors such as land, water, fisheries, and agriculture to coordinate wetland protection efforts. To ensure coordination on inter-sector activities in future projects, such a committee or similar agency should be established before project start-up.    project cycle stage:     Lesson Topics:       6. The consulting services for project implementation designed during project preparation did not meet the needs during implementation. This usually happens because needs change over time. To avoid having to undertake contract variations to correct this balance, an approach used in European Union contracts would have allowed greater flexibility; bidders for consulting services are typically evaluated on a small number of long-term key experts; while short-term expertise is not defined in the bidding but decided upon during implementation based on agreed work plans and government demands.    project cycle stage:     Lesson Topics: |
| 1. The recruitment of consultants by executing agencies remains time-consuming. This problem is not specific to the project, but common in all ADB-financed projects in Viet Nam. Delays in consultant recruitment result in delays in implementing the entire project. In the future, advance actions and project readiness filters should be applied to minimize start-up delays.  project cycle stage:   Lesson Topics:    2. The procurement capacity of the executing and implementing agencies, as well as the context of the project, needs to be considered when determining procurement methods. Their procurement capacity needs to be developed in order for them to implement procurement methods and accurately follow procedures and guidelines. Tracking of project implementation becomes difficult if procurement documentation does not follow requirements.  project cycle stage:   Lesson Topics:    3. The design of capacity building activities needs to be better structured with a model defining how knowledge and skills will be transferred and including pre- and post-training assessments to measure impact. Without a structure, capacity building activities are reduced to the number of persons trained.  project cycle stage:   Lesson Topics: |
| 1. There was some concern that the feasibility study report prepared by Ministry of Education and Training (MOET), which was the official appraisal document on the government side, was not sufficiently consistent with the report and recommendation of the President. Considerable discrepancies between the two key documents, due to limited communication between MOET and the project preparatory technical assistance (TA) consultants, were observed. As government agencies, including the state treasury, preferred to use the feasibility study report in reviewing and processing documents submitted by the national project implementation unit, the inconsistencies often hindered timely implementation. TA consultants should be formally required to work out issues with the government before submitting any report to avoid such discrepancies.  project cycle stage:   Lesson Topics:    2. The project could have avoided some implementation difficulties had the project manager been appointed earlier and assisted with the design of project details. Compared with the size of the project, the consultant services package was too small. The national project implementation unit (NPIU) had to take on too much of the work. While this helped in its Capacity Development, the NPIU was observed at times to have difficulty finding technically qualified staff to implement project activities that were not fully supported by the loan implementation consultants because of their limited contracts. This problem was pointed out to the government and the latter has agreed to a larger consulting service input for recently approved loan projects to ensure their timely and high-quality implementation. The NPIU must also be structured better so that suitably qualified staff are identified and appointed earlier in the process and the timing of external consulting support is better matched with project timelines.  project cycle stage:   Lesson Topics:    3. Positive outcomes in terms of cost and quality were associated with using market prices in cost estimates for civil works and involving local communities in the management of works. This fact was appreciated by the government, which valued ADB's flexibility in this aspect of the project's operation. Escalation of civil works costs has been a major delaying factor in numerous ADB-funded projects in Viet Nam. In this project, however, Ministry of Education and Training and ADB had agreed from the start to use market prices in the cost estimates for construction contracts, so the national project implementation unit never encountered any unexpected overrun in civil works costs.  project cycle stage:   Lesson Topics: |
| 1. Compliance with environmental requirements associated with ADB assistance can be improved through (i) systematic, ongoing efforts to develop awareness, and periodic capacity enhancement of project staff regarding ADB's environmental policy, procedures, and requirements; (ii) ensuring timely mobilization and the ongoing participation of environmental experts with the executing agency, consultants, and contractors, beginning during preparation and continuing until loan closure (as appropriate); (iii) systematic supervision, monitoring, data mapping and reporting mechanisms on implementation of environmental safeguards; and (iv) periodic reviews by environment experts associated with the loan to enable timely corrective actions to be taken as needed.  project cycle stage:   Lesson Topics:    2. Compliance with social safeguards requirements associated with ADB assistance can be improved through (i) advance capacity development of project staff regarding ADB social safeguards policies, procedures, and requirements; (ii) deployment of resettlement experts by the executing agency and consultants throughout the loan period, as appropriate; (iii) engagement of an experienced non-government office to assist with implementation of resettlement activities; (iv) timely supervision, monitoring, evaluation and reporting on implementation of resettlement plans; (v) periodic social safeguards reviews by ADB experts, with corrective actions undertaken, as required; (vi) addressing issues related to temporary impacts from the use of private land for stringing transmission lines and erecting towers, which are perceived by affected persons to be causing permanent impacts in terms of restriction in access to the affected land portion for cultivation, and devaluation of the land and assets under the corridor of impact; and (vii) ensuring disbursement to affected persons of compensation for damage to crops and trees prior to commencing civil works related to stringing of transmission lines.  project cycle stage:   Lesson Topics:    3. Implementation of infrastructure projects, even in large regions such as Madhya Pradesh, can be successful given (i) proper planning; (ii) effective project monitoring mechanisms; and (iii) the application of skilled, motivated and well-trained personnel. The knowledge and insights gained by Madhya Pradesh Power Transmission Company Limited in this regard can be disseminated to other executing agencies through appropriate forums. The advance procurement actions greatly helped in timely project execution, and should be adopted for future projects. The partnership that was developed with stakeholders (particularly contractors) enabled complex technological and economic issues to be addressed in an exemplary manner, and the approach could be employed in other ADB projects in India. Good project management practices have been followed through sequencing of activities and structuring of work, and efficiency gains have resulted from adoption of enhanced construction management practices that use a formal project management methodology based on global standards.  project cycle stage:   Lesson Topics: |
| 1. The project implementation was marked by substantial cost overruns. The detailed design put the cost for civil works about 35% higher than that estimated at appraisal. During implementation, the actual cost rose by about another 15%, including 6.7% for extra works and 8.2% for price escalation in construction materials. Such cost overrun caused three feeder roads packages to be removed from the project scope. In future, similar projects, this experience should be duly taken into account when estimating project costs as well as schedules. Additional costs and time were required due to unexpected amounts of rock needing to be excavated. This would have been difficult to detect in the design stage and could be found only during implementation. Therefore, it is recommended that sufficient contingencies be provided for similar projects.  project cycle stage:   Lesson Topics:    2. Implementation delays were mainly caused by slow and repeated procurements. Although, the project management office was retained from the previous ADB-funded project, most of its staff were newly recruited and not experienced with ADB Procurement Guidelines. For future projects, it is desirable to retain staff with ADB project implementation experience. Furthermore, adequate training on project management and implementation should be provided to relevant staff. In order to expose as many staff members as possible and provide repeated learning opportunities, on-site training by the consultants should be considered at an appropriate time during the implementation phase. Training design and resource should be appropriately incorporated and allocated during project design. The capacity of the executing agency to implement the road asset management system, including the data gathering, in particular, could have been better assessed at appraisal.  project cycle stage:   Lesson Topics:    3. The local competitive bidding adopted in the project provided an opportunity for domestic firms to learn international best practice under the supervision of an international consulting firm. Domestic contractors had weak capacity in management, technical staff, fund availability, and equipment, thus causing delays in project implementation.  project cycle stage:   Lesson Topics: |
| 1. ADB's Financial Sector Operational Plan supports the market-based pricing approach and stipulates that projects involving credit lines need to be designed to strengthen the capacity of financial institutions intermediating the credits and such a project should comply with the Operations Manual (D6) to avoid undermining the commercial incentive for the participating financial institutions to competitively mobilize finances and distorting the credit and interbank market. As such, it is the norm to adopt the average weighted deposit rate (AWDR) as a local anchor for determining subloan interest rates for ADB financial intermediary loans. Adopting the AWDR is considered generally consistent with best practices. However, adopting a local interest rate anchor is not widely practiced by other development partners, which in many cases adopt fixed interest rates, often lower than prevailing market rates. There may be a need to promote a standard local anchor for interest rates, as it will bring assistance from development partners into conformity with the local environment and avoid market distortions. Project formulation missions need to be mindful of consistency with other projects with financial intermediary loans. If a significant discrepancy in the interest rate exists with projects funded by other development partners, there will likely be implications for disbursement.    2. Small and medium enterprises (SMEs) generally suffer capacity constraints and lack skills in business development, marketing, planning, human resource management, and other business skills, which makes them less bankable. Had it been done, the capacity development technical assistance would have provided necessary skills training and improved the capacity of borrowing SMEs. Sri Lanka's Credit Information Bureau also covers SMEs. Participating commercial bank (PCBs) reported that they accessed the bureau's credit information report to appraise the SME subloans to be financed under the project. Despite the existence of fairly adequate institutions for SME risk assessment, PCBs emphasized the need for stronger support institutions, including training institutions for SMEs, and reliable funding sources for SMEs.    3. Delay in ADB's internal business processes, including the disbursement of withdrawal applications, often frustrates smooth implementation progress. Timely disbursement is critical, especially for financial intermediation loans, because financial institutions set the subloan interest rate based on the relending rate from the government and approve subloans to final borrowers only after they receive refinance from the government. Project administration requires closer attention to efficient and timely disbursement and other internal business processes. |
| 1. Project design should include detailed implementation plans for the first year. If project implementation is not carefully planned, delays are inevitable. Simply listing outputs and fixing a timetable does not constitute effective planning, as illustrated by substantial delays of the training activities in this project.  project cycle stage:   Lesson Topics:    2. Consider carefully the implications of any major reallocation of project resources. When there are substantial unit-cost increases in a particular cost category (e.g., equipment or civil works), consider the project's overall objectives and priorities carefully before deciding to reallocate funds from other inputs. The alternative of reducing the quantities of those inputs having inflated costs will usually be an option.  project cycle stage:   Lesson Topics:    3. A health equity fund (HEF) is mainly funded through donor support and should have a larger government contribution to ensure ownership and commitment. Launch of comprehensive social health protection mechanisms such as HEF should be accompanied by an independent evaluation to assess cost-effectiveness, financial sustainability, and appropriate mechanisms to expand nationwide. Comprehensive communication interventions would have been beneficial to ensure a common understanding about beneficiaries' entitlements and providers' obligations.  project cycle stage:   Lesson Topics:    4. Despite the financial implications, health equity fund administration should have been continued by a third party to not unnecessarily burden the limited administrative and financial management capacities of the provincial health offices. Identifying mechanisms to enhance transparency would have increased the funds' efficiency.  project cycle stage:   Lesson Topics:    5. There was no verification undertaken as to whether the target mechanism used was appropriate to reach all eligible beneficiaries, nor was there an explicit targeting system to support ethnic groups. The targeting mechanism of health equity fund (HEF) should have been evaluated prior to scaling up the scheme. Careful consideration should be given also to adding a post-identification procedure to avoid denying HEF benefits to the poor who for some reason are not on the Ministry of PIanning and Investment lists.  project cycle stage:   Lesson Topics:    6. Data were regularly collected through the monitoring system. Nevertheless, data quality at entry remains poor and incomplete because it is not complemented by data from national routine reporting systems. Provinces and districts would benefit from capacity building on monitoring and evaluation to be able to use project data for results-based management. It is particularly important to monitor implementation of recommendations made during a midterm review and to evaluate and report on training outcomes.  project cycle stage:   Lesson Topics: |
| 1. Strengthen institutional capacity for adaptive and cost-effective design and implementation of riverbank erosion and management. The Bangladesh Water Development Board's (BWDB) institutional capacity has been strengthened for implementing cost-effective riverbank erosion mitigation. To this end, Guidelines for Riverbank Protection were developed under the project and approved by BWDB's management. This is treated as a knowledge product of ADB. The lesson from this has also been replicated regionally in a similar project funded by ADB in Assam, India.  project cycle stage:   Lesson Topics:    2. Improve disaster preparedness and risk management against flood hazards induced by riverbank erosion. A riverbank erosion prediction model was developed under the project, and is still in use by Bangladesh Water Development Board. Dissemination of information on predicted bank erosion from the model requires improvement.  project cycle stage:   Lesson Topics:    3. Strengthen community-based irrigation and water resources management through water management associations. ISC collection and timely operation and maintenance (O&M) activities require improvement, through motivational drive to pay irrigation service charge and improved O&M planning and timely allocation of funds.  project cycle stage:   Lesson Topics: |
| 1. Delivery of skills training through the private sector is a viable approach to skills development in Nepal. The success of public-private partnerships will depend on appropriate implementation design, including a competitive bidding process to select the most experienced and qualified training institutions; mandatory skills testing and job placement requirements to ensure minimum quality of training; performance-based contracts to motivate the training providers to place trainees in jobs; capacity building of the technical training providers to carry out pre-training, training, and post-training activities; and close follow-up monitoring of the training providers.  project cycle stage:   Lesson Topics:    2. Affirmative action policies could expand opportunities for skills development to members of marginalized groups. Without explicit targets for the disadvantaged groups, not as many trainees from the groups would have benefitted from skills training. However, the targets should not be uniform across all training areas but should vary according to type of trade, location of training, and density of marginalized groups in the area.  project cycle stage:   Lesson Topics:    3. Project implementation arrangements should be carefully assessed and necessary provisions made for effective project management. There should be strong ownership of and commitment to the project by all parties responsible for project implementation.  project cycle stage:   Lesson Topics:    4. In order to avoid major initial delays in project implementation, procurement planning must be effective, and packaging of contracts needs to be carefully thought out. Project implementation should also have a provision for supporting government officials with management consultants. Advanced actions including retroactive financing provisions should be investigated during the project design and used in establishing the project office, training packages and management support consultant.  project cycle stage:   Lesson Topics: |
| 1. The recruitment of consultants by executing agencies remains time-consuming. This problem is not specific to the project, but common in all ADB-financed projects in Viet Nam. Delays in consultant recruitment result in delays of the entire associated project. In the future, advance actions and project readiness filters should be applied to minimize start-up delays.  project cycle stage:   Lesson Topics:    2. The loan covenants required compliance with most financial covenants within a certain number of months from the loan effectiveness date. It would be better to link the achievement of such covenants to the delivery date of project assets instead of the loan effectiveness date.  project cycle stage:   Lesson Topics:    3. Sanitation coverage indicators should be simplified by using nominal targets rather than ratios. Monitoring of coverage ratios requires that two independent parameters - physical outputs and population growth - be known. This is complicated by the continuing growth of the service areas under the control of the concerned utilities.  project cycle stage:   Lesson Topics:    4. The project provided sufficient resources to implement gender-focused design features. The provision of adequate resources is critical to both successful design and effective implementation of the gender action plan. The project was an excellent example of how attention to gender equality through a comprehensive and well-targeted gender action plan can lead to practical and strategic gender equality results.  project cycle stage:   Lesson Topics:    5. The calculation of the economic and financial internal rates of return at appraisal should be made in a manner that facilitates their re-evaluation at project completion.  project cycle stage:   Lesson Topics: |
| 1. The project experienced substantial implementation delays of about 54 months. Protracted recruitment of detailed design and construction supervision consultants, delayed procurement of the major civil works contracts, delayed land acquisition and resettlement, and most importantly, underperformance by a major civil works contractor compounded the delays. Delays in procurement of the civil works contracts were mostly due to government delays in procedures and decision making related to procurement, land acquisition, and resettlement. The Roads and Highways Department's capacity to plan and monitor resettlement activities must be enhanced, with ADB's assistance. In the absence of any advance action prescribed by the project, recruitment of the detailed engineering and construction supervision consultants was inordinately delayed (by 23 months). This adversely affected the preparation of detailed engineering design and final selection of the road alignment, delaying land acquisition and awarding of civil works contracts. ADB highlighted this issue, through its country programming review missions, and has since included, in most ADB-assisted projects, provisions for advance action for selection of consultants, and preparatory works for land acquisition and resettlement.  project cycle stage:   Lesson Topics:    2. A contractor's ability and commitment to deploy resources for civil works in good time is key to overall performance. While ADB's standard prequalification and bidding documents are devised to ascertain the bidders' technical and financial capabilities, further clarification is sometimes required to support the information provided by the bidders. The bidding process therefore needs further streamlining, particularly through ensuring that sufficient clarification is obtained by the executing agency, to verify the bidders' capacity to comply with qualifying criteria on financial resources, equipment, and personnel.  project cycle stage:   Lesson Topics: |
| 1. The program framework has proven successful in enabling the use of a flexible medium term framework that promotes ownership by the government, as was evident in the Development Policy Support Program (DPSP) series. In addition, the medium-term framework allows changing government priorities to be successfully incorporated, as occurred under DPSP-6. The medium-term framework also promotes a continuous dialogue with the government on reform, thereby contributing to government ownership and allowing a program to efficiently respond to new or increased economic risks and shifts in government policy priorities. The continuing policy dialogue also allowed ADB to effectively respond and exit the DPSP series in a timely manner at the conclusion of DPSP-6.  project cycle stage:   Lesson Topics:    2. Numerical targets such as gross domestic product growth rate and poverty incidence should be used with caution, as a global financial crisis can adversely and unexpectedly affect achievement of these targets, as was the case under Development Policy Support Program - 6.  project cycle stage:   Lesson Topics:    3. There may be merit in carefully reviewing donor coordination mechanisms to determine if there are more effective ways to coordinate structural and sector programs. If alternative approaches to achieving the same high level of coordination could be formulated, such techniques may allow more resources to be dedicated to each donor's programs and thereby increase the likelihood they will succeed.  project cycle stage:   Lesson Topics: |
| 1. There is a need for sustained engagement in social protection. The enduring relevance of the Social Sectors Support Program, which has continued after the financial crisis, underlines the importance of the key objective of ADB's Social Protection Strategy to build social protection systems in non-crisis years and its emphasis that such a system should not be based on a oneoff response to a crisis. Sustained engagement in policy dialogue in non-crisis years is critical to building demand for social protection beyond the crisis response. This engagement sustains political support in non-crisis years, especially when it is part of ADB's inclusive growth agenda.  project cycle stage:   Lesson Topics:    2. By underpinning some of the most important policy issues in the social sector, the Social Sectors Support Program (SSSP) maintained ADB's position at the center of social sector policy reform in Mongolia. Further modernization of the social protection system, including wider and better use of targeting, will require continuous external technical and capacity development support to strengthen institutions and human resources. The SSSP also created the scope to (i) jump-start ADB's partnership with the new government elected in July 2012 by expanding on the SSSP policy reform measures, (ii) build on ADB's long track record in the social sector, and (iii) sustain the strong collaborative links with development partners that the SSSP reinforced.  project cycle stage:   Lesson Topics:    3. Even in the context of a crisis situation, the 20 months allowed at appraisal for the Social Sectors Support Program's (SSSP) implementation was inadequate, particularly for achieving the technically and politically challenging goals of social welfare targeting and consolidation. A reform process in this area tends to be protracted and highly contentious - a fact that was established by the Social Security Sector Development Program (2002-2009) and reconfirmed by the SSSP. An enormous amount of time and resources were needed to establish the proxy means test and the intersector database, especially in an environment where resistance to reforms and reluctance to shift from categorical targeting were strong. When designing future programs to reform social protection in Mongolia, ADB will need to conduct a deeper analysis of the potential obstacles and consider making implementation periods longer to adjust to them.  project cycle stage:   Lesson Topics:    4. The technical assistance (TA) attached to the program proved to be crucial to achieving the policy reforms. The TA inputs ensured the technical quality and overall sustainability of the policy measures and contributed significantly to the success of the program. The experience points to the need to back up program loans with strong technical assistance.  project cycle stage:   Lesson Topics: |
| Project implementation, monitoring, and supervision were logistically difficult and costly due to scattered subproject sites (both districts and village). Clustering the project area based on geographic contiguity and similarity should be considered when selecting project sites in order to improve the efficiency of implementation, monitoring, and supervision.  Community mobilization should be conducted prior to water user and sanitation committee (WUSC) formation so beneficiaries will be fully aware and their participation effective. While nongovernment organizations (NGOs) were effective in community mobilization and raising awareness, their technical capacity was comparatively weak. Therefore, project formulation should include capacity assessment of all stakeholders.  Simple technology and small systems are more sustainable, as operation and maintenance (O&M) responsibility for rural water supply is assigned to the community and VMWs are able to maintain these systems with limited technical skills.  The project confirms that mandatory 50% participation of women and representation of caste and ethnic minorities in user-committee and executive positions that are proportionate to their populations will ensure their equal access to project benefits. Women's social empowerment can be achieved through social mobilization and capacity building in the process  Covenants should be realistic and achievable to ensure sufficient control and quality of project implementation.  A procurement plan needs to be prepared and agreed with the government during project design in order to define procurement requirements, create a sound financial justification for procuring these, and schedule those tasks by allocating time frames and resources.  Retroactive financing and advance procurement action are needed to avoid start-up delays. |
| The following lessons were learned through the project: (i) close coordination and cooperation among the district governments, the Indonesian Navy, the maritime police, Ministry of Marine Affairs and Fisheries (MMAF), District Fisheries and Marine Affairs Services, and fishing communities is crucially important during the early period of project implementation to ensure their continuous support in monitoring, control, and surveillance (MCS) activities; (ii) the integration of the district coral reef management plans (CRMPs) into the district development plans and the Mid-term Regional Development Plan with budgetary allotments is a constructive way to engage district governments in maintaining coral reef management sustainability and providing continuous financial support; (iii) obtaining the full support and cooperation of the regional legislators and local officials is necessary to fast-track the legislative approval process and budget support; (iv) multi-stakeholder involvement is critical to successful implementation and sustainability of coral reef programs; (v) the links between a bottom-up and top-down approach are key in formulating policy and providing a better foundation for law enforcement; (vi) the preparation of sound project feasibility studies requires a wide range of specific skills (e.g., in market and financial analysis) that need to be developed within the cadre of extension workers, project implementing units (PIUs), and nongovernment organization (NGO) staff. Extension workers should not only have a technical background in fisheries, but must also have business management skills. A well-prepared project feasibility study increases the likelihood of success of a livelihood project; (vii) human resource capability and the institutional strength of local governments should be considered before expensive hardware is provided; (viii) empowered communities with a high level of awareness are effective in reducing destructive fishing practices; and (ix) gender mainstreaming, particularly in the implementation of livelihood projects, is an effective strategy for empowering women. |
| Have a dedicated lead institution. The dedicated federal (Earthquake Reconstruction and Rehabilitation Authority or ERRA) and provincial reconstruction authorities led the overall coordination and monitoring, and facilitated procedures, policies, and strategies for reconstruction. This arrangement allowed efficient and transparent reconstruction, and established the government's commitment to and credibility in mobilizing resources. This experience demonstrated that disaster response and recovery can be improved by having dedicated lead institutions with the required additional capacities.  Clarify roles and respect existing mandates. Initial delays in implementation of the project were caused by confusion about the roles of new and existing institutions. Any large- scale reconstruction operation requires clear delineation of the mandates of levels of government, to provide the structure and clarity required for all stakeholders to work with maximum efficiency. To the extent possible, the provincial and regional governments and federal agencies should be provided with capacity to perform their mandated roles. This approach may cause initial delays in response to major disasters but builds ownership and sustained capacity to manage completed infrastructure and responses to future disasters.  Articulate policies, strategy, and standards early. The local populations and nongovernment organizations (NGOs) started reconstruction work well before provincial and federal governments started articulating their responses. Expectations rose, and some facilities, especially in health, were built by bilateral donors to standards that were much higher than the capacity of the line agencies to maintain them. This resulted in inconsistencies, violations of policies and standards developed for reconstruction work, and unsustainable operation of completed facilities. The government should ensure that the reconstruction policies and standards are within the capacity of the sector institutions to sustain and are delivered as soon as possible to avoid inconsistencies.  Enhance transparency for effective oversight. The government-established ERRA Council, headed by the prime minister, consists of independent and reputable individuals from civil society in the affected regions. The council followed the reconstruction process and reviewed and reported regularly to the general public on its progress and outcomes, developing a sense of ownership. Independent oversight, involving representatives of civil society disseminating information to key constituents, promoted transparency and enhanced the credibility of the host government.  Institutionalize ï¿½fast-trackingï¿½ and flexibility. The technical assistance (TA) attached to the project allowed flexible responses to diverse capacity gaps, and fast-tracked procurement and disbursement, and the implementation of the safeguards policy. The flexibilities allowed under the emergency policy reduced procurement time and enabled efficient mobilization of resources. However, no comparable emergency procedures existed at line agencies, and reconciliation of accounts delayed the closure of the loan account because no additional capacity was provided to ADB to handle the additional disbursement load. A reconstruction program can be fast-tracked if procedures are put in place at the line agencies to reduce timelines for approvals, disbursements, and procurements for the specified duration of the program, and if capacity is developed in the line agencies and ADB to implement those procedures. Similarly, for ADB, flexible TA and procurement procedures have proven to be excellent tools for timely delivery of emergency projects.  Incentivize key staff and the private sector. The project suffered delays and cost escalations caused by high staff turnover, weak response to procurement needs, red tape and weak contract management. There were no special incentives for staff, firms, or contracts tengage in the difficult working environment and no outreach mechanism to facilitate private sector engagement. Experience shows that breaking the ?business as usual? culture during emergencies requires strong outreach and communication, and special incentives for staff and private sector to ensure good response, and to engage stakeholders in implementation.  Be socially responsive in implementation. The project suffered hardly any delay from safeguard and social issues. The governance component of the project provided additional staff and built the capacity of the legal system to cope with the additional burden posed by the earthquake-affected population and reconstruction activities. Timely responses to issues facing the affected populationï¿½including entitlements, registration, grievances, and complaintsï¿½ avoided delays in reconstruction implementation and protected individual rights.  Strongly embed reconstruction in the development agenda. The health, education, and transport facilities were built to higher standards than those in place before the earthquake. However, their sustainable operations were affected by endemic issuesï¿½cost recovery, quality, and sustainability of operationï¿½that existed in these sectors before the earthquake. Because of the short timeframes, the reconstruction programs tended to avoid addressing endemic development issues in their scope, but the impacts of program outputs were curtailed by these issues. To enhance impacts, reconstruction programs should be aligned with regular sector development programs to maintain the focus on reforms needed for sustainable operations during and after project closure. |
| A sequence to reforms. A key consideration in sequencing is that legislative and regulatory reforms require changes in the capacity of institutions (policy and rules), organizations charged with implementation, and the competencies of responsible government officers to change their management practices. This cascade of legislation-institutions-organizations-people provides a strategic sequence for reforms. However, in practice this is not a linear sequence. Rather, people (officials and stakeholders) are involved from the outset of the reform process. As policy reforms are an iterative, negotiated process, attention needs to be given to developing and maintaining a broad consensus for reform, as this is one of the most difficult and important challenges in sustaining change management processes. It is important to note that developing and maintaining a broad consensus for reform was one of the hallmarks of the Fiscal Management Reform Program (FMRP) that ensured unwavering government commitment to the programï¿½s strong legislative and regulatory reform content.  Capacity constraints and project complexity. In addition to appropriate reform sequencing, ambitious and complex programs and projects are more likely to succeed if significant attention is given to building the capability and ownership of a broad range of stakeholders. As a sector development program, the FMRP successfully tackled a wide range of issues within a short time frame, while also contributing significantly to human development in several key implementation agencies. Advisory services to government under the project were also effective in keeping the program on track, especially in technical areas where previous experience was limited.  Developing ï¿½softï¿½ capacities. Institutionalizing change management practices among those charged with implementing reformsï¿½such as the efforts undertaken in the program to provide staff with technical skills to implement systems and procedures at the Ministry of Finance and Planning (MOFP) and the key revenue departmentsï¿½requires upgrading of technical and change management competency. It is necessary to enable government to sustain capacity development programs beyond the life of a program (for example, by providing training experts, particularly to develop soft capacities). |
| There were implementation delays in the initial period, especially in achieving loan effectiveness, recruiting implementation consultants, and awarding civil works contracts. These delays occurred even though advance procurement action had been approved. The formation of a new government following loan approval was a major factor in this respect, as was the time taken for a new executing agency to climb the learning curve on use of ADB procurement procedures. To facilitate project start-up, it is recommended that ADB should extend the services of the procurement consultant financed under the project preparatory technical assistance project until loan consultants are fielded.  The devolution of project administration responsibilities to the resident mission during the project helped facilitate close working relationships between ADB staff and key officials. The experience Electricite? du Cambodge (EDC) gained in this project and the relationships that have developed between the resident mission and counterparts should greatly benefit any future project. |
| Lessons learnt include the following:  (i) The cluster leader school (CLS) model supported by a decentralized training cascade is an effective model for delivering continuous professional development training.  (ii) E-learning is as important for teachers as it is for their students. Information and communications technology (ICT) is not a translation of textbook materials into electronic textbooks, but requires pedagogical skill in identifying how the technology strengthens student understanding of core concepts and encourages self-directed learning. It is a transition from teacher-centered to student-centered pedagogy. It also requires more creative e-learning materials.  (iii) Assessment of the procurement capacity of the executing agency and ensuring development of adequate capacity of the PIU and executing agency would help implementation of the project and ensure efficient procurement and consultant engagement.  (iv) The executing agency needs to monitor the project more closely. Without timely monitoring and evaluation, an opportunity to demonstrate improved sector performance was missed. Early mobilization of consultants is necessary for effective implementation of the project. Consideration could be given to a short, results-based consulancy to assist the executing agency and project implementation unit (PIU) agree on the baseline, commence procurement, and clarify any implementation issues, as well as short- to medium-term consultancies to implement specific project components. |
| Reestablishing the identity papers and legal documentation of disaster victims is an essential and urgent necessity, and ADB's support to the government's program improved its delivery and effectiveness by ensuring sufficient funds. As highlighted in the performance audit, the mobile clinics facilitated legal documentation and proved to be an efficient mechanism for emergency situations. This can be adopted as a good practice for future interventions.  For components B, E, and H, substantial time was required to mobilize community- based organizations and implementing-partner nongovernment organizations (NGOs) to reach hundreds of villages to be served under major disaster reconstruction programs. This resulted in delays at the start of implementing activities under these components, and support from NGOs was required.  To avoid underutilization of newly built facilities, equipment, staff, and operations budgets should be identified and allocated by the responsible government agencies for activities involving rehabilitation and expansion of buildings and hospitals.  The success of the women's rural development societies (WRDSs) involved in components B and H, and earlier in the North East Community Restoration and Development Project (NECORD) and NECCDEP (North East Coastal Community Development Project) projects, demonstrated that community-based organizations contribute to a sustainable mechanism for improving economic activities at the local community level while concurrently achieving aspects of the gender action plan by empowering women through increased income, confidence, and quality of life.  Implementing ADB's requirement to incorporate strengthened building standards into the design of buildings and structures was not possible. It took the government 3 years to develop the revised standards, by which time most structures had been designed and many constructed. |
| Along with consultations related to subproject design and scope, consultation with project towns on cost recovery, tariffs, and user charges is crucial for sustainability.  The project should focus on a small number of physically integrated components to simplify project administration and optimize intersector linkages.  Construction of sewerage and wastewater treatment plants (WWTP) was substantially delayed due to delays in land acquisition, preparation of a detailed design, and a change of site location. In order to avoid any unnecessary delay in the implementation of the project, sufficient attention should be paid to land acquisition in project preparation, and the land should be made available for the project prior to mobilization of the design consultant.  The project could support the institutional reforms efficiently if there is a clear political will and stable government.  Entities intended to manage operation and maintenance (O&M) for infrastructure should be established early in the project cycle, and staff trained throughout the implementation period, rather than at the very end. For operational sustainability, a long-term O&M contract could be incorporated into the construction contract for institutions having weak capacity and staff strength.  Assessment of community attitudes to infrastructure, such as WWTP, should be better assessed at appraisal. For example, a participatory process to identify a feasible WWTP site would have prevented significant delays in the finalization of design and construction.  A complex financing plan causes difficulties in consolidation of expenditures and slow submission of withdrawal applications.  For effective gender mainstreaming and achievements, gender action plans should be prepared and agreed on by all agencies involved in project implementation. Sufficient financial and technical resources should be allocated for implementation of the gender action plan. |
| The project illustrates the importance of (i) strong commitment by the government, (ii) close collaboration among development partners, and (iii) prompt response to changing client needs during implementation. The leadership provided by MOH and the project coordinator was a key to the project's achievements. The project was not a stand-alone WCH project, but a part of broader health sector reforms. Strong collaboration among partners (i.e., technical inputs were provided by the World Bank, United States Agency for International Development, World Health Organization, UNICEF, and the United Nations Population Fund) and responsiveness to actual needs was an important contributor to the success of the various programs. The knowledge and working practice of health professionals improved from the outset. Because other partners addressed some project activities, it was possible to reallocate resources and expand geographical coverage. This improved project achievement and increased the likelihood of sustainability.  The project was somewhat overambitious in setting the timelines for achieving the reforms. The government was fully committed to the reforms, but progress depended on the progress of other projects. In this project, two loan covenants were partly complied with at the project completion due their complexity. If reforms are significant, it is useful to consider a phased approach, so that interim achievements can be captured within the project timeframe. |
| Partial rehabilitation of irrigation systems is less effective than complete rehabilitation. Two issues arose from the partial rehabilitation approach: (a) significant infrastructure constraints remained following the partial rehabilitation, limiting the effectiveness and efficiency of the investment; and (b) there were public misconceptions about the rehabilitation program, which contributed to the project complaints raised by nongovernment organizations (NGOs).  Infrastructure rehabilitation projects dispersed over a broad geographic area are harder to implement and have higher administrative burdens and management costs than more regionally concentrated projects.  There is a high project administration burden associated with a large number of civil works and equipment contracts.  Improving on-farm agricultural productivity is important for project efficiency and sustainability. Access to irrigation water is not the only constraint on improving crop yields. Higher farm incomes from yield improvements due to productivity gains make it easier to pay water use fees and sustain operation and mainetnance (O&M) of irrigation infrastructure.  The Ministry of Water Resources and Land Reclamation (MWRLR) did not have the expertise to deliver the output of improved agricultural technologies. An alternative implementing agency such as the Ministry of Agriculture and Rural Development may have had more success in delivering this output. |
| Fully staffed project management unit (PMU) and project implementation units (PIUs) and the complete involvement of the project authorities from project preparation is necessary to create ownership and commitment.  Adequate consultations with all stakeholders during project formulation and appraisal of the project, based on the primary data or validated secondary data, will ensure more locally rooted and systematic planning, help build local ownership, and lead to better project implementation and sustainability of project outputs.  Advance actions for consultant selection, procurement, land acquisition, and statutory clearances can help in timely completion of projects.  The project and contract schedule should be realistic, taking into account the technical complexities of the project components, the capacity of executing agencies, consultants and contractors, and the available working season in project towns.  Adherence to sound engineering design principles based on required primary surveys and validated secondary data can lead to more efficient outcomes and avoid delays. Adequate time needs to be allocated for surveys and engineering design.  House service connections for urban water and sewerage should be part of the project scope to ensure optimum utilization of outputs and timely delivery of benefits.  Small investments in areas like micro-finance, SHG formation, low cost sanitation facilities, and skills upgrading training can have large social and economic impacts and help build local support for a project.  For institutional reform, use of a standardized set of systems and processes and a centralized control system at the state level helps to reduce implementation effort, time, and cost, and attain acceptable quality, irrespective of urban local body (ULB) capacity and location.  Targeted awareness campaignsaimed at changing the behavior of urban residents are necessary to achieve design results.  Involvement of committed local nongovernment offices (NGOs) and their continued involvement at least for a year after project completion can enhance project effectiveness and sustainability. |
| Project Design. The project was comprised of six components, including national highways, provincial highways (PHs), rural access roads (RARs), policy reform and institutional strengthening, border infrastructure, and road safety. Six implementing agencies were engaged to implement these components. For improved coordination and smooth implementation, it would be better to implement projects with only one or two implementing agencies.  Project Implementation in an Area with Security Challenges. The security conditions in the project area deteriorated during implementation. ADB needs to consider special arrangements for such projects. For example, direct contracting or lump-sum contracts may be considered for civil works contracts, rather than competitive bidding, in particular, international competitive bidding (ICB). Project management could be outsourced, as ADB missions were not able to visit sites.  Cost Estimates. Cost estimates of subprojects were prepared in 2004 on the basis of the prevailing composite schedule of rates (CSR). However, at the time of contract award there was an exceptionally high inflation. It is important to consider the inflation factor between the project design and contract award periods.  Procurement and Construction. Several road construction projects were started in all the provinces within a short span of time. This resulted in a sudden increase in the demand for consultants and contractors. Hence, there was inadequate competition among contractors. Undertaking multiple large programs at one time is not good for the executing and implementing agencies and the local construction industry. Shortages will develop, bottlenecks will arise, prices will increase, the cost of production will be high, and equipment will become idle after project completion. It will be more appropriate to conduct a construction section capacity review during appraisal and stagger the works in such a way that machinery, equipment, workers, employers, and employees remain occupied.  Price Escalation. The price for construction materials rose sharply during implementation due to the global economic downturn. The delays in project implementation made this problem more serious. The decisions to approve the escalation took a long time due to the extremely high amounts. All such decisions need to be made quickly in accordance with the given contract clauses.  Consultant Performance. Consultant performance should be critically evaluated and monitored closely during implementation. There were many lapses and deficiencies in the design, necessitating design and cost revisions and price escalation. A proper design review may be considered to avoid these deficiencies for future projects. Future consultants selection should be strictly based on their performance records. |
| Use of existing institutions for execution of emergency projects is beneficial as the time lag related to the induction of counterpart staff (experienced in most project management units or PMUs and project implementation units or PIUs) can be avoided and sector and location-specific institutional knowledge and resources are immediately available.  Extended missions of ADB can play a critical role in building capacity and providing hand-holding support to executing agencies and implementing agencies without prior experience in complex, multi-sector projects.  Coordination between donors, nongovernment organizations (NGOs), and government departments in any disaster management project can be more easily achieved if there is one executing agency and PMU for all emergency projects at the state level.  Adequate tenure of key staff members in executing and implementing agencies is important for smooth and speedy implementation.  Without a proper personnel policy or transfer planning, states are unable to place into required positions staff trained in the implementation of complex projects. In planning for similar projects with inexperienced executing and implementing agencies, training needs to be assessed upfront.  Targeted, specific, and minimal consultant inputs can not only save loan funds for more critical development work, but can also ensure speedy and effective capacity building of government staff through ï¿½learning by doing.ï¿½  Third party quality audit (TPQA) consultants can help improve project outputs and outcomes.  The timing, methodology, and outputs of benefit monitoring and evaluation (BME) consultants at pre- and post- project implementation stages need to be carefully and stringently defined to obtain meaningful outputs with adequately quantified data.  Use of legal experts in areas like microenterprise insurance and exploring alternate insurance mechanisms may lead to more effective outcomes.  Adherence to sound design principles based on required surveys and studies can lead to more efficient outcomes and avoidance of delays.  Identification of the need for statutory (including environmental) clearances and obtaining such clearances early can help avoid delays in project implementation.  Small investments in livelihood restoration and water supply and sanitation schemes can have large social and economic impacts, especially on women and vulnerable populations.  Complex emergency projects require simple reporting and monitoring processes. |
| At appraisal it was estimated that the project would be implemented over 4 years and be completed by December 2007. Due to the conflict, works could not be undertaken in the time envisaged, thus Loan 2043 was extended four times, to 31 March 2011, and Loan 2044 twice, to 31 December 2010. ADB needs to allow adequate time for planning, design, tendering, and construction of projects where a conflict is involved, as the incidence of security issues severely hampered the implementation of the project. Loan extensions cause extra work for the implementing agencies and ADB staff, and tend to discourage government agencies as they feel that their project is always behind schedule. In future, for similar projects under emergency or conflict situations, ADB needs to ensure that timetables are realistic.  The appraisal estimate for component A was that 500 km of roads could be rehabilitated with double-bitumen surface treatment. As a result of the government's decision on national highways, the road surface was changed from double bitumen to asphalt concrete. This led to numerous contract variations and extensions. Therefore, rehabilitation of 500 km was reduced to 198 km. As for component B (power and electrification), it was fortunate that the Government of Norway agreed to cofinance it and that Japan Bank for International Cooperation (JBIC) agreed to undertake the Vavuniya-Kilinochchi transmission line, because otherwise the project would have had difficulty in meeting its objectives. In a major change in scope in 2006, funds released from component B thanks to the external assistance from Norway and JBIC were reallocated to component A. However, the scope of component A was reduced from 500 km to 300 km due to cost increases. Eventually, only 198 km of road could be completed. ADB needs to ensure that financial details, including cofinancing and assistance from other donors, are already in place at appraisal, as otherwise the possibility of not achieving project objectives becomes too high.  The executing agencies did not always submit their project completion reports on time, and not always in the format requested by ADB. The reports also did not contain sufficient information on government counterpart funds, which forced the project completion review mission (PCRM) to spend considerable time on obtaining the data from each executing agency. In the case of Ceylon Electricity Board (CEB), this proved extremely difficult, as the agency did not have adequate records dating back to the start of the project. This has been a common problem in several previous projects, where the executing agencies did not seem to be aware of how much was spent from government funds to the level of detail necessary to undertake a project completion report. ADB needs to ensure that the executing agencies for ADB projects collect and supply all data required in the project completion report; otherwise a PCRM spends too much time chasing such information.  In a project that involves several executing and implementing agencies, coordination between all agencies is of the utmost importance. While the national and provincial project coordinating committees (PCCs) did all that was possible to implement the project successfully, a more central unit for coordinating project activities would have improved implementation. The establishment of a dedicated project management unit (PMU) to facilitate the implementation and coordination with different government agencies should be considered for future projects of a similar nature, especially when they involve multiple sectors, multiple layers of governments, vast geographical areas, and other development partners. |
| The project was the third loan under ADB's multi-year lending program to the National Highways Development Project (NHDP) and the first loan for the east-west corridor. Some lessons were learned during project implementation that can be applied to ongoing and future ADB projects in India.  Land acquisition and resettlement. The initial delay in project implementation was primarily caused by slow procurement, land acquisition, and resettlement activities. This is a common issue for all projects in India. Project implementation also experienced prolonged delays in clearance for cutting of trees. For ADB-funded projects, such constraints are now being addressed through a project readiness checklist and training and capacity building programs for the executing agencies. This will ensure that preconstruction activities are carried out in advance and only well-prepared projects are taken up for approval.  Project preparation and readiness. The construction of Surajbari Bridge encountered engineering problems, which significantly delayed project completion. Wherever required, a separate contract for such major bridges should be made, so that only qualified contractors are awarded the contracts for such specialized works. A thorough survey, investigation, and design should be carried out in initial stages in order to enhance project readiness. Such critical works should be started immediately upon the award of contract. An action plan for mitigating risks and resolving emergencies should be prepared and implemented, as required, for timely completion of the project.  Performance of the Contractors. During implementation, significant delay in the completion of the contract was caused by poor performance of a joint venture contractor, who was awarded three contract packages. For future projects, the criteria for qualification of the contractors under a joint venture, and for the award of multiple contracts, should be strengthened. The contractual provisions related to contractor performance, such as mobilization, staffing, and deployment of equipment and funds, need to be strengthened so that poor performance by the contractor is discouraged. |
| The program was successful in helping the government to stabilize the economy and protect vulnerable members of society and valuable lessons were learnt, particularly for other development partners, none of which had provided general budget support to Tonga before. Subsequent budget support operations by other development partners have drawn on the following lessons from ADB's experience.    (i) Policy Actions need to match capacity. Technical and managerial capacity is a scarce commodity in small Pacific island nations. These were fully stretched in Tonga during the implementation of the program. In addition, the government was keen to receive ADB financing before the general elections were held, which led to ambitious, even unachievable, timeframes for completion. Therefore, the scope of the program needs to be kept as simple as possible to reflect the country's capacities, and policy actions for the release of tranches should be appropriate and achievable by the government and the executing agency.    (ii) A single government-led policy matrix will enhance coordination and collaboration. The program provided a building block for future budget support operations to Tonga, for example, the World Bank's current operation. Coordination between development partners and the government has drawn from ADB's experience with the program to improve coordination and implementation.    (iii) Verification requirements need to be clear from the outset. Information critical to the program was not disclosed during the design stage. More transparency through clear guidance on ADB's verification requirements would have avoided the delay in the achievement of policy actions.    (iv) Technical assistance will aid program implementation. There is a need for technical assistance (TA) consultants to spend more time in the country (depending on the technicality of the policy actions) to deal with issues as they arise, and to support the timely delivery of outputs and outcomes. Related to this, umbrella regional TAs such as the Private Sector Development Initiative (PSDI) and Pacific Economic Management (PEM) have proven effective in terms of being able to rapidly and flexibly respond to Tonga's request for specific pieces of ad hoc analytical work as needed. |
| Project start-up. A look at previous and ongoing projects implemented by the Ministry of Agriculture and Rural Development (MARD) in Viet Nam shows a common pattern: slow initial start-up accompanied by delays, slow progress, and confusion followed by an intense pace of implementation from about the midterm of the project period, followed in turn by successful completion of the project scope, often at a higher level of coverage or output than originally conceived (see for example the project completion reports or PCRs for the Rural Infrastructure Sector Project or RISP and the Second Red River Basin Sector Project). This project has followed the same pattern. The obvious lesson from this experience is that the MARD and the provincial departments of agriculture and rural development are capable of implementing medium- to large-scale rural infrastructure projects, but there are some structural or institutional factors that constrain project start-up and initial implementation. As it is likely that the MARD will continue to be an executing agency supported by ADB in the future, it would seem worthwhile to expend some effort in determining what these factors are and identifying means to overcome or mitigate them. It is noted that since the PCR was completed, an effort has been launched by the resident mission and the MARD to try to reduce start-up delays by removing constraints to the government use of ADB's advance action procedures.  ADB's disaster and emergency policy. A further lesson learned or at least hinted at by the experience of implementing this project is that, given the realities of the type of investment ADB is best adapted to support in view of its funding modalities, consultant recruitment procedures, and procurement regulations (i.e., generally capital-intensive infrastructure rehabilitation) and the level of supervision possible at field level (i.e., generally less intense than bilateral agencies or United Nations organizations), ADB's current policy on disasters and emergency assistance may be too restrictive. A preparation period of only 3 months may be inadequate to allow a full damage assessment and the design of rehabilitation and remedial measures. Moreover, if the disaster is weather related, rebuilding service infrastructure without improved design standards and protection from future severe weather is likely to be a waste of effort because the rebuilt infrastructure will still be vulnerable to future floods, typhoons, or storm surges. This will entail a longer period than the 2-year implementation period currently prescribed in the policy and in the operations manual.  Provincially delegated projects. For projects that entail the delegation of design and implementation to provincial authorities, it is important to ensure that provincial implementation staff are fully briefed and trained on ADB safeguard requirements such as land acquisition and resettlement. |
| The project was a success primarily because of its design, which accounted for actual conditions in the project area, applied lessons from previous interventions, and incorporated and adopted efficient and sustainable delivery mechanisms. The involvement of beneficiaries in the project through effective social mobilization was critical to its success. Training, awareness raising, and capacity building of beneficiaries was also instrumental in ensuring that the subprojects were owned and operated by the communities and were sustainable.  Appointing qualified staff and retaining them for the duration of the project avoided delays in implementation.  The active support of the borrower and the executing agency, through timely provision of counterpart funds, steering committee meetings convened for timely decisions and approvals, and consistent monitoring and supervision, helped ensure smooth and timely implementation.  ADB's proactive participation in implementation, supervision, and monitoring, and its flexibility in addressing actual conditions in the project area and providing essential support to the federally administered tribal areas (FATA) Secretariat in a timely manner was also a central factor for the success of the project. |
| The local governments and parties concerned should have streamlined their decision- making process in a timely manner to avoid delays.  In order to avoid delays, the project should have been planned more carefully. If so, there may not have been a need to change the scope during the project implementation.  International consulting firms should have obtained ample information on potential difficulties in setting up the project office and other legal requirements on such issues. They should also have been informed in advance that unless they register the project office with local authorities, the executing agency will be unable to make payments.  International consulting firms should have been made aware of the appraisal and approval procedures for the design documents, particularly when appraisal is carried out by a third party. It can be a time-consuming process, thus delaying payments to the design consultants. It is advisable to start procurement of an appraisal consultant (if required) early so that he or she is ready to be recruited as soon as the design work has started. |
| Project readiness. Project readiness should be enhanced before implementation. Project preparation was mainly conducted through ADB technical assistance projects. The engineering requirements of the state highway component were based on the government's project feasibility study. At appraisal, a long list of rural access road (RARs) was prepared. During implementation, a large amount of work was required to review the engineering design for the state highways and select the RARs. Such tasks took a long time and delayed overall project implementation. For efficient project implementation, adequate project readiness should be ensured during appraisal. In addition, it should be considered during contract packaging whether large contracts would attract more experienced and better-performing contractors.  Capacity of the implementation agency. The initial project delay was mainly caused by holdups in establishing a fully functional PIU, and weak capacity in project implementation caused by staff shortages. Subsequently, during implementation, the PIU was enhanced by transferring some technical staff from the West Bengal Public Works (Roads) Department (WBPWRD). However, most of these individuals had little experience of internationally funded projects. A fully functional PIU, headed by a project director with adequate administrative, financial and technical authority needs to be in place from the appraisal stage. Capacity building programs, including trainings on ADB policy and procedure should be arranged at project appraisal.  Tight monitoring and control. Target-based periodic monitoring and close involvement by high-level government officials significantly contributes to tightening of monitoring and control of field activities, which helps to expedite project implementation.  Land acquisition and resettlement. At appraisal, preparation of the resettlement plans was mainly based on preliminary socioeconomic assessment, which resulted in large variation in the estimated number of affected people and utility relocations during implementation. In accordance with government and ADB policies, compensation and assistance was provided to non-titled affected people, and their income level was restored. Compensation and special assistance to vulnerable people was also monitored. In future projects, a detailed resettlement plan should be prepared with an almost final estimation of inventory of loss, land requirements, and availability of the right of way. |
| Program Related  Technical assistance (TA) inputs. The TA work plan assumed that the policy and institutional reforms would be achieved early and that the remainder of the time would simply involve monitoring and evaluation of implementation. However, policy reforms take time, and continued monitoring and effort are required from the TA, the counterparts, the government, and ADB throughout the program to effect policy and institutional changes.  Long-term perspective. The adoption of a medium-term expenditure framework for the local government budget meant that the local government was equipped with a set of long-term objectives to guide and shape medium-term policy design and implementation. The close consultation involving the government, ADB, and other development partners strengthened the governmentï¿½s ownership and increased the potential for funding agency buy-in.  Flexibility in design. A local government finance and governance reform program is complex and involves major changes in the legal and regulatory framework, institutional arrangements, local government financial infrastructure, and human capacity. Hence, sufficient time must be allocated to program implementation, and design flexibility must remain a key consideration.  Time lag between adoption of reforms and effective enforcement. The delays in the enforcement of minimum service standards were specifically mentioned.  Coordination among stakeholders. A key factor in the acceleration of local government finance and governance reform is coordination among stakeholders. Therefore, effective coordination and information sharing are essential to successfully implement a project involving government agencies and numerous stakeholders.  Project Related  Full commitment from the regional governments. The successful implementation of a project depends on the support and commitment of top level management, including provincial governors, Bupati, and Walikota at the Kepala Bagian/Dinas level, as well as Tim Admin and operators. Changes in personnel at the Kepala Bagian level who are in charge of implementing the Sistem Informasi Pengelolaan Keuangan Daerah (regional financial management information system or SIPKD)/regional Sistem Informasi Keuangan Daerah (regional fiscal information system or SIKD) system in the regional governments but without the commitment to the use of the SIPKD/regional SIKD system can discontinue the implementation of the SIPKD/regional SIKD system in the concerned regional government with smooth running system.  Realistic outputs are the key to success. The project was conceptualized and designed to cover 171 participating regional governments in the implementation of the SIPKD/regional SIKD in the regional governments. This was too wide a scope to cover over 36 months of implementation.  Project design needs to incorporate regional governments' inputs. It is the view of the participating regional governments that the concept and design of the project can be improved. The initial design, which envisioned the implementation of SIPKD in 17 regional government work units, could be expanded to accommodate all working units since these units are all interrelated. Implementation in all work units would provide a clearer picture on the benefits of SIPKD.  Better design of procurement procedures. Procurement thresholds should be more carefully considered, particularly for the procurement of information technology hardware/software, which requires a precise and timely procurement process due to the fast- changing pace of technology and the risk of obsolescence. In addition, an early consultant support should be provided to the executing agency to assist it in the design of procurement procedures.  Better recruitment of consultants. Projects that require the hiring of a consultant who is responsible for the recruitment of other project consultants should consider the following during the planning stage: (i) using advance contracting and a retroactive financing method that allows the borrower to proceed, with ADBï¿½s approval, with the selection (though not contracting) of consultants before the loan effectiveness or (ii) using ADB-provided funds for a TA covering the recruitment of project completion unit consultants, and later including this as part of the cost of the TA portion of the loan. |
| The Municipal Development Fund (MDF) consulted proactively with the municipal governments to ensure prompt selection of subprojects. It created a momentum that was kept during project implementation and contributed to physical completion ahead of schedule.  The United Water Supply Company of Georgia (UWSCG) could not be fully involved in project implementation because it was created in 2010, after the project started. Since the facilities had already been completed when transferred to UWSCG, UWSCG could not be accountable for their design and construction. Similarly, MDF and the municipal governments are no longer accountable for the completed water supply and sanitation (WSS) facilities. Future projects should involve all the parties concerned from preconstruction to completion.  The quality of civil works for road pavement and watertight structures, such as the underground water reservoirs, has achieved the required national standards. However, local civil works contractors need further training on technology and workmanship for cement concrete pavement and the construction of water supply facilities, in order to reach international standards.  No consultant was engaged to address issues regarding legal and/or technical aspects of operation and maintenance (O&M) planning and funding, measures for cost recovery, tariff collection, and the metering system. This poses a risk associated with inadequate O&M of project WSS facilities.  MDF has a management information system (MIS) installed under the World Bank assistance program. The MIS is efficient in providing all project information and data, which helped MDF monitor implementation of the project in a timely manner. The same system should be used for future and ongoing projects.  Capacity development of municipal governments has been partly addressed through on-the-job training activities only and has not been as effective as actual training courses. |
| ADB's appraisal of Component B of the project was inadequate. This oversight eventually delayed loan closing and caused the underutilization of the ADB loan. ADB should not approve funding for projects without independent evaluation and diligent review.  The transmission and substation subprojects that had not been appraised prior to loan presentation took longer to process than planned and call into question the justification for the sector loan approach. All but one subproject had been identified during implementation, and problems that could have been tackled prior to approval led to significant delays and increased administrative effort during project implementation. ADB should closely review the use of sector loans to ensure that problems that could be addressed during project preparation are not being deferred for the sake of expediency.  The delegation of loan administration to the Viet Nam Resident Mission improved ADB's ability to monitor project progress by allowing for more regular and informal meetings with project management staff in order to obtain information firsthand, rather than relying on quarterly reports, which were sometimes late and/or inadequate.  The parallel cofinancing of part A with Agence Franc?aise de De?veloppement (AFD) worked well. The underlying reason was AFD acceptance of ADB rules and procedures for equipment procurement, which enabled consistent processing of ADB and AFD procurement packages. The leveraging of ADB's participation greatly assisted completion of the national power sector development program and the arrangements could be used in similar circumstances elsewhere. |
| The program's implementation yielded important lessons. Most importantly, policy actions and reform measures need to be integrated into the government's own development agenda to ensure commitment and continuity beyond the program period. Additionally, effective coordination and high-level alliances will likely ensure the successful completion of a project or program. For this program, assigning the Ministry of Finance (MOF) as the executing agency and forming a steering committee chaired by the Finance Secretary were crucial steps that allowed for the efficient allocation of resources and the spearheading of diverse reforms across 10 ministries and agencies.  Despite the presence of conditions (as in the public expenditure support facility or PESF), capacity constraints need to be taken into account to set an achievable target within the stipulated timeframe. Alternatively, the program should have included a piggyback technical assistance (TA) in areas where capacity was lacking and implementation weak.  For better monitoring of implementation and evaluation of outcome, particularly for poverty reduction through social safety net programs (SSNPs), a TA for developing an instant poverty survey would have been more ideal than relying on the low-frequency (updated every 5 years) household income and expenditure survey (HIES) to establish poverty reduction achievements and SSNP coverage. The lack of a rigorous monitoring mechanism and dedicated survey to collect required information and data hindered a systematic measuring of program's impact on poverty reduction and gender equity.  The program, in particular the countercyclical support facility (CSF), met all three core criteria for effective delivery of countercyclical measures: it was targeted, timely, and temporary. The program was directly targeted at the poor and the vulnerable whose livelihoods were affected by the global economic crisis. Income support and employment generation programs not only directly benefited the poor, but also increased aggregate demand through multiplier effects. The program also enabled the government to implement fiscal stimulus to support crisis-affected sectors and strategic sectors. In addition, policy actions under the PESF pinpointed sectors that could generate employment and higher growth, such as small and medium-sized enteprises (SMEs), the annual development program (ADP), and the private sector. The program was timely and was provided when it was most needed and when adverse impacts were widely felt. The government announced the countercyclical programs in June 2009 and requested ADB assistance in August 2009. The business processes were streamlined to ensure fast processing and quick disbursement. From Board approval to disbursement, the entire CSF and the first tranche of the PESF took only 3 weeks (from 13 October to 6 November 2009). Despite ADB having expedited the entire processes, capacity constraints in spending ministries and agencies caused delays in the effective and timely utilization of allocations. The CSF was a temporary, one-off lending instrument used to fund the government's key countercyclical measure. Its temporary nature was discussed with the government and it was therefore earmarked to support the quick disbursement nature of SSNPs. The temporary nature of the CSF is consistent with the process of fiscal consolidation in Bangladesh over the medium-term. In this regard, the CSF benefited from PESF support. Reforms made under the PESF helped strengthen the policies and public accountability mechanisms necessary for the more efficient use of public resources and a more sustainable budget.  Both support facilities were critical to the crisis response of Bangladesh as no other development partners provided any crisis-related assistance or program support during the program period. However, the pricing (interest spread of 200 basis points above the London Interbank Offered Rate or LIBOR) and maturity (5 years) of the CSF loan makes it is less suitable for a poorer country like Bangladesh. While the higher pricing and the fixed 5-year tenor of the CSF took into account various considerations including containing the demand and rationalizing the allocation to each of the selected developing member country out of the limited CSF pool,17 it may be too hefty for Bangladesh with growing financing gaps and given the safety net nature of the program. A blend of higher borrowing costs to support policy actions that generate higher economic rates of returns on the supply side (such as SME development and public-private partnership or PPP investment) may be more desirable.  Effective coordination between the Bangladesh Resident Mission and ADB headquarters and optimal delegation of responsibilities were important for achieving program outcomes. The resident mission, with its knowledge of local conditions and access to government and nongovernment agencies, contributed to effective monitoring and implementation, enabling the program outputs to be achieved. |
| The project scope proposed at appraisal (in this case with respect to border-post infrastructure) needs to be more carefully assessed, and cost estimates need to more closely reflect the real costs of project expenditures. As regards infrastructure, costs and project schedules should reflect the difficulty of access to project areas and the relatively short construction season in some project areas.    Where a major project component (such as the unified automated information system or UAIS) is dependent on the performance of consultants (in this case with respect to UAIS procurement) and where the executing agency does not have the capacity to monitor consultants' progress, ADB should take greater responsibility for monitoring progress at an early stage to avoid problems that may later cause implementation delays.    There is need for standard bidding documents allowing for the procurement of a single responsibility IT contract, including both software and hardware components.    A project steering committee may not be necessary where the executing agency is able to coordinate directly with other government agencies to facilitate project implementation.    Low levels of remuneration for project management staff can lead to high staff turnover with potentially negative consequences for project implementation. |
| Program complexity and timing. The program was an ambitious attempt to reform the Nepal rural finance sector in a sustainable manner. In this, the program achieved several reforms that are likely irreversible. However, program implementation coincided with a challenging political situation: the transition from a monarchial to a parliamentary system. Thus, certain outcomes that required legislative actions could not be achieved due to non-functioning of Parliament. The complexity of program design and the implications of certain components for others added to implementation challenges, especially with respect to procurement.  Program tranche. The loan tranches were front loaded with $40 million, disbursed at approval. Had the release been more back loaded, it is possible that the authorities would have had more incentive to obtain legislative approval when Parliament functioned intermittently. |
| The project produced major insights into capacity building for regional government interventions, to be considered in the design of future projects: (i) securing the commitment, ownership, and understanding of the project's stakeholders at central, provincial, and district or city levels is key to ensuring smooth implementation and to meeting sustainability and institutionalization objectives; (ii) the introduction of information and communications technology (ICT) in regional government management has helped modernize business processes and made regional government more transparent and accountable; (iii) the project produced a number of best practices to be replicated in other regions; (iv) a project with complex design and implementation arrangements at an early stage of decentralization reform is risky and may lead to delays because of the lack of experience and capacity of the newly autonomous regions and central governments in setting up the implementation arrangements; and (v)high-end technology products with over-specified features would not be recommended for regional governments because the operation and maintenance (O&M) expenses would be unaffordable and sustainability would not be secured. |
| The Third Education Development Project (TEDP) was the first ADB-financed investment project to include a technical and vocational education and training (TVET) component. The original project design envisaged the development of a TVET policy framework, as well as the development of training standards and a national vocational qualifications framework. After the reformulation of component 3, ADB concentrated mainly on upgrading the six model TVET schools on a pilot basis, while Millennium Challenge Corporation (MCC)/Millennium Challenge Account (MCA) and Deutsche Gesellschaft fu?r Internationale Zusammenarbeit (GIZ) took the lead under their respective projects in developing a TVET policy framework. The project underscores the importance of continued and strengthened harmonization and coordination among the development partners through the Education Donors' Consultative Mechanism platform, established in 2005. As a long-term development partner in Mongolia's education sector, ADB is well positioned to contribute to policy development in TVET. Another lesson learned from the project is that management training and staff development must be provided and that TVET schools must be helped to strengthen their links with industry, in addition to upgrading the learning environments in TVET schools. |
| 1. The use of available modern technologies to capture hazardous methane gas, when considered carefully and implemented properly, can produce attractive returns to project developers while addressing the issues of climate change, energy security, and safety of mine workers. The project also demonstrated the strong willingness of consumers to switch to cleaner energy sources once these are provided reliably and at affordable rates. [Main text, para. 48]  project cycle stage:   Lesson Topics:    2. The strong commitment and ownership of the project proponents is critical to the success of a demonstration project that uses the latest technologies for the first time in a country. Similarly, some flexibility in project design is needed to strengthen key aspects of the project. In this case, the drilling of 80 additional coal bed methane wells ensured methane gas supply to the power plant and other users, resulting in better-than-anticipated results. [Main text, para. 49]  project cycle stage:   Lesson Topics:    3. The project clearly demonstrated the ability of ADB to design and formulate projects even in a traditionally polluting industry such as coal mining to provide large greenhouse gas mitigation and environmental benefits and contribute to a shift in a country toward a cleaner and sustainable energy pathway. [Main text, para. 50]  project cycle stage:   Lesson Topics:    4. Changes in regulations not anticipated during project design and approval can adversely affect the project. Contingency provisions that will allow for such unanticipated changes during project implementation should have been considered during project planning and design. [Main text, para. 51]  project cycle stage:   Lesson Topics: |
| This project confirmed that the Heilongjiang Provincial Department of Transport (HPDT) has sufficient capacity to implement large-scale road construction projects to a high standard and in compliance with domestic and ADB's social and environmental safeguards. However, the HPDT is less prepared for piloting private sector participation in road operation and maintenance (O&M), and this capacity limitation was not fully addressed in the project design. The proposed concession mechanism for O&M of class I roads, where tolls provide the revenues to finance a concession for highway maintenance, remains a feasible option for improving road O&M arrangements in Heilongjiang and merits further policy dialogue with the provincial transport sector management. [Main text, para. 63]  project cycle stage:   Lesson Topics: |
| 1. The project experience reinforces conclusions on water (and wastewater) tariffs in the ADB water operational policy. To raise tariffs to allow cost recovery is essential for financial sustainability. Since the water tariff adjustment follows official procedures and is beyond the water company's control, consumer groups and government officials should be made aware of the necessity of the tariff increases before they are imposed. Further, since the official procedures for approving tariff increases are long and complicated (public hearings are included), regulations should allow for an annual increase to cover actual cost increases, plus some allowance for capital cost, instead of significant increases in the tariff every several years. According to social surveys, if improved water supply can be provided throughout the day, beneficiaries are willing to pay higher water tariffs. [Main text, para. 58]  project cycle stage:   Lesson Topics:    2. Non-revenue water (NRW) management, corporate governance, and enterprise reform are long-term objectives of ADB's Water Operational Plan, and were also special features of the project. The application of these concepts is expected to go through a learning curve. The lessons learned during the project may be relevant in other, similar projects: (i) the NRW consultant should be involved in developing an action plan for the water company from the early stages of the project to have enough time to implement and adjust the plan for better results; and (ii) corporate governance and enterprise reforms should be given emphasis and should start when the project is first implemented. [Main text, para. 59]  project cycle stage:   Lesson Topics: |
| 1. The Third Education Development Project was the first ADB-financed investment project to include a technical and vocational education and training (TVET) component. The original project design envisaged the development of a TVET policy framework, as well as the development of training standards and a national vocational qualifications framework. After the reformulation of component 3, ADB concentrated mainly on upgrading the six model TVET schools on a pilot basis, while the Millennium Challenge Corporation/ Millennium Challenge Account and the Deutsche Gesellschaft fï¿½r Internationale Zusammenarbeit took the lead under their respective projects in developing a TVET policy framework. The project underscores the importance of continued and strengthened harmonization and coordination among the development partners through the Education Donors' Consultative Mechanism platform, established in 2005. As a long-term development partner in Mongolia's education sector, ADB is well positioned to contribute to policy development in TVET. [Main text, para. 47]  project cycle stage:   Lesson Topics:    2. Based on project experience, management training and staff development must be provided and that technical and vocational education and training (TVET) schools must be helped to strengthen their links with industry, in addition to upgrading the learning environments in TVET schools. [Main text, para. 47]  project cycle stage:   Lesson Topics: |
| 1. As the wholesale electricity spot market (WESM) is new in the Philippines, the market operator should have worked earlier to develop training programs to educate the market participants in the operation of WESM, as the success of the WESM depends on the readiness of all the market participants. The market operator should have taken proactive measures as to the training needs of the market participants - avoiding unnecessary delays in the launching of the WESM.  project cycle stage:   Lesson Topics:    2. The protracted procurement process for the transmission line and substation components was one of the main reasons for the delay in the completion of this part. If there had been closer consultation between ADB and Transco, issues could have been addressed as early as possible to avoid delays. ADB could have regularly monitored with Transco the progress and issues encountered during the procurement stage. This would have triggered Transco's actions, in a timely manner, on the issues encountered. Transco should have assigned dedicated full-time staff to handle bid evaluations and could have shortened its approval process.  project cycle stage:   Lesson Topics:    3. The separate procurements for the supply (funded by Japan Bank for International Cooperation) and installation (funded by Transco) of the substation equipment for the Mindanao substation expansion delayed its implementation. Turnkey contracts could have reduced the implementation delays of this component, as there would have been only one procurement package.  project cycle stage:   Lesson Topics:    4. Right-of-way (ROW) acquisition was another main cause of delay in the completion of Part B. The project's ROW staff should have dedicatedly followed the project implementation schedule. Transco committed to ADB that the ROW for the transmission lines would be acquired and paid for prior to the commencement of works, but this did not fully happen. The works were stopped because of ROW issues and some project-affected families allege that they have yet to receive complete payment.  project cycle stage:   Lesson Topics:    5. The social engineering group which undertook the meetings and consultations with the affected people should have conducted initial assessment of strategies used in improving affected people's awareness on matters of compensation and resettlement. Improvements could have minimized the instances of claims on lack of knowledge of the process of property valuation. An affected person who understands what the impact of the project will be and knows the willingness of the project proponent to mitigate adverse impacts will result to increased level of his/her cooperation and acceptance.  project cycle stage:   Lesson Topics:    6. While ADB policy as well as the LARP clearly outlined the steps to take in cases of complaints, actual setting up of the institutional arrangements was overlooked. Disputes on inventory and valuation of property lost indeed slowed down implementation of compensation and resettlement. A strong and working grievance redress committee results to quicker resolution of issues brought up by the affected people. The social engineering and right-of-way clearing units following due diligence in conflict resolution will be credited for the timely receipt of assistance of affected people.  project cycle stage:   Lesson Topics:    7. Affected people knew that their property and livelihood will be affected because of transmission towers and lines that will be set-up. However, the broader project objective of propelling progress and development (through more energy supplied in the region) if communicated effectively can result to better appreciation of the project. The few affected people who have expressed apprehension, as well as those local government units which still refused to cooperate may in the end offer more positive attitude in doing their share to achieve the goals of the project.  project cycle stage:   Lesson Topics:    8. While the project as stated in the land acquisition and resettlement plan recognizes the importance of active participation of the different local stakeholders, the municipal, and barangay local government units (LGUs) have largely been credited only on organizing consultation meetings between Transco and the affected people. LGUs could have been likewise tapped as information disseminators and the ?first line of troubleshooters? in instances of grievance. When Transco completed the project and left the project area, it is after all the LGU that is left and is expected to continually address the needs of affected people.  project cycle stage:   Lesson Topics:    9. The external monitoring group may have to be on board early on the land acquisition and resettlement plan (LARP) implementation. This is to allow sufficient time for the group doing the electricity market to understand the project and the LARP. Due to the highly specialized task of external monitoring group, it is true that not many groups such as those in the academe or non-government organization have actual experience doing the task. The group would need more time to study the issues, and come up with recommendations that can still be incorporated in the on-going process of assisting affected people.  project cycle stage:   Lesson Topics: |
| 1. The selection of adjoining provinces in the Central Highlands had several benefits. First, these provinces have a large number of poor ethnic minorities and other residents with low health status and limited access to health services. As such, these areas align with both the government's policy of supporting disadvantaged groups and ADB's overarching objectives of tackling poverty. Ethnic minorities needed continuous targeting as their health status and sociocultural adverse health behaviour warranted project interventions. Second, the selection of adjoining provinces reduced travel times and administrative overheads for project monitoring and supervision. Third, selection of these provinces avoided overlap with other major development partners in the country. On the other hand, the lack of allocative criteria led to unequitable resource distribution among the provinces, though no significant variation in performance was found, as provinces used funding according to their internal technical and absorptive capacity.  project cycle stage:   Lesson Topics:    2. The Joint Annual Health Review, 2010 notes that a shortage of human resources continues in several fields, including preventive medicine, public health, pediatrics, infectious diseases, mental illness, forensics, pathology, tuberculosis and leprosy, food safety and hygiene inspection, medical technology, engineers specialized in medical equipment, health statistics, and hospital management. The provincial health departments identified postgraduate training in health specializations as a major project benefit, leading to more available district staff and specializations. However, lack of staff in the project areas continues to be a major constraint for service delivery and requires future support. The Ministry of Health has developed policies and has been actively supporting methods to develop training in disadvantaged regions, including direct recruitment of students for training without entrance exams35 using specific contracts between health institutions and training facilities.  project cycle stage:   Lesson Topics:    3. The considerable delays in implementation were due to complicated procurement regulations of both ADB and the government. These delays and price inflation resulted in the quality of civil works being compromised in some locations and some facilities deviating from the design. Delays in equipment procurement led to the purchase of inappropriate and out-dated equipment. Limited district administrative capacity resulted in delays in imprest accounts being replenished, which constrained progress. Current government per diem allowances for training courses are very low; this limited participation. Delays in procuring consultants, especially for the Health Care Fund for the Poor, delayed disbursement.  project cycle stage:   Lesson Topics:    4. Investment in civil works and equipment has recurrent budget implications. Monitoring of whether provinces are allocating greater resources to recurrent budgets is difficult as financial tracking is complicated in a devolved financial management system. User fees may help support the ongoing expenditure support for buildings and equipment in the curative sector, but the preventive system has limited capacity to mobilize resources outside of the state budget. Given these constraints, future projects must have investment allocations that reflect the limited capacity for increasing recurrent expenditure, and use appropriate technology that has manageable cost implications.  project cycle stage:   Lesson Topics:    5. The central project management unit and provincial project management units have monitored financial flows and activity progress as part of routine quarterly reporting. Limited attention was paid to project outcomes in the project framework; outcomes were not changed during the project. Similarly, measurement of the outcomes of the training programs appears to have been limited. Given ADB's results-based approach to Project Management, both the Ministry of Health and ADB should have given a greater focus to monitoring and evaluation.  project cycle stage:   Lesson Topics: |
| 1. Project success almost always depends on simplicity of design and it is usually counterproductive to include superfluous components no matter how much they may reflect current development thinking or theories.  project cycle stage:   Lesson Topics:    2. Whenever possible, project design should target contiguous or proximate project areas with similar physical and environmental characteristics.  project cycle stage:   Lesson Topics:    3. To the extent possible and unless necessary, it is best to avoid making the implementation of one component of a project contingent on achievements of another component.  project cycle stage:   Lesson Topics:    4. Pursuing long-term institutional reforms through investment projects aimed at infrastructure development needs careful design and the full ownership of the borrower.  project cycle stage:   Lesson Topics:    5. Shortcomings in project and technical assistance design should be identified and acted upon early in implementation to avoid undue expense and a delayed accrual of benefits.  project cycle stage:   Lesson Topics: |
| 1. Safety net programs are proven effective for mitigating critical food crises at times of price increases and natural disasters. Implementation of safety net programs requires experienced and committed human resources for food management, transparent identification of beneficiaries, and systematic and efficient distribution of food grains among beneficiaries. Finally, close monitoring oversight and evaluation are essential for improving the implementation and impact of safety net programs. A strong track record associated with strong institutional capacity and web-based stock management by efficient and skilled human resources is a prerequisite to success. [Main text, para. 53]  project cycle stage:   Lesson Topics:    2. Experience from the project demonstrates that prompt loan processing and disbursement is crucial to success of such budgetary support provided during a crisis situation. [Main text, paras. 10, 11, 54]   project cycle stage:   Lesson Topics:    3. For short-duration and emergency assistance projects, ADB should maintain better coordination with the executing agency throughout the whole project period and afterward to assess the project's impact in the next few years. [Main text, para. 55]  project cycle stage:   Lesson Topics:    4. As experienced in all past ADB-financed emergency assistance projects in Bangladesh, delegation of authority to the ADB resident mission in the borrower's country is essential for effective monitoring and immediate decision-making. [Main text, paras. 16, 29, 30, 56]  project cycle stage:   Lesson Topics: |
| 1. Investment in information and communication technology (ICT) infrastructure requires additional resources and training to ensure that the facilities are adequately and appropriately utilized and maintained. These include (i) training for the school principal and ICT teacher on the effective use of ICT, (ii) a robust mechanism for providing funding to cover operating expenses such as electricity bills and internet access, (iii) a mechanism that would provide resources to schools (through provincial institutions) to maintain and update hardware and software as needed, (iv) improvement of the curriculum to integrate computer-assisted learning into the teaching of different subjects, and (v) parental education and involvement in encouraging students to enroll in ICT options at O- and A-level. The school visits conducted as part of the project completion report mission confirmed that the resources provided under the project are available in schools but are not being fully utilized, except where a particularly motivated school principal or ICT teacher is involved. Further, ICT infrastructure provided under various initiatives over the years (regardless of financing source) has become obsolete, and even when the hardware is still in working condition, the software has been rendered ineffective by viruses. [Main text, para. 61]  project cycle stage:   Lesson Topics:    2. Stronger monitoring and support from zonal facilitators is essential for ensuring effective use of interventions made in quality of learning. Although the project developed several good training modules on Program for School Improvement, school-based assessment, teaching learning methodologies and teaching learning resource development and use, the effective use of these modules cannot be sustained unless supported in schools and classrooms by a committed zonal facilitator. This individual is required to visit each school on a regular basis (at least once per month) to ensure that teachers and principals are supported in adopting new management and teaching techniques. With only four facilitators per zone, covering over 100 schools and many subjects in each, coverage is inadequate. It is important to ensure that a sufficient number of zonal facilitators are made available. Strengthening their role within the system and monitoring their performance to ensure delivery will be a key enabler for implementing future projects in school education. [Main text, para. 62]  project cycle stage:   Lesson Topics:    3. A general lesson learnt is that the sustainability of initiatives beyond the lifetime of the project rests heavily on the level of reinforcement provided by the Ministry of Education (MOE), in the form of circulars, training, and regular follow up by provincial and zonal staff. For example, initiatives such as school-based assessment and Program for School Improvement, which were supported and reinforced by the MOE (e.g. through circulars) have had better success than initiatives such as teaching learning methodologies and teaching learning resource development and useU, which did not enjoy the same level of support. Hence, in order for future projects and programs to be successful, ADB would have to closely align these with the government's Education Sector Development Framework and Program to ensure greater institutional ownership and support. [Main text, para. 63]  project cycle stage:   Lesson Topics: |
| For a complex multi-component project, regular monitoring of the implementation progress and pourashava performance by the executing authority is indispensable. Regular interaction between the borrower and ADB, and ADB and the pourashavas through the projec management office contributed greatly to the success of the project. The use of a sector modality proved highly appropriate for performance-based allocation of funds among the competing pourashavas. This approach should be followed in all future ADB assistance to the pourashavas. However, when implementing a multi-component urban development project spread over a large geographical area, provision for strong consultant support, and advance action to select and field the consultants immediately after loan effectiveness is important to avoid startup delays. The government needs to put in place a powerful central monitoring system, preferably embedded in the Local Government Division, to regularly review and assess the progress and sustainability of urban development. Implementation experience suggests that secondary towns development projects generally require capacity building in the pourashavas and strong institutional support. [Main text, paras. 40, 41]  project cycle stage:   Lesson Topics: |
| 1. The scope of the program needs to be kept as simple as possible to reflect the country's capacity. [Main text, para. 30]  project cycle stage:   Lesson Topics:    2. Policy conditions for the release of tranches should be appropriate and achievable by the government and executing agency. In the case of Tuvalu, the requirement that Parliament adopt the regulatory framework for banking supervision as a condition for tranche release was out of the direct control of the government, and therefore constitutes a high risk to program success. [Main text, para. 30]  project cycle stage:   Lesson Topics:    3. Conditions need to be achievable and realistic so that they can be implemented in a timely manner. The requirement to have a legal framework in place for the supervision and monitoring of banking activities, compatible with the Basel Principles of Banking and Supervision, proved challenging and potentially too ambitious for such an administration as small as Tuvalu yet this is an important element if there is to be private sector involvement in banking in Tuvalu. The country has limited technical capacity to implement such a legal framework and continuing assistance will be required. [Main text, para. 30]  project cycle stage:   Lesson Topics:    4. Consultants may need to spend more time in country (depending on the technicality of the conditions) to deal with issues as they arise and support the timely delivery of outputs and outcomes. [Main text, para. 30]  project cycle stage:   Lesson Topics: |
| 1. Involving the beneficiaries at all stages of planning and implementation of upgrading activities and promoting inclusive community empowerment are critical in ensuring pro-poor investments and sustainability. The following are included: (a) community control of decisions over resources and investment choices; (b) simple and transparent funds flow arrangements with direct transfers to community accounts; (c) comprehensive facilitation support, including social facilitators to ensure full community participation, and engineering facilitators to oversee the technical quality of civil works; (d) strong accountability procedures, such as public disclosure of budgets and contracts; (e) community management of funds and procurement matters; and (f) training for communities in establishing effective mechanisms for operating and maintaining new infrastructure. [Main text, para. 65(i)]  project cycle stage:   Lesson Topics:    3. Substantial evidence demonstrates that community-driven development (CDD) approaches are more effective than other approaches to basic infrastructure development. Evidence also indicates that CDD is likely to offer better cost recovery and maintenance of completed infrastructure facilities and services because of the strong sense of ownership of the community members. In addition, CDD leads to better accountability. Transparency in decision making and procurement and increased use of audits have demonstrably reduced corruption and leakage of public funds. Sufficient time is needed to support and strengthen community participation and capacity to prioritize, design, implement, manage, and monitor project investments. [Main text, para. 65(iii)]  project cycle stage:   Lesson Topics:    Enter lesson here2. Community facilitators must be qualified and committed, and enough time must be set aside for community empowerment activities, to ensure that community members are sufficiently involved in prioritizing their needs, developing investment proposals, and making decisions. [Main text, para. 65(ii)]  project cycle stage:   Lesson Topics: |
| 1. At the beginning of project implementation, three local governments tried to adopt build-operate-transfer (BOT) modality and contracted private companies to construct the wastewater treatment plants (WWTPs). However, the local governments had inadequate capacity to conduct due diligence, and the contracted companies could not provide adequate counterpart financing. The unsuccessful introduction of BOT modality also showed that the capacity of individual WWTPs was too limited to ensure commercial viability. The BOT modality for WWTPs should have been carefully assessed during subproject appraisal. [Main text, para. 57]  project cycle stage:   Lesson Topics:    2. Self-supply groundwater wells have not been closed completely as envisaged at appraisal and still exist in Qingfeng and Puyang counties. As a result, the actual operational capacity of three water supply plant (WSP) subprojects is lower than designed. The self-supply groundwater wells also caused difficulties in collecting the wastewater tariff. Although the local and provincial governments subsidize water companies to guarantee operation of wastewater treatment plants and WSPs, the existence of self-supply groundwater wells has become a major constraint for water companies in achieving better financial performance and a viable water supply service in the longer term. Henan Provincial Government has considered the issues and will push ahead closure of groundwater wells effectively. [Main text, para. 58]  project cycle stage:   Lesson Topics: |
| 1. A strong project management unit with qualified staff under a competent project director who remained throughout the project enabled implementation despite disruption from a tsunami and renewed conflict. [Main text, para. 63]  project cycle stage:   Lesson Topics:    2. The Gender Action Plan (GAP) provided a framework for gender-balanced activities but a project management unit gender specialist should have been included in the project design to manage the plan. Implementing the GAP separately through the rural development societies and the women's rural development societies gave women space for involvement but reduced opportunities for fully gender-balanced operations. [Main text, para. 64]  project cycle stage:   Lesson Topics:    3. Providing initial training for the government field staff, which had been weakened by the civil conflict, would have helped implementation. The capacities of the implementing partner nongovernment organizations were overestimated at the design stage and the project management unit spent a lot of time on guidance and training. [Main text, para. 65]  project cycle stage:   Lesson Topics:    4. No legal precedents for the special area management planning safeguards existed and no single agency was empowered to handle legal aspects of coastal resource planning. Implementation of coastal planning needed better interagency coordination and the Coast Conservation Department should have been included in the design as the implementing agency for component C to give a greater sense of ownership. [Main text, para. 66]  project cycle stage:   Lesson Topics:    5. Channeling credit through community organizations rather than individuals could reduce defaults through peer group pressure and lower administration costs. Credit lending terms should be consistent with the prevailing local microfinance conditions. [Main text, para. 67]  project cycle stage:   Lesson Topics:    6. Inclusion of an innovative process monitoring system enabled the correction of processes during implementation. This was especially important given the volatile and uncertain security conditions. Process monitoring helped in assessing the work of nongovernment organizations and modifying village planning, livelihood enterprise development services, and microfinance processes. [Main text, para. 68]  project cycle stage:   Lesson Topics: |
| 1. Information campaigns through subproject fact sheets as part of the member education program, and the project newsletter proved more successful than the nongovernment organization facilitator. Bylaws were well drafted by the executive committees of the water management cooperative associations. [Main text, para. 60(i)]  project cycle stage:   Lesson Topics:    2. The project had significant positive impact through increased crop and fish production and through its micro-credit operations. [Main text, para. 60(ii)]  project cycle stage:   Lesson Topics:    3. Project delays could have been reduced significantly if the project director and other staff had been appointed on time, if competent consulting firms were managed for timely delivery and if the contracts had provided for price increases. [Main text, para. 60(iii)]  project cycle stage:   Lesson Topics:    4. The quality of subproject planning and design depended on the quality of the consulting firms and their staff. National consulting firms for the feasibility studies and detailed design should therefore have been better managed by the Local Government Engineering Department. [Main text, para. 60(iv)]  project cycle stage:   Lesson Topics:    5. the Local Government Engineering Department should have submitted withdrawal applications on time and ADB disbursements against the applications also had to be timely, to sustain the flow of funds. [Main text, para. 60(v)]  project cycle stage:   Lesson Topics:    6. The establishment of the Integrated Water Resources Management Unit (IWRMU) in 2003 to monitor completed subprojects further enhanced the commitment of Local Government Engineering Department to the sustainable management of small-scale water resources subprojects. The current frequency of staff transfers and re-posting at the IWRMU, on the other hand, diminishes initiative and commitment to work. [Main text, para. 60(vi)]  project cycle stage:   Lesson Topics: |
| 1. Three years after loan approval, the government made the decision to double track a section of the Yichang-Wanzhou Railway which connects to the subsequent ADB-financed Chongqing-Lichuang Railway. During project implementation, the Ministry of Railways made the investment to increase the capacity of the congested alternative railway routes, which changed some key assumptions made at appraisal. This highlights the importance of incorporating the overall planning of the sector into the appraisal of a specific project. Moreover, the actual freight traffic in the initial years of operation was significantly lower than the appraisal estimates. Similar to several other completed railway projects in the People's Republic of China, the appraisal estimates for freight traffic were overestimated, while passenger traffic was somewhat underestimated. This is mainly because local manufacturing and mining industries, as the main sources for generated freight traffic, take longer time to develop and adjust their shipping patterns. [Main text, para. 45]  project cycle stage:   Lesson Topics:    2. A few factors contributed to the success of the project in mitigating the diverse environmental impacts of the highly complex and challenging construction. A strong institutional establishment ensured effective implementation of the project environmental management plan. Sound environmental management practices were adopted throughout the Project Design, construction, and operation. For example, shock absorbers were installed on the Yichang Extra Large Bridge to minimize the vibration impacts of railway carriages on the aquatic habitats of the Chinese sturgeon. Long spans were adopted for bridges over the Yangtze River to minimize the number of piers, so that construction impacts were minimized. The design was also improved to control gas emissions by adopting solar or electric boilers at stations. [Main text, paras. 7, 46]  project cycle stage:   Lesson Topics: |
| 1. Flexible management by the government and ADB allowed a complex project to be implemented successfully in a rapidly changing environment. Good communication from the project management team, together with flexible support from ADB, allowed project implementation to adapt to the changing legal and administrative environment while retaining the basic project rationale and objectives. ADB project supervision would have been enhanced if there had been greater continuity of project officers.  project cycle stage:   Lesson Topics:    2. The experience of the project indicates the importance of systematic record keeping in addition to ongoing monitoring and evaluation. Although implementation was generally satisfactory, there was poor documentation and recording at the central and district levels of activities and updated data relating to project activities, output, and outcomes.  project cycle stage:   Lesson Topics:    3. The project supported the development of district-based education information systems to strengthen district-based planning. Although most districts were still producing annual education statistics, there is room to improve data quality and the use of data in planning and management. Central Ministry of National Education maintains education statistics for the provinces; in the districts, all data are accessible through the districts themselves.  project cycle stage:   Lesson Topics:    4. The project framework was not stressed sufficiently by ADB during loan implementation. As a result, the government and the central facilitation unit were not fully aware of all of the objectives of the project. Further, as district project management teams were under considerable political pressure to accelerate the implementation of project activities, the project came to be viewed primarily as a funding mechanism and the emphasis on district capacity development tended to be lost.  project cycle stage:   Lesson Topics:    5. An important lesson is the importance of integrating project funds and activities into government processes, wherever possible. The separation of Decentralized Basic Education Project funds for districts from district government budget mechanisms weakened the link between district education development plans and the annual budgeting process, and made district capacity building less effective.  project cycle stage:   Lesson Topics: |
| 1. Timely selection and training of project staff is essential for effective implementation. The delayed establishment and operationalization of the project implementation unit prevented activities from being properly sequenced during the first 2 years of project implementation.  project cycle stage:   Lesson Topics:    2. Stakeholder support is essential for increasing awareness and acceptance of technical and vocational education and training (TVET). To ensure the sustainability of the project's achievements, the government must provide continuing financial and human resources support to increase awareness and acceptance of TVET, particularly in the form of career guidance and social marketing. Continued cooperation by the National Career Guidance Center, nongovernment organizations, job centers, and private sector training providers in facilitating career guidance, social marketing, and job creation should be further encouraged and sustained.  project cycle stage:   Lesson Topics:    3. It is important to establish and maintain a network for cooperation in competency standards development within the region where similar issues and problems regarding the promotion of technical and vocational education and training and development of competency standards prevail. Benefits from this approach include facilitated adoption and adaptation of established standards, which may be applicable to Maldivian requirements, as well as the mutual sharing of ideas, processes, competency standards, and materials on skills training.  project cycle stage:   Lesson Topics:    4. The relevant stakeholders (i.e., various ministries, agencies, employers, training providers, youth, parents, schools, and communities) are often unaware of technical and vocational education and training (TVET) and its various features and components, and continued efforts to bring them onboard must be made through interagency cooperation and coordination, workplace visits, and promotional campaigns in schools and communities. For these to be effective, interagency cooperation and coordination in TVET policies, legislation, programs, and budgets needs to be strengthened at the central and local levels. This will ensure that problems and issues related to TVET are addressed through a participatory approach and government agencies, private sector agencies, and local communities have a clear understanding of their tasks and responsibilities. This will also prevent conflicts in management decision making and avoid duplication of work, plans, and strategies for TVET.  project cycle stage:   Lesson Topics:    5. The establishment of a dynamic labor management information system would have been useful in gathering relevant information for guiding the employment sector councils in identifying high demand occupations and developing competency-based skills trainings that are demand driven. Also, such as a system would have provided important information to support policy-related decision making, planning, and interagency cooperation and coordination and helped determine and quantify project achievements.  project cycle stage:   Lesson Topics: |
| 1. The project expressway was implemented in an efficient and effective manner and was opened to traffic on 18 December 2008, which coincided with the completion date estimated at appraisal. The timely completion of the project was mainly due to early project preparation and readiness, including the completion of preliminary design in March 2003 and the detailed design in December 2003, as well as advance procurement of key civil work contracts and project implementation consultants. The achievement of key milestones of the project contributed to timely completion of the project expressway, despite some delays at the commencement stage.  project cycle stage:   Lesson Topics:    2. Based on the actual traffic recorded in 2009 and 2010, the traffic forecast at appraisal was unrealistically high for both the project expressway and parallel G319. The lower traffic and increased project cost have negatively impacted on the project financial reevaluation compared to appraisal. It is, therefore, suggested that a road traffic origin-destination survey be conducted in an appropriate manner, including timing and locations for survey, detailed information on the local and through traffic, accurate information on vehicle categories, and validation of traffic results.  project cycle stage:   Lesson Topics:    3. The project encountered common resettlement issues, and timely measures were taken: (i) early completion of the major land acquisition resettlement activities 1 year prior to the commencement of civil works allowed adequate time for resettlement implementation as well as completion of civil works; (ii) instead of concentrated resettlement sites, allocation of individual housing plots ensured that the affected households moved into new houses in a timely manner, but this approach has to be prudently decided upon based on the local context; (iii) a good relationship was built with the local communities through appropriate assistance in the improvement of local community facilities such as schools and access roads; and (iv) adverse impacts caused by construction activities should be identified during the project design stage.  project cycle stage:   Lesson Topics: |
| Inadequate preparation at appraisal and readiness at approval caused the problems encountered during implementation. An urban development master plan and more importantly a detailed feasibility study to fully assess costs and alternatives was not in place prior to appraisal. As a result, the project required (i) further detailed studies during an extended initial implementation phase, and (ii) supplementary financing. Because a comprehensive feasibility study was lacking, the project implementation assistance consultants had to undertake a significant number of feasibility options analyses prior to development of the preliminary designs and bid documents, which led to delays in the project's initial implementation phase. From the initial cost estimate of $10 million, the actual project cost increased to $17.8 million, requiring supplemental financing and resulting in further implementation delays. [Main text, para. 53]  project cycle stage:   Lesson Topics: |
| 1. Policy reforms require monitoring beyond disbursement of the final tranche and closure of the program loan. A number of the Education Sector Development Program II policy initiatives may have lapsed since implementation, but without proper independent monitoring these are difficult to track. [Main text, para. 56]    2. Strong construction supervision and monitoring systems are vital in education projects that emphasize civil works. The quality of school construction and furnishings was a continual concern during project implementation, stemming from inadequate monitoring and enforcement of quality standards. Lower secondary school construction relied on a community participation modality manual prepared by Ministry of Education, Youth and Sport, but there was no orientation or training for community members that enabled them to monitor the construction process. There was a lack of continuous quality assurance from the executing agency site engineers during construction (they were responsible for a large number of sites), which in turn led to weaknesses in documentation. Compounding these issues was the lack of continual input by a team leader in overseeing these construction quality issues. This lesson will be particularly relevant for the proposed Third Education Sector Development Program. [Main text, para. 57]    3. Supervision of procurement could have been stronger. ADB's project procurement-related review cited potential conflicts of interest, inappropriate prequalification, misleading and incomplete contract documentation, payments not accompanied by adequate documentation, lack of proper evidence and onsite inspection reports accompanying progress payment claims, and poor retention of contract documentation by the school support committees and school construction committees. [Main text, para. 58]    4. Providing for continuous consulting team leadership, by an international team leader along with a national deputy team leader, is advisable for efficient project management. The lack of continuous leadership under Education Sector Development Program II to some extent hindered the effective implementation of some project activities. [Main text, para. 59]    5. Extending project closing dates can result in stronger outcomes. The final review mission agreed to the use of bank guarantees so Ministry of Education, Youth and Sport (MOEYS) could issue contractor checks for work extending beyond loan closing, including payments for amounts withheld during the defects liability period. With some activities occurring after project completion, there was a lack of adequate oversight by MOEYS, resulting in quality issues in building construction and finishing. The delays also contributed to poor management of some SRCs because of inadequate training of staff. It would have been more prudent to allow for a project extension for the adequate completion of these activities. [Main text, para. 60]    6. The inclusion of a gender and ethnic minority action plan (GEMAP) in the project design does not guarantee its implementation, even when GEMAP monitoring is included in consultant terms of reference. Without reporting systems and designated focal persons the GEMAP does not get fully implemented. Good practice would have been to report in detail against GEMAP targets with gender-disaggregated data in all projects reports, including quarterly and annual progress reports, with any follow-up issues flagged for the next mission. The ADB resident mission gender specialist should develop a GEMAP orientation program at the start of implementation for all project consultants and executing agency staff. [Main text, para. 61] |
| 1. Following the Pradhan Mantri Gram Sadak Yojana (Prime Ministerï¿½s Rural Roads Program) guidelines, each civil works contract had a stipulated completion period of 12 months. However, it was found during the implementation that 12 months was inadequate and that 15-18 months were needed. The proper timing of the signing of civil works contracts in relation to the monsoon period will avoid the loss of construction time due to the monsoon. This should be incorporated and considered in following subprojects under the multitranche financing facility.  project cycle stage:   Lesson Topics:    2. The Pradhan Mantri Gram Sadak Yojana (Prime Ministerï¿½s Rural Roads Program) roads usually generate new traffic and are sometimes being used as a shortcut if they provide a through route. Some field visits identified that some of the roads being used as shortcuts have already deteriorated. Consultation with communities also revealed that local residents were concerned about the quality of design and that it might not cater for future traffic. Also, the recent traffic survey (during the project completion review mission for the Rural Roads Sector I Project) found much higher traffic on the project roads than anticipated at appraisal. Systematic catering for future traffic growth must be strengthened, both in planning methodology and also in broader road network management.  project cycle stage:   Lesson Topics:    3. Some of the construction delays were caused by nonavailability of the contractors, including lack of working facilities, mobilization of resources, and/or skilled and qualified staff. Also, some of the civil work packages were geographically spread out which made it difficult for the contractors to manage their resources, labor, and materials. In future project formulation, the size of contracts should be adjusted to the availability of contractors. Also, as a sector-wide issue, the capacity of the construction industry should be increased substantially. A concerted effort is necessary, not only from the government offices dealing with infrastructure but also the offices dealing with the construction industry, technical education, and human resource development. Fostering construction and maintenance capacity, especially in rural roads, could be considered in future Pradhan Mantri Gram Sadak Yojana (Prime Ministerï¿½s Rural Roads Program) programs. Currently, there are some issues in routine maintenance contracts, such as fewer contractors participating in the bidding, or some contractors disappearing before the maintenance period is completed.  project cycle stage:   Lesson Topics:    4. Relocation of electricity poles and telecommunication lines was a common problem faced in almost all contract packages. Early identification and preparation - such as sufficient survey provision, accurate cost estimation, adequate and timely budgeting, and adequate coordination with concerned departments and state organizations - should be incorporated into future subprojects.  project cycle stage:   Lesson Topics:    5. The price for some materials, especially cement, steel, and asphalt, was substantially adjusted during implementation. Large-scale price eslalation led the contractors to slow down the work. Since the standard contract period for the Pradhan Mantri Gram Sadak Yojana (Prime Ministerï¿½s Rural Roads Program) works is only 12 months, provision for price escalation is not included in the civil works contract. This means that if the works take longer than 12 months for any reason, price escalation potentially becomes an issue. Future project preparation and implementation should consider price escalation and/or adopt special clauses applicable when the work is extended to more than 12 months.  project cycle stage:   Lesson Topics: |
| 1. Ownership and commitment of the Punjab government toward the Punjab Local Government Ordinance (PLGO), 2001 decreased over the project implementation period. The PLGO 2001 reforms were embedded in the tehsil municipal administration (TMA) selection criteria and were supported through municipal management capacity-building initiatives to ensure sustainability of investments. Due to the lack of political will and weak capacities of the implementing agencies, however, the implementation of the reforms and municipal management activities was marginal. With more focus on infrastructure, and limited attention to TMA selection criteria and related benchmarks, this gap could not be fully addressed during implementation. Urban projects need an integrated approach, and infrastructure alone cannot result in improved services, unless different services complement each other, and capacities, resources, and systems are in place to sustainably deliver these services.  project cycle stage:   Lesson Topics:    2. Based on the analysis at completion, one of the major flaws in the devolution process was that tehsil municipal administrations (TMAs) were given additional responsibilities without providing them the additional staff members, resources, power, and regulatory environment to deliver these responsibilities. In the absence of these four key elements, any further investments in urban services managed by TMAs are not expected to deliver sustainable results and service improvements.  project cycle stage:   Lesson Topics:    3. The Local Government and Rural Development Department, through the project coordination office (PCO), was the executing agency of the project. However, with limited capacity demonstrated in implementing the project for the first 2 years, PCO management was taken over by staff members deputed from Housing, Urban Development and Public Health Engineering Department, and focus shifted toward infrastructure investments. Sustainability can be better achieved if the organizations that operate services remain fully involved in its design, planning, and implementation stages.  project cycle stage:   Lesson Topics:    4. It was envisaged that the tehsil municipal administrations (TMAs) would be assisted in offering opportunities to the private sector in the transport, recycling, and composting of solid waste, municipal slaughterhouses, and wastewater treatment plant operations. However, except for outsourcing slaughterhouse operations, no private sector participation was achieved. Private sector participation was included in the scope of project activities without fully understanding the dynamic of such a partnership, conducive regulatory environment, economies of scale, and capacities of TMA to enter into and manage such partnerships. The overall support required for new approaches for delivering services must be better understood before these are included in project designs to ensure success.  project cycle stage:   Lesson Topics:    5. The community participation in design and planning subprojects was minimal. The engagement with communities was mainly through social organizers and some council members, who were not directly related to mainstream implementation of the subproject, which was one of the key reasons for weak participation. Community participation requires their intensive involvement from the design to the implementation stages, through direct interaction with key players responsible for implementation, to build ownership and sustained partnerships.  project cycle stage:   Lesson Topics:    6. Delay in acquisition of the required land and award of contracts without implementation of resettlement plans impeded implementation and caused premature loan closure. Efforts are needed to built safeguard capacities within countries to implement and within ADB to supervise, guide, and monitor safeguard compliance. To check against safeguard-related delays, safeguard plans and their implementation should be part of a project readiness filter.  project cycle stage:   Lesson Topics: |
| Along with consultations related to project formulation and design, consultation with participating towns on cost recovery, tariffs, and user charges is crucial forsustainability.    Advance action on the recruitment of project consultants can help avoid delays.    Acting in advance to begin designs, package bids, and obtain all statutory clearances can help avoid delays. The cell for obtaining statutory approvals and clearances set up in the project management unit (PMU) at a later stage expedited clearances.    Information, education, and communication aimed at changing the behavior of urban residents are necessary to achieve design results.    Involving specialist agencies for specific componentsï¿½the Indian National Trust for Art and Cultural Heritage for this project's heritage component, for exampleï¿½ leads to positive outcomes.    A good project performance monitoring system is essential to avoid ad hoc or delayed decisions. Weekly contractor review meetings, a practice introduced by the Urban Development Department (UDD), can help get past implementation hurdles in a timely manner.    Small investments can have large impacts and make a big difference to people's lives. Examples from this project include the hospitals in the project cities and the diversion channel for rainwater in Kota.    Including house service connections and door-to-door solid waste collection in the project scope ensures that the assets created will be used effectively.    Providing for price variation in the contracts of private operators reduces project risks and is a fair practice.    Achieving critical mass in the staffing of the PMU and project implementation units (PIUs) and retaining key staff members for the duration of the project are important factors in smooth implementation. A number of engineers involved in the project's design and familiar with packaging and contract conditions remained with PMU through implementation and greatly facilitated its execution.    Providing awards and incentives to contractors for quality and timely delivery, as done by the UDD, helps foster a spirit of competition and better performance.    Timely induction of counterpart staff and building up their capacity is critical to a successful handover of assets to urban local bodies (ULBs) and line agencies.    Initiating community awareness and participation program (CAPP) activities early on and continuing them beyond the end of the project enhances a project's effectiveness and sustainability. |
| The main lesson learned through implementation of the project was that working with and supporting existing government structures helps develop the capacity of the executing agency to implement externally funded projects, especially in procurement and contract management. It also ensures better ownership of the various works and continued sustainability. Most other development activities are implemented off-budget in Afghanistan.  Close coordination of the multiple development partners was important to ensure that works and programs were complementary, with no overlap or gaps in support. The project was able to incorporate separate but complementary programs from bilateral development partners, which helped the overall implementation and impact of the project.  Senior provincial and district government officials and elders expressed gratitude to ADB for its timing and confidence in the implementation of the project. They hope that this will open the regions for future investments and improve governance in the regions. |
| Priorities for health sector development. One issue with health projects in Viet Nam is that the Ministry of Health (MOH) and the provinces typically give priority to upgrading facilities and staff. Provinces may be less focused on sector reforms and improving outcomes, perhaps as this is not seen as a role of projects, and the results are less understood and tangible. Provinces need to focus more on improving the quality of services and maintaining assets.  Piloting reforms. While government ownership of project formulation was strong, proposed pilots were too ambitious given MOH constraints and the lack of detailed plans or technical support. On the other hand, the project flexibly responded to several policy changes and national developments by adjusting its scope, which counterparts appreciated. Demand-led programming improved project impact.  Targeting. The project improved services for the poor and had a substantial focus on maternal care but provided less targeted support for ethnic minorities. Several of the interventions for ethnic minorities didn't materialize. The project evaluation study showed that the poor in general and ethnic minorities in particular benefited from the government support for commune health stations (CHSs) and health insurance, while ADB funding provided more general public support. More could have been achieved with better targeting for minorities, assuming MOH concurrence.  Lengthy administrative processes. Implementation delays were largely caused by lengthy procurement and financial control procedures at all levels. While the project management unit (PMU) and provincial project management unit (PPMU) capacity was also an issue, the government's administrative procedures were time consuming. ADB administration was considered relatively efficient.  Monitoring and evaluation. Data were regularly collected, and efforts were made not to create a separate monitoring system but use existing information. However, project monitoring was incomplete and insufficiently used as a management tool to achieve results. Substantive project evaluation was very useful. |
| At appraisal, ADB overestimated Armenian Roads Directorate (ARD's) capability to procure consultant services for subproject preparation and construction supervision. For future projects, a more detailed capacity assessment of the executing and implementing agencies is needed during project processing.  Sufficient contingency is needed to cover cost increases. For future projects, design-build contracting can ensure better engineering and mitigate the risk of price escalation.  An ADB review identified shortcomings on some road construction works and poor quality in engineer's cost estimates. These were caused mainly by inadequate designs or poor contractual works and materials. ADB needs to ensure strict compliance with contractors' contractual specifications. Contractors should be held accountable for poor contract performance or substandard materials before the defect liability period following the contract agreements.  The roles and responsibilities of road network development and management are unclear. Stronger government commitment is needed to develop the road sector.  During the surveys and preparation of road works design, more attention should be paid to the current and expected needs of pedestrians in road sections passing through villages. |
| Design flexibility, accommodating changes for better alignment with emerging development objectives, improved implementation and contributed to reaching the desired results. Clear and precise documentation regarding when and what changed, and how the project goal, outcomes, and output were revised and embedded in new modalities, should be a critical element of this mind set.  Benchmarking education quality reforms with international and regional best practices, is important and could have contributed to strengthened reforms.  The dependence of reforms on proposed legal provisions should be analyzed. Both the development of the national curriculum framework and the decentralization of education could not be implemented fully because the legal provisions were not in place.  Deliberately designing stakeholder participation and public debates on education policy reforms could have benefited implementation. The lack of broader stakeholder participation, particularly in the districts, risks losing ownership by implementing agencies.  In the case of pool funding, efforts should be made to continue collaboration until the end, including a joint evaluation, to identify joint lessons and to maximize use of resources.  Developing an indicator to measure quality improvements during the life of the project could have assisted in focusing the quality improvement interventions. A national assessment of student achievement using international standards is part of the school sector reform program. Grades 3, 5, and 8 will be assessed. |
| Legal, regulatory, and institutional framework. Legal, regulatory, and institutional framework appropriate for microfinance is required for sustainable development and the successful implementation of projects.  Prudential supervisory and regulatory infrastructure and capacity. Prudential supervisory and regulatory infrastructure for bank and nonbank finance institutions with capacity and commitment to reform is essential to maintaining a stable and efficient financial system, regardless of size.  Government ownership. The success of any development program depends on strong government ownership and willingness to address key constraints.  Microfinance market development. Savings and credit union (SCU) growth by more than a factor of 10 demonstrated the market potential for microfinance in Uzbekistan. |
| Flood Management Related  The project provides useful lessons on the process of changing institutional and policy making mindsets, in this specific instance in relation to flood management. Prior to the project, flooding was often perceived solely as an agent of damage and disruption to human settlement and socioeconomic activities, and even a cause of human casualties in the People's Republic of China (PRC). People, however, now realize that floods (in particular more frequent and smaller freshwater floods), sustain ecosystems and the services that ecosystems provide. The benefits of floods also include recharging ground water, maintaining river courses, making soil more fertile, purifying water, and sustaining natural habitats. The old belief that floods should be fought and controlled by construction of dams, dikes, and bypass channels was misleading. Furthermore, continuously strengthening and extending structural flood defenses is unsustainable economically, environmentally, and in terms of social equity.  The flood management approach accepts that certain parts of the landscape will occasionally be flooded and seeks to reduce the ultimate cost to society. This includes taking measures to prevent floods from becoming disasters, anticipating worst-case scenarios, and identifying opportunities for conveying the resultant flood wave through the river system in a safe and largely predictable manner. The approach incorporates structural measures, but only as part of a larger strategy that includes: (i) flood proofing important structures and implementing land use controls; (ii) establishing flood forecasting, risk assessment, and warning systems; (iii) preparing emergency responses and flood recovery measures; and (iv) creating financial incentives such as flood insurance and eco-compensation. Risk assessment is essential for flood management, and the project significantly improved the Songliao Water Resources Commission's (SWRC) capacity for flood forecasting and risk assessment through the development of the Songhua River Basin Flood Management System.  The concept of integrated water resource management and the river basin management approach were recognized and put into practice by the PRC as adaptive processes. The government took steps to achieve such change. The Songhua River Basin Flood Management Master Plan was prepared first, and then the Songhua River Basin Comprehensive Plan was formulated. In regard to policy implementation, the flood forecasting, risk assessment, and warning systems were completed first, and the actions on flood retention area and flood insurance development are still ongoing.  The project advanced these reforms and helped to develop a new way of thinking about floods and their broader ecological significance in the Songhua River basin. The government agencies involved in the Songhua River basin have shifted their approach from only structural measures for flood control to a balanced approach using both structural and non- structural measures. However, there remains room for improvement in the development of different types of non-structural measures. In the next phase, basin flood management needs to evolve into integrated flood management, which not only aims to reduce the human and socioeconomic losses from flooding but also to increase the social, economic, and ecological benefits from floods and the use of floodplains.  Project Management Related  The lessons learned in project design and implementation include: (i) complicated implementation arrangements for future projects should be avoided to reduce challenges and increase efficiency in project implementation; (ii) domestic approval procedures and timelines for subprojects should be carefully reviewed and adequately factored into project schedules so that the schedules can be adhered to; and (iii) in addition to the training on consultant recruitment, ADB should also provide executing agencies (EAs) with adequate training in consulting service contract management to ensure cost effective and quality consulting services. |
| The absence of international joint venture partners in the implementation of international competitive bidding (ICB) contracts awarded to them was observed during project implementation. To ensure involvement of all joint venture partners in contract administration, it would be necessary for each individual joint venture partner to issue a guarantee against the collateral for their individual and joint liability. Issuance of individual and joint liability along with a performance bond would ensure liability for the work among all joint venture partners.  The government needs to review and include interim milestone dates in the contract documents to ensure timely work completion and avoid extensions.  There were some difficulties in contract administration between Department of Customs (DOC) and United Nations Conference on Trade and Development (UNCTAD). Although the contract for automatic system of customs data (ASYCUDA) was signed between Department of Roads (DOR) and UNCTAD, DOC was the main agency to supervise UNCTAD's work. DOC felt that it was less effective in the UNCTAD contract implementation because it was not a party to the contract. Contract provisions should have clearly stated the role, responsibilities, and implementation arrangements of DOC.  The government needs to institutionalize a safeguard system within the organizational framework of the project, particularly during implementation, for effective monitoring and supervision of and timely compliance with safeguard covenants. |
| Initial implementation delays need to be reduced. To this end, more work should be completed during project preparation including (a) the preparation of a request for proposal for consulting services, (b) the approval of advance action for the procurement of consulting services and construction contracts, (c) the preparation of feasibility studies and their approval by the government, and (d) the preparation of tender documents for the first contract package.  Consultants should be fielded early in the project implementation period.  Market-level compensation is necessary to attract and retain competent staff at the PMU and PIUs.  The midterm review should thoroughly review the project, including knowledge of ground realities, costs, and implementation progress, and come up with a revised project scope, if warranted, keeping in view the budgetary provisions, and a realistic implementation schedule.  Uninterrupted power supply and assured raw water availability are critical to ensure the sustainability of investments. Such infrastructure constraints that are outside the control of a particular project may reduce the project's benefits as well as accelerate the depreciation of the assets created. |
| Wastewater tariff. The required tariff was accurately estimated at appraisal and was made a loan covenant to assure the Wuhan Urban Drainage Development Company's (WUDDC) financial autonomy. During project implementation, the tariff was adjusted but was still insufficient to achieve the goal set for the WUDDC. The delay in the tariff increase was not only due to lack of support from relevant government agencies, but mainly because of the Wuhan municipal government's (WMG) concerns on social stabilities caused by inflation and overall prices increases in recent years. As the top concerns of the central and local governments, the governments in most cases subsidize wastewater treatment plants (WWTPs) from the government budget to ensure the operations of the WWTPs. The objective of a tariff increase has not yet been achieved to date, so there is a need to further strengthen policy dialogue on the tariff increases for the future achievement of full cost recovery for wastewater services.  Land acquisition and resettlement. Because of land use changes in updated urban development programs, the Luobuzui WWTP was relocated after the issuance of the land-use permit. Resettlement impacts were consequently different from those anticipated in the resettlement plans, and identification of a new WWTP site caused implementation delays and difficulties. The change mandated the adaptation of the associated wastewater collection system, which made resettlement more difficult. To ensure smooth project implementation, such changes should be anticipated during project preparation or recognized at an earlier stage of implementation.  Schedule for implementation and financing. The WMG should have increased the wastewater tariff to raise the required funding instead of requiring the WUDDC to borrow more from domestic banks. The WUDDCï¿½s audited financial reports indicate that its short-term indebtedness is much higher than the typical for such an enterprise. The more timely reallocation of unused loan proceeds could have achieved full utilization of the loan proceeds including savings on interest during construction. The finance department of the WUDDC should have monitored and controlled the implementation schedule and financing plan to minimize commitment charges. |
| For the third ring road (TRR), there were several variations caused by design changes or differences between the engineering designs and actual field conditions, which included (i) addition of a pump station to the subgrade package due to an exceptional design change, (ii) rapid expansion of the urban areas, (iii) inaccurate preliminary design and engineering designs, (iv) emerging urban infrastructure demands during project construction. A more accurate detailed design based on a well-coordinated inter-agency strategy would have helped to avoid unexpected variations as well as increased resettlement costs. Better preparation and coordination would have been of great value to the design of interchanges, grade separations, pedestrian bridges, and traffic safety measures along the TRR and its connector roads.  The project consisted of several components implemented or administered by various agencies. Xi'an Municipal Urban and Rural Construction Commission (XMURCC), Xi'an Third Ring Road Construction and Development Company (XTRRCDC), and the government offices concerned made enormous efforts in coordinating and harmonizing project implementation activities, particularly in obtaining necessary government clearances during procurement and operation. A streamlined institutional arrangement will ensure a solid foundation for smooth project implementation. Further, complicated domestic processing requirements related to equipment procurement it took a long time to obtain domestic clearances from the agencies involved before submission to ADB for review and approval caused delays. The government needs to simplify cumbersome domestic procedures to speed up project implementation. |
| The availability of bankable political risk guarantee (PRG) cover for risks that are within the power of the government to mitigate is important to investors and their financiers. However, such targeted cover cannot address concerns about security and macroeconomic stability.  Close collaboration with Multilateral Investment Guarantee Agency (MIGA), International Development Association (IDA), and Department for International Development (DFID) strengthened project design. It allowed for excellent exchange of experience with regard to PRGs, other insurance products, and how they can best be used to fill market gaps, especially in post-conflict countries.  Responsibility for the project was spread out within ADB, causing coordination issues with MIGA and other cofinanciers. For future projects combining sovereign, nonsovereign, and cofinancing operations, having a single focal point within ADB would improve project implementation and prospects for success.  The capacity of Afghanistan Investment Support Agency (AISA) to promote new investment in Afghanistan and the availability of PRG cover to support such investment was poor because of staff turnover and an inadequate incentive framework. This should have been anticipated and technical assistance could have looked at ways to address this problem.  Modifications to project design, the monitoring framework, and the assessment methodology would help future projects using this or a similar PRG modality and projects that combine sovereign, nonsovereign and cofinancing operations. The assessment criteria did not easily accommodate the unique structure of the project or the modality used. |
| Program Related  Technical assistance (TA) inputs. The implied assumption of the TA work plan (with its heavy emphasis on early TA inputs) was that the policy and institutional reforms would be achieved quite early on and that the remainder of the time would involve just monitoring and evaluation of implementation. Policy reforms take time, and continued monitoring and effort are required from the TA, the counterparts, the government, and ADB throughout the program in order to effect policy and institutional change.  Local ownership of process. It was not until the establishment of working groups for each of the tranche conditions in late 2005, under the initiative of the program support unit (PSU), that ownership of the process became more localized. There were delays in the development of work plans and budgets, and the consequent disbursement of funds to the working groups caused a delay in meeting tranche conditions. However, resolving difficulties and obstacles was made easier by empowering the working groups to come up with their own ideas and solutions through internal processes.  Commitment to change. This is an important issue and lesson learned from the program loan activities. Although there clearly was a commitment to change in relation to most tranche conditions, there was back-tracking on the initial commitment to divest state-owned enterprises. However, after considerable reflection and reconsideration of options over the program period, all state-owned enterprises were successfully divested, and the benefits of thisï¿½significantly better operations and financial performance of the ongoing enterprises, and cost savings for those wound upï¿½are increasingly appreciated.  Resettlement plans. At appraisal, the social and cost implications of the resettlement plans required in connection with the divestment of the state-owned rubber estates (SOREs) were not fully anticipated. This was a key reason for the 2-year delay in the release of the second tranche of the program loan. The scope and cost of resettlement plans needs to be clearly recognized at the time of project design, since they are time-consuming to prepare and costly to implement.  Project Related  Funding constraints. The uptake of some project activities was constrained by the lack of funds (or credit) for necessary capital expenditure items (e.g., costs of establishing greenhouses, chicken-raising facilities). This was accentuated by the project's deliberate policy of seeking to involve a substantial proportion of the rural poor, who lacked cash or access to credit. Future projects should include adequate funds for such purposes or seek involvement of a nongovernment organization with funding available for such items.  Value of diffusion and informal extension services. Budgetary constraints mean that once the project ends, follow-up provision of provincial and district extension services from Ministry of Agriculture, Forestry, and Fisheries (MAFF) staff is limited. This highlights the importance of developing the informal farmer-to-farmer and input-supplier-to-farmer extension services. In particular, the village extension worker (VEW) program introduced late in the project's life has trained a number of farmers who will continue to disseminate their knowledge to neighboring farmers. Some farmers have become involved in the production of inputs to new technologies (e.g. fingerlings, chicks, and vaccinations) and are therefore motivated to encourage other farmers to also become active participants in the new technologies.  Profitability of new farming technologies. New activities such as vegetable growing, mushroom growing, pig fattening, chicken raising, and fish farming are more profitable than traditional paddy production and have had high adoption rates. However, for most of the targeted farmer households these new activities will be supplementary to paddy cultivation rather than a substitute for it. This is because most smallholders' paddy production is for own consumption rather than for sale. For household food security reasons, paddy will continue to be grown given the perceived risks associated with nontraditional agricultural activities.  Decentralized training. The project targeted a large number of districts (18) in four different provinces. The geographical spread meant that a decentralized training model was essential. Project staff deployed in the provinces and districts needed to be skilled to a level commensurate with the requirements of the projectï¿½i.e., agricultural commercialization and diversification. MAFF provided this training and skills development centrally but enabled provincial and district extension staff to provide training and back-up support to the farmer households.  Farmer-based agroenterprises. The project found very few agroenterprises in the target districts. Toward the end of the project, the focus switched to providing agribusiness skills to the higher-performing farmer households that had already been trained in the new technologies. A number of examples emerged where these farmer households moved along the production chain and got involved in the production and/or sale of farm inputs to other farmersï¿½e.g., chicks for chicken farming, fingerlings for fish farming, chicken feed, vaccines. A positive side-effect of this process was the commercial incentive for these farm input suppliers to conduct extension services free, or for a small fee, to promote the sale of their farm input supplies. These were generally non- poor farmers with sufficient resources of their own to develop these activities. However, the project also benefited poor farmers to a significant extent.  Monitoring and evaluation. Monitoring and evaluation is an important part of any project and the Agriculture Sector Development Program and Project (ASDP) was fortunate to have monitoring and evaluation officers in the PCU and in the provinces and districts. The adoption, diffusion, and cost/production surveys were an important part of the monitoring and evaluation system and helped provide information on the value of the project. This aspect of the project was particularly well implemented. |
| A single sector approach aids simplicity and a project's effectiveness.  The strong project management office (PMO) with qualified staff and single project director effectively progressed the project, even if subsidiary implementing agencies lacked capacity. Key elements were seconding the implementing agency's staff, absorbing personnel contracted for the project to the PMO, and detaching the PMO from the executing agency's offices.  For this project, engaging and training in-house or contracted staff of the implementing agency for social mobilization was more sustainable than recruiting outside nongovernment organizations (NGOs).  Longer lead times (up to 2 years) should be allowed for the complex legal and administrative processes required to amend Acts of Parliament. Similarly, completing major civil works within 1-1/2 years is unrealistic.  Regular review and updating of the DMF would have aided monitoring and evaluation. A design and monitoring framework (DMF) needs to follow ADB's standard format yet be dynamic.  Credit line design needs to be based on studies of market demand.  Given a profitable and properly regulated enterprise like culture-based fisheries, community-based organizations (CBOs) can be developed into sustainable, profitable businesses. |
| Significant inflation during project implementation affected the project cost. The total project cost could have been less than that actually spent, if the initial 2-year delay in implementation had been avoided. Action should have been taken by all the parties concerned including ADB to ensure that the government was taking timely action.  The project management unit (PMU) and project implementation units (PIUs) should be staffed and consultants recruited in a timely manner to carry out the necessary work at an early stage, such as the preparation of subproject appraisal reports (SARs), land acquisition and involuntary resettlement plans (LARPs), detailed designs, and bid documents; the selection of contractors; and coordination with government agencies and other stakeholders.  The salaries of PMU and PIU staff should be comparable with prevailing market rates to prevent the high turnover of PMU and PIU staff.  Adequate local counterpart funds should have been allocated to the PMU and the PIUs to enable them to undertake the basic socioeconomic survey at the start and end of the project.  Highest priority should be given to international consultants that are qualified and familiar with local rules and regulations related to project implementation.  The quality of civil works for watertight structures, such as the underground and elevated water reservoirs constructed under the project, achieved the required local standards. However, local civil works contractors need further training on technology and workmanship for the construction of water supply facilities, in particular, watertight structures to reach international standards.  The inclusion of a resettlement specialist within consulting services is essential to ensure timely preparation of LARPs.  The PPMS report was prepared but not comprehensive. The project performance monitoring system (PPMS) should include all the technical and socioeconomic indicators that are essential to monitor the project's outcome and impact. |
| Implementation issues. The highway improvement project had a realistic time frame that took the implementation issues in Pakistan into account. These include governance, security, and institutional capacity constraints. Although one of the subprojects was delayed by 12 months and project implementation was affected by floods, this did not affect the overall project schedule. All these issues are likely to continue to impact current and future projects. Advance planning and adequate contingencies are essential for efficient project implementation.  Social safeguards. The N70 subproject faced several delays due to land acquisition and resettlement issues. The important lessons from this include the need (i) to raise awareness of the importance of social safeguards within the government at central and local levels, (ii) to delay contractor mobilization in future until social safeguards have been complied with, and (iii) for ADB to apply its Safeguards Policy Statement (2009) in cognizance of national laws.  Improve project implementation performance. The project shows that implementation can be improved by (i) ensuring that the executing agency has sufficient capacity in safeguards monitoring, and project management; (ii) enabling continuity of staff working on project implementation within the executing agency and at ADB; (iii) raising awareness of ADBï¿½s procedures within the executing agency at the appraisal stage; (iv) making ADB expertise available within the country for project monitoring and day-to-day interactions with the executing agency, consultants, and contractors; and (v) close supervision by the executing agency, ADB, and the supervising engineer, which improved contractor performance.  Quality at entry. The institutional strengthening project could have been better designed in more consultation with the executing agency. The lack of understanding within the National Highway Authority (NHA) on the benefits of project, the delays in procuring the consultants, and the change in their terms of reference indicate the lack of ownership for policy reforms and institutional strengthening within the NHA. This contributed to the poor performance of the project. Had ADB engaged in a more rigorous policy dialogue at project planning stage, the project could have been designed better and more acceptable to the NHA.  This poor performance illustrates the need for the government to adopt a clear strategy on developing the transport sector in general and the sectorï¿½s institutions in particular. It has also helped identify areas for future technical assistanceï¿½project planning, safeguards monitoring, and project management.  The private sector in Pakistan also faces capacity constraints that prevent efficient and effective project implementation. This could be addressed by technical assistance programs to transfer good practices from other countries as well as to improve national educational institutions. |
| The difficulties encountered in implementing the intercounty road were attributed to the low capacity of local counties in project implementation. The officers in the Baise Communications Bureau and Baise Highway Administration Bureau had no experience in implementing multilateral development bank-financed projects, particularly in procurement, disbursement, and project management. The lesson is that proactive efforts and timely actions should be undertaken to build the capacity of officers in local counties when they are responsible for local road components. These efforts could include (i) conducting pre-project implementation training for the relevant officers on ADB's procurement guidelines, disbursement procedures, and safeguards policies; (ii) providing on-the-job training to the implementation team on procurement, disbursement, and contract management; and (iii) conducting frequent review of local roads implementation to identify potential problems at an early stage and then take timely action to resolve issues. In addition, frequent communication with project management offices is crucial to ensure that local roads construction is completed according to the plan and implementation schedule.  The other lesson learned from the project is that the award of contracts to low price bidders can result in contract management difficulties and implementation delays. To win a contract, the bidders, who are not familiar with Fe?de?ration internationale des inge?nieurs-conseils (FIDIC) contract and contract management in ADB-funded projects, offer low prices and take it for granted that the contract amount would be increased through contract variations during implementation. The low price bidders usually are not able to provide sufficient resources to implement the contract, thus resulting in slow progress in implementation. The incidence of offering low prices to bid for ADB-funded projects has decreased in recent years in the People's Republic of China (PRC), since contractors have become more familiar with contract management practice of the World Bank and ADB. However, at the county level, the problem is still widespread among local contractors. For future local roads bidding, a mandatory site visit could be arranged for all potential bidders before bidding documents are issued and a brief introduction to FIDIC contracts for the bidders could be carried out at that time. |
| There are several lessons from the project. First, even if a project is aligned with regional strategies, designs need to incorporate sufficient national consultation and consider country absorptive and technical capacity and commitment. Second, efforts to strengthen routine surveillance and laboratory capacity will achieve only limited success where health information systems and laboratory services are weak. Third, an executing agency's ability to implement project activities within set timeframes is diluted where there is limited PMU capacity, a lack of experience with ADB procedures, and inadequate executive oversight. Fourth, establishing a project steering committee is challenging where separate development partner committees already exist to oversee arrangements for Pacific countries. Fifth, national M&E remains a challenge due to lack of capacity and minimal regional support to assist participating DMCs. While regional evaluations of some activities have taken place, they need to focus on impact or outcome indicators rather than on the process of implementation. |
| Project design. The project was the first of its kind for ADB in the information and communications technology (ICT) sector and in the Maldives. ICT projects are very different from transport projects, in design, implementation, and operation. ICT projects need to have a physical infrastructure for connectivity, software applications for the connectivity to be functional, and a regulatory regime to support the connectivity and applications. The project suffered delays, especially in the initial phase, due to the complexity of the project components and the Ministry of Finance and Treasury's (MOFT) lack of experience in ADB procurement procedures in the ICT sector.  Local information and communication technology environment. Project design should adequately consider the local situation, including sector development status, regulatory framework, and local capacity for implementing the project and absorbing the new technology. The implementation should be conducted jointly by external consultants and local experts to avoid transitional issues. Unlike transport projects, the completion of an ICT project, especially of turnkey projects, only means half the project is finished and many follow-up issues in operation, maintenance, and sustainability need to be attended to. Therefore, the design and formulation of an ICT project should consider not only implementation, but also the operation phase.  Sustainability. Projects with adequate counterpart funds (capital and operational) can encourage government ownership and improve sustainability. The project plan should incorporate a strong operational and sustainable model. Some of the factors leading to unsatisfactory sustainability in ICT projects include an inadequate financial and business plan, and a lack of trained personnel, ownership, and support from public leaders.  Project management. Adapting to a formal project management framework approach and a central repository for tasks, processes, guidelines, and templates can help a great deal with the efficient implementation, monitoring, and evaluation of a project. This can have positive impacts on the overall efficiency of the organization, as well as reporting.  Technical expertise. To expedite project implementation and avoid project delays, the gap between technical and management expertise should be bridged by frequent consultations and diverse team compositions. For example, ADB missions should include information technology (IT) and procurement experts, who may provide adequate and timely guidance on technical matters and ADB procurement. The government's supervision and oversee consultants should facilitate mutual understanding and trust between the contractors and government, and provide adequate problem solving. |
| Because farm activities are highly seasonal, timely start-up of implementation is crucial in agriculture projects. This experience shows that the 6-month delay in mobilizing consultants contributed to the loss of a year of crop demonstration trials in the Year 3 subprojects.  Agricultural extension activities usually consume a relatively small share of the total budget in irrigation projects, and therefore may get less attention from irrigation departments, which tend to focus on irrigation construction. The project experience shows that agricultural extension has a high pay-off where it is relevant to farmer needs, well supported by extension staff, and done over enough time to allow farmers to observe and digest the results.  A comparison of the project and the Community-Managed Irrigation Sector Project (CMISP) experiences shows that effective control of construction costs through careful subproject selection, design, and construction supervision is essential to ensure that economic benefits are achievable. The project managers effectively absorbed the lesson of the CMISP, where high construction costs for many subprojects contributed to an ex-post EIRR that was well below the appraisal estimate.  Almost all communities are experienced in managing their irrigation schemes and cultivating irrigated rice, but there remains a need for ongoing technical support and extension outreach after the schemes have been upgraded and turned over. There should be routine monitoring and support to the water user associations (WUAs). Without such support, the community-managed irrigation (CMI) systems will be slow to achieve their full economic potential, even though the investments may be economically viable as they stand.  Project targets aimed at including vulnerable groups (women and ethnic groups) should be based on a thorough understanding of realities and local institutional capacity. In the project's gender action plan, the goal of reducing rice deficits was to be achieved by having women constitute 50% of farmers. Since rural women by tradition are fully active in farming, the 50% target was irrelevant. Moreover, there is no logical link between rice deficits and the number of female farmers. Similarly, the goal of achieving equality of extension staff by gender and/or ethnic group should have recognized local budgetary and human resource constraints. |
| Project delays could have been reduced significantly by identifying and deploying qualified staff during project preparation, keeping those staff throughout implementation, obtaining early government approval for the project, and taking advance action on the recruitment of consultants before the loan agreement was signed.  The issues of land ownership and operational responsibilities needed to be clearly settled between public ministries and departments before the project embarked on market construction. This was particularly important for revenue-earning infrastructure like markets. More time than was envisaged at appraisal was needed to form output-oriented farmers' marketing groups (FMGs) and to put them into operation.  To ensure that the markets to be built under the project would be successful, the project needed to seek the participation and take into account the opinions of local stakeholders when selecting the sites for market construction.  All project components should have been based on need assessment. This was particularly true of the activities for agribusiness credit piloting and infrastructure for marketing and the facilities at the horticulture training and demonstration centers (HTDCs). Failure to assess needs and conditions for these components adequately meant that the outputs were not used fully or successfully.  Post-project monitoring and evaluation systems need to be designed for the project during the planning phase to ensure ongoing innovation and sustainability of the project impacts.  The selection of capable nongovernment organizations (NGOs) was critical to ensuring effective delivery of services and for sustaining project activities. |
| The project was the first of its kind to use an ADB loan to implement a rural roads program in India. The project helped the states identify gaps in various program implementation activities. Some of these lessons learned are listed as in the following paragraphs. |
| Poverty mapping was a useful tool to determine the beneficiaries and suitable ways to involve them in project activities. However, to include women and the disadvantaged in commercial processing and marketing enterprises that require more resources and better skills, alternative approaches are needed, such as organizing skills training in their areas of interest, easing access to institutional loans on a group guarantee basis, and establishing links with marketing institutions.  Privatization of public sector enterprises is not sufficient to achieve growth in the dairy industry. Strong links with milk-producing farmers and cooperatives are needed to ensure uninterrupted milk supplies to milk processors, achieve full capacity, and maximize investment benefits.  Public-private partnership is an effective approach to promote private sector participation in the livestock subsector. This has been demonstrated by the successful operation of project-assisted meat and dairy shops, abattoirs, paravets, and veterinarians.  Effective implementation of laws and regulations on operation of slaughterhouses coupled with a consumer awareness program are essential to improve hygienic meat processing and marketing, and optimize benefits from project support.  The Rural Microfinance Development Center (RMDC)-supported microfinance institutions (MFIs) were successful in delivering loans and ensuring timely repayment in areas with enough opportunities to earn daily wages. However, for areas without such opportunities, farmer cooperatives should be developed to deliver loans. These cooperatives have low overheads and function even in adverse geographic and political conditions because of their community ownership. |
| (No section on lessons provided in the report.) |
| The project was the first of the ADB-assisted road projects in Azerbaijan. Many lessons were learned during project preparation and implementation. The main lessons are summarized below:  Azerbaijan experienced sharp increases in the prices of fuel, utilities, and major road construction materials between project appraisal and detailed design. These led to significant changes in the project scope and financing plan. In future road projects, greater due-diligence needs to be undertaken during project design and formulation, which includes carrying out adequate cost estimations, setting aside enough resources to cover contingencies, and shortening the interval between appraisal and implementation.  The contractor for the Gazakh-Georgian border section was perhaps not familiar with the country's situation at the start, and this caused mobilization delays and difficulty in finding suitable local subcontractors. In future road projects, the Ministry of Transport (MOT) needs to provide bidders with adequate local information at pre-bidding meetings, and publish information on the cost of locally available inputs (materials, equipment, and labor) on its website to allow bidders to submit sensible bids.  The project was cofinanced by several external aid agencies. This modality proved to be suitable for financing the rapid development of the road subsector. In future road projects financed by multiple aid agencies, the Azer Road Service Open Joint-Stock Company (ARS) needs to strengthen its project management capacity in the aspects of financial accounts, project scheduling, and quality control.  At appraisal, the project was designed to cover two subsectors: roads and customs. Projects of this type, covering different administration sectors, need adequate guidance and coordination. A project coordination office may be established at the central government to coordinate project management and implementation activities between the concerned government agencies.  The implementation delay for the local roads component resulted in the shifting of this component to subsequent ADB-assisted projects. As local road development can efficiently bring project benefits to rural areas, especially to the poor, in future road projects more attention should be paid to the development of local roads, an integral part of the country's road network. |
| Match covenants with jurisdictions. One covenant required government approval of the road law and transport policy. However, the formulation of the road law and transport policy that was expected under the project was delayed. The requirement should not have been a loan covenant because the Ministry of Public Works and Transport (MPWT) did not have jurisdiction over rural roads and thus lacked the ability to comply fully. Loans should not include covenants that impose requirements on an executing agency that lacks full jurisdiction to meet them.  ADB teamwork. ADB needs to have better teamwork approach between its operational support divisions for activities, such as consultant recruitment where support divisions have more authority over approvals. The project completion review mission observed that absence of internal coordination created the initial delay in the consulting selection process.  Faster disbursement process. Disbursement was slower than specified in the conditions of contracts. In addition, local funds were disbursed much later than ADB funds. The government needs to reduce the time for disbursement of funds to improve cash flow of the contractors.  Better planning of vendor relocation. Planning for relocation of roadside vendors in projects such as this needs to pay careful attention to the viability of new market area sites and to involve close consultation with the affected individuals. Moving vendors from a roadside to proper market facilities does not guarantee that they will earn the same income as before. A new marketplace housed in a linear building running parallel to the road and provided with service lanes could give better access to relocated vendors.  Closer ADB watch on environmental issues. Closer ADB supervision through regular submission of environmental monitoring reports by MPWT, along with regular safeguard reviews, will help avoid or minimize adverse environmental impacts due to project implementation. |
| Community ownership. To increase enrollment and sustain school operation and maintenance, community ownership is key. Strong community ownership and increased awareness of children education will improve enrollment in secondary and post secondary education.  Quality of teachers. Teacher motivation and competency are a key factor in improving the quality of the education systems. Therefore, the provision of in- service training, as well as improved incentives for teachers should be continuously reviewed and adjusted to ensure motivation and retain teachers.  Strengthening institutional capacity. To improve the effectiveness and efficiency of education management, it is essential to focus on building the capacity of provincial and district education offices during project implementation.  Monitoring and evaluation. The establishment of a monitoring and evaluation system during project inception is important and it should be maintained until the project completion. Lessons learned and recommendations from the evaluation should be considered in the design of future projects. |
| The completion of the project was delayed by about 1 year, primarily due to the failure to finalize cofinancing arrangements with Organization of the Petroleum Exporting Countries (OPEC). This issue might have been avoided if the final solution (financing by the government) had been adopted faster. In the future, the government and ADB need to select cofinancing partners carefully.  As the Kyrgyz Republic is a mountainous country and the project area is known for its slope instability, these challenges should have been taken into account during project preparation. Careful and rigorous technical design and appropriate advance actions would have contributed to a higher degree of project readiness for implementation.  Sufficient contingency is needed to cover cost increases. For future projects, a design-build contracting can ensure more sophisticated engineering and mitigate the risk of price escalation.  During implementation, the civil work contractor demonstrated resilience and a strong ability to engage in complex civil works under the challenging geological and climate conditions. Civil works contracts under future projects need to offer greater incentives to contractors for better performance and penalize those contractors with poor performance.  The project road is part of a Central Asian Regional Economic Cooperation (CAREC) corridor undergoing rehabilitation under various project supported by several financing institutions during the same period. As these projects are not expected to be completed at the same time, the benefits of the complete corridor will not be fully achieved until the entire Osh- Sary-Tash-Irkeshtam-Karamyk road is improved. This is expected to happen in 2012. The project framework should have taken these rehabilitation activities into account, and Ministry of Transport and Communications (MOTC) should have coordinated the project schedule with those of the other externally funded projects.  Reliable data are essential to identifying problems and monitoring progress. However, the project progress reports often lacked substance, contained stale information, and did not effectively address implementation issues. The requirement of thorough reporting could have been better formulated in the supervision consultant's terms of reference. MOTC needs to review the project progress reports. |
| As a general lesson, project implementation would be driven more speedily by champions or agents of change. As experienced in other projects, strong ownership and leadership are the key to a successful project. Through strong support from the BPK, all outputs and outcomes were achieved satisfactorily. The Badan Pemeriksa Keuangan (Supreme Audit Board) or BPK was transformed through institutional and regulatory reform, supported by capable auditors. The BPK has indicated that it will continue with the project, using its own resources, working independently from other agencies to reiterate their position as the supreme audit institution. If the BPK requests financial support, ADB should continue to provide it, in the form of a stand-alone project loan.  Each year, the project encountered a delay in budget allocation or Daftar Isian Penggunaan Anggaran (DIPA) release, which resulted in delays in implementing planned activities. This could have been avoided if the government had allowed multi-year budget earmarking, given that the project was funded by a multi-year loan. Since this has been identified as a broad systemic issue affecting other projects, this is also being addressed in the Country Portfolio Review Mission jointly held by ADB and Badan Perencanaan dan Pembangunan Nasional (National Development Planning Agency) or BAPPENAS.  Although the project met performance targets and indicators, substantive support was provided by the Investment Loan Monitoring Unit (ILMU) and the technical assistance (TA) consultants to help the Ministry of National Education- Inspectorate General (MONE-IG) implement the scholarship program. The support ranged from administrative to monitoring and evaluation, and quality assurance. As such, it was essential to have good coordination between BAPPENAS, as the executing agency, and the MONE-IG, as the implementing agency. BAPPENAS should play a role in aligning the strategic outlook of the agencies.  Another lesson learned was that too many project implementation units (PIUs) were operating, at both the central and regional level (which implemented block grants). The project had seven PIUs at the central level (ILMU secretariat, BPK, Badan Pengawasan Keuangan dan Pembangunan or Financial Supervisory and Development Board/BPKP, Badan Pendidikan dan Pelatihan Keuangan or Ministry of Finance Training Agency/BPPK, Ministry of Home Affairs-Inspectorate General or MOHA-IG, MONE-IG, and Ministry of Finance-Inspectorate General or MOF- IG) and 50 PIUs at the regional level (Badan Pengawasan Daerah or Regional Inspectorate/BAWASDAs or local inspectorates in 50 districts and cities implemented the lump-sum capacity-building block grants). This created complexities due to limited project staff at the executing agency and ADB. These few project staff had to deal with a number of administrative issues, rather than with quality control. Thus, establishing simple implementation arrangements with adequate staff resources is important in ensuring smooth project implementation. In addition, strong commitment to the project from heads of regional government is required, as expressed through the availability of counterpart funding, minimal staff turnover, and continuity of PIU staff. The selection of participating regions should be aligned with the schedule of regional elections; selection should only be conducted after the new head of a regional government is appointed.  In addition, it was a challenge to administer the block grant mechanism for 50 BAWASDAs and Dewan Perwakilan Rakyat Daerah or Regional Parliament (DPRD) secretariats. All the BAWASDAs had to prepare institutional development plans (IDPs) for ADB approval in order to be eligible for grant funds. Subsequently, the BAWASDAs and the DPRD secretariats were required to coordinate with the MOHA-IG to ensure their budgets were included in MOHA-IG DIPA (the budget and the activities were prepared in accordance with the approved IDP). This process resulted in delays. The budget of the BAWASDAs and the DPRD secretariats was often approved in MOHA-IG DIPA at the end of the year, which gave the BAWASDAs less than three months to implement their activities. In addition, the BAWASDAs and the DPRD secretariats lacked experience in processing payments funded by loans and grants. These issues led to certain activities not being implemented, and to low disbursement by participating BAWASDAs and DPRD secretariats. Thus, it is imperative to simplify implementation arrangements. In addition, PIU staff must be properly trained before project implementation, and DIPA issues clearly understood and resolved upfront. Advance procurement action would be preferable. |
| Appropriate monitoring indicators are required. A project framework or design monitoring framework should list SMART (i.e., specific, measurable, acceptable, relevant and time-bound) indicators that, as much as possible, are part of the specified agenciesï¿½ established monitoring program, such as number of connections, water produced etc. Introducing new indicators should be accompanied by a strong support program because if agencies do not see the benefit of monitoring certain indicators, they will be unwilling to pay for collecting the data, such as the health indicators in this case. Indicators should be specific as to what output, outcome, and impact is being measured, when this will be done, and by whom. The lack of sufficient resources and guidance has affected the quality of the public health awareness program's (PHAP) monitoring, and the absence of specific drainage indicators prevented assessing that outcome.  Water supply and sanitation coverage indicators need to be simplified. Monitoring coverage ratios requires the monitoring of two independent parameters: physical outputs and population growth. Sometimes this is complicated by a change in delineating the service area of the utilities. Nominal targets are therefore easier to monitor than ratios and are equally functional for assessing achievements.  Nonrevenue water (NRW) reduction indicators need to be versified. Expressing the NRW levels in liters lost per connection per day, demonstrates a large variation in results. The best performing systems in terms of NRW ratios--NRW reduction targets are defined as the ratio of unbilled production versus total input capacity in m3/day--are not necessarily the lowest in absolute terms. To get a fundamental idea on actual performance, NRW results should at least be reported in ratios and absolute terms.  Sanitation credit scheme requires an exit strategy. The project foresaw the establishment of a sanitation credit scheme, financed by the project through a grant from the central government. However, it did not address what should happen with the grant money and potential revenues once the project was completed. This lack of clarity has made Provincial Viet Nam Womenï¿½s Unions (PVWUs) reluctant to continue the program by revolving the first batch of repaid credits and expanding it to other communities outside the original project area. In all provinces, the provincial peopleï¿½s committee (PPC) issued specific orders that PVWUs are in charge of the funds. The program may be continued after loan closing and initiatives may be extended outside the original project area.  PVWU experience sharing is beneficial to effective implementation. Although guidelines were provided for the sanitation revolving fund, each PVWU had the flexibility to implement it differently. Sharing of experiences, especially at the beginning stages, could have contributed to a more streamlined and effective implementation of the community environmental sanitation improvement (CESI) program.  Project outcome and outputs need resource allocation. The identification and procurement of small-scale sanitation improvements was not carried out through community participation as intended, but directly by provincial project management units (PPMUs). The strong investment focus and the PPMUsï¿½ lack of knowledge about community-based approaches should have been identified as risks and mitigated by the project design through resource allocation.  Likewise, the introduction and enforcement of local regulations on sanitation and environment protection was not supported by the project nor included as a covenant. Although the introduction was still achievable, enforcement would need support from the project. |
| Based on this performance evaluation there are three lessons. First, efficient public financial management (PFM) systems are important to ensure timely disbursements. While the Philippines has made progress in PFM reform, it clearly needs to do much more to address the low disbursement rates typical in the first semester of each year. Measures implemented in 2009 helped to improve disbursements. The government is addressing these and in February 2011 announced its PFM roadmap. Second, the Philippines budget does not have automatic stabilizers that would allow for stronger countercyclical spending. The Conditional Cash Transfer (CCT) program could become an automatic stabilizer. The Comprehensive Livelihood and Emergency Employment Program (CLEEP) was successful in boosting temporary employment in 2009. However, it is unknown to what extent CLEEP displaced workers. The government should consider reviewing lessons learned from CLEEP and look at the feasibility of converting it into a minimum employment guarantee scheme (MEGS) that could be scaled up in subnational regions during economic and or natural disasters. Third, the fiscal stimulus package was successful because it included a mix of measuresï¿½social spending and labor intensive, small- scale infrastructure projectsï¿½and because effective and regular monitoring and reporting mechanisms were in place. |
| A key lesson from the Viet Nam Countercyclical Support (VIE-CS) design and implementation process is the importance of the sustained dialogue between ADB and the government, as it ensured efficient program formulation. It also enabled good coordination between the Countercyclical Support Facility (CSF) and other policy lending operations already under implementation at the time. The existence of long-term, policy-based operations in Viet Nam that focus on macroeconomic management, public financial management, and social assistance greatly assisted the processing of the VIE-CS.    Despite a shortened loan processing period, by the time the loan was eventually disbursed, most of the elements of the stimulus package were expiring. To the extent that loan processing could be further simplified and accelerated in the future, the potential impact of the CSF might be assisted.    Not limited to the case of Viet Nam, the impact on gross domestic product (GDP) growth rates of the fiscal stimulus package shows the importance of a multidimensional strategy that allowed responding to the variety of challenges posed by the severe global financial crisis of the last few years. In Viet Nam, the strategy included tax cuts, large infrastructure spending, interest rate subsidies, and social welfare programs.    However, the government should give consideration to the development of automatic macroeconomic stabilizers that provide an adequate social safety net. The macroeconomic instruments available to stimulate domestic demand were somewhat limited. As in other developing economies, Viet Nam lacks the kind of macroeconomic stabilizers such as unemployment and social security benefits that are triggered instantly as economic conditions worsen. The options used for the fiscal stimulus package included a range of instruments with varying potential for economic stimulus. Social spending may have yielded the most immediate results by increasing disposable income for domestic consumption, followed by employment generated by the implementation of infrastructure projects.    On the other hand, onlending to domestic enterprises as a stimulus measure presents complex challenges. Adequate and transparent risk and cost benefit assessments, and detailed and individual project evaluation are required. In Viet Nam, projects financed through the onlending mechanism of the fiscal stimulus package included strategic sectors such as ship building, steel, cement, and the aircraft industry, in addition to light manufacturing (textiles, ceramics, etc.). The slower pace reported in disbursement of the onlending mechanism, in comparison to the quick implementation of other components of the stimulus package, should be an area for further analysis when establishing the relative efficiency of the fiscal stimulus components. The incremental capital output ratio in Viet Nam has increased over the last 10 years, and continued to increase after 2008. This suggests that the efficiency of the economy is falling. There is a strong view that the root cause of inefficiency is in public investments and the state-owned enterprise (SOE) sector. There is perceived little transparency or accountability on how large-scale public investments are selected and implemented, and little oversight of investment decisions.    As it is the case with any policy-based lending, the impact and outcome of the VIE-CS loan was highly dependent on the quality of public financial management. Additional efforts in improving the efficiency and transparency of public financial management would allow even greater impact of similar fiscal stimulus programs. Key structural challenges of the Vietnamese economic system, such as the regular financing of SOEs by state-owned commercial banks, should remain a core area of analysis and reform, as such a structure may be limiting adequate market competition for available financial resources. Initiatives such as ADB's SOE Reform and Corporate Governance Facility, which supports the restructuring of state enterprises into more privately oriented institutions, are important steps in that direction.    It will take time to discern the impact of the overall stimulus package. Recent fiscal data from the United States have corrected initial assessments of the depth of the economic and financial crisis and, with it, the impact of the stimulus package implemented. Similar trends could be at play not just in Viet Nam, but in other Asian economies that implemented stimulus programs. In that light, perhaps, program evaluation will be more adequately served with an assessment 3-4 years after loan disbursement. |
| Implementation issues. The long front-end implementation delays from the project serve as a major lesson. The expectations in implementing the project under an emergency modality over 18 months as a sector project over remotely located subproject sites, given the low absorptive capacity of Ministry of Infrastructure Development (MID), may have been unrealistic. For remote subprojects, higher mobilization and demobilization costs should be factored into cost estimates.  Preparing feasibility studies for emergency projects. An accelerated approach to preparing feasibility studies and selecting subprojects could be developed for future emergency projects. The process to identify, define, and prioritize the long list of subprojects, prepare and review full feasibility studies, prepare engineering designs, and bid the civil works was time-consuming and prevented early commencement of physical implementation.  Stakeholder consultations. Consultations with landowners and stakeholders should be held and Memoranda of Understanding signed prior to award of contract and physical implementation. During the contract for the rehabilitation of coastal infrastructure, it was only discovered that one of the proposed wharfs was located on customary land after the contract was awarded. The timely completion of the contract was therefore at risk, although the situation was eventually resolved. |
| The timing of a program is crucial to the effectiveness of its outputs and outcomes. Difficulties to obtain approvals of the numerous legislative actions in this program could be traced to the change of government (and the fact that the government did not hold a majority of seats in the Parliament). The program's achievements of performance targets benefited from the eventual improvement of the political and economic landscape from 2009 onwards. Therefore, to ensure the effective and pragmatic design of similar programs in the future, it is imperative that ADB be cognizant of potential changes in the country's political environment as well as factor in important variables (such as the internal conflict in this case) that could impact program implementation.  Furthermore, it is prudent to minimize the number of legislative actions to ensure effective program implementation. The program had an excessive number of legislative actions that contributed to program implementation delays. In addition, a salient feature of this program is the transparent and effective approach to monitoring the restructuring of a bank. This feature can be applied to other similar entities. The key performance indicators that were embedded in People's Bank Strategic Plan 2009-2014 were rigorously reviewed on a biannual basis to ensure that the bank restructuring was on track. These key performance indicators were comprehensive and broad-based and encompassed major aspects of operational activities such as capacity adequacy, asset quality, management, earning, and liquidity.  Finally, a key success of a reform program is the relevant design that incentivizes strong government ownership on institutional strengthening, in this case, by improving bank's operational management: supporting profitable business lines such as pawning, tightening credit reviews and recoveries to reduce nonperforming loans (NPL), and controlling overhead costs such as reducing headcounts to improve performance on a per employee basis. The fact that People's Bank continued restructuring and committed itself to performance indicators to improve bank operations over and beyond what was agreed to under the program underscored the success and sustainability of the ADB support. |
| Delays in implementation of certain aspects of the program and the overestimation of the increase in PPI projects completed suggest three lessons: (i) outputs that are prerequisites for other outputs need to have a technical assistance dedicated to them upfront; (ii) ADB program designs should include a more strategic approach to marketing the benefits of PPI frameworks to the public, the private sector, and government; and (iii) establishment of PPI frameworks needs to be accompanied by the development of 'pathfinder projects' that may be prepackaged in line with good international practice, and protected from special interest interference. In addition, experience with the implementing agencies suggests that regular and persistent communication with ADB staff in Manila, with implementing agencies, and the resident mission are critical to keeping the program on track. |
| Project readiness. Advance procurement was used for the first time in the recruitment of consultants under a project with Directorate General of Highways (DGH), and consultant recruitment was not a cause of delays. The time for completing the procurement process for the civil works, however, was underestimated; the process took 1 year longer than planned. The lesson here is that the time required for completing the various steps has to be estimated much more carefully, on the basis of experience.  Adequacy of designs for works in difficult soil conditions. For the reconstruction of road sections in difficult terrain and soil conditions, the initial designs were not based on adequate geotechnical investigations. The design reviews therefore took longer, contributing to cost increases and delays in the start of the works.  Recruitment of supervision consultants. Delays in contract signing were a factor behind the decision of the consulting firms to replace the initially proposed experts, including the team leader. Although the replacements had to have the same qualifications as the people they replaced, consulting firms in such a situation generally propose less-qualified replacements.  Contingencies. The physical and price contingencies were inadequate, in particular given the extensive design changes required for a number of subprojects, the expected increase in the scope of rehabilitation works over time as the roads continue to deteriorate further, and the significant unit price adjustments resulting from the fuel price increases.  Premature road failure caused by overloaded vehicles. The government has not yet developed and implemented a more effective policy to control vehicle overloading. Local initiatives are more easily implemented and achieve significant results. Also, DGH is reviewing its policy of designing roads on the basis of legal axle load limits and considering other options such as designing roads on the basis of actual axle loads. For the near term, such initiatives should be strongly encouraged.  Specifications for the use of coal in asphalt plant. The two cases where low-quality asphalt pavement resulted from the use of inappropriate coal as fuel for the asphalt mixing plant burners indicate a need to develop specifications and exercise stringent supervision when coal is to be used as fuel. |
| The absence of motivation and incentives for teachers and an effective mechanism for monitoring teachers' classroom performance emerged as major reasons for the overall improvement in the classroom teaching-learning process.  Establishment and institution of a strong monitoring and evaluation and teacher support mechanism at the classroom level was necessary at the beginning of the project to continuously oversee the teaching-learning processes and provide professional support to the teachers to use the knowledge, skills, and attitudinal changes gained during training.  Available evidence on using resource centers for extending professional support and services to the teachers shows it has not been very effective. The current structure of the resource centers needs to be reconceptualized with increased capacity under the School Sector Reform Program.  The design and monitoring framework of the project had weak linkages among impact, outcome, and output indicators. Improvement in the overall quality and efficiency of primary education depends on many factors apart from teacher training. The outcome and output indicators were repeated.  Since the National Center for Education Development (NCED) as a regular department rather than a separate project implementing unit within the NCED was involved in project implementation, there was strong ownership and coordination among stakeholders, which facilitated implementation of the project.  It is difficult to implement reform measures in a country during periods of political transition, as vested interest groups actively protect their interests.  Although the public-private participation approach is an efficient way to implement project activities, the effectiveness will largely depend on close follow-up monitoring and strict adherence to the selection criteria. The in-service training provided by alternative training providers was ranked low as compared to the training provided by primary teacher training centers (PTTCs) and secondary education development units.  Even though the Higher Secondary Education Board (HSEB) and Faculty of Education are now taking responsibility for pre- service teacher training, there is still a need to financially support them in developing their capacity to deliver pre-service teacher training. |
| Realistic design key in conditions of uncertainty. When a project seeks to develop a nascent industry in a challenging environment, outputs need to be realistic. The project design relied on assumptions about the state of and potential for development in the microfinance industry that proved to be unrealistic. The project redesign highlights the need to be flexible in adapting the project to emerging realities and experiences in the industry.  Efficient reporting and data collection essential. The project implementing unit (PIU) did not allocate sufficient time to reporting and data collection during implementation, which impacted negatively on the ability of ADB and the microfinance steering committee to administer the project effectively. Not housing the PIU within the executing agency reduced oversight and transparency.  Timely reviews, earlier solutions, lower costs. A major project redesign followed a midterm review. While the changes contributed significantly to the success of the project, this review occurred came fairly lateï¿½in 2005, compared with the original closing date of 2006. Had this review taken place earlier, the project might have been able to achieve its outcomes earlier and at lower cost.  Match ADB staff skills to specific project needs. When supporting the development of a new industry in a challenging environment, project administration needs to be particularly vigilant and carried out by ADB officers with strong expertise in the area. Stakeholders noted that the performance of ADB improved when staff had expertise in the microfinance sector and were actively involved in the implementation of the project. |
| The project produced some important insights for neighborhood upgrading interventions to be considered for future project designs. Involving beneficiaries at all stages of planning and implementation of upgrading activities and promoting inclusive community empowerment are key to ensuring pro-poor investments and sustainability, including (i) community control of decision- making over resources and investment choices; (ii) simple and transparent funds flow arrangements with direct transfers to community accounts; (iii) efficient facilitation support, including social facilitators to ensure full community participation, and engineering facilitators to oversee technical quality of civil works; (iv) strong accountability procedures, such as public disclosure of budgets and contracts; (v) community management of funds and procurement matters; and (vi) training for communities in establishing effective mechanisms to operate and maintain new infrastructure. Qualified and experienced community facilitators and sufficient time for community empowerment activities are important to ensure that community members are sufficiently involved in prioritizing their needs, developing investment proposals, and taking decisions.  Under the decentralization law, the national government no longer exercises administrative control over regional governments. Likewise, the provincial government does not have administrative control over district governments. Subsequently, local coordinating offices are under the administrative supervision of local governments, thus establishing appropriate city management and monitoring arrangements is essential to exercise administrative and technical supervision and provide support to community neighborhoods.  Covering a vast number of cities spread over almost the entire country may not be an effective way of maximizing the use of resources. A focused geographic approach would have provided flexibility for designing better social and economic benefits for the beneficiaries. The effectiveness of the investment in generating development impact, as well as project efficiency, would have been improved. |
| This performance evaluation suggests several lessons. First, continuous policy dialogue and policy development are important for sustaining reforms. Under the Private Sector and Small and Medium-sized Enterprises Development Program Cluster (PSME) this was achieved through regular reviews, production of policy discussion notes, and joint work with counterparts. The post-program partnership framework (P3F) has been instrumental in maintaining the dialogue between ADB and government counterparts. Second, institutional development and engagement of stakeholders in the program are necessary for quality policy development. Third, policy-based programs should be designed to reflect the capacity of the executing and implementing agencies, and policy reforms should be commensurate with the program loan or grant amount. Fourth, trade policy should include measures that increase the benefits to small and medium-sized enterprises (SMEs) from trade, including measures to make it administratively easy to obtain certificates of rules of origin, an outreach strategy to help SMEs on trade policy developments and utilization of preferential trade agreements, and implementation of intellectual property rights that could benefit SMEs, such as geographical indications (regional trademarks). |
| Effective orientation programs on project approaches, implementation modalities, and the roles of stakeholders contributed to successful project implementation. Implementation partners should be well informed of the approaches and strategies of the project prior to implementation.  The absence of international joint venture partners in implementation of international competitive bidding (ICB) contracts awarded to joint ventures was observed during project implementation. In all cases, it was clear that the local contractors had applied for prequalification and submitted bids in joint venture with a foreign partner simply to meet the pre-qualification and post-qualification requirements. This defeated one of the main purposes of a joint venture, which is for the local contractor and, ultimately the client, to benefit from the experience, expertise, capability, and resources of an international foreign partner. To ensure involvement of all joint venture partners in contract implementation, it would be necessary to review the threshold for ICB and national competitive bidding (NCB) contracts for road construction works to have fair competition among the bidders.  A few civil works contracts could not be completed even after extending the loan closing date by 18 months. The timeframe, working season, and site analysis should be considered prior to award of contract to ensure timely completion of the contracts.  The project was implemented during the conflict period (2001-2006) and it faced challenges from local communities, which made additional demands and at times disrupted the work progress. Part A could not be completed as it was highly affected by unrest in Terai. A proper analysis of road design and selection of road sections should be carried out during the design phase to ensure timely completion of the selected road sections is possible.  During the implementation of Part C, the change in construction method from labor to equipment based (otta seal standard) had an effect on the original road length. Detailed study on the construction method needs to be carefully undertaken during the design phase to avoid changes during the implementation phase. |
| Proper sequencing and program readiness. Proper sequencing of program activities is essential to ensure success. In the case of the Small and Medium Enterprise Sector Development Program (SMESDP), gaps in program readiness led to delays in its implementation. As discussed in para. 8, adoption of a two-step approach would have been more appropriate; first, the technical assistance (TA) loan to prepare the outputs needed and recommendations for implementation, followed by a second step of putting the SMESDP in place to implement the recommendations of the TA loan. The two-step approach might have taken a slightly longer time to implement, but it would have facilitated a smoother implementation of the program and ensured greater efficiency in achieving the program's outcome and outputs. In addition, a project readiness filter could have been put in place to ensure readiness to implement the SMESDP the moment it became effective.  Compliance with the repor and recommendation of the president (RRP) recruitments. The requirements for goods and services as incorporated in the RRP and loan agreement need to be strictly followed while preparing the technical assistance project proposal (TPP) to ensure smooth TA implementation. Due to misunderstandings by the executing agency, the TPP prepared by the government was not able to meet the requirements; causing two problems. The first problem relates to the recruitment of consultants whose expertise did not match as mentioned in the RRP e.g., recruitment of two domestic consultants for rationalization of government assistance for small and medium-sized enterprises (SMEs) when the RRP specified that two international experts namely restructuring expert and SME strategic development specialist, were needed for that purpose. The selection of two domestic consultants instead probably compromised the quality of output and caused considerable delay in processing the rationalization measures for Bangladesh Small and Cottage Industries Corporation (BSCIC) and Small and Cottage Industries Training Institute (SCITI). The second problem relates to the need for making amendments to the TPP that involved time-consuming procedures and caused delays in the recruitment of the needed consultants. All these led to an overall delay of about 2.5 years in closing the TA and program loans, thus caused delay in releasing the second tranche of the program loan. |
| Based on this performance evaluation there are two lessons. First, efficient public financial management (PFM) systems are important to ensure timely disbursements. While Indonesia has made progress in PFM reform, it clearly needs to do much more to address the chronic problem of back-loaded spending in the fourth quarter of each fiscal year. Second, Indonesia's fiscal stimulus package was successful because it included a mix of measuresï¿½ including tax cuts, social spending, and labor-intensive small-scale infrastructure projectsï¿½and because effective and regular monitoring and reporting mechanisms were in place. The countercyclical support facility (CSF) loan would have been more timely if the facility itself was in place at the time the GFC (global financial crisis) began in the third quarter of 2008. |
| The owner-driven, in situ approach to post-disaster housing reconstruction is efficient, but only partially effective in achieving the desired outcomes. This is mainly because ensuring uniformity in construction quality and seismic standards is a major challenge when serving large populations, irrespective of the levels of awareness and training of the home owners. This challenge can be partly addressed if there is real-time impact and outcome monitoring, as well as an efficient feedback-and-response loop during the reconstruction.  In situ housing reconstruction prevents disputes and increases efficiency, but it does not allow for improvements in historic patterns of rural, village, or town development; nor does it make possible the consolidation of housing sites and services. There is thus a trade-off between efficiency and overall effectiveness. On the other hand, outsourced reconstruction that allows household relocation by a third party may be more effective, but much less efficient and sustainable.  Community involvement in owner-driven rehabilitation and reconstruction programsï¿½through training, inspection responsibilities, and village committeesï¿½ provides the human resources needed for major post-disaster housing reconstruction efforts. It also creates a greater sense of ownership, helps build capacity, reduce disputes and ensures the sustained use of seismic reconstruction techniques in the long term.  Reconstruction led by communities can be expedited if house design options take into account the local skills, materials, tastes, geography, and culture. Also, innovative money-saving building techniques need local acceptance to be sustainable, but this may require more time and effort devoted to training.  A major effort went into training compliance teams and developing compliance manuals used for spotted and reported noncompliance among the home owners. Employing a third party to monitor compliance directly at the household level may be the best way to get a comprehensive picture of the problems involved in the adaptation of seismic standards. Perhaps a greater focus on the ability of the compliance teams to provide on-the-spot solutions to home owners may also have yielded better results. However, this approach assumes that the home owners have the skills and financial capacity to implement the recommendations.  The reconstruction grants of PRs175,000 per household offered by the government was for 400 square foot area. This was substantially lower than the prevailing rates for the desired standard of seismic-resilient construction. About 60% of the rebuilt houses were 500-999 square feet. A pre- and post-earthquake comparison (footnote 10) showed that the overall proportion of houses with less than 1,000 square feet had increased from 65% to 80%. These figures show that the government grants were not enough to satisfy the seismic-compliant construction standards and provide the required living space for families. The inadequacy of the grants may have resulted in the construction of smaller houses or the omission of essential seismic-resistant features, or both. In the future, the size of compensation grants must take into account the higher costs of applying seismic-resistant building standards and the average house size.  Similarly, the release of the first three installments took less time compared with the release of the final installment. The last installment was associated with superstructure (above plinth level). Such works entail major seismic resistant components. Noncompliance during construction in this phase has resulted in delays in the release of the final installment. Future programs should build in rigorous monitoring and consultation to avoid or minimize substantial noncompliance in the final phase of reconstruction. |
| Comprehensive and integrated projects can be successful. The success of this project can be attributed to the initial emphasis on the project management unit (PMU) obtaining a clear understanding of the project, an initial focus on process and procedures, minimum turnover of key PMU staff, good oversight by Ministry of Agriculture and Water Resources (MAWR), good partnerships with other donors, and successful contracting and supervision of local civil works and agriculture extension firms.  Although this was the first agriculture investment project with MAWR the 3-year extension could have been avoided had the bidding documents been prepared, the management consultants and PMU staff contracted, and target farms identified earlier.  The project required close attention to many details, and it could have immediately and effectively performed many administrative tasks if the resident mission had had more capacity to assist the project. |
| Transmission lines that traverse populated rural areas in the Lao PDR should continue to use the shield wire system and/or single-wire-earth-return system to minimize objections by affected persons and enhance the socioeconomic impact of the transmission component;  The design of distribution networks should be improved by giving due attention to ensuring reliability and operational maintenance objectives rather than focusing solely on meeting connection targets;  Consultants should be required to fulfill their obligations under the terms of reference and to ensure adequate reporting on implementation that will anticipate cost savings or overrun situations in time to take appropriate action;  In the climate of international commodity volatility, contracts for supply materials and equipment for distribution systems should have provision for changes in aluminum, copper, and steel prices that might occur during the bid evaluation process; and  The financial loan covenants for Electricite du Laos (EDL) should be accompanied by an agreed plan to achieve compliance over a prescribed period. |
| The project is unique among ADB interventions in the Pacific. It involved setting up a regional organization from scratch, using a regional loan guaranteed by four Pacific Aviation Safety Office (PASO) members. While the concept was innovative, the first lesson is that a regional project can raise a variety of new issues. Inception was delayed by lengthy procedures for parliamentary approval of two of the guarantees. As of 2011, there is a risk that the organization could eventually fail unless a secure funding basis can be established in the near future. Longer-term counterpart support needs to be built into the project design, so that short-term funding crises do not dominate operations and threaten the ability of the institution to offer technical services.  Technical cooperation has required the use of best-practice systems and highly experienced professional staff from more developed countries. The development of regional expertise will take many years and require additional resources, if Pacific developing member countries (DMCs) expect to localize these positions. This environment requires flexibility in PASO staffing and structure to enable adjustments. A significant advantage of PASO, unlike the alternative of contracting other countries' inspection services, is that member countries receive dedicated professional advice and administrative backup to facilitate such improvements.  Strong management and strategic thinking are prerequisites for establishing a sound and viable institution. The early management of PASO was weak. More support was needed to help it put necessary systems in place earlier in the project period. Some member states expressed the need to further improve financial management in terms of adequacy and transparency. The PASO council has the potential to provide needed support through its finance and technical committees but has not yet fully leveraged those capabilities.  The introduction of new aviation systems into regional and national organizations needs to be subjected to in-depth systems analysis to ensure that the systems are appropriate to the environment. Also, it is necessary to provide sufficient, continued capacity development and training to retain the use of the system and improve it.  The concept of regional cooperation in technically demanding sectors is sound. The project concept of developing the coordinated provision of technical services to small and poorly resourced states has been proven. The project has helped develop similar regional activities in Asia and Africa by demonstrating feasibility to the International Civil Aviation Organization (ICAO) and other international organizations.  Institutional lessons arise from the need for cooperation on the part of governments, airlines, and international agencies in reforming and harmonizing the regulatory and legislative environment. ICAO has already recognized PASO as a legitimate international organization and will exercise quality control through the regular Universal Safety Oversight Audit Program and Universal Security Audit Program in each country. Governments need to ensure continuing cooperation between aviation ministries and other ministries responsible for drafting and enacting legislation and for providing finance. The benefits of harmonization are clear to airlines. |
| 1. The bid value of the project consultant was found to be at lower side. Road design should have been the sole responsibility of the project consultant and he should not have been subcontracted and fully passed the task on to a less experienced and capable provincial consulting firms with low subcontract value. This resulted in poor quality of surveys and detailed design works and a need to correct the design during implementation but also in substandard designs at certain locations. Inadequate payment by the project consultant to provincial consulting firm meant that the proper and necessary engineering surveys were not done at all locations.  project cycle stage:   Lesson Topics:    2. The views of the provinces on requirements in the road classification and design - for instance, their preference for paved shoulders over earthen shoulders to better accommodate larger, two-way traffic - should have been adequately addressed at project conceptualization and or at project design and formulation stage.  project cycle stage:   Lesson Topics:    3. The project encouraged the involvement of small contractors but they lacked resources and expertise and their participation should not have come at a cost in quality and delays. While their involvement in construction was required because they were familiar with local conditions, they needed proper technical and financial support.  project cycle stage:   Lesson Topics:    4. Repackaging the road contracts to make them larger and more financially attractive to bidders was successful and made contract management easier for the provinces.  project cycle stage:   Lesson Topics:    5. The executing and implementing agencies believed that implementation of the EMDP should not have been their responsibility, was outside their area of expertise, and interfered with project implementation. They said that it should have been carried out through other more suitable agencies, such provincial committees on ethnic minorities or women's unions.  project cycle stage:   Lesson Topics:    6. Frequent ADB missions throughout the implementation period, particularly visits to provinces, had a positive effect and facilitated timely decision making.  project cycle stage:   Lesson Topics:    7. The traffic projections at the project preparation stage did not anticipate that heavy vehicle traffic would greatly increase on the project roads once they were improved. The result was an inadequate design, roads not built to withstand such heavy truck use, and greater than anticipated damage to some upgraded sections where this traffic has grown. This problem should be foreseen in future similar projects and tackled during design.  project cycle stage:   Lesson Topics:    8. The absence of official records on land ownership made it difficult and time consuming to pay compensation to and rehabilitate people affected by the project. The PDOTs should approach the responsible local administrations well in advance of this kind of project either themselves or through specialized agencies to ensure that records are available to implement resettlement when construction begins.  project cycle stage:   Lesson Topics:    9. The division of projects into many phases consumes additional time and resources and causes delays in project implementation.  project cycle stage:   Lesson Topics: |
| 1. Dependence on consultants for project preparation and implementation undermines the initiatives of executing agenciesï¿½ staff for implementing projects on time and for maintaining satisfactory standards. Therefore, executing agencies should build in-house capability to prepare and implement projects.  project cycle stage:   Lesson Topics:    2. Timely acquisition of land is a fundamental requirement for successful completion of a project. The acquisition process should start earlier, maybe before appraisal, so that possession of land can be achieved before loan effectiveness.  project cycle stage:   Lesson Topics:    3. The executing agencies should use the advance-action provision of ADB to their best. As a result, contracts could be signed immediately after loan effectiveness and the project could be successfully completed.  project cycle stage:   Lesson Topics:    4. The onlending facilities to the private sector through commercial banks worked well under the project. This modality may also be used in future for private sector financing.  project cycle stage:   Lesson Topics:    5. The loan covenants should be clearly set during project design so that they can be monitored properly during project implementation.  project cycle stage:   Lesson Topics:    6. The design and supervision consultancy contract should ensure that the supervision services are made available during construction even if the mobilization of construction work is delayed by a considerable period.  project cycle stage:   Lesson Topics: |
| 1. Disaster management support should be based on a needs assessment that should identify and address such implementation problems as the lack of government staff, regulations, or design standards for various physical works.  project cycle stage:   Lesson Topics:    2. Reconstruction support should be selective and adopt a realistic time frame, with ADB focusing on areas that are unlikely to receive support from other partners.  project cycle stage:   Lesson Topics:    3. Phasing of reconstruction assistance may be considered, clearly distinguishing the needs of initial emergency response from those of subsequent reconstruction.  project cycle stage:   Lesson Topics:    4. Proper institutional arrangements and central coordination by one agency are essential. The effectiveness of post-disaster reconstruction depends on the willingness and collaboration of relevant government agencies.  project cycle stage:   Lesson Topics:    5. Off-budget activities may expedite implementation as on-budget implementation ensures sustainability by establishing an extensive outreach program and building capacity for future reconstruction programs.  project cycle stage:   Lesson Topics:    6. Flexibility in implementation is essential, as it facilitates the design of need-based reconstruction projects through simplified documentation.  project cycle stage:   Lesson Topics:    7. Decentralization is essential in effective disaster management. Adapting to emerging needs is desirable in disaster reconstruction.  project cycle stage:   Lesson Topics: |
| 1. Proactively treating geological hazards before cutting and excavating the earthworks proved to be more effective and cost-efficient than reactively handling the issue when excavation had been completed.  project cycle stage:   Lesson Topics:    2. Plantation and landscaping work for slope protection immediately taken after earth excavation proved to be an effective practice to ensure water conservation and environment protection.  project cycle stage:   Lesson Topics:    3. The 11 escape ramps built by the project to deal with the over 30 km of continuous decline of the expressway proved to be an effective safety feature.  project cycle stage:   Lesson Topics:    4. To effectively utilize consulting services, a clear and specific terms of reference for each consultant needs to be prepared with the expected outputs before consultants' mobilization to the project.  project cycle stage:   Lesson Topics: |
| Engaging local expertise to undertake the survey and design of works expedites implementation, reduces costs associated with engaging international and national consultants for the purpose, provides the government with continuing access to project-relevant expertise, and builds national capacity for future projects.    Where WUAs are expected to participate in designing irrigation and drainage schemes, it is important that they be established in advance of the design process to ensure ownership. |
| It is important to conduct a sound capacity assessment of Ministry of Public Works (MPW) and adequate analysis of the local political context in the early stages of the project. Driven by the project's emergency nature, overemphasis on time savings during project preparation unfortunately resulted in delays coupled with cost overruns and implementation problems at a later stage. It is also highly desirable that emergency projects implemented in complex environments receive more frequent and comprehensive monitoring and supervision.  Consultant quality at entrance is critical, as top international consultants and contractors are less interested in projects in Afghanistan. Emphasis during selection should be on quality and past performance record of consultants, as this can easily result in both cost and time savings, given the prevalence of price escalation, time extensions, and cost overruns for projects in Afghanistan.  Frequent replacement of the supervision consultants' key staff members should be avoided or penalized. Projects that suffer from key staffing issues usually experience compounding delaying effects and cost overruns during implementation.  The rapid turnover of the MPW staff, frequent changes in project officers and mission leaders, and the transfer of project administration from one ADB department to another were counterproductive.  Afghanistan is a country with a long history of war, in which the usual rules do not work well in achieving development impacts. Appropriate adjustments, such as allowing procurement of bitumen from nonmember countries of ADB, proved to be beneficial for maximizing the project's development impact and economic efficiency.  More effort should be made to gain compliance by the borrower and MPW with loan covenants, which helps strengthen the government's project ownership. Although difficult postwar conditions exist, ADB should use appropriate means including suspension of disbursements and cancellation of the loan if necessary and in the best interest of the project.  The design-build contract adopted for this project is not a turnkey type of contract in which prospective bidders will need to conduct significant site reconnaissance in order to prepare competitive bids, but a measurement contract based on financial unit rates with design carried out by the contractor as the road is constructed. This type of contract was intended to overcome local design capacity constraints and expedite commencement of works. However, the result was mixed: the lead time required for project preparation was reduced, but the use of civil works contract documents without a finalized detailed design resulted in substandard implementation quality in terms of time, cost, and ease of implementation.  The annual hiatus in processing withdrawal applications by Ministry of Finance (MOF) for the 3-month budget approval period (end of the financial year on 21 March until the end of June) causes cash flow difficulties for the contractors and consultants, as this period coincides with the peak construction season. A streamlined coordination among MPW, MOF, and ADB should be developed to minimize the adverse impact on project progress and avoid interest claims on late payments.  The adequacy of security arrangements at project sites in Afghanistan determines the pace at which projects can be implemented. Ultimately, protecting construction crews and facilities and equipment storage areas will be feasible only if an effective grassroots outreach program is mounted to win the support and goodwill of communities who live near construction sites and secure the collaboration of local government officials and village leaders. |
| Acceptance and application of integrated ecosystem management (IEM). The IEM approach is highly relevant to combating land degradation in the People's Republic of China (PRC) and is a significant departure from traditional practices and therefore, requires time to become fully accepted. Good progress to date suggests that the full 10-year period, as originally designed, will be required. Moreover, with numerous central and provincial agencies involved in programs to combat land degradation and alleviate poverty, mainstreaming of the IEM concept and approach into central and provincial policies and plans requires sustained reinforcement to prevent stakeholders from reverting to agency-based approaches for combating land degradation.  Integrated approach to achieving long-term success. International experience demonstrates that an integrated approach is appropriate to achieving long-term success in combating land degradation that is mostly caused by interacting socioeconomic factors (e.g., overexploitation of natural resources, poverty, and population pressure). Participatory and science-based IEM approaches are essential for successfully combating ecosystem degradation, including in dryland areas. IEM concepts and principles have been demonstrated to be effective in influencing the ways in which people use natural resources and how they benefit from viable ecosystems. IEM has also been effective in addressing the poverty-resource degradation cycle at the grassroots level, as it generates solutions from the stakeholders that are directly and most affected by land degradation.  Institutional capacity building for establishing an enabling environment. For IEM to be effective and successful, cooperating and collaborating institutions and sectors must be supported by IEM knowledge and skills for policy making, planning, legislation, and joint management of the environment and natural resources. Joint and effective management of environmental and natural resources requires improving the capacities of cooperating and collaborating with government institutions for combining top-down and bottom-up approaches. The legitimacy of the joint management system within the provincial and autonomous regional government structure may be enhanced through the guidance and assistance of lead expert and advisory groups. The pool of experienced local experts trained by such groups, as well as the members of these groups, play an important role in providing guidance for future land degradation prevention and control in other provinces and autonomous regions.  Interagency cooperation and collaboration in policy and planning. Improved institutional coordination and harmonization of land degradation policies, legislation, programs, and budgets is needed. Interagency cooperation and collaboration in policy and planning of IEM strategies and plans ensure that complex problems related to land degradation control are addressed following a participatory approach and that government agencies, private sector agencies, and local communities have a clear understanding of their delineated tasks and responsibilities. A consistent legislative, regulatory, and planning framework for land degradation control must likewise be created to ensure efficient coordination of land degradation prevention and control projects funded by various government and donor sources, and cost- effective use of funds.  Importance of awareness building. Strong awareness among stakeholders, especially the public, on the state of the environment and natural resources is important for gaining support for government plans and strategies for land degradation control and for overall environmental and natural resource management in general. Disclosure of government plans for management, and conservation and protection provides a solid foundation for cooperation in planning and implementing IEM plans and strategies. Important decisions, plans, and proposed investment projects should be disclosed through public media for soliciting public opinion. Awareness building should be complemented by an effective information-sharing multimedia system.  Importance of a database system and information-sharing mechanism. Clarification on the institutional role of each agency regarding IEM and land degradation control provides a clear basis for defining the type and level of data to be collected by each participating agency in the joint and collaborative management of environmental and natural resources. For information sharing to be effective and useful, the institutional value of data should be recognized and access to data should be made available for all government agencies in a timely and practical manner. |
| The project was initiated and prepared in 1999-2000, only 2 years after the signing of the Peace Accord, ending 25 years of insurgency and instability. Many high-risk incidents during project implementation could therefore be expected. The executing and implementing agencies had just been established, and their institutional capacity to implement projects was still being developed and strengthened.  The unilateral withdrawal of a relatively large amount of cofinancing by Danida (around 50% of the total amount allocated for the rural access component) after project approval considerably delayed implementation and created difficulties in meeting project objectives and targets. The cofinancing was unfortunately a condition of loan effectiveness. The project was declared effective in October 2002, after the cofinancing condition was declared void. The withdrawal of cofinancing coincided with United Nations Development Programme's (UNDP) suspension of all missions to the Chittagong hill tracts or CHT (2001- 2002) due to the kidnapping of Danida experts, and project activities could start only in early 2003.  The improvement of connectivity and access between rural and remote areas of the CHT, especially with the market centers, was crucial for development. The project directly and indirectly affected all aspects of rural life in the CHT. During the project completion review mission and earlier missions, villagers asked whether more livelihood projects would be provided in their area.  When designing and implementing rural infrastructure in remote areas with indigenous populations as potential workers and beneficiaries, there must be a careful review of local habits and customs to understand how these can accommodate the common modalities of civil contracting. The original project schedule was too optimistic and did not leave enough time for careful review and adjustment. In such a case, a component that does not suit the needs of a specific target population could leave that population unserved or bypassed. For example, jhum cultivators did not benefit much from the project components except from the improvements in rural access.  The rural roads improved under the project generally established all-weather connectivity between remote communities and growth-center markets and other important centers with economic, health, and educational facilities. Nongovernment organizations (NGOs) and other government service providers could also reach rural remote inhabitants more easily.  The sustainability of several community development subprojects owned by beneficiary groups was considered an issue during implementation. However, except for a few specific technical support requirements, the beneficiary groups assumed responsibility for activities such as the maintenance of small irrigation and power tiller schemes. Besides, several group members also gained access to micro-credit through the project. The Palli Karma Shahayak Foundation (PKSF) or other NGOs may further expand their microenterprise activities in the CHT after the project.  Before the project, microfinance was nearly absent in the rural areas of the CHT. The project introduced a relatively sustainable microfinance arrangement through local NGOs. Despite the existence of the other project providing grant assistance, the microfinance facilities under the ADB project are gradually expanding to meet demand in remote communities. |
| One key lesson is the need to involve communities in project activities from inception to completion. Law enforcement alone cannot safeguard the environment. To ensure communities benefit, their involvement is important even in large infrastructure development and rehabilitation projects. Social awareness programs are important throughout project implementation and beyond to encourage community ownership of their resources. Even at the institutional level, a sense of ownership has to be developed early in the project. This can prevent delays during implementation and ensure continued operation and maintenance. Communication among stakeholders should be strengthened to convey correct messages and prevent misunderstandings.  The project trained coastal communities in alternative livelihoods to prevent their over- exploitation of coastal resources. To ensure the sustainability of the alternative livelihoods, they should link to markets to generate income. If not, communities may return to their traditional activities.  Delays in implementation ensue when components are clustered in a project. Further, clustering discourages ownership of project outputs. Combining harbor development with coastal conservation delayed project implementation considerably because the activities are not complementary. |
| Lending Modality for Financial Crisis. ADB s Countercyclical Support Facility has been instrumental in supporting countries receiving loans financed out of ordinary capital resources. However, at present, ADB has no modality for a financial crisis response operation for Asian Development Fund eligible countries. The special program loan in the Program Lending Policy is limited to ordinary capital resources countries and can only used to address balance of payment crises. 21 Likewise, emergency assistance under the Disaster and Emergency Assistance Policy (DEAP) does not include financial crisis response. As such, the program had to use the standard program loan modality and develop the design of program actions to allow quick processing and disbursement. While program preparation was shorter than for typical program loans, preparation would have benefited from streamlined and abbreviated procedures similar to the countercyclical support facility and the DEAP, and would have been able to provide the support much earlier.  During crisis episodes, while policy reforms are important, the government has urgent needs to quickly stabilize the economy, such as, providing urgent fiscal support to counteract the financial crisis. As such, crisis response operations should focus more on immediate responses to the financial crisis, such as maintaining critical social and safety net expenditures. However, as crises open opportunities for reforms, policy dialogue can be initiated for follow-up operations. But this should not delay the financial crisis recovery support.  Success of a financial crisis response operation is highly contingent on the government s ability to quickly put together its own anti-crisis plan, which could be financed by ADB after exercising due diligence. In the case of Armenia, the government had an anti-crisis action plan and a crisis budget.  Program Monitoring to be Improved. The program monitoring system should be improved for similar programs in the future. The government s monitoring system did not capture and produce the required data on indicators performance. In particular, the executing agency collected the information from other government agencies (Ministry of Labor and Social Issues, Ministry of Finance,, government reports on anti-crisis measures progress, and other official statistics) to produce its own project completion report. However, a specific indicator on the number of jobs created by the interventions in the construction area was not properly monitored and reported.  Technical Assistance Support is Important for Crisis Programs. There was no technical assistance with the program. The absence made it difficult to monitor the outcome of the loan. A technical assistance (TA) would have been useful for monitoring budget execution in general, and monitoring of expenditures supported by the program in particular, including budget execution reports, expenditures in key programs for social protection (pension, family benefits, and unemployment insurance), social impact assessment, and financial flows and bank accounts related to regular and special safety-net programs. It would have helped track results and progress in achieving the targets and could have brought some advisory services to the government on fine-tuning the anti-crisis program as the implementation results emerged. The TA could have helped develop a second generation follow-up crisis recovery program in case the impact of the crisis had played out longer in the country. |
| The program provides several lessons on structuring a crisis response operation. First, ADB has no modality for a financial crisis response operation for Asian Development Fund countries. The special program loan in the Program Lending Policy is limited to ordinary capital resources countries and can only used to address balance of payment crises. Likewise, emergency assistance under the Disaster and Emergency Assistance Policy (DEAP) does not include financial crisis response. As such, the program had to use the standard program grant modality and develop the design of program actions to allow quick processing and disbursement. While program preparation was shorter than for typical program grants and loans, preparation would have benefited from streamlined and abbreviated procedures similar to the countercyclical support facility and the DEAP, and would have been able to provide the support much earlier.  Second, during crisis episodes, while policy reforms are important, the government has urgent needs to quickly stabilize the economy, such as, providing urgent fiscal support to counteract the financial crisis. As such, crisis response operations should focus more on immediate responses to the financial crisis, such as maintaining critical social and safety net expenditures. However, as crises open opportunities for reforms, policy dialogue can be initiated for follow-up operations. But this should not delay the financial crisis recovery support.  Third, success of a financial crisis response operation is highly contingent on the government's ability to quickly put together its own anti-crisis plan, which could be financed by ADB after exercising due diligence. In the case of Tajikistan, the government had an anti-crisis action plan and a crisis budget. Readiness to implement is also important.  Fourth, since the crisis response operations support government's crisis mitigation measures, program monitoring could also benefit from technical assistance where country systems are weak, as in Tajikistan. The technical assistance could focus on expenditure tracking mechanisms, internal controls, and external audits; and be conducted in two stages. At the first stage, when monitoring capacity is still weak, experts could be engaged to monitor program-supported expenditures rather than relying on the government to submit monitoring reports. The second stage would focus on improving country systems to help transition monitoring tasks from external experts to government staff.  Fifth, the program provided lessons in allocating counterpart funds generated from program proceeds. Budget earmarking should only be considered if the government has adequate mechanisms to track expenditures. Otherwise, technical assistance is important to provide this capacity. Programs should also rethink strict budget earmarking. While placing strict conditions on how a government spends the funds seems desirable, implementation could be difficult when budget precision is low. In the case of the program, the government could not fully execute the strictly allocated utility expenditures because it had already maximized its spending below the budget allocation. A better solution might be to provide governments with sufficient flexibility in spending across several identified items. Also, the scope and coverage of independent audits of special accounts to fund specific items should be very clear and precise if they are to be useful. |
| A program cluster approach with prior expected actions enveloped by a medium-term framework with flexibility built into its design is an effective approach to supporting government reforms. It promotes continuous dialogue with the government on reforms and allows for program changes to effectively and efficiently respond to new or worsening risks to the economy and shifts in government policy priorities. This was demonstrated in subprogram 3, with the introduction of new measures to address heightened macroeconomic risks to the economy and help the government effectively provide a fiscal stimulus package in 2009.  Using numerical targets such as the tax revenue-to-gross domestic product (GDP) ratio as triggers, as initially done in subprogram 2, should be cautiously approached. Ambitious numerical targets that are not supported by a realistic reform timetable are likely to fail.  If necessary, triggers should be supported by technical assistance (TA), as were the subprogram 2 and 3 public financial management (PFM) triggers. During the review of subprogram 2 policy triggers, the government and ADB identified gaps in government budget execution, internal audit and controls, and reporting, acerbated by the underdevelopment of the government's computerized accounts system. The government asked ADB for longer-term integrated TA to strengthen its PFM framework.  A program should have a well-defined exit strategy. This program was designed for implementation over 3 years with specified medium-term targets. It successfully closed upon completing subprogram 3. Without an exit strategy, the program risks reform fatigue and may encourage lax compliance with policy reforms. Introducing the post-program partnership framework during subprogram 3 proved to be effective in ensuring the sustainability of key reforms. |
| Holistic approach. The project design, which simultaneously strengthens three pillars of support the line ministry (MInistry of Education or MOE), the school, and the community proved to be a good model for future education projects.  Complementary project inputs. The combination of the Education Sector Reform Project (ESRP) and the Japan Fund for Poverty Reduction (JFPR) School Improvement Project was a demonstration of successful coordination of projects pursuing related objectives within the same organization.  Transparency and fairness in resource allocation. The use of objective, transparent (poverty index), and fair criteria in allocating assistance funds elicits trust and a positive response from the community.  Application of training to real situations. The in-service training provided participants with new ideas and skills. Combined with the provision of new textbooks and teachers' manuals written in line wit the methodological training, this has provided teachers with concrete opportunities to practice and develop their skills further.  Sense of ownership at the higher level. Developing a strong sense of ownership at the higher level of the hierarchy is as important as developing it at the ground level. |
| Simplify grant disbursement arrangements. The flow of Global Environment Facility (GEF) funds was slow and tedious and delayed implementation. This was due partly to the lack of an imprest account in the provinces. These disbursements arrangements need to be simple. The government has drawn lessons from the project and has now agreed to the establishment of imprest accounts in provincial departments of finance to receive grant funds directly from ADB. Such an arrangement is expected to accelerate the disbursement of the GEF grants in future GEF- cofinanced projects and ensure the effectiveness of the fund uses.  Government ownership key. The project objectives were in line with the government's national policy on environmental improvement, renewable energy development, and poverty reduction in rural areas. The project activities were also well integrated with the existing institutional system, which involved rural energy offices and extension service stations in the counties and villages. The government demonstrated a strong ownership of and commitment to the project by increasing its counterpart contribution to the construction of infrastructure in the project area and the issuance of relevant laws and policies during project implementation, which made the project successful and sustainable.  Training crucial to sustainability. A well-designed, well-executed capacity development program assures that a project will be sustainable and can be replicated. The sound planning of this project's training programs was one of the keys to its success. The training combined courses on biogas systems and agricultural production, giving farmers an opportunity to use new technology, knowledge, and ideas to improve their incomes and living standards. It was also broad and flexible, allowing the family members who are often the final users of the biogas to take part. This ensured that the type I and II systems would remain operational. The project also trained technicians in service centers and stations in the counties and villages, helped establish service networks in the project areas, and ensured the availability of maintenance services in rural areas.  Providing training in the year after construction of the biogas digesters was also effective since this was when project farmers needed to learn about operation and maintenance (O&M) for their new equipment and how to make use of the slurry and sludge from the digesters in agricultural production. The project also established an institutional mechanism linking contractors with extension service stations and the farmers, which is critical in promoting further development of rural household biodigesters. The training program has created ripple effects in the participating provinces. The implementing agencies have started replicating the project's biodigester-cum-livelihood design and training in other areas, using the training materials and extension services established by the project.  Climate and location important. Local weather conditions can affect the success of technology, as they did in the case of the type I system. The sustainability of type I systems, which include a greenhouse, could be marginal in Shanxi Province where the annual average temperature is low and they can only function properly for about half the year. The province's harsh weather also means that the greenhouses deteriorate faster and need more intensive maintenance. Understanding the geography of farmers' lives is also important in designing projects such as this. The systems were constructed on the farms and were usually far from farmers' houses. This limits the benefits of using the biogas to cooking one or two meals a day when farmers are at work in their fields.  Due diligence critical before using new technology. The technical and economic viability of a new technology, such as the straw gasification technology in the project, must be examined carefully before its inclusion in a project. This is particularly important to poverty- focused projects as poor stakeholders would have less capacity in managing risks of project failure. The cancellation of type IV gasification plants at midterm review mission over the concerns about their technology immaturity and economic viability avoided project failure and was a sound decision. However, it also showed a lack of proper due diligence regarding these factors at the appraisal. The supplementary appendix A of the report and recommendation of the President (RRP) indicated that the technology was only beginning to be tried. The fixed bed gasifier had been installed only by one company and had not been widely adopted. The other equipment type, a fluidized bed gasifier, had not received certification from Chinese authorities at the time of the project appraisal. The project design was unclear about the type IV systems' implementation arrangements and investors. This was especially risky because the majority of the project beneficiaries were to be farmers with limited skills, and the beneficiaries and implementing officers would both need capacity development in basic biodigester construction and O&M. The type IV system technology would have been too complicated for farmers to operate and maintain. It might well have failed if the 28 units had been set up as planned.  Enterprise ownership lacking. The lack of ownership and commitment on the part of the project enterprises to the preparation of the project design document (PDD) might cause the Clean Development Mechanism (CDM) pilot bundling project to fail. In the case of the pilot CDM project in Henan Province, the provincial government may need to change its role from direct involvement in the CDM project development to technical support. The government should also seek direct involvement by the enterprises to enhance their ownership and understanding of the CDM process. The enterprises considered carbon financing as an easily accessible fund and were not aware of the commitment and efforts that would be required from them to avail of the carbon credit. The absence of direct involvement in preparing the CDM pilot project and lack of full understanding of the process may lead to the failure of the pilot bundling project. |
| Lending Modality: Having an appropriate modality is critical. ADB's Disaster and Emergency Assistance Policy together with Achieving Development Effectiveness in Weakly Performing Countries provided a ready framework for Emergency Assistance for Post-Conflict Recovery (EAPCR).  Monitoring and evaluation framework. The overall success of the EAPCR could have been greater had the DMF been better designed. The impact statement could have been closer to the outcome, and assumptions about investor and consumer confidence should have been more realistic. The impact statement could have focused on maintaining sustainable and inclusive public sector spending rather than to restore the Georgian economy to the pre-war trajectory of growth and social development. A more realistic assumption could have been formulated in line with the government's commitment to give priority to social expenditures. The output targets could have been defined according to existing data and definitions. |
| Socially responsible budget. Rapid disbursements into a budget that is socially responsible and sound in macroeconomic terms provide an efficient channel for supporting public spending, including social, infrastructure, and countercyclical stimulus.  Lending Modality: The crisis in Georgia, triggered largely by exogenous shocks, has underscored the need for a suitable modality that will enable ADB to provide quick support. While ADB has a program lending policy, there is no special modality for a financial crisis response operation for Asian Development Fund countries. The special program loan in the program lending policy is limited to ordinary capital resources countries (OCR). ADB's Countercyclical Support Facility (CSF) helped disburse anti-crisis support quickly to OCR eligible countries. In 2008, ADB invoked its Disaster and Emergency Assistance Policy, together with Achieving Development Effectiveness in Weakly Performing Countries, to support Georgia through the Emergency Assistance for Post-Conflict Recovery Project. However, the approach adopted under the Growth Recovery Support Program has demonstrated that ADB can quickly mobilize support for its developing members countries (DMCs). Yet, somewhat protracted internal discussions over the application of the program lending policy slowed down ADB's response in the absence of clarity on the flexible application of that policy for crisis situations such as the one faced in Georgia.  ADB business procedures. While program preparation was shorter than for typical program grants and loans, streamlined and abbreviated business procedures for processing crisis response programs could allow the response to be more timely.  Monitoring and evaluation framework. The overall success of the program could have been greater had the design and monitoring framework (DMF) been better designed. The impact statement could have been closer to the outcome and assumptions about investor and consumer confidence more realistic. The impact statement could have focused on maintaining sustainable and inclusive public sector spending rather than to restore the Georgian economy to the pre-war trajectory of growth and social development. A more realistic assumption could have been formulated in line with the government's commitment to give priority to social expenditures. The output targets could have been defined according to existing data and definitions. |
| The project experience:  (i) confirms that rationalization of PHC institutions and provision of adequate health financing should go 'hand in hand'. Thus, the restructuring of health institutions should be accompanied by trained primary health care (PHC) staff, sufficient coverage of PHC facilities, adequate supplies of essential drugs and medical commodities, and health reform;  (ii) illustrates the value of conducting a comprehensive needs assessment before drawing up civil works and equipment lists, to ensure that the right inputs are made in the right places;  (iii) demonstrates the need for advance recruitment of consultants to assist with planning and review, pre-implementation preparations, and legal support to ensure that project implementation is not delayed;  (iv) indicates the need for intensive information campaigns to ensure a high degree of community participation in PHC management, sourcing of financing, co-sharing, contributions in kind, and other expressions of support that help to sustain health reform projects. |
| The success of nongovernment organization (NGO) contracting of health services under the project provided the foundation for Ministry of Health's (MOH) introduction of new contracting arrangements (internal contracting) based on the government's Policy on Public Service Delivery (2006) and adoption of MOH's procedures and guidelines on contracting arrangements. Many innovative features first developed under NGO contracting have been, or are in the process of being, adopted for internal contracting, including performance incentive schemes, monitoring indicators, monitoring and evaluation (M&E) approaches and tools, and supervision arrangements. The internal contracting arrangements include performance agreements between MOH and provincial health departments (PHDs), and service delivery contracts between PHDs and operational districts or referral hospitals; and are drawn directly from the NGO contracting implemented under the project. The success of NGO contracting has thus proved to MOH that internal contracting is feasible, cost- effective, and equitable; and can materially increase the extension of health benefits to the poor.  Building on lessons from the Basic Health Services Project, the project gave greater emphasis to close monitoring and supervision by MOH to ensure that civil works were closely coordinated with the supply of equipment and drugs under minimum package of activities (MPA) and complementary package of activities (CPA) guidelines. However, efficient planning, a well-executed plan, and close oversight by MOH would have allowed timely completion of civil works and avoided cost overruns. To improve the quality of civil works, implementation arrangements should incorporate closer supervision and monitoring at all levels.  In support of MOH's sectorwide management strategy, ADB's participation in the sectorwide management approach along with other partners in a jointly administered project proved the benefits of close collaboration among health partners. While the Health Sector Support Project (HSSP) was cofinanced by different donors and implemented through an integrated project implementation arrangement under the sectorwide management approach, the project was administered by each donor agency with different implementation schedules. The ADB funded activities under HSSP were closed in 2009 while the World Bank portion of HSSP has been extended to complete all the activities including construction of health facilities. This resulted in different reporting arrangements including project completion reports. The sectorwide management approach significantly helped the government improve planning and coordination in project implementation, avoided duplication, and provided the basis for a broader sectorwide approach. However, the process of harmonization and coordination of various activities among the partners has challenged and slowed implementation progress. Considerable time and effort was spent on the process. |
| First, delays were avoidable if the project preparatory technical assistance (PPTA) financing percentages had been retained. During the loan appraisal and negotiation phase, the recommended financing percentages of the PPTA of 70% ADB-30% regional plantation company (RPC) for social amenities and 90% ADB-10% RPC for the social development programs were adjusted to 50% ADB-50% RPC, resulting in RPCs not participating. Given the weak balance sheets and the lack of profitability, the desire for greater ownership through increased financial contribution was inconsistent. The subsequent increase in ADB financing overcame the issues, and implementation proceeded rapidly over 3 years. Second, there was unnecessary design complexity and add-ons. The core project components relating to investment and social objectives were coherent and achievable. The inclusion of additional inputs for the development of Tea Association of Sri Lanka (TASL), marketing alliances, and demand-based public research were not client-driven nor demanded, lacked appreciation of the commercial and proprietary rights attached to market relationships, and research findings as contributing factors for achieving competitive advantage.  Further, there were insufficient financial and governance benefits to merit insistence on an international fund manager when the size of the fund was extremely limited and the duration of funds available for investment short. In addition, project outcome and impact indicators were poorly defined in terms of sustainability and what this represented. There was inadequate consideration of sector financial risks, including wage inflation, and political risks relating to price escalation in the sector. A major cost item, the inflation adjustment formula for RPC leases, was not reflected in the institutional nor design framework.  The use of a credit line was an effective implementation modality. Significant advantages from longer loan periods, grace periods, and fixed interest rates during a period of high and rising interest rates and markedly lower capital availability supplied a definite demand. The use of fixed interest rates during the current period of declining interest rates has, however, increased the requests for early repayment. THe Development Finance Corporation of Ceylon (DFCC), the Ministry of Finance, and Ministry of Plantation Industries (MPI) should consider the option of interest rate adjustment to outstanding loans. Similarly, the apex body agreement did not adequately cover for the recycling of early repayments, and, as such, interest earned and loan repayments can be retained by the apex body. Participating financial institutions (PFIs) are required to pass early repayments back to the apex body. |
| Broad consultation, awareness raising, and development of skills of key state stakeholders during loan preparation would have enhanced program implementation and possibly reduced the delays in achieving loan effectiveness.    Transforming state-owned enterprises and establishing an enabling environment for private sector foreign investment takes considerable time and ongoing support. Individual capacities, particularly in the executive and legislative branches of government, need to be assessed before an accurate judgement can be made of the time needed to prepare for loan effectiveness and then to implement reforms.    Continued formal opportunities for dialogue on private sector development with policy makers and legislators after the second tranche had been released may have helped maintain the impetus for change in the enabling environment for private sector development. Such formal discussions with legislators may have improved their understanding of the constraints facing the sector and thereby facilitated earlier passage of key legislation.    The implementation of civil works was delayed due to the time taken to reach government agreement on design, approval procedures, and project implementation unit (PIU) staffing. Early stakeholder and beneficiary involvement during project preparation is needed to ensure project quality and ownership that can minimize such delays. |
| Policy reforms should not be too numerous and should be well integrated into an overall project. Highest priority should be given to policy reforms (and covenants) that are necessary for project implementation or sustainability. A stakeholder analysis should be conducted for all proposed policy reforms, and a strategy developed for moving systematically to the desired policy reform reflected in the project's design and monitoring framework. Means of compensating the losers should be identified (e.g., by including project investments in institutions adversely affected by policy reforms). Progress toward achievement of policy reforms needs to be monitored carefully. The need to strictly adhere to the guidelines for the design and monitoring framework to ensure the participatory formulation of achievable objectives backed by relevant activities is a major lesson from this project.  Lessons from the irregularities with civil works in Zavhan aimag are the need to (i) provide external monitoring of civil works in addition to regular monitoring by MOH and various statutory inspection bodies (ADB has organized external monitoring for subsequent projects in the health sector), and (ii) strengthen the bid evaluation capacity of MOH (the weak capacity of some of the firms involved in irregularities could have been detected at an early stage).  The relationship between MOH and the PIU needed to be discussed from the beginning of the project. This would have avoided the PIU isolating itself from the Ministry of Health's (MOH) decision-making process, as happened too often during the first 2 years of implementation. Decision-making procedures need to be clarified to involve MOH departments and higher authorities in decisions affecting bidding processes, consultant selection and outputs, policy matters, and resource allocation in the health sector. This requires setting up working groups within MOH and ensuring decisions are made by higher bodies and authorities of MOH. |
| The community's involvement in various project activities and its interactions with the government and project staff greatly enhanced the sense of ownership. Community participation and contribution was the key to successfully completing the village upgrading subcomponent. This was evidenced by the fact that the actual community contribution of $206,000, mainly in cash, exceeded the estimated amount of $200,000 expected at appraisal to be mainly as labor. The success of the village upgrading subcomponent indicates the importance of stakeholder consultation throughout the planning, design, and implementation stages.  Given the limited time and resources under the project, capacity building for urban development administration authorities (UDAAs) focused on construction management and supervision, operation and maintenance (O&M) of infrastructure and of sanitary landfills, and exchange of lessons among UDAAs. Various workshops were organized on these topics for managerial staff, accountants, and engineers of UDAAs. By strengthening core capacities, the project created momentum for continued support of long-term capacity building to enable UDAAs to provide quality public services.  The project's geographical coverage posed a major challenge to monitor subproject implementation in 12 project towns located all over the country from the northern tip (Phongsali) to the south (Samakkhixai). Particularly during rainy season, it was time-consuming for project coordination unit (PCU) staff and consultants to travel to the project towns, as well as for personnel from UDAAs and project implementation units (PIUs) to attend meetings and workshops. Due to its underestimation at appraisal, insufficient travel budget hindered effective monitoring of subproject implementation in the project towns.  The decentralized approach introduced during implementation contributed to strengthening the capacity of PIUs and speeded up project progress. PIUs demonstrated their abilities in implementing, supervising, and monitoring physical activities, as well as in managing civil works contracts. As a result, the project implementation was expedited at around midterm and caught up to schedule despite the delays in early stages of project implementation. |
| Targeting. Social welfare reform is a sensitive and protracted process. The Social Security Sector Development Program (SSSDP) pioneered new concepts and approaches at a critical time in the country s history, but the reforms it initiated are not complete. The progress made by the program in developing a new vision for social welfare was undermined by the introduction of universal benefits. New efforts at introducing proxy means test (PMT) under the Food and Nutrition Social Welfare Program and Project (FNSWPP), are attempting to help ensure that the reform agenda is sustained. The Draft Social Welfare Law of 2010 will be another measure of how far the reforms are accepted.  Livelihood support councils. As part of the reforms pioneered by the project, the government introduced livelihood support councils. The councils clearly have an important contribution to make and have the legal mandate to do so. However, there is uncertainty as to how effective they are nationally and what is the full range of their responsibilities. A national assessment of the strengths and weaknesses of the councils is urgently needed.  Updating the social security sector strategy paper. The Social Security Sector Strategy Paper (SSSSP) was a major milestone and the document is still a valuable guide for the sector. There is a need to update it, and this should be a priority once key decisions have been made regarding the proposed consolidation and targeting of benefits.  Use of information, education, and communication. The SSSDP conducted an intensive information, education, and communication campaign to garner support among the public and politicians for the reforms. As Mongolia enters a new period of reform that may result in the introduction of a national PMT, it is vital that a new information, education, and communication campaign is put in place and sustained.  Increasing roles for nongovernment organizations. The SSSDP brought civil society into social welfare provision for the first time in Mongolia. The role of nongovernment organizations (NGOs) can be expanded in the areas of monitoring of policy implementation, service, and advocacy for reforms.  Civil registration. The SSSDP failed to explicitly address a fundamental weakness in the social welfare system: the systematic exclusion of unregistered households. Efforts to overcome this flaw need to be accelerated.  Creating incentives at vocational training centers. The investment in training and workshop equipment has helped the vocational training centers to generate income. This income could provide a sustainable fund for equipment replacement and student scholarships.  Improving the impact of business incubation centers. The impact of the centers could be furthered by (i) providing start-up loans and performance-based support, (ii) providing better outreach to remote areas, and (iii) developing business incubation center packages that better target the livestock development needs of herders.  Social insurance. The State Social Insurance General Office (SSIGO) made considerable progress in improving its technical capacity under the project. It is likely that even greater progress would have been made had the office been given greater autonomy and more involvement in policy making.  Monitoring and evaluation. The project did not have an adequate monitoring and evaluation (M&E) system. Analysis on gender and socioeconomic impacts are not available because of a lack of collection and disaggregation of data. The limited capacity of the M&E unit needs to be addressed if the impacts of future reform initiatives are to be properly assessed. |
| Initial implementation delays can be reduced by completing more works during project preparation such as (a) preparation of request for proposal for consulting services, (b) approval of feasibility studies by the government, (c) preparation of tender documents for the first contract package; and (d) advance actions for the procurement of consulting services or construction contracts.  More capacity building needs to be provided to the staff of project management units (PMUs) and project implementaiton units (PIUs), particularly during early stages of implementation.  Consultants should be fielded early in project implementation.  Specifications for operation and maintenance (O&M) equipment should be prepared in consultation with the relevant agencies.  Local government counterpart funding should not be included in future projects because such funds were invariably delayed which resulted in implementation delays.  Market-level compensation is necessary to attract and retain competent staff at PMU, PIUs, and vodokanals.  For the sake of efficiency of resources, similar works should be packaged into bigger contracts suitable for international competitive bidding and more efforts is needed during the prequalification and bid evaluation stages to ensure that the selected contractors are fully familiar with the country norms and practices. |
| For the village flood protection component, local governments committed funding for constructing infrastructure and houses for poor people. However, their revenue fell with the abolition of taxes on agriculture. Local governments' capability to raise funds should have been carefully investigated, taking into account possible risks.    As democratization develops in the People's Republic of China (PRC) and individual autonomy increases, the formulation and implementation of projects that require voluntary resettlement, such as the village flood protection component under this project, need careful consideration.    The government's approval process and processing time should have been carefully assessed during project preparation and reflected in the project schedule. |
| Before ADB's support, the Assam State Electricity Board (ASEB) had not taken on transmission and distribution (T&D) projects of such magnitude due to financial constraints. However, the successful project implementation amply demonstrates that, if appropriate institutional support is provided, it can carry out such a project adequately.  ASEB, with the support of the Government of Assam (GOA), took advance action to acquire land and clear other statutory hurdles, which eased implementation. In earlier ADB-assisted power sector projects, land acquisition and resettlement issues generally caused delays. Although ASEB was initially not fully conversant with ADB procedures, timely support from ADB and willingness of ASEB staff to adopt these practices helped implement the project. ASEB and GOA fully supported the project and retained key project management unit (PMU) staff.  Like other state electricity boards, ASEB experienced difficulties in obtaining state government budgetary support, which badly constrained its operations. Since Assam's financial condition is particularly serious, addressing financial issues upfront is key to successful reform. Investments under the multitranche finance facility (MFF) will include institutional development, ensuring a sustainable reform program. |
| Sludge treatment. Proper handling of sludge has been an issue for most wastewater treatment plants (WWTPs) operating in the People's Republic of China (PRC) since traditional landfill options have become problematic. The government and WWTPs must find alternative solutions for sludge treatment. More sustainable sludge treatment methodologies may need to be considered during project preparation. Tangshan and Baoding are piloting the composting of sludge for fertilizer; however, this solution may not be sustainable without clear safety measures, due to increasing health concerns.  Sewer construction. For the Tangshan component, construction of a fully functioning sewer system should have been adequately addressed during the planning stage. The construction delay had a negative impact on the project. Technical preparation needs to be enhanced, as does overall coordination of project implementation among government agencies.  Reclaimed water development. The government has not recognized the tariff issues related to recycled water, although 30% of treated wastewater is being recycled as of 30 June 2010. The government needs to streamline the tariff system for recycled water, including tariff setup, charging standards, and collection mechanisms.  Land acquisitions and resettlement. Most of the compensation rates for resettlement were higher than those in the resettlement plans. However, according to the data provided by each municipal sewerage company (MSC), the total resettlement costs for permanent land acquisition, temporary land use, building demolition, and associated items on the ground were lower than those estimated in the resettlement plan. The huge reduction in the resettlement costs was the result of waivers or significant reduction of land taxes or administration fees, large-scale reduction of temporary land use, and avoidance of house demolition through the use of the pipe-jacking construction methods rather than open-cut sewer construction. Coordination among municipal governments to increase the compensation rate but reduce the overall resettlement cost is a good lesson learned. |
| The use of a technical assistance (TA) loan for project preparation rather than including project preparation in the investment loans is fully justified because (i) it enabled project costs, revenues, and social and environmental impacts to be more accurately assessed before preparation and signing of the investment loan; and (ii) it reduced the borrower's commitment charges caused by implementation delays of 20 months.  The multitranche financing facility (MFF) mode was mainstreamed into ADB's financial operations in July 2008. (The MFF was introduced in August 2005.) TA and investment loans can be combined in an MFF as separate tranches. However, use of an MFF should not be recommended for large and complex projects such as the project highway because there is high risk of project cost overrun. The estimated total cost increased from $620 million at the TA loan appraisal to $1,216 million at the investment loan appraisal. The project cost would have considerably exceeded the maximum financing amount if an MFF had been used. However, if an MFF had been used the borrower could have benefited from the flexibility in timing of ADB financing and ADB's early commitment to the investment loans without incurring the commitment charges.  Senior staff of both the Vietnam Expressway Corporation (VEC) and Ministry of Transport (MOT) had significant experience in implementing large- scale road development projects. Both agencies had sufficient capacity to carry out the project, and the capacity was further enhanced through the project. The delays in resettlement planning were mainly caused by low capacity of project provinces and districts but not of the executing or implementing agencies. The project provinces and districts should be involved from the early phases of resettlement and ethnic minority development plan (REMDP) preparation. Terms of reference for the consultant should be more realistic in predicting the project period, particularly for new infrastructure projects with considerable social and resettlement impacts, and multiple works procurements.  In any project implementation, it is much more efficient to identify and correct problems in the initial part of the project period. The frequency of ADB review missions in the initial phase of the project achieved this efficiency and did a great deal to prevent further delays. The lesson is to have a higher frequency of review missions in the early phase of project implementation.  In a fixed-fee services contract, inclusion of the value of the project contingency in calculation of the advanced payment should be carefully explained in the request for proposals. Similarly, the regulations applied to value-added tax (VAT) duties on national subconsultancy services should be clearly stated.  The status of completion should be carefully examined before loan closure. In the event that there are outstanding activities, the contractual arrangements for completion should be carefully defined and committed before loan closure. It is a risk to assume that completion can take place under another loan with an unknown time frame and be dependent on a third-party consultant. Preparation of detailed design and bidding documents for the equipment packages should not have been included in the scope of the TA loan.  The employment of an independent design appraisal consultant has been expedient and has avoided delays. Consideration should be given to the inclusion of an independent appraisal consultant in future large and complex design preparation projects with an underresourced implementing agency. |
| Reference to international nongovernment organizations (NGOs) and public-private partnerships in the report and recommendation of the president (RRP) provoked local wildlife activists and politicians, resulting in project delays. This could have been avoided by wider pre-project public relations efforts.  Launching a complex project through the Department of Wildlife Conservation (DWC), a small organization faced with structural reform, was overambitious. A two-phased approach (phase 1: capacity- building and restructuring; phase 2: implementation) would have been more appropriate.  Loan covenant time frames underestimated the time required for the government procedures to amend the Fauna and Flora Protection Ordinance (FFPO) and for institutional reform.  Heading the project management unit (PMU) with someone from outside the DWC was detrimental to engaging the department staff.  Introducing large numbers of technical assistance (TA) consultants into the DWC that was understaffed resulted in inefficient use of consultancy expertise.  Regular review and updating of the project framework would have aided monitoring and evaluation.  The outreach program was made more sustainable by being implemented by the executing agency's own staff than it would have been by recruiting outside NGOs, who would have left when the project closed.  Delegation of powers to the field enhanced pilot protected area (PPA) management but it also increased the importance of self-motivated PPA leadership.  It was unreasonable to expect government officers to engage in commercial links and marketing initiatives with private enterprise in such a short time.  A formal monitoring system should have been established by the DWC at the start of the project.  Training for all PPA ranks and public awareness-raising were positive factors in improving conservation. |
| A credit line operation can be efficiently conducted through a sound operating financial institution focused on sector development. Small Business Guarantee and Finance Corporation's (SB Corporation) healthy institutional and operational structure (supported by the associated technical assistance or TA), coupled with clear, effective laws , have helped it conduct lending operations efficiently and effectively. In other words, vibrant small and medium-sized enterprise (SME) lending operations must be supported by effective policy and institutional arrangements. |
| Monitoring of production-related activities. A wide range of production activities were financed under the project new woodlots, the maintenance of old woodlots, clear-felling, and the replanting of mature plantations, for example. Detailed physical and financial information was not maintained at the individual enterprise level, however. This would have been best collected through regular stock assessments to estimate growth rates more clearly. The resulting information would have been valuable in two ways. It would have made it possible to more accurately determine the financial returns to beneficiaries at the household level. At the state plantation level, it would have informed policy decisions on investment in the sector.  Institutional change process. The magnitude of loss in potential revenue because of its delay in introducing open competition in state plantation timber harvesting was demonstrated analytically to the government through a comprehensive plantation measurement and valuation system. This led to an increase in stumpage rates and provided an incentive for the Forest Department to take steps to review the mandate of the State Timber Corporation and make it more cost efficient. But much still needs to be done to enhance competitiveness in the sector. The process of achieving sustainable institutional change and strengthening organizations demands time, rigorous analysis, informed policy dialogue, and active engagement.  Public response to project activities. Consultations, mass media campaigns, awareness workshops, and beneficiary involvement in conflict resolution meetings all contributed to a greater understanding of project interventions by key stakeholders. Implementation activities did not appear to have created significant public protest and generated no critical news reports, public interest litigation, or petitions. |
| Advanced Procurement Action. Early procurement for contract packages is absolutely essential to enable projects to meet their implementation schedule. In this case, the major civil works contract packages for year 1 were prepared by the Local Government Engineering Department (LGED) during the feasibility study before the project consultants were mobilized and the subproject appraisal reports (SARs) were prepared. Early recruitment of the consultants would have improved the performance of the project in the early stages. The recruitment process should be simplified to avoid delays.  Subproject Appraisal Reports. Since SARs were prepared for each upazila, 96 SARs were produced. This was a huge and time consuming task that took almost two years to complete. It is recommended that future projects should produce SARs on the basis of districts or regions rather than upazila. This concept would have reduced the number of reports to 16 if prepared on a district basis or 2 if prepared on a regional basis.   Drinking Water in Market Developments. The project has installed on a pilot basis a low-cost piped water supply system for drinking purposes at Haibatpur Growth Center in Jessore district, which is an arsenic-affected area. A water management committee within the market management committee (MMC) is managing the operation and maintenance of the system, and collects user fees. This approach to the supply of low-cost water in a growth center market (GCM) has proven to be feasible and may be replicated in future projects, while taking its shortcomings into account. For example, house connections could make it more viable.  Women's Market Section (WMS). The project made an effort to include WMSs in all market developments to bring women more into the mainstream of the rural economy. However, women in some areas are conservative and not willing to run shops side-by-side with men. WMSs should only be included in market developments where project appraisal indicates that women are interested and available to participate in running the facilities; otherwise, the resources can be used elsewhere. |
| Project design should accommodate the complexity of community participation and the time it requires. Adequate attention should be paid to capacity development in communities to ensure the sustainability of water supply and sanitation (WSS) facilities.  Effective orientation programs on project approaches, implementation modalities, and the roles of stakeholders contribute to successful project implementation. Implementation partners should be well informed on the approaches and strategies of the project prior to implementation.  Community organizations require continued support during and after the transition to the post-construction period to ensure the sustainability of water supply facilities. Capacity development needs to cover not only the technical aspects of operation and maintenance (O&M) but also financial management, water demand management through public awareness campaigns, and the protection of water sources including water conservation. The first year of operation can be assigned to the contractor to provide incentives to improve the quality of construction and achieve the early completion of works. Preparing the project management and operation manual before the inception of the project will address initial operation and sustainable issues.  In community-based projects, water user and sanitation committees (WUSCs) can act as reliable facilitators between the project and beneficiaries. The participation of local communities during both design and implementation is crucial for project sustainability and effective project implementation.  Better linkage between health outcomes and WSS outputs should be promoted in WSS projects by including sanitation, hygiene, and health promotion activities in project design.  Extensive and thorough investigations of potential project sites need to be carried out to the extent possible during feasibility studies and detailed design to ensure that designs are appropriate. Experience shows that design shortcomings have caused significant implementation delays and numerous contract variations.  All components of projects should be treated as important and monitored from the early stages of project implementation. The difficulty of establishing technical support centers in five development regions of Nepal under the technical support components was mainly because the executing agency (EA) accorded them low priority and ADB did not follow up sufficiently.  A unit to provide technical support to WUSCs should be established in an early stage of the project, and the staff of WUSCs should be trained throughout the project implementation period, rather than just at the end. ADB should be more involved in ensuring that appropriate mechanisms for providing technical support are in place and that the unit's capacity is strengthened. Five regional technical support centers were established very late in the project, and only one center was staffed by two people, who do not know how to operate some of the equipment.  Team leader inputs should be adequately provisioned in engineering and design consultant contracts to ensure timely technical support and advice for town projects to facilitate timely decisions.  A capacity-development program for beneficiaries needs to be well planned and implemented in accordance with the project implementation schedule and progress. A monitoring mechanism to measure the effectiveness of the capacity development programs needs to be established. |
| The design of the Power Sector Development Program (PSDP) took into account the lessons learned from previous ADB operations in the power sector. In particular, the preparation of the PSDP benefited from the sector assistance program evaluation of ADB's assistance to the Philippine power sector. On this basis, the PSDP envisaged two subprograms with 2-year time horizons, covering 2007- 2008 and tentatively 2009-2010. Target dates were set only for subprogram 1 to allow flexibility in the overall implementation schedule. The government chose not to pursue subprogram 2 mainly because of the better-than-expected progress of the privatization program, with private sector investments being made without the assistance foreseen under subprogram 2. However, without subprogram 2, the government was able to defer a key policy action that was required for the implementation of the subprogram the introduction of universal charges for stranded debt and cost. As a consequence, the Power Sector Assets and Liabilities Management Corporation (PSALM) could not achieve a debt service coverage ratio (DSCR) of 1.0 in 2009 as required in the policy matrix. |
| Bidding of expressway civil works took place in early 2002 and the government approved the detailed design in mid-2002. Thus, among other factors, bidding which was not based on detailed design resulted in some significant variations for large structures with complicated geotechnical situations. Based on this experience and similar experience in other road projects, it would be appropriate to conduct in-depth detailed geotechnical investigations before finalizing bidding documents. The Ministry of Transportation (MOT) now requires that detailed designs are completed before procurement of expressway civil works.  The cost estimate of the toll system was overestimated at appraisal, and the actual cost was about one-third the appraisal estimate. The main reasons for this difference include (i) the network-based toll system arrangement resulted in cancellation of unnecessary equipment; and (ii) the cost estimate was made in 2000 and procurement was conducted in 2004, during which time the availability of more advanced information technologies contributed to a lower and more competitive actual cost. Close follow-up on information technology development and the toll capacity demands means that a precise cost estimate of a toll system is now possible.  During the project preparation stage, it was anticipated that the project expressway would generate significant local socioeconomic development impacts. The expressway served not only as an important section of the transport corridor, but also as a vital link between Weinan and Xi'an and other neighboring regions. With growing traffic volume, it was observed that toll collection capacities at some exits were limited, which periodically caused long queues. It is necessary to consider increasing toll collection capacity and efficiency by increasing the number of toll lanes and applying advanced technical measures.  The inclusion of 70 additional local roads for improvement was proposed and approved during the later stages of the original project implementation. Local road improvement has produced very positive impacts. However, it led to loan extensions of about 3 years. An integrated approach to combining improvement of local roads and the project expressway during project processing would ensure a more effective and efficient outcome.  The impacts of land acquisition and resettlement were not well estimated in the resettlement plan, which led to a 30% increase in the amount of land acquisition and a 187% increase in house demolition area. This was mainly due to impacts induced by connection roads and service stations, as well as temporary buildings that had not been included in the resettlement plan. The project was processed in early 2000, but updating the resettlement plan has since been made a standard requirement stipulated in loan covenants. |
| The project can point to the setting up of community fisheries organizations (CFOs) and the empowerment of local communities as huge successes in the short and medium term. However, in the long term, the CFOs may come under considerable pressure from outside interests without technical and moral support from the Fisheries Administration (FiA) provincial teams in the field.  Cross-ministerial implementation of projects brings complications beyond just day-to-day technical issues. Experience shows this to have been the case with other projects. The Tonle Sap Environmental Management Project (TSEMP) experienced many delays caused by having to obtaining agreement and approval across departments.  Alternative livelihood programs, while functioning satisfactorily, were focused on individual households, with little built-in capacity for extension. Small-scale livelihood activities must be appropriate to the situation. TSEMP has shown that the most successful small-scale activities are those that people themselves can sustain, given their income, time, and material constraints. Training is a necessary part of livelihood work, particularly if the participants have no previous experience.  Overall, the project outcome appears successful. However, an important opportunity was missed. The project did not establish a recognized baseline with pre- and post-project comparisons to demonstrate to ADB, the government, and key stakeholders the natural resource management, environmental, community, and economic benefits. It would have been possible to provide well-documented evidence that the project had achieved its primary goal. |
| 1. To ensure proper sequencing and smooth coordination between components, the project implementation unit should have been responsible for the overall management of project components. The project provides for both software and hardware assistance as a comprehensive package. GTZ was financing the software side of the project and ADB provides for the hardware support. Since different departments in the Ministry of Labor and Human Resources managed the GTZ and ADB financed components, the sequencing of activities suffered. For example, equipment was selected ahead of the revision of curricula, and some equipment were inappropriate for the courses being offered. [Main text, paras. 33,42]   project cycle stage: Design, Implementation  Lesson Topics:  Project Design: Project design Project Management: Project management  2. A complete package of assistance should be provided to vocational training institutes (VTIs) to ensure the delivery of quality training. Taking into account existing resources, reducing the number of VTIs assisted could have been a better option vis-ï¿½-vis thinly spreading available resources to more VTIs. In some VTIs, for instance, a building was constructed or renovated but only minimal equipment was provided. Moreover, in some cases, only a limited number of VTI teachers were involved in listing the equipment to be procured under the project resulting in a mismatch between the procured equipment and training needs. These factors affected the delivery of quality training. [Main text, paras. 38,43]  project cycle stage: Design, Implementation  Lesson Topics:  Project Design: Project design Project Management: Project management  3. The project team should pay particular attention to selecting the top leadership of assisted institutions to the extent possible, and build in mechanisms to evaluate the performance of VTIs and award good performance to provide incentives. Given the same bureaucratic or external constraints, differences in performance of the VTIs can be attributed largely to differences in the quality of leadership. Furthermore, mechanisms (including incentives) can be established to evaluate and encourage good performance. [Main text, para. 44]  project cycle stage: Design, Implementation  Lesson Topics:  Project Design: Project design Capacity Development: Ownership |
| In forming loan covenants regarding policy reforms, sector issues should be reviewed in total, as some reforms may be rendered ineffective by various distortions.  The implementation period should be realistic, determined after a thorough analysis of activities and their inter-relations and sequence. As the design implementation period of the project was short, some targets, particularly those related to varietal development and testing, were ambitious.  While involving a number of government institutions and building their capacity is desirable for sustainability, enough resources should be provided for effective coordination.  For agriculture enterprise development to be successful, sufficient lead time and necessary information and data should be provided, preferably through demonstration farms, for farmers to be convinced of what types of machinery and equipment to procure; subloan procedures should be simplified and the processing time shortened.  Participating financial institutions (PFIs) should be selected more thoroughly keeping in view their relevant experience, geographic coverage, staff, and other resources.  It is important to provide suitable incentives to attract commercial seed growers, which is key to providing quality seed of new varieties to farmers, in addition to incentives for increasing the capacity of the breeding institutions to multiply high- quality foundation seed.  Field trial-cum-demonstration farms are effective in introducing improved technologies to farmers.  For water users' associations (WUAs) and other community-based organizations to be effective and sustainable, they should have a good source(s) of income and reasonable leverage to collect.  Project management staff benefits should match with those of comparable private sector institutions to prevent high turnover that constrains project management. |
| 1. All formalities, including approval of government project documents, should be completed before the loan agreement is concluded, thus avoiding potential delays between loan effectiveness and project start-up. This should specifically include project management staffing, appointment of implementation consultants, allocation of counterpart staff, and advance preparation of procurement packages.  project cycle stage:   Lesson Topics:    2. The incorporation of a bonus payment for early completion in civil works contracts improved the responsiveness of the contractors in correcting deficiencies in works undertaken.  project cycle stage:   Lesson Topics:    3. Care is needed in undertaking cost-cutting measures to ensure that these do not compromise the long-term sustainability of a project by increasing the requirement for operation and maintenance.  project cycle stage:   Lesson Topics:    4. Institutional frameworks and agreements related to project operation and maintence (O&M), in particular cost recovery from project beneficiaries, must be implemented effectively. In particular, where responsibility for O&M is to be shared between a number of stakeholders (e.g., provincial and local governments, beneficiaries), all parties should be actively involved in project design from the outset.  project cycle stage:   Lesson Topics:    5. The most effective approach to compliance is to specifically address environmental and social safeguard issues (including beneficiary consultations) at the earliest stage of the project cycle.  project cycle stage:   Lesson Topics:    6. Lost opportunities for gender mainstreaming at the beginning of the project were partly due to the lack of established mechanisms and clear guidelines on gender mainstreaming on the part of ADB before 2008. However, because of the inspection request that extended the Project, adjustments were made, producing gender equality results with the guidance of up-to-date manuals on gender and increased support to hire gender specialists. Similar irrigation projects in the future may want to pick up missed opportunities and explore effective ways to maximize results by building on other gender and development initiatives within the same geographical area.  project cycle stage:   Lesson Topics: |
| 1. A multisector project requires a strong executing agency that can coordinate multiple implementing agencies. Major reforms also require strong leadership from the executing agency. The Administration of the President of the Kyrgyz Republic as the executing agency contributed enormously to the project's success despite the major regime change in the middle of project implementation.  project cycle stage:   Lesson Topics:    2. As the project proved, communities are powerful agents for designing and implementing projects that they themselves benefit from. Those community developed projects are likely to be sustainable.  project cycle stage:   Lesson Topics:    3. Implementing a project in a new field, especially in a dynamically changing transition economy, requires flexibility on the part of both the government and ADB. Willingness to adjust the project's design to a new environment or new findings and acceptance of extra time required for the adjustments is essential. To be successful, the project must also be transparent to receive support from local governments and communities.  project cycle stage:   Lesson Topics:    4. Given that the idea of community-based preschools was innovative for the country, sufficient time should be given for a legal and regulatory framework to be established to adequately serve preschool educational services at the community level.  project cycle stage:   Lesson Topics: |
| 1. ADB needs to pay more attention to capacity assessment during inception. The executing agencies had insufficient capacity to carry out procurement, bid evaluation and other processes, resulting in significant delays. This capacity deficit within the executing agencies was not identified during inception. [Main text, paras. 39,45,62]  project cycle stage: Design, Implementation  Lesson Topics:    2. Caution is in order in concurring with major changes in project scope. The scope for Part C of the project changed from initiating preparatory work for launching a training and management institute at the Rural Electrification Board - to physically constructing the institute. Its implementation though has suffered from price escalation, scarcity of construction materials, and internal disputes among partners in the contractor's consortium. As a result, after more than eight years since ADB's approval of change in scope, the construction of the training institute remains to be completed. Such kind of major change in scope must be avoided. [Main text, paras. 26,63]  project cycle stage: Design, Implementation  Lesson Topics: |
| 1. A poverty reduction, multisector area development project covering very large isolated areas cannot be efficiently implemented in Khyber Pakhtunkhwa without (i) the Planning and Development Department as the executing agency, which has the essential mandate and institutional capacity for multisector interventions; (ii) a decentralized project management model; (iii) components fully designed with dedicated staff resources, operational costs for implementing agencies, and market-based reasonable salaries and benefits; (iv) flexible, demand-driven design of interventions; (v) minimum beneficiary funding requirements; (vi) well-designed consulting packages with efficient costs; (vii) a duration of 10 years; and (viii) flexibility in loan extension, and responsiveness to security crises and natural disasters. A service delivery project with gender and development objectives cannot be implemented in Khyber Pakhtunkhwa without dedicated female technical staff and proper logistical support for them including office space, residential facilities, training facilities, and dedicated vehicles.  project cycle stage:   Lesson Topics:    2. Selection of nongovernment agencies (NGOs) at appraisal would have ensured timely implementation of the project. Given the community mobilization as a prerequisite for all interventions, and the problem of political interference in selection of NGOs through competitive bidding, single-source selection at appraisal should be preferred.  project cycle stage:   Lesson Topics:    3. Feeder roads, large drinking water supply, and surface water diversion schemes cannot be classified under the umbrella of participatory small-scale infrastructure, as these schemes require specialized technical skills and high operation and maintenance costs. In the future, these should be classified as government-managed medium-scale infrastructure subprojects.  project cycle stage:   Lesson Topics:    4. To simplify the administration and financing of various subprojects, component-based financing is suggested for area-based rural development projects in which subcomponents will be financed by one financier only, together with government counterpart funding, instead of jointly by all financing sources.  project cycle stage:   Lesson Topics: |
| 1. Policy reforms should not be too numerous and should be well integrated into an overall project. Highest priority should be given to policy reforms (and covenants) that are necessary for project implementation or sustainability. A stakeholder analysis should be conducted for all proposed policy reforms, and a strategy developed for moving systematically to the desired policy reform reflected in the project's design and monitoring framework. Means of compensating the losers should be identified (e.g., by including project investments in institutions adversely affected by policy reforms). Progress toward achievement of policy reforms needs to be monitored carefully. The need to strictly adhere to the guidelines for the design and monitoring framework to ensure the participatory formulation of achievable objectives backed by relevant activities is a major lesson from this project.  project cycle stage:   Lesson Topics:    2. Lessons from the irregularities with civil works in Zavhan aimag are the need to (i) provide external monitoring of civil works in addition to regular monitoring by Ministry of Health (MOH) and various statutory inspection bodies (ADB has organized external monitoring for subsequent projects in the health sector),40 and (ii) strengthen the bid evaluation capacity of MOH (the weak capacity of some of the firms involved in irregularities could have been detected at an early stage).  project cycle stage:   Lesson Topics:    3. The relationship between Ministry of Health (MOH) and the project implementation unit needed to be discussed from the beginning of the project. This would have avoided the PIU isolating itself from MOH's decision-making process, as happened too often during the first 2 years of implementation. Decision-making procedures need to be clarified to involve MOH departments and higher authorities in decisions affecting bidding processes, consultant selection and outputs, policy matters, and resource allocation in the health sector. This requires setting up working groups within MOH and ensuring decisions are made by higher bodies and authorities of MOH.  project cycle stage:   Lesson Topics: |
| 1. The text book rental scheme (TRS) can serve as one of the models on textbook provision for other countries in Central Asia given the efficiency and effectiveness by which it was implemented. Contributing to the successful implementation of this scheme is the government's commitment and the design's alignment to government's priorities. Resources were used efficiently to establish functional arrangements that ensured sustainability of funding and made available and affordable textbooks to students and teacher's guides to teachers. Countries struggling with textbook provision could be encouraged to study the TRS in Uzbekistan. In turn, study visits could further strengthen the TRS by encouraging educators and the government in Uzbekistan to further improve its implementation. [Main text, paras. 34-35, 40, 45]   project cycle stage: Design, Implementation, Operation  Lesson Topics:  Crosscutting Issues/Themes: Knowledge Management Project Design: Project design Capacity Development: Capacity building Capacity Development: Technology/Technology transfer  2. Designing an improved and more relevant curriculum that focuses on competency-based learning objectives and promotes high cognitive skills requires further support and commitment from the Ministry of Public Education. Expected project outputs related to improvements in the curriculum were only partially achieved. Curriculum development was also assessed as less efficient in achieving outputs due to delays in fielding consultants and differences in perceptions of curriculum by national education developers and international consultants. While movement towards a competency-based curriculum and student-centered learning will take a longer time to develop, monitoring of classroom teaching practices and the extent to which textbooks continue to define the school curriculum will assist in identifying the next steps in the curriculum review. [Main text, paras. 39,42,45]  project cycle stage: Design  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Capacity Development: Capacity development Capacity Development: Ownership  3. The teachers' guides could cost effectively support the timely roll out of student centered learning. Teachers' guides could be expanded to identify tools, provide additional referencing to learning materials for teachers, and promote greater use of school libraries. The student centered learning is one of the areas which educators in Uzbekistan need to discuss so that the government can move to a more efficient and cost-effective approach to provision of textbooks, workbooks and teachers' guides. [Main text, para. 45; Appendix 7, paras. 16-17]  project cycle stage: Design, Implementation  Lesson Topics:  Project Design: Project design Methodologies/Approaches: Process approach  4. Discussion and dialogue on language of instruction (LOI) for ethnic minorities remains a sensitive issue in most countries in the Commonwealth of Independent States. Any debate of change in LOIs should be widely discussed before implementation and aim at (i) improving ethnic minorities' chances to enter the best senior secondary and higher education institutions, and (ii) acquiring language skills necessary for better job opportunities while providing necessary support to maintain their identity. [Main text, paras. 8, 45]  project cycle stage: Design, Implementation  Lesson Topics: |
| 1. The project was particularly effective in meeting the needs of the government. The project responded very effectively by repairing the damaged rural gravel roads and pedestrian bridges after the May 2003 floods. As requested by the government, the project also responded positively by changing its scope from gravel roads to paved surface roads. The responsiveness and flexibility demonstrated by the project was laudable, and the project provided a worthy example for the design and management of future projects.  project cycle stage:   Lesson Topics:    2. Since the project had two implementing agencies supervised by different agencies, project coordination was difficult. A more suitable arrangement involving dual implementation agencies may be through a region-based apex financial institution, which is also assigned responsibility for establishment and operation of enterprise development service support activities and works closely with the regional organization responsible for sustaining the enabling environment. During the design stage, project implementation arrangements and responsibilities of each agency should be clearly explained in the project administration memorandum.  project cycle stage:   Lesson Topics:    3. Future projects need to address issues associated with the financial capacity of pradeshiya sabhas to develop and maintain rural infrastructure through closer monitoring, obtaining greater commitments from provincial and local organizations, and the use of soft loans for capital works tied to user-pay financial plans for civil works such as rural markets, where a financing charges mechanism already exists.  project cycle stage:   Lesson Topics:    4. Future projects designed to address rural gravel road maintenance issues need to be more carefully designed through (i) identification of project roads during appraisal; (ii) identification of suitable gravel sources in proximity of the project roads; and (iii) prior commitment from each pradeshiya sabha to participate in the project, including prior establishment and commitment of funds to a road maintenance account.  project cycle stage:   Lesson Topics: |
| Demand-driven approach to improve the local health situation. The project highlighted the importance of evidence-based and demand-driven project planning and implementation to address local health needs better. The establishment of district team problem-solving empowered staff and encouraged intersectoral coordination.  Assess and evaluate human resource development needs. Training needs assessment and post-evaluation of training courses need to be included to assess adequacy, quality and training impact.  Capacity building has to be linked to incentive structures. Investment in training has to be linked to incentive schemes (financed by local governments) to ensure staff retention, especially in remote areas. The project showed that several local governments initiated incentive schemes for medical doctors and midwives.  Management skills have to be improved. Training largely focused on technical matters rather than improving management skills. In strengthening decentralization of health services there is a need to focus on health management training and monitoring and evaluation of health staff.  Mobilize local leaders. Local leaders and or champions need to be identified to initiate local health care reform initiatives and the financial sustainability of activities. The project demonstrated that local regulations to support health sector reform and ensure sustainability are possible through large-scale socialization and advocacy.  Strengthen management capacity for decentralized health services. While central and local staff were empowered and received diverse technical training, overall more attention needs to be given to the management of health services in the decentralized environment. |
| 1. Although the project components were completed successfully, there were serious cost overruns and implementation delays. ADB and its consultants need to be aware of the risk of high construction costs in Tajikistan, and to review whether this is a persistent problem or if it has diminished with the more settled political conditions now. The implementation delays also point to the need for significant levels of assistance from international consultants in project implementation, and to the establishment of a PIU that is not subject to political interference. [Main text, paras. 30,35,62,69]  project cycle stage: Implementation  Lesson Topics:  Finance & Financial Aspects: Financial management Project Management: Project management Project Management: Risks/Risk management  2. Collection of appropriate data is essential in monitoring and measuring project benefits and outcomes. During the PCR mission, Barki Tojik had problems providing certain data to quantify the project's direct and indirect incremental effects on income and poverty reduction as well as improved standards of living. Hence in the preparation and implementation of the next project, ADB needs to ensure that the executing agency and project implementation unit would place more attention in monitoring the collection of such information. [Main text, paras. 61,64,70]  project cycle stage: Implementation  Lesson Topics:  Monitoring & Evaluation: Data collection and management Monitoring & Evaluation: Monitoring and evaluation  3. ADB needs to be more careful in reviewing the compliance of Barki Tojik with loan and project covenants that require cost recovery and financial performance, improved accounting procedures, and the annual submission of corporate and financial accounts in English to ADB. These agreements are standard ADB covenants which Barki Tojik failed to comply with as the latter's accounting and financial performance were unsatisfactory. [Main text, paras. 37-41,71,74]  project cycle stage: Implementation  Lesson Topics:  Finance & Financial Aspects: Financial management Loan Agreement: Covenants Monitoring & Evaluation: Monitoring and evaluation |
| Policy Conditions. The DSP experience shows that the quality of programs can be improved by imposing fewer but more focused, streamlined policy conditions that are crucial for reform process. The number of policy conditions was manageable, compared with similar programs implemented at the same time, and these conditions were critical to the success of the reforms.  Flexibility in Implementation. The flexibility provided in program design proved to be a source of strength. Although the program approval processes of both ADB and the Government encourage rigid, detailed designs to ensure accountability, the DSP's more adaptable approach allowed the program to adjust effectively to the evolving nature and changing requirements of reform.  Sequencing of Reform. Research shows that successful decentralization reforms need appropriate sequencing, beginning with a strong national debate and, ultimately, a national consensus. This was not the case in the reform program set out by the Government. Most fiscal and administrative aspects of decentralization received scant attention. The policy dialogues undertaken as part of the DSP and the active involvement ultimately of provincial governments in implementation with the supporting technical assistance addressed these issues. The policy dialogues made it abundantly clear that these discussions should have preceded the reforms' design and implementation.  Capacity Needs. Without sufficient implementation capacity, even well-designed, broadly supported reforms cannot succeed. In addition, the one-size-fits-all approach to reform implementation does not work in a country as diverse as Pakistan. The outcomes of the reforms under the DSP differ from province to province depending on their existing capacities. The decentralization reform could have benefited from a province specific reform to provide for diverse situations and capacities. NRB or the Government could have provided technical assistance in design of the program. |
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| As demonstrated by program support programs in other countries, government ownership of the reform process is critical for its success. The Government exhibited a deep commitment at the outset, and continued to pursue its reform agenda during the design and implementation of the Postconflict Multisector Program Loan (PMPL). Such commitment will contribute to sustainability as well as further reform efforts.  Strong leadership is imperative if a reform process is to succeed. There must be a long- term commitment, because reforms are always a work in progress, and do not end with compliance of a few loan conditions on a stipulated date. Leadership must have a full understanding of the implications of reform, and its importance. While such leadership was clearly provided by the then-minister of finance, it was not always matched in other PMPL sectors.  A continually deteriorating security situation severely undermines the effectiveness and sustainability of any reform program. While tranche condition compliance is achieved, in such an environment, there is a risk is that it may not lead to actual effectiveness, if there is inadequate follow-through in terms of supporting investments to address operating constraints and development of functioning delivery modalities. This type of risk is present, and improved security and political stability are critical for the continued success of the Government's administrative, financial and sector reforms.  All program loans should be accompanied by technical assistance (TA) for capacity building as well as for direct support to the concerned government ministries and agencies or specialized bodies to comply with loan conditions and to assist with the reform agenda.  A strong oversight and monitoring mechanism should be put in place and be operational from the onset of program implementation. The Interministerial Steering Committee did a commendable job of guiding PMPL implementation, despite the delay in becoming fully operational, which explains in part the limited compliance with four second tranche conditions at the time of second tranche release.  The PMPL had 55 loan conditions, compared with the ADB average of 38 program loan conditions. Significant commitment and effort by the Government allowed full compliance with all but four tranche release conditions  Strong and broad-based consensus is required to bring about true administrative reform, including streamlining and restructuring of ministries and agencies. Vested interests can easily stand in the way of any administrative reform efforts that threaten powerbases, employment, or special privileges.  Capacity building for operation and maintenance (O&M) of assets requires careful attention and should be specifically included in loan processing, as well as any follow-on investment projects or programs. Governments often indicate their willingness to commit to operation and maintenance of public infrastructure through budgetary allocations, but if such allocations are not realized in a timely manner, the rehabilitated assets will deteriorate, leading to subsequent financing requests. Despite the Government's commitment to allocate O&M funding through the budget, the sustainability of O&M funding will need to be carefully monitored.  Policy reforms to encourage private sector activity have generally not been successful in Afghanistan, mainly as a result of continuing security concerns, as well as limited changes in the enabling environment, including legislation. It may be more appropriate to phase in private sector reforms at a later stage of post-conflict development.  In the prevailing immediate post-conflict conditions, the 18-month program completion period was possibly optimistic; this would have been particularly the case if the Government had been less committed to first-generation reforms. The program period therefore requires careful consideration. |
| The Road Network Improvement Project (RNIP) was particularly effective in meeting the needs of the government that could not have been foreseen at the time of project formulation. As additional work, the RNIP contributed to the rehabilitation of the A009 road between Kandy and Jaffna following the easing in 2002 of the conflict situation in the north. As further additional work, the project responded very effectively by repairing the damaged roads in the south after the severe floods of 2003. Since the RNIP was not a sector project, the responsiveness and flexibility demonstrated by the RNIP was laudable and the project provided a worthy example for the design and management of future projects where such tactical responses can be of considerable benefit to the government.  Implementation delays on phase 1 and phase 2 contracts were significant. These mainly arose from three sources: (i) the government's complex procurement procedures, (ii) lack of institutional capacity in the Road Development Authority (RDA) for land acquisition and completion of relocation of service utilities before the construction stage was fully under way, and (iii) contractor performance that was below par. Awareness of the first two issues is not new; documentation of previous projects, notably the Third Road Improvement Project (TRIP), ably articulated the existence of these deleterious impacts. From the date of bid submission, it took an average of 10 months to review, select, and approve national competitive bidding (NCB) contractors and 15 months elapsed on average before the international competitive bidding (ICB) contractors took possession of site following bid submission. Some contracts ran half way to the scheduled completion date before land acquisition on site was complete. Project completion was put still further back by the inability of contractors, particularly the ICB contractors, to work to schedule. At appraisal, it was projected that NCB contracts would be completed over a period of 24 months. The average elapsed time between acquiring possession of site to completion was 36 months. For ICB contracts, the corresponding delay in completion averaged 21 months, the appraisal estimate was 36 months, and the actual average elapsed contract time was 57 months.  The project coordinating committee deliberated at length on possible actions that might ameliorate the delays being experienced. But the roots of the problem lay in the months before the phase 1 contractors first took possession of site. Procurement had been slower than expected, the RDA had entered the program not fully equipped to deal with the needs of land acquisition and relocation of facilities, and the technical evaluation committee had not made the best choice in selecting some contractors. For the implementation of future projects, there is evidence that there is a clear need to make the fullest efforts, particularly in the early stages, to avoid yet another repeat of these delays. Phase 2 of the project ran more smoothly when the committee was in full effect. It would be beneficial if the project coordinating committee of any future similar project convened at the earliest opportunity. In the RNIP, the first meeting did not take place until April 2002.  It is the prospective schedule set at the time of project appraisal that is used subsequently as the benchmark against which delay in actual project progress is perceived. At RNIP appraisal, the possibility of an extended project implementation period due to government procurement procedures was recognized, and advanced action was approved for procurement of services of civil contractors and supervision consultants. Even so, the schedule set was still overoptimistic. The assumption that procurement decisions and actions would be relatively more effective and rapid than had previously been experienced, notably compared with the slow procurement under the TRIP 4 years earlier, was not borne out by events. Furthermore, the challenge posed to the RDA in pursuing the required program of land acquisition was underestimated. The scale of the program was well in excess of any previously attempted. In addition, the impact on some of the national contractors in finding their way under contract conditions not previously encountered further widened the deviation between appraisal expectations and actual progress on-site. For future projects, more realistic scheduling at appraisal needs to be considered.  The above-mentioned first two sources of delay have already been the subjects of earlier consideration by ADB and others to determine appropriate actions that could be taken to make procedures more streamlined. Clearly, there still remains more work to be done in these areas. No assessment so far has been directly targeted at alleviating the third source of delay-poor performance in contractors' management and planning. The primary new lesson that was learned from the RNIP was that more cohesion of plans and activities was needed between the RDA, project implementation consultant (PIC), and contractors. It is unlikely that major inroads into the further development of the national contracting industry can be made without this. The local construction industry development consultant (LCIDC) made strong representation for the application of modern, well-tested, and simple-to-use routines to aid the coordination, tactical planning, and management of road projects. However, achievement in this regard was constrained due to the large amount of team resources that had to be applied on-site in instructing, training, and assisting some inexperienced contractors on basic tasks. A few presentations were given on the ways of modern project management but a start was not possible on any implementation. The project completion review mission takes the view that the question of how best to introduce and implement up-to-date computer-aided monitoring and management of road projects is the most pressing requirement for future work toward further developing the national road network. The importance of the issue realistically merits raising a single-focus technical assistance (TA) exercise on the matter. Implementation delays were significant, and mainly arose from two sources: (i) the government's complex procurement procedures, and (ii) lack of institutional capacity in the RDA for land acquisition and completion of relocation of service utilities before the construction stage was fully under way. |
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| Broad-based reforms like those pursued by the program require long-term institutional development, which is insufficiently accommodated in even a three- tranche program loan. A program cluster approach would have been more useful, as it combines a long-term approach that permits a wide range of policy and institutional reforms with flexibility to adjust to changing circumstances. Critical components such as corporate governance and the optimal treatment of public service obligations can be gradually introduced. A program cluster is also useful in setting benchmarks and unifying policy makers who advocate reforms. A move from a multitranche program cluster approach to a medium-term framework based on single-tranche programs within a program loan cluster could be recommended to provide more flexibility while emphasizing achievable outcomes up-front. With such an approach, ADB could also support genuine commitment from stakeholders over a longer period.  Linking tranche release conditions involving approval of draft laws (Leasing Law, in this case) is subject to a great degree of uncertainty, given that ADB and the government have no control over actions of the National Assembly. Hence, the time required to meet conditions can be easily underestimated.  At the start of the program, there appeared to be strong enthusiasm for the small and medium-sized enterprises (SME) committee and secretariat but by the time of the program's completion, this enthusiasm seemed to have waned. This is an inherent problem with establishing an interagency committee with a wide and seemingly permanent mandate with no exit strategy-it may lose effectiveness, especially if initial targets are not seen to be accomplished. Perhaps a missing element to the process was an independent monitoring unit that could develop performance targets, monitor progress, and identify steps to address delays in the SME strategy.  While focus was correctly placed on developing tax and accounting guidelines for SMEs and provisioning of training, this effort should have been accompanied by reform of tax policy and administration to lower the compliance costs of SMEs within the tax system. More effort should have been made to identify and address policy or structural barriers to development of the private sector in providing accounting services and other business development services.  The program did not have the necessary institutional requirements for a licensing review mechanism to be successfully institutionalized and therefore sustainable, such as the establishment of an office of best or better regulatory practice and building its capacity to oversee the licensing review process. Lessons could be drawn from Viet Nam's successful institutionalization of regulatory impact assessments, which has occurred over a 5-year period. |
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| Industries continue to be a major source of pollution in the People's Republic of China (PRC), and reduction of pollutants can be partly achieved by upgrading cleaner production (CP) processes. The project demonstrated the environmental benefits of financing such projects. In addition, ADB participation has spurred the companies to adopt enterprise reforms, improve corporate governance, and internationalize their operations.  Projects implemented by enterprises undergoing restructuring pose particular challenges in meeting project completion deadlines, as well as institutional uncertainties that cannot be fully anticipated at appraisal. As the project developed, corporate changes in the project entities caused difficulties in complying with some covenants.  Close cooperation and coordination between ADB, the project managemente office (PMO), and the implementing agencies are important to ensure that implementation issues are understood and resolved quickly.  Financial performance of industrial enterprises is subject to business cycles. International and domestic prices of copper, caustic soda, and coke rose sharply from 2006 to mid-2008 and then fell with the global economic slowdown. With global economic recovery and increase in demand for these commodities, the prices are expected to increase again. The CP enterprises, with newly upgraded technologies, will be better placed to derive high returns while having minimal impact on the environment. |
| Reference to the Project Design and Monitoring Framework (DMF). ADB and project staff continuously used the DMF to monitor project progress, provide direction for project operations, and promote connectivity among project components and regarding fund allocation. Using the DMF, project staff were encouraged to enhance their efforts to reach measurable indicator targets for each of the project interventions, cover more beneficiaries and project areas, and focus resource use to ensure effective and manageable service delivery.  Participatory Development. Promoting social acceptability and enhancing beneficiary participation and ownership are key factors that determine success in achieving intended targets. They are critical to enabling stakeholders to sustain and replicate the gains of the project. The participation of LGUs as the major partners of the Department of Agrarian Reform (DAR) in implementing the project was a critical factor toward achieving the intended outputs of the project and ensuring sustainability.  Flexibility on Specific investments. The project experienced changes in demand from targeted beneficiaries for specific investments of various subprojects, such as greater preference for concrete roads over gravel roads because of their lower operation and maintenance (O&M) costs and the mobilization of other financial services and private sector institutions to finance various income- generating activities. This flexibility enhanced the ability of the project to achieve its intended outputs, encouraged more participation, and ensured the sustainability of project investments.  Less Viable Agribusiness Supports. The project supported agribusinesses and other enterprises to improve the livelihoods of beneficiaries. Ideally, participatory planning was first conducted between beneficiaries and their local government units (LGUs) to prioritize the most viable investments. Scattered investments in various products in each barangay without detailed feasibility studies contributed to less viable and sustainable investments.  Multi-stakeholder Coordination. As the executing agency (EA), the DAR was able to coordinate effectively all implementing agencies (IAs) at the central, provincial, municipality, and agrarian reform community (ARC) level to work together administering the project. Coordination was largely facilitated by DAR's current setup of having offices at all levels from the national center to the municipal office. The DAR built trust and confidence through various consultations, capacity building, training, workshops, seminars, and the joint implementation of project activities.  Grants, Loan, and Equity Contribution. The project dealt with the lowest to the highest income classes. Income class, however, did not directly determine the ability of LGUs to provide their equity contribution for proposed subprojects. About 58% of LGUs availing themselves of irrigation facilities were from 4th to 6th income classes and were able to provide the 30% equity and successfully complete the subprojects. These LGUs did not rely only on their regular allocations but went to the extent of obtaining additional funds from external sources to be able to fully provide their contribution to the project. Important sources of external funds for municipal LGUs are congressional oversight allocations of district representatives and senators and contributions from the provincial government. This is an important lesson, particularly for the follow-on project, as LGU equity contribution shares are much higher and LGUs need to seek other fund sources for their contributions.  Access to Financial Services. The credit component of the project was less successful. The Land Bank of the Philippines (LBP) did not find the ARC cooperatives in the target areas suitable for loans, as many of them had existing accounts that were past due or had not reached the allowable thresholds in LBP's cooperative accreditation criteria. While several ARC cooperatives made some gains in terms of improving their creditworthiness with regard to cooperative banks and microfinance institutes, most need professional support to improve their internal systems of accounting and financial management and to restructure their membership and business activities. |
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| 1. While mainstreaming arrangements in future projects can improve sustainability, the resourcing plan should recognize the additional workload and coordination the project will require. The mainstreamed approach of this project has been very important for ownership, capability development, and integration with regular programs. The project's complexity and diversity required that significant coordination be undertaken from the outset. This did not occur until the midterm review, after which coordination was strengthened. Project workload was substantial and in many cases it came in addition to the regular work program of the implementing agency, thereby, affecting project efficiency. [Main text, paras. 48-49,81]    project cycle stage: Design, Implementation    Lesson Topics:   Crosscutting Issues/Themes: Sustainability  Capacity Development: Capacity building  Capacity Development: Capacity development  Capacity Development: Ownership    2. Both ADB and executing agencies needs to ensure that an adequate project management structure with sufficient resources should be in place before the project starts. Some of the initial delays in project implementation were caused by the delayed staffing of the project management office (PMO). In addition, the initial lack of staff with experience in procurement, especially in handling bidding, slowed implementation. The total workload of staff involved in the project should also be considered. The PMO staff faced heavy demands from several other projects receiving foreign assistance that were undertaken concurrently with this project. In many cases, the project workload was in addition to other work required of subcomponent focal points and their teams. [Main text, paras. 63,82]    project cycle stage: Appraisal    Lesson Topics:   Project Management: Executing/Implementing agencies  Project Management: Project management    3. It is important to collect baseline data at project commencement and perform monitoring during implementation. The failure to establish baseline data and information for impact and outcome levels at the start of the project made it difficult to determine the actual project achievements in some areas, e.g., number of women and rural populations completing informal skills training at the start of the project. Data collection for indicators should be included in the project plan. [Main text, paras. 76,78,83]    project cycle stage: Design, Implementation    Lesson Topics:   Monitoring &amp; Evaluation: Baseline data  Monitoring &amp; Evaluation: Data collection and management  Monitoring &amp; Evaluation: Monitoring and evaluation    4. Consideration should be given to providing additional support or attention to project activities that are not core functions of the implementing agency. Sub-outputs that are well aligned with the mandate of the Technical Education and Skills Development Authority (TESDA) and the expertise of its staff were mainly successful. For instance, the competency assessment and certification program is a TESDA flagship program, and TESDA commitment, expertise and ownership with respect to this activity are strong. However, those sub-outputs that are not aligned with its mandate, and in which TESDA lacked expertise, encountered greater problems, were cancelled or did not proceed well. These included the student loan fund and distance education. [Main text, paras. 7,18,34,49,77,84]    project cycle stage: Design, Implementation    Lesson Topics:   Project Management: Executing/Implementing agencies  Capacity Development: Capacity development  Capacity Development: Ownership    5. To assist project startup and implementation, the following ideas could be considered: (i) the design stage should focus more on project implementation, (ii) ADB should actively engage with the executing agency to set up the project management unit and systems prior to loan effectiveness, and (iii) a small advance should be released from loan proceeds to finance startup project management activities. The complexity and diversity of the project constituted a risk that was recognized in the design, but this risk was underestimated. While it was expected that two sub-outputs would be managed by Development Bank of the Philippines and Land Bank of the Philippines, little or no notice was given to the significant and constant management and coordination required for the remaining numerous suboutputs. Complete staffing of the PMO at the start of the project would have helped improve coordination in the first half of the project. [Main text, para. 7,49,63,85]    project cycle stage: Design Appraisal Implementation    Lesson Topics:   Project Management: Project administration  Project Management: Project management    6. Instructors from private institutions provided a valuable contribution to the development of the training regulations. The partnership with the private sector is very important, because the majority of TESD students are trained in the private sector. The private sector needs to be improved to provide a higher-quality learning environment (e.g., improved physical facilities and better trained teachers). However, continuing education for instructors in private institutions was a challenge. The staff development target for private instructors was not met as they could not be released at the time of the scheduled programs. Consultations should be held with private institutions to identify how their instructors can be provided with training. Training could be conducted on a voluntary basis on weekends or during term breaks, with instructors paid to attend. Training could also be provided during terms, with replacement instructors paid to cover the absence of the regular instructor. [Main text, paras. 35, 68,86 ]    project cycle stage: Implementation    Lesson Topics:   Sector Related Issues: Private sector  Methodologies/Approaches: Consultation/Participation    7. It is critical to involve each implementing agency early in loan preparation to enhance project operations. The Development Bank of the Philippines (DBP), identified as the lending institution to manage funds for financing private technical education and skills development (TESD) providers, was not involved in the preparation of the project until close to the loan negotiation stage. During implementation, when the loan uptake proved low, DBP realized they should have been involved in the preparation stage. For similar future DBP-administered loans, DBP field officers who are familiar with problems encountered in lending to specific target groups should be consulted. Had been DBP more involved, the project's targets would have been scaled back for smaller schools and provided grant-funded technical assistance (TA) to support smaller TESD providers needing significant assistance and counselling. The TA could have helped formulate innovative ways to mitigate the potential risks associated with small borrowers. [Main text, paras. 32,50,64,87]    project cycle stage: Design, Implementation    Lesson Topics: |
| 1. A systematic approach to education development can further facilitate successful project implementation. The Project's design and its objectives were closely tied with Education Sector Master Plan 2006-2015, which enabled the Second Education Development Project to support major government initiatives in the education sector. The Government's strong commitment to Second Education Development Project objectives was an important enabling factor for all project activities. Advocacy on the importance of project interventions to the overall education system reform is necessary for the project management unit staff. Project management unit staff members need to enhance their understanding as to how their work contributes to the broader scope of education policy and planning by the Ministry of Education, Culture and Science. [Main text, paras. 16,31,32,42,43,50]   project cycle stage: Design, Implementation  Lesson Topics:  Project Design: Project design Capacity Development: Ownership Sector Related Issues: Education Policy & Reform: Information dissemination/Public awareness  2. Enhancing the design of project interventions requires a thorough feasibility analysis, consultation process, and when necessary, pilot testing. This could have avoided implementation of an ineffective design for the textbook rental scheme and could have identified early on, the effects of liberalizing textbook production on project targets. [Main text, paras. 14,15,52]  project cycle stage:   Lesson Topics:  Project Design: Project design Project Management: Operation and maintenance Project Management: Project management Capacity Development: Capacity development  3. In ensuring the project's financial sustainability, it is necessary to strengthen financial management and bolster budgeting capacity at the school level. Operational budgets at school level are inadequate for information communication and technology (ICT) investments and for rehabilitated schools' operation and maintenance. The current economic situation in Mongolia compounds the issue of operation and maintenance budgets for ICT and capital investments. [Main text, paras. 45,54]  project cycle stage: Design, Implementation, Operation  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Project Management: Operation and maintenance Project Management: Project management  ADB's closer monitoring and supervision of project M&E activities would have strengthened compliance with the covenant on project implementation monitoring. Further, if the expected outputs of policy reform take longer than the project implementation period, immediate objectives expected during completion should be set out separately from long-term goals. Broad education indicators (e.g., net enrollment ratio, dropout rates) can be attributed to several factors, and the development of projectspecific indicators should be strengthened. In addition, Ministry of Education, Culture and Science staff reported that training received in M&E was insufficient given the complexity of this function and continuous changes in the education system. Continuous training in M&E needs to be adapted to the context of project information needs and existing M&E procedures and processes. Finally, collection of data for education indicators must be improved and a national achievement test must be reintroduced to allow the Government and donors to evaluate the impact of project activities on learning outcomes.  project cycle stage:   Lesson Topics: |
| 1. Fundamental to the Project's success were the commitment of both the Government and ADB. This ensured careful assessment and project design during loan processing, including cost estimates, financing plan, and clear and detailed procurement and implementation plans, which helped speed up project development. [Main text, para. 32, 33, 61]  project cycle stage: Design, Country Partnership Strategy  Lesson Topics:  Project Design: Project design Capacity Development: Ownership  2. Strengthening financial sustainability in the provision of clean, safe drinking water requires imposition of tariff levels that would recover costs fully or meet cash requirements in the near future, and eventually generate a reasonable return of equity over the life of the Project. If Harbin Water Supply and Drainage Group Co., Ltd. (HWSDGC) is not able to raise tariffs sufficiently to pay for full maintenance costs, it may cause the deterioration of the supplied water quality and service, which will reduce the project benefit. Failure to raise tariffs steadily to cost recovery levels is counterproductive unless a specific subsidy regime is put in place. During project processing and implementation, the Harbin municipal government (HMG) could have revised tariffs in phases to ensure consumer affordability and willingness to pay. As the required water tariff increase will likely evoke a negative consumer response, heightened awareness among consumers, consumer groups, and government officials on the importance of the tariff increase before its imposition would be beneficial. [Main text, paras. 21, 24, 40, 45, 56-58, 63]  project cycle stage: Implementation  Lesson Topics:  Sector Related Issues: Water resource management Policy & Reform: Information dissemination/Public awareness |
| Community Mobilization. Qualified and experienced community facilitators and sufficient time for community empowerment are important to build a sound and common understanding of project principles and ensure that community members are sufficiently involved in prioritizing their needs, developing investment proposal, and making decisions. The four provinces are at different stages of development, with households in East Java having the highest standard of living and education, followed by South Sulawesi, South East Sulawesi, and East Nusa Tenggara. Less-developed communities need a longer period of socialization and capacity building to fully understand their options in selecting investment proposals that will maximize benefits. These communities need more time and assistance from facilitators or local government administrations to develop and implement village development plans. It would thus have been useful if the project had been implemented in stages, providing more time for community mobilization in less-developed districts.  Failure to Incorporate Lessons into New Projects. The appraisal report mentioned several lessons from earlier projects, but they were not incorporated into this project. These lessons include the following: (i) A fixed grant size may not be appropriate for all villages, as village size and existing infrastructure greatly differ among provinces and districts. (ii) Longer implementation with geographic phasing of activities within districts helps provide sufficient preparation and avoid the bunching of approvals for village infrastructure plans. (iii) Longer implementation provides opportunities for periodic stocktaking and improving project design.  Maintenance of Infrastructure. Greater focus should be placed on maintenance arrangements, which should be incorporated into village investment proposals and monitored by district administrations. For an investment of Rp250 million and an estimated maintenance cost of 5% annually, this would require Rp10 million/year, or Rp50,000/household/year, assuming a village average of 200 households. This collection of a maintenance fee is feasible, as this practice is widespread in domestic water-supply subprojects.  Measurable Objectives. A sound baseline survey to establish key benchmarks-including average household income, access to water supply and proper sanitation, traffic volume on existing roads, and other socioeconomic indicators-allows better qualifying and quantifying of project accomplishments. At the project completion review (PCR), a similar survey should be carried out to assess the project impact.  Governance. Greater attention should be placed on ensuring the transparent dissemination of investment plans, budgets, tenders, contracts, and financial records to help prevent fraud and corruption. Administrative and procurement procedures should be clearly explained to communities so that they will be capable of monitoring project progress. Public accountability mechanisms were not put in place in all project villages, which creates the risk of leakage and elite capture of project benefits.  Work Quality. The quality of basic infrastructure construction needs constant monitoring. Low quality of technical design of infrastructure work and lack of maintenance arrangements were observed in many villages. Additional assistance from district administrations and technical consultants and facilitators is required, especially when unskilled village labor participates in construction, to ensure a suitable standard of quality.  Consultants and Facilitators. Greater attention should be placed on recruiting qualified and experienced consultants and facilitators to ensure that they have the appropriate skills and motivation to undertake the tasks assigned to them.  Monitoring Procedures. With decentralization, the national government no longer exercises administrative control over regional governments. Likewise, provincial governments do not have administrative control over district governments. Consequently, project implementation units are under the administrative supervision of the local governments. However, for national projects, appropriate monitoring arrangements should be in place to exercise administrative and technical supervision over provincial project implementation units (PPIUs) and district project implementation units (DPIUs). Accountability relationships were, however, unclear. Thus, performance evaluation, incentives, and sanctions remain as sensitive issues that could affect smooth project implementation.  Income generation. Improved basic infrastructure does not in itself immediately translate into poverty reduction, given the narrow base of most village economies. |
| Time savings in the preparation of a loan project may cause delays during implementation. If not properly managed, the use of civil works contract documents without finalized detailed design can cause implementation problems, cost overruns, and time extensions.  The International Federation of Consulting Engineers (FIDIC) contract terms, which include ad-measurement provisions in a design-build type contract, make the project cost open-ended or ceiling-less. Contract has incentive to design for certain items for which he has bid rates with high margins and profit- But Ad-measurement contracts are the most appropriate when design and exact scope is yet to be finalized. The uncertainty could be minimized if a design build ad-measurement contracts are well prepared so that cost overruns could be controlled. Lump sum contracts are only suited to works that can be pre-determined or very easy for bidders to estimate with considerable accuracy (say 2%). Employing lump sum contracts in an environment with high uncertainty against a backdrop of very volatile commodity markets is inefficient and inappropriate.  Moving project administration from one ADB department to another, and frequently changing the project officers and mission leaders, is counterproductive for a project.  ADB should make more efforts at the project inception stage to make the borrower aware of complying with the loan covenants. Even in an emergency project in difficult post-war conditions, ADB should use all means at its disposal such as suspension of disbursements to make the borrower to comply with the loan covenants.  Complex terms of reference for consultants in a small loan project may not be cost- effective. A small number of international consultants with multiple skills would be better than a large number of short-term experts.  A fixed time-table for processing of the variation orders by the consultants and the executing agencies (EAs) must be followed to avoid unnecessary delays and further cost overruns.  Consultants' high staff turn-over must not be allowed as it affects the project implementation adversely.  The borrower's new staff in the ministries and PIUs need basic training in project management and administration-how to manage documents, organize files, store correspondence, and use spreadsheets to collect and analyze data. Training provided by international consultants at the beginning of a project could facilitate implementation.  Synchronizing the efforts of donor institutions (ADB, World Bank, etc.) and the Government is essential. For the ADB-financed power component, taking-over certificates for the built sections were issued on 22 August 2007 earlier but the completion of the section linking the power transmission lines (from Pul-e-Khumri to Kabul), financed by the Government of India was delayed, which caused overall delays to the testing and commissioning of the whole power system in that section (Kabul to Pul-e-Khumri to Kunduz).  Roads through urban areas (such as the one through Mazar-e-Sharif) should be built using a different design standard than in rural areas, taking into account the large traffic volumes in urban areas, or detours around cities should be built.  In multi-contract projects, it is important that the specifications for equipment of different contracts is harmonized to avoid cases such as at Naibabad switching station, where some components were not compatible with the system. |
| Good project design is the basis for project success. An important aspect of project success is relevant project design. In this case, the design incorporated a knowledge as to the limitations of the existing institutional structure, an understanding that an autonomous self-financing agency with guaranteed funding was required, an understanding that the social aspects of the navigation aids system needed to be addressed, and a pragmatic understanding that operation and maintenance of the navigation aids system was probably best undertaken on contract by a competent private sector entity.  Flexibility in implementation helps ensure success. Another oft-cited basis for project success is flexibility, both on the part of the implementing agency and on the part of ADB. In this case, ADB showed flexibility in agreeing to use loan funds to set up a project management unit (PMU) staffed by local consultants while the Government demonstrated flexibility and pragmatism by opting for a less sophisticated hydrographic system than had at first been proposed. (It should be noted, however, that the weakness in management capacity which promoted this change in scope should have been identified at the time of appraisal.) ADB might have further enhanced its goodwill through the Project if it had found a way to finance the $400,000 worth of training costs before closing the loan.  Community involvement helps both implementation and sustainability. The communities where navigation aids are located are not always direct beneficiaries of the facilities built on their land, but they are a key factor in preventing vandalism and generating a national sense of ownership. The understanding that they needed to be involved in the Project was a very astute perception of the social conditions prevailing in Papua New Guinea (PNG) and an important aspect of project design. It allowed a new approach to resolving a long-standing problem which seems to be working and provides an additional source of income for isolated, remote communities in, for the most part, poor areas with few sources of income. This formulation (of involving communities directly in infrastructure operation and maintenance) may turn out to be a model for other projects in the country (and in the Pacific region generally).  Commitment on the part of the Borrower is essential. Another aspect of project success is a firm commitment on the part of the Borrower and ownership on the part of implementing agencies. The fact that the Government was committed to the Project can be seen by the measures taken to make the Project effective (i.e., setting up a trust account and establishing an oil pollution levy) as well as subsequent institutional reforms undertaken to (i) set up the National Maritime Safety Authority (NMSA), (ii) disband the Maritime Safety Board (MSB), (iii) staff the NMSA with competent personnel, and (iv) provide needed counterpart funding as and when required.  Competent consultants can make a difference. Both the PMU consultants and the project implementation unit (PIU) consultants were competent and dedicated. They helped to move the Project along, adapt the original design to the situation on the ground, and overcome implementation issues. These two teams of dedicated consultants contributed significantly to the success of the Project. |
| Projects formulated to respond to an emergency can provide a valuable entry point for a range of follow-up development initiatives, as was the case with this Project. To derive maximum benefit from the follow-up opportunities that may be generated, ADB needs to establish and maintain effective dialogue with the Government and the broader assistance community so that these opportunities can be shared and acted upon. Similarly, ADB needs to be able to respond, as it did in this case, with further timely technical assistance (TA) projects or loan projects aimed at addressing weakness or helping to build on new opportunities. The experience of this Project illustrates the merit in a collaborative approach involving multiple development partners. The Project collaborated with the Australian Agency for International Development's (AusAID) Community Sector Program (CSP) in Malaita Province. In particular, while the project rehabilitated 20 bridges over 100 km of north Malaita road, the CSP improved the road and drainage works between these bridges. Collaboration and partnership exemplify close donor cooperation and harmonization. |
| 1. Early establishment of an adequately staffed project implementation unit (PIU) is important, especially in a subsector without prior experience of externally funded projects. The project experienced substantial time overrun given its failure to appropriately staff the PIU. Hence, an adequately staffed PIU could be a condition of loan effectiveness or disbursement, as appropriate. Where full-time staff for a PIU cannot be committed, recruitment of project implementation consultants should be considered. [Main text, paras. 32, 62]  project cycle stage: Design Appraisal Implementation  Lesson Topics:  Project Management: Consultants Project Management: Project management  2. If cofinancing arrangement is not finalized before approval of a project, ADB needs to take a more conservative approach in project design and should not include cofinancing for project scoping and costing. In the event of cofinancier's withdrawal from the Project, as a safeguard, related components should have been covered by ADB or Government funding to preserve the integrity of project design. The AusAID financing did not materialize during and even after appraisal which subsequently reduced project scope. [Main text, paras. 8,63]  project cycle stage: Design Appraisal Implementation  Lesson Topics:  Loan Agreement: Covenants Loan Agreement: Loan Agreement  3. Government and stakeholder ownership positively contribute to sustaining project benefits. The ownership of the Government is visible as it continued to provide increased funding to Maldives College of Higher Education (MCHE) after completion. The highly relevant and acceptable MCHE course offerings enjoy wide support in the country. All key stakeholders are proud of the MCHE achievements as it successfully delivered the majority of the outputs and met their expectations. [Main text, paras. 54, 64]  project cycle stage: Design, Appraisal, Implementation, Completion  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Capacity Development: Capacity development Capacity Development: Ownership  4. The status of benefit monitoring and evaluation (BME) needs to be regularly followed up and more rigorously, if it is part of loan covenants. Hands-on support for BME activities could have added value to the project. To be meaningful, BME should be integrated into an existing national monitoring system such as the Statistical Office under the Ministry of Planning and National Development. [Main text, paras. 44, 65]   project cycle stage: Design, Implementation, Completion  Lesson Topics:  Monitoring & Evaluation: Benefit monitoring and evaluation Project Design: Project design  5. Technical assistance should be provided for capacity development before introducing new initiatives and reforms. The standard time frame of 5 years to implement projects is not realistic especially in social sector projects in a country where capacity must be built before implementing reforms and innovative actions. [Main text, para. 66]  project cycle stage: Design, Implementation  Lesson Topics:  Project Design: Project design Capacity Development: Capacity development |
| 1. In future projects, ADB may recommend the use of advance procurement action to get consulting services started quickly. The consulting services for the Laiban Dam Project (LDP) preparation was canceled because the Metropolitan Waterworks and Sewerage System (MWSS) considered direct consultant selection necessary for quick progress in developing new water sources (although no such urgency was indicated at the time the loan was designed). MWSS therefore decided instead to implement the studies with funds from the private concessionaires. [Main text, paras. 10, 30]    project cycle stage: Implementation    Lesson Topics: |
| Operation and maintenance. Improved infrastructure investment results in obvious benefit in terms of service delivery and economic activity, and justifies its regular and periodic maintenance. It is the very success of road rehabilitation that results in its rapid degradation as usage increases. The increased traffic resulting from rehabilitation rapidly degrades the rural roads, which are laterite or stabilized laterite best used in the dry season. The benefit flow from rehabilitation of roads is substantial and would more than justify the expense of regular and periodic maintenance.  Integrated rural accessibility planning. Selection and prioritization methods for rehabilitation are especially appropriate in supporting participatory and community-based activities; regular updating is necessary to maintain databases as effective tools.  Labor-based appropriate technology. Labor-based appropriate technology (LBAT) is a cost-effective method for distributing benefits and should be a priority for initial construction, where it can achieve good results. It is far less effective in terms of quality for regular maintenance that is best done with machinery.  Decentralized decision making. This brings project administration physically and socially closer to beneficiaries. It requires clear structures and decentralized authority, particularly in regard to financial structures which operate best when simplified for quick reporting, communication, and disbursement, in keeping with the need to maintain effective momentum and credibility with participating communities.  Capacity development. This is key to making a decentralized project work with attention to the needs of government, nongovernment organizations (NGOs), and communities. Development of skills results in a problem for Government to retain trained staff; this can be resolved through improved benefits.  NGOs have a vital role as service providers. The effectiveness of NGOs in working directly with communities is confirmed; government, consultant services, and NGO mobilization inputs are complementary and should be structured for ease of communication and common approach. |
| 1. An effective monitoring and evaluation framework would have allowed better assessment of project outcomes. A key weakness in the Education Sector Development Program was that too little emphasis was placed on establishing baselines for output and outcome indicators at project start-up and ensuring that output and outcome data were available. There was no effective monitoring of progress of output and outcome indicators, and the achievement of a number of output and outcome targets could not be assessed for the project completion report. [Main text, paras. 45, 61]  <!-- project cycle stage: Design, Implementation, Completion    Lesson Topics:   Monitoring &amp; Evaluation: Data collection and management  Monitoring &amp; Evaluation: Indicators  Monitoring &amp; Evaluation: Monitoring and evaluation  Monitoring &amp; Evaluation: Project evaluation -->    2. The program could have benefited from sharper prioritization including better selection of performance indicators. Though the policy reform program had significant achievements, it was ambitious and not aligned with Government's capacity to fully undertake the reforms. The policy matrix covered too many areas and a significant number of performance indicators required specific data collection that was never undertaken. [Main text, para. 62]  <!-- project cycle stage: Design    Lesson Topics:   Policy &amp; Reform: Policy matrix  Policy &amp; Reform: Policy reforms/framework -->    3. To improve the quality of the civil works, implementation arrangements should be explored that allow closer supervision and monitoring at all levels, including assigning fulltime engineers in the provinces. Penalties for delinquent contractors and negligence in supervision should be strictly enforced to ensure both quality and timely completion and as a deterrent visible to other contractors. In some instances, performance in civil works was unsatisfactory due to weak oversight by the school communities, low bids submitted by the contractors, and, in a number of cases, deliberate noncompliance with specifications and written instructions. The delinquent contractors were penalized, and, where warranted, their contracts were terminated and they were barred from bidding for future civil works. These issues are also being addressed in the Second Education Sector Development Program. [Main text, paras. 41, 67]  <!-- project cycle stage: Design, Implementation    Lesson Topics:   Project Management: Project management  Project Management: Project supervision  Sector Related Issues: Education -->    4. Guidelines on the use of learning resource centers is important in ensuring the facilities' efficient utilization and maintenance. While most of the facilities provided under the project are being used as planned, the teacher training and resource centers provided in 14 provinces are not being fully used. The lack of clear direction and responsibility regarding the use and maintenance, particularly for the science laboratory equipment and computer laboratories, has resulted in the very limited use of only the general spaces. Because they are rarely used, buildings are not properly maintained. [Main text, para. 69]  <!-- project cycle stage: Design Appraisal Implementation    Lesson Topics:   Project Management: Operation and maintenance  Project Management: Project management  Sector Related Issues: Education -->    5. Contracting small, scattered civil works in remote, rural areas through local communities is the most effective procurement method for Cambodia's educational facility development. It empowers communities, raises awareness and ownership, and allows better quality through closer supervision. It enhances the capacity of the local builders. However, adequate time and resources need to be allocated for community orientation and periodic training during implementation. While communities are very keen to participate and take responsibility, they often lack simple technical and procedural knowledge. Making community contracting effective requires more intensive training in the beginning and midway through construction. [Main text, paras. 22,65]  <!-- project cycle stage: Implementation    Lesson Topics:   Project Management: Procurement  Project Management: Project management  Methodologies/Approaches: Community approach  Methodologies/Approaches: Participatory approach -->    6. Efficient planning and implementation are required for the timely completion of the education sector's investment component. Efficient planning, a well executed work plan, and strong oversight by the education ministry's senior management and the team of consultants resulted in the timely completion of civil works, which avoided cost overruns. [Main text, paras. 55,66]   <!-- project cycle stage: Design, Implementation    Lesson Topics:   Modality: Project  Project Design: Subprojects  Project Management: Consultants  Project Management: Executing/Implementing agencies -->    Before handing over completed school facilities, communities and school authorities need to be trained in preventive and recurrent maintenance, and resources need to be allocated in the school budget so that school buildings are adequately maintained.  <!-- project cycle stage:     Lesson Topics: -->    No technical assistance was provided to support policy reforms. The Government received support from other development partners, but it was neither comprehensive nor well coordinated, placing a burden on the Government that was in some instances beyond its capacity.  <!-- project cycle stage:     Lesson Topics: --> |
| The Agriculture Sector Development Program (ASDP) experience suggests that overoptimism about executing agency (EA) readiness and ability to implement programs and projects-a major determining factor in project performance-persists. The significant delay at start-up for both loans exemplified this point.  Some of the question marks relating to the extent of achievement of the ASDP outcome also relate to the original design of the whole program. A lesson that may be drawn is that more rigor is still needed in investment design.  On the other hand, the success of ASDP also demonstrates that, where government ownership and commitment is sufficient, a significant institutional and policy reform program and substantial infrastructure investment program can be successfully implemented within an acceptable time frame.  The project loan likewise showed that it was critical to find an appropriate partner to disburse loans profitably in relatively large numbers to small and medium-sized enterprises (SMEs) across Viet Nam in rural areas. In this role, despite difficulties in overall management capacity and specific monitoring aspects, the Vietnam Bank for Agriculture and Rural Development (VBARD) performed well. |
| Extension services can be provided by the private sector, even in an environment as challenging as rural Papua New Guinea (PNG).    Small pilot projects can have a major impact in proving the viability of a new development model.    To succeed, such projects may require significant flexibility during implementation.    Continuity and dedication of staff and consultants are important to project success.    When capacity building and institutional development are the main project objectives, consulting services are likely to take up a greater proportion of the total investment than in a standard investment project. |
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| Charging farmers market rates of interest on loans was not a disincentive to the successful implementation of the Project. Most farmers were willing to use the subloans to improve their farms and had no difficulty repaying them. The subsidy element essential to the success of agricultural development projects supported (i) the Ministry of Agriculture and Rural Development (MARD) agencies in strengthening their institutional capability for research and for the provision of certified planting materials, extension services, and training; and (ii) PFI staff in gaining expertise in evaluating the risks that go with providing small loans to farmers and assessing the financial viability of the proposed farm enterprises.  While decentralized project implementation provides some degree of local autonomy, the rules and procedures for project implementation in the local areas must be established early. A monitoring and evaluation system should be set up and regular missions should be undertaken to assist the local authorities in implementing the system. Capacity building in concert with project implementation smoothes its progress. Training programs, including study tours, should support project implementation. The use of commercial interest rates for relending to remote ethnic minorities should be designed in consultation with other poverty reduction loan programs in the region. |
| 1. The Project highlighted the importance of employing a holistic approach to education development. Project interventions aiming to improve teaching and learning focused on teacher capacity building, availability of learning resources, improvements in physical environment, and remediation have shown some short-term progress and led to limited progress regarding student achievement. Designing interventions aimed directly at improving student achievement need to be more holistic. For instance, the Dropout Reduction Program could have improved the quality of its interventions specifically for at-risk students by complementing distance education materials with open highschool system and other school based initiatives customized to the needs of students at risk of dropping out. [Main text, paras. 25-29, 80]  project cycle stage: Design  Lesson Topics:  Project Design: Project design Methodologies/Approaches: Holistic approach  2. Demand-driven approach to project implementation in an education is a good approach in promoting partnerships with local stakeholders as it directly addresses their needs. ADB and the concerned government agency designed the Project to give priority to schools that previously received no interventions for improvement. In many instances, the allocations proved appropriate and met local needs. This type of resource allocation promoted partnerships between school and community stakeholders (e.g., LGUs and parent associations). [Main text, paras. 31, 60, 81]  project cycle stage: Design, Implementation  Lesson Topics:  Capacity Development: Partnerships Methodologies/Approaches: Community approach Methodologies/Approaches: Consultation/Participation Methodologies/Approaches: Participatory approach  3. The Project highlighted the importance of taking a systemic, holistic approach to education planning and management that promotes decentralization. The Project demonstrated that partnership between and among school heads and division-level management is feasible under a devolved system. Likewise, partnerships between division-level and regional management were also made possible. The Project underscored the critical role of division and regional offices in continuously providing technical assistance and guidance to school heads. [Main text, paras. 63-64, 82]  project cycle stage: Design, Country Partnership Strategy  Lesson Topics:  Country Context: Decentralization Methodologies/Approaches: Holistic approach  4. The project could have benefited from adequate assessment of the capacity of the executing agency to implement multiple projects. The Secondary Education Development and Improvement Project (SEDIP) and the World Bank-funded Third Elementary Education Project (TEEP) were designed as a package to cover elementary and secondary education in the same divisions - thereby achieve synergies in implementation and amplify project impacts. This did happen to a large extent, but implementation difficulties arose because the divisions lacked the human, physical, and financial resources to deal with two large projects at once. As TEEP started a year before SEDIP, this negative impact was felt most by SEDIP. The initial capacity and financial assessments were carried out separately for each project and did not adequately predict the combined demands of both projects upon the divisions. [Main text, para. 83]  project cycle stage: Design  Lesson Topics: |
| The use of community-based planning mechanisms (CBPMs) encourages communities to make their choice of infrastructure and to participate in construction, thus greatly reducing infrastructure costs and raising economic rates of return. Villages also become more responsible for subsequent operation and maintenance.  Consulting services must be packaged with a clear line of responsibility and with one overall team leader, who has a contractually clear coordinating mandate.  Formal training of government staff is beneficial and is enhanced when linked to well-proven and documented procedural instructions. Formal training not only raises the productivity of staff but also acts as an incentive for improved performance. Longer-term appointments of staff to key positions would improve the benefits of topic-specific training.  Community empowerment is a long process that needs to be supported continuously by live-in facilitators who address both social and technical matters.  The development of community-based savings and loan organizations (CBSLOs) is especially useful in providing remote communities with small-scale savings and lending facilities that would not otherwise be available commercially. As a result, these CBSLOs mobilize idle cash for investment use. Such CBSLOs should be managed by their members at low cost. Upon reaching a certain scale of size, some CBSLOs could link with commercial financial institutions to improve their delivery of services to members.  Establishment of new rural financial systems (such as CBSLO associations) requires substantial oversight following their initial start-up. Control and enforcement of compliance measures are necessary and should be part of project design. Links to formal financial institutions should involve careful evaluation of their financial capacity and willingness to deal with new rural financial systems.  A subsidiary credit line should be used as an incentive for rural financial institutions to mobilize community resources and to improve their management. The stimulus of income-generating investments is not a sufficient reason on its own for a subsidiary credit line.  The level of women's participation has significantly helped to achieve the Project's goal of raising real incomes of the rural poor. Women who previously earned little or nothing were able to access credit from CBSLOs to undertake entrepreneurial activities which has increased household income and in some cases led to very successful small businesses.  Both women and men are more independent, self reliant, and empowered to realize their potential. |
| 1. Demand-driven, community-based development requires a flexible design to accommodate community preferences. Accordingly, the project design team needs to ensure that sufficient time is alloted to overcome initial hesitation by communities. In this project, the overall success of delivering the investments can be attributed to sound planning and flexible design processes, particularly in mobilizing community participation in the initial stages of the Project. Participatory planning is an effective tool under the demand responsive approach to enable users to express their demands. [Main text, paras.7,43,52(i)]   project cycle stage: Design  Lesson Topics:  Project Design: Project design Methodologies/Approaches: Community approach Methodologies/Approaches: Consultation/Participation  2. Requiring cash and labor contributions and giving operation and maintenance responsibility to communities enhances commitment and ownership.  project cycle stage: Implementation, Operation  Lesson Topics:  Project Management: Operation and maintenance Capacity Development: Ownership Methodologies/Approaches: Community approach  3. Handover of water supply to local communities requires continued support during the transition and follow-up periods. Ongoing capacity development efforts need to include operation and maintenance and financial management training.  project cycle stage: Implementation, Completion Operation  Lesson Topics:  Capacity Development: Capacity development Sector Related Issues: Water resource management  4. Conducting groundwater investigations over a period of time sufficient to determine variations in yield and recharge rates can prevent water shortages. In future projects, shortages in groundwater experienced in some rural areas need to be identified as early as the feasibility stage planning. In Sri Lanka, depletion of the groundwater table is a common issue in dry-zone areas. Closely located agrowells were identified as a major cause of this, in addition to other natural and manmade hazards. Hence, in cases where groundwater was selected as the water source for pipe schemes, a safety factor was introduced to the actual possible yield from the well in calculating the probable extraction of water to allow for recharge and to avoid overextraction. In a small number of schemes, the implementing agency constructed additional boreholes or connected to nearby piped schemes to assist villages faced with shortages. [Main text, para. 52(iv), Appendix 9]  project cycle stage: Feasibility, Implementation  Lesson Topics:    5. Policy reforms, to be more effective, require a more careful assessment of political risks and upfront consultation with government leadership and various stakeholders. By project completion, expected sector reforms have been noted to be less satisfactory and only partially completed. For instance, a national water resources policy and act, included as one of the project covenants, was not achieved largely due to lack of political support. Government leadership and a more process oriented consultations are therefore critical in the policy formulation and broader stakeholder acceptance. [Main text, paras. 20-23,52(v)]  project cycle stage: Design, Implementation  Lesson Topics:  Capacity Development: Ownership Policy & Reform: Policy reforms/framework Methodologies/Approaches: Consultation/Participation  6. Project preparatory activies needs to include an up-front capacity assessment of national procurement regulations and practices to avoid unnecessary delays. Accordingly, this needs to be reflected in the comprehensive procurement plan for new projects and used as a monitoring tool during implementation. Delays in procurement occurred due to government procedures in processing and approving contracts. After ADB intervention though, procurement procedures were improved by the Government. [Main text, paras. 34,52(vi)]  project cycle stage: Design, Implementation  Lesson Topics:  Project Design: Project design Project Management: Procurement Capacity Development: Capacity assessment  7. Loan covenants for land acquisition needs to be strengthened to include provisions for preparing safeguard documents in case ADB's involuntary resettlement policy is triggered. Safeguards monitoring and reporting if not carried out effectively will lead to issues not addressed in time and appropriately. In this case, land acquisition has caused delays in some urban subprojects. Evaluation further noted that even after project completion, land compensation has yet to be completed for nine parcels of land. [Main text, paras. 15,32,52(vii); Appendix 10]   project cycle stage: Design, Implementation  Lesson Topics:  Crosscutting Issues/Themes: Resettlement Loan Agreement: Covenants Monitoring & Evaluation: Monitoring and evaluation |
| 1. The design of policy loan could have benefited from a detailed assessment of the context and institutional capacity of Ministry of Public Education and Ministry of Higher and Secondary Specialized Education to undertake the additional workload and to formulate and implement new and market-oriented policies. Being the first reform program in the country, managing the education transition toward a democratic and market-oriented economy has been a challenge as it assumes the availability of adequate resources and local capacity which can have a significant impact on the outcome. [Main text, paras. 49, 55]  project cycle stage: Design  Lesson Topics:  Project Design: Project design Capacity Development: Capacity assessment Capacity Development: Institutional analysis Country Context: Transition Sector Related Issues: Education Sector Related Issues: Education  2. As the policy loan is supported by the investment loan, the design could have been strengthened by clearly showing the links between the two. Separate policy matrices and design frameworks could have helped. The PCR of such programs should also be done simultaneously as both the policy and investment loans are intertwined in delivering the inputs and outputs and in achieving the outcomes and impact and assessing one without the other may not provide full picture of the intervention. [Main text, paras. 47, 57]  project cycle stage: Design, Completion  Lesson Topics:  Modality: Policy-based lending Modality: Program Modality: Project Project Design: Project design Policy & Reform: Policy matrix |
| 1. An adequate project management structure should be in place before the Project starts to minimize/avoid implementation delays. A key issue was the weak delegation of management and budget responsibility to the implementing agency and project implementing unit (PIU). It proved difficult to mobilize capable project staff before project effectiveness. Initial delays in project implementation were largely caused by the inexperience of executing/implementing agencies in Project Management, in spite of the advisory technical assistance for capacity building. The executing/implementing agencies were not fully involved in project preparation and therefore faced tremendous capacity constraints once the responsibility was transferred to them. The insufficient delegation of authority to the implementing agency, as well as to the PIU, made the submission of withdrawal applications to ADB very time consuming. The initial lack of staff experienced in procurement, especially in handling bidding at the PIU and sub-PIUs at key schools, might have been another reason for these delays. [Main text, paras. 24-26, 44]   project cycle stage: Appraisal  Lesson Topics:  Project Management: Executing/Implementing agencies Project Management: Project management Capacity Development: Capacity building  2. The scope of project coordination work needs to be in line with the capacity of the implementing agency. The Project was cofinanced with three agencies - AFD (Agence Francaise de Developpement), JICA (Japan International Cooperation Agency), and NDF (Nordic Development Fund) - on a parallel basis, which made project coordination difficult. The administration of key schools belonging to different ministries and provincial governments required extra coordination, compounding the complexity of project management and implementation. It would have been better to limit the number of funding agencies and government agencies to match the capacity of the implementing agency and the project implementation unit (PIU). Despite initial difficulties in coordination and managing the subprojects under cofinancing, the PIU took corrective measures such as streamlining procurement procedures under the AFD-financed project. The implementing agency, on its end, is developing a new organizational structure to better manage donor-funded projects. [Main text, para. 45]  project cycle stage: Design, Implementation  Lesson Topics:    3. Future projects may consider setting aside an endowment from the loan and counterpart funds from government and employers for the operation and maintenance of school equipments and facilities. Schools should also be encouraged to generate additional funds to support their recurrent activities. In the Vocational and Technical Education Project in Vietnam, the lack of funds for repair and maintenance of equipment and buildings was a common concern among schools. [Main text, paras. 13, 46]  project cycle stage: Operation  Lesson Topics:  Finance & Financial Aspects: Counterpart funds Finance & Financial Aspects: Funding Project Management: Operation and maintenance |
| Project approach. Agriculture and rural development investments contribute to growth in rural areas, especially if a more focused rural development approach and agency implementation coordination is used to increase the links between the various project components. It is also necessary to design and implement interventions that will ensure wider and longer-term benefits beyond the initial investment. This may include initiatives to increase agricultural productivity and improve links to private sector value chains, and reforms to improve the accountability of district governments;  Rural infrastructure. Without coherently designed measures to complement rural infrastructure development - for example on-farm improvement, technology transfer, and marketing links - the impact of the infrastructure investment is limited. Furthermore, without such supporting initiatives there is more risk that better-off communities will benefit faster and more from rural infrastructure development, leaving poorer communities even further behind;  Physical targets. The achievement of physical targets should not be at the cost of community mobilization, capacity development, and institutional building. Many community organizations visited by the project completion review (PCR) Mission had clearly only the aim of obtaining the project scheme and were not intended to continue or be sustainable. Given the participatory nature of this Project as designed, the process of targeting, scheme selection, and community organization development should have been given more consideration during implementation;  Project implementation. While there is sometimes justification for externally- funded projects to create new project management structures, this should be time-bound with a clear exit strategy, and not operate at the cost of strengthening government agencies. monitoring and evaluation (M&E) functions should be independent of implementation functions;  Project review. ADB and the Executing Agency should carry out, at critical junctures, more rigorous economic, financial, and technical analysis of project performance. Scrutiny of covenant compliance should be done in a timely manner. |
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| Project approach. Agriculture and rural development investments contribute to growth in rural areas, especially if a more focused rural development approach and agency implementation coordination is used to increase the links between the various project components. It is also necessary to design and implement interventions that will ensure wider and longer-term benefits beyond the initial investment. This may include initiatives to increase agricultural productivity and improve links to private sector value chains, and reforms to improve the accountability of district governments;  Rural infrastructure. Without coherently designed measures to complement rural infrastructure development - for example on-farm improvement, technology transfer, and marketing links - the impact of the infrastructure investment is limited. Furthermore, without such supporting initiatives there is more risk that better-off communities will benefit faster and more from rural infrastructure development, leaving poorer communities even further behind;  Physical targets. The achievement of physical targets should not be at the cost of community mobilization, capacity development, and institutional building. Many community organizations visited by the project completion review (PCR) Mission had clearly only the aim of obtaining the project scheme and were not intended to continue or be sustainable. Given the participatory nature of this Project as designed, the process of targeting, scheme selection, and community organization development should have been given more consideration during implementation;  Project implementation. While there is sometimes justification for externally- funded projects to create new project management structures, this should be time-bound with a clear exit strategy, and not operate at the cost of strengthening government agencies. monitoring and evaluation (M&E) functions should be independent of implementation functions;  Project review. ADB and the Executing Agency should carry out, at critical junctures, more rigorous economic, financial, and technical analysis of project performance. Scrutiny of covenant compliance should be done in a timely manner. |
| The Project was the first of its kind in Nepal implemented with zero capital cost subsidies for shallow tubewells (STWs). The Project demonstrated its financial and social viability for marginal and small farmers by organizing them into groups. Social mobilization, community infrastructure development, provision of loans on a group-guarantee basis, and agriculture extension services achieved the intended results even in the absence of direct capital cost subsidies.  Clarity and commitment on policy reforms are critical to the smooth implementation of a project that has direct links to policy reforms. Implementation remained slowed during the first two years of the Project due to the Government's lack of clarity and commitment with respect to relevant policy reforms. This resulted in the implementation of parallel programs that did not follow the policy reforms.  Proactive orientation programs on project approaches, implementation modalities, and the role of stakeholders can contribute to successful project implementation. Key implementation partners--nongovernment organizations (NGOs), participating financial institutions (PFIs), beneficiary groups, and government line agencies - remained confused over the issues of the Project's approach and modalities during the initial project period, which delayed effective implementation.  The promotion of technological options contributes to cost-effective irrigation development suitable for small and marginal farmers. The Project encouraged farmers to use locally-available, cost-effective STW construction materials that were overlooked at the time of project design and resulted in much higher cost estimates than the actual cost per STW.  When properly guided and trained, farmers can manage procurement, installation, and management of STWs on their own. After being given an orientation on and exposure to service providers and suppliers by the Project, farmer groups were able to contact drillers and STW suppliers, install STWs under their own direct supervision, and continue relationships for follow- up services.  Training and capacity building for project partners were both essential for the efficient delivery of quality services. Many partner NGOs and PFIs were not well motivated because the Project did not provide basic transport, equipment, training, and exposure. The local partner organizations were also generally weak on business skills, resource endowment, and logistics for service delivery, which were some of the key areas that needed to be covered under their contracts.  Agriculture extension services from the private sector can enhance the outcomes of irrigation projects. Services provided through government agencies remained limited and less effective due to staff and resource constraints. Services should be delivered in a coordinated way so that more areas and farmer groups are served and overall production is increased.  Community organizations such as the water user associations (WUAs) and district water user associations can act as reliable facilitators between the Project and beneficiary groups for effective project implementation and sustainability. Their roles can be broadened for social mobilization, STW operation and maintenance (O&M), and village level agriculture extension services by providing them with refresher trainings. |
| Project implementation was delayed for several reasons. Loan effectiveness was delayed due to the executing agency, Ministry of Emergency Situations (MES), not having established a projects implementation unit (PIU) in a timely manner. Close follow-up is required with the Government to ensure that the implementation arrangements that were established at project start-up are adhered to as scheduled.  In implementing projects that involve several sectors, it is important that regular interaction between the Government and ADB is undertaken. Using a sector approach for the Project was extremely beneficial in identifying appropriate subprojects scattered over a wide area and enabling reallocation of funds from one sector to another sector as the need arose. It is also important that the Project's scope is followed closely as some of the components implemented under the Project (e.g., schools) should not have been pursued since they were not damaged in the natural disasters of 2003.  Compared with the Ministry of Transport and Communications (MOTC), MES has had less exposure to donor-funded projects and its capacity in project management remains limited. MES needs further institutional capacity strengthening to improve and sustain their knowledge of ADB's procurement and disbursement procedures, and civil works contract management. |
| The policy matrix developed under the Program contained 84 policy actions, including 17 tranche and 67 non-tranche policy actions. It was found that the program design was too ambitious with respect to completing such a large number of policy actions within an implementation period of three years. A more focused approach and prioritization of the reform measures could have brought about more tangible outputs;  Engagement of two executing agencies under the Program caused some difficulties with coordination. As result, a long time was required to fulfill some of the tranche policy actions and this caused a delay in the release of the second tranche;  There was some resistance to the development and implementation of e- government initiatives. When introducing a new concept or technology, it is important to hold intensive consultations with all levels of staff within the public administration system to facilitate their understanding of its usefulness and advantages. In addition, public support, which is critical to successfully implementing public sector reforms, was not obtained as the awareness-raising activities were insufficient;  The sequential approach of pilot testing a proposed policy reform, developing the legal and policy framework to support it, and finally implementing it on a larger scale proved to be appropriate in the context of Viet Nam's transition economy. Such an approach should be followed in the implementation of the second and third phases of the PAR MP, and in preparing public sector reform programs in ADB's other developing member countries; and  The Government's strong leadership, ownership, and commitment is critical to the successful implementation of public sector reform programs. As the Program was comprehensive, strong leadership was required to bring in all related agencies and stakeholders throughout the planning and implementation process. Sustainability of the Program will rely heavily on the Government's continued ownership and commitment. |
| The eligibility criteria for the low-income household loans should have been more flexible. Given the rapid economic growth and very high inflation, the eligibility criteria for low-income households - an average annual expenditure of less than $128 per capita - set out at appraisal was not appropriate at implementation.  The risk premium scheme to recover the cost involved in making loans to subborrowers with collateral shortages was not as effective as expected. The use of the risk premium scheme was limited, as poor subborrowers without collateral could not afford the interest rate plus risk premium. It is proposed to consider a group lending approach to enhance access to credit by the poor.  A proper baseline survey on major indicators should be conducted at an early stage of project implementation to verify achievement of the project outcome and outputs. To facilitate regular monitoring and evaluation, a uniform format for reporting project implementation progress by the executing agencies (EAs) is necessary. The baseline data for some indicators were not available and the EAs used different reporting formats under the Project.  One of the major factors contributing to successful implementation of the credit lines for low-income households and for micro and small enterprises was the flexibility in determining the subloan size, which allowed for an increase in the number of subborrowers that benefited from the Project, and helped achieve a high repayment rate.  The mechanism to provide incentives to credit officers for good performance and capacity development through various training programs helped improve staff performance, thereby strengthening the institutional capacity and performance of the Viet Nam Bank for Agriculture and Rural Development (VBARD) and the Central People's Credit Fund (CCF) and People's Credit Funds (PCFs). |
| 1. Implementation of the Project has shown that schools that are well managed implement project activities more effectively and efficiently. This strengthens the importance of champions for the success of any new initiative. Champions can be both identified and developed. [Main text, para. 72]  project cycle stage: Implementation  Lesson Topics:    2. Any project that attempts to bring about substantial systemic changes needs to be realistic about the goals including the timeframe for such changes. Due consideration for the sequencing and interdependence of project components as well as buy-in from stakeholders are essential in this process. As bringing about systemic change is an incremental and time-consuming process, continued support is crucial to its sustainability. The project completion report noted the lack of progress in career guidance, development of public-private partnership and school based management due to inadequate support from various stakeholders. [Main text, paras. 5, 21, 26-27, 64, 73]  project cycle stage:   Lesson Topics:  Project Design: Project design Capacity Development: Ownership Capacity Development: Partnerships Policy & Reform: Reform  3. To bring about and sustain change, government ownership is crucially important. As a result of strong government ownership, many project components remain successful, or remain on the agenda for implementation. [Main text, paras. 59, 67, 74]  project cycle stage: Concept Design Appraisal Implementation  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Capacity Development: Ownership  4. The potential of project activities cannot be maximized without effective monitoring and the commitment of officials trained in monitoring and evaluation. Project experience noted lack of attention given to monitoring and evaluation. Up until 2005 (almost five years into implementation), the project lacked systematic monitoring of its components and outcomes . [Main text, paras. 31, 76]  project cycle stage: Implementation  Lesson Topics:    5. The first computer procurement experience indicates that bidding documents need to always clearly specify instructions and requirements. Should there be doubts on the authenticity or completeness of bidders' submissions, the government needs to directly verify information with manufacturers. As noted in this education project, vague instructions in the bidding documents had caused misunderstanding on deliverables of contractors and this continued to be an outstanding issue at project completion. Lessons from this experience were incorporated in the succeeding contract awards. [Main text, paras. 48, 51, 53, 77]  project cycle stage: Implementation  Lesson Topics: |
| 1. With proper planning, effective project monitoring mechanisms, and motivated and well-trained personnel, infrastructure projects can be implemented successfully. Contributing to the successful performance of this energy project is the capacity of the Power Grid Corporation of India Limited (POWERGRID) to formulate and appraise, arrange finance for, and carry out engineering, procurement, and construction of a variety of projects across the country [Main text, paras. 30, 36, 44, 60]  project cycle stage: Implementation  Lesson Topics:    2. Advance actions on the end of the government can facilitate project implementation. The Power Grid Corporation of India Limited (POWERGRID) took advance action to acquire land and to obtain statutory clearances, which helped in timely project implementation. In some of the earlier ADB-assisted power sector projects, delays in land acquisition delayed the start of construction. [Main text, paras. 30, 61; Appendix 10]  project cycle stage: Implementation  Lesson Topics:  Crosscutting Issues/Themes: Resettlement Project Management: Project management  3. Regular discussions with the Government on implementing assurances under the project prompted the Government to (i) address the issue of dues from state electricity boards, (ii) take necessary actions to enable the Power Grid Corporation of India Limited (POWERGRID) to enter into commercial contracts with beneficiaries, and (iii) bring in the regulatory regime at central and state level. The implementation of availability-based tariff in all the regions also helped POWERGRID to operate the regional grids with improved system stability and reliability. [Main text, paras. 10, 44, 59, 62]  project cycle stage: Implementation  Lesson Topics: |
| 1. A successful approach in addressing teacher shortage in projects areas is the recruitment and training of local ethnic teachers. Student recruits from ethnic groups were given incentives such as scholarships, accommodation and tutorials. After completion of their studies, they were promoted to become permanent teachers. A pre-service and in-service training programs to accommodate students with less than 8 years of schooling. A community-based semester was also included to encourage students to maintain contact with their ethnic roots. At project completion, more than 95% of project ethnic teachers remain teaching in their villages. The Ministry of Education has adopted this approach nationwide with some adjustments to ensure there are sufficient funds to support it. [Main text, paras 17, 43, 45(i)]  project cycle stage: Design  Lesson Topics:  Project Design: Project design Sector Related Issues: Education  2. An effective benefit and monitoring evaluation system could have better managed intended project results. Benefit monitoring and evaluation did not appear as formal issues in the project's preparation. Although the project working group and project coordination unit did maintain sound overall management control of the Project, the absence of clear time lines and milestones made detailed project monitoring and evaluation impossible. The initial project objective was clearly concerned with raising the quality of primary education, particularly for ethnic girls, but this concern was never articulated in terms of qualitative indicators during the project design. All available indicators were set to measure quantitative achievements, such as the number of schools to be constructed and number of teaching staff to be trained. [Main text, paras. 9, 38, 40, 45(ii-iii)]  project cycle stage: Design, Implementation, Completion  Lesson Topics:    3. A more realistic time scale and limited scope and geographical coverage should have been reflected at the time of project design. The Project exceeded its original targets by building more schools and training more staff than anticipated, but this was only achieved through an extension of project duration and by supportive and proactive officials at all management/implementation levels. Issues such as difficult logistics, adverse climate, poor communications, and an inadequate understanding of ADB procedures should have been better addressed in the initial project design. A sharper focused project on fewer provinces would have permitted a more thorough piloting of the project's innovative approaches before they were replicated on a wider scale. [Main text, paras. 22, 45(iv)]  project cycle stage: Design, Feasibility, Implementation  Lesson Topics:  Project Design: Project design Capacity Development: Ownership Capacity Development: Partnerships Sector Related Issues: Education Methodologies/Approaches: Targeting |
| To avoid submission of bids by prequalified contractors that are too low to allow them to profitably implement the works on schedule and to the required standard, it is important bidders are made fully aware, through pre-bid meetings, of their contractual obligations. This applies particularly to environmental, social, and safety matters, which are often not completely fulfilled during construction, as was the case here. Contract documents should also be explicit about possible financial implications and clarify potential penalties for non-compliance that provide sufficient incentive for contractors to fulfill their obligations.  The project schedule should reflect realistic allowance for the Borrower's internal approval processes, which commonly took longer than the time allowed. In particular, if contractors and consultants are given responsibilities that are outside their normal fields of expertise, such as conducting AIDS awareness programs, they should be adequately resourced and have a full understanding of what is entailed.  In Viet Nam some of the early civil works delays were attributable to weaknesses in the designs prepared by local consultants and funded by the government. When the contractors commenced work they found errors and inaccuracies that had to be rectified; the design problems resulted from insufficient time and resources being allowed for design work and associated investigations.  The resettlement activities were entirely successful in both countries. Both executing agencies (EAs) allocated sufficient resources to resettlement, including through consultation with and explanation of the project to affected communities, formal involvement of local authorities in compensation procedures, and engagement of the external monitoring group to oversee and report on the process.  Success is largely attributable to careful management of the project by the EAs, supervision consultants, and ADB. Frequent ADB missions throughout the extended implementation period had a positive effect, and facilitated timely decision-making.  The cross-effectiveness requirement for loans caused unnecessary delays in Lao PDR, and it is understood that the ADB has already relaxed this requirement in recent Greater Mekong Subregion (GMS) loans.  Prequalification procedures do not guarantee a contractor's capacity to undertake work satisfactorily. Prequalification relies on the accuracy of information supplied by potential bidders, and on bidders' circumstances (such as the amount of other work being undertaken) remaining unchanged during what may be a protracted tendering process. |
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| Baseline data on impact indicators must be included in the project framework during project design or before the beginning of the project to facilitate quantitative measurement of project impacts at project completion. It is impossible to determine the change in a given performance indicator at the end of a project without having indicated the status of that indicator at the beginning. Baseline surveys conducted prior to project implementation or immediately after the start of project implementation are important in generating benchmark information that will serve as the basis for comparing future changes in the impact or performance indicators at project completion or several years after project completion. Aside from the performance baseline data, a well-designed project framework should include quantitative performance targets, complete with specified time frames, particularly for project goals and purposes or objectives. Unfortunately, the baseline data on poverty incidence in the project sites that could have served as a basis for comparison at project completion was lacking. It was also impossible when the Project ended to evaluate the extent to which the Project's goal of reducing poverty was reached because no quantitative target had been set to indicate how much poverty incidence was expected to be reduced. These shortcomings were a constraint on the assessment of the Project's poverty impact.  The shift to the participatory rural appraisal (PRA) methodology for group formation led to better targeting of poor project beneficiaries. The PRA methodology instilled a strong identification with the Project in the beneficiaries and was instrumental in raising the awareness of the self-help group (SHG) members of their situation. In identifying eligible poor households during the initial years of implementation, the Project relied mainly on information provided by the districts that was in most cases unreliable or out of date. As a result, the selection of poor fisherfolk and farmers deviated from the guidelines because those included as SHG members included small traders whose per capita incomes was over the poverty threshold.  SHGs that have remained strong and active were those formed based on affinity and common interests rather than solely on credit demand.  Despite the financial and social benefits that members may enjoy from joining a group, unless the SHGs or the associations provide members with specific, value-adding services - such as joint marketing, the benefits of bulk purchase of production inputs, or loans and savings - the SHG will not be sustainable in the long run. The organization is not likely to be sustained unless members derive other mutual benefits from self-help activities.  The preparation of sound business plans requires a wide range of specific skills in market and financial analysis that need to be developed within the cadre of field extension workers (FEWs) and, probably, within the Bank Rakyat Indonesia (BRI) staff as well.  For SHG loans, one loan size does not fit all. Loan size has to be flexible to accommodate the specific capital investment needs of a wide range of production activities.  Successful implementation of income-generating activities by the SHGs, including small businesses, shows that, with external support services such as credit, training, and extension and marketing assistance, the poor can undertake commercial activities.  Strong coordination between ADB and the International Fund for Agricultural Development (IFAD) in the conduct of joint review and monitoring missions, as well as in the exchange of project reports and documents, is critical in minimizing problems related to financial administration. |
| Broad-based reforms like those pursued by the Program require long-term institutional development, which is insufficiently accommodated in even a three-tranche program loan. A program cluster approach would have been more useful, as it combines a long-term approach that permits a wide range of policy and institutional reforms with flexibility to adjust to changing circumstances. Critical components like corporate governance and the optimal treatment of public service obligations (PSOs) can be gradually introduced. A program cluster is also useful in setting benchmarks and unifying policy makers who advocate reforms. A move from a multitranche program cluster approach to a medium-term framework based on single-tranche programs within a program loan cluster could be recommended to provide more flexibility while emphasizing achievable outcomes up-front. With such an approach ADB could also support genuine commitment from relevant stakeholders over a longer period. |
| Sewer Construction. For the Tianjin Sewerage Company (TSC), it is recognized that building a fully functioning sewer system should have been adequately addressed during the Beicang wastewater treatment (WWT) plant's planning stage and implementation period. The construction delay had a negative impact on the Project. There is a need to enhance overall coordination of project implementation among government agencies to improve the effectiveness and efficiency of project investment.  Sludge Treatment and Sound Solution. Given that proper handling of sludge has already been a broad issue for most WWT plants operating in the People's Republic of China (PRC) since traditional landfill options have encountered more and more difficulties, the Government and WWT plants must work out alternative solutions for sludge treatment. The sludge solution at appraisal may need to be substituted by more sustainable methodology.  Land Acquisition and Resettlement. The PRC Resident Mission's (PRCM) close monitoring and strict following of ADB's resettlement policy ensured smooth implementation of resettlement and fishpond removal under the Project. The Project set-up is a good example of how to handle complex historical resettlement issues, which were essentially the key to the Project's success. Future projects must attempt to resolve such issues at appraisal or an early stage to minimize land acquisition and resettlement challenges during implementation, which may result to delays in project implementation.  Training. Comprehensive training on ADB's procedures and guidelines and project administration to project management staff members, provided at the beginning of and during project implementation, improved project performance. The well-controlled budget and project cost attributed to Tianjin Municipal Government (TMG) and the implementing agencies (IAs) strictly followed ADB's procurement guidelines and project management procedures.  Delegating the Project to PRCM. The Project was delegated to PRCM in the first quarter of 2004, enabling more efficient communications between the executing agency (EA) and ADB. The EA appreciated that good communications and efficient links among the project managemenet office (PMO), IAs, and ADB facilitated smooth project implementation. |
| 1. For successful implementation of reforms, it is essential to conduct thorough consultations with, and seek and obtain support from, all stakeholders. Regular consultations on reforms by the state government and the Gujarat Electricity Board (GEB) management with GEB staff, consumer representatives, and industry chambers have significantly helped in successful program implementation. Unlike other states where the state governments enacted various legislation to reform the power sector, it was the implementation of the provisions of such legislation with the full support of the political and administrative system of Gujarat that made a difference in the success of the reform program in that state. [Main text, paras. 50-52, 56, 71, 74]  project cycle stage: Implementation  Lesson Topics:  Policy & Reform: Reform Methodologies/Approaches: Consultation/Participation  2. To avoid delays in implementation, project processing teams need to give adequate attention to the executing agency's (EA) preparedness in starting the procurement activities. Despite being a well-conceived project and the approval for advanced procurement actions, these activities were not given enough importance during loan processing - causing implementation delays. Areas that also need to be considered include: (i) procurement capacity assessment of the EA before designing major infrastructure projects; (ii) proper implementation arrangements from the very beginning of the project (e.g., Resident Mission to monitor and support the EA); and (iii) appropriate measures to support the EA during project implementation (e.g., use ADB procurement specialists inputs through planned missions and customized trainings, and consultants to fill gaps in capacity). [Main text, paras. 32-33, 43, 75]  project cycle stage: Design, Implementation  Lesson Topics:  Project Management: Procurement Project Management: Project management Capacity Development: Capacity development |
| Bidding documents should have been based on detailed design. Variations in civil works occurred during construction because of changes in detailed design, particularly in the foundation, tunnels, and protection works which were based on rough geotechnical information at preliminary design while actual site investigation presented a different layout. Considering the lessons and experiences from other road projects, ADB suggested that bidding documents should include detailed design to avoid unnecessary variations. Consequently, the Ministry of Communications' (MOC) regulation on bidding administration incorporated this suggestion, and current road projects carry out bidding after completion of detailed design.  The fast growth of the local economy and associated chain impacts caused by completion of a major transport corridor should have been thoroughly envisaged at appraisal. Some inadequate design created potential constraints to the Project's service level and capacity. The entrances and exits were limited at some toll stations and long queues occurred from time to time during peak season. In addition, the access road for Qijiang county could not accommodate the huge traffic caused by fast socioeconomic development, and the expressway alignment was found to be too close to the county's urban area. Meanwhile, more through traffic needs a service area, which was absent because of the short length of the expressway. The Chongqing Expressway Development Company (CEDC) and the Qijiang county government are considering (i) amending the Project to accommodate more traffic, and (ii) adding service areas.  The resettlement plan (RP) should have been based on precise estimates and ADB's resettlement review should have been conducted at the appropriate time. The RP should be updated after a detailed measurement survey to assess if adequate provisions and cost adjustments were made. ADB should have supervised the resettlement more effectively to stay informed of the progress and to ensure that implementation complies with the RP. More attention should have been given to resettlement monitoring and timely submission of monitoring reports. Requirements for systematic data collection should be established so that basic resettlement data are collected on time to allow a comprehensive review and assessment of resettlement during the project completion review. |
| Failure to adequately establish performance indicators, targets, and baseline data has made systematic evaluation of the Project more difficult than it may have been. High priority should be given in project implementation to ensuring that data (which in this case should have been available in the normal course of port operation and record keeping) is systematically collated as a project progresses. However, the Fiji Ports Corporation Limited (FPCL) and Ports Terminal Ltd (PTL) have subsequently introduced a systematic performance management system. This was reviewed and enhanced in 2007 under their continuous development program.  The major investment in three mobile cranes by FPCL has complicated the introduction of competition in stevedoring. While the investment has clearly added to port efficiency gains, and could not have been made without the physical improvements delivered by the Project, the consequences for the institutional reform agenda were not identified in time to review and plan in advance for the impact. In designing and implementing projects, the executing agency (EA) should be required to assess the probable effects of other investments in the sector upon the loan project and advise ADB accordingly. Similarly, the probable effects of changes to conditions of employment arising from privatization should be assessed, and the technical assistance (TA) should be provided for change management if deemed necessary. |
| There was sizable variability in the capacities of farmers to assimilate knowledge being imparted to them through farmers field schools (FFS). A critical aspect relates to the level of understanding of integrated pest management (IPM) trainers regarding IPM related technology and their ability to impart IPM knowledge at a level that can easily be comprehended by the farmers. The rigid criteria for selecting trainers were relaxed due to difficulty in finding qualified applicants. The selection process should have also considered the fact that many of the trained farmers' children leave farming to seek jobs in the urban sector.  Priority should be given to farmers who directly manage estate crop production and who derive 50% or more of their household income from these crops. These farmers tend to practice IPM more seriously than those whose main sources of income are derived from other activities. Provision for providing FFS training to family members who are not farmers should be discontinued. This practice results in trainees who are unable to use their newly-acquired knowledge in the field, thereby reducing overall project benefits.  A large number of FFS alumni groups are not active and less than 20% of the farmer groups are engaged in any post-FFS activities. The Directorate General of Estate Crops (DGE) and Dinas (provincial or district government offices providing similar services to corresponding national government agencies) staff should maintain constant contact with these groups to motivate them to maintain their IPM activities and to promote group activities, especially in the areas of processing and joint marketing. More effort is needed in establishing links between farmer groups and traders. In some project areas, produce from FFS alumni are highly valued by traders and other consumers. 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The formulation of the project framework should have considered levels of inputs (particularly manpower inputs) required for the successful achievement of outputs related to the project components. The proposed monitoring and evaluation (M&E) system and development support communication units required highly-skilled technicians for data gathering as well as hardware and software operation and. maintenance. While trainings were undertaken to develop the required skills, the project framework should have considered that full absorption of such technical responsibility takes time, willingness, dedication, and practice. In addition, the data collection forms that were used for the M&E system were too long and complicated for the farmers, field leaders, and local government technicians.  The role of a well functioning development support communications unit is valuable for an IPM project. 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| Resource limitations at the design stage may lead to incomplete designs and construction cost overruns and delays. The cost overrun was due to technical design faults, caused mainly by incomplete soil investigations. This demonstrates the need for qualified consultants that are given sufficient time to carry out field investigations and prepare sound designs. Also, thorough initial stakeholder consultations could have avoided the need for design changes later in the Project.  Government restructuring requires government support and participation. The consultant's recommendations on the legal and institutional reforms required for decentralized urban development and management, and the associated model to generate revenues for its operation and management, were never implemented. The recommendations encountered resistance from the Government, and the Project did not include any triggers or incentives to encourage their implementation.  The cost recovery of wastewater services should be reconsidered. The assumption that people will voluntarily connect to a central wastewater disposal system with the understanding they will be charged for it is not realistic, unless there is a direct benefit. The revenues of a central wastewater treatment plant should be paid by those who benefit - either directly (e.g., through improved health) or indirectly (e.g., through increased tourism) - from the plant. Resource mobilization approaches should focus on formulating the benefits, identifying the beneficiaries, developing the charging mechanism, and implementing a comprehensive connection program.  A thorough review of bids is essential. The contractor for the water supply works was unwilling to complete the works following the consultant's requirements, purportedly because he was losing money on the works. This demonstrates the need to review contractors' bids carefully and assess how realistic the proposed unit prices are in relation to the prevailing market prices.  Timely payments should be made to both contractors and consultants. Delayed payment leads to cash flow problems and unwillingness by contractors and consultants to complete their tasks on time. |
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| One of the basic problems in the sector is the lack of coordination, collaboration, and cooperation among the government agencies involved. This needs to be addressed before implementing policy reforms that require the participation of inter-ministerial departments. Different types of roads are under provincial and district governments. There is a need for legislative dialogue to implement policy reforms for the entire country.  The Program as conceived was good. However, the Borrower did not fully analyze the resources required for implementation of some components, which started but could not continue because of lack of funds. This will result in wasted scarce resources if not implemented in a sustainable manner. Continuity would be dependant of establishing stable source of funds to finance the components.  The policy program should have been implemented with technical assistance (TA) - particularly for the transport policy and road safety. However, transport policy TA was later sponsored on the Government's request and this contributed to the national transport policy document. Road safety component was included in a pursuant intervention (North-West Frontier Province or NWFP) but was not implemented due to the difficult location. ADB is in discussion with the Government to implement the component in another province. |
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| As a general rule, project design should be based on a preliminary detailed assessment of the situation, involve all key stakeholders (including grassroots organizations), and adopt participatory approaches.  The Rural Microfinance Development Centre Limited (RMDC) is a unique institution that focuses on capacity building to create operationally and financially self-sufficient microfinance institutions, in addition to the establishment and expansion of credit lines. (Most apex or second-tier organizations focus on providing credit lines to partners while RMDC provides both a credit line and capacity building support to its partners.) As a result, many of RMDC's implementing agencies are among the most economically viable microfinance institutions and those few that are considered creditworthy by commercial banks. The expansion of financial transactions with such implementing agencies on a selective basis enabled RMDC to maintain 100% on-time loan repayment, even amidst a decade- long conflict and political turmoil. This has been attributable to RMDC attaining operational and financial self-sufficiency in its operations.  RMDC's transparent lending policies and procedures, and the diverse nature of technical support were effective in establishing the following for its partner implementing agencies: good governance and professional management, appropriate operating systems and procedures, skilled and disciplined human resources, effective monitoring and supervision systems, audit and internal control systems, and effective management information systems.  The staff recruitment process and human resource management are important for successful operations. RMDC has a distinctive working culture. Its staff are well-educated, dedicated and committed in their job, and well-prepared and updated. They frequently conducted field visits to implementing agencies and are well acquainted with ground realities.  The concept of bare foot bankers is innovative. The provision of technical support by the bare foot bankers and other facilitators from strong implementing agencies to new and weak implementing agencies (especially the financial non-governmental organizations) has been quite effective in building the capacities of the new and weak implementing agencies.  Tailor-made and pre-defined capacity-building packages are seldom effective. RMDC did not follow a pre-established structure nor did it offer standard courses, but instead designed courses based on the training needs of the implementing agencies' staff. RMDC assessed the demands of partner implementing agencies at the beginning of each year and complemented them with suggestions from its staff members who possess extensive knowledge of all partners. RMDC was successful in meeting all training needs through the training of trainers.  Properly designed training programs for the sub-borrowers contributed towards business expansion and increased the sense of ownership among the implementing agencies. Capacity- building support to the ultimate borrowers, through training on group strengthening and an income- generating skills development program, provided clients the opportunity to discuss the program with the implementing agencies' staff, clearly understand operational strategies and policies, and increase their ownership of them. This enabled the beneficiaries to make on-time loan repayments and ensured productive use of the borrowed money.  A careful assessment of the knowledge and skills of women beneficiaries would be useful to identify their need and capacity for saving scare resources. Training and any assistance should be demand driven.  The Project confirms that women's access to microfinance services strengthens their influence over economic household decisions and provides them with greater freedom to invest in income-generating activities that raise their well being and that of their respective household as a whole. Women's empowerment can be achieved through social mobilization and capacity building in the process of group formation.  Financial and institutional development support is critical at the early stages of any microfinance institution. |
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| 1. A meaningful monitoring and evaluation system necessitates clarity of outcome and output indicators. Those involved in designing the project could have included quality indicators such as teaching-learning performance, relevance of study programs, and employment rates. The lack of which has actually placed constraints on the assessment of the quality of teaching- learning performance and relevance of study programs at the institutional level, and project impacts at the national level (contribution to the country's international competitiveness and sustainable economic growth). [Main text, paras. 9,72]  project cycle stage: Design, Implementation, Completion  Lesson Topics:  Monitoring & Evaluation: Impact evaluation Monitoring & Evaluation: Indicators Project Design: Project design  2. The management of participating higher education institutions needs to institutionalize systems that promote modern teaching methodologies (i.e., promoting student-centered learning and encouraging critical thinking, problem-solving, and team-building). This may include establishment of quality standards for teaching techniques and monitoring of performance of lecturers in classrooms. Project experience has shown that improving competence and academic qualifications through the staff development program did not ensure promotion and strengthening of teaching-learning methods. Many lecturers who participated in staff development program still apply traditional teaching methods, devoting attention to theoretical knowledge. [Main text, paras. 24,72]  project cycle stage: Design, Implementation, Operation  Lesson Topics:    3. Integration of the use of educational equipment into the educational curriculum can further enhance the learning process. Infrastructure upgrading including the procurement of educational equipment has improved the overall learning and teaching environment in the participating institutions. However, monitoring reports and field visits revealed that in many institutions, the new equipment has not been fully integrated into current lessons, and is underutilized and not well maintained. Greater attention is required from higher education institutions to ensure adequate utilization of equipment by actively encouraging teaching and learning practices that promote student-centered learning. Lecturers need additional support to prepare teaching modules and lesson plans that integrate new equipment and enhance practical training for students. [Main text, paras. 28,57,72]  project cycle stage: Design, Implementation  Lesson Topics:  Capacity Development: Capacity building Sector Related Issues: Education |
| 1. Projects that include the provision of photovoltaic lighting systems should be designed such that (i) appropriate beneficiaries are targeted, (ii) installation activities are recorded and monitored to ensure that the systems are correctly installed and operational at the end of the project, and (iii) processes are designed and implemented to ensure that the project is sustainable and that systems are properly maintained over time. The project completion report noted that with the availability of grid connections in some of the project areas, some of the solar systems installed have been relocated but their present location is not known. [Main text, paras. 22, 38, 55]  project cycle stage: Design  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Project Design: Project design Project Management: Operation and maintenance  2. It is necessary to examine more socially acceptable mechanisms for helping poor households install internal house wiring before electricity can be supplied (e.g., provision of low-interest loans to be repaid in installments as part of a consumer's electricity account following energization). The provision of free house wiring kits under the project to some customers and not others has been unsuccessful due to two reasons: (i) the limited design capacity of these kits is seen as a barrier to possible future increases in a household's electricity consumption, and (ii) many beneficiaries do not like to be identified as poor and in need of charity. [Main text, paras. 24, 38, 54]  project cycle stage: Design, Implementation  Lesson Topics:  Finance & Financial Aspects: Market analysis Country Context: Cultural constraints |
| 1. The prequalification of firms that do not have the capacity to undertake the civil works in a timely manner not only results in delays but extends the period of the construction supervision consultants. There was no effective measure to ensure that bidders who passed the prequalification and won the contract had the required equipment, working capital, and management staff at the project sites as stipulated in the documents. The prequalificationprocess needs to be more rigorous to avoid delays caused by the incorrect choice of contractors.  project cycle stage: Design, Implementation  Lesson Topics:  Project Management: Consultants Project Management: Procurement  2. There were several areas where resettlement issues affected the completion of the civil works, especially in Cambodia, where a resettlement audit became necessary. The resettlement audit was instrumental in improving the Ministry of Finance's understanding of proper resettlement practices and has improved overall resettlement practice in Cambodia. In future, ADB needs to undertake a careful analysis of the legal and policy framework in a country inrelation to ADB's policy, which may help to anticipate and address potential resettlement risks. The management structure for planning and implementing resettlement needs careful thought and planning to avoid conflicts of interest and to ensure efficient implementation. In Viet Nam, some residents were not satisfied with the resettlement payments and would not move until they were compensated at higher than market rates. Civil works cannot be continually delayed because of individuals attempting to receive additional benefits.  project cycle stage: Design, Implementation  Lesson Topics:  Crosscutting Issues/Themes: Legal system Crosscutting Issues/Themes: Resettlement Project Design: Project design Project Management: Risks/Risk management Capacity Development: Institutional analysis Sector Related Issues: Roading Policy & Reform: Policy reforms/framework  3. Environmental problems caused by contractors not taking an active role in protecting the environment could be avoided by more active monitoring. One way of doing this would be to withhold payment from contractors if they have not carried out environmental mitigation measures. Implementation of environmental mitigation measures should be included in tender documents and contracts, and where possible separate cost estimates for mitigation measures should be made. An environmental management action plan should also be prepared for project implementation.  project cycle stage: Implementation  Lesson Topics:  Crosscutting Issues/Themes: Environmental assessment Crosscutting Issues/Themes: Environmental management Finance & Financial Aspects: Disbursement Project Management: Procurement Project Management: Project supervision |
| Effective coordination and information-sharing are essential for successful implementation of a project involving multiple agencies.  The concept and design of a project simultaneously aimed at meeting the multifaceted development needs of the communities and protecting and conserving the natural resources may not be easily appreciated by the implementers and stakeholders and thus require special efforts.  Credit cooperatives development should be handled by experienced institutions, and efforts should be made to utilize the services of existing rural financing institutions rather than to develop new institutions.   Because of the inherent difficulties in implementing an integrated area development project, care should be taken to avoid components introducing new facilities that require special skills and experience in design, construction, and operation.  Community participation is the key to rural development and sustainable resource management. |
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| 1. Key lessons learned from the Project include the need for (i) timely government approval of preliminary design, procurement documents, and overseas training activities, (ii) improving government's traffic data information and management system; and (iii) more prior discussion to establish what authority will comply with loan covenants that are not directly related to the project company. Evaluation noted delays in approval of design, prequalification documents and trainee candidates; missing information on destination traffic and accident data; and noncompliance on the covenant on private sector financing. [Main text, paras. 19, 24, 46; Appendixes 13&15]  project cycle stage: Design  Lesson Topics:  Loan Agreement: Covenants Monitoring & Evaluation: Data collection and management Project Design: Project design Project Management: Management information system Project Management: Procurement Capacity Development: Capacity development Methodologies/Approaches: Consultation/Participation Methodologies/Approaches: Policy dialogue  2. In the future, more discussions should be held to identify the local road component of similar projects to ensure the local roads originally selected are implemented. In the case of this project, the government would have constructed the local roads with or without ADB assistance. Three of the original six roads selected at appraisal were built using other sources of financing. [Main text, para. 7, 46]  project cycle stage: Design  Lesson Topics:  Finance & Financial Aspects: Financing Project Design: Project design Sector Related Issues: Roading Sector Related Issues: Transport planning Methodologies/Approaches: Policy dialogue  3. Complementary interventions and partnerships in improving connectivity can further advance development outcomes. The integration of local roads to the expressway was able to maximize development impacts by further stimulating local economic transformations and social development. Local governments were also able to strengthen the development process spurred by the project by promoting the establishment of enterprises and by providing programs and funds to support technological services. [Main text, paras. 33, 39, 43-44, 47-48; Appendix 18]  project cycle stage: Design  Lesson Topics:  Project Design: Project design Capacity Development: Partnerships Sector Related Issues: Roading Sector Related Issues: Rural development Sector Related Issues: Urban sector/development Methodologies/Approaches: Community approach |
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| Providing Adequate Supervision Resources. The elaborate review and approval requirements were possibly inspired by concerns of the appraisal team about capacity of the regional entities following the decentralization ongoing at that time. When ADB cannot provide matching supervision resources, however, different arrangements should be considered, including, for example, a greater role for the supervision consultant in the review and approval process, a redesign of the project resulting in fewer contracts requiring review and approval, or supervision of the project from the field office as was decided in this case.  Ensuring Critical Mass in Project Geographic Scope. Several aspects of the project design - the large number of participating provinces in different islands, the large number of field team consultants, and the dispersed nature of subprojects in each of the provinces - contributed to the logistical complexity of managing the Project. While the reasons underlying this design (a concern of the Government for geographic equity combined with the poverty focus of the Project) are understandable, the cost increases and inefficiencies that such approach entails should be carefully weighed against any benefits. In designing a project's geographic scope, there should be a critical mass of work in a given geographic area in order to keep logistics costs within reasonable bounds.  Designing Effective Conditionality Related to Road Traffic and Transport Policies. Under the conditionality of the Project, one agency could be penalized for inaction by another. While this was designed to underline the importance of an integrated approach between road use and road infrastructure expenditure policies, it is risky for the timely implementation of the main project component.  Formalizing a Process to Incorporate Lessons Learned in the Directorate General for Highways' (DGH) Procedures. DGH staff and its consultants involved in the Project have developed recommendations aimed at further improving DGH's procedures, and particularly in the area of contracting. These relate to more stringent prequalification of contractors, bid evaluation, advance payment security, contractor mobilization, compensation for input cost increases, work planning by contractors, quality assurance of works, quality of bridge designs, quality of supervision staff, road marking, minimum payment thresholds, termination of contract clauses, and inclusion of contingencies in cost estimates. Although, some measures have already been implemented, in the absence of a formal mechanism to review and internalize lessons from different projects, there is a risk that many valuable lessons and recommendations will not be acted upon.  Land Acquisition and Resettlement Plan (LARP). Since the Project was expected to be located in the existing road alignments, no land acquisition or resettlement was anticipated. During project implementation, a concrete bridge in a subproject in East Java was broken and needed relocation. Also, a bridge in Daerah Istimewa Yogyakarta province required a larger roundabout for traffic management purposes. These two bridges required additional land, and DGH was not prepared to initiate LARPs. Although, intensive consultations with ADB were conducted, DGH required an average 8 months to prepare a LARP. Substantially contributing to the delays were the facts that stakeholders did not understand ADB's involuntary resettlement policy plus a lack of coordination between DGH (as the executing agency/EA responsible for LARP preparation) and the provincial or regional government that is responsible for dealing with data of affected people, land costs and status of land ownership. |
| Project implementation could have improved with intensive trainings on ADB policies and procedures and by ensuring staff continuity. Advance contracting and retroactive financing would have shortened the time between appraisal and the start of works, and between design, tendering, and contract award. Evaluation noted numerous changes in the road rehabilitation method from that indicated in the drawings caused substantial engineering changes and raised the bidding price. The scope of the improvement works also increased substantially between appraisal and the start of actual works. On top of this, frequent changes in ADB project officers have caused discontinuity in project preparation and administration. [Main text, paras. 20, 39, 58]  project cycle stage: Design Appraisal Implementation  Lesson Topics:  Project Design: Appraisal Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Procurement Project Management: Project administration Project Management: Project management Project Management: Project supervision Capacity Development: Capacity building |
| The key lesson from the project is the importance of community involvement and empowerment in fisheries resource management, as noted in para. 58. Monitoring and surveillance of fisheries resources cannot be achieved through government actions without the support and participation of the community. For this and any other activity involving community participation, social preparation is needed at project commencement and ongoing capacity building is needed throughout the project, with periodic reinforcement after project completion. However, implementation of this component, particularly given the complexity of local organizations and the widespread nature of the sites to be covered, was beyond the capacity and experience of the local consultants. The government fisheries services should have been more involved in implementation from the outset, assisting in creating effective community frameworks, and providing continued support and reinforcement.  While the Project attempted to develop alternative income-generating livelihood activities for coastal communities to relieve pressures on fisheries resources, such a laudable goal cannot be achieved if there are few alternative resources on which these activities could be based. Setting arbitrary targets without an assessment of possibilities is meaningless and frustrating to the government and project implementers, while raising expectations of beneficiaries that cannot be met. A realistic assessment should be made at the feasibility stage, for which the project requires appropriately skilled staff (in the form of staff from the executing agency/EA or other agencies, nongovernment organizations/NGOs or consultants) to implement such a component. If NGOs are used, they must have skills and experience in microenterprise and livelihood development. |
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| Several factors converged to make the Project a success. These factors were: (i) a strong, supportive executing agency; (ii) a champion in the person of the project director, who was willing to take responsibility and risks in moving the Project forward; (iii) a professional consulting team, headed by a dedicated project team leader; (iv) the Lao Women's Union (LWU) and community field workers; and (v) community participation.  Civic participation positively affects urban governance. The transparency and accountability of transactions throughout project implementation ingrained in the communities a level of trust in their dealings with the Government and project staff. The interaction and sharing of responsibilities, reinforced by the presence of LWU and community development field-workers, eventually evolved into effective partnerships and improved governance.  Capacity building requires long-term support. Despite not making much progress in capacity building early in the Project, Vientiane Urban Development Administration Authority (VUDAA) has gradually built capacity for financial management, engineering design and supervision, and responsive governance through skills training and guided application. The momentum created must, however, be sustained through additional, long-term support from ADB and other donors.  The Project could have been more effective in its urban institutional reform efforts: (i) if the VUDAA concept had been designed as an outcome of a thorough, participatory process involving key stakeholders and not something imposed by ADB; (ii) if local politics, particularly the historical role of the four districts, had been more thoroughly understood and taken into account; (iii) if the phasing and timing of institutional and policy reforms had been more realistic, given the allocated resources and the expectations of the stakeholders involved; and (iv) if cofinancing arrangements had been better integrated throughout implementation. |
| 1. Preparing complex turnkey bid documents during the project preparation stage and using advanced procurement actions could reduce the risks of late project start-up and implementation delays. Although all project components were successfully implemented as envisaged, implementation delays have acted against the project's viability. There were lags in recruiting the implementation consultants and procuring two major turnkey contracts. These contracts were awarded about 18 months behind schedule. [Main text, paras. 16-17, 28-29, 52]   project cycle stage: Design, Implementation  Lesson Topics:  Project Management: Procurement Project Management: Project management  2. The risk of investing in long-term transmission and distribution assets, with their degree of natural monopoly and mature technology, is far less than that of investing in competitive generator assets where energy conversion efficiency is relatively low. Future investments should be better made on distribution or transmission assets rather than on generator assets. [Main text, para. 50-51, 53]  project cycle stage: Design, Implementation, Country Partnership Strategy  Lesson Topics:  Finance & Financial Aspects: Market analysis Sector Related Issues: Energy planning/management |
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| 1. With proper planning and timely guidance to the executing agency, the project could be implemented as per schedule.  project cycle stage: Implementation  Lesson Topics:    2. The Madhya Pradesh State Electricity Board (MPSEB) with the support of the state government took advance action to acquire land and other statutory clearances, which helped in project implementation. In earlier ADB-assisted power sector projects, delays in land acquisition delayed the project. Although MPSEB staff were not fully conversant with the multilateral bank's procurement procedures and guidelines, timely support from the resident mission and the willingness of MPSEB staff to adopt these practices had helped expedite the procurement process. Collaboration between MPSEB and ADB had also helped MPSEB to adopt the procurement practices of multilateral development agencies. MPSEB management and the state government also supported project implementation, retaining the key staff of the project management unit during the project implementation period.  project cycle stage: Implementation  Lesson Topics: |
| The project framework appeared overly optimistic, in expecting general outcomes for which the cause and effect relationship with the Project was tenuous. While the relevance of the Project is not in doubt - in view of the significance of the corridor and the poor state of repair prior to the Project - normal operations continued, albeit with high operating and maintenance costs. The Project's principal outcomes are thus likely to be efficiency gains rather than avoidance of a collapse of rail operations. The appraisal analysis could have been more diligent in assessing the mechanism through which the efficiency gains in the form of cost savings would be transmitted to other sectors.  Capacity building under the Project would have benefited from more focused technical assistance (TA) and more a more consistent dialogue between ADB and Uzbekistan Temir Yullari (UTY) on reform issues. More focused TA would have required additional financial resources or a reduced scope. Resources were spread too thinly for the TA to attain development results. As the Project was largely a continuation of the agenda started under the first railway project (FRP), ADB had more leverage in dealing with issues that had already emerged under FRP. This potential was not well used. Issues such as UTY's accounts receivable, the covenanted public service payment, and submission of audited financial statements have not yet been resolved. UTY's explanation for not meeting the public service obligation covenant revealed that the concept was not well understood. (UTY suggested that the scope of its public service was marginal and that it would not warrant compensation from the Government. On another occasion, UTY argued that the Government compensated UTY through soft credit terms.) The project completion report for the FRP noted that sector specialists and a railway sector focal point would have been desirable at the Uzbekistan Resident Mission (URM) and at ADB headquarters, respectively. The project completion review mission confirms this conclusion. |
| 1. The experience of the pilot activity under the Project shows that potential exists in Sri Lanka for a gradual introduction of a fee-levying private extension service among commercial farmers with a better ability to pay, leaving scarce government resources to serve the poor and subsistence level groups of farmers more effectively. Commercial farmers need different kinds of services, including farm planning and budgeting, financial management, and post-harvest operations, in addition to the more traditional advice on production technology. They require need-based extension services with which they could reduce cost of production. Furthermore, user-pay services are accountable, collectively and individually stimulating service providers' performance and commitment related to demand. However, the process of introducing private sector service providers requires a clear policy framework and an effective framework for cooperation between the Government and private sector stakeholders.  project cycle stage: Design, Feasibility, Appraisal  Lesson Topics:  Project Design: Project design Sector Related Issues: Extension service Sector Related Issues: Public-private partnership Policy & Reform: Policy reforms/framework Methodologies/Approaches: Pilot project  2. To be profitable, private sector extension services need to be integrated into other commercial operations, such as sale of farm inputs. A company set up solely to provide extension services may not be viable in the long term. This is seen in the less than optimal scale of operations of the three service contractors. Contractors expressed views that (i) the financial benefits of input sales as setting off any operational losses in providing extension services, and (ii) the establishment of a reliable network of high-quality producers as of sufficient benefit to offset its operational losses in providing advisory services. Without such externalities, the operation may not be attractive. In fact, one of the contractors did not benefit from either input sales or output marketing.  project cycle stage:   Lesson Topics:  Project Design: Project design Sector Related Issues: Extension service  3. An executing agency's firm commitment is essential to promote private sector participation in activities that could potentially be undertaken by public sector agencies, as government tends to be reluctant to take actions that broadly diminish its power and enhances the influence of the private sector.   project cycle stage: Implementation  Lesson Topics:  Project Management: Executing/Implementing agencies Capacity Development: Ownership Capacity Development: Partnerships Sector Related Issues: Private sector Sector Related Issues: Public-private partnership  4. The plan to use a short-term international consultant for M&E appeared to be inappropriate. When an assignment for consultants in a socioeconomic field is short term, national consultants are more appropriate than international consultants.  project cycle stage: Design Appraisal Implementation  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Management: Consultants Capacity Development: Capacity development Capacity Development: Ownership  After completion of projects, executing agencies do not have procedures and systems in place to build upon the knowledge gained by implementing the projects. This results in inadequate transfer of project knowledge to government institutions and staff.   project cycle stage: Design, Implementation  Lesson Topics:  Crosscutting Issues/Themes: Knowledge Management Project Management: Executing/Implementing agencies Capacity Development: Capacity development  Government institutions are in general not geared to working with the private sector and therefore have inadequate mechanisms to interface with it.  project cycle stage: Implementation  Lesson Topics:  Capacity Development: Capacity development Capacity Development: Institutional analysis Capacity Development: Partnerships Sector Related Issues: Public-private partnership  Introducing new approaches requires public awareness campaigns at a project's outset to obtain stakeholders' support. Public understanding of proposed changes' rationale and expected outcomes can facilitate introducing new interventions.   project cycle stage:   Lesson Topics:  Policy & Reform: Information dissemination/Public awareness Policy & Reform: Reform Methodologies/Approaches: Consultation/Participation Methodologies/Approaches: Participatory approach  The multiplicity of government ministries and agencies involved in the agricultural sector poses serious challenges for coordination and synergy.   project cycle stage:   Lesson Topics:  Crosscutting Issues/Themes: Public governance Project Management: Project management Capacity Development: Capacity assessment Capacity Development: Institutional analysis  The outcome of project interventions was affected by changes in the direction of government policies during project implementation.  project cycle stage: Implementation  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Policy & Reform: Policy reforms/framework  When procuring goods and services involves multiple agencies, each of them forms its own tender committee. Having several committees for procurement is extremely cumbersome. Despite the Government's having more flexible procurement guidelines for donor-funded projects, the executing agencies do not follow them.  project cycle stage: Implementation  Lesson Topics:  Project Management: Executing/Implementing agencies Project Management: Procurement  Without specific activities for the most isolated rural areas, project investments remained biased towards suburban, more developed districts.   project cycle stage: Implementation, Country Partnership Strategy  Lesson Topics:  Sector Related Issues: Rural development Sector Related Issues: Urban sector/development Methodologies/Approaches: Targeting |
| 1. Adding an additional component to a completed loan design requires thorough analysis to ensure congruence with the project goals, objectives, and methods. If additional input is required, the new requirements should be integrated into existing components in the original project design.  project cycle stage: Design Appraisal  Lesson Topics:  Project Design: Project design Project Design: Subprojects  2. Complex projects involving multiple funding agencies, government agencies, institutions, and stakeholders require additional time at early implementation to establish operational policies and procedures.  project cycle stage: Implementation  Lesson Topics:  Project Design: Project design Project Management: Project administration Methodologies/Approaches: Consultation/Participation  3. The sequencing of various implementation activities such as policy reforms, civil works, consultancy deployment, and equipment procurement must be logical and carefully planned to realize maximum investment efficiency and effectiveness. When project implementation relies heavily on policy change, the essential policy adjustments should be completed prior to consultant deployment.  project cycle stage: Implementation  Lesson Topics:  Project Design: Project design Project Management: Consultants Project Management: Procurement Project Management: Project administration Policy & Reform: Policy reforms/framework |
| 1. The Project showed that a contractor's ability to commit resources to a contract is crucial to performance. Prequalification documents require bidders to demonstrate their technical and financial capacity, and bid documents require them to commit technical and financial resources for the implementation of the works if awarded the contract. However, there are no effective mechanisms to ensure that bidders who prequalify and are awarded the contract indeed provide the required equipment, working capital, and management staff in the project sites as stipulated in the bid documents. The provisions in the bid documents must be made more rigorous and stringent to ensure that the contractors provide the committed technical and financial resources for project implementation and that the projects are completed on time.  project cycle stage: Design, Implementation  Lesson Topics:  Project Design: Project design Project Management: Procurement  2. The absence of detailed field investigations during the design stage caused delays and necessary changes in the original design. To avoid such delays, the quality of the design can be improved through detailed review and thorough field investigations.  project cycle stage: Design Appraisal  Lesson Topics:  Project Design: Appraisal Project Design: Project design  In the case of the Project, implementation was delayed at the start primarily by inadequate project readiness. The lessons were incorporated by ADB in its subsequent loans to National Highways Authority of India.  project cycle stage: Concept, Design, Implementation  Lesson Topics: |
| The project implementation unit (PIU) could have performed better had its composition included both technical and academic experts to effectively manage the logistics and establish a solid implementation framework and had there been information sharing from the project management unit of the project preparatory techical assistance. The project completion report of the Teacher Training Project in Viet Nam noted the PIU's weak implementation capacity due to its members' lack of involvement in designing the project and limited experience in project management. [Main text, paras. 57, 75(i,iv)]  project cycle stage: Appraisal Implementation  Lesson Topics:  Project Management: Executing/Implementing agencies Project Management: Project administration Project Management: Project management  When loan projects do not include advisory technical assistance projects for project implementation unit (PIU) capacity building, having a full-time, qualified staff for key positions (i.e., full-time project manager, financial and procurement unit heads) can facilitate implementation of project activities. The project's self- assessment has indicated the lack of full time qualified staff that contributed to its slow progress during the first half of the implementation period. [Main text, paras. 58, 75(ii)]  project cycle stage: Implementation  Lesson Topics:  Project Management: Executing/Implementing agencies Project Management: Project administration Project Management: Project management Capacity Development: Capacity building |
| 1. Reforms of any social development sector (such as the education sector) require a long implementation period, persistent pursuit of a reform agenda, and continued budgetary support to accomplish targeted improvements. In this case the project duration was considered inadequate to accomplish the many needed reforms. [Main text, paras. 44, 47, 67]  project cycle stage: Design, Implementation, Country Partnership Strategy  Lesson Topics:  Finance & Financial Aspects: Funding Policy & Reform: Reform  2. School-based, hands on training support for teachers could have improved the utilization of new facilities and equipment. The project completion report noted that these provisions remain underutilized due to the teachers' lack of familiarity and skills, and the absence of requirements compelling their use. Poor maintenance of school equipment also remain a concern. [Main text, para. 68]  project cycle stage: Design, Implementation  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Project Management: Operation and maintenance Capacity Development: Capacity building Sector Related Issues: Education |
| 1. More analysis should have been done to assess the feasibility of large community contributions to the ESP. Although a long-standing tradition of the community is to provide the school facilities and maintain them, the cost of doing so in the past was largely in kind and relatively low. Under the ESP, these costs were higher and more frequent as rapidly depreciating equipment such as computers are included. Techniques such as contingent valuation should be used to test the beneficiary willingness to pay for previously free or low-cost services. All such techniques produce results with uncertainties attached and these uncertainties should be factored into the project design.  project cycle stage: Design, Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Finance & Financial Aspects: Counterpart funds Finance & Financial Aspects: Financial analysis Finance & Financial Aspects: Market analysis  2. The timing and phasing of technical assistance (TA) inputs in relation to the loan project are critical in situations where absorptive capacity has yet to be proven. The TA should have preceded the start of the project so that the preparatory work with counterparts could have been completed before the construction and teacher training stages. This sequencing would have lessened the extent of initial on-the-job training and would have provided a greater (and more sustainable) capacity in Ministry of Education, Sports and Culture. Failure to observe that may reflect some uncertainty as to the relative importance of capacity building on the one hand and speed of implementation on the other.  project cycle stage: Design, Implementation  Lesson Topics:  Modality: Project Modality: Technical Assistance Capacity Development: Capacity development  3. Apia serves as a ï¿½boardinghouseï¿½ for the children of relatives all over Samoa and in 2006, 57% of the total population of Apia's urban areas were enrolled in schools. The situation will not change significantly until the other schools are able to demonstrate improved performance. In this context, the enrollment caps at Malifa were unrealistic. Apia's schools at Malifa have long been seen as offering the best education in Samoa and this perception will remain until such time as the other schools begin to show similar results. It will take much more than a few years to demonstrate this outcome; hence, it was unrealistic to set such ambitious targets for the enrollment caps.  project cycle stage: Design  Lesson Topics:  Loan Agreement: Covenants Loan Agreement: Loan Agreement Sector Related Issues: Education Methodologies/Approaches: Targeting  4. Establishment of new specialist facilities and equipment in schools requires significant school-based training and support. New equipment is often not used because teachers are unfamiliar with it. New specialist facilities are often not utilized due to teachers' lack of knowledge and experience. The effectiveness of the project could have been increased by more technical assistance support for school-based implementation in association with upgraded libraries, science laboratories, design and technology laboratories, and food and textile laboratories.  project cycle stage: Design, Implementation  Lesson Topics:  Capacity Development: Capacity development Sector Related Issues: Education  There is always likely to be a trade-off between capacity building on the one hand and rapid implementation of civil works and procurement of goods and services on the other. Early in the design phase, there needs to be a decision as to where the priority is to be placed, and that decision should then drive the project schedule. All consultants and the staff of the executing agency, implmenting agency, and ADB engaged in a project should be well-briefed on where this priority lies to maintain the focus throughout the project.  project cycle stage:   Lesson Topics: |
| The requirement for effectiveness of the cross-border agreement (CBA) delayed the loan effectiveness in both countries. The issues involved in dealing with transborder infrastructure projects may be broad and complex and one has to bear in mind the limitations of the host countries to overcome the political and bureaucratic difficulties that such initiatives may trigger. While provision of adequate mechanisms to regulate the common, efficient, and fair usage of the project facilities under such regional projects is a prerequisite for ADB financing, it is also not quite in the spirit of client orientation. A flexible approach is advisable with necessary technical support throughout the project life and continued patronage under ADB's regional cooperation programs, such as Central Asia Regional Economic Cooperation (CAREC).  Particular to this Project, and applicable to other ADB-financed projects in general, the scope of the improvement works increase substantially between when they were appraised and by the time actual works have started. This often necessitates reduction or revision to project scope and results in cost and time overruns. The time lapse between the appraisal and start of works has to be kept to a minimum, and current ADB policy on advance contracting and retroactive financing makes this possible. The client countries tend to ignore the maintenance of the existing facilities once improvements to the facilities have been programmed and funding identified. To ensure that the existing facilities are kept maintained by the client country until the mobilization of works, an adequate provision for maintenance may be considered as a condition for loan approval by ADB.  The project progress reports mainly lack structure and they differ very much in substance. Environmental and social monitoring was also ineffective and so it was not possible to assess the efficiency of the environmental management or social mitigation measures. This further affects the quality of the ADB project and technical assistance (TA) performance reports and consequently effective monitoring by ADB. ADB should design a standard, user-friendly reporting template containing all required details. Technology allows for the sharing of information instantly over the internet or by email and so information could be interactively shared between the executing agency (EA), ADB, and the consultants.  More rigorous assessment by ADB of the local contracting industry is needed whereby the project envisions a deviation from the standard procurement procedures. Frequent changes of supervising officers also negatively affects the project and more staff continuity is advisable. |
| For integrated forestry sector projects, a time frame of 6 years for project implementation is not appropriate. At least an 8-year implementation phase must be envisaged from the beginning.  It is important that investment scales are commensurate with the nature of operations, absorption, and delivery capacity on the ground. Moreover, for maximizing operational, administrative, and financial efficiency, a cluster approach to project design and implementation is worth exploring.  It is important that the correct institutions are involved in project design and implementation. For example, while the Forest Protection Department (FDP) might have been the correct provincial-level Implementing Agency from the official point of view, the Department of Agriculture and Rural Development (DARD) was better suited for the Project, because unlike FPD, it is not a forestry law enforcement department.  The project design must incorporate financial planning and management procedures that apply to project implementation according to the Government's regulations. These procedures were too inflexible and cumbersome to cope with the Project's needs, so special arrangements had to be negotiated during project implementation. The Government eventually recognized the commune development plans (CDPs) as the official documents for budgetary approval, but they could not be adjusted after approval. The project design envisaged development plans being prepared at the district/provincial level and then being incorporated into an annual plan of operations. This plan was primarily intended to meet ADB's requirements for ensuring that the request for funds was in line with the agreed investments and disbursement schedule. The Government required a more detailed plan, which gave exact targets for each commune and exact budget amounts in accordance with their standard cost norms, to be used in disbursing funds to local bank accounts. Steps have subsequently been taken through a harmonization of investment framework study to improve the integration of procedures for the Government and all donors.  It is necessary to ensure that arrangements are made to provide expertise for designing, managing, and implementing training programs. Viet Nam's forestry sector has not yet developed the capacity to provide training in accordance with accepted international standards using participative and interactive approaches with curricula based on training needs.  The causes of implementation delays at the initial stage should have been identified earlier. When the midterm review (MTR) was carried out in December 2000, so much time had passed that it became necessary to reduce the loan's amount and to extend the Project's duration. Despite the delays, which were mainly due to the project design, the technical assistance (TA) consultants' inputs were not adjusted, and the consultants' inputs for the first 3 years were mainly used in the preparation of a range of reports that had little impact on project performance. When it became apparent that implementation was seriously delayed, the consultants' inputs should have been deferred so that the available budget was not depleted and the technical support was available for the time when implementation eventually commenced. |
| The Project encountered problems in both Cambodia and Viet Nam regarding the performance of the contractors, resettlement, and noncompliance with environmental mitigation measures.  The prequalification of firms that do not have the capacity to undertake the civil works in a timely manner not only results in delays but extends the period of the construction supervision consultants. There was no effective measure to ensure that bidders who passed the prequalification and won the contract had the required equipment, working capital, and management staff at the project sites as stipulated in the documents. The prequalification process needs to be more rigorous to avoid delays caused by the incorrect choice of contractors.  There were several areas where resettlement issues affected the completion of the civil works, especially in Cambodia, where a resettlement audit became necessary. The resettlement audit was instrumental in improving the Ministry of Finance's understanding of proper resettlement practices and has improved overall resettlement practice in Cambodia. In future, ADB needs to undertake a careful analysis of the legal and policy framework in a country in relation to ADB's policy, which may help to anticipate and address potential resettlement risks. The management structure for planning and implementing resettlement needs careful thought and planning to avoid conflicts of interest and to ensure efficient implementation. In Viet Nam, some residents were not satisfied with the resettlement payments and would not move until they were compensated at higher than market rates. Civil works cannot be continually delayed because of individuals attempting to receive additional benefits.  Environmental problems caused by contractors not taking an active role in protecting the environment could be avoided by more active monitoring. One way of doing this would be to withhold payment from contractors if they have not carried out environmental mitigation measures. Implementation of environmental mitigation measures should be included in tender documents and contracts, and where possible separate cost estimates for mitigation measures should be made. An environmental management action plan should also be prepared for project implementation. |
| An important lesson from the Project is that, in addition to the actual rehabilitation of infrastructure, sustainable interventions should be included in future projects to address the root causes of infrastructure deterioration, and to maintain the gains that the infrastructure restoration has produced. A project should establish arrangements to avoid future neglect, which was the main cause of the infrastructure's degradation in the first place. Operation and maintenance (O&amp;M) needs to be adequately provided for in water users' organizations' (WUOs) operating and equipment budgets. Restoring sustainable irrigation and drainage (I&amp;D) systems not only requires working infrastructure but also interventions to strengthen institutions involved in water management, capacity building, and financial activities. Moreover, rehabilitation should not be seen in isolation from the rest of the agricultural production process, and wider support for agricultural development should also be considered an integral element of any future project.    The project design specified land improvement measures - deep ripping, and land leveling - that were not implemented by the civil work contractors. Funds were reallocated to irrigation and drainage infrastructure. Whatever the reasons for not implementing these measures, the net effect is likely to be reduced agricultural yields and reduced water use efficiencies. In addition, an opportunity has been lost to demonstrate sustainable land management techniques that may have led to increased agricultural productivity and income. Future projects should consider providing separate contracts for land improvement measures.    Cost recovery details should be better understood by beneficiaries at the time alternative design are being discussed. Projects should consider the level of cost recovery in terms of affordability, and take into account the cost of sustainable infrastructure O&amp;M. Procedures should be adopted to ensure that beneficiaries are fully aware of repayment details before agreeing to preferred rehabilitation measures.    Project support for Rural Consumer Cooperatives (RCCs) was largely restricted to I&amp;D matters, and covered more general agricultural advice only to a limited extent. With cotton so predominant in the area, agricultural extension advice is urgently needed on crop rotation, diversification, crop husbandry, and use of agrochemicals. There is also a need for modernization to improve water use efficiencies through such practices as optimal field sizes, deep ripping, land leveling, and more water efficient irrigation practices. Any future project should include agricultural advisory support to maximize potential benefits from project investments in I&amp;D improvements. This support should be institutionalized, possibly within government, to ensure long-term continuity.    The procurement of civil works contractors took about 30 months due to protracted international competitive bidding (ICB) procurement, for which only four months was envisaged at appraisal. Slow procurement, compounded by delays in contract implementation, resulted in an overrun of 3.3 years on the intended five-year project length. This procurement process should have been shortened by at least 12 months.    When contractors mobilized and began construction, farmers asked for extra works, especially additional off-take structures nearer their fields. Such predictable requests should have been discouraged, to prevent undue extra works in response to farmers' demands. Construction supervision was considered inadequate, with insufficient oversight by the main contractor. Poorly executed works were ultimately rectified, some during the 12-month defects liability period. Project engineers should have taken a more proactive stance in contract management, rejecting payment for substandard work from the outset. Quality construction to design specifications cannot be compromised to accommodate disbursement. Stringent arrangements for project engineering oversight should be integral to any future I&amp;D project.    Rehabilitation work was undertaken through two large civil works contracts, each procured from six prequalified international contractors. While this provided the advantage of securing qualified contractors with resources to mobilize modern equipment, most works were implemented through smaller local subcontractors. This approach is acceptable, provided the opportunity to deploy modern equipment and transfer skills is actually realized. Procurement should incorporate safeguards to enhance adherence to aspects that improve construction quality and efficiency. |
| The improvement of lower secondary education quality involves several factors. Teachers require time and support to change teaching methods. The textbook replacement training has caused some teachers (especially those in the remote and ethnic minority areas) to improve their knowledge and skills in teaching aids and equipment. Modern teaching methods require greater access to learning resources than traditional methods. The methods of student assessment need to be adapted to the new curriculum and teaching methods. The quality improvement process therefore requires efforts from both students and teachers and it takes longer - beyond the project period. In order to deliver the outputs and attain the outcomes, together with improved school facilities, it is important to increase the number of teachers from ethnic minority background and improve the quality of teachers through annual in-service training or refresher courses.    The Project created a student-friendly learning environment and it encouraged the participation of the community in building more classrooms and school facilities. It became an example of socialization of education. ADB support plays a catalyst role in mobilizing funds from the community for the education of their children. |
| A more realistic assessment of constraints could have tempered the stipulations relating to the frequency of meetings of high-level committees with a wide spectrum of participants.  project cycle stage:   Lesson Topics:    Covenants with political and/or budgetary implications are not likely to be complied with.  project cycle stage:   Lesson Topics:    Discrepancies between appraisal and Planning Commission Proforma I (PC-I) targets affected the scale of project achievements. Implementation tended to follow PC-I targets, revisions to which entail a lengthy process that is best preempted.  project cycle stage:   Lesson Topics:    Greater attention needs to be paid during implementation to establishing effective BME systems capable of readily providing information on project outcomes and achievements.  project cycle stage:   Lesson Topics:    More attention to the implementation of training activities could have led to more effective training, with courses being of sufficient duration to maximize their potential benefits.  project cycle stage:   Lesson Topics: |
| The undertaking of a memorandum of agreement with the provision of integrating coastal resource management plans in barangay and municipal development plans, with budgetary allotments, is a constructive way of engaging local governments to maintain coastal resource management sustainability.  Involving and strengthening as many stakeholders as possible in coastal resource management through the formation of people's organizations, community-based law enforcement teams and multi-stakeholder local management councils, coupled with intensive information education campaigns (IEC), are effective strategies for implementing resource management projects with a poverty reduction objective.  Resource and social assessments and socioeconomic assessment activities can have an impact on project planning and evaluation if they are not implemented sufficiently early in the project implementation phase. Hence, effective measures should be undertaken to plan and carry out these activities early during project implementation (for example, by simplifying contracting procedures for nongovernment organizations or NGOs). |
| Commitment, dedication, and right attitude among the implementing staff played a key role in involving the local poor in development activities related to plantation with enormous long-term potential for boosting their income. Changes in attitude usually take a long time. It is therefore advisable to allow enough time for desirable changes to occur.  The hiring of nongovernment organizations (NGOs) should have been more transparent and combined with strict monitoring and supervision by the employer. In the future, the charges for NGO services must be realistic and payment has to be linked with the delivery of agreed services.  Accountability mechanisms combined with incentive and penalty systems, if well enforced, will contribute significantly to the prompt delivery of outputs. An efficient executing agency (EA) and a good management team with committed and qualified staff members led by an experienced and efficient project director is the key to the successful implementation of a project. As regards training, success has to be judged not by its quantity but by its quality and effectiveness. The Project increased awareness among government and other stakeholders of the advantages of continuing participatory social forestry and other forestry development programs for the benefit of the sector as well as the rural people. |
| Smooth implementation of a flood management project using the sectoral approach requires close coordination among the executing agencies (EAs), a clear organizational environment that unequivocally defines the roles and responsibilities of all parties involved, and an effective flow of information from and to all concerned parties. This lesson should be retained by the new multitranche financing facility approach proposed for the next flood management project in Indonesia, scheduled to start in 2008.    An integrated development project with multiple technical agencies needs a full- time project management unit (PMU) chairman to efficiently and effectively address implementation problems, communicate, and facilitate decision-making across components and with consultants, provinces, and districts.    Carefully planned logistics and personnel arrangements for the PMU as well as an adequate number of PMU personnel are necessary to ease and rationalize project supervision and coordination tasks.    Using the participatory approach, it is important that the process of community consultation be initiated before undertaking the actual design of flood control infrastructure to avoid endless design revisions resulting from inevitable beneficiaries' objections, which are mainly related to land acquisition. This would also allow evaluating from the beginning beneficiaries' perceptions of the Project as a whole as well as their preparedness in principle to give up part of their land in return for the expected benefits.    Community participation in operation and maintenance (O&amp;M) activities is a cost-effective strategy in view of the limited budget of the central Government and local government units.    The use of obsolete and inaccurate spatial data and land use maps hampers the identification of potentially affected people in resettlement planning and causes mistakes in flood control design. |
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| Before a similarly complex and large-scale project is prepared, particularly in a country with difficult socioeconomic conditions, a detailed analysis of the potential risks of implementing such a project should be carried out.  A well-thought-out conceptual design is a key to the success of any project. In this case, the project design seems to have overestimated the capacity of the executing agencies (EAs), and relied too heavily on nongovernment organizations (NGOs) to carry out the social mobilization and health education components, without gauging their capability and integrity.  The Project had too many subcomponents for each component, many of which took the guise of activities within the subcomponents. As a result, the resources were too thinly spread to cover everything, thus diluting the impact of the Project in the target communities. A narrower project scope with clearly focused interventions could have brought about better results and helped achieve the goal of the Project.  A system of accountability must be clearly defined for all parties involved and effective mechanisms for controlling leakages should be put in place to offset private interests.  A project coordination unit (PCU) that is well integrated with an appropriate organic unit of the EA will be more effective than a stand-alone structure with a short life.  The loan should not be made effective unless full-fledged PCUs, each staffed by a competent and experienced project team, have already been established. Start-up delays can thus be minimized.  Effective monitoring and evaluation tools are essential for an assessment of the progress and impact of project implementation. In the Project, too many indicators were selected for benefit monitoring and evaluation (BME), assumed data sources were inappropriate, and major surveys were unrealistically left to government financing.  To ensure the recruitment of the most suitable experts, detailed terms of reference, relevant qualifications, the level of technical competence, and previous work experience in similar geographical situations and social structures should be specified for potential consultants. |
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| Project Selection and Detailed Design Issues (Civil Works). Land acquisition and resettlement (LAR) implementation was one of the major problems encountered during project implementation, and it caused long delay. The inclusion of ADB policies in the loan agreement must be ensured. For the sake of more efficient implementation, it is advisable to concentrate on a specific geographical area rather than to pursue a scattered, large project.. Moreover, two major problems of detailed design surfaced during implementation: (i) change of geotechnical and pavement conditions due to the long delay between detailed design and actual construction; and (ii) absence of geometric designs in the structural overlay component. These contributed to further implementation delay as well as greater costs due to additional approval processes for supplemental works.  Procurement, Supplemental Agreements, and Contract Variations. These issues may be efficiently remedied if the project management office could be given the appropriate level of authority to approve such contracts and their variations.  Equipment. Regarding the issue of 170 vehicles procured for civil works, only rental or lease arrangements should be used for field vehicles in the future to minimize such complexities.  Field Visits. The Project's implementation greatly benefited from the field visits that ADB conducted in almost every review mission. These helped identify at an early stage and resolve a variety of issues that could have potentially delayed implementation. Also, these helped avoid potential reputational risks to ADB. |
| Implementation schedules must be realistic and recognize the capacity of local agency staff. Where a new approach is proposed, institutional rigidity (the ability to adopt change), which is common with top-down management systems, means considerably more time is needed to effect change.  Project designs should be flexible to allow changes as more appropriate methods for undertaking the same project interventions are recognized, e.g., the approach used to establish irrigation and water supply systems was changed from the original design to adopt approaches used by the United Nations Office of Drugs and Crime (UNODC) where labor is viewed as a beneficiary contribution rather than being paid for by loan funds.  Project start-up workshops are needed to improve the efficiency of project implementation office (PIO) staff in areas of financial and progress reporting, procurement, reimbursement of imprest accounts, and other implementation management matters.  The timely recruitment of consultants to support implementation can improve overall efficiency. Where two financiers are involved, recruitment for the two packages should be closely coordinated. Considerable effort can be saved by harmonizing reporting requirements to donors/financiers.  The appointment of counterpart staff to assist with project implementation should be made immediately upon loan effectiveness and their responsibilities under the project clarified to ensure their full commitment to project activities.  Regular reviews should be undertaken in a timely manner so that remedial action can be taken should the need arise.  Project designs in the Lao PDR should seek early commitment for essential project activities, such as the participation of counterparts during implementation. Provincial budgetary resources are still dependent upon national government allocations and are both scarce and in great demand by line agencies. Counterpart allocations are more readily made where local administrations appreciate the requirement for counterpart funds in advance.  To gain better access to the technical support services of national institutions, closer links need to be incorporated into the project management structure.  Access is a necessary prerequisite to other livelihood initiatives.  Where English language skills are limited among PIO and executing agency staff, administering a project from the country resident mission as early as possible after inception can provide efficiencies. |
| The provision of free house wiring kits under the Project to some customers and not others has been unsuccessful for two reasons: because (i) the limited design capacity of these kits is seen as a barrier to possible future increases in a household's electricity consumption, and (ii) many beneficiaries do not like to be identified as poor and in need of charity. It is necessary to examine more socially acceptable mechanisms for helping poor households install internal house wiring before electricity can be supplied. One approach being studied under an advisory technical assistance (ADTA) project is the provision of low-interest loans, which would be repaid in installments as part of a consumer's electricity account following energization.  A grid connection is now available, and some of the solar systems installed under the Project have consequently been relocated, but their present location is not known. Any projects that include the provision of photovoltaic lighting systems should be designed so that (i) appropriate beneficiaries are targeted, (ii) installation activities are recorded and monitored to ensure that the systems are correctly installed and operational at the end of the project, and (iii) processes are designed and implemented to ensure that the project is sustainable and that systems are properly maintained over time. The ongoing ADTA is also developing a process for ensuring sustainable photovoltaic installations. The Department of Energy (DOE) is proposing, during the 10th Five-Year Plan, to revisit 4,000 photovoltaic systems installed under previous aid programs. If this proposal is accepted, the revisited systems, which could include those installed under the Project, will be refurbished and returned to full working order. |
| The prequalification of firms that did not have the capacity to undertake civil works in a timely manner resulted not only in delays but also necessitated the extension of the input of the construction supervision consultants. The prequalification process needs to be more rigorous to avoid delays in implementation of civil works contracts resulting from the incorrect choice of contractors. Any form of qualification process is bound to falter if the lowest price bid is unconditionally given preeminence over all others. At worst, the application of International Federation of Consulting Engineers conditions of contract for international construction can become impossible when practiced with insufficiently experienced contractor management and labor. The Project was close to the limit and its professional engineering supervisory capacity was inevitably, and understandably, severely challenged in completing the national highway component (NHC) satisfactorily. Flexibility in technical supervision as a pragmatic response is essential when dealing with inexperience. The supervising consultant commendably responded by using the right approach with the small provincial roads component (PRC) contractors by, for example, basing their payment on estimation rather than on the more involved criterion of measurement.  At project appraisal it was foreseen that the roads selected under the PRC would be lightly trafficked and could be adequately improved with low-cost spot improvement. Although the majority of provincial roads are in fact constructed for light traffic, they have significant traffic loads, including heavy vehicles. With the PRC expenditure target of $20,000 per km for improvement, an important portion of the PRC roads remained under-designed after completion. The selection procedure should either have ensured selection of roads with low traffic volumes, or abandoned the expenditure limit and treated fewer roads to a higher standard. There should have been as much interaction between ADB and the Government to respond to an obvious mismatch between intent and requirement on the PRC as there was in formulating and implementing the large-scale physical modifications to the NHC. The concept and design of the PRC was essentially a repeat of the rural road component of Road Improvement Project (1996) and bore the same weaknesses. The lessons of Road Improvement Project (1996) were too late to influence the Third Road Improvement Project (1998). However, ADB's ongoing Road Improvement Project (2001) and Central Region Transport Network Project (2005) are benefiting.  Savings were realized during the course of the NHC implementation because local contractors primarily carried out construction rather than international regional contractors as was envisaged at appraisal. The savings enabled realization of additional NHC components which have significantly improved the project and contributed to its long-term sustainability. Flexibility during project implementation is important to ensure that opportunities for further improvement can be taken. However, some restraint should be exercised regarding any expansion of physical works on the scale eventually accomplished during implementation of the NHC. The end result was far removed from that which had been evaluated at appraisal. Justification for the modification and expansion of the NHC was not as fully developed as would have been the case if these were included at appraisal. The economic feasibility of the major changes, such as the additional bypasses and extra widening in urban areas, could have been more fully investigated in terms of costs and benefits. A phasing of these additions would then have been assessed and some elements might have been shown to benefit from a degree of postponement.  The situation also placed heavy demands on project management, which lacked the capacity to rapidly process major variation orders to contracts so that the contractors could get promptly paid for work completed on the additions. This was particularly important given that the financial resources of the contracting firms were extremely limited. Confusion and consternation among all involved parties would have been avoided by explicitly maintaining the delineation between work that had been approved by ADB and work that had not. In the PRC there was a parallel, but more minor, situation. Work under the 1999 flood rehabilitation works (FRW) expanded beyond road restoration to rehabilitation and improvement of roadway well outside the vulnerable stretches. This was not recognized as a variation, nor was it formally justified to the extent that it should have been.  The implementation of sector development policy (ISDP) successfully served the Viet Nam Road Administration (VRA) well by putting in place a system of procedures and management for national network management. However, the ISDP suffered significantly from being driven by technology. Development of the road information management system (RIMS) and supporting organizational structures for its implementation were made the core issues, but these systems could not be made operational due to the lack of suitable input data. This could have been readily recognized during the ISDP formulation stage. The target should have been as much one of data acquisition as of data processing and reporting. Future similar projects should be designed around a more practical and knowledgeable appraisal of inputs available and outputs achievable and less focused on the technology to be placed between the two. Also, the formulation of ISDP-type components of road development projects should be carried out much closer to the start of implementation of the main components than was the case in this Project. Finally, the formulation should have had a significant staff training budget. There were no training resources assigned; training costs had to be sourced from the component covering ISDP data collection. This is not good practice, particularly where the implementation of new technology is involved. |
| 1. The program could have included a mechanism of formal review after about 18 months to consider revising the content and timing of loan covenants. The objective would be to make the covenants more relevant to prevailing conditions, strengthen or bring forward some conditions, and waive or defer others.  project cycle stage: Implementation  Lesson Topics:  Loan Agreement: Covenants Monitoring & Evaluation: Monitoring and evaluation  2. The program derived its strengths from the following: (i) the Ministry of Finance was well placed to see the link between Pakistan's macroeconomic crisis and the need for reforms in the energy sector; (ii) a well-thought out structure for monitoring and implementing the program was established; (iii) close coordination of the ADB loans with those of the International Monetary Fund and the World Bank.   project cycle stage: Implementation  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Management: Project management  3. Where possible, ADB should link its loan conditions to program aspects where it has strongly positioned itself in the policy dialogue and relationship leadership.  project cycle stage: Design  Lesson Topics:  Project Design: Project design Methodologies/Approaches: Policy dialogue  4. Difficult lending conditions like the requirement to privatize the Karachi Electric Supply Corporation are achievable, but both ADB and the executing agency must persevere over a long period, extensive support must be provided through technical assistance and policy dialogue, and a long-term perspective must be taken.  project cycle stage: Design, Implementation  Lesson Topics:  Project Design: Project design Policy & Reform: Privatization Methodologies/Approaches: Policy dialogue |
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| Factors - such as the pace at which nongovernment organizations (NGOs) would become licensed, existing funding cost, liquidity position of the eligible borrowers, prudential regulations the Rural Development Bank (RDB) would have to observe, and RDB's limited capacity in credit expertise and risk management - affected the demand for the credit line.  Many reforms required for a project of this scope are of an institutional nature, therefore the time, resources, and conditions needed for the huge task of reforming both RDB and target NGOs were easily underestimated. The timeliness of consensus building, leadership development, and development of the technical skills needed to engineer and manage the changes that were expected to occur as a result of this Project did not coincide with the fast disbursing tranche design of the loan.  There was a perceived weakness, on the ADB side, in the technical monitoring and supervision of the Project since project management responsibilities changed hands six times over the life of the Project. Given that relationships with the implementing agencies cannot be built overnight, it can only be expected that each time a new project officer was brought on board at a different stage of the project cycle, the focus was on routine administrative monitoring for contract compliance rather than proactive troubleshooting and assistance in shaping and providing timely remedial action.  There are dangers that inappropriate credit may make some subborrowers poorer. This is because, if the subborrowers cannot repay the loan through no fault of their own, they will have a debt that they did not have before the licensed financial institution (LFI) tried to help them. |
| The number of participating and implementing provinces, agencies and organizations with different conditions and political economies complicated implementation and made it difficult and time-consuming to reach agreements on key issues. The institutions that ultimately own the infrastructure and are responsible for its operation and maintenance must be the ones that manage the planning, design and implementation.  The authority for the approval process of the subprojects should remain with the institution owning the infrastructure. A centralized approval process was one of the main reasons for delays. Preparation and approval of Planning Commission Proforma I (PC-I) of each and every subproject takes considerable time. The cost of civil works in Sindh, Balochistan and North-West Frontier Province (NWFP) is estimated on the basis of a composite schedule of rates that does not match market prices and results in delays in awarding contracts.  Implementation of such complex project, which involves a large number of federal and provincial agencies, requires extra effort in coordination and follow-up of activities from the borrower, executing agencies (EAs), implemeneting agencies (IAs) and ADB. |
| 1. Estimates of labor supply and demand should be treated as indicators of trends rather than as concrete targets. The Report and Recommendation of the President (RRP) made some detailed assumptions about the number of professionals, assistant engineers and technicians that would be required by the end of the project. Given the potential volatility of labor markets - as seen in the late 1990s that had a major influence on project implementation - it would have been better if the project had used available labor market data to produce indicators and from that propose trends, rather than making detailed predictions that were no longer valid by project's end.  project cycle stage: Design  Lesson Topics:  Monitoring & Evaluation: Indicators Methodologies/Approaches: Targeting  2. Original estimates for project enrollments should be reviewed and adjusted at the time of the midterm review, so as to reflect actual rather than forecasted socioeconomic conditions. At the time of the project's midterm review, when the full effects of the delays in construction and implementation became clear, enrollment predictions should have been adjusted to reflect the existing situation.  project cycle stage: Design  Lesson Topics:  Project Design: Appraisal Project Design: Project design  3. Risks and assumptions with regards to project implementation should be clearly outlined. Although the need for institutionalizing a benefit monitoring and evaluation (BME) system, tracer studies and analysis of efficiencies has been raised continuously by ADB since the 1980s, Technical Education Project's design did not raise the successful implementation of BME as a major assumption, given previous experience.  project cycle stage: Design, Implementation  Lesson Topics:  Monitoring & Evaluation: Benefit monitoring and evaluation Project Design: Project design Project Management: Management information system |
| First, while certain child survival and development issues can be addressed within a relatively short timeframe through targeted assistance, others will require much more long-term assistance because they are so inextricably linked with the larger challenge of poverty. Children from poor families are three times more likely to die before age 5 than children from well-off families. Chronic malnutrition is largely the result of mothers' poor nutrition. Low Grade 1 completion rates are also a function of poverty: students tend to drop out because their families are unable to pay for daily transport, food, uniforms, or supplies. The Project expanded the early childhood development (ECD) service delivery points and made an effort to bring services closer to the clients, but many potential clients lacked the money to take full advantage of those services.  Second, integrated ECD services take time to become truly operational. By the Project's end, some of the mechanisms intended to facilitate integration (e.g., the early childhood care and development/ECCD Checklist, Mother and Child Book) had not been fully maximized. The interface of the various actors expected to provide services to children prior to birth, postpartum, and throughout their development up to Grade 1 has not yet been fully integrated at the community level. ECD service delivery requires a conscious effort to harmonize policies, interventions, and systems in support of ECD at all levels. Such efforts are ongoing.  Third, child development, protection, and survival require the commitment and participation of many stakeholders at various levels of operations. The Project demonstrated that partnership between the national and/or regional agencies and local governments in addressing child-related issues and concerns is feasible under a devolved system. Strong national government support coupled with local officials' political will contributed in large part to the Project's successes. The Project underscored the critical role of the regional offices and the provincial government in continuously providing technical assistance and guidance to the LGUs even after the Project ended.  Fourth, management of large externally funded projects necessitates overall direction and regular guidance from senior management, and it requires ownership of the project goals and strategies by the offices and staff mandated to run the programs and activities. The assignment of a committed Department of Social Welfare and Development (DSWD) undersecretary as project director significantly sped up project implementation after the midterm review. Mainstreaming national project management office (NPMO) staff into the structure of the executing agency (EA) and implementing agencies is a good way to ensure sustainability. |
| Success of the Environment and Social Program (ESP) is due in part to strong ownership of the reform program by the Government, particularly by the Science, Technology and Environment Agency (STEA). Despite delays in meeting some agreed-upon conditions, the loan contributed to pushing forward key policy and institutional reforms in the environment and social sectors, support for the reform program from major funding agencies, and implementation of practical and achievable reforms.  ADB and its development partners must consistently reinforce the message and requirements for social and environmental safeguards. They are already demonstrating strong, long-term commitment to assist the Government in strengthening its understanding of, and capacity for, social and environmental assessment, mitigation, protection and conservation, and monitoring and evaluation.  A sustainable means of financing is needed. When safeguards become a question of prioritizing the use of scarce funds, safeguards often suffer. The environmental protection fund (EPF) and its specialized windows should facilitate the Government's prioritization of environmental and social safeguards.  Much more effort is needed for dissemination and capacity building. The technical assistance (TA) could have included funds for disseminating information about the decrees and other documentation issued under the ESP. TA should also have been provided to develop social impact assessment capacity within STEA to take on the regulatory mandate of addressing resettlement and other social impacts. Fortunately such needs are being addressed to some extent through the EPF and its specialized windows and with the assistance of other development partners.  Policy reforms alone are not sufficient to change attitudes, understanding, and government will and commitment. Such reforms must be supported by (a) frequent dissemination of information about the reforms to all levels of Government and the population, (b) increased number of qualified staff in relevant departments at all levels, (c) long-term capacity building, and (d) continued policy dialogue with Government about consistent application of the reforms and monitoring and enforcement of their application. If the messages are not reinforced frequently, they are forgotten. Furthermore, if only STEA takes them seriously and not the line agencies, then while this is an important first step, it is not sufficient basis for improvement. Fortunately, STEA is now getting full support from the Government and line ministries. |
| The Project has demonstrated that a contractor's ability to physically commit resources to a contract is crucial to performance. The prequalification documents require that the bidders prove their technical and financial capacities. However, there is no effective measure to ensure that bidders who passed the prequalification and won the contract indeed provided the required equipment, working capital, and management staff in the project sites as stipulated in the documents. In some contracts, managerial and planning capacity was inadequate, available equipment was old, and spare parts were unavailable. The extension of construction time also necessitated the extension of the services of the construction supervision consultants. The prequalification process needs to be more rigorous to avoid future delays in the implementation of civil works contracts. Also, for work under cofinancing arrangements the procurement procedures need to be fully discussed and agreed upon during project design to avoid unexpected delays during project implementation as was seen in respect of the Nordic Development Fund (NDF) funding for the road safety component.  Although at the beginning of the Project the resettlement process progressed well, it slowed down after 2 years, mainly due to (i) slow progress of payments by the District Commissioners (DCs) due to disputes over ownership rights and lack of adequate staffing at the DCs, (ii) lack of funds and slow release of funds from the Roads and Highways Department (RHD) to pay the affected persons (APs), (iii) long delays in extending the nongovernment organizations' (NGO) contract, and (iv) piecemeal land acquisition at different stages of implementation. To ensure that resettlement activities during project implementation run smoothly, they need to be monitored more thoroughly. ADB can assist in future projects by ensuring that the staff of agencies involved have sufficient capability, and insist that additional staff if required be recruited through the use of loan funds, to ensure that delays do not occur.  The absence of detailed field investigations during the design stage caused delays and necessary changes to the original design. To avoid delays in the future, the quality of design can be improved by ensuring that a detailed review of the design is undertaken and that thorough field investigations have been undertaken. The consultants undertaking construction supervision also undertook the detailed design. More thorough field investigations need to be ensured by incorporating that requirement into the terms of reference of the consultants. |
| Projects to be implemented by local governments should be accompanied by capacity building to ensure their sustainability.  The delays in issuing Government Regulation No. 20/2006, which was to clarify the responsibilities on irrigation operation and maintenance (O&M) across national, provincial, and district governments and water users associations (WUAs), resulted in uncertainty and incompleteness in the implementation of scheme O&M.  The significant delay in the start of project implementation caused many project activities to be implemented in a shorter time frame than originally envisaged, resulting in lower quality of agricultural support, WUA empowerment, and planning and design. Activities to support integrated river basin planning into irrigation design and management were also inadequate. A catch-up plan should have considered the potential negative effects on project outcome caused by limited time of implementation.  Project implementation suffered from persistent delays in provision of counterpart funds. Proper planning could have minimized effects of the budget issue.  The financial ceiling on the rehabilitation and upgrading (R&U) of schemes was set too low for adequate rehabilitation of many facilities. Thus, while the coverage of the Project was extensive, some of the works were only minor and did not meet the needs for full rehabilitation.  Civil works done by WUAs were implemented effectively, were of high quality, and increased ownership by the beneficiaries. Implementation of simple R&U contracts should have been given to WUAs in all project provinces.  The demonstration plots under the agricultural support component were generally successful. However, the dissemination of new agricultural technologies and practices had been very limited. Since the potential economic benefits of adoption of new agricultural practices are great, more emphasis should have been paid to these activities during project implementation. Agricultural support activities should have started even before the completion of R&U activities. |
| 1. Designing and implementing projects in sectors that are undergoing major restructuring involves several uncertainties. These include policy and institutional uncertainties that cannot be fully foreseen at appraisal. To cope with these, close coordination between ADB, the Government, and the EA during project implementation are needed at the sector level, as opposed to the project level.   project cycle stage: Design, Implementation  Lesson Topics:  Project Design: Project design Project Management: Project management Policy & Reform: Policy reforms/framework  2. A well-designed project, an experienced EA with a strong sense of project ownership, and a committed project implementation office staff is a formula for success.  project cycle stage: Design, Implementation  Lesson Topics:  Project Design: Project design Project Management: Project management Capacity Development: Ownership  3. Projects in a sector that is undergoing structural reforms require some flexibility in loan covenants to ensure that they remain practical and relevant. In the project, the EA saw its asset base and business scope reduced significantly, yet the original financial covenants remained in place. This led to an unrealistic assessment of compliance with the loan covenants.  project cycle stage: Implementation  Lesson Topics:  Loan Agreement: Covenants Monitoring & Evaluation: Monitoring and evaluation Project Management: Project management  4. A practical approach should be adopted when formulating covenants. Some difficulties were noticed in two covenants in the project. First, the time-bound tariff action plan is a sector, rather than a project, issue. Second, the required household level of efficiency improvement was beyond the mandate of a grid company, given ongoing structural reforms.  project cycle stage: Design  Lesson Topics:  Loan Agreement: Covenants Project Design: Project design  5. The project provides a good example of land acquisition and resettlement plan (LARP) implementation at geographically dispersed project sites. However, the amount of permanent land acquisition more than doubled from the appraisal estimate., with a proportionate increase in the cost. This suggests, that, because of the preliminary nature of the project design that was available at appraisal, there should have been a larger contingency built into the LARP budget.  project cycle stage: Design  Lesson Topics:  Crosscutting Issues/Themes: Resettlement Project Design: Project design |
| Public-private partnerships for primary health care service delivery among the urban poor, and particularly women and children, proved to be a replicable, effective, and innovative approach.  Pro-poor targeting is difficult without necessary and adequate provisions and safeguards in the bidding process for selection of partner agencies.  Site selection is often constrained when striking a balance between the availability of land and the suitability of the site, in terms the ease of access by poor women and children, which varies with proximity to slums and squatter settlements and other health service facilities. The design of existing urban primary health care centers, particularly the comprehensive reproductive health care centers (CRHCCs), should be improved with respect to layout and internal arrangements, so as to make them more patient friendly.  There is a need for increased awareness among catchment area residents regarding the availability of primary health care facilities and services, so as to maximize utilization of infrastructure.  Efficient cash and fund flows are essential for smooth operation of the partner agencies.   Depreciation of local currency can generate huge funding surpluses.  Coordination among local government agencies, the Ministry of Health and Family Welfare, and other concerned stakeholders needs to be further improved. |
| Seamless Development of Upstream and Downstream Activities. the Phu My 3 Power Project (PM3) is considered the first integrated gas for power project as it serves to ensure sufficient use of gas after the development of Nam Con Son basin. The Government plans to develop other large-scale gas for power complexes, namely O Mon and Nhon Trach. Experiences indicate that the development of each complex requires seamless and integrated development of upstream and downstream components from gas-field development and pipeline transmission, to power generation facility to ensure satisfactory contractual arrangements and consistent completion time. Having the same sponsor as the developer of both a gas field and a power plant could facilitate integrated development, but implies that a project would be subject to direct negotiation, not competitive bidding. There could be trade-offs between integrated development and timely implementation of the whole production chain of gas for power on one hand, and competitive bidding and the assurance of competitive tariffs on the other hand. In the case of PM3, the Phu My 2.2. Power Project (PM2.2) tariff, which was subject to competitive bidding, was considered a benchmark to ensure a competitive tariff.  Synchronization of Project Documents and Negotiations. Key project documents are recommended to be finalized at the same time to ensure consistency in terms and principles. |
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| Although sector institutions have adequate capacity (or can outsource) for project development, there is a general lack of capacity for planning and implementing O&M, consulting with beneficiaries, conducting environmental management and monitoring plans, preparing resettlement plans, and managing spatial planning.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Environmental management Crosscutting Issues/Themes: Resettlement Monitoring & Evaluation: Monitoring and evaluation Project Management: Operation and maintenance Capacity Development: Capacity assessment Sector Related Issues: Urban sector/development Methodologies/Approaches: Consultation/Participation  Communities and developers are not adequately aware of flood risks and how to take precautions to limit flood damage. Flood warning systems may not reach flood-affected communities effectively.  project cycle stage: Feasibility  Lesson Topics:  Project Management: Risks/Risk management Country Context: Emergency Sector Related Issues: Water resource management  Engaging NGOs in facilitating beneficiary consultation and stakeholder capacity building proved successful. NGOs support should be provided throughout the project cycle.  project cycle stage: Concept Design, Feasibility, Implementation, Completion Operation  Lesson Topics:  Capacity Development: Capacity building Methodologies/Approaches: Civil Society Participation Methodologies/Approaches: Consultation/Participation  Internal land drainage and adequate river flooding must be carefully studied and incorporated into flood prevention planning at a micro level before detailed flood works are designed.  project cycle stage: Feasibility  Lesson Topics:  Project Design: Project design Sector Related Issues: Water resource management  It takes time to design and construct a system that is physically appropriate, socially acceptable, and cost-effective. Flood projects need long implementation periods to ensure that holistic integrated solutions will be implemented.  project cycle stage: Design, Feasibility  Lesson Topics:  Project Design: Project design Sector Related Issues: Water resource management Methodologies/Approaches: Holistic approach  The sectoral approach is an appropriate implementation modality for flood management. It is recommended, however, that the approach be adjusted to allow for sequential preparation and implementation of subprojects in tranches.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Finance & Financial Aspects: Disbursement Project Design: Project design Project Design: Subprojects Sector Related Issues: Water resource management Methodologies/Approaches: Sectoral approach  The use of flood protection funds to safeguard such existing infrastructure as bridges, roads, and weirs appears to be a cost-effective option.  project cycle stage: Feasibility  Lesson Topics:  Project Design: Project design Sector Related Issues: Water resource management  There is a need to develop (a) river asset management systems, (b) needs-based O&M budgeting, and (c) flood damage mapping and damage assessment reporting systems that quantify direct and indirect flood and drainage damages.  project cycle stage: Feasibility  Lesson Topics:  Monitoring & Evaluation: Reporting Project Management: Operation and maintenance Sector Related Issues: Water resource management |
| 1. Project experience underscores the importance of speed of response in a crisis. Project design that is expansive in scope and speedy in formulation was highly appreciated by the government, and contributed to the sense that concrete assistance is being provided to address key factors undermining economic stability. [Main text, para. 54, 69]  project cycle stage: Feasibility  Lesson Topics:  Project Design: Project design Country Context: Crisis/Post-crisis  2. While the purpose of a technical assistance loan is to encourage greater client ownership, a number of the activities were funding agency driven with very little ownership by the counterpart. Weak ownership is reflected in the uneven progress in project implementation. For example, Capacity Building for Financial Governance (CBFG) support for Bank Indonesia is assessed very positively because the activity was highly relevant and Bank Indonesia had a clear stake in CBFG success. In contrast, activity on secured transactions was dropped due to the lack of government buy-in. [Main text, paras. 23, 55, 72]  project cycle stage: Design  Lesson Topics:  Modality: Technical Assistance Capacity Development: Ownership  3. If a project includes training, then a comprehensive training needs assessment should be carried out prior to committing funding for training programs or scholarships. This would ensure training programs and scholarships are tailored for the skill needs of the agency. In some circumstances the training needs should complement organizational restructuring. In Indonesia, the economic crisis exposed weaknesses in institutions that needed to be modernized through organizational reforms. Programs to improve human resources in these agencies would be more sustainable if carried out in parallel to civil service reforms.  project cycle stage: Design, Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Public governance Crosscutting Issues/Themes: Sustainability Finance & Financial Aspects: Financing Capacity Development: Capacity building Capacity Development: Capacity development Capacity Development: Human resources management Country Context: Crisis/Post-crisis Policy & Reform: Reform  4. A technical assistance (TA) needs to be placed in the appropriate agency where a potential champion can push for the reform agenda. Some components under the Capacity Building for Financial Governance (CBFG) were mismatched with identified implementing agencies. The secured transaction component, for example, was placed with the State Secretariat and then with the Ministry of Law and Human Rights, neither of which possessed appropriate technical understanding or strong interest in the activity. The Government recently drafted and submitted to Parliament a similar law but this was done under the Ministry of Trade as that agency appreciates the importance of a warehouse receipts law for improving access to credit for distributors and farmers. [Main text, para. 23, 74]  project cycle stage: Design  Lesson Topics:  Modality: Technical Assistance Project Management: Executing/Implementing agencies Policy & Reform: Reform  An unwieldy project design - involving multiple implementing agencies across a wide range of areas - including banking, public sector financial management, capital market development, bankruptcy and secured transactions, audits of SOEs, deposit insurance, and nonbank financial institution supervision significantly complicating oversight and management for the executing agency as well as monitoring by ADB - results to delays in implementation, and some activities can be dropped and or eventually implemented by other development partners.   project cycle stage: Design  Lesson Topics:  Crosscutting Issues/Themes: Public governance Finance & Financial Aspects: Financial management Finance & Financial Aspects: Financing Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Project management  Flexibility in a TA project is necessary during a crisis period where anticipating all relevant assistance needs upfront is difficult, especially in a very fluid political environment. An outline design which allows for this (several significantchanges with regard to project components and implementation arrangements being made during implementation) may experience delays in implementation and completion of the project but the original time frame can perhaps be overly optimistic where substantial institutional capacity building requires a much longer time frame.   project cycle stage: Design  Lesson Topics:  Modality: Technical Assistance Capacity Development: Capacity building Country Context: Crisis/Post-crisis |
| Customs reforms deal with a variety of issues pertaining to a country's policies, laws, and institutions, particularly in transition economies. Considering the two countries' stage of development as well as the availability of resources, it was acknowledged during program implementation that all concerns cannot be suitably addressed by a single round of reforms. The process takes time and requires a long-term view. Every new set of measures should build on past reforms. Results of the program made it clear that approval of the Regional Customs Modernization and Infrastructure Development Project (RCMIDP) was essential to advance the reform process.  project cycle stage: Feasibility, Country Partnership Strategy  Lesson Topics:  Crosscutting Issues/Themes: Legal system Modality: Program Project Design: Project design Sector Related Issues: Industry and Trade Policy & Reform: Policy reforms/framework Policy & Reform: Reform Policy & Reform: Transition economies  Packaging the program loan with TA grants represented a holistic approach and regional perspective to customs reform and it also provided a built-in assistance program to facilitate government officials' efforts to implement required policy changes. Related PPTA, in particular, offered technical support in preparing various investment plans for future financing of customs infrastructure. With this technical support, together with TA 6058-REG, customs authorities recognized the benefits of customs modernization across and outside of CAREC member countries. This not only convinced customs authorities of the benefits of reforms but also made it possible for them to undertake the necessary reforms.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Regional cooperation Finance & Financial Aspects: Financing Modality: Program Modality: Technical Assistance Project Design: Project design Sector Related Issues: Industry and Trade Policy & Reform: Policy reforms/framework Methodologies/Approaches: Holistic approach  The fulfillment of a key policy condition in the Kyrgyz Republic was slightly delayed due to the need to first amend a pertinent law. To facilitate compliance with program conditions requiring passage of laws, it is important to undertake upfront and sustained policy dialogue with policymakers, members of Parliament and other stakeholders, including to disseminate the benefits of reform through seminars and workshops.  project cycle stage: Implementation  Lesson Topics:  Crosscutting Issues/Themes: Legal system Loan Agreement: Covenants Modality: Program Policy & Reform: Information dissemination/Public awareness Policy & Reform: Policy matrix Policy & Reform: Policy reforms/framework  Trade facilitation and customs reforms require intensive and ongoing cooperation and coordination with trade partners. Regional forums (e.g., those organized by the Customs Cooperation Committee) provide a good venue for multi-country discussions and a convenient launching pad for bilateral talks. Such meetings also build camaraderie among countries and their top officials, and they help foster regional economic cooperation. The governments of the Kyrgyz Republic and Tajikistan did not have difficulty fulfilling program conditions that called for bilateral agreements and negotiations, as neighboring countries also saw the benefit of such reforms and were therefore strongly supportive.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Crosscutting Issues/Themes: Regional cooperation Modality: Program Sector Related Issues: Industry and Trade Policy & Reform: Reform Methodologies/Approaches: Consultation/Participation |
| A package approach needs to be used for poverty reduction. Income generation and local development activities need to be integrated with road construction, taking road construction as an entry point for poverty alleviation.   project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Poverty reduction Project Design: Project design Sector Related Issues: Roading Sector Related Issues: Rural development Methodologies/Approaches: Holistic approach  A simplified procedure for approval and payment should be established and put into operation before any construction starts. Laborers must be paid daily or at least once every 15days. This could be done as advance payment to laborers based on the attendance and daily rates to be cleared after completion of pieces of work.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Project Management: Procurement Sector Related Issues: Roading Sector Related Issues: Rural development  Construction of roads following the labor-based, environment-friendly and participatory (LEP) approach should not be rushed. Time is needed to inform the local laborers about the approach and for all concerned to gain some on-site LEP experience. The initial construction stage should emphasize capacity building and should establish practical procedures for doing things properly and not just concentrate on achieving quantitative outputs.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Project Design: Project design Project Management: Project supervision Capacity Development: Capacity building Sector Related Issues: Roading Methodologies/Approaches: Participatory approach  Construction of roads using the labor-based, environment-friendly and participatory (LEP) approach requires a high level of site supervision to ensure quality standards and to support and guide labor groups. Provisions should be made for the continuous presence of trained supervisors on the site for timely measurement of completed works and timely payment.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Project Design: Project design Project Management: Procurement Project Management: Project supervision Sector Related Issues: Roading Methodologies/Approaches: Participatory approach  Despite the existence of conflict, development work is possible if community participation is high and the project is seen to be addressing urgent needs. Project experience demonstrated that, if the project is transparent and has the effective participation of local people, activities can be implemented even in armed conflicts. The engagement of local NGOs can ensure that local people are better informed and mobilized.   project cycle stage: Design, Feasibility, Implementation  Lesson Topics:  Crosscutting Issues/Themes: Governance Project Design: Project design Country Context: Conflict/Post-conflict Policy & Reform: Information dissemination/Public awareness Methodologies/Approaches: Civil Society Participation Methodologies/Approaches: Community approach Methodologies/Approaches: Consultation/Participation  Maintenance of roads needs to be considered from the planning phase to the post-construction phase. Commitments need to be monitored against indicator(s) during the implementation stage, so that a reliable mechanism to carry out operation and maintenance after construction can be put in place.  project cycle stage: Design, Feasibility, Implementation, Operation  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Monitoring & Evaluation: Indicators Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Project Management: Operation and maintenance Sector Related Issues: Roading  Public auditing is an excellent approach for ensuring financial transparency.  project cycle stage: Implementation  Lesson Topics:  Crosscutting Issues/Themes: Corruption Crosscutting Issues/Themes: Public governance  Social mobilization should be conducted before the local road users' committee (LRUC) and the labor group areformed, so workers are fully aware of how work is measured and wages paid. The social mobilization process should be given much more emphasis and sufficient time should be allowed for it to take place.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Project Design: Project design Project Management: Procurement Sector Related Issues: Roading Sector Related Issues: Rural development Methodologies/Approaches: Community approach Methodologies/Approaches: Consultation/Participation  The roles and responsibilities of institutions and other stakeholders involved in the planning, implementation, and post-implementation of the project should be clearly explained and agreed with concerned agencies while the project is being designed in order to avoid confusion and conflicts. Local institutions and offices should be given full authority for implementation of community-based rural infrastructure.  project cycle stage: Design  Lesson Topics:  Project Design: Project design Project Management: Executing/Implementing agencies Sector Related Issues: Rural development Methodologies/Approaches: Community approach |
| Advance action for land acquisition and resettlement should be required, as consultation and agreements with affected households can take a very long time.  project cycle stage: Concept Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Resettlement Methodologies/Approaches: Consultation/Participation  Each procurement package should be established in such size that bidding will be competitive among qualified contractors, while also trying to minimize the number of contract packages to lessen the executing agency's workload for controlling contractors and suppliers.  project cycle stage: Appraisal Implementation  Lesson Topics:  Project Management: Executing/Implementing agencies Project Management: Procurement  Engaging two teams of consultants to manage implementation of a project is ineffective, even if project sites are geographically spread, as staffing will be duplicated in some positions (including that of team leader).  project cycle stage: Implementation  Lesson Topics:  Project Management: Consultants Project Management: Project management Capacity Development: Human resources management  The consultants, including foreign experts, should be retained until the entire system is in operation and commissioning tests have been completed so that they will be held responsible for assessing the final outcome, including the quality of works, and for proposing corrective measures for defective works or shortages, if any.  project cycle stage: Implementation, Completion  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Project Management: Consultants  The project implementation schedule should be established taking fully into account the government's approval procedures that require approval of higher authorities for feasibility studies, project budgets, the bid plan, bidding documents, bid evaluation, and contract awards. At the time of project preparation, delegation of approval authorities for critical activities to the lower levels should be discussed and agreed.  project cycle stage: Feasibility  Lesson Topics:  Project Design: Project design Project Management: Procurement Project Management: Project management Country Context: Decentralization  The water supply companies (WSCs) that will be the end users of completed project facilities and responsible for repayment of the loan should be party to the contracts with contractors, such that the WSCs and provincial project implementation offices (PPIOs) are authorized to supervise or control the performance of the contractors and suppliers.  project cycle stage: Implementation  Lesson Topics:  Project Management: Procurement Project Management: Project management Project Management: Project supervision Sector Related Issues: Health and sanitation management Sector Related Issues: Water resource management  Training workshops prior to project implementation are needed to familiarize staff of project implementation offices at local level with ADB procedures for selecting consultants, procurement, and disbursement.  project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Disbursement Project Management: Consultants Project Management: Procurement Capacity Development: Capacity building |
| 1. Formation and registration of the water users association (WUA) needs to be undertaken at the earliest appropriate time. Appropriate participation by women and men from all ethnic groups in the project area needs to be ensured in the process. Greater efforts are needed to ensure adequate participation by women in project activities, including recruitment and training of community level organizer and election of females to WUAs. In this project, the timing of WUA registration has contributed to implementation delays and women involvement failed to meet its target level of participation. [Main text, paras. 28, 31, 62(i,iii); Appendix 14]    project cycle stage: Feasibility, Implementation    Lesson Topics:   Crosscutting Issues/Themes: Gender  Crosscutting Issues/Themes: Vulnerable groups  Project Design: Subprojects  Sector Related Issues: Irrigation management  Methodologies/Approaches: Consultation/Participation    2. Greater efforts are needed to consult more fully with the communities in developing community action plans to guide subproject selection and design of interventions. Each subproject should include additional extension and demonstration of improved agricultural technologies for upland areas that do not benefit from the irrigation improvements. Stricter application of subproject selection criteria is needed at all stages of subproject identification in order to avoid developing subprojects that are less economically viable. In this project, some irrigation schemes did not fall within the selection criteria and increased investment cost per hectare. [Main text, paras. 14, 20-22, 51, 62(ii, iv,v)]    project cycle stage: Design, Feasibility    Lesson Topics:   Project Design: Project design  Project Design: Subprojects  Sector Related Issues: Extension service  Sector Related Issues: Irrigation management  Sector Related Issues: Rural development  Methodologies/Approaches: Community approach  Methodologies/Approaches: Consultation/Participation    3. More rigorous evaluation of design alternatives and supervision of infrastructure construction by the Office of National Project Director could have prevented cost escalations. These would have facilitated the design of viable least-cost solutions (as against the costly schemes in 3 subprojects) for improving irrigation infrastructure and higher quality construction, respectively. [Main text, paras.20-22, 62(vi, vii)]    project cycle stage: Feasibility, Implementation    Lesson Topics:   Project Design: Project design  Project Design: Subprojects  Project Management: Executing/Implementing agencies  Project Management: Procurement  Project Management: Project management  Project Management: Project supervision  Sector Related Issues: Extension service  Sector Related Issues: Irrigation management    4. Continuing engagement of staff from executing agency's project team would allow smoother start-up and administration of follow-on projects. The project completion report has noted that the project extension period enabled preparation of the follow on project (Northern Community-Managed Irrigation Sector Project or NCMISP) and the smooth transition of the executing agency's project team to implementing NCMISP. [Main text, paras. 59, 62(viii)]    project cycle stage: Design    Lesson Topics:   Crosscutting Issues/Themes: Sustainability  Project Management: Project administration  Project Management: Project management |
| 1. The program cluster approach is a useful tool for broadly based reforms that require long term institutional development (such as those pursued in the Financial Governance and Social Security Reform or FGSSR). The approach (i) combines a long-term approach that permits covering a wide range of policy and institutional reforms with flexibility to adjust to changing circumstances; (ii) permits proceeding with the gradual introduction of critical components in the sector, including developing a comprehensive legal framework and action plan to facilitate smooth operationalization; and (iii) is a useful instrument for establishing benchmarks and unifying those policymakers who advocate reforms. While the program cluster approach worked well for FGSSR, a medium term framework based on single tranche programs instead of a multitranche would have provided more flexibility while focusing on achievable, upfront outcomes. [Main text, para. 51]  project cycle stage: Feasibility, Appraisal Implementation  Lesson Topics:  Modality: Cluster operations Monitoring & Evaluation: Baseline data Project Design: Project design Capacity Development: Capacity development Capacity Development: Ownership Policy & Reform: Policy reforms/framework Methodologies/Approaches: Program Approach  2. Instead of simply carrying over outstanding or ï¿½troubledï¿½ conditionalities from one cluster program to the next, extra efforts should be put in the preparation and implementation of ways to meet these conditionalities. In this program, the amendment of legislation, including the proposed reforms, continued to meet considerable resistance from concerned interest groups, which threatened to submit competing draft legislation to Parliament. Strong government ownership is needed to overcome objections by interest groups. [Main text, paras. 36-37, 52]  project cycle stage: Feasibility, Implementation  Lesson Topics:  Loan Agreement: Covenants Project Design: Project design Capacity Development: Ownership Policy & Reform: Reform |
| Better pay clearly accounts for lower staff turnover rates. This has an immediate budget impact, but elevating the provincial civil service classification has positive benefits in terms of recruiting and retaining quality staff.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Finance & Financial Aspects: Financing Capacity Development: Human resources management  Decentralization can work to attain better health outcomes if local government units (LGUs) are willing to coordinate with one another, unify their plans, harmonize their efforts, and share resources and expertise. Despite formidable obstacles brought about by decentralization, LGUs can work together to address common health problems. This is possible if the local chief executives are highly committed to reforms in their respective localities and are willing to look to the national health agency (Department of Health or DOH) for policy direction and technical guidance.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Country Context: Decentralization Sector Related Issues: Health and sanitation management Policy & Reform: Public sector reform  Health management systems are essential for the delivery of comprehensive health services. However, the development and installation of systems per se, no matter how technically sound, cannot generate reform without the corresponding commitment of the stakeholders, sense of ownership by the system users, constant follow-up on the utilization and application of systems, and allocation of resources to sustain the system. Project interventions must complement other components and be implemented in a synchronized manner to obtain maximum results. For example, health facilities will not function without the minimum number of staff required, equipment cannot be operated without proper technicians, and the services ofBarangay Health Worker (BHW) midwives may not be maximized if they are not hired to function as midwives.  project cycle stage: Design, Feasibility, Implementation, Operation  Lesson Topics:  Finance & Financial Aspects: Financing Project Design: Project design Capacity Development: Ownership Sector Related Issues: Health and sanitation management Policy & Reform: Public sector reform  The visible impacts of health sector reforms take time to materialize. Reforms also incur costs, so judicious prioritization of resource use is essential. External funds are necessary for long-term investments, but local government units (LGUs) must provide the necessary counterpart staff and budgets to sustain gains brought about by the project.  project cycle stage: Feasibility, Implementation, Operation  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Finance & Financial Aspects: Counterpart funds Finance & Financial Aspects: Financing Capacity Development: Human resources management Country Context: Prioritization Sector Related Issues: Health and sanitation management Policy & Reform: Public sector reform |
| 1. A contractor's ability to commit physical resources to a contract is crucial to project performance. In the Primary Roads Restoration Project, the contractors' performance varied. Scheduling development and maintenance works, contracts for tender, and prequalification of civil works contractors facilitated a more regular construction work flow and commitment of proper resources. However, given the project's experience on contract implementation delays and noncompliance to contractual obligations, an improved process can be achieved with rigorous prequalification process, establishment of effective measures to discipline noncomplying contractors, shorter periods for bid assessment, and timely payments to contractors. [Main text, paras. 18-20, 37-39, 54]  project cycle stage: Appraisal Implementation  Lesson Topics:  Finance & Financial Aspects: Counterpart funds Finance & Financial Aspects: Disbursement Project Management: Procurement Project Management: Project supervision  2. To prevent emergence of resettlement and environmental concerns, thorough safeguards monitoring is needed during project implementation. In this project, a resettlement audit was conducted due to allegations of inadequate compensation of affected persons during implementation. It was also noted that environmental problems were experienced as contractors failed to carry out environmental impact mitigation measures during civil works implementation. [Main text, paras. 38-39, 49, 52, 55-56]   project cycle stage: Feasibility, Implementation  Lesson Topics:  Crosscutting Issues/Themes: Environmental management Crosscutting Issues/Themes: Resettlement Monitoring & Evaluation: Monitoring and evaluation Project Management: Procurement Sector Related Issues: Roading |
| 1. There is a need for more interministerial and intra-executing agency coordination to minimize delays in the scheduling of civil works (e.g., coordination between Ministry of Works and Human Settlement, Bhutan Power Corporation, and Bhutan Telecom in road diggings and cable relocation). In future projects, more effective use of the steering committee (or a coordination and decision-making body under it) would benefit project implementation. In this project, the steering committee met only twice. The design and supervision of civil works, especially for roads, was shifted from one division (or agency) to another, depending on workload at any given time. The Department of Roads (DoR) is responsible for maintaining roads once they are completed (and the responsibility shifts from the project management unit to the city corporation and then to DoR), yet it was not heavily involved in the design stage. [Main text, paras. 22, 24, 50(i)]  project cycle stage: Design, Implementation  Lesson Topics:  Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Operation and maintenance Project Management: Project supervision Sector Related Issues: Roading Methodologies/Approaches: Consultation/Participation  2. A critical assessment of the implementing agencies' (IAs) technical capabilities needs to be undertaken during project preparation both by the Government and by ADB. In this project, the absence of a detailed training needs assessment of the implementing agencies (IAs) has delayed implementation considering the IAs capacity constraints on detailed design of roads, bridges, and river training works. As such some staff were sent overseas to enhance their capacities on computer assisted transport infrastructure design. [Main text, paras. 26-28, 42, 50(ii)]  project cycle stage: Design, Feasibility  Lesson Topics:  Modality: Technical Assistance Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Project supervision Capacity Development: Capacity assessment  3. Since city corporations have now become autonomous in revenue generation, there should be a structured system for budgeting enough operation and maintenance funds yearly, proportionate to the amount of the capital investment. The huge infrastructure investment needed demands a financial management plan for city corporations to generate enough revenues to sustain the maintenance of urban facilities and services. [Main text, para. 29, 44-45, 53(iii)]  project cycle stage: Feasibility  Lesson Topics:  Finance & Financial Aspects: Financial management Finance & Financial Aspects: Financing Project Management: Operation and maintenance Sector Related Issues: Urban sector/development |
| 1. Project frameworks need to be dynamic, adopt standard procedures, and be constantly reviewed if they are to serve monitoring and evaluation needs. The Report & Recommendation of the President (RRP) framework was weak and was neither used nor updated. Having more than one outcome has also led to confusion during implementation. [Main text, paras. 9, 66(i)]  project cycle stage: Feasibility  Lesson Topics:    2. All land users should have been involved, as required by a holistic approach to watershed management. Tea estates were excluded despite their contribution to soil erosion. [Main text, paras. 9, 66(ii)]  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Environmental management Sector Related Issues: Water resource management Methodologies/Approaches: Holistic approach  3. Translating policy into practice takes longer than the duration of a project. The National Watershed Management Policy (NWMP) has yet to be internalized within the government. Proposals to establish provincial watershed management units (WMUs) to continue the project approach, although welcomed at the local level, failed to materialize for lack of an overall institutional support agency. [Main text, paras. 50, 66(iii)]  project cycle stage: Feasibility, Implementation, Operation  Lesson Topics:  Crosscutting Issues/Themes: Environmental management Project Design: Project design Capacity Development: Capacity development Sector Related Issues: Water resource management Policy & Reform: Policy reforms/framework  4. A high degree of local community participation and contribution can lead to greater project efficiency. This was achieved in the Upper Watershed Management Project through the use of social mobilizers (SMs). The project management office directly engaged SMs as the interface between communities and implementing agencies. Community involvement in planning, implementing, managing, and maintaining field activities created greater transparency and ownership. This led to greater efficiency in procuring materials, construction, and ensuring plantation quality. [Main text, paras. 53, 66 (iv); Appendix 6, paras. 39-44]   project cycle stage: Feasibility, Appraisal Implementation  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Project Management: Executing/Implementing agencies Project Management: Project management Sector Related Issues: Rural development Methodologies/Approaches: Civil Society Participation Methodologies/Approaches: Community approach Methodologies/Approaches: Consultation/Participation Methodologies/Approaches: Participatory approach  5. Given the major task of establishing coordination among many implementing agencies, devolved and not, an initial 12-month planning and preparation period should have been included. Pressure to commence field activities and meet targets adversely affected start-up operations and training. [Main text, paras. 26, 66(v)]  project cycle stage: Feasibility  Lesson Topics:  Project Design: Project design Project Management: Executing/Implementing agencies Methodologies/Approaches: Consultation/Participation Methodologies/Approaches: Targeting  6. To facilitate assessment of effectiveness, systems to monitor and evaluate project benefits should be built into the implementing agencies' (IAs) systems. In this project, a computer-based system was designed but not applied nor adopted by the IAs. There was no midterm socioeconomic assessment undertaken. The project management office relied on less formal means of monitoring and depended on consultants for final evaluations. [Main text, paras. 45, 66(vi)]  project cycle stage: Feasibility  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Project management  7. Sustainability of project benefits could have been increased by focusing on existing community based organizations (CBOs), registering new ones with the divisional secretariat, and giving CBOs full responsibility for use of their funds. The subsidy-dependent syndrome that remains engrained among beneficiaries will need to be reversed to self-reliance if participatory approaches are to become truly self-sustaining. [Main text, paras. 55, 66(iv)]  project cycle stage: Design, Implementation  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Finance & Financial Aspects: Financial management Methodologies/Approaches: Community approach Methodologies/Approaches: Participatory approach  Management through a Project Management Office (PMO) engendered departmental independence and facilitated coordination of multiple implementing agencies (IAs), but the stimulus ceased on closure.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Project Management: Executing/Implementing agencies Project Management: Project management Methodologies/Approaches: Consultation/Participation |
| 1. The type B subprojects tended to be bigger and were supposed to have longer gestation periods, be more complicated and resource intensive. Communities did not necessarily participate in the decision to construct these subprojects. By and large, community groups considered type B subprojects to be local government activities, with no (or limited) sense of ownership accruing to the community. To encourage greater community participation, public hearings were encouraged to invite an open forum for discussion of type B subprojects. Unluckily, the public hearing concept was entertained only by about 50% of the participating local governments. It is believed that more widely applied public hearings would have benefited all stakeholders involved and would have assured wider community support for these subprojects. Unfortunately, public disclosure, transparency, and public accountability are rarely practiced in Indonesia; where such practices do exist, they are often jeopardized by the local bureaucracy, which considers them too expensive.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Governance Project Design: Subprojects Capacity Development: Ownership Methodologies/Approaches: Community approach Methodologies/Approaches: Consultation/Participation  2. Difficulties in defining the objectives of the public awareness campaign of the investment project led to it being launched only in 2003. Campaign activities included bulletins, leaflets, reports, a website, and videos. Public awareness campaign training was included in the training programs for facilitators. Some of these efforts were well intended and helped bridge the gap between the perceptions of local government and the communities. However, better public awareness campaigns could have encouraged local government officials to participate more in construction efforts, and encouraged core teams to work more closely with communities.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Project Design: Project design Capacity Development: Capacity building Country Context: Decentralization Policy & Reform: Information dissemination/Public awareness Methodologies/Approaches: Community approach Methodologies/Approaches: Consultation/Participation  Delays and other problems with counterpart funding result to shortened actual implementation periods, and local governments are pressed to hurry through procurement and physical implementation of type B works.  project cycle stage: Appraisal Implementation  Lesson Topics:  Finance & Financial Aspects: Counterpart funds Project Design: Project design Project Management: Procurement Project Management: Project management Country Context: Decentralization  From a control point of view, the PMO would have liked to execute approval authority over disbursements. However, the delegated project implementation arrangements did not give the PMO any role for approval. This remoteness of the PMO was questioned by the executing agency; on the other hand it does reflect the requirements of decentralization. Without proper fast-track reporting via the internet (or other means), the PMO could not possibly have acted as the approval authority for such a large number of subprojects, particularly the larger type B subprojects.  project cycle stage: Design  Lesson Topics:  Finance & Financial Aspects: Disbursement Project Design: Subprojects Project Management: Executing/Implementing agencies Project Management: Project administration Project Management: Project management Project Management: Project reporting Country Context: Decentralization  Many local governments hired new consultants for the second year of their subprojects. This often resulted in extraordinary delays and had adverse effects on implementation, in addition to causing the project management office (PMO) and project management consultant (PMC) to expend considerable effort keeping track of these changes and ensuring compliance with relevant project guidelines.  project cycle stage: Implementation  Lesson Topics:  Project Design: Subprojects Project Management: Consultants Project Management: Procurement Project Management: Project administration Project Management: Project management  Most villages are in need of additional, much larger investments in many subsectors. Many local communities felt that the cost ceilings for type A and B subprojects specified in the CLGSSDP were too low and not in accordance with the reality of construction costs. Government-defined ceilings on grants to villages meant that no village could receive grants for type A subprojects of more than Rp75 million ($8,823); individual type A subprojects were limited to half that amount, or Rp37.5 million ($4,411). Thus, many of the subprojects were very small-scale and had limited impact on village economies. Furthermore, it was often difficult for these communities to identify subprojects small enough to qualify for CLGSSDP funding.   project cycle stage: Feasibility  Lesson Topics:  Finance & Financial Aspects: Financial analysis Finance & Financial Aspects: Financing Project Design: Problem identification Project Design: Subprojects  O&M did not receive enough attention. Most subprojects failed to provide funding for the O&M of subprojects, and did not take into account eventual replacement of major equipment or broken or worn parts. O&M training, which was planned too late under the investment project, was rarely implemented. In most districts and cities, the envisaged O&M subteams of the core teams did not function properly. These subteams were meant to establish O&M plans for all facilities. Very few subprojects are charging any user or maintenance fees to fund maintenance works and asset replacement. Despite the large potential of user associations in water and irrigation subprojects, none have been formed to date. Such associations could assume responsibility for collecting service charges and maintenance fees and regular maintenance. Nor have already existing market vendor associations taken on an active role in O&M.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Finance & Financial Aspects: Financial analysis Finance & Financial Aspects: Financing Project Design: Subprojects Project Management: Operation and maintenance Capacity Development: Capacity building Sector Related Issues: Irrigation management Sector Related Issues: Water resource management Methodologies/Approaches: Civil Society Participation  Technical assistance (TA 3179-INO) designed a number of training programs on participatory planning, monitoring, and evaluation (PPME) emphasizing participatory methods and role-playing. However, the training programs failed to cover project management and failed to ensure local governmentcommitment toward compliance with investment project guidelines. The training completely ignored sustainability issues and the concept of generating revenue to fund O&M.  project cycle stage: Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Modality: Technical Assistance Project Management: Operation and maintenance Project Management: Project management Capacity Development: Capacity building Capacity Development: Ownership Methodologies/Approaches: Participatory approach  There were only a few examples of misuse of funds involving a total amount of Rp689 million (approximately $81,000) - less than 1% of the ADB loan amount. The executing agency is actively pushing to correct all misuses of funds detected by BPKP (State Auditor), and the local governments concerned are expected to pay back the indicated amounts.  project cycle stage: Implementation, Operation  Lesson Topics:  Crosscutting Issues/Themes: Corruption Project Management: Executing/Implementing agencies |
| 1. Opportunities for project staff to learn about ADB's guidelines, as well as government regulations, on or before the start of a project are critically important for smooth implementation of the project. In this project, procurement was delayed initially because subproject implementation units were mandated to follow several guidelines and procedures at the same time - government regulations, administrative regulations and commonly accepted practices in project universities and faculties, and ADB's guidelines and procedures - most of which were new to them. The principles of the different regulations were not in conflict, however, each regulation required different documentation, communication, and approval process, creating confusion and requiring longer processing time. The lack of a focal person with ample experience in different procurement styles and proficiency in English to handle the bidding process might have been another reason for the delay. To resolve this issue, active use of retroactive financing under the loan and a component under the project preparatory technical assistance for this purpose might merit consideration. [Main text, paras. 25, 59]   project cycle stage: Appraisal Implementation  Lesson Topics:  Finance & Financial Aspects: Financing Modality: Technical Assistance Project Design: Appraisal Project Management: Procurement Project Management: Project administration Project Management: Project management Sector Related Issues: Education |
| 1. Further reforms to enhance sustainable growth of mutual fund and pre-need plans depend on enactment of legislative reforms. While the program focused on key reform initiatives that were under the control of the executive branch, objectives focused on facilitating mobilization of domestic savings which require legislative action. Although relevant bills were submitted and technical working groups organized to discuss, and public hearings conducted on these bills, it appears that neither adoption of a new pre-need code nor amendment of the Investment Company Act is a Congressional priority. [Main text, paras. 49, 58-59]   project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Legal system Crosscutting Issues/Themes: Sustainability Finance & Financial Aspects: Financing Modality: Program Project Design: Project design Policy & Reform: Reform  2. While it is acknowledged that funding for government agencies remains limited, key reform initiatives require adequate resources to strengthen regulatory capacity, especially in the area of surveillance and enforcement. Likewise, until the Securities and Exchange Commission (SEC) staff are sufficiently protected from frivolous and intimidating lawsuits, it may be unrealistic to expect strong enforcement actions. [Main text, paras. 48, 53, 60]  project cycle stage: Design, Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Governance Finance & Financial Aspects: Financing Policy & Reform: Reform  3. In addition to focusing on legislative measures, it may be more effective to help the Securities and Exchance Commission (SEC) review other regulatory tools to achieve greater compliance. For example, greater use of information and communication technology (ICT) to monitor compliance with regulatory requirements by both the SEC and Philippine Stock Exchange (PSE) could free up much-needed staff resources and provide timely review of compliance, although initial costs may be substantial. The government has demonstrated strong ownership of financial reporting reforms, where compliance can also be monitored by market professionals through the SEC's new i-Report system. [Main text, paras. 23, 61]  project cycle stage: Design, Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Governance Crosscutting Issues/Themes: Legal system Finance & Financial Aspects: Financial reporting Finance & Financial Aspects: Financing Monitoring & Evaluation: Monitoring and evaluation Project Management: Management information system Capacity Development: Human resources management Capacity Development: Ownership Policy & Reform: Reform  4. In the future, program designs should focus on areas where there is strong commitment and adequate resources available to successfully implement reforms. Ongoing domination of the financial sector by banks will continue in the absence of a concerted government policy to promote regulatory and tax parity among bank and nonbank investment products. Moreover, simply changing a law or regulation will not change behavior in the absence of strong enforcement and sustained (long term) commitment to the reform agenda. [Main text, para. 49, 56, 62]  project cycle stage: Design, Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Governance Crosscutting Issues/Themes: Legal system Finance & Financial Aspects: Financing Modality: Program Project Design: Project design Capacity Development: Ownership Policy & Reform: Reform  5. The Second Nonbank Financial Governance Program was developed prior to adoption of the Results-Based Framework by ADB, which shifts the orientation of country programming from resource transfers to development outcomes. Future projects thus need to focus on more concrete outcomes linked to tangible medium- and longer-term results. [Main text, para. 63]  project cycle stage: Design, Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Managing for Development Results Modality: Program Project Design: Project design |
| 1. Collaboration among development partners through harmonization of processes and utilization of comparative advantages helped develop a comprehensive, strategic, and attainable reform agenda. The identification and sequencing of a comprehensive reform agenda covering a medium-term period requires strong analytical support. In Viet Nam's Poverty Reduction Support Credit (PRSC) program, this support was effectively provided by development partners in consultation with the government and relevant stakeholders (i.e., as evident, among others, in the joint analysis to identify appropriate policy actions and implementation arrangements for the first 5-year PRSC cycle and comprehensive analytical reports covering the three pillars of the Comprehensive Poverty Reduction and Growth Strategy such as the annual Vietnamese Development Reports). [Main text, paras. 7, 40]   project cycle stage: Design, Feasibility, Country Partnership Strategy  Lesson Topics:  Crosscutting Issues/Themes: Harmonization Crosscutting Issues/Themes: Poverty reduction Modality: Program Modality: Technical Assistance Policy & Reform: Reform  2. The comprehensive nature of the Poverty Reduction Support Credit (PRSC) process led to a common realization among all stakeholders that progress in different sectors and among different measures within one reform agenda would be uneven. Under the commonly agreed comprehensive PRSC framework, development partners and policymakers have to harmonize their project process to identify and address those development areas requiring special attention. [Main text, para. 41]  project cycle stage: Implementation  Lesson Topics:  Crosscutting Issues/Themes: Poverty reduction Policy & Reform: Reform  3. The increasingly broad scope of the policy dialogue raises logistical challenges to the process hence requiring effective coordination mechanisms. Effective coordination mechanisms have continuously evolved over time in order for operations to be delivered on an annual basis. A high level of coordination and communication were required at various levels: among development partners, among government agencies, and between development partners and government agencies. Given the comprehensive nature of the reform process and the ever-growing number of cofinanciers, it became necessary to establish a unit responsible for coordination activities, to deal with the program agenda, including monitoring and reporting, awareness raising, capacity building and reform outcome dissemination. [Main text, paras. 25-27, 42]  project cycle stage: Feasibility, Appraisal, Implementation, Country Partnership Strategy  Lesson Topics:  Modality: Program Monitoring & Evaluation: Monitoring and evaluation Monitoring & Evaluation: Reporting Project Design: Project design Capacity Development: Capacity building Policy & Reform: Information dissemination/Public awareness Policy & Reform: Policy matrix Policy & Reform: Reform Methodologies/Approaches: Consultation/Participation  4. Alignment of annual multisector programs (i.e., Poverty Reduction Support Credit or PRSC which outline development partners' framework) with the government's broader, medium-term socioeconomic development plan (SEDP) facilitates reform implementation and achievement of development goals. In Vietnam, this process required close donor coordination and common dialogue with the government focusing on the sequencing and timing of policy measures, instead of the policy measures themselves. By moving away from formal conditionality, PRSC operations became a tool for supporting the government in achieving its stated development goals and implementing its reform program. This coordinated approach reduced the transaction cost of both the government and development partners and enabled the latter to focus on their respective areas of expertise and comparative advantage. [Main text, para. 43]  project cycle stage: Design, Feasibility, Country Partnership Strategy  Lesson Topics:  Crosscutting Issues/Themes: Alignment Crosscutting Issues/Themes: Harmonization Crosscutting Issues/Themes: Poverty reduction Modality: Program Policy & Reform: Policy matrix Policy & Reform: Policy reforms/framework  5. Program implementation would have been more efficient had the government's Comprehensive Poverty Reduction and Growth Strategy (CPRGS) and socioeconomic development plan (SEDP) been unified, as this would have eliminated the need for a dual reporting, monitoring, and implementing systems for the CPRGS and SEDP. The CPRGS was instead prepared in parallel to the SEDP 2001-2005, as the action plan to achieve development outcomes envisaged in the SEDP. The existence of CPRGS in parallel to the SEDP proved to be less efficient, as double reporting and monitoring tracks were unavoidable. [Main text, paras. 4, 44]  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Poverty reduction Monitoring & Evaluation: Monitoring and evaluation Monitoring & Evaluation: Reporting  6. Future poverty reduction support credit projects (Poverty Reduction Support Credit) may require exploring a new lending modality more suited to the nature of the PRSC framework. The Support to the Implementation of Poverty Reduction Program (SIPRP) was processed using an innovative lending modality that departed from conventional conditionality-type program loans. The SIPRP followed a program-based approach that was designed to be disbursed in a single tranche. The loan was disbursed upon loan effectiveness, because the SIPRP was formulated based on actual performance or prior actions that were complied with. Although it was a single-tranche program, the SIPRP was in fact part of a continuum multiple-tranche program loan, with emphasis on the feasibility of policy measures. The SIPRP design faced unavoidable challenges as it had to be classified under the existing lending modalities. [Main text, paras. 3, 45]   project cycle stage: Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Poverty reduction Finance & Financial Aspects: Disbursement Loan Agreement: Covenants Modality: Lending modality Modality: Program Policy & Reform: Policy reforms/framework Methodologies/Approaches: Program Approach  7. The Resident Mission (RM) needs to be adequately resourced, both in terms of both personnel and financial resources, to ensure the quality of country coordination, dialogue, and research. Both the processing and implementation of intensive policy dialogue and coordination were most appropriately undertaken by ADB's Resident Mission. The coordination process could not be achieved through occasional missions from headquarters. The internal coordination and communication among ADB staff of the headquarters and of the RM are also important. As program (Poverty Reduction Support Credit or PRSC) operations are comprehensive in nature, the program officer will require input from all relevant sector specialists, and at times, consultants. [Main text, paras. 28, 47]  project cycle stage: Design, Appraisal, Implementation, Country Partnership Strategy  Lesson Topics:  Finance & Financial Aspects: Financing Modality: Program Project Management: Consultants Capacity Development: Human resources management Other: Resident Mission Policy & Reform: Policy matrix Methodologies/Approaches: Consultation/Participation  8. The Poverty Reduction Support Credit (PRSC) process is comprehensive and policy-oriented, without explicit technical assistance projects attached to a series of program loans. The Support to Implementation of Poverty Reduction Programs (SIPRPs) complement, rather than replace, other ADB initiatives, including sector-specific program loans, technical assistance projects, and sector-specific projects. Technical assistance from specialists based in ADB headquarters is important if ADB is to achieve maximum leverage in its sectoral operations in Viet Nam. In difficult areas of reform (e.g. banking and SOE reforms), however, there is a need to engage in analytical work beyond the conventional scope of the PRSC framework, and to engage influential local think-tanks or research institutions in in-depth studies, with the findings disseminated to decision makers. Ensuring that the PRSC process is integrated with other processes, such as projects, programs, and technical assistance undertakings supported by specific development partners, is therefore critical for achieving targeted development outcomes. The PRSC inputs to reform areas that are lagging therefore call for a concomitant involvement of sector or thematic specialists in such areas. [Main text, para. 48]  project cycle stage: Design, Feasibility, Appraisal, Country Partnership Strategy  Lesson Topics:  Crosscutting Issues/Themes: Poverty reduction Modality: Program Modality: Technical Assistance Policy & Reform: Policy reforms/framework Methodologies/Approaches: Holistic approach  9. Streamlining partnership group coordination by sector would improve the efficiency and effectiveness of donor harmonization efforts. There have been overlapping aid harmonization groups in Vietnam with multiple coordination groups by sector. For example, there are more than 20 sector-specific partnership groups that monitor Comprehensive Poverty Reduction and Growth Strategy (CPRGS) implementation, one of which is the partnership group of aid effectiveness (PGAE). Under PGAE, sector-specific subgroups duplicate the sector work carried out by some of the 20 PGAE-level partnership groups. There are also separate sector-specific groups within Poverty Reduction Support Credit (PRSC) operations. [Main text, para. 49]  project cycle stage: Design, Feasibility, Appraisal, Implementation, Country Partnership Strategy  Lesson Topics:  Capacity Development: Partnerships Methodologies/Approaches: Consultation/Participation |
| 1. A key factor in the success of the project was the strong commitment of the project proponents. All concerned parties demonstrated ownership of the project. Through the dedication of the executing agency, the local governments, and the three project implementing agencies (PIAs) to achieving target outputs, the implementation met project objectives with close adherence to guidelines and procedures. Project implementation was undertaken through effective supervision, monitoring, and cost control. [Main text, paras. 40, 60]  project cycle stage: Implementation  Lesson Topics:  Finance & Financial Aspects: Financial management Monitoring & Evaluation: Monitoring and evaluation Project Management: Executing/Implementing agencies Project Management: Project supervision Capacity Development: Ownership Country Context: Decentralization Methodologies/Approaches: Targeting  2. Adequate planning and preparation are key elements of the smooth and timely execution of a project. Timely availability of the required funds is also important. The project experienced delays mainly due to problems arranging local financing (withdrawal of funding commitment by domestic banks delayed the approval of the project feasibility reports, and extended loan signing and effectiveness), change in scope (reallocation of loan funds since some infrastructures became unnecessary), and contract administration (delayed contract awarding). [Main text, paras. 12, 23-26, 61]  project cycle stage: Feasibility, Appraisal Implementation  Lesson Topics:  Finance & Financial Aspects: Counterpart funds Project Design: Project design  3. Responsiveness to significant changes in prevailing parameters could improve project design and benefits. Although the original design did consider the more efficient heat source, it was not firmed up at the time of formulation. The appropriate changes were made when the opportunity presented itself. [Main text, para. 16, 62]  project cycle stage: Implementation  Lesson Topics:  Project Design: Project design Sector Related Issues: Energy planning/management  4. A properly administered bidding process, supported by detailed technical design and bid specifications, can generate advantageous bids. Selection and recruitment of competent international and national consultants have ensured quality standards. [Main text, paras. 12, 38, 63]  project cycle stage: Appraisal Implementation  Lesson Topics:  Project Design: Project design Project Management: Consultants Project Management: Procurement |
| For efficient Project Performance Management System (PPMS) data collection and analysis, it is crucial to involve national consultants in addition to international expertise. During both the project processing stage and the inception stage, in-depth discussions of the PPMS should be conducted to ensure that the PPMS serves its intended purpose.  project cycle stage: Feasibility  Lesson Topics:  Monitoring & Evaluation: Data collection and management Monitoring & Evaluation: Indicators Project Management: Consultants Methodologies/Approaches: Targeting  In order to comply with ADB's resettlement policies, the executing and implementing agencies should demonstrate that implemented compensation standards for cultivated land are based on the actual annual average output value of the land in the 3 years before land acquisition.  project cycle stage: Implementation  Lesson Topics:  Crosscutting Issues/Themes: Resettlement Project Management: Executing/Implementing agencies  Project administration arrangements, such as, the team leader in place during project processing continues to administer the project for at least 1 year, and if a successor is needed, he or she is selected from the project team - which can direct on time information flow amidst major scope changes, need to be applied. During administration of this project, ADB detected a major scope change - the design change from four-lane highway to six-lane highway - only in the latter stages of expressway construction. The executing agency should have reported the design change in accordance with the Project Agreement.   project cycle stage: Implementation  Lesson Topics:  Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Project administration Sector Related Issues: Roading  Resettlement monitoring reports should include more data, including data on resettlement organizations, compensation standards, factory and institution resettlement, and infrastructure restoration.  project cycle stage: Implementation  Lesson Topics:  Crosscutting Issues/Themes: Resettlement Monitoring & Evaluation: Data collection and management Monitoring & Evaluation: Monitoring and evaluation  Since resettlement plans are used as the main guiding documents for actual land acquisition and resettlement activities, resettlement plans based on preliminary design should be revised upon completion of the detailed design of the civil works.  project cycle stage: Design  Lesson Topics:  Crosscutting Issues/Themes: Resettlement Project Design: Project design |
| Advance recruitment of consultants can improve operational procedures and overall efficiency.  project cycle stage: Appraisal  Lesson Topics:  Project Management: Consultants Project Management: Procurement  Capacity building is best affected by combining formal training and learning-by-doing in the presence of effective support from the central level. Further capacity building in construction monitoring and supervision is required to maintain the high quality of works.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Management: Project supervision Capacity Development: Capacity building  Capacity building should be extended to public servants and private sector consultants when a project activity makes extensive use of outsourcing. Local consultant skills in the areas of social assessment, initial environmental assessments, and economic and financial analyses need to be further developed.  project cycle stage: Feasibility, Country Partnership Strategy  Lesson Topics:  Crosscutting Issues/Themes: Environmental assessment Project Design: Project design Project Management: Consultants Project Management: Executing/Implementing agencies Capacity Development: Capacity building Sector Related Issues: Private sector  Counterpart contributions are difficult to collect in situations where a wide range of beneficiaries not necessarily from within the immediate impact area share project benefits.  project cycle stage: Feasibility  Lesson Topics:  Finance & Financial Aspects: Counterpart funds Project Design: Project design  Flexibility in applying unit cost ranges is needed to accommodate situations where unit costs vary widely and depend on local conditions.  project cycle stage: Implementation  Lesson Topics:    Implementation across several provinces (23 provinces) diminishes the support that a reasonably resourced central project management unit (CPMU) can realistically provide.  project cycle stage: Feasibility  Lesson Topics:  Project Design: Project design Project Management: Project management  Project procedural guidelines should be provided early during implementation and are particularly important where project management capacities are limited.  project cycle stage: Implementation  Lesson Topics:  Project Management: Project administration Project Management: Project management  Staff assigned to provincial project management unit (PPMUs) need to be seconded on a full-time basis, especially financial management and accounting personnel.  project cycle stage: Feasibility  Lesson Topics:  Finance & Financial Aspects: Financial management Project Management: Project management |
| 1. Success of the Bhutan Health Care Reform Program was due in part to strong ownership of program reforms by the government; stability of the tenure of key government stakeholders associated with program implementation; support for the reform program from major funding agencies; support for deepening of ongoing reforms (rather than entirely new reforms); and implementation of practical and achievable reforms. The overall impact of the reform program was noted to have been substantial with the achievement of equity in health service delivery, being on track to achieve all the health and poverty reduction-related MDGs, and ensured sustainable sources of financing, among others. [Main text, paras. 42, 44-58, 60(i)]  project cycle stage: Feasibility, Implementation  Lesson Topics:  Finance & Financial Aspects: Financing Modality: Program Project Design: Project design Project Management: Executing/Implementing agencies Capacity Development: Ownership Policy & Reform: Reform  2. A major challenge and barrier to the provision of emergency obstetric care in the South Asia region has been a severe shortage of anesthetists. Bhutan has addressed this issue to some extent by training and using nurse anesthetists. This is a significant option that other countries in this region may have to explore to address severe shortage of anesthetists. [Main text, paras. 32, 60(iii)]   project cycle stage: Design, Feasibility  Lesson Topics:  Capacity Development: Capacity building Country Context: Emergency Sector Related Issues: Health and sanitation management  3. Sustainable financing of essential health services can be implemented through establishment of a trust fund. The Health Care Reform Program established the Bhutan Health Trust Fund (BHTF) with the objective of ensuring continued and timely supplies of vaccines and essential drugs. The BHTF has successfully mobilized $19 million which was used to finance vaccines and essential drugs in a sustainable manner. The establishment of BHTF (as well as the introduction of user charges) have led to some degree of sustainable financing for the health sector. [Main text, paras. 9, 60(iv)]   project cycle stage: Design, Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Finance & Financial Aspects: Financing Sector Related Issues: Health and sanitation management  Successful contracting of services to the private sector requires: (a) development of the capacity of the government agency for contracting services to the private sector; (b) establishment of good selection criteria for contracting private companies; and (c) assessment of the capacity of the private sector to provide efficient and quality services.  project cycle stage: Appraisal Implementation  Lesson Topics:  Project Management: Procurement Capacity Development: Capacity assessment Capacity Development: Capacity development Sector Related Issues: Private sector  Unlike most external social sector support programs, where committed liabilities are created through expansion of services due to significant inputs into capital expenditures, the program was designed to support consolidation and sustainability of health financing.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Finance & Financial Aspects: Financing Modality: Program Project Design: Project design Sector Related Issues: Health and sanitation management |
| 1. The prequalification process needs to be more rigorous to avoid delays in implementation of civil works contracts by the incorrect choice of contractors.The prequalification of firms that do not have the capacity to undertake civil works implementation in a timely manner results not only in delays to civil works but has also necessitated the extension of the input of the construction supervision consultants. [Main text, para. 28, 62]  project cycle stage: Appraisal Implementation  Lesson Topics:  Project Management: Consultants Project Management: Procurement  2. Environmental problems encountered due to the lack of an environmental management plan and contractors not taking an active role in protecting the environment could be avoided by ensuring that a plan is developed and that civil works implemented by contractors are more actively monitored. Inadequacy of slope protection measures and disposal of spoil in the project as discovered by the Special Review Mission was similar to the findings of a safeguard reviewmission for Loan 1989-LAO: Northern Economic Corridor. ADB should ensure that adequate measures are undertaken to avoid their recurrence. [Main text, paras. 36, 59, 64]  project cycle stage: Design, Feasibility, Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Environmental management Monitoring & Evaluation: Monitoring and evaluation Project Management: Procurement Project Management: Project supervision Sector Related Issues: Roading  Implementation schedules envisaged at appraisal need to be more realistically projected in light of other projects implemented in the Lao PDR. The Sixth Road Project was delayed 4 years due to similar problems with contractors. The Fourth Road Project was delayed about 3 years and the Fifth Road Project by about 18 months.  project cycle stage: Feasibility  Lesson Topics:  Project Design: Appraisal Project Design: Project design Project Management: Procurement Sector Related Issues: Roading |
| 1. Though not funded by the project, link roads were a very important related facility. They were not clearly defined in a manner that allowed road development to be monitored, however. The specific locations and end points should have been specified in detail at appraisal to allow the construction and finalization of all roads to be monitored and evaluated during implementation and at project completion.  project cycle stage: Appraisal  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Design: Appraisal Project Design: Project design Sector Related Issues: Roading  2. The selection process for domestic consultants to monitor land acquisition and resettlement should ensure that the selected consultants have sufficient experience and clearly understand their role and reporting requirements. The issues concerning resettlement found at completion might have been alleviated, had a more experienced and thorough consultant been engaged.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Crosscutting Issues/Themes: Resettlement Monitoring & Evaluation: Monitoring and evaluation Project Management: Consultants  As with past ADB railway projects in the PRC, the appraisal estimates for freight traffic were somewhat high. Appraisal passenger traffic estimates were also considerably higher than the traffic now being realized. In both cases, the actual traffic would be considerably higher with the allocation by the Ministry of Railways (MOR) of additional wagons and passenger cars. With respect to land acquisition and resettlement, estimates at appraisal (land taken, persons affected and houses demolished) were considerably lower than the actual figures.   project cycle stage: Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Resettlement Finance & Financial Aspects: Market analysis Project Design: Appraisal Sector Related Issues: Transport planning  The ADB loan was repaid in full by the EA in 2003, as the cost of the ADB loan was much higher than the interest rates prevailing in the market at that time. After the repayment of the loan the EA had no communication with ADB until the fielding of the consultation mission in October 2005. When a loan is repaid in full, ADB's ability to gain compliance with covenants, such as timely submission of the EA's PCR, is compromised.  project cycle stage: Appraisal  Lesson Topics:  Loan Agreement: Covenants Project Management: Executing/Implementing agencies Project Management: Project reporting Project Management: Project supervision |
| Both implementing agencies (power companies or PCs) significantly revised some targets in the project components. However, ADB staff who conducted six review missions (between 1999 and 2004) never updated the framework in their back-to-office reports (BTOR) and in the project performance report (PPR). The progress of each target in the framework was not properly monitored. Consequently, ADB and both PCs used different indicators in monitoring the project's progress.  project cycle stage: Implementation  Lesson Topics:  Monitoring & Evaluation: Indicators Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Project supervision Sector Related Issues: Energy planning/management Methodologies/Approaches: Targeting  Lack of coordination between urban planning and the electricity network rehabilitation and extension also contributed to delays. For example, local authorities required changes in transmission line routes after changes in urban plans, even after the issuance of construction authorization and the near completion of pole foundations. These delays could have been avoided if the rehabilitation of the electricity distribution had been undertaken in parallel with urban planning. Lack of a standard national policy about the type of equipment to be installed on national networks proved a source of significant delay. Numerous technical specifications were drafted, corrected, amended, cancelled, and redrafted to satisfy many different designers. There were also numerous revisions to the detailed designs and delays in finalizing cost estimates and bills of quantity.  project cycle stage: Design, Feasibility, Implementation  Lesson Topics:  Finance & Financial Aspects: Financial analysis Project Design: Project design Sector Related Issues: Energy planning/management Sector Related Issues: Urban sector/development Methodologies/Approaches: Consultation/Participation  More flexibility with regard to project scope is needed. In the case of the project, it could have been expanded to include additional cities to utilize loan savings had it been structured as a sector project. However, this was not an option during project preparation because of the difficulties involved with finalizing the feasibility studies/technical designs for additional towns/cities in a timely manner. It was also noted that some of the delays could have been avoided had the approval process for technical designs and the bidding documents been more streamlined. The procurement documents had to be approved by many layers at the implementing, executing and Borrower levels.  project cycle stage: Implementation  Lesson Topics:  Modality: Program Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Procurement Sector Related Issues: Energy planning/management Methodologies/Approaches: Sectoral approach |
| 1. Some measures, such as voluntary retirement schemes (VRS) for the involuntary termination of workers for state-owned enterprises (SOEs) that are to be divested, have significant budgetary implications. When including such measures in the policy matrix, it is important to ensure that the fiscal situation can support such measures and the necessary budget allocations are made.  project cycle stage: Design Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Public governance Capacity Development: Human resources management Policy & Reform: Policy matrix Policy & Reform: Privatization Policy & Reform: Public sector reform  In order to provide adequate flexibility, a program cluster should be designed as a set of single tranche subprograms, with each subprogram comprising clearly defined policy actions that are calibrated to be achievable within a relatively short time frame.  project cycle stage: Appraisal  Lesson Topics:  Modality: Cluster operations Modality: Program Project Design: Project design Policy & Reform: Policy reforms/framework  Proceeds received from the sale of state-owned enterprises (SOEs) are dependent on the economic environment and market conditions. A predetermined mandatory program for privatizations - with a quantified net asset value within a specified period to meet tranche release conditions - may not always optimize proceeds. Instead, it could result in underpricing of shares as demonstrated in the sale of Sri Lanka Telecom Ltd. and Sri Lanka Insurance Corporation Ltd., both of which were sold in order to meet tranche release conditions when the stock markets were plummeting worldwide and the Sri Lanka market was at a relatively low level. In addition, the regulatory authority must be operational to properly regulate the industry (i.e., Insurance Board of Sri Lanka) before a privatization takes place.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Governance Finance & Financial Aspects: Market analysis Modality: Program Policy & Reform: Privatization Policy & Reform: Public sector reform  Under the program cluster approach, other multilateral institutions may finance programs originally proposed to be included in future subprograms of the cluster loan. The Private Sector Development Program's (PSDP's) subprogram 1 and proposed follow-on (subprogram 2) were put in place before the World Bank's Poverty Reduction Strategy Credit was developed. The World Bank program overlaps some of the focus areas of PSDP's subprogram 2. Organizational restructuring within ADB also shifted responsibility for many of the components that were originally envisioned to be included in subprogram 2 to other departments, which are implementing them. Although the PSDP was structured as a cluster, only 1 of the 15 areas considered in the preparatory work for subprogram 2 were actually included in subprogram 2.  project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Financing Modality: Cluster operations Modality: Program Sector Related Issues: Private sector |
| 1. The project was highly ambitious and complex, involving 16 semi-autonomous institutions, 4 different ministries; and activities that would take time to complete before they would have an impact. Therefore, the implementation period of 5 years was unrealistic. There was little room for flexibility in project implementation; with a longer-term view, and more of ï¿½processï¿½ approach, the project could have started at a smaller scale and gradually expanded as experience was gained and lessons were learned.  project cycle stage: Feasibility  Lesson Topics:  Project Design: Project design Sector Related Issues: Education Methodologies/Approaches: Process approach  2. One problem that will remain in terms of upgrading the qualification of academic staff is that some staff who go abroad for postgraduate studies, for example to the US or Australia, may not return, since they can there earn in a month what they would earn in a year at a university in Sri Lanka. Since Sri Lanka will need to continue to send science and technology and R&D staff abroad for higher science and technology qualifications, an option may be to send them to universities in the region in the first instance, and only to send them outside if the region cannot provide the required degree,.  project cycle stage: Feasibility  Lesson Topics:  Capacity Development: Capacity building Capacity Development: Human resources management Sector Related Issues: Education  3. Underutilization of facilities has been and continues to be a problem in ADB-supported projects. Future projects need to assess carefully the needs and plans for such investments.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Finance & Financial Aspects: Market analysis Project Design: Project design  4. Gender aspects need more attention and action needs to be taken to increase female enrollment in undergraduate science and technology courses traditionally dominated by men. The obstacles women face undertaking graduate and postgraduate studies need to be analyzed. Support for gender studies, workshops for faculty at institutes, career guidance for women, and opportunities to meet successful female role models should be considered. In the case of the project, provision of a higher number of scholarship awards to females for postgraduate studies was the only input to promote gender equity.   project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Gender Project Design: Project design Sector Related Issues: Education  5. Setting up a comprehensive scheme of accreditation, with continuous monitoring and periodic evaluation to maintain standards, is a long process, but a very important one if the required standards in response to global trends are to be maintained. In the case of the project, program quality at the 10 universities varies. The project provided inputs for accreditation of courses. Only a few courses received foreign accreditation, and no attempts were made to establish a local professional body for accreditation.   project cycle stage: Feasibility  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Sector Related Issues: Education |
| 1. Using the new (participatory) approach to the project, it is necessary to train government officials and project staff properly at the very beginning of the project. The project was the first ADB-funded project in the Philippines to use a participatory process to mobilize and empower local communities to bring them into the development stream. It also strengthened the capacity of government institutions with responsibility for delivering a range of services. Although the participation of community members was largely confined to the planning stage, with implementation undertaken by the line agencies using conventional means, valuable experience was gained that will be relevant to similar projects.  project cycle stage: Design  Lesson Topics:  Project Design: Project design Project Management: Executing/Implementing agencies Capacity Development: Capacity building Methodologies/Approaches: Participatory approach  2. In the participatory process, early and quick mobilization of the planning facilitator is the key to success of the project. The 2-year delay in completing the contractual arrangements and mobilizing the locally-based NGOs led to delays in initiating the participatory process and resulted in a compressed time frame and delayed implementation, which should be avoided in future projects. NGO involvement in the formulation of the Barangay Natural Resource Management Plan (BNRMP) was very useful since the NGO was familiar with the participatory approach, the Cordillera Administrative Region, and indigenous peoples.  project cycle stage: Implementation  Lesson Topics:  Crosscutting Issues/Themes: Environmental management Project Design: Project design Capacity Development: Capacity development Methodologies/Approaches: Civil Society Participation Methodologies/Approaches: Participatory approach  3. For the establishment of a new project implementation office, the secondment of staff from the participating agencies, rather than hiring contractual staff, contributed to human resource development and enabled institutional knowledge to be retained within the implementing agencies, which will be useful for similar projects in the future.  project cycle stage: Implementation  Lesson Topics:  Project Management: Executing/Implementing agencies Project Management: Project management Capacity Development: Human resources management  4. Support for the ï¿½Cordillera Highland Agricultural Resource Managemet (CHARM) on the Airï¿½ radio program provided market information and increased awareness on the project. Due to strong support from listeners, the radio program has attracted private sector support since completion of the project, which is an ideal way of sustaining project activities.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Project Design: Project design Sector Related Issues: Private sector Sector Related Issues: Rural development Policy & Reform: Information dissemination/Public awareness  5. The expansion of the Integrated Pest Management ( IPM) program through farmers' field schools to cover other activities such as livestock, agro-forestry and child nutrition was successful and beneficial. This methodology may be applied to other agricultural activities.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Project Design: Project design Capacity Development: Capacity building Sector Related Issues: Rural development  6. Due to the sense of ownership generated by the implementation arrangements under the project, the construction of roads by the provincial engineering office was more effective than using the national roads agency or the Department of Public Works and Highways (which had been used as the implementing agency for the previous Highland Agricultural Development Project).  project cycle stage: Design  Lesson Topics:  Project Design: Project design Project Management: Executing/Implementing agencies Capacity Development: Ownership Sector Related Issues: Roading  7. Incorporation of indigenous peoples knowledge to the project design makes the project more implementable and easy to be understood by the people. The project incorporated indigenous forest management practices called lapat. It may prove to be a model for the use of other indigenous knowledge and institutions in the management of other sectors - e.g., water, agriculture, and health. Such indigenous knowledge should be drawn on for future projects.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Environmental management Project Design: Project design |
| A good financial and physical project performance monitoring system is essential to avoid ad hoc or delayed decisions.  project cycle stage: Feasibility  Lesson Topics:    Changes in EAs, IAs, and consulting staff must be minimized by planning long-term assignments from the beginning. When prolonged engagement of consulting services is envisaged, as in the urban sector, procedures for extending services and changing personnel need to be incorporated into the consulting service contracts.  project cycle stage: Appraisal  Lesson Topics:  Project Management: Consultants Project Management: Executing/Implementing agencies Project Management: Procurement Sector Related Issues: Urban sector/development  Contract monitoring procedures and training must be provided to EAs, IAs, project consultants, and contractors.  project cycle stage: Appraisal  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Management: Consultants Project Management: Executing/Implementing agencies Project Management: Procurement Capacity Development: Capacity building  Focus must be shifted from creation of assets to provision of improved service, taking into account the O&M of the constructed facility, its pricing, and revenue collection.  project cycle stage: Feasibility  Lesson Topics:  Finance & Financial Aspects: Financial management Finance & Financial Aspects: Market analysis Project Design: Project design Project Management: Operation and maintenance  New water and sewerage schemes should include house service connections, installed at the same time as street lines are constructed.  project cycle stage: Feasibility  Lesson Topics:  Sector Related Issues: Health and sanitation management Sector Related Issues: Urban sector/development  Policy and reform aspects need to be realistic and politically doable.  project cycle stage: Feasibility  Lesson Topics:  Project Design: Project design Policy & Reform: Policy reforms/framework Policy & Reform: Reform  Project components must undergo detailed planning and appraisal to confirm demand and sustainability.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Finance & Financial Aspects: Market analysis Project Design: Appraisal Project Design: Project design  Project implementation arrangements need to be clearly defined, and detailed procedures established at the project's start.  project cycle stage: Design  Lesson Topics:    Smaller towns must receive O&M support for the first few years after implementation is completed. The field work conducted for this report found that many of the new facilities were not used for up to 18 months after the works contracts were completed.  project cycle stage: Operation  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Project Management: Operation and maintenance Sector Related Issues: Urban sector/development  The capacity of smaller cities and towns is not adequate to plan, design, or implement major projects or to operate new facilities. Though mandated by the 74th Constitutional Amendment, small towns have not yet developed sufficienthuman capital or the financial wherewithal, and require extensive capacity building.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Legal system Finance & Financial Aspects: Financing Capacity Development: Capacity assessment Capacity Development: Capacity building Capacity Development: Human resources management Sector Related Issues: Urban sector/development  The participating towns need to be fully engaged and consulted during loan formulation, including discussions on the details of capital and O&M costs and the impact on their budgets, revenues, taxes, and tariffs.  project cycle stage: Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Public governance Finance & Financial Aspects: Financial analysis Project Design: Appraisal Sector Related Issues: Urban sector/development Methodologies/Approaches: Consultation/Participation |
| 1. Rigorous administration, close supervision, timely implementation of corrective measures, and frequent review missions are important, particularly when the executing and implementing agencies are not familiar with ADB procedures. [Main text, paras. 34, 46(i)]  project cycle stage: Implementation  Lesson Topics:  Project Management: Executing/Implementing agencies Project Management: Project administration Project Management: Project supervision  2. Strong government ownership facilitated project implementation as it ensured timely provision of counterpart funds. It has also allowed the project to be completed without disputes or unexpected claims among contractors, suppliers and consultants. The high level of government ownership was demonstrated with its frequent project steering committee meetings, visits by the deputy prime minister to the project site, efficient management of imprest accounts, and timely provision of adequate counterpart funds. [Main text, paras. 31-33, 46(ii)]  project cycle stage: Implementation  Lesson Topics:  Finance & Financial Aspects: Counterpart funds Project Management: Consultants Project Management: Procurement Capacity Development: Ownership |
| 1. The lowest tendered price is not always cost effective, given that there is a cost transfer to the executing agency associated with delays and additional monitoring or design and construction supervision of relatively inexpensive contractors. Contractors with low bids may attempt to minimize costs by relying on low-cost subcontractors. The executing agency needs to develop capacity for risk management to minimize delays related to the bidding procedure.  project cycle stage: Appraisal Implementation  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Management: Executing/Implementing agencies Project Management: Procurement Project Management: Project supervision Project Management: Risks/Risk management Capacity Development: Capacity development  Land acquisition and right-of-way disputes are a primary source of project delays. Problems encountered by the executing agency and the contractor in land acquisition affected the contractor's ability to progress with the foundation construction and conductor stringing. The combined causes of these problems were (i) the protracted period between initial executing agency negotiations with landowners and commencement of the work, (ii) the political and economic situations in Indonesia in late 1997 and 1998, and (iii) the executing agency's late clearance of the survey route.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Crosscutting Issues/Themes: Resettlement Project Management: Executing/Implementing agencies Project Management: Procurement |
| 1. ADB's monitoring could be improved by ensuring, to the extent possible, continuity or overlap of ADB project officers and sector specialists throughout project implementation. It should be ensured that before a project is handed over to a resident mission under ADB's Resident Mission Policy, the particular resident mission has both the staff resources and institutional capacity to administer the loan efficiently together with adequate sector support from Manila. Uzbekistan Resident Mission has been developing its capacity for project implementation since this first project was delegated, particularly in terms of systems for project administration and developing local staff capacity.  project cycle stage: Implementation  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Management: Project administration Capacity Development: Capacity assessment Capacity Development: Capacity development Capacity Development: Human resources management Other: Resident Mission  The allocation of resources procured under the project to another project can significantly delay project implementation. The government, by instructing the executing agency to reallocate materials and equipment being used for track rehabilitation to another project, considerably delayed the rate of track rehabilitation for about 1 year. This eventually led to an extension of the loan closing date.  project cycle stage: Implementation  Lesson Topics:  Project Management: Executing/Implementing agencies Project Management: Procurement Sector Related Issues: Transport planning |
| 1. The major issue affecting implementation of the project was the unavailability of national counterpart funding, which was beyond the control of the executing agency. The government had given assurance that adequate funds for the project would be allocated and released within the implementation schedule. Possible lack of counterpart funds was identified as a risk in project design and mitigating measures should have been identified so options were readily available when problems occured during implementation.  project cycle stage: Feasibility  Lesson Topics:  Finance & Financial Aspects: Counterpart funds Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Risks/Risk management  2. The larger water districts seem to be able to implement projects efficiently, financed by a combination of their own equity, internally generated funds, and loans. This opens the possibility of direct subsovereign lending.  project cycle stage: Concept Feasibility  Lesson Topics:  Finance & Financial Aspects: Counterpart funds Finance & Financial Aspects: Financing Modality: Lending modality Sector Related Issues: Health and sanitation management Sector Related Issues: Water resource management  3. As far as exploitation of new water sources is concerned, firmer assurances on their availability should have been obtained before completion of detailed engineering design. This was particularly true for the eight large or medium-sized subprojects in the province of Bulacan that were relying on the Bulacan bulk water supply scheme. The cancellation of this scheme led to the cancellation of the eight subprojects after much work had been undertaken.  project cycle stage: Design  Lesson Topics:  Project Design: Project design Project Design: Subprojects Sector Related Issues: Water resource management  4. The project performance monitoring system (PPMS) was initially planned to be a management tool to allow the executing agency to undertake efficient monitoring of the implementation status of all ongoing subprojects. The completion of the system should have been prioritized in the first part of the project to ensure that it would be available and operational during project implementation and not just an output after project completion.  project cycle stage: Feasibility  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Design: Subprojects Project Management: Executing/Implementing agencies Project Management: Project management Country Context: Prioritization  The executing agency should have provided additional institutional and capability building support to newly established and small water districts to ensure the viability and sustainability of the investments. There is a need to further strengthen the small water districts' capacity to operate their water systems.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Operation and maintenance Capacity Development: Capacity building Sector Related Issues: Health and sanitation management Sector Related Issues: Water resource management  The objective of providing water to low-income populations by providing public stand pipes appears to run counter to the objective of the water districts becoming financially viable. This was the reason given by the water districts for not including public stand pipes in the design of their water supply systems. The requirements to involve NGOs and to set specific targets for the number of beneficiaries living below the poverty line, appear to have been unrealistic in water districts whose first priority is to achieve financial viability.  project cycle stage: Feasibility  Lesson Topics:  Finance & Financial Aspects: Financial analysis Project Design: Project design Sector Related Issues: Health and sanitation management Sector Related Issues: Water resource management Methodologies/Approaches: Civil Society Participation Methodologies/Approaches: Targeting  When project components are transferred to other projects or programs, financed by external parties or the executing agency (EA) itself, the EA should be obliged to report on the output of these project components, since these form an essential input in achieving the project outcome.  project cycle stage: Implementation, Completion  Lesson Topics:  Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Project reporting |
| 1. Continuation of project staff (particularly the project manager and other key staff) has contributed significantly to successful project implementation. It has also ensured continued feedback about field experiences to policy level, and served as a basis for better project design.  project cycle stage: Implementation  Lesson Topics:  Project Design: Project design Project Management: Project management Capacity Development: Human resources management Policy & Reform: Policy reforms/framework  2. The private sector has been effective in delivering extension services to farmers where there is good accessibility and capacity to pay for services. Thus, increased involvement of private sector is needed to meet the demand for services.  project cycle stage: Feasibility  Lesson Topics:  Capacity Development: Capacity assessment Sector Related Issues: Extension service Sector Related Issues: Private sector Sector Related Issues: Rural development  Baseline project area data should be collected before project implementation to facilitate periodic monitoring and impact evaluation. A monitoring system should be established before the project begins, and staff should be trained and assigned to implement the system with clear terms of reference.  project cycle stage: Feasibility  Lesson Topics:  Monitoring & Evaluation: Baseline data Monitoring & Evaluation: Data collection and management Monitoring & Evaluation: Impact evaluation Monitoring & Evaluation: Monitoring and evaluation Project Management: Project management Capacity Development: Capacity building  Involvement of local stakeholders - to identify needs and deliver services to poor and disadvantaged people and women - was critical to achieving project objectives. Greater involvement of stakeholders at different levels is necessary during project design. Local knowledge should be utilized, people's needs should be analyzed, and their participation should be ensured in implementation and monitoring. Strategies and modalities for project implementation should be adjusted according to changing situations.  project cycle stage: Design, Implementation  Lesson Topics:  Crosscutting Issues/Themes: Gender Crosscutting Issues/Themes: Poverty reduction Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Project Management: Project management Methodologies/Approaches: Consultation/Participation  The inclusion of districts for project implementation should be planned properly. More programs for relatively longer periods should be targeted at poorer districts. The impact will suffer if the project is implemented in a district for a very short period of time.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Poverty reduction Project Design: Project design Country Context: Decentralization Methodologies/Approaches: Targeting  When recruiting consultants, careful consideration should be given to the background, suitability, and timing for individual consultants' inputs. Consultant input should be properly interrelated and coordinated (with each other as well as counterparts) to maximize collaborative efforts and allow effective transfer of knowledge.  project cycle stage: Appraisal Implementation  Lesson Topics:  Project Management: Consultants Capacity Development: Technology/Technology transfer Methodologies/Approaches: Consultation/Participation |
| 1. There needs to be adequate and timely funding for resettlement and closer supervision, earlier identification, and resolution by ADB of potential resettlement issues. A main concern in the implementation of resettlement in the Southern Yunnan Road Development Project was the lack of funding, which delayed compensation payments. Compensation was paid in a timely manner for house demolition and reconstruction, but payments for land losses were delayed by 1 to 2 years. [Main text, paras. 46, 51(i)]  project cycle stage: Feasibility, Implementation  Lesson Topics:  Crosscutting Issues/Themes: Resettlement Finance & Financial Aspects: Financing Finance & Financial Aspects: Funding Project Design: Project design  A basic monitoring framework needs to be formulated and baseline values for the indicators established, where available, during project preparation and updated at project inception.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Monitoring & Evaluation: Baseline data Monitoring & Evaluation: Indicators Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design  There needs to be sufficient geological investigations for projects that are in difficult, mountainous terrain to ensure more accurate assessments of designs and costs.  project cycle stage: Feasibility  Lesson Topics:  Finance & Financial Aspects: Financial analysis Project Design: Project design Sector Related Issues: Roading  Traffic projections for the initial years of operation need to be more conservative.  project cycle stage: Feasibility  Lesson Topics:  Finance & Financial Aspects: Financial analysis Finance & Financial Aspects: Market analysis |
| 1. The consulting services can contribute significantly to overall efficiency and play a critical role in ensuring the quality of works programs. Civil works projects generally require associated capacity building within implementing agencies for contract administration and addressing ADB procurement and disbursement procedures. In that respect, consultants greatly assisted management units to achieve timely completion of works, submission of withdrawal applications, and liquidation of imprest accounts. The impartiality international specialists brought to contract administration and quality assurance greatly assisted in achieving desired outcomes. [Main text, paras. 33, 43, 44(vii)]  project cycle stage: Implementation  Lesson Topics:  Finance & Financial Aspects: Disbursement Project Management: Consultants Project Management: Executing/Implementing agencies Project Management: Procurement Capacity Development: Capacity building  2. Close monitoring of adherence to selection criteria for subprojects is necessary to ensure that resources are channeled appropriately. While the agreed criteria were generally followed, there were cases when external influences affected prioritization of proposed subprojects. For instance, a road alignment, which was rehabilitated and significantly upgraded, was outside the flood-affected area and not in full conformity with the agreed selection criteria. [Main text, paras. 16, 27, 44(iii)]  project cycle stage: Implementation  Lesson Topics:  Finance & Financial Aspects: Financing Monitoring & Evaluation: Monitoring and evaluation Project Design: Subprojects  3. Given the complex multisector context and sector modality of implementation, the project benefited from the project monitoring and coordination unit's (PMCU's) efficient monitoring and coordination within the executing agency. Evaluation noted the PMCU's timely handling of coordination and monitoring of implementation issues. Monthly PMCU meetings was an important feature to identify implementation constraints and determine mitigating measures. [Main text, paras. 15, 24, 33, 44(i)]   project cycle stage: Implementation  Lesson Topics:  Modality: Lending modality Monitoring & Evaluation: Monitoring and evaluation Project Management: Executing/Implementing agencies Methodologies/Approaches: Consultation/Participation  Close monitoring and quality control of construction by an independent individual or organization is needed if design quality standards are to be achieved.  project cycle stage: Implementation  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Project Management: Consultants  Even if standard designs for common structures (roads, buildings, and irrigation) have already been established, each new project tends to promote its own design. Efficiencies are available through standardizing certain designs, and the government should assess the relative merits of the available alternatives.  project cycle stage: Implementation  Lesson Topics:  Project Design: Project design Sector Related Issues: Irrigation management Sector Related Issues: Roading  Procedures for prequalifying contractors can take as long as 6 months (including ADB approvals). In an emergency, it is expedient to draw on short-listed contractors from ongoing or recently completed internationally funded projects with a similar scope of works to avoid selecting contractors by bid price alone. Post-qualification procedures might be used to speed up procurement.  project cycle stage: Implementation  Lesson Topics:  Project Management: Procurement Country Context: Emergency  Technical capacity building initiatives were not part of the design, but counterpart staff benefited significantly from working alongside international specialists.  project cycle stage: Implementation  Lesson Topics:  Project Design: Project design Project Management: Consultants Capacity Development: Capacity building Capacity Development: Technology/Technology transfer  The emergency demanded a rapid response. Short-term expedience to accelerate processing was necessary but had some repercussions on the operational efficiency of loan disbursement. Accepting disbursement arrangements in the original design that incorporated neither interest during construction nor project monitoring and coordination unit (PMCU) operating costs was an oversight. It loosely grouped disbursement accounts (loan categories) into one for each part (component), covering all items from those with predominantly foreign exchange costs to those that were mainly local costs. Insufficient attention to such details during the design stage has resulted in considerable confusion among the IAs and their management units, as well as for project analysts within ADB and Ministry of Economy and Finance (MEF). This has resulted in the Government's eventually making a reduced contribution to the cost of civil works than was envisaged at appraisal. The Government made no counterpart contributions in the first 12 months of implementation. While this did not slow the rate of progress (it may in fact have helped, as counterpart funds were slow to be released), it was clearly not the intention when the Loan Agreement was negotiated.  project cycle stage: Feasibility  Lesson Topics:  Finance & Financial Aspects: Counterpart funds Finance & Financial Aspects: Disbursement Finance & Financial Aspects: Foreign exchange Finance & Financial Aspects: Local currency Loan Agreement: Loan Agreement Project Design: Appraisal Project Design: Project design Project Management: Executing/Implementing agencies Country Context: Emergency  When unnecessarily lengthy and complex, procedures for the endorsement of interim payment certificates and payment of counterpart funds can provide opportunities for individuals to seek advantage from the system.  project cycle stage: Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Corruption Finance & Financial Aspects: Counterpart funds Finance & Financial Aspects: Disbursement  While the government is understandably reluctant to spend loan funds on foreign consultants, depending exclusivelyon domestic specialists would have significant repercussions for engineering design (particularly in complex areas of hydrology where limited reliable data is available) and in the supervising works. During consultations with the PCR Mission, the IAs, without exception, considered international consultant inputs as a necessary part of the project on both counts. While good technical expertise is being developed in the line agencies and the emerging private sector in each of these fields, technical skills require further development. In terms of quality assurance, the IAs also recognize that the position of government monitors, especially junior staff, is easily weakened by influential contractors. The impartiality international specialists brought to contract administration and quality assurance greatly assisted in achieving desired outcomes.  project cycle stage: Design  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Project Management: Consultants Project Management: Executing/Implementing agencies Project Management: Procurement Sector Related Issues: Private sector Sector Related Issues: Water resource management |
| Although procurement irregularities were limited to a few locations, they attracted significant attention and impeded the implementation of similar components in other places. They created a negative perception of project performance among the concerned agencies, and limited the availability of government budget allocation to overcome the weaknesses. A better monitoring system could have helped prevent this.  project cycle stage: Implementation  Lesson Topics:  Crosscutting Issues/Themes: Corruption Finance & Financial Aspects: Counterpart funds Monitoring & Evaluation: Monitoring and evaluation Project Management: Procurement  As with previous education projects, the Assistance Scheme for Facilities Improvement (ASFI) demonstrated that communities can and will participate in monetary and nonmonetary terms if they feel that their contribution is adequately accepted and recognized. The ASFI worked particularly well in private Madrasah Aliyah (MAs or Senior Secondary School under the Ministry of Religious Affairs) as indicated by the higher-than-anticipated percentage of their counterpart share.  project cycle stage: Feasibility  Lesson Topics:  Sector Related Issues: Education Sector Related Issues: Private sector Methodologies/Approaches: Community approach Methodologies/Approaches: Consultation/Participation  Project preparation needs to address more thoroughly nontechnical aspects, such as the design and sustainability of human capacity investment, and how project outputs are to be integrated into existing organizational structures. The sustainability of human investment in the Ministry of Religious Affairs (MORA) depends on the success of the institutionalization process of the project within MORA at all levels, as well as the effective utilization of knowledge acquired through the project. Likewise, setting up new institutions, such as the Common Learning Resource Centers (CLRCs) and Madrasah Development Centers (MDCs), should not be discouraged. However, more thorough upfront analysis is needed regarding the readiness of the sector to embrace these institutions. Finally, project design should consider the diverse government structures at all levels in each sector, and reflect these in the project organization.  project cycle stage: Design, Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Project Design: Project design Capacity Development: Capacity building Sector Related Issues: Education  Qualified domestic consultants in education are scarce, which needs to be taken into account when designing consulting packages based on a combination of international and domestic specialists. Adequate attention needs to be paid to the composition of these packages and the selection process to get the right skills mix and avoid front-end delays. Early identification of domestic experts, preferably already during project preparation, and advance recruitment of these experts would also be beneficial.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Project Design: Appraisal Project Design: Project design Project Management: Consultants Project Management: Procurement Sector Related Issues: Education  Setting up new organizations, especially independent or semi-autonomous ones, is relatively easy, However, making them sustainable is much more difficult. A thorough analysis of whether the existing environment is conducive to a new organization - and what type of organization that should be - followed by a formal recognition process during project implementation are necessary to ensure sustainability.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Project Design: Project design Capacity Development: Capacity development  The implementation and disbursement schedules have to be more realistic. Major disbursements should not be expected in the first 2 years of implementation for these types of human resource development projects. Staff development is a time-consuming process, and needs to be sequenced and synchronized adequately with the procurement of educational materials and equipment to support training. The organizational change needed to absorb the additional staff capacity is equally timeconsuming. Thus, it must be thoroughly considered before implementation to ensure sustainability of the human capacity development provided.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Finance & Financial Aspects: Disbursement Project Design: Project design |
| A project can be completed successfully and within the budget, despite extremely adverse external conditions, as long as all participants do their best to overcome such problems.   project cycle stage: Implementation  Lesson Topics:  Project Management: Project management Capacity Development: Ownership Country Context: Crisis/Post-crisis Methodologies/Approaches: Consultation/Participation  By signing the Loan Agreement, the Borrower accepts ADB's Guidelines on Procurement. Nevertheless, if the Borrower does not understand these guidelines completely, ADB should provide proper training to avoid delays in procurement.  project cycle stage: Appraisal  Lesson Topics:  Loan Agreement: Loan Agreement Project Management: Procurement Capacity Development: Capacity building  Safety and security are important elements of airport design/layout and operations. To ensure that security installations will be effective and efficient, a consultant must be employed to review and monitor the design and implementation of these installations. ADB should adopt a mechanism to prevent cancellation of these essential services, which are related directly to achieving the project objectives.  project cycle stage: Design, Implementation  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Design: Appraisal Project Design: Project design Project Management: Consultants Sector Related Issues: Transport planning  Security measures are less effective or even ineffective if public awareness is minimal and the operator does not enforce security strictly. Monitoring of the adherence to relevant procedures should become a standard element of ADB's follow-up.  project cycle stage: Operation  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Sector Related Issues: Transport planning Policy & Reform: Information dissemination/Public awareness  Since loan covenants sometimes relate to long-term issues, such as financial sustainability or maintenance of facilities, future interventions and dialogue should follow-up on these issues to provide incentives for the Borrower to comply with the covenants after project completion.  project cycle stage: Feasibility, Country Partnership Strategy  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Loan Agreement: Covenants Project Design: Problem identification Project Management: Operation and maintenance Policy & Reform: Policy matrix  To ensure sustainability, the operator will have to allocate larger budgets for maintenance personnel and equipment at each of the airports. Additional funds will have to be used to hire more maintenance personnel, and to provide proper training for new and ongoing training for existing personnel. These expenses must be allocated irrespective of the financial performance of the airports since maintenance has a direct impact on safety and security, which must not be compromised.  project cycle stage: Operation  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Finance & Financial Aspects: Financing Project Management: Operation and maintenance Capacity Development: Capacity building Sector Related Issues: Transport planning  When setting up a central project implementation unit (PIU) for a project with two physically separate sites, care must be taken to ensure that the PIU maintains firm control of overall management.  project cycle stage: Design  Lesson Topics: |
| ADB's sustained experience in Thailand in the aftermath of the 1997 crisis highlights the importance of understanding the national contexts for policy making. The recent economics literature explains that the complex interaction between national stakeholders frequently involves conflicts of interest that introduce uncertainty into the final outcomes of reform processes. The different interests of the stakeholders give rise to common agency problems. Thus, coordination issues become important and cannot be taken for granted. The principal implication for project design is the recognition of two factors. First, the domestic political process will determine outcomes. Second, project design will need to be adjusted during implementation to reflect this process. The complexity of national contexts for economic policy making raises the issue that country ownership is thus central. Further, where the government takes commitment and ownership, ADB's role - no matter how highly valued - will involve less ï¿½additionality.ï¿½ A trade-off is inevitable.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Project Design: Project design Project Management: Executing/Implementing agencies Capacity Development: Ownership Country Context: Crisis/Post-crisis Policy & Reform: Policy reforms/framework Policy & Reform: Reform Methodologies/Approaches: Consultation/Participation  Complex issues such as governance reforms cannot be promoted effectively with consulting firm support, as the outputs cannot be specified fully in advance. ADB staff involvement is needed in conjunction with individual consultants to adjust the programs during implementation to meet the needs of the government effectively.  project cycle stage: Implementation  Lesson Topics:  Crosscutting Issues/Themes: Governance Modality: Program Project Management: Consultants Project Management: Project supervision Policy & Reform: Reform |
| Delay in the adoption of revenue generation measures will affect the sustainability of waste management infrastructure. The capacity and funding for O&M should be carefully assessed for all future infrastructure projects.   project cycle stage: Feasibility, Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Environmental management Crosscutting Issues/Themes: Sustainability Finance & Financial Aspects: Financing Project Design: Project design Project Management: Operation and maintenance Capacity Development: Capacity assessment  Land acquisition remains difficult and should be avoided and minimized. Where land must be acquired from customary landowners, the acquisition process, including compulsory action, should be started as early as possible.   project cycle stage: Feasibility  Lesson Topics:    Project management assistance, provided as an integral part of a project, can enhance the executing agency's implementation capability. A strong project management unit and project steering committee and the active involvement of the implementing agencies was key to the project's success and similar arrangements should be part of future projects.  project cycle stage: Design, Feasibility, Implementation  Lesson Topics:  Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Project management Capacity Development: Capacity building |
| Advance planning and close coordination between Bangladesh Railway and the mine authorities and other major clients is necessary. The state of affairs confirms the urgent need for institutional reform of Bangladesh Railway, as covenanted in the Loan Agreement.  project cycle stage: Feasibility  Lesson Topics:  Loan Agreement: Covenants Loan Agreement: Loan Agreement Project Management: Executing/Implementing agencies Sector Related Issues: Transport planning Policy & Reform: Reform Methodologies/Approaches: Consultation/Participation  Small amounts of cofinancing for vital components of a project should be carefully examined in advance. In this project, most of the delays in completion are attributable to the work and/or supply components procured, or envisaged to be procured, through separate contracts in accordance with the cofinancing agreements. The cofinancing to be provided by Export Development Corporation (EDC of Canada) for the rails needed for contracts 1 and 2 was only $7 million at appraisal. The failure of the supplier nominated by EDC caused most of the delay in completion of contracts 1 and 2. At the same time, the exclusion of the supply of rails from the scope of the main civil works contracts went against the spirit of the turnkey arrangement of the contracts.  project cycle stage: Appraisal  Lesson Topics:  Project Design: Appraisal Project Management: Procurement  The engagement of the construction supervision consultant (CSC) for day-to-day management of project implementation (which was done to strengthen Bangladesh Railway's project management capability) produced the desired results.  project cycle stage: Appraisal  Lesson Topics:  Project Management: Consultants Project Management: Project management Project Management: Project supervision Sector Related Issues: Transport planning  The reform agenda should be pursued in stages with proper sequencing. In the case of Bangladesh Railway, preparatory work supported by substantial inputs of attached and/or stand-alone TAs, including the restructuring of Bangladesh Railway into lines of business as a first step, are needed before setting up a corporatized railway entity.  project cycle stage: Appraisal  Lesson Topics:  Modality: Technical Assistance Project Design: Project design Sector Related Issues: Transport planning Policy & Reform: Reform |
| Contract packaging caused delays and legal issues. To avoid this in the future, overlapping contracts should be packaged together and the legal aspects of delays caused by interdependency should be covered under the contract clauses.  project cycle stage: Implementation  Lesson Topics:  Crosscutting Issues/Themes: Legal system Project Management: Procurement  Most water users associations (WUAs) developed under the project became dormant after project completion. To sustain operations of community organizations (WUA and women's organizations), project designs should include entry and exit strategies, which can adequately address WUA objectives.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Gender Crosscutting Issues/Themes: Sustainability Project Design: Project design Capacity Development: Capacity development Sector Related Issues: Irrigation management  The executing agency did not have adequate O&M resources to operate and maintain the handed over system. Covenants did not fully cover the availability of irrigation service fee (ISF) to the executing agency for O&M, although they provided for increases in ISF to meet O&M requirements. Implementation arrangements were imbalanced as the North-West Frontier Province (NWFP) Government (as the owner) did not have the capacity or technical knowledge to influence and guide Water and Power Development Authority (WAPDA). To ensure sustainability and ownership of water sector projects, new projects should include the necessary support for reforms, which ensure financial autonomy, transparent and efficient decision-making, and availability of resources for O&M of the system. In addition, future initiatives should support capacity building of water sector institutions to implement and monitor water sector projects.  project cycle stage: Design, Feasibility, Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Finance & Financial Aspects: Financing Loan Agreement: Covenants Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Operation and maintenance Capacity Development: Capacity assessment Capacity Development: Capacity building Capacity Development: Ownership Sector Related Issues: Irrigation management Sector Related Issues: Water resource management Policy & Reform: Reform  The monitoring system established in the executing agency was not responsible for operating the project and was discontinued after the project. In future, the priority should be to strengthen the existing monitoring systems of executing agencies responsible for operating the project, build their capacity, and ensure sustained monitoring.  project cycle stage: Feasibility  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Management: Executing/Implementing agencies Project Management: Operation and maintenance Capacity Development: Capacity building Country Context: Prioritization  To maintain the executing agency's (Irrigation and Drainage Department's) ownership of the project, consultants should be recruited by the lead executing agency who would ultimately operate the system to improve its capacity to supervise implementation by the subcontracting agency (in this case Water and Power Development Authority). Delays in contract awards and implementation could also be reduced if training on contract management and ADB procedures are organized at the outset for executing agencies.  project cycle stage: Implementation  Lesson Topics:  Project Management: Consultants Project Management: Executing/Implementing agencies Project Management: Operation and maintenance Project Management: Procurement Project Management: Project supervision Capacity Development: Capacity building Capacity Development: Ownership Sector Related Issues: Irrigation management |
| Having a strong federal coordinating unit (FCU) would have facilitated the proper management of consultants and improved the outputs of the international and domestic consultants. The FCU should properly supervise and coordinate project activities, particularly at the provincial level. Without a strong and responsible FCU, project coordination suffers.  project cycle stage: Feasibility  Lesson Topics:  Project Management: Consultants Project Management: Project management Project Management: Project supervision Capacity Development: Capacity assessment Methodologies/Approaches: Consultation/Participation  School management committees (SMCs) should be trained to take a leading role in formulating a vision for their individual community model schools (CMSs), as each has its own dynamics. The stakeholders would thus work together for CMS improvement and maintenance with a sense of shared purpose, in the process strengtheningthe SMC-CMS relationship.  project cycle stage: Feasibility  Lesson Topics:  Capacity Development: Capacity building Sector Related Issues: Education  The improvements in access to primary education should be supported by continuing efforts to enhance the quality of education, such as (i) improving teaching and learning methods, (ii) continuously developing textbooks that arouse students' interest in reading and doing research on their own, and (iii) strengthening institutional and management capacity, to increase ownership and relevance.  project cycle stage: Feasibility  Lesson Topics:  Project Design: Project design Capacity Development: Capacity building Capacity Development: Ownership Sector Related Issues: Education  The project was delayed by nearly 3 years mainly because of inadequate project implementation unit (PIU) staffing and frequent changes in project directors. The establishment of a core project management unit at the fact-finding stage, as agreed with the government during the Resident Mission's 2003 Country Portfolio Review Mission (CPRM) in 2003, should be enforced, and the Resident Mission should consistently follow up on the implementation of the CPRM agreements, such as the retention of project directors for at least 3-4 years, and the government referring any needed changes first to ADB before the changes are made. These actions would promote a sense of ownership on the part of the government and minimize implementation delays.  project cycle stage: Appraisal Implementation  Lesson Topics:  Project Management: Project management Capacity Development: Ownership Other: Resident Mission  The recruitment of project staff is a generic problem. Recruitment was delayed mainly because of the ban on recruitment and the requirement to secure additional clearance from the finance department, even for approved posts. ADB should have raised this issue during Country Portfolio Review Missions (CPRMs), and fact-finding mission leaders should have followed up the possibility of an exemption from the ban and from additional approval from the finance department for project staff.  project cycle stage: Appraisal, Country Partnership Strategy  Lesson Topics:  Project Design: Appraisal Capacity Development: Human resources management |
| Fewer approval steps for procurement help with timely implementation of projects. The full financial authority now enjoyed by the gas sector entities helps accelerate project implementation.  project cycle stage: Appraisal  Lesson Topics:  Project Management: Procurement Sector Related Issues: Energy planning/management Policy & Reform: Reform  Reform-linked projects require follow-up projects to ensure implementation of reforms initiated in any sector. ADB assistance for series of projects is largely responsible for the substantial reforms in the power sector in Bangladesh which began in 1994.  project cycle stage: Country Partnership Strategy  Lesson Topics:  Modality: Cluster operations Sector Related Issues: Energy planning/management Policy & Reform: Reform  The nature of the consulting services should be commensurate with the implementation period of any project. For projects with long implementation periods that require intermittent intervention of consultants, the engagement of a firm to provide consultants with appropriate disciplines is better than engaging individual consultants. This allows the replacement of consultants whenever needed, at short notice.  project cycle stage: Appraisal  Lesson Topics:  Project Design: Project design Project Management: Consultants Project Management: Procurement  To avoid implementation delays, consultants whose services are required for design and supervision of project components should be selected before project approval. This approach has yielded positive results in some projects in the transport sector.  project cycle stage: Appraisal  Lesson Topics:  Project Design: Appraisal Project Design: Project design Project Management: Consultants Project Management: Project supervision Sector Related Issues: Transport planning |
| Delays in ADB approvals are attributed to the late provision of supportive data and information by the executing agency or implementing agencies. Late approvals contributed to implementation delays. ADB and the executing agency did not establish a mechanism for mutual clarification of cases under dispute; ADB took unilateral decisions. Electronic data transfer and more direct communication with ADB and/or the resident mission could have enhanced communication and helped reduce approval time.  project cycle stage: Appraisal  Lesson Topics:  Monitoring & Evaluation: Data collection and management Project Design: Appraisal Project Management: Executing/Implementing agencies Project Management: Management information system Other: Resident Mission  Land acquisition problems frequently affected project implementation and caused delays, which could have been avoided with more foresight during project preparation. Despite ADB's repeated insistence on resettlement plans, neither the individual project implementation units (PIUs) nor the project management unit (PMU) submitted them. It seems that, despite flagging the absence of agreed resettlement plans, no further enforcement actions were taken by PIUs or the PMU.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Resettlement Project Design: Project design Project Management: Project management  Local and central government must adopt cost recovery and sustainability as guiding principles for infrastructure investments. Many governments still perceive infrastructureinvestments as a central government responsibility and there is a general lack of awareness about the financial and institutional sustainability of such investments. In terms of institutional strengthening, local governments need well-planned capacity building action plans related to project implementation management and O&M.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Governance Crosscutting Issues/Themes: Sustainability Project Management: Operation and maintenance Project Management: Project management Capacity Development: Capacity building Country Context: Decentralization Policy & Reform: Information dissemination/Public awareness  Private investors' behavior was strongly influenced by the absence of adequate and clear guidelines, regulatory frameworks, and standards. Where these were in place, the private sector was forthcoming but, in general, its role was much smaller than anticipated. The private sector is still not ready to invest in the water supply sector, except in the context of real estate developments where investment can be charged directly to customers. Private sector participation (PSP) promotional activities can only be successful if complementary activities (e.g., policy dialogue) and thedevelopment of regulatory framework are accomplished.  project cycle stage: Feasibility  Lesson Topics:  Sector Related Issues: Health and sanitation management Sector Related Issues: Private sector Sector Related Issues: Water resource management Policy & Reform: Policy matrix Policy & Reform: Policy reforms/framework  The environmental impact assessment (EIA) was not used as a guide for environmental safeguards, which will impact subprojects' environmental sustainability. Environmental considerations were low on the priority list for service operators or facility owners. Inadequate procedures, inappropriate technologies, or environmental hazards were regularly discussed and documented during ADB PCR missions. However, few adjustments were made despite repeated reminders. EIAs need to be implemented in a more rigorous fashion with full involvement of local government environmental agencies (BAPEDAL). There was no defined institutional arrangement for subproject screening or executing agency review and approval - critical for this project, which is expected to appraise a huge number of subprojects covering different sectors/subsectors.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Environmental assessment Crosscutting Issues/Themes: Sustainability Project Design: Appraisal Project Design: Project design Project Design: Subprojects Project Management: Executing/Implementing agencies Capacity Development: Technology/Technology transfer Methodologies/Approaches: Consultation/Participation  The introduction of regional autonomy had a strong influence on project implementation, especially the delayed allocation of local development funds. Staff rotation, particularly local project managers, resulted in lack of continuity, loss of experienced personnel, and delays. Subprojects that relied on inter-institutional cooperation faced many obstacles and bottlenecks. Staff rotation issues can only be solved if the executing agency has the political will to implement projects without major disruptions due to staff transfer.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Project Design: Subprojects Project Management: Executing/Implementing agencies Capacity Development: Human resources management Country Context: Decentralization  The late establishment of project management units (PMUs) and project implementation units (PIUs) affected project start-up. Delayed preparation of the subproject appraisal report (SPAR) document and detailed engineering design (DED) took much longer than expected and resulted in program revisions and fund reallocations. There was some inconsistency in defining realistic project targets, which could have been avoided with a more stringent project appraisal. Centralized and consultant-driven project monitoring did not sufficiently track all aspects of this multi-sector and multi-stakeholder project. While important adjustments (e.g., loan cancellations) were made, shortcomings in the field of institutional strengthening and revenue generation were never addressed.  project cycle stage: Design Appraisal Implementation  Lesson Topics:  Crosscutting Issues/Themes: Governance Monitoring & Evaluation: Monitoring and evaluation Project Design: Appraisal Project Design: Project design Project Design: Subprojects Project Management: Consultants Project Management: Project management Capacity Development: Capacity building Methodologies/Approaches: Targeting  The shortage of adequate O&M funds will have a negative influence on the project lifeexpectancy and the sustainability of infrastructure investments. The effectiveness of O&Mcapacity building for service providers was limited, and local governments were unable toovercome internal adverse attitudes within their own ranks and were unwilling to increase theirown capacity. The covenants should have stressed more firmly the need for adequate O&Mfunding. Increased technical support for O&M needs to be considered as part of project design.  project cycle stage: Feasibility, Appraisal Implementation  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Finance & Financial Aspects: Financing Loan Agreement: Covenants Project Design: Project design Project Management: Operation and maintenance Capacity Development: Capacity building Country Context: Decentralization  The supply of low quality machinery with an unreasonably short life span should have been prevented by proper quality specifications in the bidding documents. Tender documentsmust be more specific in terms of minimum quality standards.  project cycle stage: Implementation  Lesson Topics: |
| A more holistic approach should be taken in the design and implementation of the Community Awareness and Education Program (CAEP component), which was less successful. Implementation should be carried out by competent and dedicated field staff members and consultants who understand the local customs and culture. The holistic approach should establish a common goal shared by all parties involved. The CAEP should define the quality of life that the people strive for, list problems and issues, develop plans, list projects to achieve the outputs desired, take action to implement changes, monitor results, look for early warnings that predict errors, adjust actions at an early stage, and replan where necessary. The success of this type of a program begins with one common goal shared by all concerned.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Design: Problem identification Project Design: Project design Project Management: Consultants Project Management: Project management Country Context: Cultural constraints Policy & Reform: Information dissemination/Public awareness Methodologies/Approaches: Holistic approach  Consultants should closely monitor the performance of contractors and advise the executing agency early on if corrective measures are needed to prevent construction delays. Consultants' work and performance should be monitored more closely by the executing agency and ADB to ensure the quality of output.  project cycle stage: Implementation  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Management: Consultants Project Management: Executing/Implementing agencies Project Management: Procurement  It is essential to improve coordination between all parties concerned with the project in order to avoid delays in implementation. During the detailed design for the project, documents were sent to all departments and organizations affected by the proposed works for review and comment prior to bidding. Some reviews were not completed, resulting in the need to change the scope of work for drainage and road components during the execution of the work.   project cycle stage: Design  Lesson Topics:  Project Design: Project design Project Management: Executing/Implementing agencies Sector Related Issues: Health and sanitation management Sector Related Issues: Roading Methodologies/Approaches: Consultation/Participation  Project design and implementation procedures should be carefully examined and determined during appraisal, taking into account government regulations for preparation of detailed designs, and involvement of stakeholders.  project cycle stage: Appraisal  Lesson Topics:  Project Design: Appraisal Project Design: Project design Methodologies/Approaches: Consultation/Participation  The capacity of government personnel, local authorities, and project staff should be strengthened through adequate training prior to the implementation of the project to familiarize them with ADB's implementation procedures.  project cycle stage: Appraisal  Lesson Topics:  Project Management: Executing/Implementing agencies Project Management: Project administration Capacity Development: Capacity building |
| Continual on-the-job training of executing agencies and project implementation staff should be conducted during implementation. Training of the project team in financial management and accounting - and the use of financial and accounting software systems - significantly increased the effectiveness and speed of project implementation.  project cycle stage: Implementation  Lesson Topics:  Finance & Financial Aspects: Financial management Project Management: Executing/Implementing agencies Project Management: Management information system Project Management: Project management Capacity Development: Capacity building  The civil works highlighted the importance of timely coordination between civil works and procurement of equipment and supplies. Civil work contractors should be prequalified to ensure adequate quality of the works. Local level technical supervision over the civil works contributed tothe quality and efficiency of the works.  project cycle stage: Implementation  Lesson Topics:  Project Management: Procurement Project Management: Project supervision Methodologies/Approaches: Consultation/Participation  The discretionary grant fund (DGF) component demonstrated the value of local community involvement in rehabilitation of community facilities and development of community-level projects. The DGF-funded microprojects helped to create employment, promoted entrepreneurship, provided local communities with long-term sources of income, and confirmed that local community mobilizationhas strong potential to support development activities.  project cycle stage: Feasibility  Lesson Topics:  Finance & Financial Aspects: Financing Project Design: Project design Capacity Development: Capacity development Crosscutting Issues/Themes: Employment Methodologies/Approaches: Community approach  The government did not utilize fully the project steering committee (PSC) as a strategic and coordinating institution. The project stakeholders missed an opportunity to use the PSC meetings for proactive multilateral dialogue, coordination, and cooperation. Project implementation issues were resolved through informal bilateral contacts between the project management unit (PMU) and the concerned ministries. This highlighted the trade-off between the role of PSC as an institution for strategic planning, interagency coordination, and policy dialogue; and PSC as an additional level of project management.  project cycle stage: Implementation  Lesson Topics:  Project Management: Executing/Implementing agencies Project Management: Project management Policy & Reform: Policy matrix Methodologies/Approaches: Consultation/Participation  The project underscored the importance of interagency coordination. Donor coordination and information sharing in future projects should be ensured through mechanismssuch as roundtables, workshops, and conferences. These would bring together international aid agencies working in the country's social sector development.  project cycle stage: Feasibility  Lesson Topics:  Project Design: Project design Sector Related Issues: Education Sector Related Issues: Health and sanitation management Sector Related Issues: Urban sector/development Methodologies/Approaches: Consultation/Participation  The project was the first ADB loan project in Tajikistan. At the start of implementation, the executing agency, project management unit (PMU), project implementation units (PIUs), and other counterparts were unfamiliar with ADB's operation procedures and guidelines. In addition to providing on-the-job training, the international consultants played an important role in developing staff capacity in the PMU and PIUs. The consultants contributed significantly to increasing the efficiency of project implementation. Moreover, they developed adequate technical specifications for equipment and supplies, and streamlined distribution of pharmaceuticals to rehabilitated health care facilities.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Sector Related Issues: Health and sanitation management Policy & Reform: Transition economies  To allow ADB to respond to the urgent social sector rehabilitation needs in post-civil war Tajikistan, the project was designed quickly in an insecure environment. For these reasons, the project appraisal had three major shortcomings: (i) inadequate assessment of infrastructure rehabilitation needs, (ii) underestimated project costs, and (iii) inadequate assessment of implementation arrangements. The shortcomings in appraisal work contributed to implementation delays and other problems that had to be resolved during implementation. Despite those shortcomings, the timely and broad nature of the project catalyzed efforts to address the challenges in the country's social sector. When processing similar projects in the future, recognition of possible trade-offs between timely processing, quality Project Design, and effective implementation will be important. Circumstances permitting, adequate assessment of implementation issues and arrangements is also critical.  project cycle stage: Appraisal  Lesson Topics:  Project Design: Appraisal Project Design: Project design Project Management: Project management Country Context: Emergency Sector Related Issues: Education Sector Related Issues: Health and sanitation management Sector Related Issues: Urban sector/development |
| Experience highlighted the need for significant project contact with the national government even when the targets are local governments and communities.The location of the project implementation unit (PIU) made monitoring of the development of national policies and initiatives difficult. The cost of implementation arrangements was minimized by establishing a project presence only at the project sites and by recruiting only civil engineers, administrators, training specialist, and discretionary grant fund (DGF) coordinators. The PIU did not have either education or health specialists who could have been effective interlocutors with line ministries. The project manager discussed sector issues with line ministries only when problems arose. The implementation arrangements ensured the quality and timely implementation of civil works, and provision of equipment and strong support to communities. However, disbursements, consultation with the executing agency and coordination with line ministries suffered. The liaison office established to resolve these issues proved insufficient.   project cycle stage: Design, Implementation  Lesson Topics:  Finance & Financial Aspects: Disbursement Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Project management Capacity Development: Human resources management Country Context: Decentralization Sector Related Issues: Education Sector Related Issues: Health and sanitation management Methodologies/Approaches: Consultation/Participation  It is important to ensure that appropriate national policies and strategies are at an advanced stage of preparation when planning local capacity building. During preparation, the project had two options regarding scope. One was to reform policies and set standards nationally, and the other to strengthen decentralized management and service provision by local government and communities. The project took the second option and achieved its objectives and produced the intended outputs. However, technical effectiveness, impacts on the poor, and the sustainability of investments were undermined by the limited scope of reform nationally, particularly regarding budget planning and allocation, and by the failure of reforms to proceed at the same pace as project investments locally. Although national policy reforms were not in the project scope, the project could have worked more closely with other donors to help the government accelerate the planning and implementation of reforms.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Public governance Crosscutting Issues/Themes: Sustainability Project Design: Project design Capacity Development: Capacity building Country Context: Decentralization Policy & Reform: Policy reforms/framework  The discretionary grant fund (DGF) successfully responded to community social infrastructure needs and mobilized community support. However, poor communities without strong leadership had difficulty preparing proposals and needed significant support in accessing the DGF. To ensurethe full participation of the most disadvantaged communities, similar schemes should ensure that adequate support is provided.  project cycle stage: Feasibility  Lesson Topics:  Finance & Financial Aspects: Financing Project Design: Project design Capacity Development: Capacity building Methodologies/Approaches: Community approach  The project provided computers and training for the social protection management information system (SPMIS) in the project oblasts but did not provide technical support nationally toward designing the system. At appraisal, it was envisaged that other agencies would help the Ministry of Labor and Social Protection (MOLSP) design the system, but this support did not materialize. Eventually, MOLSP technicians developed the system, but they pointed out that designing it was difficult and time consuming and were uncertain of the quality of the network. This component could have been implemented more promptly and efficiently if the project had provided a comprehensive package including hardware, software, and technical support.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Project Design: Appraisal Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Management information system Capacity Development: Capacity building Sector Related Issues: Health and sanitation management |
| Any reassessment of a project is problematic where only limited field investigation has been carried out. A BME database management system must be set up for each project, right at the start of implementation. Using well-established scientific principles and techniques of experimental design would put BME for provincial roads on a more solid footing. Areas for improvement in future projects were identified, including: patchiness in both data collection and information safekeeping for BME since the time of appraisal; BME has often to be restrained and based upon a relatively small sample of road sections which needs to strike a balance between social and other demographic features; BME requires statistical coherence in the material collected and consolidated during the course of the project and in the years beyond; and road condition surveys should be geared towards the provision of consistent network-wide estimates of international roughness index (IRI), in particular, on all roads surveyed.  project cycle stage: Implementation  Lesson Topics:  Monitoring & Evaluation: Benefit monitoring and evaluation Monitoring & Evaluation: Data collection and management Project Design: Appraisal Project Management: Management information system Sector Related Issues: Roading  Better consultation, coordination, and cooperation between public authorities would help reduce the incidence of problems related to relocation of utility services along roadways. The public service authorities were generally too slow to act on requests to relocate infrastructure that obstructed the project's road rehabilitation work although funds for such relocation were available through the project. When preparing projects in the future, other arrangements should be earnestly sought to ensure the timely relocation of such service infrastructure.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Project Design: Project design Sector Related Issues: Roading Methodologies/Approaches: Consultation/Participation  Similar road projects in the future might more usefully be designed around local network effects than road classification. Existing and potential public transport routes, irrespective of the class of road used, might be a more appropriate starting point for design rather than a collection of dispersed short road segments, selected only because they fall within the purview of a single government authority. For the project, it was realized during appraisal that one of the risks was connected with the possible failure of the government to fully implement its plans to develop and maintain the primary road network serving the project area (Southern Province). Even now, after the project, some project roads are functionally connected to major class-B roads that are still in an indifferent state of repair. Where evident, this situation has tended to blunt the efficacy of the project.   project cycle stage: Feasibility, Appraisal  Lesson Topics:  Project Design: Appraisal Project Design: Project design Project Management: Risks/Risk management Sector Related Issues: Roading  Sustainable road maintenance requires a continuing focus on the potential benefits available from effective and consistent budget allocation and expenditure. Funds must be allocated by the government to maintain infrastructure properly, and maintenance must be efficiently executed to obtain maximum benefit. Both of these requirements must be met as either one without the other will result in a deterioration of services. The project has contributed effectively towards ensuring that the latter requirement is met to the fullest extent, but the imbalance so far evidenced in the accomplishment of these two requirements, and the deleterious effects of this imbalance, should continue to be of major concern as a potential risk when preparing similar projects in the future.  project cycle stage: Appraisal Implementation  Lesson Topics:  Finance & Financial Aspects: Financing Project Management: Operation and maintenance Project Management: Risks/Risk management Sector Related Issues: Roading  There are assured benefits to be gained by shortening as much as possible the response time between project preparation and implementation. Additional design and maintenance costs could be avoided, and economic performance and efficiency would improve. Borrowers and ADB together must ensure that the overall process is speeded up to the fullest extent possible.   project cycle stage: Feasibility, Appraisal  Lesson Topics:  Project Design: Project design Project Management: Operation and maintenance |
| Adequate consulting support results in better executing agency performance in project preparation, monitoring, supervision, quality control of works, and timely utilization of loan funds. This is particularly relevant where a large number of small subprojects are implemented over a wide area.  project cycle stage: Appraisal  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Project Design: Subprojects Project Management: Consultants Project Management: Executing/Implementing agencies Project Management: Project administration Project Management: Project supervision  Coordination and monitoring of project implementation through a central project steering committee (PSC) of the Borrower is very important for multi-sector projects that involve a large number of executing agencies. Regular interaction between the government and ADB through the PSC contributed greatly to the success of the project.  project cycle stage: Design, Implementation  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Project management Methodologies/Approaches: Consultation/Participation  Delegation of authority to ADB mission in the Borrower's country is essential for close monitoring and expediting decision-making processes.  project cycle stage: Implementation  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Management: Project management Project Management: Project supervision Other: Resident Mission  Disbursement of funds through establishment of an imprest account by each executing agency is vital for timely payment to consultants, contractors, and suppliers.  project cycle stage: Appraisal Implementation  Lesson Topics:  Finance & Financial Aspects: Disbursement Project Management: Consultants Project Management: Executing/Implementing agencies Project Management: Procurement  Larger contracts are more efficient in terms of monitoring, quality control, and timely completion of works, although they depend on the capacity of executing agencies concerned. Contractors must invest to purchase equipment and machinery, resulting in enhanced capacity and development of the construction industry. The issue has been reflected in several subsequent ADB loan agreements, with a minimum contract size included.  project cycle stage: Implementation  Lesson Topics:  Loan Agreement: Loan Agreement Monitoring & Evaluation: Monitoring and evaluation Project Management: Executing/Implementing agencies Project Management: Procurement Capacity Development: Capacity assessment Capacity Development: Capacity development  Most executing agencies did not make adequate provision for maintenance funds, which are essential for long-term sustainability. ADB, together with other development partners, is seeking to assist the government establish a road fund to ensure a sustainable flow of maintenance funds for road infrastructure.  project cycle stage: Implementation  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Finance & Financial Aspects: Financing Project Management: Executing/Implementing agencies Project Management: Operation and maintenance Sector Related Issues: Roading  Procedural delay in recruitment of consultants and procurement of civil works contracts is the main reason for delayed project implementation. Timely completion of works requires streamlining of executing agencies' procurement and recruitment procedures, full implementation of newly-approved national public procurement guidelines, and further capacity building and training on contract administration and ADB procedures for procurement and disbursement.  project cycle stage: Appraisal, Implementation, Country Partnership Strategy  Lesson Topics:  Finance & Financial Aspects: Disbursement Project Management: Consultants Project Management: Executing/Implementing agencies Project Management: Procurement Project Management: Project administration Capacity Development: Capacity building  Provision for retroactive financing facilitates exploitation of first available working season to urgently rehabilitate damaged critical facilities.  project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Financing Country Context: Emergency |
| Regular discussions with the government on implementing assurances under the project prompted the government to (i) increase the rate of return on the executing agency's (POWERGRID's) equity from 12% to 16% ; (ii) address the issue of dues from state electricity boards (SEBs); and (iii) take necessary actions to enable the executing agency to enter into commercial contracts with beneficiaries. Further, the implementation of availability-based tariff (ABT) in all the regions helped the executing agency to operate the regional grids with improved system stability and reliability.  project cycle stage: Implementation  Lesson Topics:  Crosscutting Issues/Themes: Public governance Loan Agreement: Covenants Project Management: Executing/Implementing agencies Sector Related Issues: Energy planning/management Policy & Reform: Policy matrix Policy & Reform: Policy reforms/framework Methodologies/Approaches: Consultation/Participation  The executing agency took action to acquire land and other statutory clearances well in advance, which helped in project implementation. In earlier ADB-assisted power sector projects, delays in land acquisition had delayed the project before construction could start.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Legal system Crosscutting Issues/Themes: Resettlement Project Management: Executing/Implementing agencies Sector Related Issues: Energy planning/management  With proper planning, effective project monitoring mechanisms, and motivated and well-trained personnel, infrastructure projects can be implemented successfully even in difficult terrains, despite adverse weather conditions and areas affected by insurgencies.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Project Management: Project management Country Context: Emergency |
| Early project implementation was delayed due to a number of factors including poor consultant performance. If quality assurance procedures, closely monitoring delivery of outputs from consulting services had been in place, better value for money may have been achieved.  project cycle stage: Implementation  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Management: Consultants Project Management: Project supervision  New management systems (e.g., results-oriented management) should be carefully integrated to improve planning and management systems. Often, new techniquesare best used to enhance and develop existing practices. Poor translation of ï¿½newï¿½ ideas can cause suspicion and non-acceptance during project implementation.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Managing for Development Results Project Design: Project design Capacity Development: Technology/Technology transfer  Project experience confirms a commonly held view that traditional classroom training has limited application; various forms of on-the-job training brought to the trainees, while more time-consuming and expensive, and requiring skilled delivery, is generally more beneficial and of better value.  project cycle stage: Feasibility  Lesson Topics:  Capacity Development: Capacity building Sector Related Issues: Education  Project implementation, particularly coordination, was complex. A more focused, compartmentalized approach to project implementation with specific implementing units (within the executing agency) held responsible for delivering simple, measurable outputs/impacts might have helped avoid some delays in early project implementation. In addition, if consultations and the preparation of implementing units had been allocated more time in the project design phase, the executing agency might have been more ready.  project cycle stage: Design  Lesson Topics:  Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Project management Methodologies/Approaches: Consultation/Participation  The ability of the project to adjust when challenged by external factors was important in increasing implementation efficiency. Close monitoring and flexibility by the government and ADB optimized the use of project resources.  project cycle stage: Implementation  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Management: Project administration Project Management: Project management  The project was designed before top-down decentralization took place. A closer understanding of the characteristics, strengths, and weaknesses of local government would have led to a more tailored approach to activity design and program distribution.  project cycle stage: Feasibility  Lesson Topics:  Project Design: Project design Country Context: Decentralization |
| ADB should have been more actively involved with the environmental and resettlement aspects of the project even if the World Bank was responsible for these, as was noted in discussions with a World Bank mission. ADB had a total of seven different project officers throughout the project's duration, and this was detrimental to overall project coordination. Furthermore, coordination among financers could have been more efficient, if a mechanism was established for regular meetings among financers. Coordination among financers was done informally.  project cycle stage: Implementation  Lesson Topics:  Crosscutting Issues/Themes: Environmental management Crosscutting Issues/Themes: Resettlement Project Management: Project supervision  The availability of counterpart funds needs to be guaranteed more fully to avoid implementation delays, and ADB assistance to the power sector in the country should take this into account.  project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Counterpart funds Sector Related Issues: Energy planning/management  The environmental aspects are mainly positive, in that they obviate the need for a comparably sized (thermal) generation plant and thereby reduce the damaging atmospheric impacts of such plants. However, as demonstrated in the project, reducing the potential social impacts to manageable levels is also possible, through rigorous evaluation of alternatives and public consultation and awareness building. In this context, the selection of the final power channel alignment (and the conscious decision to avoid existing villages and settlements, even at somewhat higher costs) and locations of the barrage and powerhouse deserve to be highlighted. These decisions substantially reduced the scale of the resettlement and relocation under the project without adversely affecting its economic and financial viability.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Environmental management Crosscutting Issues/Themes: Resettlement Monitoring & Evaluation: Impact evaluation Monitoring & Evaluation: Project evaluation Project Design: Project design Sector Related Issues: Energy planning/management Policy & Reform: Information dissemination/Public awareness Methodologies/Approaches: Consultation/Participation |
| Administering TA on a parallel basis using separate operational guidelines does not help smooth and timely implementation.  project cycle stage: Implementation  Lesson Topics:  Modality: Technical Assistance Project Management: Project administration  Assigning the executing agency a more regulatory role in the subsector will encourage increased private sector investment and provision of services. The continued provision of selected subsidized inputs from the executing agency acts as a disincentive to private companies.  project cycle stage: Feasibility  Lesson Topics:  Project Management: Executing/Implementing agencies Sector Related Issues: Private sector Policy & Reform: Reform  Compared to the NGOs, the executing agency has limited outreach capacity. It is therefore advantageous to use the outreach capacity of NGOs to reach the poor with support services including microcredit. Establishing close ties between different implementing agencies and service providers at the field level are prerequisites for smooth project implementation and sustainability.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Finance & Financial Aspects: Financing Project Management: Executing/Implementing agencies Project Management: Project management Sector Related Issues: Extension service Methodologies/Approaches: Civil Society Participation  Opportunities have been created to further expand the scope of livestock enterprises development by increasing production and involving a wider range of enterprises in the sector. Farmers and entrepreneurs are keenly interested in investing in other profit-earning enterprises like hybrid and broiler rearing beef, dairy, product processing, and input supply. The participatory planning process will help smallholder farmers access markets and ventilate theirideas and capabilities.  project cycle stage: Feasibility  Lesson Topics:  Project Design: Project design Sector Related Issues: Rural development Methodologies/Approaches: Participatory approach  The project demonstrated that it is possible to successfully deliver a large number of technically supported, microfinanced livestock improvement packages through the executing agency for the selection of NGOs and the disbursement of microcredit to beneficiaries and partner NGOs with technical support from the (lead) executing agency (DLS). Predetermined enterprises to some extent limited the beneficiaries' choice of enterprises to exploit local opportunities.  project cycle stage: Feasibility  Lesson Topics:  Finance & Financial Aspects: Disbursement Finance & Financial Aspects: Financing Project Management: Executing/Implementing agencies Sector Related Issues: Rural development Methodologies/Approaches: Civil Society Participation |
| Direct involvement of the urban municipality (pourashava) chairpersons and their staff in implementing the project activities might have played an important role in ensuring greater ownership of the facilities built. This is also important for supervision of works during construction and maintenance of physical facilities (bus terminals, markets, public toilets, and drainage). The new ADB-assisted Urban Governance and Infrastructure Improvement Project (UGIIP) was formulated in line with this lesson learned. The performance-based UGIIP approach is expected to result in significant change in practice and attitudes of the urban municipalities.  project cycle stage: Implementation  Lesson Topics:  Crosscutting Issues/Themes: Public governance Project Management: Project supervision Capacity Development: Ownership Country Context: Decentralization Methodologies/Approaches: Consultation/Participation  Regular monitoring of urban municipality (pourashava) performance by the agencies concerned was important. Newly elected representatives of the urban municipalities were generally not sufficiently aware of the project facilities and their obligations towards repayment of the loans after project completion. Lack of adequate skilled staff and transfer of trained staff resulted in deteriorating situations. However, the government recognized the overall situation of the urban municipalities and agreed with development partners, including ADB, to bring in necessary adjustments in the urban municipality ordinance (Pourashava Ordinance of 1977). It established a senior committee to review the reform proposals, and a central urban municipality performance evaluation committee chaired by a joint secretary of the Local Government Division (LGD).  project cycle stage: Implementation, Country Partnership Strategy  Lesson Topics:  Crosscutting Issues/Themes: Legal system Crosscutting Issues/Themes: Public governance Monitoring & Evaluation: Monitoring and evaluation Country Context: Decentralization Policy & Reform: Reform |
| Corporate sector reforms, including enterprise restructuring, require a strong long-term commitment, especially in a transition economy. A multitude of policy, legal, regulatory, institutional, and cultural issues have to be addressed. Thisneeds time and, in all probability, several rounds of reform. Every new round should address the unfinished agenda while making necessary adjustments to changing economic and political framework conditions. Corporate Governance and Enterprise Reform Program (CGERP-II) successfully built on CGERP, which continued even earlier reforms. Further, the timing of enterprise sector reforms should be well coordinated with financial sector and judicial reforms, because these are interlinked and can support or disrupt each other. The smooth coordination of CGERP, FIRM (Financial Intermediation and Resource Mobilization Program), and CGERP-II was essential for achieving satisfactory results under CGERP-II.  project cycle stage: Feasibility, Country Partnership Strategy  Lesson Topics:  Crosscutting Issues/Themes: Corporate governance Crosscutting Issues/Themes: Legal system Finance & Financial Aspects: Financing Project Design: Project design Country Context: Cultural constraints Policy & Reform: Policy reforms/framework Policy & Reform: Transition economies  In the area of enterprise restructuring, it is especially important to ensure sufficiency of conditions to achieve intended results. Frequently, (understandable) opposition on the part of managers, staff, and government representatives has to be overcome. Analytical, conceptual, and organizational work has to be combined with legal and financial support. Compensatory measures have to be carefully designed to be effective. Much attention has to be given to the political economy dimension of reforms. It is highly unlikely to achieve all this within a broad program that includes many other components in related but, nevertheless, different areas.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Legal system Finance & Financial Aspects: Financing Modality: Program Project Design: Project design Project Management: Executing/Implementing agencies Capacity Development: Human resources management Policy & Reform: Information dissemination/Public awareness Policy & Reform: Public sector reform  Legislation needs to be enforced to become effective. Substantial legal work in the areas of corporate governance and disclosure, and bankruptcy has taken place (since 1992). Legal work has been complemented by capacity building in regulatory bodies and, more recently, by judicial reforms to facilitate enforcement. While regulatory capacity has to be further strengthened, and judicial reforms continued, the importance of market pressure for enforcement should not be underestimated. Even the most efficient and creative regulator cannot substitute for the lack of capital markets in providing incentives for sound corporate governance and disclosure of public enterprises. Likewise, functioning capital markets can significantly facilitate enterprise resolution.   project cycle stage: Implementation  Lesson Topics:  Crosscutting Issues/Themes: Corporate governance Crosscutting Issues/Themes: Legal system Finance & Financial Aspects: Financing Capacity Development: Capacity building Policy & Reform: Public sector reform  Delays could have been avoided if the detailed design had been undertaken properly. For future road projects, it is essential that a proper feasibility study be carried out. Proper review of detailed designs and feasibility study reports are essential to avoid last-minute and unplanned land acquisition. In this project, road designs and construction plans were approved well in advance, such that resettlement could have been foreseen. Bidding documents should clearly identify any difficult conditions that may have a negative impact on project implementation.  project cycle stage: Design, Feasibility, Appraisal Implementation  Lesson Topics:  Crosscutting Issues/Themes: Resettlement Project Design: Appraisal Project Design: Project design Project Management: Procurement Sector Related Issues: Roading  Site safety issues are of prime importance during project implementation and the subsequent operation of the project road. In future projects, loan review missions need to double-check site safety compliance by the executing agency and contractors to avoid accidents.  project cycle stage: Implementation, Operation  Lesson Topics:  Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Project supervision Sector Related Issues: Roading |
| A well-designed project, an experienced executing agency with a strong sense of project ownership, and a committed project management office staff is a formula for project success.  project cycle stage: Design, Feasibility, Implementation  Lesson Topics:  Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Project management Capacity Development: Ownership  Designing and implementing projects in sectors like the power sector that are undergoing major restructuring involves several uncertainties. These include some policy and institutional uncertainties that cannot fully be foreseen at appraisal. To cope with uncertainties and unexpected developments, close consultation between ADB, the government, and executing agencies during project implementation should be held at the sector level, as opposed to the project level.  project cycle stage: Implementation  Lesson Topics:  Crosscutting Issues/Themes: Governance Project Design: Appraisal Project Design: Project design Project Management: Executing/Implementing agencies Sector Related Issues: Energy planning/management Policy & Reform: Reform Methodologies/Approaches: Consultation/Participation  Greater attention should be paid to project cost estimates at appraisal. However, the project has demonstrated the benefits of prompt cancellation of loan savings to the executing agency.  project cycle stage: Appraisal Implementation  Lesson Topics:  Finance & Financial Aspects: Financial analysis Project Design: Appraisal Project Management: Executing/Implementing agencies  Projects in a sector that is undergoing structural reforms require some flexibility in loan covenants to ensure that they remain practical and relevant. In the project, the executing agency saw its asset base and business scope reduced significantly, yet the original financial covenants remained in place. This led to an unrealistic assessment of compliance with the loan covenants.  project cycle stage: Implementation  Lesson Topics:  Loan Agreement: Covenants Project Management: Executing/Implementing agencies Policy & Reform: Reform |
| A broader ecosystem-based (area-specific) approach to addressing coral reef and biodiversity conservation issues is more effective than narrowly focused interventions at an isolated coral reef site.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Environmental management Project Design: Project design  A comprehensive field survey of the pilot sites must be completed during project preparation to establish clear baseline information and realistic project targets for future operation and replication.  project cycle stage: Feasibility  Lesson Topics:  Monitoring & Evaluation: Baseline data Project Design: Project design Methodologies/Approaches: Targeting  An integrated approach that addresses both environmental and social concerns is more effective in coral reef management than activities aimed purely at conservation.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Environmental management Project Design: Project design Methodologies/Approaches: Holistic approach  Coral reef information and training center (CRITC) and monitoring, control, and surveillance (MCS) equipment and methods should be of the lowest practicable level of sophistication and cost, commensurate with their objectives; if expensive equipment is necessary, selection should be based primarily on ease of use and maintenance.  project cycle stage: Implementation  Lesson Topics:  Crosscutting Issues/Themes: Environmental management Finance & Financial Aspects: Financial analysis Monitoring & Evaluation: Monitoring and evaluation Project Management: Operation and maintenance Capacity Development: Capacity building Capacity Development: Technology/Technology transfer  Natural resource management programs are more likely to succeed if regional governments and local communities are fully involved in planning, design, and implementation. Education and information campaigns are effective ways of increasing the awareness of the various stakeholders in coastal resource management and development, including coral reef management.  project cycle stage: Design, Feasibility, Implementation  Lesson Topics:  Crosscutting Issues/Themes: Environmental management Modality: Program Project Design: Project design Country Context: Decentralization Policy & Reform: Information dissemination/Public awareness Methodologies/Approaches: Community approach Methodologies/Approaches: Consultation/Participation  Private sector participation can augment the operations of small-scale coastal fisherfolk and give them better access to markets for their catch.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Environmental management Finance & Financial Aspects: Market analysis Sector Related Issues: Private sector |
| As a result of floods, standard bridge designs should be modified to incorporate piling and scour protection to withstand the impact of flooding in this complex hydrological environment.  project cycle stage: Design  Lesson Topics:  Project Design: Project design Sector Related Issues: Roading  Decentralized selection, prioritization, and implementation of infrastructure rehabilitation are effective provided the technical skills are available to supervise and monitor works programs.  project cycle stage: Feasibility  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Project Management: Project supervision Capacity Development: Capacity assessment Country Context: Decentralization Country Context: Prioritization  Funds available for provincial initiatives need to be matched withprovincial contracts awarded and amalgamated nationally to ensure efficient use of loan funds.  project cycle stage: Implementation  Lesson Topics:  Finance & Financial Aspects: Financing Project Management: Procurement  Integrated rural access planning is an effective tool for prioritizing rural infrastructure. This is essential for rural roads, markets, and other larger public civil works, wherethe vision from the village, commune, and districts needs to be widened and a more strategic planning and development approach adopted.   project cycle stage: Feasibility  Lesson Topics:  Capacity Development: Capacity development Country Context: Prioritization Sector Related Issues: Roading Sector Related Issues: Rural development  Involving local communities and stakeholders in the identification and prioritization of project activities is critical to develop their sense of ownership and prepare them for future maintenance obligations.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Project Design: Problem identification Project Management: Operation and maintenance Capacity Development: Ownership Country Context: Prioritization Methodologies/Approaches: Community approach  Screening of individual consultants in bids should be exhaustive; where uncertainties arise, individuals should be replaced within the winning bid at negotiations.  project cycle stage: Appraisal Implementation  Lesson Topics:  Project Management: Consultants Project Management: Procurement  The quality and compaction of road base and alternate surface options are important to minimize recurrent maintenance obligations. The capital cost of rehabilitationshould not be the only criteria used to prioritize rural roads for rehabilitation because of its implications for recurrent obligations.  project cycle stage: Feasibility  Lesson Topics:  Finance & Financial Aspects: Financial analysis Project Management: Operation and maintenance Country Context: Prioritization Sector Related Issues: Roading Sector Related Issues: Rural development  The timely release of counterpart funds ensures no undue implementation delays. Executing agencies should not use the imprest account to pay government's share under civil works contracts because of delay in the government release of counterpart funds.  project cycle stage: Implementation  Lesson Topics:  Finance & Financial Aspects: Counterpart funds Finance & Financial Aspects: Disbursement Project Management: Executing/Implementing agencies  Using subcontracted labor-based appropriate technology (LBAT) works programs rather than force account paymentarrangements provides significant cost advantages and has implications on the need to maintain an inventory of equipment in the public sector.  project cycle stage: Feasibility, Appraisal  Lesson Topics: |
| A good policy measure might not generate a positive impact without support from other policy measures, and might evengenerate a negative impact in some parts of the country unless it provides for adequate countermeasures or exceptions. Therefore, in any country, introducing a new policy measure requires careful consideration of merits and demerits, close consultation with stakeholders, and the adoption of necessary support and countermeasures and exceptions. This holds true as well in the case of the policy conditions of a program loan. However, it is not realistic to expect the policy matrix to include all the necessary support and countermeasures, since negative backlash and the need for exceptions often arise only when the details of a policy measure become clear. Therefore, the government agencies responsible for implementing a policy condition should be encouraged to proactively consult with various stakeholders to arrive at the necessary support and counter-measures.  project cycle stage: Feasibility, Appraisal Implementation  Lesson Topics:  Loan Agreement: Covenants Modality: Program Project Design: Project design Project Management: Executing/Implementing agencies Policy & Reform: Policy matrix Policy & Reform: Policy reforms/framework Methodologies/Approaches: Consultation/Participation  Policy distortions need to be eliminated. Despite the efforts to develop the capital markets and the actual progress made, the volume of capital markets transactions declined instead of growing during the program period. An important reason is the existence of policy distortions that have discouraged companies from seeking a listing on the stock exchange, and the public from investing in corporate shares. For example, unequal tax treatment - capital gains on stock market investments are subject to normal income tax (up to 30%), while bank deposits are subject to withholding tax of 15% and interest earned on government bonds is nontaxable - not only discourages the public from investing in stocks but also discourages the listing of companies.   project cycle stage: Feasibility, Appraisal  Lesson Topics:  Finance & Financial Aspects: Financing Modality: Program Policy & Reform: Policy reforms/framework  The proper implementation of new insurance laws and regulations requires strengthened supervisory capacity. A consolidated supervisory authority for the non-bank financial (NBF) sector would make more efficient use of the scarce human and budgetary resources and maximize supervisory effectiveness.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Governance Crosscutting Issues/Themes: Legal system Finance & Financial Aspects: Financing Capacity Development: Capacity building Capacity Development: Human resources management Policy & Reform: Policy reforms/framework  There is a need for a well-considered privatization policy and strategy to develop the capital markets. Another reason for the underdevelopment of the stock markets is the failure to use the stock exchange to privatize state-owned enterprises (SOEs). Although the Second Financial Sector Program prompted the State Property Committee (SPC) to sell shares from the privatization of SOEs through the Mongolian Stock Exchange (MSE) by setting a numerical target (MNT200 million annually), most of the shares were sold through private tenders and auctions during the program period since SPC stood to earn more through these than through MSE, at least in the short run. Therefore, it is crucial to bring the perspectives of capital market development into the process of establishing a privatization strategy that identifies the enterprises that are suitable for privatization through MSE and those that should be privatized through other means.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Public governance Finance & Financial Aspects: Financing Modality: Program Sector Related Issues: Private sector Policy & Reform: Policy reforms/framework Policy & Reform: Privatization Methodologies/Approaches: Targeting  There should be more focus on achieving objectives rather than technical compliance. Although most of the policy conditions were technically met, compliance did not always lead to the expected results. In some cases draft laws and regulations were not passed or their passage was significantly delayed; while in other cases, the legislation was later reversed by other legislation. The reasons for these unsatisfactory outcomes varied, but one common characteristic was their focus on technical compliance coupled with a fundamental inability to achieve their larger objective on a sustainable basis. During implementation, more focus needs to be put on consultations with various stakeholders including parliament members to convince them of the need for the legislation and get their agreement, to minimize the likelihood that the law is not passed or that passage of law is reversed by other legislation. In case a numerical threshold has to be set, the level should be carefully chosen to maximize the positive impact and minimize the negative, rather than being considered as a mere target in the policy matrix.  project cycle stage: Implementation  Lesson Topics:  Crosscutting Issues/Themes: Legal system Crosscutting Issues/Themes: Sustainability Loan Agreement: Covenants Monitoring & Evaluation: Monitoring and evaluation Project Management: Project management Policy & Reform: Policy matrix Policy & Reform: Policy reforms/framework Methodologies/Approaches: Consultation/Participation |
| Although project interventions have improved quality, much more needs to be done to broaden the improvements in the quality of primary education in Bangladesh. The interventions expected under the Primary Education Development Program II (PEDP II) will contribute significantly to this objective, particularly through (i) organizational development and capacity building, (ii) quality improvement in schools and classrooms, (iii) quality improvement through infrastructure development, and (iv) comprehensive policy and institutional reform framework.  project cycle stage: Feasibility  Lesson Topics:  Capacity Development: Capacity building Sector Related Issues: Education Policy & Reform: Policy reforms/framework  Annual increases in the government's budgetary allocation are essential for sustainable development of primary education.  project cycle stage: Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Finance & Financial Aspects: Financing Sector Related Issues: Education  Parallel cofinancing without a firm commitment from the concerned donor(s) often creates problems in project implementation.  project cycle stage: Appraisal  Lesson Topics:    Public-private partnerships for community-based routine and periodic maintenance of the primary school infrastructure are feasible, and appreciated by the community as an effective system.  project cycle stage: Feasibility  Lesson Topics:  Project Management: Operation and maintenance Sector Related Issues: Education Sector Related Issues: Public-private partnership Methodologies/Approaches: Community approach  To ensure sustainability, the formal transfer of incremental staff under any project to the government's recurrent budget should be completed well before project completion. Planned transfer of staff will reduce the hardships for project staff, as well as increase job satisfaction and commitment. The designs of future projects should address carefully the transfer of incremental staff to ensure maximum project impact and sustainability.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Finance & Financial Aspects: Financing Project Design: Project design Capacity Development: Human resources management  To maximize the benefits from the renewed and redesigned curricula, full dissemination among classroom teachers and teacher educators is necessary. All classroom teachers must be provided with a teachers' guide.  project cycle stage: Feasibility  Lesson Topics:  Sector Related Issues: Education Policy & Reform: Information dissemination/Public awareness |
| Closer attention should be paid to details during the project preparatory TA stage to avoid delays during project implementation. Greater scrutiny of the market and financial situations, customers' affordability levels, assumptions, and risks could have identified unfeasible components, which could have been removed from the project at the outset, thereby not holding up implementation overall.  project cycle stage: Feasibility  Lesson Topics:  Finance & Financial Aspects: Financial analysis Finance & Financial Aspects: Market analysis Modality: Technical Assistance Project Design: Project design Project Management: Risks/Risk management  For project components that are based on the feasibility studies conducted by other institutions, mandatory reviews should be undertaken prior to inclusion in the ensuing project loan. This can bring out critical issues at the outset and improve project design.   project cycle stage: Feasibility, Appraisal  Lesson Topics:  Project Design: Appraisal Project Design: Problem identification Project Design: Project design  Greater attention to supervision of resettlement activities should be observed during project review missions so that the quality of reports submitted by the project implementing agencies (PIAs) can be improved and their compliance to their social obligations can be better assessed.  project cycle stage: Implementation  Lesson Topics:  Crosscutting Issues/Themes: Resettlement Monitoring & Evaluation: Monitoring and evaluation Project Management: Executing/Implementing agencies Project Management: Project reporting Project Management: Project supervision  Slow mobilization of domestic loan funds accounted for some initial delays. Timely availability of the required funds is important and should be given adequate attention. Up-front confirmation of the funding source should be secured and arrangements for possible shortfalls during implementation should be in place.  project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Counterpart funds Project Design: Appraisal  Up to now, knowledge of critical supply sources and proper planning and preparation are key elements in suitable project design and smooth and timely execution.The substantial increase in project cost was due to the expansion in scope and some technical difficulties encountered during construction, which were not anticipated at the design stage. While, to a large extent, the expansion in scope enhanced project benefits, the implementation period could have been shortened by accurately envisaging the scope at the outset.   project cycle stage: Design, Feasibility  Lesson Topics:  Finance & Financial Aspects: Market analysis Project Design: Project design Project Management: Project management |
| ADB and the government are capable of developing an effective large-scale emergency package in a timely manner. However, strong leadership and support from the government are required. The Health and Nutrition Sector Development Program was based on the simple idea of delivering funds directly to targeted groups, but the task of identifying beneficiaries was considerably more difficult than expected.   project cycle stage: Feasibility  Lesson Topics:  Project Design: Project design Capacity Development: Capacity development Capacity Development: Ownership Country Context: Emergency Methodologies/Approaches: Targeting  Circumvention of a conventional funds flow mechanism that is slow and subject to leaks is possible, allowing the disbursement of funds directly to beneficiaries and providers of basic social services for vulnerable groups.  project cycle stage: Implementation  Lesson Topics:  Crosscutting Issues/Themes: Vulnerable groups Finance & Financial Aspects: Disbursement Finance & Financial Aspects: Financing  From the outset, the Health and Nutrition Sector Development Program (HNSDP) lacked effective capacity development of staff to undertake their new responsibilities. Under the centralized system, staff were not used to making decisions. The budget for training staff on HNSDP procedures arrived late in some districts, and some community health centers started their activities before receiving any guidelines or training. The impact was significant. The distribution of block grants to health centers was delayed significantly, because managers did not feel comfortable disbursing the funds. Evaluation studies also confirmed that members of village and district committees did not comprehend completely the principals of the HNSDP.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Finance & Financial Aspects: Disbursement Modality: Program Monitoring & Evaluation: Monitoring and evaluation Capacity Development: Capacity development Sector Related Issues: Health and sanitation management  The government made a commitment to a set of policy reforms that were needed in support of decentralized service delivery and which reinforced the project loan interventions and strengthened the impact of the Health and Nutrition Sector Development Program. Although introduced as short-term assistance, the reforms in the policy matrix were a necessary part of the package. The program loan supported the initiation of nationwide sustainable policy reforms to ensure the inclusion of and equity access of the poor in key health services, and enhanced decentralized management to improve the efficiency of social services delivery. This has proved relevant after the crisis as well, as the government faces challenges in maintaining and improving the quality of health and nutrition services under decentralization.  project cycle stage: Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Poverty reduction Crosscutting Issues/Themes: Sustainability Modality: Program Project Management: Operation and maintenance Country Context: Decentralization Country Context: Emergency Sector Related Issues: Health and sanitation management Policy & Reform: Policy matrix Policy & Reform: Policy reforms/framework |
| ADB was the major donor in the education sector, and supported the sector through a comprehensive approach that encouraged other donors' involvement to build on the Education Sector Development Program (ESDP) results. Stronger donor coordination and information sharing in future projects should be ensured through various mechanisms, including the International Advisory Council on Education, established in 2003 as an executing agency (Ministry of Education) initiative, which includes all donors working in the country's education sector.  project cycle stage: Country Partnership Strategy  Lesson Topics:  Modality: Program Project Management: Executing/Implementing agencies Sector Related Issues: Education Methodologies/Approaches: Holistic approach  The Education Sector Development Program (ESDP) was the first external loan project for the Ministry of Education (MOE), and at the beginning of implementation, MOE counterparts and project implementation unit (PIU) staff were unfamiliar with ADB's operational procedures and guidelines. In addition to formal training, routine operational contacts with consultants played an important role in developing staff capabilities in MOE and PIU. But this capacity building was hampered by high turnover of counterpart and PIU staff, including frequent changes of project manager. This highlighted the importance of staff continuity to ensure sustainable capacity building.  project cycle stage: Appraisal Implementation  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Modality: Program Project Management: Consultants Project Management: Executing/Implementing agencies Project Management: Project management Capacity Development: Capacity building Capacity Development: Human resources management Sector Related Issues: Education  The mutually reinforcing nature of the policy reform program, the investment project, and the associated TA was a key factor in the successful performance of the Education Sector Development Program (ESDP). The program and the project were complementary in many key areas, and the associated TA provided related capacity building. This was the principal rationale for the adoption of the sector development program Modality, and the ESDP provided validation for the sector development approach.  project cycle stage: Appraisal  Lesson Topics:  Modality: Program Modality: Technical Assistance Capacity Development: Capacity building Sector Related Issues: Education Policy & Reform: Policy reforms/framework Methodologies/Approaches: Sectoral approach |
| If a firm were to be retained, the contract should be based on payments tied to the satisfactory completion of milestones and deliverables (performance-based contracting). Although this would require more work upfront by the executing agency in preparing very detailed Terms of Reference and expected outputs for the consultants, it would guard against significant cost overruns.  project cycle stage: Implementation  Lesson Topics:  Finance & Financial Aspects: Financial analysis Project Management: Consultants Project Management: Executing/Implementing agencies Project Management: Procurement  It may be more efficient to have one contractor for a project unless there is a strong justification to break up a contract. Breaking up the project into three lots with the potential for three different contractors (although the project ended up with only two contractors) ultimately proved to be unwieldy. Coordination of the two contractors for three separate packages took up much of the time and effort of the implementation consultants and contributed significant cost overruns for them.   project cycle stage: Implementation  Lesson Topics:  Finance & Financial Aspects: Financial analysis Project Management: Consultants Project Management: Procurement Methodologies/Approaches: Consultation/Participation  More appropriate financial requirement of the contractors could have safeguarded against hiring a contractor who could not or would not provide adequate service because of financial constraints and was ultimately detrimental to the project.  project cycle stage: Implementation  Lesson Topics:    Retaining one or two individual consultants instead of a firm (i.e., one electrical engineer and one civil engineer) with significant experience in procurement and project management to work full time in the executing agency could be an option. It would cost less, and they would only have the interests of the executing agency to look after. In addition, these consultants could be supplemented with specialist engineers for engineering issues outside their areas of expertise.  project cycle stage: Implementation  Lesson Topics:  Project Management: Consultants Project Management: Executing/Implementing agencies Project Management: Procurement Project Management: Project management |
| Although the project implementation consultant (IC) finished working when the project was only 75% complete, the remaining work went ahead without the IC's involvement, with no apparent detrimental impact on the project's effectiveness. The utilities technical group had been, for some time, in the business of designing expansions to their medium-voltage and low-voltage systems, selecting construction contractors and implementing the work. The group picked up quickly on the improved standards of design for the systems introduced to them by the consultants. The effectiveness of the consultants apparently ended when the designs of the 110 kV (transmission lines and 110/medium-voltage substations) were complete and when procurement of the equipment and material for the project was complete.  project cycle stage: Implementation  Lesson Topics:  Project Design: Project design Project Management: Consultants Project Management: Procurement Sector Related Issues: Energy planning/management  It is necessary to allow sufficient flexibility in the project design to cope with unforeseen circumstances. Significant aspects of the environment within which the project had to be implemented changed during the course of the project. Such aspects as the establishment of Electricity of Viet Nam (EVN) in 1995, revision of PC 1's (executing agency's) role with the presence of EVN, and the decision to remove Hanoi Power Company (HPC) and Hai Phong Power Company (HPPC) from PC 1 complicated and encumbered the approval process in a way that was not fully appreciated at the outset of the project. The difficulties with the compensation and resettlement aspects of the project were also not foreseen. These led to a significant delay in implementation. The unprecedented load growth in certain areas and the rapid urban development not foreseen at the design stage also affected the project implementation.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Crosscutting Issues/Themes: Resettlement Project Design: Project design Sector Related Issues: Energy planning/management Sector Related Issues: Urban sector/development  Future projects should incorporate some form of amortization of up-front costs over a 12-month period (as in the Northern Area Rural Power Distribution Project in 2003). The cost of connection to the electric system for rural households was too high (ranged from $80-100) and resulted in fewer connections than envisaged at appraisal.   project cycle stage: Feasibility  Lesson Topics:  Finance & Financial Aspects: Financing Project Design: Appraisal Sector Related Issues: Energy planning/management Sector Related Issues: Rural development  If loan covenants are to be set, they need to be set realistically and on the basis of past performance. The executing agency could not comply with any of its financial loan covenants until the fifth year of project implementation.   project cycle stage: Appraisal  Lesson Topics:  Loan Agreement: Covenants Project Management: Executing/Implementing agencies  Implementation delays could have been avoided if the executing agency and the consultants were familiar with ADB procurement procedures. Particularly, by using ADB's advance procurement procedures on recruitment of consultants, the executing agency and consultants can commence survey and design work soon after loan effectiveness, which could reduce the front-end period substantially.   project cycle stage: Appraisal  Lesson Topics:  Project Design: Project design Project Management: Consultants Project Management: Executing/Implementing agencies Project Management: Procurement |
| As a matter of principle, farmers should be required to contribute to construction costs and that this requirement should be clearly stated at the outset and applied as a precondition for the selection of subprojects. During implementation, the requirement for farmers to agree to a 20% contribution for the cost of the irrigation improvements was relaxed, and the farmers' contributions were less. Consequently, the project paid for a greater share of the costs than originally planned. However, the farmers provided in-kind and voluntary labor support, which increased their ownership of the project. The value of the farmers' contribution cannot be estimated accurately because clear records were not kept, but, in many cases, the contribution was significant, and most farmers' groups were willing to contribute in some way.   project cycle stage: Feasibility  Lesson Topics:  Project Design: Project design Project Design: Subprojects Capacity Development: Ownership Sector Related Issues: Irrigation management  Coordination between interagency working groups at the district and provincial levels, with DWRS and PIPO, on the one hand, and DAS and agricultural extension agencies, on the other, would have been more efficient if the latter had been allocated funds directly from the Borrower (MOF) and received the funds provided by the executing agency (DGWR) in 2002.  project cycle stage: Implementation  Lesson Topics:  Finance & Financial Aspects: Financing Project Management: Executing/Implementing agencies Project Management: Project management Sector Related Issues: Extension service Sector Related Issues: Rural development Methodologies/Approaches: Consultation/Participation  Farmers are constrained by a lack of capital from investing in agriculture activities and technical improvements. Provision of credit not subsidized as part of the project might have assisted farmers in fully realizing the irrigation potential of rehabilitated and improved farmer managed irrigation systems (FMISs).  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Finance & Financial Aspects: Financing Project Design: Project design Capacity Development: Technology/Technology transfer Sector Related Issues: Irrigation management  Generally, the quality of construction work undertaken by the farmers is better than works that are built by contractors. This is so because the farmers have a better appreciation of the value of properly constructed works, and participation in design and construction gives farmers a sense of pride and ownership. However, in some cases, particularly in more remote locations, the supervision of the works by district staff members was lacking, and some construction problems occurred. Assigning more district staff members to supervise schemes in such remote locations would be beneficial.  project cycle stage: Design, Implementation  Lesson Topics:  Project Design: Project design Project Management: Procurement Project Management: Project management Project Management: Project supervision Capacity Development: Ownership Sector Related Issues: Irrigation management Methodologies/Approaches: Consultation/Participation  The Benefit Monitoring and Evaluation (BME) surveys showed that the involvement of women farmers in the project was limited to agricultural activities and that their involvement in water users associations (WUAs) organization and the management of irrigation was minimal. Special attention and assistance to support the role of women in the administration and management of WUAs is required to increase their involvement. Similar types of projects, those that are small-scale and directly benefit farmers and poor rural communities, are frequently presented by district governments to development partners, including ADB, with requests for assistance. The participatory process developed by the project is very relevant and could be replicated and expanded to other areas.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Crosscutting Issues/Themes: Gender Monitoring & Evaluation: Benefit monitoring and evaluation Project Design: Project design Sector Related Issues: Irrigation management Sector Related Issues: Rural development Methodologies/Approaches: Participatory approach  The comprehensive Benefit Monitoring and Evaluation (BME) surveys undertaken under the project gathered data on irrigation structures, water supply, and maintenance activities, as well as physical conditions and cropping intensity; irrigated area; agricultural production; and other benefits, such as the increase in agricultural employment. Although the goal was to reduce rural poverty, the surveys did not capture relevant data such as income distribution among the beneficiaries before and after the project. This deficiency makes accessing the poverty impact in quantitative terms difficult.  project cycle stage: Feasibility Operation  Lesson Topics:  Crosscutting Issues/Themes: Poverty reduction Monitoring & Evaluation: Benefit monitoring and evaluation Monitoring & Evaluation: Data collection and management Monitoring & Evaluation: Impact evaluation Project Management: Operation and maintenance Crosscutting Issues/Themes: Employment Sector Related Issues: Irrigation management Sector Related Issues: Rural development Sector Related Issues: Water resource management  The project design envisaged that the District Agricultural Services (DAS) would be closely involved in providing support to farmers through extension services and establishing demonstration plots. However, levels of involvement of the field agricultural extension workers and support from DAS were low, particularly after decentralization in 2001. DAS and agricultural extension agencies were funded and controlled by district administration, and sufficient funds were not made available for the agricultural extension services needed to provide the planned level of support. The project would have benefited from specific and adequate funding for agricultural extension services.  project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Financing Project Design: Project design Country Context: Decentralization Sector Related Issues: Extension service  Water users associations (WUAs) need ongoing support beyond the project to facilitate their development into viable and responsible organizations that are committed to organizing and collecting sufficient water users fees for routine O&M, to ensure sustainability. Further assistance for strengthening WUA capacity and management is necessary. Badan Perencanaan Pembangunan Daerahor BAPPEDA II (Regional Development Planning Agency) should provide assistance for such strengthening, including ongoing monitoring and support. These arrangements can likely be implemented under the decentralization policy, which allows district governments to play a key role in providing a conducive environment and support and services to newly empowered WUAs.  project cycle stage: Operation  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Monitoring & Evaluation: Monitoring and evaluation Project Management: Operation and maintenance Capacity Development: Capacity development Country Context: Decentralization Sector Related Issues: Irrigation management Policy & Reform: Policy reforms/framework |
| Bank Perkreditan Rakyat (BPRs or village banks) can benefit from continued assistance. BPRs are well suited to microfinance because the average loan size of most BPRs is below 150% of GNP per capita. BPRs are confined geographically and cannot easily expand deposit-taking activities to expand loans. They cannot move up market because of competition from larger financial institutions (such as commercial banks), legal lending limits, and funding constraints that limit lending outreach. They are, however, well positioned to move down market. BPRs' competitive advantage is in their closeness and attentiveness to their customers, who are generally individuals, microenterprises, and small businesses. BPRs, however, often lack the desire or the funds to invest in computer systems and software, and they have no easy way to link with the payments system or wider payment networks. Negative implications for asset/loan portfolio diversification is that in some cases they are not well equipped to design new products that might facilitate moving down market to serve poorer clients with smaller loans. BPRs need to develop appropriate new products, diversify and better manage asset and loan portfolio risk, and improve their information technology. External interventions targeting BPRs might consider creating more formal linkages of BPRs and commercial banks - where a marketing/product channelingsymbiosis is likely - and strengthening of supporting institutions that help BPRs enhance their competitiveness or reduce their risks by providing treasury management services.   project cycle stage: Feasibility, Country Partnership Strategy  Lesson Topics:  Finance & Financial Aspects: Financing Project Design: Project design Project Management: Management information system Capacity Development: Capacity assessment Capacity Development: Capacity building Sector Related Issues: Rural development  Commercial microfinance has arrived in the country, highlighting new possibilities for private-sector operations. The project demonstrates that with the proper oversight, a portfolio of loans to Bank Perkreditan Rakyat (BPRs or village banks) - established, profitable, well-capitalized businesses - can carry low risk and earn a commercial yield. At the very least, it is possible to reduce the scope of public-sector activity in future microfinance projects/loans. Future ADB funding should further catalyze private-sector participation in microfinance, meaning that ADB funds should be leveraged with private funding.  project cycle stage: Feasibility  Lesson Topics:  Finance & Financial Aspects: Financing Project Design: Project design Sector Related Issues: Private sector Sector Related Issues: Rural development Policy & Reform: Reform  Expansion of microfinance activity does not necessarily contribute to creation of new wage earning jobs. With access to loans, a microentrepreneur can spend more time developing her/his business, and perhaps support the participation of additional family members in the business. The impact of microfinance on employment is mainly indirect, therefore, and the most significant impact of microfinance can expected to be on family incomes.  project cycle stage: Feasibility  Lesson Topics:  Finance & Financial Aspects: Financing Monitoring & Evaluation: Impact evaluation Crosscutting Issues/Themes: Employment Methodologies/Approaches: Consultation/Participation  If challenged, and with access to effective technical assistance, many financial institutions can move down market and adopt new methods of reaching poorer clients. The key factors were the fact that (i) the small financial institutions (SFIs) set their own interest rates to charge clients; and (ii) the project did not limit lending to a certain sector, only a certain size. Maximum loan sizes were attractive mainly to poorer clients, and also helped serve large numbers of microenterprises run by poor and near-poor women because they matched the size of their businesses. Client selection is the microfinance's business and should not be interfered with by any project or agency.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Gender Crosscutting Issues/Themes: Poverty reduction Finance & Financial Aspects: Financing Modality: Technical Assistance Project Design: Project design Methodologies/Approaches: Targeting  In most cases, small financial institutions (SFIs) were allowed to borrow no more than 5% of their overall funding. The project created no dependency on the part of SFIs; BPRs (village banks)needed to continue gathering funds in the form of savings and time deposits from traditional customers. Sustainability of microfinance depends upon microfinance institutions' (MFIs') ability to attract and retain readily available commercial sources of funding. Credit line availability should be strictly limited so as not to create dependence on the part of the MFI. The success of a credit line intervention might best be measured in lending outreach to new borrowers combined with a substantial increase in the amount of local funding gathered by the MFI.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Finance & Financial Aspects: Financing Monitoring & Evaluation: Impact evaluation Sector Related Issues: Private sector Sector Related Issues: Rural development  Since incomes are subject to various unquantifiable externalities, success or failure of microfinance is best measured by outreach and financial sustainability. Loan size can serve as a useful proxy for depth of outreach to poor clients. It is important to gather survey data related to poverty and incomes of project participants. It is necessary to understand poverty in all its dimensions - not simply in terms of income - so well-designed social impact surveys should rightfully be incorporated into microfinance projects. Still, an increase or decrease in income by participating microenterprises should not be considered the central indicator of success of a microfinance project. There is solid evidence to suggest that a well-designed microfinance intervention will benefit those who were hitherto denied access to affordable financial services. Project frameworks should elevate sustainable financial deepening to the outcome or impact level.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Poverty reduction Crosscutting Issues/Themes: Sustainability Finance & Financial Aspects: Financing Monitoring & Evaluation: Data collection and management Monitoring & Evaluation: Indicators Project Design: Project design  There is a natural limit to how far down market small financial institutions (SFIs) can go with lending without (i) increasing operating expenses to such a point that the lending business is no longer attractive, or (ii) finding insufficient demand for such small loan amounts. This level will be different for each SFI. There was friction between ADB, the executing agency (Bank of Indonesia), and the SFIs during the project over the maximum initial loan size; the project performed a constant and difficult balancing act to push downward the frontiers of microcredit while keeping the SFIs interested in exploring those frontiers. Microfinance projects should determine a range for commercial microlending, challenge SFIs to move down market, provide proven new methodologies to assist SFIs to move down market, and allow SFIs some leverage to push back from the bottom end of the range to ensure commercial sustainability. The project demonstrates that ADB can successfully expand the frontiers of microfinance.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Finance & Financial Aspects: Financing Finance & Financial Aspects: Market analysis Project Design: Project design Project Management: Executing/Implementing agencies Policy & Reform: Reform |
| 1. In FSM, the readiness of essential legislative support and project cofinancing by the state and national governments should be confirmed at project appraisal or the loan negotiation stage to avoid implementation delays.  project cycle stage: Appraisal  Lesson Topics:    2. Land acquisition remains a difficult challenge in all states. Future projects must attempt to resolve such issues at appraisal to minimize land issues. Where land acquisition is necessary, the acquisition process should be established early at appraisal stage.  project cycle stage: Design Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Resettlement Project Design: Appraisal Project Design: Project design Project Management: Procurement  3. For works such as wells, reservoirs, water tanks, and other capital assets constructed on land belonging to third parties, such transactions should be properly documented with lease registers and approved minutes. These should be reflected in the annual financial statements of the utility corporations. The financial statements should clearly explain the procedure in dealing with leases to ensure fair valuation of the assets.  project cycle stage: Implementation  Lesson Topics:  Finance & Financial Aspects: Financial reporting Sector Related Issues: Water resource management  4. Necessary design changes and construction variations with major cost implications should be discussed and agreed with ADB early to avoid implementation delays.  project cycle stage: Design  Lesson Topics:    5. Where a single utility corporation (UC) is responsible for both water and power, the UC must maintain separate records for the water supply operations and power operations to assist in cost recovery.  project cycle stage: Operation  Lesson Topics:  Monitoring & Evaluation: Data collection and management Sector Related Issues: Water resource management  6. A review of variations for the expansion of distribution systems should, in future, include the legal requirements for connection, particularly where the extension involves use of leased land.  project cycle stage: Design  Lesson Topics:    7. Comprehensive connection programs should be developed to include targeted areas, businesses, compliance and enforcement, connection maintenance, and connection targets. Such programs are especially relevant in places such as Chuuk. An associated public education and awareness program should be developed to improve community understanding of the benefits of connection, availability of lifeline block supplies, and payment methods. Customer data and performance indicators must be reported properly to the management in a timely manner to allow necessary adjustments in operation and maintenance, budgets, and connection programs; and to improve administration and customer relations.  project cycle stage: Design  Lesson Topics:  Project Design: Project design Policy & Reform: Information dissemination/Public awareness  8. Establishment of suitable and appropriate indicators is important to properly monitor and evaluate the effectiveness of the Project during implementation. These should include water quality baseline data to evaluate improvements in quality under the Project.  project cycle stage: Design  Lesson Topics:  Monitoring & Evaluation: Baseline data Monitoring & Evaluation: Indicators Monitoring & Evaluation: Monitoring and evaluation |
| A detailed resettlement plan, which should be updated after a measurement survey, is necessary to assess if adequate provisions and cost adjustments were made. ADB should supervise resettlement more effectively to stay informed of the progress and to ensure that the implementation is in compliance with the resettlement plan. More attention should be given to resettlement monitoring and submission of monitoring reports on time. Systematic data collection requirements should be established so that basic data about resettlement is collected in time. This would enable a more comprehensive review and assessment of resettlement during project completion review.  project cycle stage: Feasibility, Implementation, Completion  Lesson Topics:  Crosscutting Issues/Themes: Resettlement Monitoring & Evaluation: Data collection and management Monitoring & Evaluation: Monitoring and evaluation Monitoring & Evaluation: Reporting Project Management: Project supervision  The international consultants and the executing agency (Sichuan Provincial Communications Department) cooperated well during the implementation of the project. The international consultants were sensitive to the local needs and practices. They also acted as a communication bridge between ADB and the executing agency, explaining ADB's procedures and requirements, especially in procurement. The approach adopted by the international consultants in their working relationship with the executing agency under this project can be taken as a worthy example.  project cycle stage: Implementation  Lesson Topics:  Project Management: Consultants Project Management: Executing/Implementing agencies Project Management: Procurement  The preliminary design document was used in the bidding documents. The detailed design used during project construction included significant variations that increased project costs. Based on this experience, and similar experience with some of the previous road projects, ADB had been suggesting conducting more detailed geological investigations before finalizing bidding documents. Now both ADB and domestic financed projects start bidding after detailed design is completed.  project cycle stage: Implementation  Lesson Topics:  Project Design: Project design Project Management: Procurement Sector Related Issues: Roading |
| ADB's monitoring of program implementation should have been more rigorous, especially for a program that was envisaged to be completed in two years. In addition, the program should have taken into account government constraints in terms of human resources, both in quantity and quality, in implementing the reforms. Since the program aimed at undertaking several areas of fiscal reforms all at once, the technical assistance (TA) to the state government during implementation should have been prepared in a comprehensive manner. This requires either a single comprehensive TA undertaking or several TA undertakings that concertedly help build or enhance the capacity of government officials in ushering all intended structural adjustments. However, the accompanying TA only covered one aspect of the program (creating an enabling environment for the private sector to participate in investing in key infrastructure sectors through the establishment of Gujarat Infrastructure Development Board or GIDB). Capacity building in the other important reform areas, namely tax reforms, expenditure management, and state-owned enterprise (SOE) restructuring, was not incorporated in the accompanying TA. Even though two stand-alone capacity-building TA activities for strengthening the restructuring of SOEs and public finances were implemented concurrently with the program, coordination and supervision mechanisms among all capacity-building TA activities including the accompanying TA, were not provided for under the program at appraisal.  project cycle stage: Appraisal Implementation  Lesson Topics:  Crosscutting Issues/Themes: Governance Crosscutting Issues/Themes: Public governance Modality: Program Modality: Technical Assistance Monitoring & Evaluation: Monitoring and evaluation Project Design: Appraisal Project Management: Project management Project Management: Project supervision Project Management: Risks/Risk management Capacity Development: Capacity assessment Capacity Development: Capacity building Capacity Development: Human resources management Sector Related Issues: Private sector Policy & Reform: Policy reforms/framework Policy & Reform: Public sector reform  Although several advisory technical assistance (TA) activities were provided prior to the processing of the program loan, the program was prepared without a specific comprehensive preparatory TA. The policy conditions were based on thorough policy dialogue between ADB and Government of Gujarat (GOG) high-level government officials, who were champions of tax reforms and state-owned enterprise (SOE) restructuring. However, an in-depth analysis and projection of baseline and reform scenarios would have helped the program's design by identifying reform measures that were carefully prioritized, appropriately sequenced, and well balanced among various reform areas (revenue, expenditure, and public enterprise reform) and achievable within the planned time frame. Particularly, the program set specific numerical fiscal targets for future years during program implementation and identified these targets as tranche conditions, without allowing for adjustment in the case of deviation from the underlining assumptions. Therefore, the links between deviations from the program's economic assumptions and the targeted fiscal deficits were not integrated into the policy matrix.Such in-depth analysis could have provided a clear link between policy actions and desirable outcomes, such as a reduction in fiscal deficit and debt burden. The effectiveness of each policy action would also be assessed through such analysis.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Governance Crosscutting Issues/Themes: Public governance Loan Agreement: Covenants Modality: Program Modality: Technical Assistance Monitoring & Evaluation: Baseline data Project Design: Project design Project Management: Executing/Implementing agencies Country Context: Prioritization Policy & Reform: Policy matrix Policy & Reform: Policy reforms/framework Methodologies/Approaches: Targeting  Divestment of a specific, identified sate-owned enterprise (SOE) may not have been suitable as a tranche condition in the policy matrix, since it undermined the state government's leverage in price negotiation with the potential buyers of the SOE shares. The public's knowledge of the tie between divestment of SOE shares and tranche release could have motivated the potential buyers to offer much lower prices than those that were fair for the shares. Low share price offerings may not have occurred if the divesting SOEs had great profit potential. Unfortunately, most of the SOEs that were to be restructured and/or privatized did not have such potential.  project cycle stage: Appraisal  Lesson Topics:  Loan Agreement: Covenants Policy & Reform: Policy matrix Policy & Reform: Privatization Policy & Reform: Public sector reform  Gujarat was selected as the first Indian state for which ADB would provide assistance to undertake this type of program lending because of its reform orientation. The program showed that strong commitments from high-level officials who were champions of the reform were critical to carrying the program through numerous obstacles, including external shocks and implementation difficulties. However, the programï¿½s successful implementation also required support ownership from different levels of government, including local government bodies, and different levels of government officials across various relevant departments.  project cycle stage: Design, Feasibility, Implementation  Lesson Topics:  Modality: Program Project Management: Executing/Implementing agencies Capacity Development: Ownership Country Context: Decentralization Policy & Reform: Reform  The program's design should have taken into account the ground reality in terms of legal environment, political commitments, public support, and government capacity and resources. Legal impediments, both at state and national levels, to proposed policy actions must be checked thoroughly. When setting goals, program designers should also take into account political cycles, particularly the timing of future elections and budgetary cycles. Fiscal reforms may have adverse impacts in the short term through increased tax payments and user charges, reduced opportunity to be recruited in offices in the public sector, and closed state-owned enterprises (SOEs). But in the long term, reforms should bring about sustainability in the fiscal stance of not only a focal state but also the fiscal stances of other states and the government as a whole. Program design should recognize the spillover effect of proposed reform initiatives. Specifically, program design should examine whether a state government or ADB's future focal state can be fiscally sustained if it is to follow suit in adopting similar reform initiatives. Therefore, terms of payments for settling past liabilities of a state government and its SOEs, including debt outstanding to financial institutions and salary arrears, should be carefully negotiated with creditors.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Legal system Crosscutting Issues/Themes: Public governance Crosscutting Issues/Themes: Sustainability Modality: Program Project Design: Project design Capacity Development: Institutional analysis Capacity Development: Ownership Country Context: Decentralization Policy & Reform: Policy matrix Policy & Reform: Public sector reform |
| A number of measures, when duly observed, enhance the developmental impact and effective implementation of a project or program. Namely, actual requirements for satisfactory program implementation need to be properly costed before project implementation. Then sources of financing should be clearly identified, and irrevocable confirmation should be secured for the commitment from sources of financing to ensure smooth project implementation. Funds must also be made available in a timely manner, and, most importantly, a sound contingency plan must be prepared, in case these funds are no longer available or are grossly delayed.  project cycle stage: Feasibility, Appraisal Implementation  Lesson Topics:  Finance & Financial Aspects: Disbursement Finance & Financial Aspects: Financial analysis Finance & Financial Aspects: Financing Modality: Program  In addition to technical assistance on Support for the Government of Madhya Pradesh Public Finance Reform and Institutional Strengthening, and Strengthening Local Government in Madhya Pradesh (implementation of which overlapped with the program), preparatory technical assistance might have contributed to developing the foundation for the program framework and provided some of the more urgent capacity-building activities before program implementation started.  project cycle stage: Feasibility  Lesson Topics:  Modality: Program Modality: Technical Assistance Capacity Development: Capacity building Policy & Reform: Policy reforms/framework  Lessons learned from previous programs were incorporated into the design of the program, including the importance of capacity building and institutional strengthening for seamless, self-sufficient, and satisfactory implementation. Learning from the Gujarat Public Sector Resource Management Program, the timeframe for implementation of reforms was extended to 3 years. Extensive dialogue between ADB and the Government of Madhya Pradesh (GoMP) preceded program design. Unrealistic time frames, revenue projections, and tax buoyancies were avoided. And the need to ensure an appropriate regulatory and pricing framework for the power sector at an early stage of comprehensive reforms was reflected in program design.   project cycle stage: Concept Feasibility  Lesson Topics:  Finance & Financial Aspects: Financial analysis Project Design: Project design Capacity Development: Capacity building Sector Related Issues: Energy planning/management Policy & Reform: Policy matrix Policy & Reform: Policy reforms/framework  The program demonstrated the importance of a flexible approach to modeling a reform agenda. As suggested in progress reports, a cluster framework for such a program would have allowed for a more organic approach, vis-ï¿½-vis formulating specific tranche release conditions to address unforeseen changes during program implementation without deviating from the fundamental assumptions and deliverables of the program. Similarly, even if the probability of occurrence is slim, all possible shocks should be a part of the program's contingency plan and, hence, design. Both feedback and spillover effects should be considered carefully and whenever possible, and incorporated in project design as appropriate. A horizontal approach to reform can still benefit from prioritization of certain sectors over others and should ensure a holistic approach to reform, as no sector functions independently from the rest of the economy.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Finance & Financial Aspects: Disbursement Loan Agreement: Covenants Modality: Cluster operations Modality: Program Project Design: Project design Country Context: Prioritization Policy & Reform: Reform Methodologies/Approaches: Holistic approach Methodologies/Approaches: Process approach |
| Labor should be considered an investment, rather than a cost, and human capital and social development should be integral parts of regional plantation companies' (RPCs') corporate development strategies if the plantation sector is to be profitable. To be successful, social development programs should have a strong commitment at the management level and shouldbe driven by stakeholder demand.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Crosscutting Issues/Themes: Corporate governance Finance & Financial Aspects: Market analysis Project Management: Executing/Implementing agencies Project Management: Project management Capacity Development: Human resources management Capacity Development: Ownership Sector Related Issues: Industry and Trade Sector Related Issues: Rural development Policy & Reform: Policy reforms/framework  Project experience underscores the commitment and political will required to implement policy reforms, such as privatization and market liberalization. This was the underlying factor in the privatization of 20 regional plantation companies (RPCs) during the project period's first half. The commitment and political will, however, did not last. When the privatization procedures were changed, the controlling interests in three of the 20 RPCs were bought by government entities. ADB did not consider the three RPCs privatized, and they were therefore not eligible for project funding. The three RPCs were eventually privatized, being sold to private entities. At project completion, another three RPCs were not yet privatized. Also, Janatha Estates Development Board (JEDB) and Sri Lanka State Plantation Corporation (SLSPC) estates and warehouses were not restructured and privatized. With continued political intervention on wages and the restrictions on marketing, an enabling environment was not created for the RPCs to improve their profitability, and, hence, achieve the full potential for long-term sustainability.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Finance & Financial Aspects: Financing Capacity Development: Ownership Sector Related Issues: Private sector Sector Related Issues: Rural development Policy & Reform: Policy reforms/framework Policy & Reform: Privatization Policy & Reform: Reform  Success in privatization required a private sector willing and able to finance the acquisition of regional plantation companies (RPCs). Sri Lanka's financial system is well able to provide short-term funding for working capital purposes, but the limited development of sources of long-term loan funds would have prevented investors from using any gearing to achieve an acceptable cost of funds, forcing them to rely on equity alone. In the absence of Part A's long-term credit, there would have been no such funds available, and the pace and success of privatization would have been constrained.  project cycle stage: Feasibility  Lesson Topics:  Finance & Financial Aspects: Financing Project Design: Project design Sector Related Issues: Private sector Sector Related Issues: Rural development Policy & Reform: Privatization  The project's good performance was facilitated by the flexibility allowed in the non-credit component. This enabled the project to develop activities such as the tea sector strategy study and other programs to meet the industry's evolving needs. For example, the project provided regional plantation companies (RPCs) with training equipment, although this was not envisaged during appraisal. The training equipment provided was well used and served as an incentive for the expansion of field-level training.  project cycle stage: Implementation  Lesson Topics:  Project Design: Project design Capacity Development: Capacity building Sector Related Issues: Rural development Policy & Reform: Policy reforms/framework |
| Clear understanding of the program by all stakeholders was essential. Successful and timely implementation of the policy decisions depended on the government's understanding and acceptance of the perspectives and approach that ADB envisioned under each condition. Program implementation showed that miscommunication and misinterpretation of the design and expected outputs of policy actions could delay implementation.  project cycle stage: Feasibility, Appraisal Implementation  Lesson Topics:  Loan Agreement: Covenants Modality: Program Project Design: Project design Policy & Reform: Information dissemination/Public awareness Policy & Reform: Policy matrix  Program implementation reinforced the notion that the expected impact of a program loan is long term, particularly when the program scope and objectives are as broad and ambitious as that of the State-Owned Enterprise Reform and Corporate Governance Program. In Viet Nam, policy reform involves substantial learning and capacity building. It is difficult to predict the length of this process. Due to the large program scope, most policy actions were in areas over which the executing agency (State Bank of Vietnam) had no direct control. Therefore, the program depended highly on the performance of implementing agencies.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Crosscutting Issues/Themes: Corporate governance Modality: Program Project Management: Executing/Implementing agencies Capacity Development: Capacity building Policy & Reform: Policy reforms/framework Policy & Reform: Public sector reform  State-owned enterprise (SOE) restructuring is a sensitive area that requires political and institutional consensus on reform values, as well as acceptance of the resulting changes. Commitment from the government agencies in charge and SOEs themselves was necessary. SOEs' accurate understanding and acceptance of those policy decisions was critical to the program's success, particularly in Viet Nam, where SOEs continue the traditional domination in the industrial sector.  project cycle stage: Feasibility, Appraisal Implementation  Lesson Topics:  Crosscutting Issues/Themes: Governance Project Management: Executing/Implementing agencies Capacity Development: Ownership Sector Related Issues: Industry and Trade Policy & Reform: Policy matrix Policy & Reform: Public sector reform |
| Cofinanciers should harmonize their requirements in advance, to the extent possible.  project cycle stage: Appraisal  Lesson Topics:    Project design would have benefited from more preparatory sector work, including updated information on key indicators and detailed understanding of issues at field level. This would have allowed the planning of second generation reproductive health (RH) activities upfront.  project cycle stage: Feasibility  Lesson Topics:  Monitoring & Evaluation: Indicators Project Design: Project design Sector Related Issues: Health and sanitation management  Project impact cannot be assumed based on a broad design, reflecting all major elements of the health system. Rather, it depends on participatory planning and strategy adjustments based on changes in health behavior and quality of care. The National Committee for Population and Family Planning (NCPFP) demonstrated flexibility to adjust the project as required.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Project Design: Project design Sector Related Issues: Health and sanitation management Methodologies/Approaches: Participatory approach  The construction and maintenance of health centers was much better in locations where communities participated strongly. Communities should be involved in the planning of health centers, and agree with the authorities on the maintenance of the facility. The issue of medical waste should be addressed early in project preparation, included in loan covenants, and followed up during reviews. Health projects should provide clear guidelines, regular inspection,staff training, and community involvement for the handling of medical waste.  project cycle stage: Design, Feasibility, Implementation  Lesson Topics:  Crosscutting Issues/Themes: Environmental management Loan Agreement: Covenants Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Project Management: Operation and maintenance Capacity Development: Capacity building Sector Related Issues: Health and sanitation management Methodologies/Approaches: Community approach  The management structure made establishing a link to field performance difficult. However, the project demonstrated valuable lessons for good Project Management, including clear assignment of responsibilities, intensive coordination, and flexibility in implementation.  project cycle stage: Design, Implementation  Lesson Topics:  Project Design: Project design Project Management: Project management Methodologies/Approaches: Consultation/Participation Methodologies/Approaches: Process approach |
| Changing job markets and new technologies in technical education and vocational training (TEVT) require regular in-service training of teachers to upgrade their skills, as well as periodic curricula updating. The continuedinvolvement of the private sector and strengthening the Institute Management Committees (IMCs) would be important to enhance ownership and relevance at all stages.  project cycle stage:   Lesson Topics:  Finance & Financial Aspects: Market analysis Capacity Development: Capacity building Capacity Development: Ownership Capacity Development: Technology/Technology transfer Sector Related Issues: Education Sector Related Issues: Private sector  The project was delayed for 2 years mainly due to inadequate staffing of the Project Implementation Units (PIUs) andfrequent changes of project directors. Recruitment of project staff is a generic problem. Delays were mainly due to ban onrecruitment, even when the project posts were approved. Additional clearance from the FinanceDepartment was needed. For effective utilization of project facilities by timely recruitmentof staff, the government must allow exemption to project staff from the recruitment ban and waiveadditional clearances required from the Finance Department. During Pakistan Resident Mission's (PRM's) 2003 Country Portfolio Review Mission (CPRM), the government agreed to establish a core project management unit at the fact-findingstage. This agreement should be enforced to provide a sense of ownership and minimizeproject implementation delays. The frequent transfer of project directors is another generic problem. PRM should followup consistently with the government on the CPRM agreements to retain project directors at least 3-4 years. ADB should be consulted before any changes are made.  project cycle stage: Appraisal, Implementation, Country Partnership Strategy  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Project Management: Project management Capacity Development: Human resources management Capacity Development: Ownership Other: Resident Mission Methodologies/Approaches: Consultation/Participation |
| In this project, the implementing agency (Rawalpindi Water and Sanitation Agency or RWASA) was not autonomous in setting water tariffs to meet its financial needs or in engaging staff as necessary to operate and maintain the water supply and sanitation system to acceptable standards. Its dependence on budgetary support from the government will remain unless it is delegated the authority for setting water tariffs and recruiting staff. Any future assistance to RWASA should be subject to these conditions.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Governance Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Operation and maintenance Capacity Development: Human resources management Country Context: Decentralization Sector Related Issues: Health and sanitation management  The management of a project management unit (PMU) should be appropriately qualified. Project design should ensure the appointment of appropriately qualified staff for key positions in a PMU. Appointing regular executing agency staff in a PMU instead of contract staff will likely enhance institutional strengthening.  project cycle stage: Design  Lesson Topics:  Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Project management Capacity Development: Capacity building Capacity Development: Human resources management |
| Technical assistance (TA) that is suitably designed, properly targeted, and appropriately timed can providesynergies to a loan project and enhance its overall impact. The advisory TA associated with theproject was directly relevant and well timed, which enabled formulation of an Integrated Environmental Management Plan (IEMP) and enhanced the executing agency's institutional capacity for enforcing stricter environmental compliance.  project cycle stage: Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Environmental management Modality: Technical Assistance Project Management: Executing/Implementing agencies Capacity Development: Capacity development Methodologies/Approaches: Targeting  The phased implementation of the coke oven plants construction was not fully assessedduring Project Design, resulting in an unrealistic implementation schedule for the Hefei Iron and Steel Corporation (HISC)component of the project. ADB staff should fully assess and anticipate environmental versuseconomic/financial objectives of the industrial enterprises in future projects.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Environmental management Finance & Financial Aspects: Financial management Project Design: Project design Sector Related Issues: Industry and Trade  The suitability of a full-time and adequately resourced Project Management Office (PMO) in project implementation fora multicomponent project was proven through efficient implementation and coordination of theproject activities. The PMO approach continued to keep the executing agency's (Anhui Provincial Government's) focus on the project. ADB should continue to encourage APG to set up a similar PMO for all multicomponent projects.  project cycle stage: Implementation  Lesson Topics:  Project Management: Executing/Implementing agencies Project Management: Project management  Timely availability of required funds is essential for smooth project implementation. Inthis project, availability of counterpart funds was a key issue, because they could not besecured in a timely manner. ADB staff must carefully scrutinize counterpart fund arrangementsand availability during project appraisal.  project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Counterpart funds Project Design: Appraisal  ADB should play a more active role in resettlement supervision and monitoring to ensure that (i) the resettlement plan would be implemented as agreed between government agencies and ADB, and (ii) actions could be formulated and implemented to address the concerns of the affected people. Also, it is essential to ensure that independent agencies monitor the social impact of the resettlement activities during implementation and evaluate the results for at least 2 years thereafter. Such monitoring would assist the executing agency and ADB to prepare a comprehensive resettlement completion report.  project cycle stage: Implementation  Lesson Topics:  Crosscutting Issues/Themes: Resettlement Monitoring & Evaluation: Monitoring and evaluation Project Management: Executing/Implementing agencies Project Management: Project supervision  While specific access roads were not identified at appraisal, local roads were constructed and upgraded. Poverty areas along the expressway benefited from the expressway, with improved accessibility to transport facilities, making it easier for farmers to transport their products to market. There is a need to include a specific local road component in the project scope to ensure maximum access to the expressway by the rural population and thus maximize poverty reduction and regional economic development.  project cycle stage: Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Poverty reduction Project Design: Appraisal Project Design: Project design Sector Related Issues: Roading Sector Related Issues: Rural development Sector Related Issues: Transport planning |
| ADB should play a more active role in resettlement supervision and monitoring to ensure that (i) the resettlement plan would be implemented as agreed between government agencies and ADB, and (ii) actions could be formulated and implemented to address the concerns of the affected people. Also, it is essential to ensure that independent agencies monitor the social impact of the resettlement activities during implementation and evaluate the results for at least 2 years thereafter. Such monitoring would assist the executing agency and ADB to prepare a comprehensive resettlement completion report.  project cycle stage: Implementation  Lesson Topics:  Crosscutting Issues/Themes: Resettlement Monitoring & Evaluation: Monitoring and evaluation Project Management: Executing/Implementing agencies Project Management: Project supervision  While specific access roads were not identified at appraisal, local roads were constructed and upgraded. Poverty areas along the expressway benefited from the expressway, with improved accessibility to transport facilities, making it easier for farmers to transport their products to market. There is a need to include a specific local road component in the project scope to ensure maximum access to the expressway by the rural population and thus maximize poverty reduction and regional economic development.  project cycle stage: Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Poverty reduction Project Design: Appraisal Project Design: Project design Sector Related Issues: Roading Sector Related Issues: Rural development Sector Related Issues: Transport planning |
| A strong governance framework was a program highlight. This is reflected in numerous laws drafted and pushed to enactment. But some significant legislation like the Companies Act 2000 and its amendments have not yet been announced and implemented. Schedules to the Public Bodies Performance and Accountability Act 2001 are in place, and two more are being drafted. In other cases, further amendments for effective implementation have been, or are being made. These shortcomings imply that some legislation was passed with little scrutiny or reflection. Once bills are completed, the next crucial phase is a learning exercise in educating users about workings of relevant acts.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Governance Crosscutting Issues/Themes: Legal system Crosscutting Issues/Themes: Public governance Modality: Program Policy & Reform: Information dissemination/Public awareness  The program encouraged and instilled the value of stakeholder consultation, particularly with the private sector, and of the participation process to strengthen support for, and broad ownership of, reform initiatives. The consultation process gave stakeholders an opportunity to understand, monitor, and reassess their goals; and to adjust to conform with the government's reform program. The flow-on effect is seen in the effective contributions of the private sector and civil society to formulation of Samoa's development strategy. Also, the Samoan Government was right in targeting first reforms at the financial sector, before embarking on wider initiatives for public sector reform.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Finance & Financial Aspects: Financing Modality: Program Monitoring & Evaluation: Monitoring and evaluation Capacity Development: Ownership Sector Related Issues: Private sector Policy & Reform: Public sector reform Methodologies/Approaches: Civil Society Participation Methodologies/Approaches: Consultation/Participation Methodologies/Approaches: Participatory approach Methodologies/Approaches: Targeting  Waivers of tranche conditions are not encouraged, unless for strong and valid reasons. But in this case, the policy condition to expressly identify eight state-owned enterprises ( SOEs) for privatization during the design phase was too ambitious and optimistic, considering the process by past experiences. The government had still not completely resolved the privatization and divestment of three of the eight SOEs by September 2004, when this report was written.  project cycle stage: Appraisal Implementation  Lesson Topics:  Loan Agreement: Covenants Policy & Reform: Privatization Policy & Reform: Public sector reform |
| Covenant compliance, especially with regard to submission of audited accounts, and adequate maintenance of project facilities, needs to be enforced thoroughly during implementation.  project cycle stage: Implementation  Lesson Topics:  Finance & Financial Aspects: Financial reporting Loan Agreement: Covenants Project Management: Operation and maintenance  The most important problem encountered by the project was undoubtedly the 1997 financial crisis, which affected most contractors, resulting not only in cash flow and financial problems but also in a flow-on effect to site personnel and, in some cases, affecting contractors' management of construction. Cash-flow problems were the single biggest cause of civil works' delays, affecting supply of construction plant and materials, and payment of site personnel. Bidders should have sufficient financial resources during prequalification. Procurement was delayed by the executing agency's (Department of Highway's) unfamiliarity with ADB's standard bidding documents and by need for Cabinet approval of contracts. Adequate management capability is essential to avoid these delays.  project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Financial management Project Management: Executing/Implementing agencies Project Management: Procurement Project Management: Project management Country Context: Crisis/Post-crisis  The project did not have a coordination or implementation unit, which made coordinating the various subcomponents difficult.  project cycle stage: Design, Feasibility  Lesson Topics:  Project Design: Project design Project Management: Project management  Covenant compliance, especially with regard to submission of audited accounts, and adequate maintenance of project facilities, needs to be enforced thoroughly during implementation.  project cycle stage: Implementation  Lesson Topics:  Finance & Financial Aspects: Financial reporting Loan Agreement: Covenants Project Management: Operation and maintenance  The most important problem encountered by the project was undoubtedly the 1997 financial crisis, which affected most Thai contractors, resulting not only in cash flow and financial problems but also in a flow-on effect to site personnel and, in some cases, affecting contractors' management of construction. Cash-flow problems were the single biggest cause of civil works' delays, affecting supply of construction plant and materials, and payment of site personnel. Bidders should have sufficient financial resources during prequalification. Procurement was delayed by the executing agency's (Department of Highway's) unfamiliarity with ADB's standard bidding documents and by need for Cabinet approval of contracts. Adequate management capability is essential to avoid these delays.  project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Financial management Project Management: Executing/Implementing agencies Project Management: Procurement Project Management: Project management Country Context: Crisis/Post-crisis  Too many components under the project complicated project administration and involved too many executing agencies. The project did not have a coordination or implementation unit, which made coordinating the various subcomponents difficult.  project cycle stage: Design, Feasibility  Lesson Topics:  Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Project administration Project Management: Project management |
| Significant implementation delays were caused by the complex procurement procedures of the government. Improvements in government procurement procedures and the delegation of more authority to executing agencies need to be made. The lack of institutional capacity in the executing agency (Road Development Authority) for preconstruction processes, including land acquisition and relocation of utilities, also led to delays. Even though advance action wasapproved in December 1993, this action did not alleviate delays. As in previous projects, inadequate project maintenance was noted by the PCR Mission for the existing project roads.  project cycle stage: Feasibility, Appraisal, Country Partnership Strategy  Lesson Topics:  Crosscutting Issues/Themes: Resettlement Project Management: Executing/Implementing agencies Project Management: Operation and maintenance Project Management: Procurement Capacity Development: Capacity assessment Capacity Development: Capacity building Country Context: Decentralization Sector Related Issues: Roading  The government has difficulty complying with covenants related to broader budget allocation for road maintenance. The inconsistent management of the executing agency (Road Development Authority) is a serious problem and inhibits decision making. Due to these factors, ADB should focus on strengthening RDA and its project implementation capability. Although the project tried to develop the lack of capacity and inexperience of the domestic private sector in road construction and engineering and related services, considerable work still needs to be done. The broader lack of maintenance issues for the sector needs to be addressed through a reform program to improve the planning, execution, and financing of road maintenance.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Finance & Financial Aspects: Financing Loan Agreement: Covenants Modality: Program Project Management: Executing/Implementing agencies Project Management: Operation and maintenance Project Management: Project management Capacity Development: Capacity building Sector Related Issues: Private sector Sector Related Issues: Roading Policy & Reform: Reform |
| Although the overall implementation arrangement was satisfactory, some simplification at the design stage could have simplified coordination, which was demanding on the agencies concerned, particularly on the Ministry of Commerce (MOC). Program implementation was more complex than originally envisaged. TA Loan 1682 added still more challenges by involving four different ministries/departments. The problem was finally overcome after delays and protracted coordination efforts. Events not foreseen at program appraisal are inevitable, but more effort in the initial stage of a program's formulation may help clarify responsibilities of various agencies. That may help in the incorporation of measures for timely resolution of problems, leading to more efficient and timely program implementation.  project cycle stage: Design, Feasibility  Lesson Topics:  Modality: Program Project Design: Appraisal Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Project management Methodologies/Approaches: Consultation/Participation  Difficulties during program implementation illustrate the deeply entrenched problem of poor capacity in almost all of Pakistan's ministries and departments. This situation was worsened by frequent change and transfer of key counterparts, a common problem in Pakistan. It is difficult to generalize, but changes of key counterparts at times seem to have resulted in both loss of institutional memory and discontinuity of agreed approaches and methodologies for program implementation.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Modality: Program Project Management: Executing/Implementing agencies Capacity Development: Capacity building Capacity Development: Human resources management  Program design was comprehensive, at the same time complex. The initiatives that the program supported were complemented through concerted efforts by IMF and the World Bank. The program managed to tackle key trade policies, and legal and institutional reforms in Pakistan. Its leverage on certain components, for instance on public manufacturing enterprise (PME) privatization was not adequate. This was complicated by the problems in the privatization process, and the fact that no direct assistance under the program was rendered to conduct analytical work review and monitor the process. This also applied to some of the non-tranche release conditions including, but not limited to, review of some trade laws and procedures which added considerable complexity to the program. Although compliance with these laws and procedures may have been comparatively easy, their real impacts are uncertain and difficult to assess. In hindsight, some simplification of the program components, which although making the program a bit less ambitious, could at the same time have led to more focused program results.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Legal system Finance & Financial Aspects: Disbursement Loan Agreement: Covenants Modality: Program Monitoring & Evaluation: Impact evaluation Monitoring & Evaluation: Monitoring and evaluation Sector Related Issues: Industry and Trade Policy & Reform: Policy reforms/framework Policy & Reform: Privatization Policy & Reform: Public sector reform |
| In cases where several, independent projects are implemented and serve a similar purpose, it is advisable to have one senior person responsible for program management, critical path monitoring, and risk management. Supervising the interrelationship of various components can facilitate decision making, especially limiting the damage caused by delays. Outsourcing of project management should be considered if there is a risk that the size or complexity of interrelated projects could exceed the capacity of the executing agency.  project cycle stage: Implementation  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Management: Executing/Implementing agencies Project Management: Project management Project Management: Risks/Risk management Capacity Development: Capacity assessment Capacity Development: Human resources management  Nonrevenue water (NRW) reduction is a more complex and difficult task than it initially appears. Projections of NRW reduction need to be conservatively estimated at appraisal to avoid overestimating project benefits. A project approach alone is not sufficient to reduce NRW. The utility must take responsibility for NRW reduction in terms of a routine operational activity. Experience shows that covenanting NRW reduction should be done with caution, as drivers for NRW are often difficult to get under control.  project cycle stage: Appraisal  Lesson Topics:  Loan Agreement: Covenants Project Design: Appraisal Project Management: Operation and maintenance Sector Related Issues: Health and sanitation management |
| A strong partnership between the project management unit (PMU) and ADB, coupled with close monitoring of the projects, was effective in solving problems.    project cycle stage: Implementation    Lesson Topics:   Monitoring &amp; Evaluation: Monitoring and evaluation  Project Management: Project management  Capacity Development: Partnerships    A strong sector organization and competent staff are needed to implement and sustain water supply and sanitation (WS&amp;S) sector development plans and projects. For effective human resource capacity building, the organization must be well structured and function properly.    project cycle stage: Appraisal    Lesson Topics:   Crosscutting Issues/Themes: Sustainability  Capacity Development: Capacity building  Capacity Development: Human resources management  Sector Related Issues: Health and sanitation management    Flexibility is required when designing sector programs in a post-conflict country such as Timor-Leste. Implementing projects takes longer when the institutional capacities are uncertain.    project cycle stage: Feasibility    Lesson Topics:   Modality: Program  Project Design: Project design  Capacity Development: Capacity assessment  Country Context: Conflict/Post-conflict    Non-government organizations (NGOs) can be effective partners of the government and the communities in implementing community-managed water supply and sanitation (WS&amp;S) projects by providing technical and institutional assistance.    project cycle stage: Feasibility    Lesson Topics:   Modality: Technical Assistance  Capacity Development: Partnerships  Sector Related Issues: Health and sanitation management  Methodologies/Approaches: Civil Society Participation  Methodologies/Approaches: Community approach    Officials at the national, district, and community levels should become involved early in projects, and should be encouraged to give people a sense of ownership and responsibility for the success and sustainability of projects.    project cycle stage: Feasibility, Implementation    Lesson Topics:   Crosscutting Issues/Themes: Sustainability  Project Management: Executing/Implementing agencies  Capacity Development: Ownership  Country Context: Decentralization    Sanitation is a necessary component along with health and hygiene education for maximizing health benefits from water supply projects. However, sanitation is not given enough attention, as the low coverage and small number of projectsimplemented demonstrated.    project cycle stage: Feasibility    Lesson Topics:   Project Design: Problem identification  Project Design: Project design  Sector Related Issues: Health and sanitation management |
| A detailed geological survey should have been completed to avoid major cost differences brought about by major changes in design and frequent contract variations. A more conservative traffic projection, particularly for the initial years of operation, should be used to ensure more robust financial performance of the expressway operator.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Finance & Financial Aspects: Market analysis Project Design: Project design Project Management: Procurement  Before the expressway is completed, a road safety campaign should be actively promoted among people living in the area of the new road to avoid unnecessary traffic accidents. In this project, many of the recorded traffic accidents involved unauthorized road crossing by local residents. Many fencing sections have been removed by unauthorized persons to gain access to the expressway. Underpasses should be designed so that they are centrally located and have good natural drainage to encourage their frequent usage by local residents.  project cycle stage: Design, Feasibility  Lesson Topics:  Project Design: Project design Sector Related Issues: Roading Policy & Reform: Information dissemination/Public awareness  Publicizing the resettlement plan and compensation rates to all people affected by a project is essential to ensure good support and provide detailed information on the basis of compensation. Relocation within the same village helps to maintain social ties. For those who need to supplement their income through new employment, appropriate skill training should be provided. Periodic monitoring of resettlement activities by an independent panel is essential to ensure timely corrective actions on resettlement problems.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Crosscutting Issues/Themes: Resettlement Monitoring & Evaluation: Monitoring and evaluation Capacity Development: Capacity building Crosscutting Issues/Themes: Employment Policy & Reform: Information dissemination/Public awareness |
| The Health Sector Development Program (HSDP) was the first loan program for the Ministry of Health (MOH). At the outset MOH counterparts and project implementing unit (PIU) staff were unfamiliar with ADB's operational procedures and guidelines. Initially, the HSDP required intensive ADB supervisory contacts and review missions. However, PIU staff quickly learned the necessary procedures, oriented and administered project implementation effectively, facilitated policy dialogue with the government, and became a reliable partner. The PIU also facilitated close working relationships between MOH, PIU, and consultants, which was essential to successful implementation of the HSDP.  project cycle stage: Appraisal Implementation  Lesson Topics:  Modality: Program Project Management: Consultants Project Management: Executing/Implementing agencies Project Management: Project administration Project Management: Project management Project Management: Project supervision Sector Related Issues: Health and sanitation management Policy & Reform: Policy matrix Methodologies/Approaches: Consultation/Participation  The Health Sector Development Program's (HSDP's) impact was difficult to evaluate in some areas because there were no baseline data on service use. Getting baseline data was ignored due to concentration on program or project implementation, and the monitoring system received little attention. While family group practice (FGP) services are broadly meeting expectations, a change in service use was not clearly shown by groups of people categorized by age, sex, and income. To measure equitable access, it is important to establish a basis for comparison and carefully monitor the utilization of services by the poor and vulnerable groups. In future projects, a system should be established in implementation to monitor and analyze outputs and achievements, in particular, those related to service use by different groups of people.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Crosscutting Issues/Themes: Poverty reduction Crosscutting Issues/Themes: Vulnerable groups Monitoring & Evaluation: Baseline data Monitoring & Evaluation: Impact evaluation Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Sector Related Issues: Health and sanitation management |
| Establishing close coordination within the different implementing wings of an executingagency and functional coordination among the different service providers at the field level arethe keys to the success of project implementation and sustainability of the facilities.  project cycle stage: Implementation  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Project Management: Executing/Implementing agencies Project Management: Project management Methodologies/Approaches: Consultation/Participation  For further improvement of water resources development and management, there is a need for (i) capacity development of the executing agency (Bangladesh Water Development Board) for mainstreaming participatory process addressingsocial and environmental issues, and capacity development of the Water Management Associations (WMAs) for sustainable O&M; (ii) effective local institutional mechanisms to coordinate and integrate water management; (iii) rigorous planning of O&M arrangements, including beneficiary financial contributions, and (iv) effective policy and regulations to support participatory water resources management.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Environmental assessment Crosscutting Issues/Themes: Sustainability Finance & Financial Aspects: Financing Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Operation and maintenance Capacity Development: Capacity development Sector Related Issues: Water resource management Policy & Reform: Policy reforms/framework Methodologies/Approaches: Participatory approach  Joint and coordinated efforts of the executing agency (Bangladesh Water Development Board) and water management organizations (WMOs) are essential for sustainable O&M of drainage systems, and efficient use of water resources.  project cycle stage: Implementation  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Project Management: Executing/Implementing agencies Project Management: Operation and maintenance Sector Related Issues: Water resource management Methodologies/Approaches: Consultation/Participation  The design and implementation of development projects should recognize adequatelyand timely the wisdom, knowledge and practical experiences of the potential beneficiaries. Forexample, project implementation delays could have been reduced considerably if thebeneficiaries demand for the tidal river management (TRM) systems had been appreciated early.  project cycle stage: Design, Feasibility, Implementation  Lesson Topics:  Crosscutting Issues/Themes: Knowledge Management Project Design: Project design Project Management: Project management Sector Related Issues: Water resource management |
| A strong commitment by the project proponents, and efficient management and execution of experienced and well-trained project implementation staff, consistently have been the primary success factors in most projects in the PRC. Selection and recruitment of competent international as well as domestic consultants have ensured observance of the quality standards required for projects with high investment costs.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Project Management: Consultants Project Management: Project management Capacity Development: Human resources management Capacity Development: Ownership  Properly administered bidding processes were key to obtaining advantageous bid offers. Deviations between the final project costs and appraisal estimates were small. But the contingencies in foreign currency cost items, at almost 20% of the base cost, were too high. Consultants and ADB staff must carefully review the status of project feasibility studies to arrive at reasonable contingencies in project costs.  project cycle stage: Appraisal Implementation  Lesson Topics:  Finance & Financial Aspects: Financial analysis Finance & Financial Aspects: Foreign exchange Monitoring & Evaluation: Project evaluation Project Design: Appraisal Project Management: Consultants Project Management: Procurement  Technical Assistance (TA) that is suitably designed, properly targeted, and appropriately timed can provide synergies to a loan project and enhance its overall impact. Both TAs associated with the project were directly relevant and well timed, which enabled smooth unbundling of the Heilongjiang Electric Power Company or HEPC (the executing agency) and transition of plant's ownership to China Datang Corporation (CDT).  project cycle stage: Appraisal  Lesson Topics:  Modality: Technical Assistance Sector Related Issues: Energy planning/management Policy & Reform: Reform  Timely availability of the required funds is essential for smooth project implementation. In this project, availability of counterpart funds was a key issue, because they could not be secured until project launching. ADB staff must carefully scrutinize counterpart fund arrangements and availability during project appraisal.  project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Counterpart funds Project Design: Appraisal |
| Implementation delays due mostly to the government's complex procurement procedures became a major concern to ADB. Procurement procedures need to be improved, and more authority should be delegated to the executing agencies. Similarly, to avoid public opposition to future projects, and the resulting delays in project implementation, involuntary resettlement should be addressed, and the affected people should be consulted, as early as possible.   project cycle stage: Feasibility, Appraisal Implementation  Lesson Topics:  Crosscutting Issues/Themes: Resettlement Project Management: Executing/Implementing agencies Project Management: Procurement Methodologies/Approaches: Consultation/Participation  The executing agency (Ceylon Electricity Board or CEB) should be given greater autonomy, and electricity tariffs should be set based on commercial, not political, grounds. Ideally, an independent regulatory body should set tariffs. If this cannot be achieved, tariffs should be raised according to a predetermined schedule.   project cycle stage: Design Appraisal  Lesson Topics:  Finance & Financial Aspects: Market analysis Project Management: Executing/Implementing agencies Sector Related Issues: Energy planning/management Policy & Reform: Public sector reform  The executing agency's (Ceylon Electricity Board's) compliance with loan covenants was not satisfactory, particularly in achieving an 8% rate of return. Based on CEB's performance, achieving this rate of return will be difficult.Loan covenants on rates of return should be set realistically in view of past performance.  project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Financial analysis Loan Agreement: Covenants Project Management: Executing/Implementing agencies |
| As was the case with other power projects approved about the same time, the expected tariff increase did not materialize. The government controls the tariffs for power sales and purchases. As a result, electricity transactions were determined more by the government directives than through commercial negotiations between the seller and the buyer. This made it difficult for the executing agency to comply with the loan covenants on the signing of a sound Power Purchase Agreement (PPA). In the context of competitive power markets in the near future, other commercial arrangements in addition to PPA may deserve consideration during project design phase.  project cycle stage: Feasibility  Lesson Topics:  Loan Agreement: Covenants Project Design: Project design Project Management: Executing/Implementing agencies Sector Related Issues: Energy planning/management Policy & Reform: Policy reforms/framework Policy & Reform: Public sector reform  Resettlement of large populations in a hydropower project needs prudent and thoroughexamination. ADB closely monitored the resettlement work during project implementation, andpromptly identified deficiencies. ADB's intervention helped improve implementation of the Resettlement Plan (RP),including the provision of increased resettlement budget. Continuous monitoring of restoration ofthe resettlers' income is essential to evaluate the implementation status of the RP.  project cycle stage: Implementation  Lesson Topics:  Crosscutting Issues/Themes: Resettlement Finance & Financial Aspects: Financing Monitoring & Evaluation: Monitoring and evaluation Sector Related Issues: Energy planning/management  The actual project cost was only 60.7% of the appraisal estimate. The main reasons for this significant cost reduction were vigorous competition in the bidding process of equipment and materials, changes in the market conditions, and the substantial reduction in the cost for interest during construction due to government's policy changes towards taxes and interest rates. While the latter was difficult to predict, the other factors could have been given greater weight in estimating the project costs at appraisal.  project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Financial analysis Project Design: Appraisal Project Management: Procurement  The project demonstrated a successful model for a joint-investment between the central and local governments. Local governments' participation in the project enhanced their ownership, and thus helped implement the project smoothly. The local governments also played an important role in obtaining a reasonable power tariff for the project. Establishing a project company (FMHDC) to exclusively construct and operate the project proved to be an effective practice, which should be pursued to the extent possible in future projects.  project cycle stage: Design, Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Governance Project Design: Project design Project Management: Project management Capacity Development: Ownership Country Context: Decentralization Policy & Reform: Public sector reform Methodologies/Approaches: Consultation/Participation  The successful completion within the revised implementation schedule, the stringent budget control, and the high quality of the project's facilities demonstrated the project entities' high competence in hydropower design, construction, and operation. Future Project Preparatory Technical Assistance (PPTA) studies for hydropower development projects may focus more on the aspects pertaining to compliance withADB safeguard policies. Similarly, the scope and the terms of reference (TOR) for implementation supervision consultants may be strengthened to mainly cover these areas.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Crosscutting Issues/Themes: Environmental assessment Crosscutting Issues/Themes: Resettlement Crosscutting Issues/Themes: Vulnerable groups Modality: Technical Assistance Project Design: Project design Project Management: Consultants Project Management: Project supervision Sector Related Issues: Energy planning/management |
| Future project design should emphasize agricultural extension, institutionaldevelopment, and credit for farmers. Consideration should also be given tofinancing of routine O&M costs during initial years of operation, while farmerslearn to manage new technology, and new irrigation facilities.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Finance & Financial Aspects: Financing Project Design: Project design Project Management: Operation and maintenance Capacity Development: Capacity development Capacity Development: Technology/Technology transfer Sector Related Issues: Irrigation management Sector Related Issues: Rural development  The complementary activities under the project for watershed protection;provision of health, water supply, sanitation, and education facilities; andpromotion of women-in-development activities were highly relevant in achievingoverall development in the project area. A similar multisectoral approach shouldbe considered in future project designs. Use of nongovernment organizations (NGOs) for some of these activitieswas highly successful.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Environmental management Crosscutting Issues/Themes: Gender Project Design: Project design Sector Related Issues: Education Sector Related Issues: Health and sanitation management Methodologies/Approaches: Civil Society Participation Methodologies/Approaches: Holistic approach  The project's inability to meet the irrigation service area predicted at appraisalhas not only reduced the anticipated (and perhaps, overly optimistic) benefits inthe initial years of operation, but highlights the need to provide ongoing supportto complete on-farm facilities after project completion. The estimate of the designarea at project appraisal should be more realistic, giving consideration tocontinuation of funding to firm up the design service area after civil works arecompleted.  project cycle stage: Appraisal Operation  Lesson Topics:  Finance & Financial Aspects: Financing Project Design: Appraisal Project Design: Project design Sector Related Issues: Irrigation management Sector Related Issues: Rural development  The rural roads component was highly instrumental in opening the project areafor development, and should be considered, seriously, in future irrigationprojects. The Project Completion Report (PCR) Mission noted that flexibility in adjusting the planned networkto meet local needs during project implementation has positive outcomes, andmight be replicated in future projects.  project cycle stage: Feasibility, Appraisal Implementation  Lesson Topics:  Project Design: Project design Sector Related Issues: Irrigation management Sector Related Issues: Roading Sector Related Issues: Rural development Methodologies/Approaches: Process approach |
| Due to the rapid shift from industrial to residential power demand, the existingtransmission line is congested, and the new transformers provided under the project cannot befully used. Such a trend is common in transition economy countries and needs to beconsidered in demand forecasts and transmission planning.  project cycle stage: Feasibility  Lesson Topics:  Finance & Financial Aspects: Market analysis Project Design: Project design Sector Related Issues: Energy planning/management Policy & Reform: Transition economies  For future projects, a special mission should review the financial viability of successor companies and assess their capability to implement projects prior to the unbundling of executing agencies. When problems are foreseen, agreements should be reached with borrowers to take corrective measures. In this project, unbundling Kyrgyz National Energy Holding Company or KNEHC (the executing agency) was considered necessary by development partners to reform the energy sector. However, the unbundling resulted in a lack of initiative to complete the remaining components. After the split of KNEHC, the Project Implementation Unit (PIU) became a part of National Electrical Grid, but the PIU was unable to enforce effective control over the implementation and monitoring of three parts of the project. Bishkek Heating System (BHS) had the most implementation problems. The loan proceeds were used to procure pipes before KNEHC was unbundled, but BHS inherited incomplete works and debt service obligations. The remaining pipelines account for $6.2 million of the new pipes, or 8% ofthe total project cost.   project cycle stage: Feasibility  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Monitoring & Evaluation: Project evaluation Project Design: Appraisal Project Management: Executing/Implementing agencies Project Management: Project management Sector Related Issues: Energy planning/management Policy & Reform: Reform  The project was financed by several organizations, each having different set of rules andprocedures for procurement. This resulted in a longer learning period, and projectimplementation was delayed at the beginning. For future projects with new executing agenciesand several financing organizations, special procurement training should be arranged during theproject preparation stage.  project cycle stage: Feasibility  Lesson Topics:  Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Procurement Capacity Development: Capacity building |
| The assistance for tree crops was expected to be provided over 1 year only. For tree crops that have a long gestation period, a need exists to build in some flexibility in spreading out this assistance over a longer period, without changing the quantum of assistance, since some poor participating farmers do not have adequate resources to purchase fertilizers and other inputs. The financing plan for the first year needs to focus on the provision of required inputs, such as fertilizer for subsequent years, rather than just providing cash to farmers.  project cycle stage: Feasibility  Lesson Topics:  Finance & Financial Aspects: Financing Project Design: Project design Sector Related Issues: Rural development  The integrated approach envisaged at appraisal recognized the need to combine crops with livestock in farming systems for rain-fed upland areas. The organic manure from livestock is essential in improving the soil structure and fertility of sloping lands. However, the lack of adequate funding for the livestock component indirectly affected crop productivity and soil conservation in the earlier years of project implementation.  project cycle stage: Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Environmental management Finance & Financial Aspects: Financing Project Design: Appraisal Sector Related Issues: Rural development Methodologies/Approaches: Holistic approach  With the introduction of participatory rural appraisal (PRA), farmers proposed additional crops that were not envisaged at appraisal, such as candlenut, cocoa, and pepper. Funding for these new crops was considerably delayed, especially funding for pepper, as a feasibility study was required to support its inclusion in the project scope and justify ADB's financial assistance.  project cycle stage: Implementation  Lesson Topics:  Finance & Financial Aspects: Financing Project Design: Appraisal Project Design: Project design Sector Related Issues: Rural development Methodologies/Approaches: Participatory approach |
| A project's mid-term review should focus not only on assessing progress ofimplementation, but should also recognize shifts in policy and trends, and reviewappraisal targets and project components accordingly.  project cycle stage: Implementation  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Design: Appraisal Project Design: Project design Methodologies/Approaches: Targeting  Lessons and experiences from career guidance, industrial liaison, andplacement units and tracer studies should be incorporated into the actionplans of the Technical Education Department (TED). A system that regularly incorporates these data into TEDpolicies and plans would facilitate better planning and resource allocation.  project cycle stage: Implementation, Operation  Lesson Topics:  Project Management: Management information system Capacity Development: Capacity development Sector Related Issues: Education  The benefits of logical frameworks and indicators should be recognized. Theproject was designed before the mandatory introduction of logical framework inADB. The absence of performance indicators that are provided in a logicalframework seriously hampered the effective monitoring of the project and itsmanagement because targets for some subcomponents were not fully quantifiedor qualified. That made it difficult to measure progress, or identify areas wheredifficulties might arise.  project cycle stage: Feasibility  Lesson Topics:  Monitoring & Evaluation: Indicators Monitoring & Evaluation: Monitoring and evaluation Project Management: Project management |
| A key element in the project's success, particularly for the physical components, was the government's strong commitment. This ensured that schedules were kept, procedures adhered to, and guidance at the highest level was given when necessary. Project preparation involved extensive consultation between various departments, bureaus, and offices of the government and ADB. Implementation was planned in detail and undertaken through effective supervision, monitoring, and cost control.  project cycle stage: Design, Feasibility, Implementation  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Project Management: Project supervision Capacity Development: Ownership Methodologies/Approaches: Consultation/Participation  Generally, the resettlement implementation was carried out successfully, which was due to various reasons: strong commitments and efforts from local government; preferential treatment of the affected people; and following an income restoration strategy that took advantage of rapid economic growth in one of the project cities. The resettlement was carried out with a relatively modest budget. This was possible by sharing the burden with the host population.  project cycle stage: Implementation  Lesson Topics:  Crosscutting Issues/Themes: Resettlement Finance & Financial Aspects: Financing Capacity Development: Ownership Country Context: Decentralization  Greater care in drafting covenants would help prevent potential misunderstandings. Terms and phrasing in financial covenants were in some instances found to be vaguely defined or ambiguous. For example, the term ï¿½net revenueï¿½ was used without definition. References to general cash reserve balances and the retention and debt service accounts were difficult to understand. The nomenclature for certain reserve fund accounts implied funds for construction and maintenance, while they were in fact meant to finance ongoing resettlement efforts.   project cycle stage: Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Resettlement Finance & Financial Aspects: Financial management Loan Agreement: Covenants  Several financial covenants were highly prescriptive. For example, financial covenants stipulated how cash reserves should be managed to ensure adequate debt servicing. However, such requirements cannot be effectively monitored as they concern operating decisions and actions that occur after project completion, and did not effectively improve ADB's capacity to enforce good financial management practices in the implementing agency (Shanxi Economic Development Company). The other example relates to having a fixed tariff at completion. Calculations of a tariff should be based on many factors including water demand and consumption, projects cost, implementation period, and government policy on tariffs.  project cycle stage: Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Governance Finance & Financial Aspects: Financial analysis Finance & Financial Aspects: Financial management Finance & Financial Aspects: Market analysis Loan Agreement: Covenants Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Project Management: Executing/Implementing agencies Capacity Development: Capacity building Sector Related Issues: Health and sanitation management Policy & Reform: Policy reforms/framework |
| Accurate diagnosis is also essential to keeping the scope of the program focused and manageable and ensuring there is sufficient balance between breadth and depth to achieve meaningful results. It is further important for program design and choice of focus to reflect an appreciation of institutional requirements and constraints in implementing reforms. This relates not only to the capacity of individual implementing agencies; but also interagency coordination requirements for particular policy actions supported by the program (e.g. Ministry of Finance and Ministry of Justice in preparation of anti-money laundering legislation). In the case of Indonesia, interagency coordination requirements were further complicated by ongoing institutional and political upheavals. The highly-compressed timeframe for consultation and program formulation dictated by the crisis also meant that not all implementing agencies were closely involved in the initial policy dialogue and negotiation process and as a result, in some cases, ownership of covenants and commitment to compliance was weak - adding to difficulties in interagency coordination and program implementation.  project cycle stage: Design, Feasibility  Lesson Topics:  Loan Agreement: Covenants Modality: Program Project Management: Executing/Implementing agencies Project Management: Risks/Risk management Capacity Development: Capacity assessment Capacity Development: Capacity development Capacity Development: Ownership Country Context: Crisis/Post-crisis Policy & Reform: Policy matrix Policy & Reform: Policy reforms/framework Methodologies/Approaches: Consultation/Participation  Although legislative action is often unavoidable in policy-based lending, it presents an important source of uncertainty in program implementation as it is difficult to estimate the timing and outcome (i.e. final form of proposed legislation) of the legislative process in governments where the legislative branch is effectively independent of the executive. Notably, in the case of the Financial Governance Reforms: Sector Development Program (FGRSDP), where the legislature had transformed itself from a rubber stamp of the executive to an assertively independent branch of government over the course of program implementation, the significant delay in third tranche release was related to conditions requiring legislative action. Moreover, while sound legal and regulatory frameworks are important to underpin sound financial governance, these also depend on a range of institutions to support their effective implementation. In Indonesia a key weakness in this implementation chain continues to be the judicial system.  project cycle stage: Design, Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Governance Crosscutting Issues/Themes: Legal system Finance & Financial Aspects: Disbursement Loan Agreement: Covenants Modality: Policy-based lending Project Management: Risks/Risk management Capacity Development: Capacity development Policy & Reform: Policy reforms/framework  Care should be taken in using crises as 'windows of opportunities' for change. A crisis generally creates conditions for change, and an opportunity to introduce needed reforms. However, unless the necessary support is in place or can be built up, when the crisis recedes so may the reforms. In Indonesia's case, close policy dialogue supported by the program and recognition by the government of the fundamental relevance and importance of the reforms to Indonesia's sustained recovery have helped to ensure strong ownership and ongoing government commitment beyond the program as evidenced by the White Paper and the government's timely progress on meeting its commitments under it.  project cycle stage: Feasibility  Lesson Topics:  Modality: Program Capacity Development: Capacity building Capacity Development: Ownership Country Context: Crisis/Post-crisis Policy & Reform: Policy matrix Policy & Reform: Reform  Coordination with IMF and World Bank was challenging at both the design and implementation stage. There were initial differences on policy issues that impacted the timing of program approval as well as weaknesses in inter-IFI communication and information sharing. A working partnership, however, evolved facilitated by an effective division of labor in the financial sector where IMF focused on issues facing BI, World Bank focused on IBRA banks and ADB focused on non-IBRA banks and nonbank financial institutions.  project cycle stage: Design, Implementation  Lesson Topics:  Finance & Financial Aspects: Financing Modality: Program Capacity Development: Partnerships Policy & Reform: Information dissemination/Public awareness Policy & Reform: Policy reforms/framework  Given the complexity and sensitivity of fundamental policy reforms, maintaining an effective field presence is important, especially under conditions of uncertainty and change. This is important for conducting policy dialogue at senior levels with the government and other international financial institutions (IFIs), for monitoring and supporting program implementation, helping resolve implementation issues, and ensuring that ADB headquarters clearly understands the situation in case the program requires modification. The Extended Mission for Indonesia (EMI) played this role for the Financial Governance Reforms: Sector Development Program (FGRSDP). The rationale for EMI arose given the scope and complexity of the crisis-related program which required dedicated, full-time field attention to ensure effective monitoring and implementation. While there are merits in dedicating resources to support implementation of emergency assistance and provide full-time support for the conduct of policy dialogue and monitoring at the level and intensity required by a crisis, establishment of independent extended missions outside main country resident office generated teething problems and created complications in terms of reporting mechanisms, effective coordination with headquarters and the resident mission on policy dialogue and implementation issues and imposes additional budgetary costs for maintenance of new establishment.  project cycle stage: Implementation  Lesson Topics:  Crosscutting Issues/Themes: Governance Finance & Financial Aspects: Financing Modality: Program Monitoring & Evaluation: Monitoring and evaluation Monitoring & Evaluation: Reporting Project Management: Operation and maintenance Project Management: Project management Country Context: Crisis/Post-crisis Country Context: Emergency Other: Resident Mission Policy & Reform: Policy matrix Policy & Reform: Policy reforms/framework Methodologies/Approaches: Consultation/Participation  In responding to future crisis, ADB as well as borrowers should be particularly careful in selecting the tools for intervention. Different instruments are likely to be needed for different conditions, though they may be linked (e.g. quick-disbursing financing is provided for crisis support, while in parallel or in sequence, support is provided for longer-term policy reform). It is vital that support aims to address the fundamental causes of the crisis.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Finance & Financial Aspects: Financing Modality: Lending modality Country Context: Crisis/Post-crisis Policy & Reform: Policy reforms/framework  In undertaking policy-based lending, it is essential to have in place and to be able to build upon extensive country and sector knowledge in the design of a program, especially under the intense pressures of a crisis. In the case of Financial Governance Reforms: Sector Development Program (FGRSDP), ADB had significant prior experience in the financial sector of potential relevance through two earlier program loans. Diagnosis has an essential role to play in shaping program design. Under crisis conditions, this may be more challenging, and yet more important, given that there is little margin for addressing the wrong issues, or leaving out key crisis-related problems. In this regard, while weaknesses in the financial sector were initially assumed by both the government and international financial institutions (IFIs) to be at the root of the crisis, it is now generally accepted that the Indonesian crisis was fundamentally a twin crisis of the banking and corporate sectors which were closely intertwined and required parallel attention. While not its main focus, FGRSDP did address issues relevant to corporate debt and restructuring as well as corporate governance.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Corporate governance Crosscutting Issues/Themes: Governance Finance & Financial Aspects: Financing Modality: Policy-based lending Country Context: Crisis/Post-crisis Policy & Reform: Reform  Program design under crisis conditions is likely to be more hampered than usual by limited information and uncertainty. Implementation is likely to require adjustments in schedule and/or activities as circumstances change or new information becomes available. Cancellation of the secondary mortgage facility (SMF) component is an example, as are delays due to capacity and coordination constraints revealed during program implementation. A flexible program timetable contributed to the ultimately successful implementation of needed reforms. Policy-based lending should thus be guided less by keeping to what may have been under the circumstances unrealistic ï¿½best guessï¿½ schedules, and more on ensuring that needed reforms are implemented effectively and sustained.  project cycle stage: Implementation  Lesson Topics:  Finance & Financial Aspects: Financing Modality: Policy-based lending Modality: Program Capacity Development: Capacity assessment Country Context: Crisis/Post-crisis Policy & Reform: Reform Methodologies/Approaches: Consultation/Participation  While sound and timely advice on bank restructuring was provided to the government that involved subjecting banks to individual agreements specifying time-bound financial performance and operational restructuring targets in order to qualify for capital injections, a corresponding commitment by the government to ensuring transparency and effective governance of the restructuring process is essential if costly scandals such as those involving Bank Bali in 1999 are to be avoided.  project cycle stage: Implementation  Lesson Topics:  Crosscutting Issues/Themes: Governance Finance & Financial Aspects: Financing Capacity Development: Ownership Policy & Reform: Reform Methodologies/Approaches: Targeting |
| In hindsight, if ADB had supported early work related to formulating fisheries legislation, Hera port might today be a very busy place experiencing rapid growth. But, legislation should not be a rushed attempt as ownership by government is key to adoption of any legislation, and an elected government was not in place at the start of the project. A more pragmatic justification at appraisal for Hera port's upgrade, such as the justification for rehabilitation of public roads or electricity facilities, being more in line with emergency rehabilitation, would probably have been more correct. As Hera port is Timor-Leste's only fishing port, it will eventually be used, but not necessarily with the vessel types or numbers envisaged at appraisal.  project cycle stage: Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Legal system Project Design: Appraisal Capacity Development: Ownership Country Context: Emergency Sector Related Issues: Rural development Sector Related Issues: Transport planning Policy & Reform: Policy reforms/framework |
| Bidding documents specifications should be explicit, with provision of specific values and quantities that the contractors shall follow, to facilitate the authority to supervise the works.  project cycle stage: Appraisal Implementation  Lesson Topics:  Project Management: Procurement Project Management: Project supervision  Government project staff members should be given training prior to the implementation of a project, to familiarize them with various ADB guidelines and procedures for project implementation.  project cycle stage: Design  Lesson Topics:  Project Management: Project administration Capacity Development: Capacity building Capacity Development: Human resources management  Project implementation periods should be carefully examined and determined during appraisal, taking into account government regulations for preparation of detailed design and bidding, bid evaluation, and scope changes.  project cycle stage: Appraisal  Lesson Topics:  Project Design: Appraisal Project Design: Project design Project Management: Procurement  Qualified consulting firm and staff member selection are the keys for successful project implementation, and high priority should be given to the selection of consultants who are familiar with local rules and regulations related to project implementation.  project cycle stage: Appraisal Implementation  Lesson Topics:  Project Management: Consultants Project Management: Project administration Country Context: Prioritization  Unaccounted for water (UFW) projection at 30% by December 1998, covenanted in the Loan Agreement, was too ambitious, given the increased water pressure after the project and the limited inputs to the improvement of distribution networks (rehabilitation of 65 kilometers of pipelines against a total length of over 1,800 kilometers).  project cycle stage: Appraisal  Lesson Topics:  Loan Agreement: Covenants Loan Agreement: Loan Agreement Sector Related Issues: Health and sanitation management |
| Adequate services and inputs of a team of experienced international and domestic consultants are also indispensable in ensuring proper monitoring and management of large-scale projects. As the Project Completion Report Mission noted, one reason for the adequate and timely management of the project's high-value construction works, which were geographically stretched over wide and dispersed areas, was the provision of strong consultant support planned at appraisal and procured during implementation.  project cycle stage: Appraisal Implementation  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Design: Appraisal Project Management: Consultants Project Management: Procurement Project Management: Project management  For large multicomponent infrastructure projects involving cofinancing by multiple development agencies, regular monitoring by ADB resident missions is essential from inception, due to resident missions' proximity to borrowers and rich country-specific knowledge. However, project design must include appropriate mechanisms to ensure effective coordination among cofinancing organizations, enabling them to address common implementation issues in a concerted and timely manner.  project cycle stage: Design  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Other: Resident Mission Methodologies/Approaches: Consultation/Participation  The project addressed road safety improvements comprehensively, instead of on an isolated and piecemeal basis, through countrywide road safety audits, to identify and prepare a comprehensive list of accident black spots. For effective axle load control that is designed to minimize the incidence of overloading on national and regional highways, adequate numbers of permanent weighbridges need to be installed up front, at strategic locations, to capture overloaded traffic. Including the procurement of axle weighing equipment in consultants' contracts is, however, not prudent, as this is not practicable, due to procedural complications.  project cycle stage: Design, Feasibility, Implementation  Lesson Topics:  Project Design: Project design Project Management: Consultants Project Management: Procurement Sector Related Issues: Roading |
| A fairly strong supply-based resource allocation was evident throughout the project in the provision of predeterminedpackages to schools, despite persistent efforts by ADB to promote a more demand-drivenapproach. In some instances, the allocations proved inappropriate, e.g., classroom constructionin schools with declining enrollments. Resource allocation modalities that promote locallydefined needs-based allocation should be encouraged, since they can drive local school andcommunity-based planning.  project cycle stage: Implementation  Lesson Topics:  Finance & Financial Aspects: Financing Finance & Financial Aspects: Market analysis Project Design: Project design Sector Related Issues: Education Methodologies/Approaches: Community approach  As considerable resources will be needed to fund the expansion in the annual output from the primary schoolsystem entirely in the public sector, there is a clear argument for continued, strong fosteringof public-private partnerships in junior secondary education (JSE) provision. The success of any such policy will depend onmore effective control of public school growth as well as selective support to the private sector.It is clear that the migration of students among sectors is driven by parental decisions involvingboth cost and quality factors. To stem such migration, efforts are needed to promoteequalization in both areas. This suggests the need to address the inequity in inputs to theprivate sector (in comparison with the public sector) in order to attain the desired equity inoutput. The project has shown how improved quality can boost enrollment and thereby privateschool sustainability. Project experience suggests that quality can be best improved through long-term commitments to recurrent costs, particularly the provision of full-time teachers, andnot through piecemeal or one-off interventions.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Finance & Financial Aspects: Financing Project Management: Operation and maintenance Capacity Development: Ownership Sector Related Issues: Education Sector Related Issues: Private sector Sector Related Issues: Public-private partnership  The project experiences indicate that impact is most evident the closer an intervention is to the beneficiary. The seconded-teacher program has been particularly successful in this respect. This is a noteworthy area as it has the potential to fulfillmany of the government's avowed policy objectives (i.e., supporting private schools, promoting school-based management, and enhancing quality). Salary costs constitute the major item of expenditure for the majority of private schools. Thus, providing government-funded contract teachers reduces salary expenditures, and, in turn, frees up funds that the school management can then use for other items. Furthermore, as previously noted, the provision of full-time teachers to private schools has the potential to yield quality improvements in the classroom. The importance of teachers in parental perceptions should not be underestimated. In comparison with non-earmarked grant support, contract-teacher deployment offers a lower risk method of providing budgetary support while also facilitating greater contact with the private sector.Moreover, the great advantage of providing support through contract teachers is that they are both more 'upgradable' and 'movable' than physical facilities.  project cycle stage: Feasibility  Lesson Topics:  Finance & Financial Aspects: Disbursement Finance & Financial Aspects: Financing Monitoring & Evaluation: Impact evaluation Project Design: Project design Sector Related Issues: Education Sector Related Issues: Private sector Policy & Reform: Policy reforms/framework  The project has highlighted the importance of taking a systemic, holistic approach to education planning and development.Private junior secondary education (JSE) is only one subsector of the JSE system. Provision of JSE also falls under thedomain of the Ministry of Religious Affairs (MORA) through both public and private madrasah. Analysis of national trends over the last 5 years indicates important interplays among these subsectors, with significant student movement not only between public and private JSE but also between the secular and madrasah subsectors. There is a danger that, without amore holistic, sector-wide perspective in project formulation by both government and funding agencies, future interventions could in effect merely promote student migration between subsectors, without significantly increasing participation in the JSE sector as a whole.  project cycle stage: Feasibility  Lesson Topics:  Monitoring & Evaluation: Indicators Project Design: Project design Sector Related Issues: Education Sector Related Issues: Private sector Methodologies/Approaches: Holistic approach  The project highlights a critical dilemma facing government: the economic rationale for focusing resources on the most viable schools set against the right of all children to a good education. It is clear that size is critical for the sustainability of private schools. Given the dependence of private schools on student fees, remote areas with low population densities will seldom be able to fully support self-financing schools that offer quality education. The schools in these areas are the ones most in need of government assistance. Conversely, the areas that offer the most promising conditions for private schools are areas of high population density where large enrollments can be achieved. Field visits indicate that private schools in these areas, however, are most at risk from competition due to the expansion of public schools. Logically this would point to a policy of targeted support, extending help to the most needy schools, i.e., small rural schools, while effectively regulating the growth of public schools in urban areas so as to have complementarity rather than competition.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Governance Crosscutting Issues/Themes: Sustainability Finance & Financial Aspects: Financing Sector Related Issues: Education Sector Related Issues: Private sector Sector Related Issues: Rural development Sector Related Issues: Urban sector/development Methodologies/Approaches: Targeting |
| Due to the lack of management knowledge among cooperative members and severe competition with private sectors, development of cooperatives is a slow process and requires proper monitoring and follow-on support to ensure their long-term sustainability.  project cycle stage: Implementation, Operation  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Monitoring & Evaluation: Monitoring and evaluation Capacity Development: Capacity building Sector Related Issues: Extension service Sector Related Issues: Private sector  In addition to monitoring the physical and financial progress, the project management information system should also provide for collection of baseline information and periodic assessment of project intervention impact.  project cycle stage: Design, Implementation  Lesson Topics:  Monitoring & Evaluation: Baseline data Monitoring & Evaluation: Data collection and management Monitoring & Evaluation: Monitoring and evaluation Project Management: Management information system  The lack of peace and order may fail to attract qualified contractors from outside the project area, and awarding contracts to local contractors beyond their capacity will harm work progress and quality.  project cycle stage: Implementation  Lesson Topics:  Project Management: Procurement Capacity Development: Capacity assessment Country Context: Emergency  With the timely technical and financial support from the central government, provincial and municipal governments can be highly effective in implementing development programs. A sense of local ownership enhances success and sustainability of development.  project cycle stage: Implementation  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Finance & Financial Aspects: Financing Project Management: Executing/Implementing agencies Capacity Development: Ownership Country Context: Decentralization |
| A good quality subproject needs to be carefully selected, with a feasibility study undertaken professionally. The subprojects must be designed based on good quality survey data, constructed by qualified contractors and well managed by labor contracting societies(LCS) under strict engineering supervision, managed by a well-developed water management cooperative association (WMCA) capable of good governance, and properly monitored by line departments.  project cycle stage: Design, Feasibility, Implementation  Lesson Topics:  Crosscutting Issues/Themes: Governance Monitoring & Evaluation: Data collection and management Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Project Design: Subprojects Project Management: Executing/Implementing agencies Project Management: Procurement Project Management: Project management Project Management: Project supervision Crosscutting Issues/Themes: Employment Sector Related Issues: Water resource management  Although relatively new in water resources management, the executing agency (Local Government Engineering Department or LGED) proved efficient and effective. Given the potential for development of many more small-scale water resources subprojects, LGED should further develop necessary in-house technical skills of its own and reduce dependence on external assistance.  project cycle stage: Operation  Lesson Topics:  Project Design: Subprojects Project Management: Executing/Implementing agencies Capacity Development: Capacity building Sector Related Issues: Water resource management  Small-scale water resource development entails social, technical, financial, and management issues involving rural people of all levels. Therefore, its implementation requires a longer time than that for other types of projects. This requirement is already recognized in the longer project implementation period in the ongoing second phase project. Executing agency capability is important for setting physical targets for the subprojects.  project cycle stage: Feasibility  Lesson Topics:  Finance & Financial Aspects: Financial analysis Modality: Cluster operations Project Design: Project design Project Design: Subprojects Project Management: Executing/Implementing agencies Capacity Development: Capacity assessment Sector Related Issues: Rural development Sector Related Issues: Water resource management Methodologies/Approaches: Targeting  The poor and disadvantaged, especially the landless and women, can benefit fromsmall-scale water resources facilities through earthworks and labor intensive agriculture and fishing activities. However, the formation of labor contracting societies (LCS) groups must be free from socio-political considerations to include only the poor and disadvantaged, especially destitute women.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Crosscutting Issues/Themes: Gender Crosscutting Issues/Themes: Poverty reduction Crosscutting Issues/Themes: Vulnerable groups Crosscutting Issues/Themes: Employment Sector Related Issues: Rural development Sector Related Issues: Water resource management  The project proved the development of small-scale water resources as a feasible andsustainable means of poverty reduction as manifested in the implementation of the ongoing second phase.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Poverty reduction Crosscutting Issues/Themes: Sustainability Finance & Financial Aspects: Financial analysis Modality: Cluster operations Sector Related Issues: Water resource management |
| The farmers training and on-farm verification trials should have been undertakenbefore planting. While planting tree crops ahead of schedule enabled the projectto meet or exceed the planting targets, it damaged the quality of plantations inthe long term. Similarly, livestock development, which plays an important role in the upland areas, should have been introduced from the beginning of the project.   project cycle stage: Feasibility  Lesson Topics:  Project Design: Project design Capacity Development: Capacity building Sector Related Issues: Rural development  The government should have undertaken project preparatory activities, includingestablishing the project's management structure, training project administrativestaff, launching initial farmer group mobilization and on-farm verification trials, and improving roads to facilitate access to the project sites.  project cycle stage: Feasibility  Lesson Topics:  Modality: Technical Assistance Project Design: Project design Project Management: Project management Capacity Development: Capacity building Capacity Development: Human resources management Sector Related Issues: Roading Methodologies/Approaches: Consultation/Participation  The lack of extension advice on maintenance, processing, and marketingcontributed to the low output prices farmers in remote areas received.Addressing these issues would considerably increase farmers' incomes. Likewise, the project provided limited training and support to farmers for alley cropping. As a result, some farmers did not follow sustainable agriculture farming systems envisaged at appraisal. To ensure that farmers practice sustainable forest management, re-greeningactivities should have been undertaken with wider participation of farmers inspecies selection. The activities also should have been accompanied by farmers'training on environmental management.  project cycle stage: Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Environmental management Crosscutting Issues/Themes: Sustainability Finance & Financial Aspects: Market analysis Project Design: Appraisal Project Design: Project design Project Management: Operation and maintenance Capacity Development: Capacity building Sector Related Issues: Extension service Sector Related Issues: Rural development Methodologies/Approaches: Consultation/Participation  To ensure the efficient delivery of seedlings, a site-specific evaluation ofalternative means of supply, including the establishment of on-site nurseries,should have been carried out.  project cycle stage: Feasibility  Lesson Topics:  Project Design: Project design Sector Related Issues: Rural development |
| Materials should not have been procured separately and should have been included in the respective civil works, mechanical and electrical works contracts. The large number of contracts with materials to be supplied by other suppliers made the use of materials difficult to monitor and supervise. The implementing agency (Center for Liquidation of the Consequences of Natural Disasters or CLCND) could not verify exact consumption of fuel, cement, and bitumen for each contract. WB cancelled its loan due to misprocurement, because material bids came from nonexistent companies. It would have been better to have had fewer contractors (even if there were many sites), with the contractors responsible for procuring the materials.  project cycle stage: Appraisal Implementation  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Management: Executing/Implementing agencies Project Management: Procurement Project Management: Project supervision  The loan should have included plans and covenants to stimulate the government to finance maintenance of the rehabilitated/repaired structures, such as roads, levees, andschools. Only 3 years after the original repair, the embankments again need repair - but no funds are available.  project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Financing Loan Agreement: Covenants Project Management: Operation and maintenance Sector Related Issues: Education Sector Related Issues: Roading Sector Related Issues: Water resource management  The project would have benefited from a full-time international consultant particularly during the first year of implementation to train and supervise the project implementation staff, domestic designers, and supervisors. ADTA 3319-TAJ, which was to provide those required services during five 1-month disaster management expert (DME) field visits, failed to do that. Implementing agency personnel and supervisors needed training - even in office technology.  project cycle stage: Appraisal  Lesson Topics:  Modality: Technical Assistance Project Management: Consultants Project Management: Executing/Implementing agencies Project Management: Project supervision Capacity Development: Capacity building Capacity Development: Human resources management Country Context: Emergency Capacity Development: Technology/Technology transfer  The Tajik procurement systems and designs were used in civil works. The project was divided into unnecessarily small contracts: 87 civil works and 61 materials procurement contracts. Design and management of so many contracts suffered because the number of supervisors was limited and the implementing agency (IA) was inexperienced and weak, and the sites were scattered across Tajikistan which rendered effective supervision difficult.  project cycle stage: Appraisal Implementation  Lesson Topics:  Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Procurement Project Management: Project supervision |
| Arranging buffer stock for pipes and fittings should be more efficient and supported by a strong accounting and inventory control system. This should be closely linked with overall subproject monitoring systems, to ensure proper accounting of subproject costs, efficient use and distribution of supplies to subprojects, and effective inventory management.  project cycle stage: Implementation  Lesson Topics:  Finance & Financial Aspects: Financial management Monitoring & Evaluation: Monitoring and evaluation Project Design: Subprojects Project Management: Procurement  Frequent turnover of field-based staff members disrupted subproject implementation, especially social mobilization activities that require close working relationships with communities and continued confidence-building measures. The community development process becomes even more disrupted when new staff members are not properly trained or lack relevant experience.  project cycle stage: Implementation  Lesson Topics:  Project Design: Subprojects Capacity Development: Capacity building Capacity Development: Human resources management Methodologies/Approaches: Community approach  Given the active involvement of many development partners - government agencies, external aid agencies, and NGOs - in the water supply and sanitation sector, interventions in the sector need to be well coordinated and complementary to each other, to ensure efficient resource use and effective service delivery. In line with this, the project could have collaborated more closely with other agencies active in the sector, building on effective design and implementation experiences, particularly with respect to sanitation development.  project cycle stage: Feasibility  Lesson Topics:  Project Design: Project design Project Management: Executing/Implementing agencies Sector Related Issues: Health and sanitation management Methodologies/Approaches: Civil Society Participation Methodologies/Approaches: Consultation/Participation  One of the key objectives of social mobilization should be to ensure strong and broadly represented water users committees (WUCs) through a democratic process. Often, WUCs are dominated by the local elite, who tend to ignore the interests of weaker and disadvantaged groups in given communities, resulting in skewed project benefits distribution. In this respect, project designs should include clear procedures for effective mainstreaming of the interests and roles of disadvantaged groups, including women and the poor, to ensure more equitable sharing of project benefits and effective poverty reduction impacts.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Gender Crosscutting Issues/Themes: Poverty reduction Project Design: Project design Sector Related Issues: Health and sanitation management Methodologies/Approaches: Community approach  Sanitation development should be an integral part of rural water supply projects, to maximize development and poverty reduction impacts. Demonstration latrines, hygiene education, and awareness campaigns are not adequate and should be complemented by more tangible support (e.g., revolving funds), to encourage households to build more durable sanitation facilities.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Poverty reduction Sector Related Issues: Health and sanitation management Sector Related Issues: Rural development Policy & Reform: Information dissemination/Public awareness  Some effective ways to make subprojects cost-effective include promoting effective community participation; making subproject designs, including cost estimates, public and transparent; and developing clear mechanisms for substantive but equitable community contribution. These actions will create incentives for communities to explore ways to reduce subproject costs. An effective community-based approach should include community organization capacity building and empowerment. This can be done by entrusting organizations with more responsibility and giving them decision-making roles in subproject planning and implementation, including roles related to financial and procurement matters, and distribution of project benefits that follow. This, accompanied by clear and transparent working procedures, will help promote community ownership of the implementation process and project facilities from the beginning and ensure continued community engagement and active participation. The concept of handing over subprojects to communities toward the end therefore becomes irrelevant and unnecessary.   project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Governance Finance & Financial Aspects: Financing Project Design: Project design Project Design: Subprojects Project Management: Procurement Capacity Development: Capacity building Capacity Development: Ownership Methodologies/Approaches: Community approach Methodologies/Approaches: Consultation/Participation  Sufficient time needs to be dedicated for social mobilization activities, and construction activities should not be rushed. Adequate social mobilization is essential for full understanding of project objectives and procedures at the community level, stronger community ownership and participation, and effective implementation and sustainability. Social mobilization should not be limited to water users committee (WUC) members and should be aimed at the community at large, through effective mechanisms, such as training of local school teachers, community leaders, and political leaders.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Project Design: Project design Capacity Development: Capacity development Capacity Development: Ownership Sector Related Issues: Health and sanitation management Methodologies/Approaches: Community approach Methodologies/Approaches: Consultation/Participation  The implementing agency's community development efforts can be further enhanced by close partnerships with local non-government organizations (NGOs) and community-based organizations that are better positioned to effectively interact with communities on a continuous basis. Significant scope exists for replicating the partnerships with NGOs initiated under the project.  project cycle stage: Feasibility  Lesson Topics:  Project Management: Executing/Implementing agencies Capacity Development: Partnerships Methodologies/Approaches: Civil Society Participation Methodologies/Approaches: Community approach  The project's important social and economic impacts could not be properly assessed, due to unavailable baseline data and poor Benefit Monitoring and Evaluation (BME). Rural water supply and sanitation project design should therefore include a prominent component for strengthening executing and implementing agencies' monitoring systems, with necessary support for establishing proper institutional mechanisms and capacity building.  project cycle stage: Design, Feasibility  Lesson Topics:  Monitoring & Evaluation: Baseline data Monitoring & Evaluation: Benefit monitoring and evaluation Monitoring & Evaluation: Impact evaluation Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Project Management: Executing/Implementing agencies Capacity Development: Capacity building Sector Related Issues: Health and sanitation management Sector Related Issues: Rural development  Weak subproject implementation monitoring resulted in inadequate social mobilization, weak implementation of the project's sanitation component, and unsatisfactory outputs under some subprojects. An effective monitoring system to closely monitor all stages of implementation will ensure better sequencing of subproject activities (e.g., completing adequate social mobilization activities before proceeding with the construction phase and troubleshooting of key implementation issues in a timely manner).  project cycle stage: Implementation  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Design: Subprojects Sector Related Issues: Health and sanitation management Methodologies/Approaches: Community approach |
| Instead of adopting a prototyped design, water treatment plants should be designed based on water quality, especially when the presence and concentration of iron, arsenic, and other harmful elements are factors. When water quality deteriorates from the increased presence of iron and or arsenic, operating costs and water losses due to frequent backwashing increase.  project cycle stage: Design  Lesson Topics:  Project Design: Project design Sector Related Issues: Health and sanitation management  The optimized use of potential water facility capacity was constrained by inadequate revenue collection, resulting from low water tariffs in project pourashavas. The 24-hour water supply pilot program at Faridpur could not be maintained, primarily for this reason. The pourashavas face a dilemma concerning 24-hour water supply. They can provide 24-hour water supply by either increasing or continuing existing low water tariffs. The latter option, however, while allowing leaders to remain politically favored, will result in supplying as little water as possible and earning low incomes.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Governance Project Management: Operation and maintenance Project Management: Risks/Risk management Country Context: Decentralization Sector Related Issues: Health and sanitation management Methodologies/Approaches: Pilot project |
| A Project Management Office (PMO) anchored in an appropriate organic unit of the executing agency is more effective than a stand-alone structure.  project cycle stage: Design  Lesson Topics:  Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Project management  Clear and detailed terms of reference, essential qualifications, technical competency, and relevant experience should be specified for consultants. Technical and managerial capacities for consulting firms should be clearly defined.  project cycle stage: Appraisal Implementation  Lesson Topics:  Project Management: Consultants Project Management: Procurement  Effective monitoring and evaluation requires that a simple set of indicators and guidelines for collection be designed at appraisal and made operational at the beginning of project implementation. The number of indicators selected at appraisal was too large, assumed data sources were inappropriate, and major surveys were left to government financing (subject to availability of budget). Baseline data was made partly available only after the midterm review.  project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Financing Monitoring & Evaluation: Baseline data Monitoring & Evaluation: Data collection and management Monitoring & Evaluation: Indicators Monitoring & Evaluation: Monitoring and evaluation Project Design: Appraisal  Preparation of a complex and large-scale project, particularly in the context of devolution of health services and associated institutional reforms should entail more in-depth analysis of the potential risks affecting implementation. Project design should envisage adjustment to emerging needs, making projects more relevant, efficient, and effective.  project cycle stage: Feasibility  Lesson Topics:  Project Design: Project design Project Management: Risks/Risk management Country Context: Decentralization Sector Related Issues: Health and sanitation management Policy & Reform: Reform  Project coverage extending to one half of the country was too ambitious. This resulted in thin spreading of resources and capacities. Reduced project coverage, coupled with more extensive and comprehensive support within a project province, could have created the critical mass of health facilities for a better functioning, sustainable referral system.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Project Design: Project design Sector Related Issues: Health and sanitation management  Top management support is critical to implementation. This was clearly the case during the latter part of implementation. A system of accountability must be clearly defined for all parties involved and effective mechanisms should be in place to ensure compliance.  project cycle stage: Design, Feasibility, Implementation  Lesson Topics:  Crosscutting Issues/Themes: Corruption Project Management: Executing/Implementing agencies Project Management: Project management |
| For environmental, social, and resettlement issues, the Acquisition, Compensation andResettlement Plan, and the reports by the panel of international experts focused excessively onemployment and temporary benefits, studies, and reports without adequate emphasis on thepost-construction decline. This is an important lesson for the design of future infrastructureprojects. Without an appropriate plan to address the requirements for sustainable livelihoodrestoration of affected families, whose primary skill and knowledge are based on raisingagriculture and livestock, incomes are likely to decline over time. The vulnerable group ofmarginalized (Bote) people, whose livelihoods depend on traditional fishing and ferrying peopleacross the river using small boats, should be given equal access to work as transportationoperators on the reservoir to ensure their sustainable livelihood. However, the executing agency (Nepal Electricity Authority) has yet to sign a contract to engage environment and social studies department (ESSD) to monitor the environmental and social aspects during the operation of the project.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Crosscutting Issues/Themes: Environmental management Crosscutting Issues/Themes: Resettlement Crosscutting Issues/Themes: Sustainability Crosscutting Issues/Themes: Vulnerable groups Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Project Management: Executing/Implementing agencies Crosscutting Issues/Themes: Employment Sector Related Issues: Energy planning/management Sector Related Issues: Rural development  In view of the executing agency's late submissions of audited project accounts and financial statements,ADB should consider directly appointing external auditors, with funding from the loan proceeds,to ensure timely submissions of audited project accounts and financial statements by tardy executing agencies.  project cycle stage: Implementation  Lesson Topics:  Finance & Financial Aspects: Financial reporting Finance & Financial Aspects: Financing Project Management: Executing/Implementing agencies  The implementation period of the project, as estimated at appraisal, was optimistic. Theproject was the largest ever implemented in Nepal. Based on the difficulties faced by otherprojects implemented by the executing agency (Nepal Electricity Authority), a longer implementation period should have been established.  project cycle stage: Appraisal  Lesson Topics:  Project Design: Appraisal Project Design: Project design Project Management: Executing/Implementing agencies  While most of the significant delays were due to unforeseen causes, substantial administrative difficulties added to the delays in project implementation, such as slow decision-making by the executing agency (Nepal Electricity Authority), five project directors during implementation and poor relationship between the executing agency (Nepal Electricity Authority), the project implementation consultant, and the civil works contractor. To avoid administrative delays in future projects, ADB should ensure that NEA does not slow down project implementation with unnecessary and cumbersome administrative procedures. ADB should ensure that the project director is capable of making decisions, and has knowledge of similar projects and what is entailed in the day-to-day running of these projects. Moreover, ADB should insist that NEA assign one project director for the duration of the implementation period. The relationship between the executing agency (Nepal Electricity Authority), the project implementation consultant, and the civil works contractor could have been improved.   project cycle stage: Feasibility, Appraisal Implementation  Lesson Topics:  Project Design: Appraisal Project Management: Consultants Project Management: Executing/Implementing agencies Project Management: Procurement Project Management: Project administration Project Management: Project management Project Management: Project supervision Capacity Development: Capacity assessment Capacity Development: Human resources management |
| Contracting health services to nongovernmental entities is feasible, cost-effective, and equitable and effectively targets and benefits the poor. This innovative approach has rapidly provided services to more people, and reduced infant, child, and maternal mortality. The contracting out model was preferable to the contracting in model. The contracting model could be applied to (i) outreach services, (ii) health centers and referral hospitals and their catchment areas, (iii) a district or districts in a province, and/or (v) entire provinces. In addition, appropriately designed and managed user fees systems can increase utilization by the poor and decrease their out-of-pocket expenditures on health care.  project cycle stage: Implementation  Lesson Topics:  Crosscutting Issues/Themes: Governance Crosscutting Issues/Themes: Poverty reduction Project Design: Project design Project Management: Procurement Sector Related Issues: Extension service Sector Related Issues: Health and sanitation management Methodologies/Approaches: Civil Society Participation Methodologies/Approaches: Targeting  Decentralization of health service management to provincial levels is crucial where small but adequate amounts of resources are provided to enable the management and supervisory systems at the district levels to implement managerial decisions and address problems identified.  project cycle stage: Feasibility  Lesson Topics:  Country Context: Decentralization Sector Related Issues: Health and sanitation management  The development of health care facilities, particularly referral hospitals, requires clear operational policies at the planning and design stages. Design should incorporate site works, utilities (including power and water supply), and adequate cost estimates. The construction, which should be coordinated with the supply of equipment, drugs, and trained personnel, should be monitored closely.  project cycle stage: Design, Feasibility  Lesson Topics:  Finance & Financial Aspects: Financial analysis Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Sector Related Issues: Health and sanitation management |
| Engaging some domestic consultants as international consultants did not prove to be successful as they lacked wider international experience and knowledge. More care should have been taken during the selection and engagement of academic consultants.  project cycle stage: Implementation  Lesson Topics:  Project Management: Consultants Project Management: Procurement  Given the required inputs, madrasahs demonstrated their potential for improved quality andcontributed significantly to the government's efforts to provide quality 9-year basic education toall. The model madrasahs were successfully established; however, the success of theinstitutions depended greatly on the leadership of the principals. Therefore, the selection andrecruitment of model madrasah principals should be competitive and based on performance.  project cycle stage: Implementation  Lesson Topics:  Capacity Development: Capacity development Capacity Development: Human resources management Sector Related Issues: Education  Some problems emerged that were related to the centralized procurement of instructionalmaterials. In addition, in some areas the supply of the textbooks did not match increasedenrollments, especially at private madrasah tsanawiyah or MTs (junior secondary school under Ministry ofReligious Affairs). Several textbooks and teacher guides were not used byteachers who found these books irrelevant.  project cycle stage: Appraisal  Lesson Topics:  Project Management: Procurement Sector Related Issues: Education Sector Related Issues: Private sector  The Assistance Scheme for Facilities Improvement (ASFI) program proved to be one of the project's successful components. Often the communities accomplished two to three times more than the expected targets, through largercontributions and greater efficiency in the use of available resources. The ASFI program can beused as a strategy for community participation for future aid projects. However, loan or grantcomponents should comprise at least 50% of ASFI costs, for wider coverage, especially inpoorer communities and remote areas.  project cycle stage: Feasibility  Lesson Topics:  Finance & Financial Aspects: Financing Project Design: Project design Methodologies/Approaches: Community approach |
| All of the policy actions except one were implemented on time - mainly due to the government's strong commitment and ownership, in particular from the Ministry of Finance (MOF) and the Royal Monetary Authority (RMA) - but implementation experiences underscores the need for strong government commitment to enact required laws and policies. To facilitate this process, policy dialogue on structural reforms needs to be extended from the government to the financial and private sectors, as well as concerned government agencies including the National Assembly and the Council of Ministers. Strongownership was also a result of ADB's extensive, in-depth discussions with government officials on project design. There is still a need for broader consultative process and greater accessibility of policy issues so that implementation is hastened and potential resistance is minimized. Simplification ofcomplex reform jargon is desirable so that the discussion is well understood.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Legal system Finance & Financial Aspects: Financing Project Design: Project design Project Management: Executing/Implementing agencies Capacity Development: Ownership Sector Related Issues: Private sector Policy & Reform: Policy matrix Policy & Reform: Policy reforms/framework Methodologies/Approaches: Consultation/Participation  Program implementation revealed the deeply entrenched problem of lack of transparency in business practices and lack of a governance structure in the financial sector. While the executing agency has undergone some important initial changes, there remains a question of its independence. Maintaining governance among market participants should remain a top priority in program lending. ADB TA 3905 has recommended a framework for corporate governancefor financial institutions based on generally accepted best practices. As the financial sector develops and economic integration accelerates - raising both the volume and scope of financial transactions - there is a greater need to establish clear procedures for solving problems. Speedy bankruptcy procedures and recourse for financial institutions in recovering loans should help the cost of borrowing to fall. Over the last few years, a number of regulatory acts have been passed to address these issues. These acts should be implemented quickly.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Crosscutting Issues/Themes: Corporate governance Crosscutting Issues/Themes: Corruption Crosscutting Issues/Themes: Governance Crosscutting Issues/Themes: Legal system Finance & Financial Aspects: Financing Modality: Program Modality: Technical Assistance Project Management: Executing/Implementing agencies Country Context: Prioritization |
| High-level political support is essential for successful institutional reform, but it isdifficult to secure.  project cycle stage: Appraisal  Lesson Topics:  Capacity Development: Capacity development Capacity Development: Ownership Policy & Reform: Policy reforms/framework  Institutional strengthening is a process, and should be reinforced periodically. Incorporation of funds to cover retrenchment costs is crucial in the successful implementation of institutional strengthening.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Finance & Financial Aspects: Financing Project Design: Project design Capacity Development: Capacity building Policy & Reform: Public sector reform  Keep implementation arrangements simple. Project implementation must be flexible.  project cycle stage: Feasibility, Appraisal Implementation  Lesson Topics:  Project Design: Project design Project Management: Project administration Project Management: Project management Methodologies/Approaches: Process approach  When policy components are included, the process envisaged for incorporatingthe outcome of studies into policy development and introduction should be clear.   project cycle stage: Appraisal  Lesson Topics:  Project Design: Project design Policy & Reform: Policy reforms/framework |
| The executing agency's (Ministry of Ecology and Emergency Situations's) ability to implement the project was overestimated at appraisal, which required changes to be made in the implementation arrangements during the course of implementation,and the provision of significant additional consultancy inputs. For example, no provision for hiring a detailed design firm was included in the project at appraisal.The executing agency did not have the capacity to undertake adequate design works, and during projectimplementation, a decision was made to engage such a firm.  project cycle stage: Appraisal  Lesson Topics:  Project Design: Appraisal Project Design: Project design Project Management: Consultants Project Management: Executing/Implementing agencies Capacity Development: Capacity assessment  The retention money for the civil works contractors was to be paid entirely fromcounterpart funds at the end of the project. Although this mechanism mitigated the financialburden on the government during implementation, it resulted in some contractors not being paidafter project completion.  project cycle stage: Operation  Lesson Topics:  Finance & Financial Aspects: Counterpart funds Project Management: Procurement  The supervision of the 39 subprojects was inadequate. As a result, performance of thecontractors was not always satisfactory and included such problems as the use of substandardmaterials.  project cycle stage: Implementation  Lesson Topics:  Project Design: Subprojects Project Management: Procurement Project Management: Project supervision |
| By building upon previous investments in irrigation, the project demonstrated that rehabilitation could produce solid economic returns with limited social and environmental problems. However, to ensure that the gains are sustainable, building O&M capacity throughout the system should be given a high priority.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Project Management: Operation and maintenance Capacity Development: Capacity building Country Context: Prioritization Sector Related Issues: Irrigation management  Several factors strengthened implementation: first, the designation of the supervisory consultant as project engineer provided technical and administrative advantages that expedited progress. Second, without the Department of International Development's (DFID's) grant to cofinance the project, this designation of the supervisory consultant would have been unlikely. Grant financing also made possible the extensive consulting services (14% of project costs). When consultants are financed from loan proceeds, the government is more likely to reduce their input. Third, the continuity in ADB project officers contributed to the success. Fourth, the project benefited from the government's decentralized implementation and provincial ownership.  project cycle stage: Appraisal Implementation  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Project Management: Consultants Project Management: Project management Project Management: Project supervision Capacity Development: Human resources management Capacity Development: Ownership Country Context: Decentralization  Several of the project's successes can be attributed to simplicity. The projectbenefited from a straightforward design: one implementing agency and a focused set ofobjectives and activities. In addition, the loan covenants were limited in number andreasonable.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Loan Agreement: Covenants Project Design: Project design Project Management: Executing/Implementing agencies  Significant institutional reforms were introduced in irrigation management, butgovernment commitment and funding have been lacking. Without significantimprovements to O&M, projects are likely to repeat cycles of deferred maintenance andrehabilitation.  project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Financing Project Management: Operation and maintenance Capacity Development: Ownership Sector Related Issues: Irrigation management Policy & Reform: Policy reforms/framework  The project benefit monitoring and evaluation (BME), a frequent area of concern in projects, was partiallysatisfactory. The shortcomings were not necessarily in the execution of the BME surveys by local consultants. The deficiencies were partly due to (i) inadequate ADB communication of its information and evaluation needs, and (ii) a lack of guidance to the local consultants in conducting the surveys. To this end, more ADB involvement in thesesurveys is advisable if they are to provide useful input into ADB evaluations.  project cycle stage: Implementation  Lesson Topics:  Monitoring & Evaluation: Benefit monitoring and evaluation Monitoring & Evaluation: Data collection and management Project Management: Consultants Project Management: Project supervision Methodologies/Approaches: Consultation/Participation |
| For timely completion of physical works, and the smooth processing of withdrawal applications and disbursements, strong coordination by the Project Management Office (PMO) is essential.  project cycle stage: Implementation  Lesson Topics:  Finance & Financial Aspects: Disbursement Project Management: Project management Methodologies/Approaches: Consultation/Participation  Implementation experience suggests that the use of international project management specialist consultants who are familiar with ADB procedures for (i) subproject selection, (ii) eligibility of particular expenditures for loan financing, and (iii) procurement and disbursement will assist with the timely implementation and monitoring of major projects in the People's Republic of China, although the executing agencies (EAs) and implementing agencies (IAs) involved with this project have now gained this experience themselves. Also, emphasis should be placed on training EA and IA staff by consultants.  project cycle stage: Appraisal Implementation  Lesson Topics:  Finance & Financial Aspects: Disbursement Finance & Financial Aspects: Financing Monitoring & Evaluation: Monitoring and evaluation Project Design: Subprojects Project Management: Consultants Project Management: Executing/Implementing agencies Project Management: Procurement Project Management: Project management Capacity Development: Capacity building  The absence of a project framework and lack of Benefit Monitoring and Evaluation (BME) data, coupled with poor monitoring by counterpart staff, affects the monitoring of project performance.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Monitoring & Evaluation: Benefit monitoring and evaluation Monitoring & Evaluation: Data collection and management Monitoring & Evaluation: Monitoring and evaluation Project Management: Project administration  The capability of, and availability of counterpart funds at, municipal government implementing agencies (IAs) in the People's Republic of China (PRC) have proven to be sufficiently high for this large and complex multisector project to be implemented to a generally high standard. Despite the largely disaggregated implementation structures and initial unfamiliarity with ADB procedures and documentation, the various IAs and executing agencies (EAs) were able to formulate, design, and implement a series of subprojects, which met their own priorities, but within the selection criteria agreed with ADB at appraisal. Adopting this sector loan approach appears to be well suited for emergency loans to the PRC.  project cycle stage: Appraisal Implementation  Lesson Topics:  Finance & Financial Aspects: Counterpart funds Modality: Lending modality Project Design: Appraisal Project Design: Project design Project Design: Subprojects Project Management: Executing/Implementing agencies Project Management: Project administration Country Context: Decentralization Country Context: Emergency Country Context: Prioritization |
| Attached technical assistance (related to financial management and accounting)provided useful recommendations to improve executing agency financialperformance. However, after completion of the technical assistance, nomeaningful follow-up actions were undertaken by the North-West Frontier Province (NWFP) government. Underthe loan, project management consulting services were provided but did notinclude urban financial management experts. Despite ADB's strong suggestionsto recruit such experts during project reviews, the NWFP government did nottake any action. Terms of reference for technical assistance and loan consultants should have been closely coordinated in achieving the financial improvement ofexecuting agencies.  project cycle stage: Appraisal Implementation  Lesson Topics:  Finance & Financial Aspects: Financial management Modality: Technical Assistance Project Management: Consultants Project Management: Executing/Implementing agencies Project Management: Project management Project Management: Project supervision Sector Related Issues: Urban sector/development Methodologies/Approaches: Consultation/Participation  Delays in land acquisition caused many project implementation problems. Underan integrated urban development approach, the land market became highlyspeculative once project implementation started. Identification of constructionsites and land acquisition should have commenced much earlier.  project cycle stage: Concept  Lesson Topics:  Crosscutting Issues/Themes: Resettlement Project Design: Project design Sector Related Issues: Urban sector/development Methodologies/Approaches: Holistic approach  Provincial Urban Development Board (PUDB) was selected as a lead executing agency for the project. However, PUDBhad no specific financial management links with Peshawar Municipal Corporation (PMC) and municipal corporations (MCs), as PUDBï¿½s main task was the physical development of urban areas in the province. This implementation arrangement resulted in only partial achievement of the institutional strengthening of local authorities. More active involvement of theDepartment of Local Government, Elections and Rural Development in project implementation should have been promoted.  project cycle stage: Design  Lesson Topics:  Finance & Financial Aspects: Financial management Project Design: Project design Project Management: Executing/Implementing agencies Capacity Development: Capacity building Country Context: Decentralization Sector Related Issues: Urban sector/development Methodologies/Approaches: Consultation/Participation  The early involvement of beneficiaries and/or communities was essential to thesuccessful implementation of the project. In particular, willingness to pay forsewerage connections and acceptance of solid waste dumping sites bycommunities should have been examined more carefully.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Environmental management Finance & Financial Aspects: Market analysis Project Design: Project design Capacity Development: Ownership Sector Related Issues: Health and sanitation management Methodologies/Approaches: Community approach  The project was the first ADB intervention in the urban sector in North-West Frontier Province (NWFP), and ittook almost 10 years to complete. Considering the financial and technical capabilities of executing agencies, the scale and design of the project was over ambitious.  project cycle stage: Feasibility  Lesson Topics:  Project Design: Project design Project Management: Executing/Implementing agencies Capacity Development: Capacity assessment Sector Related Issues: Urban sector/development |
| Given the termination of the construction supervision consultancy because of financialconstraints, the lack of project progress reporting up to the expiry of the consultant's contractresulted in significant delays and difficulties in subsequent supervision and administrative services.  project cycle stage: Appraisal  Lesson Topics:  Project Management: Consultants Project Management: Project administration Project Management: Project reporting Project Management: Project supervision  Land acquisition and right-of-way disputes of the type experienced by the project arelikely to be encountered more frequently as members of the community become more aware oftheir rights and become involved in prolonged negotiations. This serious issue, which has arisenelsewhere, not just in Indonesia, may affect other projects in the future and should be taken intoconsideration when preparing upcoming projects.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Resettlement Project Design: Project design  Numerous tender packages and contracts result in additional administrative work andcoordination problems. Future contracting procedures should ensure adequate timefor processing contracts and optimize the number of tenders and contracts.  project cycle stage: Appraisal  Lesson Topics:  Project Management: Procurement Methodologies/Approaches: Consultation/Participation |
| Contract packages need to be broken into manageable sizes. Under the Second Rural Telecommunications Project a single, turnkey contract was awarded to supply and install equipment, a method that had coordination and supervision difficulties. Under this project, 58 provinces were divided into three zones with works undertaken by different suppliers in each zone. In some cases, the zones were not internally contiguous, causing difficulties for the suppliers. On the downside, three different suppliers with their own design, components, and maintenance requirements provided the technology. This arrangement should be avoided. Thailand already had a large number of time division multiple access (TDMA) stations of the same design, so it might have been more time and cost efficient to repeat orders from the original supplier. The installation suppliers could have competed for wireless local loop (WLL) supply and other tender components.  project cycle stage: Implementation  Lesson Topics:  Project Design: Project design Project Management: Management information system Project Management: Procurement Project Management: Project supervision Capacity Development: Technology/Technology transfer Sector Related Issues: Rural development Methodologies/Approaches: Consultation/Participation  Internal political/bureaucratic considerations can cause considerable difficulties. Thetenders for the three zones should not have been issued until Post andTelegraph Department (PTD) had approved frequency allocations. Telephone Organization of Thailand or TOT (the executing agency) got into an international conflict that substantially delayed procurement when itassumed that the necessary frequencies would be available. Significant, internal governmentproblems should be resolved before external commitments are made or implied.  project cycle stage: Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Public governance Project Management: Executing/Implementing agencies Project Management: Procurement |
| 1. Readiness of essential cofinancing should be confirmed at project appraisal or loan negotiation to avoid implementation delays.  project cycle stage: Appraisal  Lesson Topics:    2. Land acquisition remains difficult and should be avoided or minimized. Whereland acquisition is required, the acquisition process - including compulsoryaction - should be initiated as early as possible.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Resettlement Project Management: Procurement  3. Comprehensive water connection programs should be developed and shouldinclude poorly served areas, businesses, and poor households. The programsneed maintenance, compliance and enforcement. An associated communityeducation and awareness program should be conducted to improve communityunderstanding of the benefits, availability of lifeline block supplies, value inunderstandable terms to them (e.g. a day's fishing or sales at the market),payment methods, and penalties on illegal connection.  project cycle stage: Feasibility  Lesson Topics:  Modality: Program Project Design: Project design Project Management: Operation and maintenance Sector Related Issues: Water resource management Policy & Reform: Information dissemination/Public awareness Methodologies/Approaches: Community approach  4. The government's initiative in developing a comprehensive Management Information System (MIS) will help continue to improve the Waterboard's operations and management. To achieve its potential and ensure its positive effect, however, the MIS needs to ensure that operational data and performance indicators are accurate and available in a timely manner to allow district managers to make necessary adjustments in O&M, connection programs, and local administration.  project cycle stage: Implementation, Completion Operation  Lesson Topics:  Monitoring & Evaluation: Data collection and management Monitoring & Evaluation: Indicators Project Management: Management information system Project Management: Operation and maintenance  5. A strong PMO and active involvement of Waterboard management was key to the project's success and should be incorporated into future projects.  project cycle stage: Design, Implementation  Lesson Topics:  Project Design: Project design Project Management: Project management Sector Related Issues: Water resource management |
| Port construction materials should not be procured in one large package ordelivered in one bulk shipment. This type of procurement cannot meet thedemand for change arising from the alteration or optimization of civil worksdesign and construction schemes. Procurement of this kind also can lead tofurther expenses, unnecessary storage areas, and possible rust and deterioration of some equipment that is needed at later stages. Construction materials shouldbe procured under small batch-by-batch procedures, as required, or under astaggered delivery schedule.  project cycle stage: Implementation  Lesson Topics:  Project Design: Project design Project Management: Procurement Sector Related Issues: Transport planning |
| Assumptions for future tariff increases tend to be unrealistic. Greater prudence should be used in developing assumptions regarding tariff increases, which may lead to setting unrealistic project benefit targets.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Finance & Financial Aspects: Financial analysis Methodologies/Approaches: Targeting  Certain recommendations for power purchase agreement (PPA) revision to include international commercial practices would have been more appropriate in a more open and mature power market. Realities of PRC's power sector - where both the seller and the purchaser of power are state-owned enterprises, and where higher authorities set contract standards instead of negotiations - have made it difficult for the executing agency and implementing agency to comply with ADB's recommendations. Certain institutional constraints in implementing desirable contractual provisions should be recognized up-front to avoid their becoming persistent and contentious issues during implementation.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Loan Agreement: Covenants Project Design: Appraisal Project Design: Project design Project Management: Executing/Implementing agencies Capacity Development: Institutional analysis Sector Related Issues: Energy planning/management Policy & Reform: Public sector reform  Resettlement of populations that were displaced by the reservoir, in densely populated areas of the People's Republic of China (PRC), continues to be a difficult challenge for the restoration of income. Although the impact of resettlement was not great by PRC standards, ADB needed to review the resettlement implications more closely to identify problems and issues at an early stage, and recommend appropriate measures. Contracting of an external monitor to provide independent feedback on these issues, which ADB could then have raised with the Wuling Hydropower Development Corporation (WHDC), would have been helpful. This would have required a resettlement specialist on review missions.  project cycle stage: Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Resettlement Monitoring & Evaluation: Monitoring and evaluation Project Design: Problem identification Project Management: Project supervision Capacity Development: Human resources management Sector Related Issues: Energy planning/management  The ADB project staff should obtain data for the project completion report (PCR) preparation from the executing agency and implementing agency immediately after project completion, and before loan closure. This would ensure the availabilityof accurate and reliable information, and the ï¿½institutional memoryï¿½ of staff who were responsible for project implementation.  project cycle stage: Completion  Lesson Topics:  Monitoring & Evaluation: Data collection and management Project Management: Executing/Implementing agencies Project Management: Project management  The common People's Republic of China (PRC) practice of creating a separate entity for project implementation and operation should be anticipated during appraisal. That might help avoid lengthy deliberations and the need for separate evaluations of the capabilities of the new entities, and subsequent modifications of loan and project documents.  project cycle stage: Appraisal  Lesson Topics:  Project Design: Appraisal Project Management: Project management Capacity Development: Capacity assessment  The use of international bidding procedures effectively generated highly competitive bids. Proper administration of the bidding process, supported by clear and detailed bid specifications are important. Deputizing procurement specialists who were familiar with ADB's procurement guidelines was also useful.  project cycle stage: Appraisal Implementation  Lesson Topics: |
| Continuity and flexibility of the program's administration would have been helpful in ensuring effective implementation that was compatible with legislative procedures and the long-standing tradition of interagency consultation for policy formulation. At the time of the program's launch, it was important to maintain a broad-based policy framework to accommodate unexpected events and crisis developments. The needs and desires of the Borrower also outgrew the original policy framework as the progress of market reforms and the economic recovery moved far ahead of the initial expectations. However, loan administration remained focused mainly on the compliance with all specific policy conditions, some of which became outdated or fell short of concrete time-bound action plans for further progress. Thus, the loan administration was unable to address new issues or reassess alternative options during the implementation period.  project cycle stage:   Lesson Topics:  Crosscutting Issues/Themes: Legal system Modality: Policy-based lending Modality: Program Project Management: Project administration Country Context: Crisis/Post-crisis Policy & Reform: Policy reforms/framework Policy & Reform: Reform Methodologies/Approaches: Consultation/Participation Methodologies/Approaches: Process approach  In times of crisis, a program loan can benefit enormously fromspeedy processing and disbursement. To provide timely support and enhance the effectivenessof the program, ADB shortened the timeframe for the loan approval and disbursement processby waiving some of the loan processing requirements, such as the formal management reviewand the staff review committee. Unfortunately, however, crisis assistance entails higher risks butless scrutiny on loan conditions and covenants at the time of disbursement. Based onexperience in the Republic of Korea and Thailand, ADB institutionalized a special program loanmodality with shorter maturity and grace period and higher risk premiums. While the benefitsof the significant front-loading cannot be ignored, reasonable risk premiums aligned with market prices and suitable loan structure would enhance efficiency of the crisis management whileminimizing moral hazard.  project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Disbursement Loan Agreement: Covenants Modality: Lending modality Modality: Program Project Design: Appraisal Project Management: Risks/Risk management Country Context: Crisis/Post-crisis  The financial crisis stemmed from more fundamental problems in the real sector. Lending booms and inflated asset prices prior to the crisis were not only symptoms of structural weaknesses in the financial system, but also a reflection of low productivity of the real sector. To avoid a recurrence of such a crisis, more comprehensive economic reforms should take place to strengthen the competitiveness of the real sector and enhance productivity. The effectiveness of capital market reforms also will depend on the successful completion of corporate restructuring and the recovery of productivity.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Corporate governance Finance & Financial Aspects: Financing Modality: Program Country Context: Crisis/Post-crisis Policy & Reform: Reform  The modality of a cluster loan may enable the reassessment ofchanged environments and new issues through rigorous analyses of the fundamental causes ofa crisis as the urgency of the crisis wears off. While a crisis situation requires decisive andimmediate action in the short term, reform principles should reflect more medium- and long-termstructural adjustments to support and strengthen the recovering economy and avoid arecurrence. However, the nature of the emergency, combined with unbridled market insecurity,makes it difficult to map out many details for the longer-term adjustments, let alone judge theextent and length of the crisis management. A relatively long program without a formula formodifications to reflect the changing economic and market environment also seemsinappropriate for crisis management. Since ADB assistance during the crisis pursued twodistinct goals - restoring macroeconomic and financial stability and setting out long-termstructural adjustment to underpin the economic recovery and growth - a single loan (especiallywith a single tranche) might lack the flexibility to effectively implement reform initiatives inresponse to the unfolding crisis and post-crisis recovery. In hindsight, ADB support could havebeen more effective if the initiatives aimed at economic stabilization and immediate correction inthe early stages of the crisis had been followed by detailed technical support and advice.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Finance & Financial Aspects: Market analysis Modality: Cluster operations Modality: Lending modality Modality: Program Modality: Technical Assistance Country Context: Crisis/Post-crisis Country Context: Emergency Policy & Reform: Reform |
| Irrigation development through farmers' participation is a time-consuming process.Provisions should be made to initiate institutional development activities prior to detailed surveyand design. As proved by the project reformulation and the consequent satisfactory implementationof the project, this stipulation of lead-time for institutional activities helps build a sense ofpartnership between farmer beneficiaries and the project entity. It raises awareness of farmers andenables them to spell out their primary requirements. As a result farmers' assessed needs anddemands would have already been collected and passed over to implementation consultants upontheir deployment.    project cycle stage: Concept    Lesson Topics:   Project Design: Project design  Project Management: Consultants  Capacity Development: Capacity development  Capacity Development: Partnerships  Sector Related Issues: Irrigation management  Methodologies/Approaches: Consultation/Participation    Leadership development in irrigation needs to be well addressed in the training modulesand care should be taken to essentially include the second generation of emerging leaders whocan easily undertake responsibilities in the absence of their leaders. This problem of lack ofleadership was witnessed in Rajapur when a number of main leaders of (central farmers committee) CFC deserted the areabecause of the insurgency and created a vacuum in the farmers' organization.    project cycle stage: Feasibility    Lesson Topics:   Project Design: Project design  Capacity Development: Capacity building  Capacity Development: Capacity development  Country Context: Emergency  Sector Related Issues: Irrigation management    The arrangement that the implementation consultants prepared the O&amp;M manual and theTA consultants offered training based on the manual has created problems in coordinatingschedules of the two consultant teams. Assigning to the same team of professionals both activitieswould have increased the efficiency of O&amp;M training.    project cycle stage: Appraisal    Lesson Topics:   Modality: Technical Assistance  Project Design: Project design  Project Management: Consultants  Project Management: Operation and maintenance  Capacity Development: Capacity building  Methodologies/Approaches: Consultation/Participation    The project successfully demonstrated that farmers' participation could be easily solicitedand augmented if the project and its components are planned and designed as per farmers' needs.To ensure safe and smooth operation of the constructed facilities, farmers' existing structures andtheir traditional O&amp;M practices must be closely studied while designing irrigation facilities, and thenew plan should consider such practices as far as possible. The need becomes even moresignificant if the system has been operational for a long period of time.    project cycle stage: Design, Feasibility    Lesson Topics:   Project Design: Project design  Project Management: Operation and maintenance  Sector Related Issues: Irrigation management  Methodologies/Approaches: Consultation/Participation    Training on O&amp;M of newly built structures is equally needed for irrigation leaders and forordinary farmers. Improving the skills and awareness of ordinary farmers is even more importantbecause they are directly involved in O&amp;M of the canal systems. This need was not realized andonly the irrigation leaders were offered training in the project. This presumably had caused themisuse and mishandling of the constructed facilities by ordinary farmers.    project cycle stage: Feasibility    Lesson Topics:   Project Management: Operation and maintenance  Capacity Development: Capacity building  Sector Related Issues: Irrigation management    Wherever possible, an irrigation development project should include basic agricultural development activities. In the absence of such activities the impact of the irrigation project might not be clearly visible. The lack of integration of agricultural development activities with the project had some dormant effect on the real impact of the project. It is rather unfortunate that despite huge investment in the development of irrigation infrastructure, improved farming systems are still absent in Rajapur.    project cycle stage: Feasibility    Lesson Topics:   Monitoring &amp; Evaluation: Impact evaluation  Project Design: Project design  Sector Related Issues: Irrigation management  Sector Related Issues: Rural development |
| Compliance with the maintenance covenants relating to previous projects was difficult toverify. Provincial governments claimed that their expenditures were appropriate. Maintenanceissues with the project roads should not arise for several years. It is difficult to ensure thatadequate attention is given to ongoing maintenance through loan covenants; financial problemsfaced by some provincial governments will always be an overriding consideration. Two basicapproaches could be adopted: engineering or institutional. The engineering solution would be tobuild stronger, lower-maintenance roads. The institutional solution would be to build a self-fundingmechanism into the road sector, in the form of tolls or a dedicated road fund, or both.  project cycle stage: Feasibility  Lesson Topics:  Finance & Financial Aspects: Financing Loan Agreement: Covenants Project Design: Project design Project Management: Operation and maintenance Capacity Development: Capacity development Capacity Development: Technology/Technology transfer Sector Related Issues: Roading  Delays in fund disbursement caused by unnecessary government bureaucracycontributed to construction delays because the funding delays caused cash flow problemsamong small contracting companies. Future projects should address this issue byunderstanding the real difficulties within the government offices, and initiating capacity buildingto address these problems.  project cycle stage: Implementation  Lesson Topics:  Finance & Financial Aspects: Disbursement Project Design: Project design Project Management: Procurement Capacity Development: Capacity building  Inadequate prequalification of contractors led to underbidding by some inexperiencedcontractors and to the award of tenders to contractors who lacked the technical or financialresources necessary for contracts of this size and nature. Contracts held by poor ornonperforming contractors were difficult to reassign, which caused delays and additional costs.Prequalification of civil works contractors should be based on stringent and carefully designedevaluation criteria, and should be subject to an effective due-diligence review by an independentcommittee.  project cycle stage: Implementation  Lesson Topics:    The provincial agencies were generally happy with the support they received from thegeneral consultant (PMU), and felt that the general consultant played a major role in maintaining high qualitystandards. The opportunity for project managers to meet and discuss common problems wasappreciated. Providing opportunities for ongoing information interchange among provinceswould be beneficial.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Project Management: Consultants Project Management: Project management Capacity Development: Capacity building Policy & Reform: Information dissemination/Public awareness  There was also confusion over the role of the consultant as the ï¿½engineer'srepresentative,ï¿½ and the role of the ï¿½engineerï¿½ under International Federation of Consulting Engineers (FIDIC) contract conditions. The ï¿½engineerï¿½for this project was an executive engineer of the respective province. The general view was thatthe supervising consultant should be appointed as the ï¿½engineerï¿½ under FIDIC.  project cycle stage: Design  Lesson Topics:  Project Design: Project design Project Management: Consultants  This was the third in a series of ADB farm-to-market road projects (the first two were loans 758-PAK and 917-PAK. In each case, project mobilization tooklonger than anticipated. In each case, the problem was noted in the risks and remedial actions identified for subsequent projects. Actions that might reduce the delays observed include advance action on selection of the supervising consultants, but a more practical suggestion is to allow a more realistic time period for selection of consultants and contractors. Project construction periods should also be made realistic, taking into account difficult site conditions, especially in Balochistan and North West Frontier Province (NWFP). Additional time spent on planning and preparation at an early stage will reduce delays later.In particular, land acquisition and clearance must be completed before contractors are mobilized.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Resettlement Project Design: Project design Project Management: Consultants Project Management: Procurement Project Management: Risks/Risk management Sector Related Issues: Roading  Underestimation of the costs at the project preparation stage led to delays, because the Planning Commission Proforma 1 (PC-1)had to be revised. Pressure on contractors to reduce their rates had consequencesthroughout the project because the contractors could not absorb cash flow problems caused bydelays in payment. Civil works packages should be costed at realistic market prices, not basedon outdated rate schedules.  project cycle stage: Feasibility  Lesson Topics:  Finance & Financial Aspects: Financial analysis Project Management: Procurement  Using Ministry of Local Government and Rural Development (MLGRD) as a central coordinating agency gave no clear benefit. Having multiple executing agencies increased the administrative burden, created confusion aboutresponsibilities, and contributed to delays.  project cycle stage: Design  Lesson Topics:  Project Design: Project design Project Management: Executing/Implementing agencies |
| ADB needs to set realistic, relevant, and objectively measurable financialcovenants both for financial institutions and subprojects. This will help avoid delays in loan implementation while facilitating subproject viability and financial soundness of the institution. This lesson was also incorporated into the design of Loan 1799.  project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Financing Loan Agreement: Covenants Project Design: Subprojects  Capacity building is necessary for financial institutions selected for ADB'sintermediation loans to ensure sound appraisal and supervision of subprojects,sound credit and risk management policies, and sound corporate governance andfinancial disclosure policies.  project cycle stage: Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Corporate governance Finance & Financial Aspects: Financial reporting Finance & Financial Aspects: Financing Project Design: Appraisal Project Design: Subprojects Project Management: Project supervision Project Management: Risks/Risk management Capacity Development: Capacity building  Policy dialogue with the government on regulatory and other impediments isnecessary while processing a sector (credit) loan. This lesson was incorporated into the design of Loan 1799.  project cycle stage: Appraisal  Lesson Topics:  Modality: Lending modality Policy & Reform: Policy matrix Policy & Reform: Policy reforms/framework  Subloans of less than $1 million, particularly those to smaller subborrowers, resulted in better quality and repayment. Rigorous analysis, supervision, and monitoring of subloan proposals and subproject operation both by ADB and the participating financial institution are necessary to ensure efficient subloan recovery and achievement of development objectives at the subproject level. At the participating financial institution level, the post disbursementloan monitoring could be more efficient if decentralized.  project cycle stage: Feasibility, Appraisal Implementation  Lesson Topics:  Finance & Financial Aspects: Financing Monitoring & Evaluation: Monitoring and evaluation Monitoring & Evaluation: Project evaluation Project Design: Subprojects Project Management: Project supervision Country Context: Decentralization |
| Significant cost underruns were noted due to the overestimation of costs at appraisal as well as lower equipment costs brought about by keen competitive bidding. The appraisal missions should carry out separate cost estimates using the most recent available contracted prices for equipment.  project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Financial analysis Project Design: Appraisal Project Management: Procurement  The engagement of a domestic agency to assist the executing agencies (EAs) in procurement proved to be wise, particularly as the EAs were not familiar with ADB's Guidelines for Procurement. The useof a procurement agency to provide expertise in preparing bidding documents ensured smoothand timely procurement and enabled valuable experience to be passed on to the new EAs.  project cycle stage: Implementation  Lesson Topics:  Project Management: Executing/Implementing agencies Project Management: Procurement Capacity Development: Capacity building  The financial performance of each project enterprise was generally weak because inputcosts were higher-than-expected and market prices for the products were lower-than-anticipated.The use of more conservative price and cost assumptions should be considered infuture projects to provide an adequate cushion for potential downside risks, particularly in lightof the emerging global competition.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Finance & Financial Aspects: Financial analysis Finance & Financial Aspects: Market analysis Project Management: Risks/Risk management |
| Based on project experience and to ensure sustained O&M ofcompleted infrastructure, O&M responsibilities during and after the completion of works(mechanisms for the handover) should be clearly laid out in project designs. The involvementand on-the-job and specialized training in O&M of the ultimate operators of a project should be built into the design and approach of a project. The training should beaccording to Project Design, and as a separate component that may continue for some time aftercivil works completion, to ensure optimal operation of a project and its' designed capacities.  project cycle stage: Feasibility  Lesson Topics:  Project Design: Project design Project Management: Operation and maintenance Capacity Development: Capacity building  Conflicts were encountered in developing parallel watercourses and outlets, due to alack of timely community involvement. The experience shows that beneficiary awarenesscampaigns and consultations with farmers concerning project designs and their impacts shouldbe launched during the design stage, to create goodwill and ownership of interventions amonglocal irrigators and avoid conflict during implementation.  project cycle stage: Design  Lesson Topics:  Project Design: Project design Capacity Development: Ownership Sector Related Issues: Irrigation management Policy & Reform: Information dissemination/Public awareness Methodologies/Approaches: Community approach Methodologies/Approaches: Consultation/Participation  Delays in contract awards and implementation can be avoided, if training programsfocusing on ADB tendering and other procedures and bid responsiveness are organized at theoutset for executing agencies and prequalified contractors, respectively.  project cycle stage: Implementation  Lesson Topics:  Project Management: Executing/Implementing agencies Project Management: Procurement Capacity Development: Capacity building  The cooperative management approach practiced under the agriculture development component (ADC) was a viable model of management in a complex multistakeholder environment and could also be considered for loan projects. The model demonstrated mechanisms that were effective in collective decision making, planning, and monitoring at the operations and management levels, under a decentralized system. The analysis of this experience also showed that it is important that themonitoring and reporting mechanisms developed under such a complex model are robust [e.g., Department of Agriculture (DOA) and nongovernment organization (NGO) disputes over the use of funds were addressed at a late stage] and can ensure transparency and a workable relationship between stakeholders.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Governance Monitoring & Evaluation: Monitoring and evaluation Monitoring & Evaluation: Reporting Project Design: Project design Country Context: Decentralization Sector Related Issues: Rural development Methodologies/Approaches: Participatory approach  Time, effort, and resources were spent on training under the agriculture development component (ADC). However, there wereno tangible indicators to monitor these outputs. The supply or demand orientation of training was also not clear. The analysis of this experience shows that for training to be effective it hasto have an optimal mix of formal and on-the-job training, with no overlap in the trainingmandates of training agencies and withwell-defined monitoring indicators related to project objectives. The supply side of trainingshould be assessed during the design stage of a project, where the demand side should bebased on a needs assessment and should be implemented on a cost-sharing basis, to ensurequality and actual need against demand.  project cycle stage: Feasibility  Lesson Topics:  Finance & Financial Aspects: Market analysis Monitoring & Evaluation: Indicators Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Project Management: Executing/Implementing agencies Capacity Development: Capacity building Sector Related Issues: Rural development  Where sustained support of community organizations [in this case water users associations (WUAs), women'sorganizations, farmers organizations (FOs) and farmer support units (FSUs)] is needed, even after completion, for residents to optimallybenefit from a project, a separate set of clearly distinguished activities at the entry and exitlevels should be included in project designs.  project cycle stage: Feasibility  Lesson Topics:  Project Design: Project design Methodologies/Approaches: Civil Society Participation |
| Appraisal of the Third Cook Islands Development Bank Project (CIDB III) underestimated the consequences of the layoff program advocated under the Economic Restructuring Program (ERP). Instead of retrenched public servants investing their funds locally to start up their own businesses, most chose to emigrate. Accordingly, some of their loan accountswith CIDB went into default.  project cycle stage: Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Social protection Finance & Financial Aspects: Financing Project Design: Appraisal Project Design: Project design Policy & Reform: Public sector reform Methodologies/Approaches: Program Approach  As evident after the merger, being directed and controlled by the government did not prepare the Cook Islands Development Bank (CIDB) and Cook Islands Savings Bank (CISB) well for the transition to Bank of the Cook Islands (BCI) and operating in a competitive and aggressive banking environment. CIDB was not accustomed to a performance-based or market-oriented culture. BCI should import the services of an experienced international expert to implement change management and manage BCI into a profitable institution. In some respects, the postmerger management structure strayed from the original blueprint contained in the consultant's report.  project cycle stage: Completion Operation  Lesson Topics:  Finance & Financial Aspects: Financing Modality: Technical Assistance Project Management: Consultants Capacity Development: Capacity development Policy & Reform: Reform  Policy dialogue under the Economic Restructuring Program (ERP) altered the rationale and implementation plan of TA 2404, which was processed in conjunction with the Third Cook Islands Development Bank Project (CIDB III). The project benefits expected to accrue to CIDB were lost to the Small Business Enterprise Center (SBEC), resulting in an unsustainable training program and loss of credit advisory support.  project cycle stage: Implementation  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Finance & Financial Aspects: Financing Modality: Technical Assistance Project Design: Project design Capacity Development: Capacity building Policy & Reform: Policy matrix Policy & Reform: Public sector reform Methodologies/Approaches: Program Approach  The loan of US$3.0 million equivalent was considered ambitious, bearing in mind the fact that the Second Cook Islands Development Bank Project (CIDB II's) US$1.5 million equivalent was only 87% used and the remaining balancecanceled. Except for the merger exercise, a higher amount would have been canceled, due to the low rate of use resulting from the depressed investment demands and sluggish economic growth experienced between 1996 and 2001.  project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Financing Project Design: Project design Policy & Reform: Reform |
| A careful assessment of women beneficiary knowledge and skills would be beneficial to identify their capacity and needs, and thus ensure scarce resources are used efficiently. Training and any other assistance should be need-and demand-driven.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Gender Finance & Financial Aspects: Market analysis Capacity Development: Capacity assessment Capacity Development: Capacity building  Instead of first linking women beneficiaries with participating banks, and later to partner financial intermediaries (FIs) or saving and credit cooperatives (SCCs) for credit services, it would have been more sustainable and viable if they hadbeen linked with FIs or SCCs in the first place.   project cycle stage: Implementation  Lesson Topics:  Crosscutting Issues/Themes: Gender Crosscutting Issues/Themes: Sustainability Finance & Financial Aspects: Financing Project Design: Project design  Project implementation, monitoring, and supervision were logistically difficult and costlydue to scattered project sites (both districts and village). Clustering the project area based onthe geographic contiguity and similarity should be considered when selecting project sites toimprove the efficiency of implementation, monitoring, and supervision. Community selection criteria should be pro-poor in order to reach the poorest of the poor.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Poverty reduction Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Project Management: Project administration Project Management: Project management Project Management: Project supervision  Project targets should be realistic. At the time of project design a more carefulassessment of each planned intervention against the prevailing environment would have beenbeneficial to avoid project implementation delays.  project cycle stage: Feasibility  Lesson Topics:  Project Design: Project design Methodologies/Approaches: Targeting  The project confirms that access to microfinance services strengthens women'sinfluence over economic and household decisions and provides them with greater freedom to invest in activities that raise their own well-being and that of the household as a whole. Women's social empowerment can be achieved through social mobilization and capacitybuilding in the process of group formation. Financial and institutional development support is critical at early stages of anymicrofinance institution.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Gender Finance & Financial Aspects: Financing Capacity Development: Capacity building Capacity Development: Capacity development Methodologies/Approaches: Community approach  The project confirms that combining credit schemes with group formation andappropriate training is an effective and successful methodology. In cases where group formationis considered the most appropriate approach, qualitative and sustainable results depend onintegrating all of these aspects.  project cycle stage: Feasibility  Lesson Topics:  Finance & Financial Aspects: Financing Project Design: Project design Capacity Development: Capacity building Capacity Development: Capacity development  To minimize the vulnerability of women beneficiaries who borrow for rearing livestock,livestock insurance should be made compulsory for the whole loan duration with yearly renewalpremiums automatically added to the women's outstanding loan balances.  project cycle stage: Implementation  Lesson Topics:  Crosscutting Issues/Themes: Gender Crosscutting Issues/Themes: Employment Sector Related Issues: Rural development |
| A large amount of loan funds was canceled, including the unused contingency of$4.7 million. The contingency was estimated at more than 18% of the base costfor both foreign and local currency costs. To reduce unnecessary commitmentcharges, the contingency for foreign currency cost should be carefully estimated.  project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Financial analysis Finance & Financial Aspects: Foreign exchange  Development plans of water supply networks should be gradual and carefullyscheduled to be sustainable. The institutional capacity in Calbayog City and GeneralSantos City could not keep pace with the rapid physical expansion of servicenetworks. A master plan matching institutional capacity with service expansion is needed.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Capacity Development: Capacity building Sector Related Issues: Health and sanitation management Policy & Reform: Policy reforms/framework  During construction, a public awareness campaign on the merits of piped waterand a calibrated marketing campaign to attract new customers are essential tooptimize construction schedules and cost recovery. In most cases, distributionlines and service connections were installed separately because customers hadnot decided to subscribe to the service when distribution lines were laid. It would be more efficient to install distribution lines and service connections at the same time to avoid repeated excavation and restoration works. For this purpose, eachwater district's (WD's) marketing team should work closely with its construction team.  project cycle stage: Implementation  Lesson Topics:  Finance & Financial Aspects: Market analysis Project Design: Project design Sector Related Issues: Health and sanitation management Policy & Reform: Information dissemination/Public awareness Methodologies/Approaches: Consultation/Participation  In general, the executing agency (Local Water Utilities Administration or LWUA) and the water districts (WDs) need to enhance their capabilities to supervise contractors. During bidding and construction, LWUA and the WDs were misledby the contractors' alternative proposals for different materials and construction methods from the original specifications. Sometimes the alternatives turned out to be of poor quality, resulting in a delay to secure the necessary quality.  project cycle stage: Feasibility  Lesson Topics:  Project Management: Executing/Implementing agencies Project Management: Procurement Project Management: Project supervision Capacity Development: Capacity building Sector Related Issues: Health and sanitation management  In scheduling construction works, upstream water source development should besynchronized with installation of downstream distribution lines. This is essentialto expedite cost recovery. In Calamba, the distribution lines installed(downstream) stayed unused for a long time waiting for water sourcedevelopment works (upstream) to be completed. Gaps in the constructionschedule increase the interest paid by water districts (WDs).  project cycle stage: Feasibility  Lesson Topics:  Finance & Financial Aspects: Financial analysis Project Design: Project design Sector Related Issues: Health and sanitation management  Some construction works were delayed waiting for the executing agency's (Local Water Utilities Administration's) approval of variation orders. Some decisions should be delegated to the lower levels of the organization. In particular, resident engineers could be given greater authority to make decisions since they are in a position to directly observe constructionworks.  project cycle stage: Appraisal Implementation  Lesson Topics:  Project Management: Executing/Implementing agencies Project Management: Project administration Country Context: Decentralization  Some contractors tried to install second-hand equipment that was rejected by thewater district (WD) on site, resulting in a delay while new equipment was delivered. To avoidthis, the executing agency (Local Water Utilities Administration or LWUA) and the water districts (WDs) should vigilantly review a contractor's proposal for selected equipment prior to delivery.  project cycle stage: Implementation  Lesson Topics:  Project Management: Executing/Implementing agencies Project Management: Procurement Sector Related Issues: Health and sanitation management  To avoid engaging financially weak contractors, more stringent evaluation of their financial capacity is necessary during bid evaluation. Further, the executing agency (Local Water Utilities Administration or LWUA) may consider increasing the percentage of performance security against the contractfrom the current 10% to discourage financially weak contractors from bidding.  project cycle stage: Appraisal Implementation  Lesson Topics:  Project Management: Executing/Implementing agencies Project Management: Procurement  Water demand forecasts should be realistic. For two water districts (WDs), demand was overestimated and they currently have an over supply of water. Piped water is a value-added substitute to which people will switch if they are convinced about the additional value for the price paid. In particular, the price elasticity of demand should be carefully considered in making demand projections.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Finance & Financial Aspects: Market analysis Sector Related Issues: Health and sanitation management |
| Institutional and policy reforms will be more effectively implemented if agreement between the implementing agencies (Vietnam Bank for Agriculture and Rural Development and Central Credit Fund) and the government is obtained at the start of the project. A time-bound action plan for implementing these reforms should be clearly described and agreed to, and the actions should be conditions for disbursement of the loan funds.  project cycle stage: Implementation  Lesson Topics:  Finance & Financial Aspects: Disbursement Loan Agreement: Covenants Project Management: Executing/Implementing agencies Policy & Reform: Policy reforms/framework Methodologies/Approaches: Consultation/Participation  Subject to appropriate loan appraisal and processing, there should be areasonable ceiling on the size of individual loans. It is impractical tospecify a subloan size of ï¿½up to $100ï¿½ for poor members. Also, specifying thatsubloans by People's Credit Funds (PCFs) should be short-term is inappropriate, as the objective is tofoster investment that would promote development.  project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Financing Project Design: Appraisal Project Design: Subprojects  The amount of the imprest fund to be established under the loan should bespecified for each executing agency and the use of the fund should includefinancing of subloans. The ultimate objective of the imprest fund is to providequick access to funds for financing eligible expenditures.  project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Disbursement Finance & Financial Aspects: Financing Project Design: Subprojects Project Management: Executing/Implementing agencies  The application of commercial interest on relending for noncredit components(i.e., strengthening of financial institutions), discouraged the People's Credit Funds (PCFs) from using the funds for institutional strengthening. Soft components such as training and software development should be provided at a concessional rate.  project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Financing Project Management: Executing/Implementing agencies Project Management: Management information system Capacity Development: Capacity building |
| Formal agencies hesitate to lend to community-based finance institutions (CFIs)/non-government organizations (NGOs), which are seen as high-risk borrowers due to the discontinuous and uncertain income streams of the ultimate beneficiaries, lack of security, incapacity of the intermediary, etc. The perceived risk compelled housing finance institutions (HFIs) to be selective in lending through this window. Housing Development Finance Corporation Limited (HDFC) for instance, has reported 100% recovery in assistance to CFIs/NGOs, but not out of the project funds, suggesting that to meet the large gap in housing for the poor, specialized HFIs with a social mandate, such as Housing and Urban Development Corporation Limited (HUDCO), are still relevant. However, to sustain such institutions, a transparent mechanism is needed to meet the social costs of such intermediation, and processes and procedures of field-level institutions such as the cooperative societies need to be changed fundamentally. Linkages between CFIs/NGOs and HFIs for slum networking can be realized only after some of the macro issues relating to state policies on land title, cost recovery, transparency of subsidies, improved governance, and reform of state agencies' financial management are solved.  project cycle stage: Feasibility, Country Partnership Strategy  Lesson Topics:  Crosscutting Issues/Themes: Civil society Crosscutting Issues/Themes: Governance Finance & Financial Aspects: Financial management Finance & Financial Aspects: Financing Project Management: Risks/Risk management Sector Related Issues: Urban sector/development Policy & Reform: Public sector reform Policy & Reform: Reform  Project experience emphasizes that (i) a different set of guidelines must be adopted to assess and mitigate risks under community-based finance institution (CFI)/NGO assistance, (ii) high intermediation costs should be recognized, and (iii) intermediaries' capacity must be upgraded.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Civil society Finance & Financial Aspects: Financial analysis Project Design: Project design Project Management: Risks/Risk management Capacity Development: Capacity building Methodologies/Approaches: Community approach  The project would have achieved a higher leverage had the borrowers shouldered a higher share of the project cost. The prevalence of subsidized government-sponsored schemes discourages cost recovery even from those willing and able to repay. Field reviews of some low-income group schemes revealed many instances of higher investment than estimated by the borrowers, funded by informal sources such as savings, moneylenders, etc. While many such beneficiaries regularly serviced such informal loans, often at usurious rates of interest, repayments to government intermediaries were irregular.  project cycle stage: Feasibility  Lesson Topics:  Finance & Financial Aspects: Financing Project Design: Project design Sector Related Issues: Urban sector/development  To facilitate monitoring and timely response, executing agencies must understandearly on ADB's procedures and feedback requirements. The usually stipulated free and statement of expenditure (SOE) limits are often irrelevant in these kinds of projects where the subloans constitute individual mortgage loans, which are too small ($1,000-10,000) to be above the limits. A format should be devised to capture data during disbursement to better monitor subprojects and facilitate subsequent reviews on a random basis.  project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Disbursement Monitoring & Evaluation: Data collection and management Monitoring & Evaluation: Monitoring and evaluation Project Design: Subprojects Project Management: Executing/Implementing agencies Project Management: Project reporting  To maximize the chances of project success, particularly in policy reformand institutional development, the borrowers' roles need to be clearly laid out and agreed uponformally.  project cycle stage: Design  Lesson Topics:  Project Design: Project design Capacity Development: Capacity development Policy & Reform: Policy reforms/framework |
| A project-to-project approach to infrastructure development is not likely to advanceprivate-sector participation significantly, certainly not to the extent the government presentlyimagines. Capacity remains weak, and regulatory and institutional structures, standardizedsystems and processes especially at the state level remain insufficient. In order to addressthese problems, ADB has approved a TA to identify and resolve gaps in policy, the operatingenvironment, and governance structures.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Governance Modality: Technical Assistance Project Design: Project design Capacity Development: Capacity assessment Capacity Development: Capacity development Sector Related Issues: Private sector Policy & Reform: Policy reforms/framework  India's long-term debt market remains underdeveloped and suffers from a number ofimpediments. It has few players; inadequate support infrastructure; very limited participation bylong-term investors such as funds and insurance companies; and a weak secondary market,which leads to poor liquidity and the absence of a benchmark yield curve.  project cycle stage: Feasibility  Lesson Topics:  Finance & Financial Aspects: Financing Sector Related Issues: Private sector  The Private Sector Infrastructure Facility (PSIF) encouraged the two development financial institutions to set up dedicated units for infrastructure. These groups provide a complete range of financial services, from identifyingprojects to structuring complex transactions.The PSIF financed debentures for the subprojects, with the objective of developing anactive secondary market for infrastructure securities. Most of the subprojects had not begun stable commercial operation, however, making the debt instruments unattractive investments.   project cycle stage: Feasibility  Lesson Topics:  Finance & Financial Aspects: Financing Project Design: Subprojects Sector Related Issues: Private sector |
| A main focus of the program has been on supporting institutional change and capacitybuilding. Its emphasis on developing a strong capital market regulator with adequate powersand capacity is of fundamental importance for sound and sustainable capital marketdevelopment. However, it should be recognized that parallel reforms of the primary andsecondary market are also crucial. Given the significant structural change advocated for the Philippine Stock Exchange (PSE), which has long been dominated by small brokers, it has taken longer to transform the exchange.Fundamental governance reforms of the stock exchange require extensive stakeholderconsultation and agreement, and once this has been realized, the technical process ofdemutualization requires appropriate planning and conducive market conditions. Both Phase Iand II of the program provide support for this and the process will need to be closely monitoredgiven pressures from vested interests to delay the process of change.  project cycle stage: Concept Feasibility, Implementation  Lesson Topics:  Crosscutting Issues/Themes: Governance Crosscutting Issues/Themes: Sustainability Finance & Financial Aspects: Financing Modality: Program Capacity Development: Capacity building Capacity Development: Capacity development Policy & Reform: Policy reforms/framework Policy & Reform: Reform Methodologies/Approaches: Consultation/Participation  Sound capital market development also depends on parallel reforms aimed atstrengthening governance at the corporate level. The program design included appropriatesupport for strengthening corporate governance through increasing the number of independentdirectors on the boards of listed companies and strengthening financial disclosure requirements.To strengthen impact in this area, a proactive stance by the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE) is critical to ensure thatcompanies effectively implement corporate governance standards.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Crosscutting Issues/Themes: Corporate governance Finance & Financial Aspects: Financial reporting Finance & Financial Aspects: Financing Modality: Program Policy & Reform: Reform  The Asian financial crisis highlighted underlying structural weaknesses in the financialsector and their economy wide implications, and a major trading scandal in 2000 drew particularattention to the need to strengthen capital market governance. Recognition of this helpedcatalyze fundamental reforms and the draft Securities Regulation Code (SRC), which had been pending in Congress, wasreviewed comprehensively and enacted with broad support from the legislators as well asmarket participants. Crisis provided an opportunity to move forward with difficult reforms, andADB's longstanding involvement in the sector through technical assistance (TA) and policy dialogue helped ensurethat reforms were appropriately considered and designed.  project cycle stage: Feasibility, Country Partnership Strategy  Lesson Topics:  Crosscutting Issues/Themes: Governance Crosscutting Issues/Themes: Legal system Finance & Financial Aspects: Financing Modality: Technical Assistance Country Context: Crisis/Post-crisis Policy & Reform: Policy matrix Policy & Reform: Reform  The implementation experience of the program reinforces the findings of ADB's 1999 review of its program lending policies - namely, that flexibility is important when designing programs that address second-generation challenges whose reform trajectories are uncertain. The program's single tranche/cluster approach allowed for enhancement of the Phase II agenda to take account of changed circumstances, evolving government priorities, and additional reform opportunities. While the tranche release under Nonbank Financial Governance Program (NFGP) was a one-time event in 2001, it was effectively anchored on extensive policy and analytical work carried out in the nonbank financial sector between 1998-2001 and provided direction for further reforms during 2002-2003 supported by technical assistance (TA) and policy dialogue.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Finance & Financial Aspects: Disbursement Finance & Financial Aspects: Financing Modality: Cluster operations Modality: Lending modality Modality: Program Modality: Technical Assistance Policy & Reform: Policy matrix Policy & Reform: Policy reforms/framework Policy & Reform: Reform |
| A center based approach (CBA) is, comparatively, a more effective approach to nonformal education (NFE) delivery. Moreover, the cluster approach to selecting centers, as adopted by the project, is appropriate when ensuring total coverage, leaving no vacant spaces, irrespective of areas nearer to and further from upazila (subdistrict) headquarters. Provision of high-level committees is generally helpful in providing policy guidelines, but a council headed by the Prime Minister has proved to be unrealistic. Instead, committees that can meet frequently, as and when the project needs, and that are constituted with high-level and involved officials having the authority to formulate and implement policies are more practical and useful. Cooperation between the government and NGOs in delivering NFE, especially when using a CBA, is effective and a key to the success of NFE programs. Nonetheless, teachers' and supervisors' salaries are much less than enough to attract good teachers, and the center management fee is inadequate for getting suitable centers and properly managing them.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Project Design: Project design Project Management: Executing/Implementing agencies Sector Related Issues: Education Methodologies/Approaches: Civil Society Participation  Nongovernment organizations (NGOs) play a vital role in identifying target beneficiaries, selecting centers, recruiting and training teachers and supervisors, managing centers, delivering nonformal education (NFE), monitoring and evaluation, and financial management. Without a strong commitment combined with a significant amount of experience and sound financial and Project Management, it is difficult for any NGO to play its role. Moreover, in order to involve newly literate individuals in post-literacy and income-generating activities, participating NGOs should have a continued presence in the project area, even after completion. The study indicated that NGOs having existing programs inthe area could offer post-literacy and continuing education and livelihood support to newly literate males and females. As the role of NGOs is critical in the successful implementation of NFE programs, for quantity and quality, NGO selection should be transparent, and heightened importance should be attached to NGOs' track records; commitment; and presence in the area with similar programs, preferably microcredit and livelihood activities.  project cycle stage: Implementation  Lesson Topics:  Finance & Financial Aspects: Financial management Finance & Financial Aspects: Financing Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Project Management: Project management Capacity Development: Capacity building Capacity Development: Ownership Crosscutting Issues/Themes: Employment Sector Related Issues: Education Methodologies/Approaches: Civil Society Participation Methodologies/Approaches: Targeting  The delay in activities such as land acquisition; recruitment of key staff, especially project directors and counterpart staff; and initial mobilization of counterpart funds are common in most projects. Therefore, provision for advance actions can partly help reduce implementation delays. Frequent staff transfer, especially of individuals that received specifictraining under the project, had some adverse impact on overall project implementation.  project cycle stage: Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Resettlement Finance & Financial Aspects: Counterpart funds Project Management: Project management Capacity Development: Capacity building Capacity Development: Human resources management  The project targeted illiterate males and females between the ages of 15 and 24 who are considered to be more actively involved in income generation activities. The PCR study found that only 38.6% of all newly literate individuals are in this age group, indicating that a larger percentage of the illiterate population is in a higher age group. The study also found that90% of all target learners were poor, indicating a strong correlation between illiteracy and poverty.  project cycle stage: Feasibility  Lesson Topics:  Project Design: Project design Sector Related Issues: Education Methodologies/Approaches: Targeting  Though monitoring and evaluation are fully acknowledged as important inputs for quality nonformal education (NFE) delivery, they are difficult to undertake without commitment on the part of the staff involved in pursuing the outputs of these and persistence on the part of management in doing the same.  project cycle stage: Implementation  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Management: Executing/Implementing agencies Project Management: Project management Capacity Development: Ownership Sector Related Issues: Education |
| The actual cost incurred for four of the five improvement projects wassignificantly higher, i.e., ranging from 10% to 178% higher than estimated at appraisal.For the fifth, the actual cost was 40% lower than the appraisal estimate. The higher-than-expected costs were due mainly to underestimated geotechnical considerations,especially in slope stabilization and the decision to lay bituminous surfacing throughoutRoad 4. The roads became economically nonviable since their EIRRs dropped to lessthan 12%. If the costs were estimated more realistically, candidate roads would havebeen selected better by taking into account economic viability together with otherselection criteria - connectivity, poverty impact, and other social-economicalconsiderations - and allocation of scarce resources in the country could have beenoptimized.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Poverty reduction Finance & Financial Aspects: Financial analysis Project Design: Appraisal Project Design: Project design Sector Related Issues: Roading  The Equipment Management Unit (EMU) was an organization that used to be part of the executing agency (Department of Roads) and yet was fundedfrom foreign assistance. Its purpose was to ensure that local contractors had access to a suitable plant to carry out road projects. The EMU had been successful in serving that purpose. In fact, had not been for the EMU, the local contractors could not havecompleted their contracts. However, the fact is that although the EMU was successful in helping local contractors carry out their work, it was not economically sustainable because of (i) unexpected market weakness due to political instability, (ii) the need for the executing agency to carry out certain emergency repairs of damaged roads, and (iii) the executing agency's inability to pay the associated rent. At the same time, the financial capabilities of local contractors increased over time so that the need for EMU equipment declined. The executing agencydisbanded the EMU to reflect reality. In the future, economic viability and sustainabilityshould be considered when setting up a unit. The market forecast and sources ofmaintenance fund should especially be evaluated. What should be avoided is setting upan agency playing a commercial function but with no secure market visibility so that itsexistence would depend on continued foreign assistance.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Finance & Financial Aspects: Financial analysis Finance & Financial Aspects: Financing Finance & Financial Aspects: Market analysis Monitoring & Evaluation: Project evaluation Project Management: Executing/Implementing agencies Project Management: Operation and maintenance Project Management: Procurement Capacity Development: Capacity development Sector Related Issues: Roading  The major problem facing road maintenance today is lack of financing. The RoadBoard Bill was expected to have been in place by 1996. Yet it was approved after 6years and is not yet fully effective. It is important to continue to dialogue with thegovernment to make adequate maintenance funds available for the road project. Therewould have been an agreement with the government on adequate funding levels forroad maintenance and the funding levels could have been a loan covenant. If properlyenforced, this covenant could have assured sufficient financing levels, at least for theproject roads. Sustainability should be given full consideration when the governmentsets up an institution so that a resulting setup does not become inactive due toinadequate operational funds shortly after project completion.   project cycle stage: Appraisal Operation  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Finance & Financial Aspects: Financing Loan Agreement: Covenants Project Management: Operation and maintenance Capacity Development: Ownership Sector Related Issues: Roading Methodologies/Approaches: Consultation/Participation |
| Much of the project's success can be attributed to good leadership at various levels of the organization: Department of Technical and Vocational Education and Training (DTVET), formal technical and vocational education and training (TVET) institutions, provincial training centers (PTCs), Human Resources Development of the Ministry of Health (MOH), Ministry of Health (MOH), National Institute of Public Health (NIPH), Technical School of Medical Care (TSMC), regional training centers (RTCs), and Project Implementation Unit (PIUs). Differences in physical appearances of the institutions, enthusiasm, andquantity and quality of outputs can be traced to the effectiveness of leadership. Some notable traits of effective leadership are: (i) a clear vision of technical and vocational education and training (TVET) subsectors, manifested by development of long-term plans, (ii) openness to new ideas, (iii) willingness to take risks, perseverance in going around bureaucratic rules in order to get achieve results, (iv) concern and care for the staff, providing the training and logistical support to enable to perform better, and (v) giving constant recognition for good performer through verbal appreciation or financialincentives.     <!-- project cycle stage: Feasibility, Implementation    Lesson Topics:   Project Management: Executing/Implementing agencies  Project Management: Project management  Capacity Development: Capacity building  Capacity Development: Capacity development  Capacity Development: Human resources management  Sector Related Issues: Education --> |
| Project facilitation by community organizing could have been further enhanced, ifthe roles of all implementers, particularly nongovernment organizations (NGOs), were better defined at thecommencement of the project. More rigorous screening of NGOs is critical.  project cycle stage: Design  Lesson Topics:  Project Design: Project design Methodologies/Approaches: Civil Society Participation  Sustainable environmental management is possible only when accompanied bysustainable economic development of communities. The project provides a goodmodel for reaching the poorest of the poor through viable economic developmentand sustainable environmental management.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Environmental management Crosscutting Issues/Themes: Poverty reduction Crosscutting Issues/Themes: Sustainability Project Design: Project design  The local application of sloping agricultural land technology (SALT) failed. To ensure sustainability, any farming system to be introduced to indigenous peoples must be adjusted to local conditions andshould have a relatively low maintenance cost.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Crosscutting Issues/Themes: Vulnerable groups Project Design: Project design Project Management: Operation and maintenance Sector Related Issues: Rural development  The project's success reaffirms the validity of using a holistic approach thataccommodates various priority needs of the people and adopting a participatoryprocess in its planning, design, and implementation. Winning theconfidence of some sections of the Mangyan communities in regard to projectgoals and objectives was a slow process, but they ultimately contributed to theproject's successful implementation.  project cycle stage: Design, Feasibility, Implementation  Lesson Topics:  Crosscutting Issues/Themes: Vulnerable groups Methodologies/Approaches: Holistic approach Methodologies/Approaches: Participatory approach |
| A further lesson is the need for clarity of purpose. The Program's prime objective wascrisis alleviation, to prevent things from getting worse, rather than poverty reduction. While thereis considerable overlap between the two objectives, there are also some design deficiencies.Much of the discussion about the Program focused on its contribution to helping the poor, yet some of the poorest groups (e.g., children who had already dropped out of school) were notincluded. Designers of any future crisis-related assistance should be aware that interventionschosen to meet a short-term emergency may not be sufficient to tackle the long-term problemsof chronic poverty.  project cycle stage:   Lesson Topics:    Even where there is common purpose, different stakeholder groups adopt differentapproaches. In addressing the social issues arising from the economic crisis, for example, thepolitical imperative for the Government was to spread the benefits of the Program as broadly aspossible. An inherent danger in this is that the intended focus on the most vulnerable groupscan lose some of its sharpness.  project cycle stage:   Lesson Topics:    Insufficient attention was paid to program management at the outset of the program.More effective management structures evolved during the course of implementation, but theywere not part of the program design. The integration of the program's education component intothe larger Scholarships and Grants Program (SGP) facilitated its implementation. It benefited from the management team established in the Ministry of National Education (MONE), the training provided to district and school committees, and the publicawareness campaign supplemented by other aid agencies. Integration of the education component into a nationwide program also enhanced theimpact of the program and leveraged significant other aid agencies' inputs. The impact of thehealth component was more limited geographically. It was not until the introduction of the Health and Nutrition Sector Development Program (HNSDP) that national coverage was achieved.  project cycle stage: Design, Feasibility  Lesson Topics:  Modality: Program Monitoring & Evaluation: Impact evaluation Project Management: Project management Capacity Development: Capacity building Sector Related Issues: Education Sector Related Issues: Health and sanitation management Policy & Reform: Information dissemination/Public awareness  It is possible for ADB and the government to develop an effective large-scale emergency package in a timely manner. However, there has to be strong leadership and support from government. Aid coordination helps a great deal. It also helps if the program has simple and well-defined objectives. The education component was based on the simple idea of delivering funds directly to two target groups - poor students and needy schools. The health interventions were also based on the principle of delivering funds directly to identified target groups, but the task of identifying beneficiaries was considerably more difficult for health, and consequently the health component ran into more difficulties. One of the key issues for social protection policies aimed at risk mitigation is identifying the vulnerable groups. The program demonstrated that this is not an easy task since it relies oncommonly agreed criteria and accurate data, neither of which existed. There is still a need forimprovements in these two areas.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Social protection Crosscutting Issues/Themes: Vulnerable groups Finance & Financial Aspects: Financing Modality: Program Monitoring & Evaluation: Data collection and management Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Risks/Risk management Capacity Development: Ownership Country Context: Emergency Sector Related Issues: Education Sector Related Issues: Health and sanitation management Methodologies/Approaches: Targeting  It is possible to circumvent a conventional funds flow mechanismthat is slow and subject to leakage, for the disbursement of funds directly to beneficiaries and service providers of basic social services benefiting the vulnerable groups.  project cycle stage: Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Vulnerable groups Finance & Financial Aspects: Disbursement  Last, the Program was a set of largely successful, short-term arrangements introducedunder crisis conditions. These arrangements have been maintained and extended beyond theend of the Program, through the World Bank-assisted national SGP and the HNSDP. The crisisforced the Government to take bold and decisive action. As Indonesia moves beyond the crisis,the opportunity arises to address longer term policy issues, relating to equity of access andquality improvement in the provision of social services. The crisis increased the motivation forchange. The challenge now is to maintain the momentum.  project cycle stage:   Lesson Topics:    The Program attempted to provide a package of interventions that were generallyappropriate. Unsurprisingly it ran into problems in remote areas, where underdevelopedcommunications and transportation caused difficulties and indeed rendered even the routineexercise of administration difficult. In some remote parts of Irian Jaya (West, Central, and EastPapua), where there is a concentration of vulnerable ethnic groups, or Maluku (Maluku andNorth Maluku), where there is intercommunal violence, the standardized solutions presented bythe Program may not have been appropriate. Future social protection program plans shouldtherefore consider the design of short-term emergency interventions in different geographical,ethnic, and political contexts.  project cycle stage:   Lesson Topics:    The set of policy reforms to which the government committed itself reinforced the project loan interventions and strengthened the impact of the program. Although introduced as short-term assistance, the process of reform set out in the policy matrix was a necessary part of the package. Indeed, it has been one of the enduring legacies of the program. The program loan supported the initiation of nationwide sustainable policy reforms to ensure the inclusion of and equity of the poor in key social services, and enhanced decentralized management to improve the efficiency of social services delivery systems.  project cycle stage: Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Poverty reduction Crosscutting Issues/Themes: Sustainability Modality: Program Monitoring & Evaluation: Impact evaluation Project Design: Project design Country Context: Decentralization Policy & Reform: Policy matrix Policy & Reform: Policy reforms/framework |
| A project that monitors only physical and financial progress will prioritize those aspects, often excluding other equally important aspects such as social and human resource development, and institutional development. To give due emphasis to the noncivil work aspects of a project, it is essential to incorporate into its logical framework, then monitor, specific targetsthat reflect both the quantitative and qualitative achievements of its nonphysical aspects. Also, it is necessary, from a project's onset, to establish a permanent operational system to monitor and evaluate implementation performance and development impact at various stages.  project cycle stage: Design, Feasibility, Implementation  Lesson Topics:  Monitoring & Evaluation: Impact evaluation Monitoring & Evaluation: Monitoring and evaluation Capacity Development: Capacity development Capacity Development: Human resources management Methodologies/Approaches: Targeting  Delay in recruitment or underutilization of consultants will likely lead to weak projectmanagement and monitoring. The need for consultant inputs should be discussed thoroughlyduring project preparation. Long delays in consultant recruitment during project implementationshould not have been accepted. Proposals to reduce or modify the input of consultants duringimplementation should be carefully reviewed.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Project Management: Consultants Project Management: Project management  Establishment alone of high-level Project Steering Committee (PSC) or Project Coordination Committee (PCC) to ensure intra- and interdepartmental coordination is not effective. Project designs should also clearly describeeach agency's responsibilities, and resources to implement them.  project cycle stage: Design  Lesson Topics:  Project Design: Project design Project Management: Project management Methodologies/Approaches: Consultation/Participation  Routine water user association (WUA) registration and beneficiary contributions have been far insufficient to ensure ownership of this type of project, or its outputs. Genuine and voluntary participation of beneficiaries is necessary throughout the project cycle, from design, to implementation, to operation, and maintenance. This could be better achieved by establishing WUAs that build on existing groups that previously shared and managed their assets. Essential to this approach is: (i) an assessment of the beneficiaries' socioeconomics, including group dynamics of land tenure and water rights, and their effects on costs and benefits; (ii) the development and implementation, before any physical construction, of a program to promote social mobilization and full awareness of project benefits and requirements; (iii) the promotion of active beneficiary participation in decision making and monitoring; and (iv) regular monitoring and follow up of the beneficiaries after project completion. Devolvement of responsibilities, including participatory management of distributary canals, is also considered a requirement for increasing the beneficiaries' ownership of irrigation schemes. But experience in Pakistan's irrigation sector indicates low institutional acceptance of the transfer of responsibilities for irrigation management, and the need to rethink the issue.  project cycle stage: Design, Feasibility, Implementation, Operation  Lesson Topics:  Finance & Financial Aspects: Financial analysis Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Project Management: Operation and maintenance Capacity Development: Ownership Country Context: Decentralization Sector Related Issues: Irrigation management Policy & Reform: Information dissemination/Public awareness Methodologies/Approaches: Community approach Methodologies/Approaches: Consultation/Participation  The availability, reliability, and efficiency of irrigation water use at the farm level can best be increased through a combination of watercourse improvement and adoption of improved farm practices. The strategy should be presented to the farmers as a comprehensive package that recognizes the necessity of each component, as well as the multiplying effect of their association, to maximize efficiency of the intervention and ensure sustainability of benefits. Thepackage must be flexible, and should include appropriate messages for different types of farmers (for example, both small and large landholders, and resource-rich as well as resource-poor farmers) who share the same watercourse command area.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Project Design: Project design Capacity Development: Capacity development Sector Related Issues: Irrigation management Sector Related Issues: Water resource management Policy & Reform: Information dissemination/Public awareness Methodologies/Approaches: Holistic approach Methodologies/Approaches: Process approach  The beneficial impacts of on-farm water management (OFWM) projects can be substantial. But benefits can besustained only if resources are adequate to operate and maintain minor and distributary canals,as well as main drains, after project completion. This emphasizes the need to comprehensivelyinstitutionalize the role of each group of stakeholders during Project Design, and that agenciesthat will be responsible for post-project operation and maintenance demonstrate a high degreeof commitment before project completion. There is also a need for timely commitment ofoperational and maintenance resources.  project cycle stage: Design, Implementation  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Finance & Financial Aspects: Financing Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Operation and maintenance Capacity Development: Ownership Sector Related Issues: Irrigation management |
| Future infrastructure projects should limit their multifaceted nature, concentrate on a fewmain infrastructure modes, limit agency participants, ensure the inclusion of project financialcapacity, and give responsibility for Benefit Monitoring and Evaluation (BME) to the executing agency (EA) or the infrastructure operating agency.Vanuatu, with its limited institutional capacity and relative government instability, is better suited to projects that are less complex and diverse than this one. That would simplify implementationarrangements and O&M requirements. Future projects should incorporate capacity building, andtheir effectiveness should be monitored carefully.  project cycle stage: Design, Feasibility, Implementation  Lesson Topics:  Finance & Financial Aspects: Financial management Monitoring & Evaluation: Benefit monitoring and evaluation Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Operation and maintenance Capacity Development: Capacity building  Loan covenants should be limited to a few directly relevant and achievable conditionswith strong government commitment. The loan covenants in this project that related to O&Msustainability were too wide-ranging and indirect. An alternate approach, requiring acommitment for direct O&M budget funding or related capacity building, would have been moreeffective, because it would have been simpler to understand, and easier to comply with.  project cycle stage: Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Finance & Financial Aspects: Financing Loan Agreement: Covenants Project Management: Operation and maintenance Capacity Development: Capacity building Capacity Development: Ownership  Reliance on complementary technical assistance (TA) from other agencies should be limited to noncriticalproject areas, and only if the continuity of funding is assured. The late withdrawal of some TAand institutional strengthening from Australian Agency for International Development (AusAID), and all of New Zealand Overseas Development Assistance (NZODA) assistance, significantlyweakened the project's capacity building and institutional strengthening. That, in turn,weakened the project's sustainability.  project cycle stage: Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Finance & Financial Aspects: Financing Modality: Technical Assistance Project Design: Project design Capacity Development: Capacity building Capacity Development: Capacity development  The capacity and funding for O&M should be carefully assessed for all futureinfrastructure projects in Vanuatu, and direct mechanisms to ensure sustainability should beimplemented before the loan becomes effective. Project sustainability is a significant problem inVanuatu because of (i) the executing agency's (Public Works Department's) limited capacity in maintenance, and a virtual absence ofmaintenance capacity in other organizations; (ii) a reluctance of Ministry of Finance and Economic Management (MFEM) and the government toallow the use of ï¿½tiedï¿½ funds because of concerns that the funds will be misused; and (iii) thegovernment's reluctance to place O&M for the Luganville water supply under an entitydedicated to water services, as is done in Port Vila.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Finance & Financial Aspects: Financing Project Management: Executing/Implementing agencies Project Management: Operation and maintenance Capacity Development: Capacity assessment Sector Related Issues: Health and sanitation management |
| Implementation of loans and TAs can be improved through better coordination within the executing agency or Water and Power Development Authority (WAPDA) and among WAPDA, the Government of Pakistan, and ADB. In loan implementation, substantive requests for loan reallocation and extension of loan closing often originate directly from WAPDA. ADB is not always able to act quickly on the requests due to inadequate information/justification and lack of a formal request from the Economic Affairs Division (EAD). Sometimes a reallocation request from one department originates without that department being fully aware of uncommitted loan balances or the adverse impact the requested loan reallocation could have on subprojects handled by other departments. This is particularly so for sector loans where subprojects fall under different departments (viz., Thermal, Hydel, etc.).  project cycle stage: Implementation  Lesson Topics:  Loan Agreement: Loan Agreement Modality: Technical Assistance Project Design: Subprojects Project Management: Executing/Implementing agencies Project Management: Project administration Methodologies/Approaches: Consultation/Participation  Since the electromechanical contracts (EM-1 and EM-2) were due to commence at the same time as the civil works, the delay in the financing arrangements of EM-1 and EM-2 caused delays in the civil works. It is essential for future projects that, when contracts depend on one another, financing be secured for all parts of the project. This also applies to environmental issues. There was a delay in the KfW financing for Part A due to problems with oil handling, the wastewater plant, and gas allocations/supply.  project cycle stage: Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Environmental management Finance & Financial Aspects: Financing Project Management: Procurement Sector Related Issues: Energy planning/management  The monitoring of project progress should be strengthened further in assisting the executing agency (Water and Power Development Authority or WAPDA) meet the reporting and record-keeping requirements in particular, in the aspect of timely submitting of WAPDA's audited financial statements, project progress and completion reports in a format agreed upon by the Borrower and ADB. Although structural reform at WAPDA is expected to significantly improve corporation management, and commercial and financial performance, these areas still need improvement.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Finance & Financial Aspects: Financial reporting Monitoring & Evaluation: Monitoring and evaluation Monitoring & Evaluation: Reporting Project Management: Executing/Implementing agencies Project Management: Management information system Project Management: Project administration Project Management: Project reporting Capacity Development: Capacity building Policy & Reform: Public sector reform Policy & Reform: Reform  The project was successful in many aspects except for significant delays caused by the unavailability of counterpart funds. Future ADB assistance to the power sector in the country should take into account the adequacy of counterpart funds from the Borrower or the executing agency (Water and Power Development Authority or WAPDA), possible cost overruns, and internal procedures that may affect implementation.  project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Counterpart funds Finance & Financial Aspects: Financial analysis Project Management: Executing/Implementing agencies Project Management: Project administration Sector Related Issues: Energy planning/management |
| Any changes in loan consultants' terms of reference or contracts should beagreed in advance between the government, the consultants and ADB.  project cycle stage: Implementation  Lesson Topics:  Project Management: Consultants Project Management: Executing/Implementing agencies Methodologies/Approaches: Consultation/Participation  Appraisal projections and assumptions for incremental water sold and revaluationof assets were relatively high. Future projects should ensure that projections arebased on realistic assumption of the financial capacity for sub-borrowers.  project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Financial analysis Project Design: Appraisal Sector Related Issues: Health and sanitation management  As a result of capacity building training, public urban services organization (PUSO) staff were able to set water tariffsfor apartment residents and institutions according to business plans and the cost recoveryprinciple. The training increased the awareness among PUSO staff ofthe importance of regular adjustment of tariff schedules for the cost recovery,which should be taken as a good lesson for enhancing sustainability of similarfuture projects.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Finance & Financial Aspects: Financial management Capacity Development: Capacity building Capacity Development: Human resources management Sector Related Issues: Health and sanitation management Sector Related Issues: Urban sector/development  At appraisal, the civil works in each project town were divided into four packages. This proved to be unrealistic, as the multiple contracts would have been difficult for the public urban services organizations (PUSOs) to manage. Closer involvement of PUSO staff in the planning and packaging of civil works would have helped to avoid the need for repackagingduring implementation.  project cycle stage: Feasibility  Lesson Topics:  Project Design: Appraisal Project Design: Project design Project Management: Procurement Project Management: Project management Sector Related Issues: Urban sector/development Methodologies/Approaches: Consultation/Participation  The consultants contracted under the associated technical assistance (TA) worked with the executing agency (Ministry of Infrastructure or MOI), while the loan was implemented by Government Implementing Agency for Construction, UrbanDevelopment, and Public Utilities (GIACUDPU). This arrangement hampered coordination of inputs provided under the TA and the loan. A key lesson for future projects is to place both loan and associated TA project consulting services under onecounterpart agency, to ensure coordination and synchronization of implementation.  project cycle stage: Design  Lesson Topics:  Modality: Technical Assistance Project Design: Project design Project Management: Consultants Project Management: Executing/Implementing agencies Sector Related Issues: Urban sector/development Methodologies/Approaches: Consultation/Participation |
| Although the project is considered successful, the Project Implementation Unit (PIU) felt that relatively more time wasdevoted to delivering project inputs and less time was devoted to site monitoring, impact analysis, and quality assurance of project outputs. Future results-based project management should respond to this weakness.   project cycle stage: Implementation  Lesson Topics:  Monitoring & Evaluation: Impact evaluation Monitoring & Evaluation: Monitoring and evaluation Project Management: Project management  Continuity of Project Implementation Units (PIUs) and of project managers with staff management skills , are crucial elements for successful projects.  project cycle stage: Implementation  Lesson Topics:  Project Management: Project management Capacity Development: Human resources management  The project design could have focused on fewer objectives, which would have helped enhance the quality of project implementation. Some planned activities were beyond the project's scope, such as the development of Pusat Pengembangan Penataran Guru (PPPGs or Center for Teacher Training Development) as centers of excellence. A more careful assessment of each planned intervention at the time of project design would have been beneficial.  project cycle stage: Feasibility  Lesson Topics:  Project Design: Project design Sector Related Issues: Education |
| The prequalification exercise resulted in the unconditional prequalification of three companies. In hindsight it is clear that none of these companies had the capacity to undertake more than one contract. Ultimately this contributed significantly to the delay of the civil works implementation since one company was awarded all three road packages but could not complete the works on its own and had to hire plant and labor from other companies. The delays resulted in higher implementation costs, in particular the extended duration of the supervision consultants. More care should have been taken in the prequalification process.  project cycle stage: Appraisal Implementation  Lesson Topics:  Finance & Financial Aspects: Financial analysis Project Management: Consultants Project Management: Procurement Sector Related Issues: Roading  While the delayed implementation of the project is partly attributable to the awarding of all road packages to the same contractor, it should have been expected that the privatization process would create difficulties because of the inexperience of the companies involved and their less than optimum resources. However, the works were ultimately completed to a relatively high standard. Since completion of the project, the newly privatized and commercialized companies have successfully tendered for works projects under international competitive bidding. It is considered that the timetable for the privatization of the state-owned enterprises was somewhat optimistic. While there were delays and additional costs, the privatization process has been successful and is ongoing with the mechanism in place.  project cycle stage: Feasibility  Lesson Topics:  Project Design: Project design Project Management: Procurement Sector Related Issues: Roading Policy & Reform: Privatization Policy & Reform: Public sector reform |
| For future ADB assistance to Bangladesh Power Development Board (BPDB) and Dhaka Electricity Supply Authority (DESA) as executing agencies (EAs), the design and implementation schedule should take into account the track record of procurement delays, and ways to speed procurement. Also, ADB should ensure that future EAs fully understand its procurement processes through training and explanation of the importance of timely and accurate procurement in the Project Administration Memorandum at project inception. Delegation of powers from higher authorities to the EA is critical to both recommendations. The corporatization of DESA and the reorganization of BPDB into corporate entities and profit centers, paving the way for further restructuring, seems to be a potential solution.  project cycle stage: Design, Feasibility  Lesson Topics:  Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Procurement Project Management: Project administration Capacity Development: Capacity building Country Context: Decentralization Sector Related Issues: Energy planning/management Policy & Reform: Public sector reform  There is a need to integrate the project design and implementation team, currently the Project Implementation Organization (PIO), with the unit that will eventually oversee day-to-day operations of the investment. Currently, the PIO oversees all project implementation. Upon completion, that responsibility will be handed over to the operating unit. This system does not allow the consultants and contractors to transfer experience and practices to the operating unit. Integration will make the transition of systems such as supervisory control and data acquisition (SCADA) and power station's financial management upgrade, much smoother.   project cycle stage: Feasibility, Implementation  Lesson Topics:  Finance & Financial Aspects: Financial management Project Management: Consultants Project Management: Executing/Implementing agencies Project Management: Management information system Project Management: Operation and maintenance Project Management: Project management Capacity Development: Technology/Technology transfer Sector Related Issues: Energy planning/management |
| Some in government feel that the success of the Tuvalu Trust Fund was influenced by the technical assistance (TA) that supported its corporate governance. This TA includes funding of the Tuvalu Trust Fund Advisory Committee (TTFAC) and the Board members, including representatives of the governments of Australia, New Zealand, and the United Kingdom. The logical extension of this view is that TA and advice from external parties are essential to the long-term success of the Falekaupule Trust Fund (FTF). Capacity constraints are significant in the microstates, so this has implications for ADB's Pacific strategy to encourage the use of trust funds as a tool for development assistance. Long-term advice isneeded to strengthen governance and maximize the likelihood of success in the use of trust funds.  project cycle stage: Appraisal, Country Partnership Strategy  Lesson Topics:  Crosscutting Issues/Themes: Corporate governance Crosscutting Issues/Themes: Governance Finance & Financial Aspects: Financing Modality: Technical Assistance Capacity Development: Capacity assessment Capacity Development: Capacity development Policy & Reform: Policy reforms/framework  The need for counterpart staff has often been identified as crucial forthe success of projects. Island Development Program (IDP) was handicapped by a lack of staff in Ministry of Home Affairs and Rural Development (MHARD), the executing agency, because many staff were overseas for long-term training. Often, adequate transfer ofskills was not possible because of the difficulty in identifying counterparts, and competingdemands for their time. Complicating this problem was the Ministry's ability to retain staffbecause of a perceived lack of prestige. These issues should be considered before initiatingfuture projects, or stronger constraints should be placed on the executing agencies to ensurethe availability of adequate counterpart staff. But it is recognized that every project will havefactors beyond the control of its designers.  project cycle stage: Appraisal, Country Partnership Strategy  Lesson Topics:  Loan Agreement: Covenants Modality: Program Project Management: Executing/Implementing agencies Capacity Development: Human resources management Capacity Development: Technology/Technology transfer  Tranche conditions for fund release could be more tightly focusedto address program objectives. Conditions such as improving government paymentprocedures, introduction of output budgeting, and corporatizing the maritime training school arenot directly relevant to the loan's objectives. Fewer and more verifiable conditions that aredirectly related to the loan's objectives would bring more long-term benefits to the islandcommunities. An example of such a condition is a requirement that the government maintainsits financial support to the local governments after introduction of the Falekaupule Trust Fund (FTF).  project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Disbursement Finance & Financial Aspects: Financing Loan Agreement: Covenants Modality: Program Country Context: Decentralization  Translation of crucial documents is essential when dealing with island communities.Budgets should be provided for translation, through loans or technical assistance (TA). Allowances should be made fordelays associated with translation. The language problem can partly explain the disputes aboutdistribution. The Falekaupule Trust Fund (FTF) Deed was written in English, without translation. This issue was resolvedat the Island Leaders Conference, but it was agreed that it should be reviewed in 2005 afteranother 3 years of operation.  project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Financing Modality: Technical Assistance |
| ADB needs to ensure that the project executing agency (EA) has adequate resources to implement the project on schedule. In this project, the executing agency (EA) was not diligent due to lack of resources and motivation. It should have coordinated with ADB and the consultants more closely, streamlined approvals, and followed ADB guidelines and procedures from the outset. It only communicated when ADB requested information and then only after considerable delay. Advice offered by ADB was often disregarded. Civil works procurement was delayed due to the EA modifying the bidding documents after they were approved by ADB, which made appointing contractors even more difficult. Lastly, the EA ignored the loan covenants.   project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Counterpart funds Loan Agreement: Covenants Project Management: Consultants Project Management: Executing/Implementing agencies Project Management: Procurement Methodologies/Approaches: Consultation/Participation  Only the Canadian International Development Agency (CIDA) grant was provided to the Bangkok Regional Structure Plan. The Inception Mission only visited the National Economic and Social Development Board (NESDB) in 1993 to review progress on the component. NESDB and ADB did not coordinate with each other although the component was successfullycompleted. A component without ADB loans and grants should not be incorporated into future projects. CIDA and ADB did not coordinate with each other. The cofinanciers should haveperiodically discussed the project's status during implementation.  project cycle stage: Appraisal Implementation  Lesson Topics:  Finance & Financial Aspects: Financing Project Design: Appraisal Project Design: Project design Methodologies/Approaches: Consultation/Participation  The Asian economic crisis caused one contractor to seriously delay the project. Careful attention should be paid during the prequalification exercise to ensure that bidders have sufficient financial resources.  project cycle stage: Implementation  Lesson Topics:  Finance & Financial Aspects: Financing Project Management: Procurement Country Context: Crisis/Post-crisis  The executing agency selected the construction supervision consultants locally without reference to ADB's Guidelines on the Use of Consultants. As the loan did not include funding for the consulting services, ADB had difficulty controlling the consultants. To avoid the same kinds of delay and difficulty, the construction supervision consultants should be financed from the loan and selected in accordance with ADB's guidelines. The consultants of each section of the project road were different, which required additional coordination. For example, one consultant made a requested project completion report, but another did not. More than one consulting service contract for construction supervision was unnecessary.  project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Financing Project Management: Consultants Project Management: Executing/Implementing agencies Project Management: Procurement Project Management: Project supervision Sector Related Issues: Roading Methodologies/Approaches: Consultation/Participation  Three executing agencies (EAs) oversaw four project components, complicating project administration. All the components achieved their objectives, but independently. The EAs coordinated only in thetraining component. A project coordinator should have been appointed from the government.  project cycle stage: Design, Implementation  Lesson Topics:  Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Project administration Capacity Development: Capacity building Methodologies/Approaches: Consultation/Participation |
| The design of any project in Mongolia involving major construction activities should take into account Mongolia's harsh winter and relatively short summer which present a unique set of challenges, made worse by the limited number of consultants and contractors experienced in working under such climatic conditions. Logistics issues are equallychallenging, as Mongolia is land-locked and most items have to be transported overland through the People's Republic of China. Special arrangements for reducing the time for tax and customs-related processing must be addressed at the project design stage to avoid delays that might result in not being able to take full advantage of the short summer. Project related staffs are usually on fixed term contract that terminates immediately after project completion. The project implementation consultants are also difficult to trace. These can create a vacuum in project related knowledge even within the executing agency. Executing agencies lack financial skills and often their accounting systems may be different from international practices; careful consideration is required in developing effective action plans that are deliverable and measurable within the specified timeframe.  project cycle stage: Feasibility  Lesson Topics:  Finance & Financial Aspects: Financial management Finance & Financial Aspects: Financial reporting Project Design: Project design Project Management: Consultants Project Management: Executing/Implementing agencies Project Management: Procurement Project Management: Project management Capacity Development: Human resources management |
| An appropriate balance needs to be found between local government autonomy and public sector efficiency and accountability. In a number of aimags (provinces), there appears to be a significant overlap of activities betweenprovincial and subprovincial administrations. The implementation of the pilot program and the subsequent training initiatives at the aimag levels have demonstrated the need for consolidation of administrative and service-delivery functions at the subprovincial levels. While it is a complex issue, it needs to be addressed given the state of inter-governmental fiscal dependence. In particular, the number of sums (municipalities) and the activities that they perform need to be rationalized. This would have a favorable impact on reducing the overheads and operational costs involved in public sector administration. Further, the recent move on establishing regional development centers could facilitate the consolidation of administrative functions on the basis of regional or subregional cluster-type arrangements. ADB will provide technical assistance (TA) support to undertake a functional review of the need for and scope of such consolidation. It is essential that the government work with local governments to ensure that the reforms to the center-provincial relations that are under way now penetrate down to the subprovincial levels as well. Efforts in this area should be undertaken along with a careful monitoring of how contractual and subcontractual relations emerge at the provincial and subprovincial levels under the Public Sector Management and Finance Law (PSMFL).  project cycle stage: Feasibility, Appraisal Operation  Lesson Topics:  Crosscutting Issues/Themes: Corruption Crosscutting Issues/Themes: Legal system Crosscutting Issues/Themes: Public governance Modality: Program Modality: Technical Assistance Monitoring & Evaluation: Monitoring and evaluation Capacity Development: Capacity building Country Context: Decentralization Policy & Reform: Reform Methodologies/Approaches: Pilot project  Civil service reforms are critical to ensure sustainability of public sector reforms. It is essential that the government implement a wide-ranging civil service employment and wage reform program, aimed at arriving at an optimal sizeof the public sector labor force. Average civil service salaries at different levels are about 35-50% lower than average private sector compensation at comparable levels. The government embarked on a 4-year plan in 2000 to increase civil service wages by 25% every year. Given the serious budgetary implications, the government is carefully reviewing the increase proposed for 2003. In addition, Mongolia does not have a permanent, merit-based, or well-managed civil service. While a proper implementation of the provisions of the Public Sector Management and Finance Law (PSMFL) will bring about changes, the current practice of senior-level appointments and promotions being made on political or other affiliations is not conducive to the formation of a strong cadre of civil servants. There have been frequent changes of personnel in key positions, which partly has been a reason for the lack of real commitment across various levels of the government for public sector reforms. The measures introduced under the Governance Reform Program (GRP) will be sustained through ADB technical assistance (TA) support.   project cycle stage: Feasibility, Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Legal system Crosscutting Issues/Themes: Public governance Crosscutting Issues/Themes: Sustainability Modality: Program Modality: Technical Assistance Project Management: Executing/Implementing agencies Capacity Development: Human resources management Capacity Development: Ownership Sector Related Issues: Private sector Policy & Reform: Public sector reform  Process-oriented reforms can substitute for capacity constraints. The Governance Reform Program (GRP) has demonstrated that process and procedure-oriented reforms bring about clarity of purpose, help define objectives properly, set appropriate levels of expectations, and launch institutional changes to facilitate transition. While capacity is lacking in the Mongolian public sector, the measures introduced under the GRP have changed the way key institutions function. ADB's sector interventions have demonstrated that there is no dearth of technical knowledge and skills in the Mongolian public sector. However, the challenge is to improve public sector governance through the introduction of reforms at all levels and provide appropriate incentives to leverage the existing capacity.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Public governance Modality: Program Capacity Development: Capacity assessment Capacity Development: Capacity building Capacity Development: Human resources management Policy & Reform: Reform Methodologies/Approaches: Process approach  Public sector reforms need to be sequenced properly. The Governance Reform Program (GRP) design did not allow for a proper sequencing of all the steps needed. First, capacity constraints were identified, but the medium-term cost implications of program implementation were not fully analyzed, vis-ï¿½-vis the likely benefits or savings stemming from the adoption of all the reform measures. Given the significant capacity building needs, it is essential that the government coordinate all external funding agency activities effectively to channel grant funds to support training and information dissemination. ADB plans to steer its follow-up support in an integrated manner, by coordinating its interventions in public sector reforms with ongoing and proposed support in health, education and other sectors. Second, reservations on moving towards output-based budgeting were noted, but its applicability in certain sector ministries and agencies was not fully evaluated. It has to be recognized that a broad-based application of output-based budgeting across the entire spectrum could not be a realistic goal for future interventions. Third, a functional review of the public sector is a critical first step in introducing reforms. While this has been accomplished in part, it needs to be extended to cover all ministries and major public sector institutions prior tomoving further. This issue is currently being addressed through ADB TA.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Public governance Finance & Financial Aspects: Financial analysis Finance & Financial Aspects: Financing Modality: Program Modality: Technical Assistance Project Management: Executing/Implementing agencies Capacity Development: Capacity assessment Capacity Development: Capacity building Sector Related Issues: Education Sector Related Issues: Health and sanitation management Policy & Reform: Information dissemination/Public awareness Policy & Reform: Public sector reform Methodologies/Approaches: Holistic approach  Risks associated with the implementation of the Public Sector Management and Finance Law (PSMFL) should be managed well. There are underlying tensions that the PSMFL will recentralize authority and reduce provincial autonomy, given that Mongolia has had powerful sector ministries in the past. In particular, there are concerns that the reforms will demand an increase in accountability without any concomitant increase in authority or independence to achieve the desired objectives. There is little doubt that the budget constraints need to be hardened, which will need a streamlined top-down approachin policy formulation, planning, budgeting and execution. However, such discipline in public administration and financial management should strike a proper balance between accountability and responsibility.  project cycle stage: Implementation  Lesson Topics:  Crosscutting Issues/Themes: Corruption Crosscutting Issues/Themes: Legal system Crosscutting Issues/Themes: Public governance Project Management: Risks/Risk management Country Context: Decentralization Policy & Reform: Policy reforms/framework Policy & Reform: Public sector reform  Social impact should be monitored and managed well. Given the pilot nature of the reform measures adopted, there has been no discernible social impact as a result of Governance Reform Program (GRP) thus far, as anticipated during program design. While attempts to reduce fiscal deficits in a low growth environment are likely to have an adverse social impact,both health and education expenditures have grown by 20% in nominal terms and about 12% in real terms over 2000-2002. However, fuller implementation of the Public Sector Management and Finance Law (PSMFL) and the mainstreaming of reforms in various sectors may initially have a negative impact on the labor market and reduce access of the poor to social services. It is essential that adequate compensation measures are designed and implemented. ADB technical assistance (TA) support includes a component on monitoring the impact and designing such measures. ADB will also maintaincontinuous consultation with the government to ensure that sufficient budgetary allocations are made to cushion any adverse impact of the reforms. These efforts will also be coordinated with the World Bank's proposed structural adjustment loan to support general reform measures under the government's Poverty Reduction Strategy, currently being finalized.  project cycle stage: Implementation  Lesson Topics:  Crosscutting Issues/Themes: Legal system Crosscutting Issues/Themes: Poverty reduction Crosscutting Issues/Themes: Public governance Crosscutting Issues/Themes: Social protection Finance & Financial Aspects: Financing Modality: Program Modality: Technical Assistance Monitoring & Evaluation: Monitoring and evaluation Sector Related Issues: Education Sector Related Issues: Health and sanitation management Policy & Reform: Public sector reform Policy & Reform: Reform Methodologies/Approaches: Consultation/Participation Methodologies/Approaches: Pilot project |
| As for all the projects in the social sector in the Pacific islands, a 5-year implementationperiod is too short, particularly for the achievement of performance targets. Anupfront implementation period of 6 to 8 years appears more realistic.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Project Design: Project design Sector Related Issues: Education Sector Related Issues: Health and sanitation management Methodologies/Approaches: Targeting  Due to the necessity of importing trainers for many of the skills required in the Pacific island developing member countries, outcomes depend to a large extent on the performance of the consultants. The selection of the consultants must be done carefully to ensure a project's success. The experience with consulting firms was particularly unsatisfactory in the case of this project. Strong monitoring to allow for early detection of poor performance and termination of the contracts, if required, must be built into both the contracting procedures and the project's management.  project cycle stage: Appraisal Implementation  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Management: Consultants Project Management: Procurement Project Management: Project management Capacity Development: Capacity building  Experience from this project, as well as from other health projects in other countries,shows that external sources of aid are often in too much of a hurry to press governments toagree on policy positions consistent with their own views and priorities, allowing too little time forthe necessary political process. Also, pressures to expand the agenda to include all of thefunders' favorite subjects can result in overly ambitious plans that do not necessarily reflect what islocally considered important to improve health outcomes.  project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Financing Project Design: Project design Country Context: Prioritization Sector Related Issues: Health and sanitation management Policy & Reform: Policy reforms/framework  In common with other small island states, the Marshall Islands suffers from a lack ofsuitably trained staff who can substitute for colleagues attending training courses or programs.The amount of training planned to take place during the life of the project was probablyunrealistically high. In addition, other trainings continued taking place during implementation,placing an unsustainable burden on staff. A simple way of reducing the disruptive effect oftraining would be to establish manageable blocks of time, for example two periods of 6 to 8weeks each year, during which training can take place.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Project Design: Project design Capacity Development: Capacity building Capacity Development: Human resources management  The assistance provided to the Project Implementation Unit (PIU) for project implementation capacity proved of greatbenefit. However, it did not compensate for weaknesses in accounting. Where very limited accounting skills are available within the country, future projects must provide for additional capacities in this area.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Finance & Financial Aspects: Financial reporting Project Design: Project design Project Management: Project management Capacity Development: Capacity building  The health education campaign has been less successful than anticipated because of the absence of a family health coordinator. The position has remained vacant in view of the inability to recruit a suitable candidate either locally or internationally. In general, as regards covenants requesting additional recruitments, they were in obvious conflict with the requirements of another ADB loan supporting the Public Sector Reform Program to decrease public service employment. Coherence has to be sought within ADB's programs and projects.  project cycle stage: Appraisal  Lesson Topics:  Loan Agreement: Covenants Project Design: Project design Project Management: Procurement Capacity Development: Human resources management Sector Related Issues: Health and sanitation management Policy & Reform: Information dissemination/Public awareness Policy & Reform: Public sector reform  The time budgeted for the consultants for the health financing and accountabilitysegment was obviously too short. Instead of one consultant for 8 person-months, twoconsultants for a total of 5 person-months were recruited. This did not allow enough time foreither of them to work along with local counterparts and implement any substantial change. Experience from other Pacific Developing Member Countries (PDMCs) has shown that a minimum of 1-2 years is required to obtainresults in this sector. However, most borrowers are reluctant to include long consultancies inprojects for economic reasons. Nevertheless, this concern must be balanced with the necessityof building long-term working relationships to obtain change and build capacity in smallcountries that lack skilled staff.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Corruption Finance & Financial Aspects: Financing Project Design: Project design Project Management: Consultants Capacity Development: Capacity building Capacity Development: Technology/Technology transfer Sector Related Issues: Health and sanitation management |
| Although the project's transmission components were generally implemented as conceived at appraisal, implementation delays became a major concern to ADB, and raised local costs significantly. The executing agency (National Power Corporation or NPC) could have mitigated many of the delays with forward planning and effective project management. NPC's management style was generally reactive, with little anticipation of emerging problems. The project would also have benefited if more activities such as separate administration of supply and install contracts in Mindanao had been carriedout in parallel.  project cycle stage: Implementation  Lesson Topics:  Finance & Financial Aspects: Local currency Project Design: Appraisal Project Management: Executing/Implementing agencies Project Management: Project administration Project Management: Project management Sector Related Issues: Energy planning/management  Parts C, D, and E of the project were not closely integrated with parts A and B. Part C was envisaged to be financed by the ADB loan, but ADB agreed to its cancellation. The Report and Recommendation of the President (RRP)did not detail the objectives and scope of parts D and E, nor their financing arrangements. ADB review missions did not monitor or supervise these two parts because the World Bank and USAID financed them, through different projects. Closer coordination with those agencies would have helped assure ADB that project objectives were met.  project cycle stage: Appraisal Implementation  Lesson Topics:  Finance & Financial Aspects: Financing Monitoring & Evaluation: Monitoring and evaluation Project Design: Appraisal Project Design: Project design Project Management: Project supervision  The project schedule at appraisal was unrealistic because it did not include adequate time (i) for the executing agency to comply with the covenants in the loan agreement, which were conditions for loan effectiveness, (ii) for arrangement of cofinancing, even though there were no firm cofinancing commitments when the ADB loan was approved, or (iii) for the evaluation and award of contracts, given the complexity of the executing agency's internal contracting procedures and the need for ADB approval before contract award.  project cycle stage: Appraisal  Lesson Topics:  Loan Agreement: Covenants Loan Agreement: Loan Agreement Project Design: Appraisal Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Procurement |
| Careful consideration should be given to the selection of executing agencies. Havingmultiple executing agencies with no direct linkage with the government's hierarchy madecoordination and cooperation among the entities almost impossible. The Road MaintenanceManagement and Road Safety components would have been more successful if implemented by the Communications and Works Department (CWD).   project cycle stage: Feasibility, Appraisal  Lesson Topics:  Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Operation and maintenance Sector Related Issues: Roading Methodologies/Approaches: Consultation/Participation  Delays and extra expenses caused by pavement failures and the need to add thicker asphalt concrete on several road sections might have been avoided if supervision of the Project Preparatory Technical Assistance (PPTA)consultants, and scrutiny of the final civil works designs, had been closer. Funding constraints should not pressure design consultants to cut back on design standards; it would have been better to shorten the lengths of roads to be improved, rather than marginalizing the design.  project cycle stage: Design, Feasibility  Lesson Topics:  Finance & Financial Aspects: Financing Modality: Technical Assistance Monitoring & Evaluation: Project evaluation Project Design: Project design Project Management: Consultants Project Management: Project supervision Sector Related Issues: Roading  The drawbacks of using a central coordinating agency, the National Highways Authority (NHA), and Ministry of Environment, Local Government and Rural Development (MELGRD) in the project were: (i) assumption of a far greater role than originally envisaged, thus resisting delegation of responsibility to the provincial Communications and Works Department (CWDs); (ii) diffusion of the institutional and sectoral aspects as reflected in the loan covenants; and (iii) a general lack of ownership by the provinces.  project cycle stage: Design  Lesson Topics:  Loan Agreement: Covenants Project Design: Project design Project Management: Executing/Implementing agencies Capacity Development: Ownership Country Context: Decentralization  The project had difficulty in attracting the interest of international contractors for the prequalification process. Breaking such projects into smaller packages, suitable for local competitive bidding, would probably have been better.  project cycle stage: Implementation  Lesson Topics: |
| Although the project's Benefit Monitoring and Evaluation (BME) program is being implemented successfully, it highlights (i) the desirability of commencing BME at an early stage of project implementation, (ii) the needto monitor control areas as well as benefiting areas, and (iii) the desirability of maximizing theuse of secondary data. It is important for future projects that BME is not seen as an end in itself,but rather as a valuable tool which can feed into the management of existing, and the design ofnew, subprojects.  project cycle stage: Appraisal Implementation  Lesson Topics:  Monitoring & Evaluation: Benefit monitoring and evaluation Monitoring & Evaluation: Data collection and management Project Design: Project design Project Design: Subprojects Project Management: Project management  For future projects, project planning should be based on a river basin development approach. It should also be undertaken within an overall system context and should address key constraints in an integrated manner. While the design of the project did not place any particular limit on the scale of subproject investments, in practice, central project office (CPO) and the design companies attempted to remain within the $3.0 million limit, above which subprojects had to be approved by ADB review missions. This resulted in a fragmented and truncated approach in the case of anumber of subprojects. Artificial cost limitations should not of themselves drive subproject selection.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Project Design: Project design Project Design: Subprojects Project Management: Project supervision Sector Related Issues: Water resource management Methodologies/Approaches: Holistic approach  Future projects need to ensure that parallel downstream investments required from provinces, cooperatives, or farmers are made in a timely manner. In several of the project's subproject areas, investments in the secondary and tertiary canal systems have been less than optimal, resulting in lowered system performance and an inability to fully capitalize on project investments.  project cycle stage: Appraisal Implementation  Lesson Topics:  Project Design: Project design Project Design: Subprojects Sector Related Issues: Irrigation management  Getting the design of subprojects right is the key to project performance and impact. The project employed a traditional approach to subProject Design, focusing almost entirely on primary infrastructure. A more participatory and holistic approach to design should result in improved outcomes. Future project designs therefore should include extensive consultation with the primary stakeholders (farmers, water management groups, and irrigation and drainage management companies [IDMCs]). Examples of contributions that these stakeholders can make to system design include identification of investment needs in secondary and tertiary drainage and irrigation systems, alignment and level of canals and drains, location of major structures, and placement of spoil from excavations.  project cycle stage: Design  Lesson Topics:  Project Design: Project design Project Design: Subprojects Sector Related Issues: Irrigation management Sector Related Issues: Water resource management Methodologies/Approaches: Consultation/Participation Methodologies/Approaches: Holistic approach Methodologies/Approaches: Participatory approach  Since the management of most of the irrigation and drainage systems is under thejurisdiction of provincial governments, provincial stakeholders should take a lead role in upgrading and rehabilitating intraprovincial systems under future projects. Under the project, except for complex components such as large pump stations, and large outfall and intake sluices, implementation of several subproject components could have been delegated to the provinces with sufficient implementation capacity.  project cycle stage: Design Appraisal  Lesson Topics:  Project Design: Project design Project Design: Subprojects Capacity Development: Capacity assessment Country Context: Decentralization Sector Related Issues: Irrigation management  The project and the technical assistance (TA) were intended to assist in the development of Viet Nam's water resources institutions. In practice, their impact has been limited. The project and TA experiencehighlights the difficulties in encouraging institutions to adopt new approaches to planning andmanagement. A careful assessment is required during project and TA design of the agency'sreceptiveness to new institutional and operational concepts and the potential to operationalizethem. Furthermore, TA inputs should be planned in a phased manner so that in case ofinsufficient support and ownership on the part of the executing agency, the TA can bereformulated, rescheduled or, in the worst case, terminated.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Modality: Cluster operations Modality: Technical Assistance Project Design: Project design Project Management: Executing/Implementing agencies Capacity Development: Capacity assessment Capacity Development: Capacity development Capacity Development: Ownership Sector Related Issues: Water resource management  The project has shown that physical interventions do not necessarily lead to improved irrigation fee collection - one of the project's objectives. Specific activities need to be integrated in the project design to address cost-recovery issues, taking into account the role of the provincial people's committees in setting irrigation and drainage fees, the performance of the irrigation and drainage management companies (IDMCs) in providing irrigation and drainage services, and the role of the cooperatives and their water management groups. In-system irrigation and drainage conflicts also need to be understood and addressed. For future projects, inclusion of reform measures to improve theperformance of water sector institutions should be considered, besides the physical interventions.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Finance & Financial Aspects: Financial management Project Design: Project design Sector Related Issues: Irrigation management Sector Related Issues: Water resource management Policy & Reform: Reform |
| For new executing agencies (EAs) dealing with the ADB for the first time, particularly in transition economies,more attention needs to be given to familiarize them with ADB guidelines and procedures forsmoother project implementation.  project cycle stage: Design, Implementation  Lesson Topics:  Project Management: Executing/Implementing agencies Project Management: Procurement Policy & Reform: Transition economies  The feasibility study and preliminary design should have been followed by more carefuldetailed design, and the project scope should have been reconsidered to allow proper treatmentof the mountainous sections of the road. In this particular case the consultant that had beenengaged to prepare the feasibility study and detailed design for the project was also engaged toprepare the detailed design for the Second Road Rehabilitation Project as well. While this hasnumerous benefits, a possible disadvantage is that possible deficiencies in the consultant'swork experienced in the first project may affect the second project as well.  project cycle stage: Design  Lesson Topics:  Project Design: Project design Project Management: Consultants Sector Related Issues: Roading |
| A single turnkey contract would have avoided to some extent the delays experienced inthe implementation of the project resulting from inordinate delays in the award of severalcontracts and coordination between various contractors.    project cycle stage: Appraisal Implementation    Lesson Topics:   Project Management: Procurement  Methodologies/Approaches: Consultation/Participation    An integrated project management system equipped with computerized managementinformation systems to regularly review the project's progress is essential in organizations like theRegular discussions with the central and state governments and with TNEB onimplementing assurances such as subventions and power tariffs has prompted the governmentof Tamil Nadu to establish the Tamil Nadu Electricity Regulatory Commission, with a mandate todetermine power tariffs for different categories of consumers, including agriculture.(TNEB). Such systems may help to take timely corrective actions to resolve problems as theyarise, fix the responsibilities, and enhance the accountability of the staff involved.    project cycle stage: Appraisal Implementation    Lesson Topics:   Crosscutting Issues/Themes: Corruption  Project Management: Management information system  Project Management: Project management  Sector Related Issues: Energy planning/management    Regular discussions with the central and state governments and with the Tamil Nadu Electricity Board (TNEB) on implementing assurances such as subventions and power tariffs has prompted the governmentof Tamil Nadu to establish the Tamil Nadu Electricity Regulatory Commission, with a mandate todetermine power tariffs for different categories of consumers, including agriculture.    project cycle stage: Implementation    Lesson Topics:   Crosscutting Issues/Themes: Governance  Loan Agreement: Loan Agreement  Project Management: Executing/Implementing agencies  Sector Related Issues: Energy planning/management  Policy &amp; Reform: Policy matrix    The preparation of a project, including the ready availability of requisite land, is the key to successful implementation and derivation of benefits. Central and state government organizations should consider the availability of and problemsassociated with acquiring land for infrastructure projects at the time of project appraisal.    project cycle stage: Feasibility, Appraisal    Lesson Topics:   Crosscutting Issues/Themes: Resettlement  Project Design: Appraisal  Project Design: Project design  Country Context: Decentralization    The Project Completion Mission feels that, to curtail procurement delays, ADB might consider deputing a procurement specialist with sector-specific experience as a part of the inception mission, or it might advise the executing agency to hire an experienced consultant toprepare and evaluate bid documents. Doing so may substantially improve the quality of biddocuments and reduce the time needed to review and finalize bid documents and evaluationreports. Further, the inception mission should put more emphasis on familiarizing the executingagency staff with ADB procurement requirements and procedures.    project cycle stage: Implementation    Lesson Topics:   Project Management: Consultants  Project Management: Executing/Implementing agencies  Project Management: Procurement  Capacity Development: Human resources management    The successful completion of large-scale infrastructure projects requires critical evaluation of the executing agency's preparedness and commitment to start project implementation as envisaged.    project cycle stage: Feasibility, Appraisal    Lesson Topics:   Project Management: Executing/Implementing agencies  Capacity Development: Capacity assessment  Capacity Development: Ownership |
| Both ADB and the executing agency must exercise realistic planning during projectdesign, and concentrate on activities that traditionally take disproportionately long periods in aland-locked country like Mongolia. Project implementation arrangements and schedules mustalso consider the inherent delays associated with the executing agencies that are first-timerecipients of ADB funding.  project cycle stage: Appraisal  Lesson Topics:  Project Design: Project design Project Management: Executing/Implementing agencies  The collection of reliable data and their analysis is a prerequisite for the assessment ofsocioeconomic benefits in power sector projects. Both ADB and the executing agency shouldmake efforts during project formulation, implementation, and even after project completion toestablish adequate baseline and benchmark information on socioeconomic conditions in projectareas and on how to conduct a through analysis of potential impacts.  project cycle stage: Appraisal, Implementation, Operation  Lesson Topics:  Monitoring & Evaluation: Baseline data Monitoring & Evaluation: Data collection and management Monitoring & Evaluation: Impact evaluation Project Design: Project design Project Management: Executing/Implementing agencies Sector Related Issues: Energy planning/management |
| Although political disruptions delayed the progress of program implementation in difficult macroeconomic circumstances, strong commitment of the executing agency and solid support from the implementing agency prevented the program from derailing and enabled its successful completion. The need for strong ownership of the program by the executing and implementing agencies was confirmed, as many problems not foreseen at the time of program formulation were resolved through a concerted effort of the officials concerned. Such ownership was a result of ADB's extensive and in-depth discussions with government officials on the program design at the time of its formulation, and similar efforts should be made mandatory in processing future assistance, particularly in view of the economic and political instability in the subregion.  project cycle stage: Feasibility  Lesson Topics:  Modality: Program Project Management: Executing/Implementing agencies Capacity Development: Ownership Methodologies/Approaches: Consultation/Participation  Despite considerable interaction and cooperation with the government, executing the program proved to be more complex than originally envisaged. For example, the intricate design of publicly owned mutual funds, involving unusual legal obligations and many politically influential stakeholders, was not fully understood at the time of program formulation.Restructuring and privatizing the funds required political consensus lacking at the time of program inception as well as substantial resources to undertake due diligence. While events unforeseen at the time of program appraisal are inevitable, more efforts may be needed in ascertaining potential areas of technical difficulties and incorporating measures to resolve them. Such efforts at the initial phase of a program's formulation will increase the likelihood of timelyprogram execution.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Legal system Finance & Financial Aspects: Financing Modality: Program Project Design: Appraisal Project Management: Project management Policy & Reform: Privatization Policy & Reform: Public sector reform Methodologies/Approaches: Consultation/Participation  The implementation of the program revealed the deeply entrenched problem of poorcorporate governance and lack of transparency in business practices and market transactions. Many of the frameworks put in place by the program will be meaningless at the operational level unless the participants adopt higher corporate governance standards. There is an immediate need to strategically address the governance issue that seriously restricts development of the capital market and the economy at large. Basic rules and regulations on market transactions, transparency on trade reporting, and timely and accurate disclosure of financial information by the issuers are some of the fundamental factors still missing in the capital market.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Corporate governance Crosscutting Issues/Themes: Corruption Crosscutting Issues/Themes: Governance Finance & Financial Aspects: Financial reporting Finance & Financial Aspects: Financing Modality: Program Policy & Reform: Policy reforms/framework |
| Project finance-oriented eligibility criteria such as financial internal rate of return (FIRR) and economic internal rate of return (EIRR) were not appropriate for lease applicants (mainly small and medium-sized enterprises or SMEs). A simpler return measure should be used. Owing to the revolving nature of short-term advances, overdrafts, and deposits, private domestic commercial banks (PDCBs) found the cash collection and debt service coverage ratios difficult to calculate. They should only be made applicable for term loan portfolios and term deposits and borrowings.    project cycle stage: Feasibility    Lesson Topics:   Finance &amp; Financial Aspects: Financial analysis  Finance &amp; Financial Aspects: Financing  Sector Related Issues: Industry and Trade    Protected industries should not be eligible for financing under future ADB credit lines to avoid, for example, nonperforming subloans and leases in textile manufacturing under the Fourth Development Finance Loan (DFL IV). Had appropriate economic pricing been applied in economic internal rate of return (EIRR) calculation, heavily protected subprojects would have been screened out.    project cycle stage: Feasibility, Appraisal    Lesson Topics:   Finance &amp; Financial Aspects: Financial analysis  Finance &amp; Financial Aspects: Financing  Project Design: Project design  Project Design: Subprojects  Sector Related Issues: Industry and Trade    The participating financial institutions (PFIs) should be required to maintain a computerized system for subproject benefitmonitoring and evaluation, which would facilitate quarterly reporting to ADB and preparation by the PFIs of their own completion reports, required under the Fourth Development Finance Loan Project. Otherwise, data on subprojectswould be difficult to retrieve, especially on those funded by leases, which, being generally 3-4 years, became inactive sooner than term subloans. After certain leases were fully paid, no active files on them were maintained and the old files could not be located easily.    project cycle stage: Appraisal    Lesson Topics:   Finance &amp; Financial Aspects: Financing  Monitoring &amp; Evaluation: Benefit monitoring and evaluation  Monitoring &amp; Evaluation: Data collection and management  Project Design: Subprojects  Project Management: Management information system    The Third Development Finance Loan Project (DFL III) PCR was completed almost 3 years after the Fourth Development Finance Loan (DFL IV) was approved, which prevented ADB from reflecting on the lessons of DFL III during formulation of DFL IV. It could have given more attention and resources to setting up a monitoring system to track the progress of policy reforms and to obtain subproject and participating financial institution (PFI) data required by ADB. Budgetary or technical assistance (TA) resources could have been allocated to sustain training of PFI staff in using the subproject benefit monitoring and evaluation worksheet model and system review, and to refine the model to enhance its usefulness.    project cycle stage: Feasibility, Appraisal    Lesson Topics:   Crosscutting Issues/Themes: Sustainability  Finance &amp; Financial Aspects: Financing  Modality: Technical Assistance  Monitoring &amp; Evaluation: Benefit monitoring and evaluation  Monitoring &amp; Evaluation: Data collection and management  Monitoring &amp; Evaluation: Monitoring and evaluation  Project Design: Project design  Project Design: Subprojects  Capacity Development: Capacity building  Policy &amp; Reform: Policy reforms/framework |
| ADB-funded projects that dovetail well with existing government policy initiatives (in this case, the project's relationship with the National Coastal Erosion Control Plan [NCECP]) have a greater chance of successful implementation and sustainability. Project sustainability is enhanced where the agency, which will ultimately be responsible for project operation and maintenance, is closely involved during the project preparation and implementation phases.  project cycle stage: Feasibility, Appraisal Implementation  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Operation and maintenance Project Management: Project administration Project Management: Project management Policy & Reform: Policy reforms/framework  Coastal protection interventions involving regular, high levels of re-investment, which indicate a negative economic internal rate of return (EIRR), should be carefully scrutinized to assess the intangible benefits and their overall economic efficiency in terms of least cost options. The selection criteria for the inclusion or substitution of subprojects should have been more comprehensive, and included not only technical and social considerations, but also more formal analyses of the financial and economic aspects (such as EIRR), and environmental impacts. ADB should also have had a greater role in the approval of selection or substitution of subprojects.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Environmental assessment Crosscutting Issues/Themes: Environmental management Finance & Financial Aspects: Financial analysis Monitoring & Evaluation: Project evaluation Project Design: Project design Project Design: Subprojects  Coastal protection works that give immediate relief to large areas of flood proneagricultural land are frequently more efficient than erosion control works toprotect land (even valuable land) where the loss of land and property is moregradual.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Environmental management Project Design: Project design Sector Related Issues: Water resource management  Sector loans, which provide considerable flexibility for final subproject selection, are appropriate where the implementing agency's capability is high.  project cycle stage: Appraisal  Lesson Topics:  Modality: Lending modality Project Design: Subprojects Project Management: Executing/Implementing agencies Capacity Development: Capacity assessment  To ensure ongoing benefits from TAs for institutional strengthening, it isimportant to aim to retain trained and experienced staff in the target institutions,especially in specialist technical fields (such as coastal engineers under thisproject).  project cycle stage: Appraisal  Lesson Topics:  Modality: Technical Assistance Capacity Development: Capacity building Capacity Development: Human resources management |
| A high level of efficiency, efficacy, and acceptance of credit lines can be achieved through client focus and specificity of the credit arrangements. However, this requires credit arrangements both to be worked out in sufficient detail with stakeholders and to be tested.   project cycle stage: Feasibility  Lesson Topics:  Finance & Financial Aspects: Financing Project Design: Project design Methodologies/Approaches: Consultation/Participation Methodologies/Approaches: Pilot project  Maintenance issues should have been more carefully analyzed during project formulation, as these were the reason for the rehabilitation. More attention should have been given to maintenance issues during the early stages of project implementation so that innovative arrangements could have been tested and proven to ensure their acceptability and sustainability.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Project Design: Project design Project Management: Operation and maintenance Methodologies/Approaches: Pilot project  Success factors and risks need to be comprehensively analyzed. The project objective of crop diversification was not achieved on the intended scale. Provision of water, extension services, and roads was insufficient to achieve crop diversification under the conditions of gravity irrigation systems found in the project area. Other factors of technical andsocial complexities of water management under tank irrigation systems, traditions, and risks must also be addressed. As farmer organizations (FOs) or farmer groups must jointly decide on crop changes involving water management, group-based approaches to training and extension using FOs as facilitators would likely have been more effective. A methodology was lacking to properly identify and prioritize problems and constraints associated with the intended crop diversification. Theanalytical process of project framework preparation, in use at ADB at the time of project completion and including situation, problem, objectives, and stakeholder analysis, would have been useful. Project experience indicates that, in addition, the comprehensiveness of the analysis including the analysis of the importance and sensitivity of success factors can be ofparticular import,i.e., the relevance of key success factors and the likely importance and efficacy of each to achieve targets must be viewed together. During implementation, performance of these factors should be monitored. If required progress is not achieved, timely design changes should be made.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Project Management: Risks/Risk management Capacity Development: Capacity building Country Context: Prioritization Sector Related Issues: Extension service Sector Related Issues: Irrigation management Sector Related Issues: Roading Sector Related Issues: Rural development  The design of the institutional development component should have been based on a more thorough diagnostic study of performance gaps, which should have included an analysis of the potential role that private service providers could have played. Investments should have been based on strategic institutional development plans and limited to sustained needs. Similarly, the project's substantial training efforts could have been more effective if they had been based on a morethorough needs assessment and strategic training planning process. Earlier provision of the project's required temporary services from the private sector could have been more efficient. The technical assistance (TA) could have been more relevant and effective if its objectives and scope had been aligned with those of the project. The TA's supervision could have been more effective as well.  project cycle stage: Feasibility  Lesson Topics:  Modality: Technical Assistance Project Design: Project design Project Management: Project supervision Capacity Development: Capacity building Capacity Development: Capacity development Sector Related Issues: Private sector |
| Some major loan covenants like the decentralization of the Directorate of Secondary and Higher Education (DSHE) management system, and privatization of textbooks printing and publication, etc., were not fulfilled. Such loan covenants should have been properly assessed before their inclusion in the project, keeping in mind the government's capacity to achieve them within the project duration.  project cycle stage: Appraisal  Lesson Topics:  Loan Agreement: Covenants Capacity Development: Capacity assessment Country Context: Decentralization Sector Related Issues: Education Policy & Reform: Privatization  The revised teacher education curriculum would have given better output if all the teacher educators of all teacher training colleges (TTCs) had been reoriented on the revised curriculum.  project cycle stage: Appraisal Implementation  Lesson Topics:  Project Design: Project design Sector Related Issues: Education Policy & Reform: Information dissemination/Public awareness  To ensure sustainability, the formalities regarding the transfer of facilities and staffunder any project to the government's recurrent budget should be completed well before theend of the project. This transfer will reduce the sufferings of the employees under the project.Moreover, it will increase the job satisfaction of the employees and will have a positiveimpact on the outputs. Any future project design should carefully address the issue ofsustainability.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Project Design: Project design Project Management: Project management Capacity Development: Human resources management |
| The engagement of a domestic agency to assist the executing agencies (EAs) in procurement proved to bewise, particularly as the EAs were not familiar with ADB's Guidelines for Procurement. Thearrangement in which the procurement agency provides expertise in preparing biddingdocuments ensured smooth and timely procurement and also enabled valuable experience tobe passed on to the new EAs. However, when selecting prototype equipment whoseperformance has not been assured and when equipment is delivered ahead of the required timeas in the cases of subprojects 4 and 5, appropriate safeguards such as a higher performancebond and a larger retention fee should have been considered during contract negotiation toprotect clients against non-performance of suppliers' obligations.    project cycle stage: Implementation    Lesson Topics:   Project Design: Subprojects  Project Management: Consultants  Project Management: Executing/Implementing agencies  Project Management: Procurement  Capacity Development: Capacity building    The financial performance of the project utility entities is basically weak because the lowutility tariffs approved by the regulatory board are insufficient to cover operating and capitalcosts. The low tariff has affected the financial viability of four subprojects, namely, subprojects1, 2, 6, and 7. Unless utility tariffs are increased to a level allowing for full cost recovery, theproject entities may have a problem in sustaining their operation without some form ofgovernment assistance. Unless tariffs are reviewed and adjusted yearly on a regular basis, ADBshould in the future consider mechanisms for automatic tariff adjustments.    project cycle stage: Appraisal Implementation    Lesson Topics:   Crosscutting Issues/Themes: Sustainability  Finance &amp; Financial Aspects: Financial analysis  Finance &amp; Financial Aspects: Financing  Project Design: Project design  Project Design: Subprojects  Project Management: Operation and maintenance  Policy &amp; Reform: Public sector reform |
| In addition to the merits of the project, ADB must also evaluate other issues such as the executing agency's (EA's) capability and past performance to execute the project within schedule and budget. The successful completion of large-scale infrastructure projects requires evaluation of the EA's preparedness and commitment to start project implementation as envisaged.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Project Management: Executing/Implementing agencies Capacity Development: Capacity assessment Capacity Development: Ownership  To curtail procurement delays, ADB may consider deputing a procurement specialist with sector-specific experience as a part of the inception mission or advise the executing agency (EA) to hire an experienced consultant to prepare and evaluate bid documents. Doing so may substantially improve the quality of bid documents and reduce thetime needed to review and finalize bid documents and evaluation reports.  project cycle stage: Appraisal Implementation  Lesson Topics:  Project Management: Consultants Project Management: Executing/Implementing agencies Project Management: Procurement Capacity Development: Human resources management |
| Dhaka City Corporation's (DCC's) financial performance was very disappointing. DCC's reassessment ofproperty values within the city is long overdue, as the last reassessment wasconducted in 1989 while normally in Bangladesh the reassessment is due every5 years. DCC also failed to increase the rate of conservancy charges and theirsolid waste management operation is currently not financially viable. At appraisal, an international consultant for accounting, financial analysis, and managementinformation system was provided for 12 month-input; however his input wasreduced to only 9 months. The government and ADB should have paid moreattention to DCC's financial performance and adequate consulting servicesshould have been provided to tackle the problem.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Finance & Financial Aspects: Financial analysis Project Design: Appraisal Project Design: Project design Project Management: Consultants Project Management: Executing/Implementing agencies Project Management: Management information system  Land reclassification was one of the main requirements for cost recovery of theflood protection facilities and was covenanted accordingly in the LoanAgreement. Directorate of Land, Records and Survey (DLRS) was expected to carry out action for the land reclassificationfrom its own budget. However, DLRS did not have the financial or institutionalcapability to carry out the reclassification, and ADB agreed to finance the part of the costs for the reclassification. DLRS's capability should have been reviewedcritically at appraisal and necessary assistance could have been provided toDLRS from the beginning of project implementation.  project cycle stage: Appraisal Implementation  Lesson Topics:  Finance & Financial Aspects: Financing Loan Agreement: Covenants Loan Agreement: Loan Agreement Project Design: Appraisal Project Management: Executing/Implementing agencies Capacity Development: Capacity assessment Capacity Development: Capacity building Sector Related Issues: Water resource management  One of the causes of implementation delay was the time consuming clearance ofillegal settlers along the left bank of the Buriganga River. When the project was appraised in 1991, ADB had no resettlement policy established and aresettlement plan for the squatter clearance was not included in the projectappraisal. The resettlement plan, if prepared at appraisal, could have avoided the delay. Nonetheless the resettlement of project-affected people was carried out in accordance with ADB's policy.  project cycle stage: Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Resettlement Project Design: Appraisal |
| For initial contracts with international suppliers, due to the wide dispersion of projectsites throughout the country, site delivery and installation were not included but were carried outunder a separate contract with a forwarding agent. However, owing to problems related todetermining liability when delivered equipment was defective, in subsequent contracts under theBasic Education Project (BEP), site delivery and installation were, whenever possible, the responsibility of the supplier.  project cycle stage: Appraisal  Lesson Topics:  Project Design: Project design Project Management: Procurement Sector Related Issues: Education  Implementation benefited greatly from the project's simple, straightforward design, which laid the foundations for further cooperation between the government and ADB in the education sector. This initial approach was followed by a more comprehensive project, Basic Education Project (BEP), to build on the project's initial implementation experience and to support broader reforms.  project cycle stage: Concept Feasibility  Lesson Topics:  Project Design: Project design Sector Related Issues: Education Policy & Reform: Reform  Project implementation experience highlighted the importance of a capable, efficient, and stable Project Implementation Unit(PIU). Project management was significantly weakened by the frequent changes in project manager and other PIU staff, which undermined continuity and resulted in ADB and the executing agency having to spend significant resources throughout project implementation on training and orienting new staff. It also greatly increased the project's reliance on internationalconsultants, who played a key role in keeping project activities on track.  project cycle stage: Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Project Management: Consultants Project Management: Executing/Implementing agencies Project Management: Project management Capacity Development: Capacity building Capacity Development: Human resources management  The Educational Management Information System (EMIS) component was significantly delayed due to initial delays in assigning a responsible counterpart agency and insufficient consultant inputs. The complexity of developing an EMIS framework, establishing and modifying the system, and building up necessary capacities were underestimated at appraisal.   project cycle stage: Appraisal  Lesson Topics:  Project Design: Appraisal Project Management: Consultants Project Management: Executing/Implementing agencies Project Management: Management information system Capacity Development: Capacity building Sector Related Issues: Education  The majority of staff trained externally under the project remained in project-relatedpositions for less than a year before moving to jobs outside the education system. Thissignificantly reduced the effectiveness of the training in supporting project activities. In futureprojects, ADB should carefully review with the government the question of retaining externallytrained staff in relevant positions.  project cycle stage: Appraisal  Lesson Topics:  Project Design: Project design Capacity Development: Capacity building Capacity Development: Human resources management Sector Related Issues: Education  The project included provision for 20 person-months of domestic consultants to support the Project Implementation Unit (PIU) in different aspects of project management. Given the high turnover of PIU staff and the wide range of unanticipated issues that arose during implementation, this component proved very useful in providing the project with flexible operational support. Key areas requiring support included translation of documents, customs clearance of equipment, and inspection and follow-up of equipment delivery and installation in schools.  project cycle stage: Appraisal  Lesson Topics:  Project Management: Consultants Project Management: Procurement Project Management: Project management Capacity Development: Human resources management |
| As long as corporate governance of potential borrowers has not markedly improved, thevulnerability of banks can be diminished only at the cost of reducing their role in financialintermediation. One cannot expect credit growth to resume without a successful restructuring ofthe corporate sector to ensure effective debt resolution and viability of potential borrowers.Therefore, the timing of financial and corporate sector reforms should be well coordinated.Recognizing this, ADB has been engaged in policy dialogue on the governance andrestructuring of the corporate sector and reached agreement on a reform agenda.    project cycle stage: Feasibility, Appraisal    Lesson Topics:   Crosscutting Issues/Themes: Corporate governance  Finance &amp; Financial Aspects: Financing  Policy &amp; Reform: Policy matrix  Policy &amp; Reform: Public sector reform  Policy &amp; Reform: Reform    Improved regulation and transparency of financial markets are necessary conditions forsignificantly increasing their role in resource mobilization, but not sufficient ones. As far as atransition economy is concerned, meaningful equity markets cannot be developed rapidlywithout the massive sale of state shares in companies through the stock exchanges.This link between privatization and the development of local equity markets should beconsidered in the design of future privatization policies and programs. In turn, thenonconformance of state-owned enterprise's (SOE's) with listing requirements and corporate governance standards actsas a deterrent to their entry into the capital market. The expectation of privatizing poorly performing enterprises without prior restructuring through the stock exchange is unrealistic. Technical compliance with a condition to offer sharesin companies that cannot be sold is a meaningless exercise that contributes nothing todeveloping equity markets.    project cycle stage: Feasibility    Lesson Topics:   Crosscutting Issues/Themes: Corporate governance  Crosscutting Issues/Themes: Corruption  Crosscutting Issues/Themes: Governance  Finance &amp; Financial Aspects: Financing  Loan Agreement: Covenants  Modality: Program  Project Design: Project design  Policy &amp; Reform: Privatization  Policy &amp; Reform: Public sector reform  Policy &amp; Reform: Transition economies    It is necessary to clearly define the role that foreign banks are to play in banking reforms of a transition economy from the onset of a reform program. The question is how to efficiently use foreign investment as a vehicle for stabilizing and modernizing the banking sector, and increasing confidence and financial intermediation. So far, few, if any, transition economies have managed to successfully reform the banking system without systematically integrating foreign banks in restructuring and consolidation (Siegelbaum et al, pp. 140 and 141).    project cycle stage: Feasibility    Lesson Topics:   Finance &amp; Financial Aspects: Financing  Modality: Program  Project Design: Project design  Policy &amp; Reform: Public sector reform  Policy &amp; Reform: Reform  Policy &amp; Reform: Transition economies    Kairat Bank (KB), established in 1999 to manage performing assets of and deposits from problembanks, proved underfunded by September 2000. This development is typicalfor a transition economy confronted with severe fiscal constraints and a lack of properaccounting figures that reflect the real quality of assets. A banking sector crisis and a furtherdecline in public confidence in the banking system could be prevented only by a flexible andtimely reaction of the authorities under the Financial Intermediation and Resource Mobilization (FIRM) Program. KB was recapitalized with government bonds in March 2001 and its nonperforming loans (NPLs) were transferred to the Debt Restructuring Agency (DEBRA). The expectation, however, that KB could be privatized soon after recapitalization was unrealistic. This observation is in line with theexperience of other transition economies (Enoch et al, p. 58).    project cycle stage: Implementation    Lesson Topics:   Finance &amp; Financial Aspects: Financial reporting  Finance &amp; Financial Aspects: Financing  Project Management: Executing/Implementing agencies  Country Context: Crisis/Post-crisis  Policy &amp; Reform: Privatization  Policy &amp; Reform: Transition economies  Methodologies/Approaches: Process approach    Not much progress has been made in the consolidation of the Kyrgyz banking sector. It has proved more difficult than anticipated to privatize or merge banks and to enforce the orderly exit of weak banks. In dealing with the weaknesses in the banking sector, the Kyrgyz authorities were hindered by the absence of a recognized legal framework, weaknesses in thejudiciary, the lack of precedent, the fear of losses among the banks' customers, and the political strength of owners or managers. This underlines the fact that the Kyrgyz Republic is a typical transition economy in this respect, too (Enoch et al, p 54). Strong political commitment to proceed with banking consolidation is especially important when interventions aretaking place, as legislation is being passed and enacted.    project cycle stage: Implementation    Lesson Topics:   Crosscutting Issues/Themes: Legal system  Finance &amp; Financial Aspects: Financing  Capacity Development: Ownership  Policy &amp; Reform: Privatization  Policy &amp; Reform: Transition economies    The strengthening of banking sector intermediation is a lengthy process in a transitioneconomy, especially if it has a small and vulnerable banking sector prone to recurrent crises. Inthe Kyrgyz Republic, the crises in 1998 and 1999 have resulted in a significant decline in thebanking sector as a share of GDP, a trend that has not been rapidly reversed. Thiscan be partly explained by a serious and sustained loss of public confidence in the bankingsystem, even in those cases where depositors did not in principle lose anything. In addition,examples of other transition economies point to the importance of consolidation, which is noteasily accomplished in a typical transition economy, to pool a critical mass of resources formeaningful levels of intermediation. What is more, there is a clear link between financial andcorporate sector restructuring. All these factors point to the need of sustained interventions inthe financial sector of a transition economy to significantly improve financial intermediation.    project cycle stage: Feasibility, Appraisal, Country Partnership Strategy    Lesson Topics:   Crosscutting Issues/Themes: Corporate governance  Finance &amp; Financial Aspects: Financing  Country Context: Crisis/Post-crisis  Policy &amp; Reform: Public sector reform  Policy &amp; Reform: Transition economies |
| A major cause of delay encountered during implementation of the road improvementcomponent was the breach of contract in the joint-venture agreement between an internationaland a domestic contractor. This serves once again to highlight the importance of screening suchparticipants during the prequalification phase. Accepting that this exercise was undertaken bythe host government, closer collaboration between the executing agency and ADB may have prevented suchdispute. Similarly, delays encountered in the recruitment of consultants for the vehicle inspection centers (VICs) may havebeen minimized by the timely intervention of ADB.  project cycle stage: Implementation  Lesson Topics:  Project Management: Consultants Project Management: Executing/Implementing agencies Project Management: Procurement Project Management: Project administration Sector Related Issues: Roading Methodologies/Approaches: Consultation/Participation  Despite the absence of a Project Administration Memorandum (PAM), all three teams of consultants complied with the periodic reporting requirements. But these dealt primarily with the physical and financial aspects of the works. There was little reporting on benefit monitoring and environmental aspects, which have been significantly strengthened in subsequent ADB-assisted projects. Increased emphasis still needs to be given to the advantages of such activities, particularly benefit monitoring following project completion. For this project, such a requirement was not enforced.  project cycle stage: Appraisal Implementation  Lesson Topics:  Crosscutting Issues/Themes: Environmental management Finance & Financial Aspects: Financial reporting Monitoring & Evaluation: Benefit monitoring and evaluation Monitoring & Evaluation: Reporting Project Management: Consultants Project Management: Project administration Project Management: Project reporting Capacity Development: Capacity building  Projects involving multiple contracts packages in diverse locations need additional resources for implementation. A Project Administration Memorandum (PAM) and project supervision procedures should be designed and implemented to address both the technical and administrative needs, as well as the reporting requirements of ADB and the higher authorities inthe government. Even with these aids, however, if such projects continue to be designed using the piecemeal approach, contract packages will remain small and difficult to supervise. As is the tradition in Bangladesh, both executing agencies (EAs) relied heavily on consultants for basic contract administration and construction supervision assistance. This meant that the opportunity for optimizing skills transfer was missed. Procurement by the EA is obviously still a problem as demonstrated by the EA's lack of success in acquiring some simple road maintenance equipment. Delegation of responsibility between consultants for producing the Borrower's Project Completion Region (PCR) is anotherinherent weakness in multicomponent projects. In this case, the requirement for the preparation of a PCR was overlooked.  project cycle stage: Appraisal Implementation  Lesson Topics:  Finance & Financial Aspects: Financing Project Design: Project design Project Management: Consultants Project Management: Executing/Implementing agencies Project Management: Procurement Project Management: Project administration Project Management: Project reporting Project Management: Project supervision Country Context: Decentralization Capacity Development: Technology/Technology transfer  Technical skills training for Bangladesh Road Transport Authority (BRTA) operators in vehicle inspection and testing was insufficient, and in view of the lengthy delays in this component it was not possible to supplement the earlier training given. The training initially programmed may have been sufficient had a semiautomatic testing system been chosen as envisaged. The decision to install fully automatic diagnostic equipment meant, however, that the time needed for installation and operating skills development was totally inadequate. Clearly, the choice of equipment for theproject's vehicle inspection centers (VICs) was incompatible with the operating environment.  project cycle stage: Implementation  Lesson Topics:  Project Design: Project design Project Management: Project management Capacity Development: Capacity building Capacity Development: Technology/Technology transfer Sector Related Issues: Roading  The project was intended to prolong the life of existing assets in the road sector byinvesting in periodic maintenance works, which had been deferred by the government due tothe paucity of funds. To this end the project was successful despite the difficulty of supervisinga large number of road sections scattered over a wide area, each with different initial conditionsand traffic volumes. Notwithstanding the need to prioritize, it would be prudent in the future tocluster subprojects within clearly defined geographic or administrative areas. This would affordmore meaningful impact on local road networks while easing construction supervision demands.Project implementation would also have been aided had the design called for a minimum size ofcontract packages.  project cycle stage: Appraisal Implementation  Lesson Topics:  Finance & Financial Aspects: Financing Project Design: Project design Project Design: Subprojects Project Management: Operation and maintenance Project Management: Procurement Project Management: Project supervision Country Context: Prioritization Sector Related Issues: Roading |
| An adequate number of experienced contractors is not available in rural areas.Providing repeated training for contractors is very effective in enhancing theircapability and improving the quality of their work. The lease rates ongovernment-owned construction equipment were fairly low, prompting somecontractors to just keep the leased equipment on site without using it. Theequipment would be far better utilized and maintained if owned by contractors.  project cycle stage: Implementation  Lesson Topics:  Project Management: Operation and maintenance Project Management: Procurement Capacity Development: Capacity building Sector Related Issues: Rural development  Due to lengthy government internal procedures, the initial delays in procurementof construction equipment and recruitment of consultants could not be avoided.The advance procurement action and retroactive financing under the loan tocover engaging consultants could not be used.  project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Financing Project Management: Consultants Project Management: Procurement  Local people were not fully aware of the use of union market management committee (UMMC) office buildings.Involvement of local government institutions and local residents in project designand implementation is requisite to the sustainability of project facilities.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Project Design: Project design Project Management: Project management Country Context: Decentralization Methodologies/Approaches: Consultation/Participation  The involvement of labor contracting societies (LCS) groups and nongovernment organizations (NGOs) helped increase participation and users' responsibility in the construction and maintenance of rural infrastructure. This provided employment opportunities to destitute rural women and encouraged many of them to come out for such development work.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Gender Project Management: Operation and maintenance Crosscutting Issues/Themes: Employment Sector Related Issues: Rural development Methodologies/Approaches: Civil Society Participation  The trial program of various types of bituminous surfacing for type-B feeder roads (FRBs) suggested that otta seal is unsuitable. The 40-mm carpeting for roads with heavy traffic and both 25-mm carpeting and double bitumen surface treatment were recommended for roads with light traffic.  project cycle stage: Design  Lesson Topics:  Project Design: Project design Sector Related Issues: Roading Sector Related Issues: Rural development |
| An assurance should have been included in the Loan Agreement to ensure that thegovernment would provide adequate funding for agro-inputs and other necessaryactivities after loan closing. This would have helped the executing agency secure such funding from the government even after the loan closed.  project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Financing Loan Agreement: Loan Agreement Project Management: Executing/Implementing agencies Sector Related Issues: Rural development  Closer coordination between the major external agencies would have been helpfulin avoiding two similar studies in the same sector being taken by ADB and the World Bank.  project cycle stage: Appraisal  Lesson Topics:    Credit should not have been delivered through a government department. Althoughthe farmers received the agro-inputs in a timely manner, there is very little incentive for the executing agency to continue with it after the project has been completed. However, it must continue for the next 10-15 years to ensure sustainability. Since the governmenthas not provided the necessary agricultural inputs to the farmers as envisaged afterthe financial crisis, farmer debt may need to be written down in somecircumstances.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Finance & Financial Aspects: Financing Project Design: Project design Project Management: Executing/Implementing agencies Country Context: Crisis/Post-crisis Sector Related Issues: Rural development  In order to effectively implement the issuance of land certificates, the National Land Agency (BPN) should have been one of the executing agencies. Land titles and land tenure security areextremely important and should be given high priority in future projects.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Environmental management Project Design: Project design Project Management: Executing/Implementing agencies  It is more appropriate to utilize and upgrade existing provincial agricultural offices during implementation rather than construct new facilities as they would bemaintained and operated after the closing of the project.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Project Design: Project design Project Management: Operation and maintenance Sector Related Issues: Rural development  The project preparatory technical assistance (PPTA) for the Phase II project should have been carried out after the mid-term review so as to prepare a more realistic project; this would have enhanced the chances of its being taken up for implementation.  project cycle stage: Implementation  Lesson Topics:  Modality: Technical Assistance Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design  When the government provides planting materials and inputs, it gives farmersreasons to complain if yields are low, and reasons not to pay back the credit to the government. Farmers should have been given a choice of suppliers of planting material from which they could make their own selection, thus shifting some of the responsibility onto the shoulders of the farmers. Farmers could have also been given the opportunity to buy agro-inputs from their local KUD (Village Cooperative Unit) or other outlet.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Finance & Financial Aspects: Financing Project Design: Project design Sector Related Issues: Rural development |
| Foreign and local civil works contractors should be carefully selected through a prequalification process to disqualify those who are incompetent. Local competitive bidding should be considered to choose local contractors, which are considered more economical and efficient for minor civil works.    project cycle stage: Appraisal Implementation    Lesson Topics:       Lack of detailed discussions about technology, design standards and communityparticipation partly resulted in the need to change the scope of work for the roadand sanitation components.    project cycle stage: Feasibility    Lesson Topics:   Project Design: Project design  Capacity Development: Technology/Technology transfer  Sector Related Issues: Health and sanitation management  Sector Related Issues: Roading  Methodologies/Approaches: Community approach |
| Primary health care (PHC) services should be made affordable and community-based,particularly outreach services. The cost-sharing system established under the project has generated income for purchases of essential drugs. Payment for drugs has not been reported as an impediment to care in any of the project facilities. The funds received are essential for maintaining the centers and for assuring adequate supplies of drugs. However, health facilities cannot operate on the revolving drug fund alone, and the management committee should explore options for more cost sharing and community financing.    project cycle stage: Feasibility    Lesson Topics:   Finance &amp; Financial Aspects: Financing  Project Design: Project design  Project Management: Operation and maintenance  Sector Related Issues: Extension service  Sector Related Issues: Health and sanitation management  Methodologies/Approaches: Community approach    Since the Lao PDR health care delivery system is in its early stage of development, a national policy on development of health facilities is essential to achieve optimal coverage of health services. Its implementation will require mapping and a facility survey based on population norms approved by the Ministry of Public Health (MOPH). Operational policies should be developed for the use of district hospital buildings and health centers. The buildings should be simple in terms of materials and construction and they should include adequate water supply, power supply, cleanliness, and landscaping.    project cycle stage: Feasibility, Country Partnership Strategy    Lesson Topics:   Project Design: Project design  Project Management: Executing/Implementing agencies  Sector Related Issues: Health and sanitation management  Policy &amp; Reform: Policy reforms/framework    The methods for training ofhealth workers in the Lao PDR are simple and participatory, using modules and verbalpresentation of technical materials followed by exercises, role-plays, and actual practice in asupervised setting. The regular retraining received by health workers has helped them tomaintain an acceptable quality of care and performance under the integrated supervision anddecentralized management at the provincial and district levels.    project cycle stage: Feasibility    Lesson Topics:   Capacity Development: Capacity building  Country Context: Decentralization  Sector Related Issues: Health and sanitation management  Methodologies/Approaches: Participatory approach |
| A project developed around a clear concept (referral system), with the right mixof infrastructure strengthening, capacity building, and health system reforms, canquickly generate benefits in terms of improved coverage and quality of services.Benefits will be significant if the project focuses on essential services (primaryhealth care services, including the district referral hospital) and targets thepopulation groups at highest risk.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Project Design: Project design Capacity Development: Capacity building Sector Related Issues: Health and sanitation management Policy & Reform: Reform  Appropriate advance actions would help project implementation and preventinitial implementation delay. Advance action should include the recruitment of keyproject staff and consultants.  project cycle stage: Appraisal  Lesson Topics:  Project Management: Consultants Project Management: Procurement Project Management: Project management  Effective project monitoring and evaluation requires that a simple system (e.g., asimple set of indicators and guidelines for data collection) be designed at thetime of appraisal, and made operational at the beginning of a project. In thisproject, the project-related monitoring system must be integrated in the existinghealth management information system. Benchmark data must be collected atthe beginning of a project.  project cycle stage: Appraisal  Lesson Topics:  Monitoring & Evaluation: Baseline data Monitoring & Evaluation: Data collection and management Monitoring & Evaluation: Indicators Monitoring & Evaluation: Monitoring and evaluation Project Design: Appraisal Project Design: Project design Project Management: Management information system Sector Related Issues: Health and sanitation management  Frequent supervision and monitoring should be conducted at all levels of projectimplementation (central, provincial, and district level) to improve the quality ofproject implementation. Field visits are essential.  project cycle stage: Implementation  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Management: Project management Project Management: Project supervision Country Context: Decentralization  Future international fellowships programs should include provision for financingEnglish language training, which will expand a pool of health professionals whocould apply for, and benefit from, the fellowships.  project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Financing Capacity Development: Capacity building Sector Related Issues: Health and sanitation management  Good performance of the project implementing units such as the Central Project Secretariat or CPS (at thecentral level) and the project teams in the five provinces was largely due to therecruitment of experienced full-time staff as well as long-term consultants.  project cycle stage: Appraisal Implementation  Lesson Topics:  Project Management: Consultants Project Management: Procurement Project Management: Project management Capacity Development: Human resources management  In general, provincial health authorities are capable of playing a key role inimplementation of health sector development projects, if necessary with initialassistance of long-term consultants. The institutional capacity at the district level is still limited and is likely to be amajor constraint in the future - particularly in the context of decentralization.Adequate technical assistance must be provided to overcome this constraint.  project cycle stage: Appraisal  Lesson Topics:  Modality: Technical Assistance Project Management: Consultants Project Management: Risks/Risk management Capacity Development: Capacity assessment Country Context: Decentralization Sector Related Issues: Health and sanitation management  Intensive training of project staff on ADB and government procedures (contracts,disbursements, reimbursements, and withdrawal applications) has to be carriedsoon after project inception.  project cycle stage: Implementation  Lesson Topics:  Finance & Financial Aspects: Disbursement Project Management: Procurement Project Management: Project management Capacity Development: Capacity building  Investment in training of trainers guarantees the transmission of knowledge in thelong run and reinforces sustainability.  project cycle stage: Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Project Design: Project design Capacity Development: Capacity building Capacity Development: Technology/Technology transfer  Operational studies and pilot initiatives, although modest in terms of investment,can be effective tools to initiate complex reforms in the sector.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Policy & Reform: Reform Methodologies/Approaches: Pilot project |
| Future project design may take into consideration that without the provision of adequate micro credit facilities in the project, the case for self-employment of the poor is unlikely to have any impact.   project cycle stage: Feasibility, Appraisal  Lesson Topics:  Finance & Financial Aspects: Financing Project Design: Project design Crosscutting Issues/Themes: Employment  Given the present level of vocational and technical education (VTE) development and the weakened condition of the Indonesian economy, public training systems need to be upgraded in a financially sustainable manner. Periodic upgrading of skills and knowledge arising from new technologies as well as changing job markets require continuing instructor training. The government's current funding constraint for such training may be met by setting up a training or endowment fund from the loan. It is recognized that, in the long run, sharing the cost of training with employers and trainees is an important means of sustaining an effective system. The involvement of the private sector at all stages of VTE development will enhance local ownership and relevance.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Finance & Financial Aspects: Financing Finance & Financial Aspects: Market analysis Project Design: Project design Capacity Development: Capacity building Capacity Development: Ownership Capacity Development: Technology/Technology transfer Sector Related Issues: Education Sector Related Issues: Private sector  Lack of funds for repair and maintenance of school equipment and buildings iscommonly observed, mainly due to (i) the government's inability to provide sufficient operation and maintenance (O&M)budget, and (ii) ADB's general policy of not financing O&M. Future project design may considersetting aside an endowment fund from the loan for the O&M. With an appropriate mechanismfor its operation, the dedicated fund could be used by the school for O&M of physical facilities.In addition, schools should be encouraged to generate additional funds to support theirrecurrent activities.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Finance & Financial Aspects: Financing Project Design: Project design Project Management: Operation and maintenance Sector Related Issues: Education |
| ADB cost estimates are too conservative, resulting in substantial amounts of loan savings.  project cycle stage: Appraisal  Lesson Topics:    In terms of environmental damage, other than upgrading components, most roadworks involved improvements to the existing alignment within the right of way. No environmental assessment was deemed necessary for these projects duringpreparation. However, during implementation two road betterment works werefound to be passing through sensitive preservation areas. ADB requested the executing agencyto undertake environmental studies to mitigate the potential damage caused bythe increased traffic, land slides, encroachment, etc. These studies were doneonly at the end of the project implementation period. One road section in EastKalimantan was therefore completed before the environmental studies werecarried out. The reports recommended some actions to be taken to mitigatepredicted environmental damage. It was found, however, that the necessaryfunding arrangements to monitor and manage the environmental plans for theseroads were not in place.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Environmental assessment Crosscutting Issues/Themes: Environmental management Finance & Financial Aspects: Financing Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Project Management: Executing/Implementing agencies Sector Related Issues: Roading  In the investment program, more emphasis should be given to routine andperiodic maintenance instead of rehabilitation-asset preservation vs. capacityexpansion. The practice of omitting roadway drainage in order to save funds for additional rehabilitation works should be avoided.  project cycle stage: Feasibility, Appraisal Implementation  Lesson Topics:  Project Design: Project design Project Management: Operation and maintenance Sector Related Issues: Roading Sector Related Issues: Water resource management  Project readiness for immediate implementation after loan approval is critical. In 2001 at a joint ADB/World Bank Country Portfolio Performance Review, ProjectImplementation Readiness Criteria were agreed, which list various actions thatshould be completed prior to loan negotiation and effectiveness. A retroactive application of these criteria would show that this project was far from ready for implementation at the time of loan approval. Given this status of project preparation at appraisal, ADB should have devoted more resources toward an implementation review in the first year, to get theproject ï¿½off the ground.ï¿½  project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Financing Monitoring & Evaluation: Monitoring and evaluation Project Design: Appraisal  The project coverage in 13 provinces for betterment, periodic maintenance,upgrading, and bridge replacement was overextended geographically. Thisresulted in small subprojects scattered over remote areas, which could not beeasily monitored. While a case can be made for broader coverage on equitygrounds for less developed areas, this approach has diluted the possible impactof the project on network or corridor improvements and capacity building. Also,the three main funding agencies (ADB, World Bank, and Japan Bank forInternational Cooperation) are all currently working on similar activities in the project provinces, stretching the limited counterpart staff capacity.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Finance & Financial Aspects: Financing Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Project Design: Subprojects Project Management: Operation and maintenance Capacity Development: Capacity building Sector Related Issues: Roading  The project was designed as a sector loan, but was implemented more as a project operation in which the main focus was on implementation of the project subcomponents. Due attention was not paid to the broader sector issues, suchas review of annual investment programs and status of the Policy Statement and Action Plan for the Road Sector. Policy Statement and Action Plan for the Transport Sector (PSAP2) should have been updated within the period of project implementation and has taken longer to be developed than expected. These data are important for future project formulation.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Modality: Lending modality Project Design: Project design Sector Related Issues: Roading Sector Related Issues: Transport planning Policy & Reform: Policy reforms/framework  The simplified final engineering design model used by the executing agency did not provesatisfactory. This should only be used in conjunction with adequate fieldinvestigations. More thorough economic analysis should be done, particularlytraffic counts and projections.  project cycle stage: Feasibility  Lesson Topics:  Finance & Financial Aspects: Market analysis Project Design: Project design Project Management: Executing/Implementing agencies Sector Related Issues: Roading  The Study for Road Network Development in the Eastern Islands should not beclassified as institutional strengthening. Such a study that (i) reviews themedium-term future requirements of road network development, (ii) preparesproposals for provincial road master plans, (iii) identifies priority investments, and (iv) conducts prefeasibility studies for future investments - is preparatory innature.  project cycle stage: Feasibility  Lesson Topics:  Finance & Financial Aspects: Market analysis Project Design: Project design Capacity Development: Capacity building Country Context: Prioritization Sector Related Issues: Roading  There is too much reliance on international consultants. This input should begradually cut back through local capacity building.  project cycle stage: Implementation  Lesson Topics:  Project Management: Consultants Capacity Development: Capacity building  Too many loan covenants to be complied with will dilute their importance. Also,the loan covenants should be underpinned with adequate arrangements andresources for their implementation. A covenant on its own is like an ï¿½unfoundedmandate.ï¿½  project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Financing Loan Agreement: Covenants Project Design: Project design |
| Delegation of the Industrial Energy Efficiency Project (IEEP) to the India Resident Mission (INRM) contributed to its success, which achieved its development objectives within the envisaged time frame. Experience with the IEEP indicatesthat sufficient efforts are needed before loan effectiveness to explain ADB's procedures on procurement, environmental aspects, disbursements, etc. to the Project Monitoring Unit (PMU) officials well in advance and to obtain agreement on administrative arrangements.  project cycle stage: Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Environmental assessment Finance & Financial Aspects: Disbursement Project Design: Appraisal Project Management: Procurement Project Management: Project administration Project Management: Project management Country Context: Decentralization Other: Resident Mission Sector Related Issues: Energy planning/management  Judging from project implementation, industry has considerable awareness of thebenefits of introducing energy efficiency measures. The scope for investments in this field is substantial, particularly in small and medium sectors of industry, which the Industrial Energy Efficiency Project (IEEP) did not cater to. This was partly due to the final cost of funds to the subborrowers, which were not concessional.Another factor is that the executing agency (Industrial Development Bank of India) is mainly engaged in assistance to large-scale industrial units, as itssmall-scale operations were transferred to Small Industries Development Bank of India (SIDBI).  project cycle stage: Feasibility  Lesson Topics:  Finance & Financial Aspects: Financing Project Design: Project design Project Management: Executing/Implementing agencies Sector Related Issues: Energy planning/management Sector Related Issues: Industry and Trade  The Industrial Development Bank of India (IDBI), with its historical experience in development banking and years of expertise in project finance was an effective agency for channeling funds under the project. However the recent financial sector reforms and globalization of Indian industry have closed IDBI's access to low-cost funds, made its income taxable, and compelled it to reorganize its priorities. Hence a subsequent project might need an incentive structure to enable sustained long-term commitment of IDBI in partnerships focusing on energy efficiency and environmentalmanagement objectives of ADB.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Environmental management Crosscutting Issues/Themes: Sustainability Finance & Financial Aspects: Financing Project Design: Project design Capacity Development: Ownership Capacity Development: Partnerships Sector Related Issues: Energy planning/management Sector Related Issues: Industry and Trade Policy & Reform: Reform |
| As a result of underbidding, there might be ï¿½unfair competitionï¿½ between civil workscontractors from different countries as one contractor might budget the treatment of laborers inaccordance with his or her ï¿½own country styleï¿½ and the other in accordance with the terms ofreference.  project cycle stage: Appraisal  Lesson Topics:    In spite of the fact that ADB's existing procurement guidelines provide clear and adequate provisions for (i) relevant experience and past performance in prequalification of bidders, (ii) performance in past projects for civil work contractors, and (iii) particularly low bidding prices of successful bidders, the very same contractor, in spite of the initial poor performance on the project, was still prequalified for other ADB-financed projects and contracts awarded, indicating that more diligence in prequalifying and award of contracts is required. ADB should ensure that its prequalification criteria are fully adhered to and actively work with the executing agency in its prequalification process by assessing the contractors' resource estimates against specificationrequirements. Also, performance bonds for civil works should be expanded to includeperformance criteria for environmental mitigation works. It must be noted that even with very poor contractors, projects can also be implemented at a financial benefit to the owner, provided that project management knows how to handle such a contractor in a proactive manner through innovative actions.  project cycle stage: Implementation  Lesson Topics:  Crosscutting Issues/Themes: Environmental management Finance & Financial Aspects: Financial benefits Project Management: Executing/Implementing agencies Project Management: Procurement Project Management: Project management |
| Capacity building of key implementation staff should be provided prior to the commencement of a project or during its early phase to avoid unnecessary implementation delays. This would have been useful particularly in the areas of ADB's disbursement and procurement procedures. Therefore, human resources development needs assessment should be given more attention during the design stage of a project. Likewise, project design at appraisal need to outline performance indicators, which wouldhelp assess the qualitative aspect of project inputs.   project cycle stage: Appraisal Implementation  Lesson Topics:  Finance & Financial Aspects: Disbursement Monitoring & Evaluation: Indicators Project Design: Appraisal Project Design: Project design Project Management: Procurement Project Management: Project management Capacity Development: Capacity assessment Capacity Development: Capacity building Capacity Development: Human resources management  Where cofinancing is involved, preparatory activities for cofinancing should beundertaken and finalized as early as possible to avoid any implementation delays, as experienced in this project.  project cycle stage: Appraisal  Lesson Topics: |
| All local training, especially that involving in-service teachers, needs to be continued and funded by the government after the conclusion of the project. Continued refresher courses are necessary to keep the teachers updated on the latest developments and changes in the curriculum. Similarly, continued government funding is necessary to provide adequate textbooks and materials to support curriculum implementation. Inadequate funding and lack of support will make it difficult to achieve any Basic Education Project (BEP) objectives.  project cycle stage: Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Finance & Financial Aspects: Financing Project Management: Executing/Implementing agencies Capacity Development: Capacity building Sector Related Issues: Education  As this was the first loan to the education sector, the executing agency had no prior experience with ADB procedures. The inception mission should have provided sufficient time and all necessary training and familiarization to the executing agency and the Project Implementation Unit (PIU). The Basic Education Project (BEP) design correctly called for the engagement of a consultant to establish the PIU, train the executing agency staff in ADB procedures, and prepare the implementation plan andschedules. The nonrecruitment of the advance action consultant contributed to the difficulties and delays in implementation.  project cycle stage: Appraisal Implementation  Lesson Topics:  Project Design: Project design Project Management: Consultants Project Management: Executing/Implementing agencies Project Management: Project administration Project Management: Project management Project Management: Project supervision Capacity Development: Capacity building Sector Related Issues: Education  In the design of educational projects in the Pacific, due consideration must be given to the lack of institutional capacity, weak management, and inadequate recurrent funding. Therefore, longer implementation periods should be considered. Implementation capacity needs to be assessed during appraisal. In this context, ADB should monitor education projects more closely, and missions should include an education sector specialist from time to time.  project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Financing Monitoring & Evaluation: Monitoring and evaluation Project Design: Appraisal Project Design: Project design Project Management: Project supervision Capacity Development: Capacity assessment Capacity Development: Human resources management Sector Related Issues: Education  It is important that the executing agency and ADB be aware of ongoing and upcoming aid agencyactivities in the same sector to avoid duplication of efforts. All aid agency activities in a particular sector need to be coordinated to avoid difficult projects' working at cross purposes.  project cycle stage: Appraisal  Lesson Topics:    Lack of provision for a qualified project accountant as part of the counterpart staffwas a major shortcoming of the project. Future project design should include aqualified project accountant in the Project Implementation Unit (PIU) funded under the loan.  project cycle stage: Appraisal  Lesson Topics:  Project Design: Project design Project Management: Project management Capacity Development: Human resources management  Providing curriculum development, training, and physical infrastructure can help,but are unlikely to produce significant improvements in student performance andachievement unless an appropriate overall educational environment isestablished.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Legal system Project Design: Project design Capacity Development: Capacity building Sector Related Issues: Education Policy & Reform: Policy reforms/framework  Since the education delivery system in the Republic of the Marshall Islands (RMI) is based on the US model, the consultants recruited should have been conversant with the US education system and should have had experience in the Pacific. Likewise, sequencing and overlap of consultants' engagement could have been better planned and coordinated.  project cycle stage: Appraisal Implementation  Lesson Topics:  Project Design: Project design Project Management: Consultants Project Management: Project administration Sector Related Issues: Education Methodologies/Approaches: Consultation/Participation  The long lead times and lack of qualified local contractors in the Pacific must beconsidered in the design of civil works components and in the determination ofimplementation schedules. If local contractors and suppliers are to be used, moreextensive evaluation of capability must be carried out. Bid documents have to becarefully prepared and materials specifications clearly stated to avoidcomplications during civil works implementation. The flexibility to conductnegotiated bids should be given.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Project Design: Project design Project Management: Procurement |
| ADB observed that the training components were delayed and were not utilized to theextent provided for under the loan. This was due to lack of proper assessment andplanning during appraisal. In future projects, ADB needs to undertake a realistic assessmentof the training needs of the executing agency.  project cycle stage: Appraisal  Lesson Topics:  Project Design: Appraisal Project Management: Executing/Implementing agencies Capacity Development: Capacity assessment Capacity Development: Capacity building  Despite the delay in ordering the compressors (from July 1993 to April 1995), the projectwas completed with only four months delay, and the ADB-financed components of the projectwere completed on time. This shows that there is still some scope for reducing the timeschedule by effective appraisal. It is suggested that during appraisal, detailed discussionsshould be held with the executing agency and resident mission staff to finalize a far more realistic implementation schedule.   project cycle stage: Appraisal  Lesson Topics:  Project Design: Appraisal Project Design: Project design Project Management: Executing/Implementing agencies Other: Resident Mission Sector Related Issues: Energy planning/management  The executing agency (Gas Authority of India Limited or GAIL) has not used the provisions for physical and price contingencies which accounted for almost 15 percent of the total project cost. This indicates that the estimates forthe various components of the project were adequate and that the project implementation practices of GAIL are good. A more realistic assessment of project costs should be made at appraisal. As a share of the net ADB loan, the surrendered amount is almost 40 percent. There is therefore an element of overestimation at the appraisal stage and this needs to be looked into for future projects.   project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Financial analysis Project Design: Appraisal Project Management: Executing/Implementing agencies |
| ADB supervision of project implementation is more critical at the start whenimplementation arrangements are made operational, than when implementationis progressing on schedule. More staff time should be allocated to reviewmissions for projects at widely scattered locations.  project cycle stage: Implementation  Lesson Topics:  Project Management: Project supervision Capacity Development: Human resources management  Human resource development was uniformly recognized as among the mostsignificant contributions made by the project. Returning fellows at each institutionwere eager to point out accomplishments and recognition received by theircolleagues. However, project institutions were not always perceived as havingprovided sufficient opportunities for advancement and research started duringdegree programs.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Project Design: Project design Project Management: Executing/Implementing agencies Capacity Development: Human resources management Sector Related Issues: Education  Overseas training has contributed to academic networking through theestablishment of collaborative research projects and joint publication activities.This has contributed to capacity building at the project universities, and providedinternational recognition for Indonesian scholars.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Project Design: Project design Capacity Development: Capacity building Sector Related Issues: Education  Participation of beneficiary institutions of higher education in the project design and implementation is crucial to enhance ownership and sustainability. Sustainability should be given careful attention in designing a project that requires (i) innovative services such as student advisory, computer, and language centers to be established and continued after loan closing; and (ii) budget allocation, human services, and commitment by the executing agency and institutional decision makers. Before project closing, attention should be given to ensure sustainability of theproject facilities and any weaknesses or defects in construction and relatedfacilities should be adequately addressed.  project cycle stage: Feasibility, Appraisal Implementation  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Finance & Financial Aspects: Financing Project Design: Project design Project Management: Executing/Implementing agencies Capacity Development: Human resources management Capacity Development: Ownership Sector Related Issues: Education Methodologies/Approaches: Consultation/Participation  Poor design and quality of completed civil works are linked to inadequate andunqualified supervision at the local project level and to inadequate seniormanagement. To eliminate these problems, the main implementing agency for aproject should have overall responsibility for the monitoring of implementationactivities. Projects with complex designs should be delegated early on to the residentmission.  project cycle stage: Design, Implementation  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Project management Project Management: Project supervision Country Context: Decentralization Other: Resident Mission  The timing of the international and domestic consultants' services must besynchronized to gain maximum benefit from their inputs.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Project Design: Project design Project Management: Consultants |
| Decisions concerning corporatization and privatization ofpublic utilities are complex, encompassing a range of technical, financial, socioeconomic, andpolitical issues. The infrastructure investments under this project do not require corporatizationor privatization to be successful. Moreover, privatization was not initially identified as a projectoutput. While the need to finance large investments may underlie a decision to privatize,corporatization and/or privatization are undertaken for a variety of other reasons, as appears tobe the case in Malaysia. Under these circumstances, efforts to promote corporatization and/orprivatization within the scope of an infrastructure loan project might be expected to meet withlimited success. In line with this, covenants relating to commercial accounting andorganizational restructuring could have been relaxed or dropped.  project cycle stage: Appraisal Implementation  Lesson Topics:  Finance & Financial Aspects: Financial management Finance & Financial Aspects: Financing Loan Agreement: Covenants Modality: Lending modality Project Design: Project design Sector Related Issues: Energy planning/management Sector Related Issues: Health and sanitation management Policy & Reform: Privatization Policy & Reform: Public sector reform  The anticipated nonrevenue water (NRW) reduction to 27 percent by project completionwas too ambitious given the small scale of the project. Effective and sustained reduction ofNRW needs a comprehensive and detailed action plan with monitoring milestones. An NRWaction plan should include a substantial commitment of financial and human resources, carefulplanning and delineation of achievable targets, and periodic program monitoring and evaluation.In addition, information exchange among State Water Authorities (SWAs) would help solve common problems associatedwith NRW and would reinforce NRW control efforts. Most SWAs have developed or aredeveloping NRW control programs but implementation has been hampered by financialconstraints. In light of this experience, a key focus of loan projects for NRW control should bethe establishment of ongoing and sustainable NRW programs.  project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Financing Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Capacity Development: Human resources management Capacity Development: Ownership Sector Related Issues: Health and sanitation management Policy & Reform: Information dissemination/Public awareness Methodologies/Approaches: Targeting  The financial risks associated with regulated public utilities are closely tied to the regulatory policies and practices of thegovernment. In the current case, tariff policies are the most significant source of jeopardy forfinancial sustainability. It is important to anticipate this source of risk and to address it forcefullyduring the implementation of loan projects for public utilities.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Crosscutting Issues/Themes: Legal system Crosscutting Issues/Themes: Sustainability Finance & Financial Aspects: Financing Project Design: Project design Project Management: Risks/Risk management Sector Related Issues: Energy planning/management Sector Related Issues: Health and sanitation management Policy & Reform: Policy reforms/framework Policy & Reform: Public sector reform  When a large number of subprojects are involved in aproject and each subproject requires a number of activities in sequence, i.e., design,procurement, and construction, the effect of compound delays should be properly andconservatively assessed and reflected in the appraisal implementation schedule. For a projectconsisting of a large number of geographically dispersed subprojects, strong central projectcoordination at the state rather than the central level is essential for smooth implementation anddissemination of useful information to participating water districts.  project cycle stage: Appraisal  Lesson Topics:  Project Design: Appraisal Project Design: Project design Project Design: Subprojects Project Management: Executing/Implementing agencies Project Management: Project management Country Context: Decentralization Sector Related Issues: Health and sanitation management Policy & Reform: Information dissemination/Public awareness  When the project was appraised, itwas not standard practice to prepare a project performance monitoring and evaluation systemincluding risk analysis. Project experience highlights the importance ofanalyzing risks, including the detailed action plan for nonrevenue water (NRW) reduction. For purposes of evaluation, project targets should be logically linked to project activities and methods to monitorthe achievement of these targets should be based on indicators that can be reliably measuredat an appropriate scale.  project cycle stage: Appraisal  Lesson Topics:  Monitoring & Evaluation: Indicators Monitoring & Evaluation: Monitoring and evaluation Project Design: Appraisal Project Management: Risks/Risk management Sector Related Issues: Health and sanitation management Methodologies/Approaches: Targeting |
| Flood protection projects should be based on a holistic approach considering thecomplete river system from the upper catchment area to its mouth.    project cycle stage: Feasibility, Appraisal    Lesson Topics:   Project Design: Project design  Sector Related Issues: Water resource management  Methodologies/Approaches: Holistic approach    Pump procurement should be timed to match the hydrological characteristics of the wells to avoid a mismatch of pumps and wells. Replacement of pumps and power units and major repairs should be the responsibility of Water Users Associations (WUAs) to ensure sustainability of the groundwater systems' operations. Water user and pumping charges applied by Water Users Associations (WUAs) only meet the operational costs of fuel, electricity, and pump operator's wages.    project cycle stage: Appraisal Implementation    Lesson Topics:   Crosscutting Issues/Themes: Sustainability  Project Management: Procurement  Sector Related Issues: Irrigation management    Support for the introduction of High-Value Crops (HVCs) requires more ongoing assistance from competent government agencies such as the Ministry of Agriculture, and provincial and district agricultural services. A bottom-up participatory approach is required to match farmers' expectations with potential benefits. Many farmers are reluctant to adopt HVCs for various reasons such as, the required additional investment exceeds theirresources, volatile markets mean higher risks, and market information is inadequate.Moreover, the higher investment in HVCs can mean higher loss due to pests and theft. Many farmers, too, have a preference for growing rice at every opportunity for reasons of food security and cultural preference. Some areas selected for groundwater irrigation have limited capability for growing HVCs other than rice because of their soil type, drainage, and other physical characteristics. Similarly, areas with corrosive groundwater present continuing problems of well failure and the need to use more expensive material and provide special protection measures. More consideration should be given to the feasibility of developing such areas.    project cycle stage: Feasibility, Appraisal    Lesson Topics:   Finance &amp; Financial Aspects: Market analysis  Project Design: Project design  Country Context: Cultural constraints  Sector Related Issues: Irrigation management  Sector Related Issues: Rural development  Methodologies/Approaches: Participatory approach    The Benefit, Monitoring, and Evaluation (BME) program should be assigned a higher priority from the outset and be closely supervised by project management to ensure that information on the operational, agricultural, social, and economic impacts can be monitored and evaluated during the project and after its completion.    project cycle stage: Appraisal Implementation    Lesson Topics:   Monitoring &amp; Evaluation: Benefit monitoring and evaluation  Monitoring &amp; Evaluation: Impact evaluation  Project Management: Project management  Project Management: Project supervision  Country Context: Prioritization    The main consultants should be closely involved in the preparation of the terms of reference for topographic surveys, geotechnical work, and socioeconomic surveys;contacting local contractors for undertaking such surveys; and for supervision and management.    project cycle stage: Appraisal Implementation    Lesson Topics:   Crosscutting Issues/Themes: Environmental management  Monitoring &amp; Evaluation: Data collection and management  Project Management: Consultants  Project Management: Procurement  Project Management: Project management  Project Management: Project supervision |
| 1. To some extent, project facilities were expanded and repaired at the same time, adding significant benefits to the Project. In the interests of economy and efficiency, the Project should have been designed to cover less towns and to meet at least 10 years of demand so that expansion and rehabilitation works could have been further integrated.  project cycle stage: Design  Lesson Topics:  Project Design: Project design Sector Related Issues: Water resource management  2. To avoid conflicts with other water users and to secure the water source, the availability of water should have been carefully examined, and its projected use coordinated with other users at the design stage.  project cycle stage: Design  Lesson Topics:  Project Design: Project design Sector Related Issues: Water resource management  3. Inaccuracies in cost estimates for rehabilitation works contributed to the cost increase. Higher contingency funds should have been provided for such works.  project cycle stage: Design  Lesson Topics:    4. Unaccounted for water (UFW) could not be reduced on a sustainable basis only by repairing infrastructure. Institutional, managerial, and social measures were required in tandem with the rehabilitation works. As an institutional measure, a permanent operations unit was established in National Water Supply and Drainage Board (NWSDB) to carry out the program of reducing UFW in Greater Colombo and will continue the program even after the Project. The caretaker approach was adopted as a managerial measure. Standpost societies were mobilized to enhance ownership as a social measure, and metering and maintenance facilities were improved.  project cycle stage: Implementation  Lesson Topics:  Capacity Development: Ownership Sector Related Issues: Water resource management  5. Tariff increases were effective in decreasing the water demand of high consumption households, but not enough to substantially reduce overall water demand. Other measures, such as public awareness, should be undertaken in parallel to control water demand.  project cycle stage: Implementation, Operation  Lesson Topics:  Sector Related Issues: Water resource management Policy & Reform: Information dissemination/Public awareness  6. Before handing over the water supply distribution systems to local authorities, the Government and National Water Supply and Drainage Board (NWSDB) should allocate enough funds and staff to support local authorities in training staff and building capacity.  project cycle stage: Operation  Lesson Topics:  Capacity Development: Capacity building Sector Related Issues: Water resource management  7. The involvement of beneficiaries in all aspects of development, implementation, and operation and maintenance can create a sense of ownership and improve the sustainability of the Project. The success of a community-based approach depends on local hydrogeological, socio-cultural, economic, and political conditions, and the capacities of local non-government organizations and community-based organizations. Therefore, a pilot project should be implemented to examine these conditions before introducing a full-scale project.  project cycle stage: Design, Country Partnership Strategy  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Capacity Development: Ownership Sector Related Issues: Water resource management Methodologies/Approaches: Consultation/Participation  8. To extend services for the urban poor, connection fee on concessionary terms and low lifeline tariff should be considered.  project cycle stage: Operation  Lesson Topics: |
| A road safety campaign should be promoted among affected persons and drivers before expressway completion to avoid unnecessary traffic accidents along the expressway. Many of the recorded traffic accidents involved drivers who were not familiar with road conditions and traffic signs and unauthorized road crossing by local residents, who preferred to cross directly rather than use the underpasses nearby. Many sections of the fencing have been removed to gain access to the expressway. Underpasses should be designed so that they are centrally located and have good natural drainage to encourage their frequent use.    project cycle stage: Feasibility, Implementation    Lesson Topics:   Project Design: Project design  Sector Related Issues: Roading  Policy &amp; Reform: Information dissemination/Public awareness    More conservative traffic projections, particularly for the initial years of operation, should be used to ensure more robust financial performance of the expressway operator.    project cycle stage: Feasibility, Appraisal    Lesson Topics:   Finance &amp; Financial Aspects: Financial analysis  Finance &amp; Financial Aspects: Market analysis  Sector Related Issues: Roading    While the land prices and resettlement compensation rates paid to affected persons were in line with Land Administration Law of the People's Republic of China, the government has revised rates upwards on a number of occasions since the resettlement plan was completed. Many of the relocated households had either used up their lifetime savings or borrowed from relatives and friends in order to construct better and bigger housing. This created dissatisfaction among 24% of the relocated persons, who said that cash compensation for housing should be sufficient to build bigger and better housing. More frequent dialogue with affected persons and clearer explanations on compensation entitlement would have minimized their dissatisfaction.    project cycle stage: Feasibility, Implementation    Lesson Topics:   Crosscutting Issues/Themes: Resettlement  Methodologies/Approaches: Consultation/Participation |
| Effective implementation is strongly linked to the quality of project management. Implementation suffered from poor leadership and a lack of focus on activities and outcomes by the first two project directors. This was reflected in the non-compliance with ADB's Guidelines on the use of Consultants and Procurement Guidelines, and the non-implementation of ADB- approved activity changes. These resulted in delays and reductions in project scope.  project cycle stage: Implementation    The large number of civil works contracts was an administrative burden on both the Ministry of Agriculture (MOA) and ADB. Given the similarity of some rural infrastructure subprojects (e.g., the village potable water supply schemes), it should have been possible to group subprojects into fewer contracts to be more manageable, allowing MOA to focus more on implementing the other components more directly related to enhancing agricultural performance.  project cycle stage: Design, Implementation    The project had too many DMF (design and monitoring framework) indicators, some of which were poorly defined and hence not properly measured, set too high for the activities to achieve, without clearly defined targets. Component 3 could only pilot technologies within the implementation period, hence the large-scale raion impacts could only be achieved many years after adoption. Project management did not have the capacity to prioritize the DMF indicators.  project cycle stage: Concept    Some payment delays occurred as a result of mistakes in withdrawal applications because of the complexities of cost sharing between the Global Environment Facility and Asian Development Fund grants. Simplified consistent arrangements should have been established.  project cycle stage: Implementation    The project benefited from involving women in the planning process of infrastructure projects. There was strong community ownership; the structures targeted community needs; and in many cases women led the operation and maintenance of structures. This contributes strongly to the investment's long-term sustainability.  project cycle stage: Design, Operation    Implementation of the credit line would have been more successful if (i) financial and integrity due diligence was conducted of financial intermediary and microfinance institutions at appraisal, and (ii) necessary project and subsidiary loan agreements were signed. Having signed agreements between MOF (Ministry of Finance), microfinance institutions, and ADB may have prevented MOF relinquishing its role as financial intermediary after project approval.  project cycle stage: Concept, Implementation    The project showed commendable flexibility in implementing new activities (e.g., establishing veterinary centers) in response to beneficiary needs. As a result, the project has strong community support and ownership (e.g., infrastructure, veterinary centers, PUSs [pasture user societies]). This should ensure sustainability.  project cycle stage: Implementation, Operation    At appraisal and during implementation, establishing demand-driven agricultural advisory centers and MIUs (market intelligence units) that were autonomous from government was seen as an essential project component. There was a desire for the organizations to be on a secure financial footing with farmers contracted to pay for advice they received. However, the transfer of project vehicles and equipment procured for them to government agencies, including MOA (Ministry of Agriculture), risks the centers' sustainability. At design or during implementation, steps need to be taken to clarify the future ownership of such assets. Alternatively, no attempt should be made to establish these types of organizations if it is possible they will operate only during implementation.  project cycle stage: Design, Appraisal, Implementation, Operation |
| The BWDB (Bangladesh Water Development Board) and LGED (Local Government Engineering Department) lacked the expertise to prepare tender documents and accurately survey, design, estimate, monitor, and supervise the construction of flood control and drainage structures. Thus, consultant services are needed to ensure the timely completion of all activities to a high standard.  project cycle stage: Design, Implementation, Completion    A design focusing on both physical and logistical issues and outputs and involving highly qualified experts was key to mitigate flooding and drainage congestions thoroughly and sustainably, improving living conditions in the towns as well as their economic.  project cycle stage: Design    Land acquisition in secondary towns can be a lengthy process and can cause significant delays in startup and implementation. Addressing the issue requires strong support from the relevant city corporations and district administrators, motivational campaigns, and adequate compensation packages. Advancing the preparation and approval of the Development Project Proforma to secure necessary funds for land acquisition early in project processing can reduce project startup delays.  project cycle stage: Implementation    Project implementation delays could be reduced reasonably through careful and efficient recruitment of consultants, early land acquisition and resettlement, proper surveys, and the motivation of city corporations.  project cycle stage: Implementation |
| The project experienced significant delay in implementation and in delivering the project outputs. This was mainly caused by the construction delay of the Huangpu Road WWTP, which was completed in August 2015, 1.5 years after the loan closing. The delay of constructing the Huangpu Road WWTP attributed mainly to (i) delay in securing domestic approval for the required flooding control permission, which took 4 years from the loan approval in June 2006 to the certificate issuance in June 2010, and (ii) prolonged procurement of the plant equipment, which took 3 years from the preparation of the bidding documents to the contract approval.  project cycle stage: Appraisal, Implementation    The lessons from delayed construction of the Huangpu Road WWTP showed necessity of securing domestic approval in advance, prior to the loan effectiveness. If flooding control permission had been approved earlier, construction of the plant could have been completed on schedule and thus the overall project output could have been delivered completely. The lessons learned from procuring the design, supply, and installation contract for the Huangpu Road WWTP were meaningful for improving procurement efficiency in similar projects and contracts. The lessons include: (i) the contract type should be thoroughly justified by considering necessary technical factors - for example, the treatment process in this case - during project preparation; (ii) domestic approval for land or other administrative permissions should be coordinated closely with the detailed engineering design to ensure consistent and organized implementation; and (iii) expert support is needed when preparing the bidding documents, particularly in formulating technical specifications.  project cycle stage: Design, Appraisal, Implementation    The project cost overrun is another major lesson learnt. Regardless of common factors, such as Chinese yuan appreciation and raise of labor and material prices, inadequate project preparation and insufficient engineering design contributed directly to the project cost increase because they resulted in costs underestimate at appraisal and frequent contract variations during implementation. Lessons from the project cost overrun suggest the great importance of sound engineering design that can (i) support more accurate cost estimates, (ii) preclude or minimize contract variations during construction, and (iii) secure a more reasonable implementation schedule.  project cycle stage: Design, Feasibility, Appraisal, Implementation    The potential close-down and reconstruction of the Erlangmiao WWTP was totally unanticipated. ADB was not notified of this matter until the project completion review in December 2014. This indicates the lack of thorough and serious policy dialogue with the executing agency. If WMG notified ADB early of its urban plan updates related to the activities (e.g. Erlangmiao WWTP in this case) under the project, such low effective subproject could have been avoided through a scope change. In this regard, more effective policy dialogue with the executing agency should mainstream into the whole process of the project and the preparation of the new projects in the same project area.  project cycle stage: Design, Implementation |
| There is a need to develop a database of reliable consultants for executing agencies. KUIDFC can prepare a performance evaluation report of the consultants, which can be input into this database. Furthermore, to ensure better performance, consultancy contracts can be developed with bonus and penalty clauses based on deliverables achieved.  project cycle stage: Appraisal, Implementation    Construction schedules for sewerage contracts should be realistic to avoid the repeated need for contract extensions.  project cycle stage: Design, Implementation    Project designs should include greater focus on ensuring the provision and delivery of service and maintenance of assets. This can be done by incorporating a stronger institutional development component specifically targeted at creating/ strengthening maintenance units within the ULBs and institutionalizing O&M procedures, through adequate training and capacity-building measures.  project cycle stage: Design, Implementation, Operation    Community development activities have proved to be a major asset to this project and have led to enhanced acceptance of the project and associated behavioral changes. Commencing these activities retroactively prior to loan approval will enable community involvement in the project during the design and implementation phases as well.  project cycle stage: Design, Implementation, Operation    There should be a dedicated budget for gender action plan (GAP) implementation  project cycle stage: Implementation |
| The speed with which VLF (village livelihood fund) loans were absorbed shows that there is a strong unmet demand for credit among livestock producers. Access to finance is a constraint to further expansion of livestock production. Increases in loan ceilings and tenure terms are needed to meet the needs of commercial producers. The issue is whether such finance is best provided through commercial channels at market rates or through ad hoc, heavily subsidized arrangements like the VLF.  project cycle stage: Feasibility, Implementation    While the project design was inclusive of women and ethnic groups (and while it met related targets), the poorest households were harder to reach, despite the attention given to poverty targeting. The poor had less free time to participate in project activities, and were less able to bear the risk of intensified livestock.  project cycle stage: Design, Implementation    Experience from this project and from other countries at a similar development stage shows that the transition from low-input livestock to commercially oriented production is a lengthy process that is seldom achieved in less than 10 years or by any single project. Sustained donor engagement is important.  project cycle stage: Implementation, Operation    Attitudinal change is a slow process. The limited education of women and their traditional household roles constrained their participation in LPG (livestock production group) meetings, which included men and women. These factors also caused women, especially those from ethnic groups, to revert to traditional livestock practices.  project cycle stage: Implementation    Language was a barrier to full participation by the relatively isolated ethnic groups, particularly ethnic women. The project's provision for numeracy and Lao language training was too small to be effective. More effort is needed to conduct training and prepare extension materials in different ethnic languages.  project cycle stage: Implementation    Achieving GAP (gender action plan) targets relied on suitable training of DAFO (district agriculture and forestry office) and DLWU (District Lao Women's Union) staff in participatory methods, and clear and realistic targets for women's participation that were easy for project staff to understand and monitor. In contrast, the objectives of the EGDP (ethnic groups development plan) were less clear, and little specific training was given to project staff, which limited some outputs of the EGDP.  project cycle stage: Implementation    A highly centralized management structure is unsuited to projects covering dispersed, remote areas because it limits the flexibility to respond to community demands and needs, and it stifles the initiative and ownership of implementing partners like the DAFOs (district agriculture and forestry offices) and PAFOs (provincial agriculture and forestry offices).  project cycle stage: Implementation |
| A project that requires behavioral change within communities needs a long-term agenda. Measuring the impact of such a project will take time. A project may be deemed successful on the basis of short-term outcomes, but it may not endure, particularly if there were deficiencies during project implementation. Thus, setting impact performance indicators to be achieved by 2012 (the year of project closing) might have been too short-term. Perhaps a period of at least 3 years after project closing would have been more appropriate.  project cycle stage: Implementation, Completion, Operation    Highly qualified consultants and community facilitators are critical for capacity development and community empowerment projects. Since a community-driven nutrition project should focus on capacity development and community participation and empowerment, hiring highly qualified and committed consultants and community facilitators becomes critical. Moreover, the quality of training for community facilitators, provision of adequate guidance, and a good M&E (monitoring and evaluation) system to measure the performance of community facilitators, consultants, and local government agencies alike also play a significant part in ensuring quality community facilitation and empowerment.  project cycle stage: Implementation    The absence of a gender action plan and limited gender-related targets in the loan agreement have hampered the effectiveness of the project in ensuring that all activities are maximized for women's benefit. For instance, the project included the development of nutrition policy, programs, and surveillance. However, the lack of gender-related targets in this regard makes it unclear whether these policies included gender-related elements, such as to ensure that different living and working conditions faced by women in various environments would not impinge on their nutritional needs. Such elements should have been accommodated in the policies and specified in gender-related targets. The project also failed to highlight men's role as equal partners in family and community nutrition. Men may influence to some degree household budgets and food-buying patterns, so they need to be made aware of the nutritional needs of mothers and children and be involved as active partners in meeting these needs. Some studies also indicated that the husbands' support for breast-feeding might increase the success of promoting exclusive breast-feeding. The project failed to include these aspects in its design and targets. This may have contributed to the underachievement of the target to increase the number of children exclusively breast-fed (the outcome indicator).  project cycle stage: Design, Implementation |
| 1. Assessment of a program's success should be based on quantitative indicators and tangible results rather than whether policy actions have been met. Whileapproval of legislation and regulations can be considered a reform in the initial phase of a program, particularly subprogram 1, subsequent programs should assess the result of the implementation of the legislation and regulations. As an illustration of this, the issuance of circulars, which was heavily relied upon as having achieved the desired outcomes under the Third Financial Sector Program Loan, does not necessarily mean that the objectives of the circulars have been met, or even that the actions required by these circulars have indeed been carried out. Circulars are merely the medium through which the desired end results are to be achieved. Measurability of end results in the form of quantitative targets (including transitional targets) would significantly improve the grey assessment areas to the benefit of both ADB and the government. [Main text, para. 43(i)]  project cycle stage: Completion  Lesson Topics:  Monitoring & Evaluation: Indicators Monitoring & Evaluation: Project evaluation  10. When a reform requires adoption of international standards, then both ADB and the government should communicate with the relevant international body responsible for the adoption of those standards. Where possible, a program specifically for Viet Nam can be designed and agreed. An example of this is the adoption of international financial reporting standards in close coordination with the international accounting standards board. [Main text, para. 43(x)]  project cycle stage: Design  Lesson Topics:  Modality: Program Project Design: Project design Policy & Reform: Reform  2. Related to the point above, the design and monitoring framework should consist of indicators agreed between ADB and the government from the outset. These indicators should either already be present in the government's strategy or blueprint or, if they are not, then they should be included and approved by the highest level of authority of a particular organization. This would strengthen government ownership and accountability. These indicators then should be measured by both ADB and the government at the end of each year of the program. When the indicators fall short, corrective measures should be agreed on and included as a reform in the following year. [Main text, para. 43(ii)]  project cycle stage: Design  Lesson Topics:    3. These indicators should be linked to the policy matrix, as reforms should contribute to the achievement of these indicators. When a particular reform is delayed, then additional technical assistance resources will need to be provided to address the problem. When policy actions are not completely achieved orwhen they are assessed as either satisfactory or ongoing (as in the case of the two actions for the tranche 2 release of the Third Financial Sector Program Loan), then the subsequent subprogram should immediately focus on these actions at the design stage, so that they do not fall through the cracks between subprograms or even between clusters. The post-program partnership framework is important to maintain dialogue between program clusters. While the policy matrix and the design and monitoring framework are separate documents in form, they should be connected through a cause and effect relationship. [Main text, para. 43(iii)]  project cycle stage: Design  Lesson Topics:  Monitoring & Evaluation: Indicators Policy & Reform: Policy matrix Policy & Reform: Reform  4. Given the challenges of coordination in Viet Nam and the financial sector generally, when a policy action requires coordination between two or more agencies, ADB and the government must first ensure that the coordination mechanism and institutional infrastructure have been established and areworking as envisioned. In the initial stage, ADB staff, including those from the Resident Mission, should participate in meetings and discussions. This is to prevent the existence of a coordination mechanism only on paper. [Main text, para. 43(iv)]  project cycle stage: Implementation  Lesson Topics:    5. ADB and the government need to recognize that financial sector reforms are complex, have a medium- to long-term gestation period, and require proper sequencing that follows a step-by-step approach. This is especially important when new institutions, legal and regulatory frameworks, or standards are being introduced. Such a focused and phased approach may better accommodate capacity constraints, avoid delays, and enable a more accurate measurement of outcome and impact. [Main text, para. 43(v)]  project cycle stage: Implementation  Lesson Topics:  Policy & Reform: Policy reforms/framework Policy & Reform: Reform  6. Program loans should be focused and consist of targeted high impact policy actions in a few selected areas, which cumulatively lead to the desired outcome. This will increase government ownership of the program and thus avoid delays in implementation of the reforms. [Main text, para. 43(vi)]  project cycle stage: Design, Country Partnership Strategy  Lesson Topics:  Modality: Program Capacity Development: Ownership Policy & Reform: Reform  7. There needs to be a balance between flexibility and achievement of results. A program cluster modality has in-built flexibility, particularly when designing indicative actions such as for subprogram 2. However, this flexibility is not a carte blanche for changes and should not be used to substitute uncompleted reforms just because they are difficult to implement. When making revisions or substituting policy actions, a careful assessment should be made as to how these revisions or substitutions will affect the achievement of outputs and ultimately the outcome of the program. In the case of Third Financial Sector Program Loan, the policy actions that were reformulated during subprogram 2 should be reassessed as part of future programs. [Main text, para. 43(vii)]  project cycle stage: Design  Lesson Topics:  Modality: Program Project Design: Project design Policy & Reform: Reform  8. Financial sector reforms must be supported by sufficient technical assistance (TA) resources. The design of financial sector TA should be undertaken in close coordination with the relevant executing and implementing agencies and aligned to their work plan. TA projects should be focused, and targeted particularly at reforms that have been substantially delayed. [Main text, para. 43(viii)]  project cycle stage: Design  Lesson Topics:  Modality: Technical Assistance Project Design: Project design Policy & Reform: Reform  9. For capacity building, technical assistance grants are likely to be insufficient. An ad hoc approach to training is insufficient and can be counterproductive. Instead, ADB and the government should discuss the possibility of either a project loan to support capacity building or of Ministry of Finance earmarking a portion of the program loan to fund the capacity building initiatives of a structured medium-term program through the government budget process. Given its importance, this can be considered as a policy action in the policy matrix. [Main text, para. 43(ix)]  project cycle stage: Design, Country Partnership Strategy  Lesson Topics:  Modality: Program Modality: Project Modality: Technical Assistance Capacity Development: Capacity building Capacity Development: Capacity development Policy & Reform: Policy matrix |
| Conduct adequate due diligence. ADB's policy framework was based largely on the recommendations of the high-level task force. Given the task force's expertise, there is merit to using such a report as the basis for ADB's program. Yet, ADB still needs to conduct adequate due diligence - specifically, how to implement and monitor the task force's recommendations and how to mitigate the facility's risks.  Include systems for data collection. The program design could have benefited from a greater focus on data collection. Because data, particularly for district central cooperative banks and primary agriculture credit societies, was minimal at inception and still deficient at close, it is difficult to measure the program's impact. Better data could have supported program modifications, cancellation, or expansion. Practical steps that would have improved data collection would have been to (i) complete the special audit before the program's start, (ii) sequence computerization of the district central cooperative banks and eventually the primary agriculture credit societies (which was slotted toward the end of the program) at the beginning, (iii) fund the monitoring and data collection (that had been part of the cancelled accompanying TA) with internal staff consultancy or other resources rather than eliminate it from such a large loan program.   Prove the concept before expanding. Although India wanted to introduce the reforms across the country simultaneously, another option would have been to pilot it in one or two states. If the pilot was successful, it would motivate subsequent participants, who would also be able to learn from the lessons of the pilot state(s). Moreover, ADB can add more value by concentrating its monitoring and support in one state than by spreading itself across a larger footprint.   Plan realistic time frames. Despite 36 months of extensions, there remained unmet tranche release conditions. Even as of this project completion report 12 months after program cancellation, it is unclear when policy actions such as implementation of the action plan for ineligible PACSs and the computerization of the PACSs will be completed. Given the scope of reforms, the different governing layers, and the number of institutions involved, 42 months was not realistic. When targeting ambitious reform programs, longer time frames are necessary. Scheduling larger disbursements toward the end of the program can replace some of the momentum that the longer time frame will struggle to maintain.  Design effective risk mitigation measures. ADB's risk assessment anticipated much of the program's eventual problems. However, the mitigating measures were inadequate to address the risks. More generally, given the size of the loan (which represented 58% of ADB's loan approvals for India in 2006), additional risk mitigation measures would have been appropriate and could have included piloting the program in one or two states prior to large-scale expansion, ADB participation in the National Implementation and Monitoring Committee, and a midterm program evaluation.  Avoid tranche release conditions that require statutory changes. The program anticipated potential amendments to India's Banking Regulation Act, National Bank for Agriculture and Rural Development Act, and Deposit Insurance and Credit Guarantee Corporation Act as well as to states' cooperative societies acts. Remarkably, the participating states did all amend their cooperative societies acts. Still, ADB's programs should carefully assess relying on legislative actions, particularly at the national level, because its influence over the legislative process is likely limited. Moreover, in this particular program, the government was able to accomplish many of the intended changes through regulatory and executive actions, which suggests that additional due diligence could have a priori yielded alternatives to legislation. |
| Project scope and coverage should be feasible. To increase impact, project resources should not be spread over a large geographic area. A large number of intended outputs most likely will slow down project implementation. Investment priorities based on health needs and poverty incidence may contribute to increased effectiveness.     Capacity development requires continuous investment. Human resource development is key to providing improved health services. A large number of health staff, including medical doctors and midwives, received scholarships to build capacity in obstetrics and neonatal care. However, local governments' fiscal capacity to finance capacity development was limited or nonexistent. Significant investments, both in terms of capacity building and health infrastructure, will be required to meet the maternal mortality MDG target by 2015. |
| The project demonstrated that subsidized community water transport services can be viable delivery mechanism that can provide improved access for marginalized and remote maritime and river-based communities so they can access health, education, and other government services. Improved maritime services can also increase production of market produce and goods, increase community earnings, and reduce poverty, particularly when linking franchise shipping service provision and infrastructure improvement in future project design so that synergistic effects can be expected to increase the number of passengers.   While the issue of delays to project mobilization were recognized in the lessons learned at appraisal, the project failed to ensure such delays did not occur. Future projects need to plan for timely advance procurement of consultants and ensure advance commitment to institutional and financing arrangements prior to loan approval. Where trust funds are part of project design, institutional and operating rules need to be agreed and trust deeds formulated and agreed, if not formally signed prior to loan approval. Advance appointment of fund managers should be considered. In the Papua New Guinea context, arrangements to avoid or fast-track the Central Supply and Tenders Board/National Executive Council procurement process need to be considered for incorporation in project loan agreements.   The project encountered considerable delays and significant cost escalations in the design and tendering of the remote water transport infrastructure restoration component as a consequence of the switch from restoring existing structures to building new structures and introducing equitable distribution of project structures among maritime provinces. Future projects should examine the relevance, design, and cost implications and determine the project scope and design resource needs, avoiding the need for scope changes. |
| Recruitment of supervision consultants and major civil works contractor was delayed by the Roads and Highways Department. This delay was further aggravated by problems with land acquisition and tree removals. In recent ADB-assisted projects in Bangladesh, advance work for land acquisition, tree removal and resettlement commenced before selection of civil works contractors. |
| It is easy to overestimate the capacity needed to implement a project that is largely undertaking pilot activities and which also involves significant reforms. At all levels of involvement - executing agency, service providers, contractors, farmers' water user community members - capacity constraints affected project performance. In these circumstances, the project design was both overambitious (e.g., by not focusing on fewer subprojects from the outset) and not rigorous enough (in its analysis of the risks and assumptions inherent in many operations). While appropriate and necessary interventions to support capacity development and training were included in the project scope, the dependence of farmers' water user community gaining experience with improved physical works and for farmers undertaking improved and diversified agriculture upon the completion of civil works was not brought out fully as a project design characteristic - again, partly because the risks and assumptions were not fully thought through. Had the project implementation schedule been largely as intended, sustainability based on effective farmers' water user community functioning would have been likely.     A realistic understanding of local procurement practices and an ability to engage with executing agency staff on a daily, face-to-face basis can greatly facilitate implementation. |
| A major lesson from implementation of this program cluster is the importance of reform momentum and of programmatic assistance for sustaining the momentum. However, the experience with some reforms in core policy areas 1 and 3 is a reminder that when sufficient political pressure is exerted, financial and technical capacity constraints can sometimes be overcome, even in the absence of programmatic support (as would have been provided through subprogram 3). This calls for greater effort during the design and implementation stages to assess the political and economic context, which can determine whether or not a reform effort will succeed.   A second, related lesson is that, beyond the arguments already made on general relevance, the reform agendas chosen for program cluster support should be carefully selected during program design. Subprogram 1 had 25 policy conditions, while subprogram 2 had 38 policy conditions. The large number of implementing agencies and reform areas complicates program coordination. When reviewing the implementation of this cluster program, too often it seemed that quantity of policy actions was a substitute for the low number of consequent reforms that could be achieved within the indicative time-span.   Most of the benefits associated with the reforms supported under the cluster program were conditional on the final reforms to be supported under a subprogram 3, which never eventuated. To the extent that this caused reform momentum to be lost or take a risky direction, this approach risked delaying (at a minimum) or wasting years of reform effort (TA, financial resources and government commitment). The decision to cancel subprogram 3 processing could have been accompanied by an immediate effort to (i) identify reform areas that were making progress in meeting their respective indicators, but at risk of losing momentum; and (ii) provide TA or resources on (for example) a project basis. This would probably have resulted in additional, more sustainable development results. Improving the investment climate in rural areas and increasing private sector participation is a long-term endeavor that merits ongoing reform efforts, using different assistance modalities if necessary. |
| More detailed understanding of legal requirements for and better supervision of arrangements for the establishment and operation of project-financed assets by private- sector entities is necessary to remove the risk that such assets may not operate effectively or operate in ways not intended.    Expecting farmer organizations to want to operate such facilities as seed cleaning plants, as the proposal of the major change in scope and implementation arrangements did, was overly optimistic. Moreover, proactively promoting expressions of interest solely from farmer organizations as opposed to other entities would have been a conflict of interest.     More emphasis is required on the establishment and operation of project implementation and safeguards monitoring to ensure effective implementation and facilitate project evaluation. |
| 1. Program context and government ownership. The intended program outcome of achieving fiscal sustainability was overambitious, given the historically slow pace of reforms in the Republic of Marshall Islands and in other countries facing fragile situations. Moving forward with the reforms needed to fully deliver the program outputs required approval of three key pieces of enabling legislation, but the program design did not take into account the likelihood of a lengthy parliamentary approval process and underestimated the political opposition such reforms might encounter. The program's design did anticipate the political sensitivity associated with some of the proposed reforms and supported a public consultation process to garner support and build ownership, but resistance has continued and is still delaying approval, which was initially expected to come by program completion. [Main text, para. 37]  project cycle stage: Design, Implementation  Lesson Topics:  Project Design: Project design Capacity Development: Ownership Policy & Reform: Policy reforms/framework Policy & Reform: Reform  2. Design and monitoring framework (DMF). The program's DMF was overambitious (para. 8) and, based on ADB guidelines for DMF preparation could have been correctly recast to make the outcome the intended impact and output 1 the intended outcome. The outcome and impact statements and indicators and targets in a DMF need to be realistic and take into account the country context. [Main text, para. 38]  project cycle stage: Design  Lesson Topics:    3. Policy actions: All Pacific developing member countries, including the Republic of Marshall Islands (RMI), have great difficulty implementing policies to support long-term adjustments. The program included several line expenditure conditions under output 2 that the government struggled to implement and monitor (para. 16). In the end, the government decided to make across-the-board expenditure cuts rather than the targeted cuts proposed under the program. The condition targets were related to budget estimates rather than budget outturns. Achieving these estimates requires a strong budgetary system, but the system in the RMI is weak. It may have been more appropriate to set conditions relating to budget processes and controls rather than estimates that proved difficult to execute. [Main text, para. 39]  project cycle stage: Implementation  Lesson Topics:  Policy & Reform: Policy reforms/framework Policy & Reform: Public sector reform Policy & Reform: Reform  4. On-the-ground support. Policy dialogue required on-the-ground support from ADB. Establishment of the ADB development coordination office in November 2011 played a key role in forging policy dialogue, although this was undertaken issue-by-issue (expenditure management, taxation, and state-owned enterprise reform) rather than through a holistic approach. Other development partners also provided substantial support for public sector reform in the Republic of Marshall Islands, but the coordinated dialogue with government that has been used successfully in programs elsewhere in the Pacific was missing. In the absence of a central foreign assistance unit or other aid coordination mechanism within government and if the proper channels for timely communication are not in place, risks of duplicated, excessive, or insufficient support in certain reform areas exist. [Main text, para. 40]  project cycle stage: Implementation  Lesson Topics:  Policy & Reform: Policy reforms/framework Policy & Reform: Public sector reform Policy & Reform: Reform Methodologies/Approaches: Policy dialogue |
| 1. The initial delays due to the lack of consistent and timely project review and oversight from ADB during the first 3 years of the project could not be corrected for a long period, during which time civil works progress fell behind completion targets and disbursement was constantly below expectations. In order to mitigate this, frequent review and close supervision and closely monitoring for in-country procurement processes will be required.  2. Expedite Withdrawal Application processing by reducing processing time and involving ADB in checking the claim before the Engineer issues the payment certificate. One way of overcoming this issue is to ensure that counterpart funding allocation into the project account needs to be made as conditions for ADB's disbursement. 3. Government counterpart funding for similar projects needs to be secured upfront, at least for the initial years with firmer guarantees for subsequent years, and paid into a separate project account. Subprojects need to be duly appraised, estimates prepared and approved, at least prior to Loan Effectiveness. Subproject preparations must reach 90% completion at the time of project preparatory technical assistance and 100% prior to loan effectiveness. This could be made as ï¿½effectiveness' criteria.  4. A rigorous assessment of an Executing Agency's capacity to undertake technical, financial, economic, safeguards and governance evaluation of subprojects needs to be conducted during project formulation. Project preparatory technical assistance report is to include a section or appendix on the Executing Agency capacity assessment and Report and Recommendations of the President is to propose measures to gap the capacity constraints.  5. To facilitate project implementation, Executing Agency need to encourage and apply advanced procurement where possible to engage consultants and initiate procurement activities for subproject contracts early to minimize delays which otherwise result in price escalations. Advance action for procurement and consultant recruitment is made compulsory with the assistance of ADB staff in guiding the Executing Agency's staff.  6. To ensure efficient contractor performance, local contractor ability and capacity needs to be assessed in advance to determine appropriate contract packaging and apply single step procurement procedures. Project preparatory technical assistance report shall include a section or appendix on the local contracting and consultant capacity assessment and Report and Recommendations of the President is to propose measures to gap the capacity constraints.  7. Most importantly, the government, Department of Works and the development partners need to agree on adequate levels of maintenance funding necessary for the sector and ensure that they are provided into a separate account at the beginning of the year to implement a properly designed maintenance program. The amount to be committed by the Government/ Department of Works needs to be clearly mentioned in the Report and Recommendations of the President and covenanted in the loan agreement.  8. To avoid implementation delays, project management units need to be established in advance, with appropriate personnel and advance capacity training provided to such personnel. Establishment of project management unit and the engagement at least 90% of the project management unit full time staff is made as condition for loan effectiveness.  9. Separating the engineering consultant roles between (i) design and supervision and (ii) implementation support needs to be carefully assessed during project design. When such division of responsibility is included in the project design, the design and supervision consultants need to be appointed first to avoid the project performance problems.  10. All civil works project loans need to be delegated to ADB's country resident mission at the earliest date, to ensure closer monitoring, so that where necessary, monthly review meetings can be held with Executing Agency to monitor performance against monthly agreed targets set at prior monthly meetings. This monthly monitoring approach should be mandatory for projects experiencing significant implementation and disbursement delays. |
| 1. Project management and schedule. Urban development projects are inherently complex, involving various sectors and agencies, numerous infrastructure works, and significant safeguard impacts; thus they require tight coordination among all stakeholders. Considering the sector and institutional complexities, sufficient time should be allowed to scope, design, and implement urban projects. While the project management setup and implementation arrangements were generally relevant and effective, the interagency coordination necessary for the project was at times inadequate. In view of the rapid urban development in Fuzhou, which caused frequent changes in project design as well as land acquisition and resettlement difficulties, project implementation could have been improved if there had been adequate staff resources with a mixed skills set within the project coordination institutions, careful risk assessment and mitigation planning, and a more realistic implementation period.  2. Institutional arrangements. A careful institutional assessment and well-targeted capacity development program would help strengthen institutional capacity and promote sustainable management of urban services. There were discrepancies between the actual institutional arrangements and those stipulated in the loan and project agreements concerning responsibilities for investment and operations and maintenance in wastewater services and inland creek rehabilitation. These discrepancies made some of the loan covenants inoperable and caused the project's capacity building program to be mistargeted. Although institutional arrangements were realigned through a change in scope and implementation arrangements and subsequent amendments to the loan and project agreements, institutional strengthening objectives of the project were achieved to a lesser extent.  3. Resettlement. The rapid urbanization and transformation of cities in the PRC means that resettlement safeguards are a critical element of urban projects throughout project preparation and implementation. This is particularly complex in the eastern coastal cities, such as Fuzhou, that experienced unplanned housing development. While the rapid urbanization and a changing urban master plan were the primary reasons for implementation problems, the project was affected by consequential resettlement difficulties from which the following lessons can be drawn:  (i) Project design and resettlement planning should be carefully sequenced with the government's development plan using a realistic implementation schedule.  (ii) The government's land acquisition plan should be prepared well before project approval so that all preparatory administrative procedures are completed ahead of physical implementation of projects.  (iii) Projects that are intermingled with domestically financed development projects should be avoided. Many cities have elaborate local land acquisition and resettlement regulations that often make it difficult for ADB projects to implement land acquisition and resettlement independently from the other development projects. In the case of Fuzhou, the ADB-financed project and the domestically financed projects affected the same villages, and this caused some confusion and dissatisfaction in the affected villages.  (iv) Alternative design options to avoid or minimize house demolition and resettlement should be explored thoroughly during detailed design and project implementation, particularly if the project is located in a rapidly urbanizing area. In the Fuzhou project, design options were largely limited by technical parameters such as flood discharge flows and gradients.  (v) Public announcement of the resettlement cutoff date and its notification to affected villagers should be supported by robust evidence of the established cutoff date such as unambiguous aerial photographs. Local authorities should also try to prevent people from building illegal structures and should rigorously enforce the cutoff date.  (vi) Extra attention and resources should be allocated to projects involving displacement of unregistered or illegal properties.  (vii) Sufficient budget and institutional coordination should be available to minimize the transition period between the completion of resettlement housing and demolition of structures, and relocation of affected persons to their new residences.  (viii) Affected persons should not be displaced before they have signed compensation agreements. This was strictly applied in Fuzhou and is now a national regulation. |
| 1. Implementation of a single window for foreign trade is an extremely complex process that requires a long-term commitment and high-level support. It also requires continuous dialogue with all concerned government agencies to lower resistance to change, including by middle managers and operational staff. The project should have had a longer implementation period and should have included a stronger communication and change management component. A project administration manual and a design and monitoring framework (DMF) at an earlier stage could have helped expedite implementation. Stronger risk assessment at appraisal might have avoided some of the challenges faced during the project.  project cycle stage:   Lesson Topics:    2. It is unlikely that civil servants in the Kyrgyz Republic have the necessary incentives to manage complex projects as unremunerated, part-time project managers, even if they are highly competent. It is also unlikely that public procurement processes can be managed without specialized procurement skills. A fully dedicated project manager and a procurement specialist should have been appointed to the project.  project cycle stage:   Lesson Topics:    3. Projects with significant information technology (IT) components require specific expertise in designing the software's technical specifications and bidding documents, and monitoring a software developer's work. The terms of reference for IT experts should have required candidates to have minimum experience in writing technical specifications for software development that were successfully tendered. The project technical cell should also have retained an international IT expert throughout project implementation to support implementing agencies in supervising software development.  project cycle stage:   Lesson Topics:    4. Information technologgy training for government agencies' staff was expensive. It may be more efficient in future procurement plans to have a separate package for training in basic information and communication technology, as there are many institutions in the country that provide these services.  project cycle stage:   Lesson Topics:    5. Raising awareness of end-users is an important component of projects that streamline government administration. It helps increase demand for the systems, reduce misinformation, and support the overall change. The funding allocation to public awareness campaigns under the project could have been higher.  project cycle stage:   Lesson Topics: |
| 1. Involving beneficiaries at all stages of planning and implementation of upgrading activities and promoting inclusive community empowerment are critical in ensuring pro-poor investments and sustainability.  project cycle stage:   Lesson Topics:    2. Community facilitators and consultants must be qualified and committed; sufficient time should be allocated for community empowerment - ensuring that community members are sufficiently involved in prioritizing their needs, developing investment proposals, and making decisions.  project cycle stage:   Lesson Topics:    3. More attention should be given to operation and maintenance (O&M) planning and management, including awareness of resource requirements for O&M measures and sound financial and reporting systems.  project cycle stage:   Lesson Topics:    4. Covering a large number of remote villages spread over four provinces may not be an effective way to maximize the use of resources. The effectiveness of the investment in generating development impact, as well as project efficiency, would have improved in a focused geographic approach.  project cycle stage:   Lesson Topics:    5. Project management has significant roles in achieving project objectives. The weak project management and insufficient capacity of project stakeholders prevented the delivery of optimum project benefits.  project cycle stage:   Lesson Topics:    6. Indicators to measure the achievement of project outcome need to carefully consider the scope of all activities carried out under all outputs.  project cycle stage:   Lesson Topics: |
| The project demonstrated that successful local government unit (LGU)-led, demand-driven, decentralized implementation is a viable delivery mechanism for the planning, development, and management of rural infrastructure. Examination of the reasons for the delayed start yield valuable lessons for future projects. The primary lesson is that advance action needs to be commenced prior to loan approval as regards (i) shared understanding that Guidelines on the Use of Consultants by ADB and Its Borrowers must be followed for ADB-funded consulting engagements; (ii) commitment and establishment of the project management framework, including recruitment of key personnel; (iii) agreement and commitment at all levels to an effective funds disbursement mechanism; (iv) familiarization with project management actions and procedures; and (v) preparation of a long list of LGU identified subprojects. Advance preparation of subproject long lists will assist in evaluating LGU capabilities and capacity to participate in future projects. In preparing subproject lists for future projects, consideration should be given to agribusiness development zones as a basis for future planning, such that infrastructure and value chain improvements are designed on a regional basis rather than being geographically scattered. Future projects should consider sizing project area coverage in relation to executing agency resources. Consideration should be given also to advance preparation of broader-scale agricultural intensification plans (AIPs).  Placing support teams, including consultants, in the regions and zonal project offices is critical to providing LGUs guidance and technical assistance when and where needed. Careful consideration is required regarding the relative mix between executing agency personnel and consultants to ensure the executing agencies are adequately resourced with the appropriate technical skills so as to retain project experience within the agency after a project is completed.  Slow funds liquidation results in inadequate funds availability, slowing implementation. Future projects should ensure that seamless, efficient, and simple funds disbursement processes are established that satisfy appropriate procurement and financial audit requirements. Future projects should consider (i) direct payment of contractors by ADB; (ii) making imprest account levels appropriate to the funds flows anticipated; and (iii) simplified disbursement procedures and documentation requirements, preferably through the executing agency.  The project has highlighted the need to provide ongoing operation and maintenance (O&M) capacity building support and to monitor actual O&M implementation after loan closure. Future projects should incorporate provision for executing agencies to establish O&M technical support teams conducting biannual infrastructure O&M inspections and providing ongoing training to LGUs on O&M practices after project completion. |
| Capital market reforms are particularly sensitive to economic and political shocks that affect investor confidence. This must be taken into account when designing and implementing policy-based programs in support of capital market development.  With regard to financial sector oversight, the primary focus should be on regulatory objectives rather than regulatory architecture, which is a political issue. During the implementation of both the Second Generation of Capital Market Reform Program and the Accelerating Economic Transformation Program, ADB experienced difficulties because of changing views on regulatory architecture within the government. This should be avoided as much as possible.  Strengthening financial sector governance often requires promulgating new legislation, which is outside the control of the executive branch. While preparation of legislation reflects government commitment to reform, unless laws are enacted, these outputs may not bring tangible changes. ADB should support the government beyond drafting legislation in sustaining stakeholder consultations until laws are enacted. |
| 1. Project experience demonstrates that it is possible to improve natural resource-based livelihoods in a decentralization context, but that doing so is institutionally complex. More in-depth institutional analysis at all levels (e.g., regarding ownership by executing and implementing agencies, the commitment to basin-wide planning, the role of coordinating institutions, and the capacity development needs of communal service providers) could have overcome some of the problems encountered during implementation, and this is an essential design requirement for any future development interventions of this kind in the Tonle Sap. Use of the sustainable livelihoods approach may be insightful, but alone does not guarantee design rigor. [Main text, para. 58]  project cycle stage:   Lesson Topics:    2. Although the project appears relatively efficient against its own delivery expectations, the extent to which such institutional complexity potentially adds to overall investment delivery costs remains unknown in the absence of reliable quantified benefits data from the project itself that would allow a comparison of different approaches. In institutionally complex projects such as this, implementation and eventual output delivery are especially likely to be affected (both positively and negatively) by circumstances not always foreseeable at design. Allowing for flexibility in implementation within such project designs is likely to be essential for later performance success. [Main text, para. 59]  project cycle stage:   Lesson Topics:    3. The project's design: (i) did not anticipate the scale and nature of change in implementation arrangements that would arise from choosing the Ministry of Interior as the executing agency; (ii) underestimated coordination difficulties between government agencies - notably between the executing agency and Council for Agricultural and Rural Development (in its role as chair of the project steering committee) and between the Tonle Sap Biosphere Reserve Secretariat, Fisheries Administration, and Ministry of Environment for output 2; and (iii) overestimated the appetite for change in fisheries management. Lack of advance action to recruit implementing consultants severely reduced the effective implementation period. [Main text, para. 60]  project cycle stage:   Lesson Topics: |
| 1. Overly ambitious and complex projects are less likely to be successful. The Program objectives had a strong rationale and the design was technically sound. However, in view of the weak implementation capacity of the executing agency and the implementing agencies, the Program would likely have yielded better results with a more focused and prioritized set of policy actions and project activities. Moreover, the Rural Financial Sector Development Program was approved only three months prior to the April 2004 parliamentary election. While the election outcome and subsequent policy direction could not have been fully anticipated at the time, there was sufficient uncertainty regarding continued political support to warrant reconsideration of the timing of Board consideration.  project cycle stage:   Lesson Topics:    2. The program loan tranches were front-loaded, with $35 million of the total program amount of $50 million programmed for the first two tranches. The first two tranches were largely preparatory measures and intermediate steps. Had the program been back-loaded with relatively larger amounts allocated to the third and fourth tranches, it is possible that the authorities would have been more inclined to implement some of the more difficult reform measures.  project cycle stage:   Lesson Topics:    3. Timely project completion report (PCR) is important for maintaining policy dialogue and assessing the need for follow-up actions and future assistance. Project Administration Instruction No. 6.07A recommends that the PCR be prepared between 1-2 years after project completion. In the case of Rural Financial Sector Development Program (RFSDP) program loan, the second (and final) tranche was released in February 2006. The bulk of activities under Project 1 and Project 2 were completed in 2008. Given that considerable time has lapsed since Program implementation ended, and significant staff turnover in the executing agency and implementing agencies since, the authorities were not able to contribute meaningfully to Program assessment. PCR preparation would have benefited from the insights of officials directly involved in program implementation.  project cycle stage:   Lesson Topics: |
| Island selection and subproject appraisal were inefficient, delaying the commencement of contract processing by over 2 years and suggesting a recommendation for altering the approach that is shown in the next section.  Forming separate, miniature utility cooperatives on individual islands with an average population of only 1,511 people, each with a separate loan agreement and inspector, proved very difficult to implement. This suggests that one island is too small a unit to justify this approach. The availability of technical expertise on each island varies significantly, and the requisite financial-management and tariff-setting expertise is scarce. The government?s decision in 2009 to form regional utility companies (RUCs) was good for the project, as their taking over ownership and operation enables economies of scale and operational efficiencies, including more effective utilization of technical and managerial skills across islands. Had RUCs existed at the beginning of the project and acted as IAs for clusters of projects within their territory, numerous implementation and coordination problems could have been avoided.  In formulating similar loan projects, ADB should ensure to the extent possible that achieving outputs is within the grasp of the implementing agency (IA). Depending on the Ministry of Planning and National Development (MPND), an agency without a stake in the subprojects, to spearhead the benefit and poverty monitoring and evaluation (BPME) proved problematic, as its withdrawal from that commitment left the IA unable to complete that part of the project.  Passing the Cooperative Societies Act, the necessary enabling legislation before subproject loan agreements were possible, was known at project approval to be the responsibility of Parliament and therefore something the government could guarantee. Yet project formulation as set out in the report and recommendation of the President (RRP) implicitly assumed that this legislation would be passed in a timely manner and offered no robust contingency plan should the legal entities to operate subprojects fail to materialize.  For future projects located on numerous outer islands, formalized feedback channels from local island development committees (IDCs) to the IA should be established as part of project design.  A notable feature of this project was the difference in the performance of the batch 1 and batch 2 contractors, though both contracts were undertaken by the same consortium. The main difference was in project management requirements. Particularly for projects involving outer islands, which by their nature introduce communication and logistical challenges, ADB should ensure that bid documents specify minimum requirements relating to project and contract management, requiring bidders to fully describe planned contract and project management plans in their bids and stating that ADB will not approve contracts unless satisfied that these plans are adequate to ensure successful and timely completion.  ADB must supervise an IA more effectively if it has not established a prior record of successfully managing ADB-funded projects. ADB review missions throughout the project noted early warning signs that the project faced difficulties. More proactive and decisive action by ADB might have effected more efficient implementation. For example, when it became apparent that legislation would be delayed, ADB could have engaged the government to discuss an acceptable alternative, rather than simply leave it to a review mission to urge the government to take unspecified corrective action.  There are underlying systemic challenges associated with project implementation on the outer islands of the Maldives that must be considered in project design, as these conditions are different from those of other South Asian developing member countries. First, direct project oversight is more difficult because of transport issues unique to the archipelago. (Many outer islands are remote, with transport by lengthy, infrequent, and irregularly scheduled boat trips. The only alternative of hiring fast private boats is very expensive.) Second, a subproject on a particular outer island is naturally much smaller than infrastructure projects in larger countries. Third, the cost of hiring international consultants for long periods makes consultant costs disproportionately high when compared with direct project costs such as civil works, and the availability of local consultants may be limited in a small population. |
| Program Related  Further action or follow up. Government implementation of outstanding policy and monitorable actions should be prioritized to maintain reform momentum. It may be possible to tap parallel ongoing advisory technical assistance (TA) projects if further TA is needed. The delays in program implementation by the government are mostly due to lack of expertise, and not to lack of willingness to reform.  Additional assistance. The effectiveness of policy reforms under the program is ultimately determined by the competence of the different Afghan government agencies, which acquired new roles during the reform process. As a result, and in view of the pervasive capacity constraints that affect the government, the sustainability of the program requires substantial follow-up assistance. A second program focused on the implementation challenges created by the program should be considered, as that would also be in line with the current ADB country partnership strategy for Afghanistan.  Timing of the program performance evaluation report. The impact evaluation of the program will be limited by the difficulties in building counterfactual scenarios. An evaluation of the relevance of the different program components could be undertaken between 2012 and 2014, and could address (i) how well commercial arbitration institutions are working, (ii) how sound the immovable property registry is perceived to be by the stakeholders the program intended to benefit, and (iii) how much use is done by the private sector of commercial arbitration mechanisms.  General  Similar institutional reform programs by ADB in Afghanistan should include a specific and realistic strategy for capacity development, taking into account the following:  (i) without absorptive capacity in ministries, very little technical skills transfer will occur;  (ii) sustained recourse to resident international advisors may perpetuate the dependency of decision makers on such advisors; and  (iii) in the absence of specific terms of reference for international advisors, their contributions will tend to crowd out inputs provided by and the learning process of local staff. |
| Competitive selection of beneficiaries. The competitive approach used in the selection of beneficiary schools (i) proved effective in identifying schools with committed management and supportive communities; (ii) fostered a strong sense of ownership among the school's stakeholders: and (iii) encouraged a cooperative effort among the school board, school management, teachers, and parents in identifying priority needs and corresponding improvement programs.  Assessment of capacity of the executing agency. During project preparation a comprehensive assessment of the executing agency's procurement capacity should help identify possible challenges in project implementation. In case of weak capacity, technical assistance grants can help to strengthen procurement capacity, especially in projects where success is linked predominantly to fast- paced, transparent procurement involving international competitive bidding (ICB).  Clear understanding of government and ADB policies, guidelines, and procedures. Lack of familiarity with and understanding of policies, guidelines, and procedures of the government and ADBï¿½particularly on procurement, accounting, and financial reportingï¿½is often a source of confusion and delays. It is important that project implementation unit (PIU) staff, especially new ones where staff turnover is high, be given adequate orientation and hands-on training. PIU budgets should contain allocations for staff training.  Procurement reform. The government procurement policy of verifying price after finalizing a contract under ICB causes serious project implementation difficulties. This policy should be either discontinued or streamlined and made part of the bid evaluation process. |
| The evaluation offers lessons regarding the need to properly adapt the scope and time frame of reforms to institutional capacity and to sequence reforms. Budget reform should be regarded as an evolving process and should focus on a more limited set of reforms that are within the reach of government institutions. Organisation for Economic Co-operation and Development (OECD)-type budget systems in developing countries and emerging markets must be based on a solid platform of financial management (the micro basis of broader budget system reform) within Ministry of Finance (MOF), line ministries, and other government agencies. In Mongolia as well as many other developing countries, this aspect of public financial management (PFM) reform has proved to be particularly problematic. Reforming PFM systems is a long-term process, for which a time frame of 15-25 years is often considered realistic.  In general, program loans should either exclude highly complex and far-reaching policy reforms or build on intensive policy dialogue and enhanced monitoring and review by ADB. Corrective action regarding the scope and implementation arrangements of the program should be considered at an early stage if implementation is observed to fall behind schedule or government capacity, ownership, and commitment show signs of receding. To improve ADB's processing and supervision of complex program loansï¿½particularly those that entail policy reforms, development of legislation, and human resource and institutional developmentï¿½strong in-house specialist expertise, instead of predominant reliance of consultants, should be ensured, in particular sufficient provision of budget for supervision and staff skills. |
| The Second Rural Water Supply and Sanitation Sector Project (RWSSP2) is being implemented in a much more focused geographic area, and in a more holistic manner, covering all villages in each selected commune and aiming at 100% water supply coverage and 75% sanitation coverage in order to achieve the intended collective health benefits;  To maximize cost effectiveness, the first emphasis of RWSSP2 is the rehabilitation of wells in disrepair;  RWSSP2 will only support the rehabilitation of non-functioning community ponds, rather than the construction of new ponds;  To offer a more consistent, harmonized approach to nongoverment organization (NGO) support, the Ministry of Rural Development (MRD) has engaged one NGO to provide support for all provincial teams, instead of hiring individual NGO teams to support each provincial department of rural development (PDRD);  Recognizing the low capacity and high level of effort required for monitoring and evaluation (M&E), an international M&E firm has been engaged under RWSSP2 to work alongside MRD M&E officers to develop systems and build capacity; and  Subsidies for household sanitation will be offered, but will be very strictly and transparently targeted at those households measured as ï¿½poor level Iï¿½ and ï¿½poor level IIï¿½ using the Ministry of Planning's national Identification of Poor Households targeting mechanism. This is a proxy means test that measures easily observable household characteristics and assets and is implemented in all 24 provinces. |
| Understanding the sector environment in new member countries is important. When engaging in a new sector or country, understanding the key sector participants and their agendas, as well as developments in the sector is important. This will improve the project design and increase the likelihood that the project will have strong government support.  Use phased reform programs. Radical reform programs, especially if they carry political risks, are likely to result in government resistance, unless the government strongly supports the concept. A phased long-term reform program is more likely to gain government support, especially if each stage is aligned with government objectives.  Use conservative cost estimates and ensure sufficient funding. The funding allocation should be sufficient to cover project costs; if it is not, the project scope should be reduced or the funding allocation increased with no delay during implementation.  Ensure the government understands the proposed project. Ensure that government agencies fully review and understand proposed projects. Reconfirmation with all relevant agencies is critical. |
| The project involved the establishment of an entirely new platform of learning, with investments in hardware and software and including creation of partnerships with institutions that were to develop their course content into online distance learning format. This constituted a major step toward a new concept of learning. There is a risk that the system will eventually collapse unless it is put on a sound business and strategic footing in the near future. In addition to the risk of dilapidation of equipment (which for now is still relevant and state-of-the- art), staff capacity that was sourced, developed, and placed to keep National Online Distance Education Service (NODES) and network access centers (NACs) operational risks being eroded as the highly skilled people begin to find alternative work in the market. One major lesson is that longer-term support could have been built into project design to enable more time for preparing a sustainability plan with concrete milestones, including adequate transition arrangements followed by approval of an institutional framework for the successor organization.  Another lesson arises from the novelty and innovation of the projectï¿½a higher priority should have been placed on social marketing and awareness raising among potential partner institutions and students, to ensure broad-based demand and a strong supply of market- oriented courses. There is great potential for self-sustainability in this model if its management is outsourced or it is transformed into a corporate entity, but inclusion of social marketing will be key to its success. Also, mobilization of the private sector requires effective communication and a credible monitoring mechanism to ensure that matching grants are used effectively.  An important lesson regards the nature of the courses that were offered and if they were the most appropriate ones for an online distance-learning platform. While the project was designed to create access to postsecondary (degree-level) programs for those A-level achievers who would not have an opportunity to enroll in traditional university programs, it may not have been suitable for students newly transitioning from secondary to tertiary education for whom distance learning was less desirable or appropriate, given the strong preference for more traditional modes of post-secondary education. Such a system may be of more relevance and therefore better used if it focuses on non-degree courses to supplement formal education, especially courses that help the employed broaden their skills or the unemployed making themselves more employable. This has deep implications for the future of NODES, as the ?new management? or policymakers consider how they want to develop and use it.  Finally, an important institutional lesson arises from the need for better planning and coordination between all ministries and agencies that have a potential stake in a project's outputs. In the case of this project, NODES can be of relevance and use to the training and education programs offered and governed by various ministries and agenciesï¿½e.g., Ministry of Education, Vocational Training Authority. Already, several of these courses relate to vocational areas (hotel management; computer studies and/or software development; food and beverages; etc.) and their thrust is aligned with the government's priority goal of developing information technology (IT) and tourism as focus areas for investment in technical education and vocational training, supported by public-private partnership and an information and communications technology (ICT) platformï¿½all of which NODES offers. |
| The evaluation offers some lessons regarding the need to (i) properly adapt the scope and time frame of comprehensive and sensitive policy reforms to institutional capacity, (ii) carefully sequence reforms, and (iii) take a long-term approach to development. Developing capital markets is a long-term process, for which 10-20 years may be considered a realistic time frame. Capital market reform should focus on a limited set of highly selective and sequenced reforms that are within reach of government implementation capacity. Rather than focusing capital market reforms on very ambitious final outcomes.  In general, it is proposed that program loans should either not include highly complex and far-reaching policy reforms or build on enhanced policy dialogue, comprehensive technical assistance, and intensive monitoring and review by ADB. Lack of technical understanding on the part of political decision makers requires support for comprehensive and consistent advisory technical assistance throughout the drafting and approval process of new legislation. Corrective action regarding the scope and implementation arrangements of a program should be considered at an early stage if implementation falls behind schedule and/or government capacity, ownership, and commitment shows signs of receding.  The provision of technical assistance (TA) should match the scope of targeted policy reforms and the capacity of implementing agencies. In addition, it appears from the evaluation of the program that ADB's great reliance on TA consultants to develop much of its policy and advisory input affects its ability to develop sustainable internal capacity on policy issues. It has thereby reduced ADB's ability to quickly respond to government requests for policy advice and to engage in long-term dialogue. To improve ADB's processing and supervision of complex program loansï¿½particularly those that entail policy reforms, development of new laws and/or amendment of existing laws, and human resource and institutional development elementsï¿½sufficient supervision budgets, staff skills, and staff incentives should be ensured. Ideally, staff should be given incentives and enabled to maintain their program supervision roles for longer periods, thereby improving program implementation. |
| Monitoring framework. How the design and monitoring framework (DMF) was prepared constitutes a major design and evaluation issue, and its lack of clarity made assessment of achievements across the program very difficult. The standards used in conceptualizing DMFs have evolved significantly since the programï¿½s approval, and the new practices should soon make it possible to design more effective assistance in Afghanistan and elsewhere. But it is also important to recognize that the nature of reforms in public fiscal planning and financial management reforms makes the adoption the new monitoring framework practices more complex; professionals with expertise in such work should develop more tailored approaches in this regard.  Future assistance. Further assistance to the government, especially the Ministry of Finance (MOF), is crucial in order for reforms under subprogram 1 to become effective and be sustainable. But the approach to the provision of this assistance must also change. Instances have been highlighted in which high levels of technical assistance (TA) have constrained learning-by-doing on the part of local counterparts, and overwhelmed the incentives that normally underpin successful capacity development. Future ADB institutional reform programs in Afghanistan should include a specific and realistic strategy for capacity development that takes the following into account that:  (i) In the absence of absorptive capacity in ministries, little technical skills transfer will occur. However, the level of fiscal resources needed to sustain hiring of more qualified staff to the civil service (to increase that absorptive capacity) is also affected by current development partner financing of externally-funded national staff (the so-called ?second civil service?), which is now hired on inflated terms. Coordination between these two dimensions is a priority if core government capacity is to be developed.  (ii) In the absence of specific terms of reference for international advisors for on-the- job training, or if those are not strictly focused on the most technically challenging tasks, the availability of these experts to provide general support within the ministries will tend to crowd-out the inputs provided by, and the learning process of the local staff. Thus, experts should be given specific terms of reference that (a) require the provision of on-the-job training to local counterparts, and (b) limit their overall involvement to the most technically challenging tasks.  (iii) Continuous recourse to resident international advisors may perpetuate the dependency of decision-makers on such experts. |
| Participation of beneficiaries at an early stage of subproject preparation will enhance the chance of success where beneficiaries are to assume control of operation and maintenance (O&M).  Beneficiary contributions must be set at a level that reflects their capacity to pay, and it is considered inappropriate to overload farmers with higher costs where poverty remains an issue.  Quality subproject feasibility and detailed engineering designs, based on solid geological and topographic surveys, are necessary prerequisites to successful irrigation and road subprojects. Without these, unachievable targets will be established that cause subprojects to be assessed less successful.  The role of local government units must be understood, given their limited resources and their primary function as a political institution. While they remain an important inclusion from a lobbying perspective, they cannot adopt roles beyond the level for which they have human and financial resource capacity.  Further capacity building must be undertaken in procurement and bid evaluation if provincial and regional procurement is to be continued in similar future projects. While there is a certain autonomy in regional centers, the central government and ADB should adopt a stronger procurement monitoring role, if only to prevent repetition of previous mistakes.  A realistic evaluation of institutional capacities is needed during project preparation for the tasks expected of them. This is particularly important with the proposed downsizing of the NIA that is currently taking place.  Stronger links with technical support and input supplies such as credit should be part of the training of irrigator associations during subproject implementation. While attempts at coordinating technical support were envisaged, much of this came down to personal relationships, and that varied widely between subprojects. |
| A key lesson from this project comes from ADB's underestimation of the potential effects of the weakness of implementation capacity in Tuvalu. Professional services are limited domestically and the logistic problems are significant. A realistic and comprehensive assessment of capacity should have been conducted during project preparation. Transfer of skills alone may not be sufficient to overcome this problem because of the difficulty in identifying qualified counterparts and the fact that those who qualify may often not be in a position to commit all of their time to the project. In such cases, project activities need to be outsourced. This approach requires close oversight and monitoring. Close involvement of ADB staff in project implementation is also essential and the resources for this need to be provided.  Fundamental changes in procurement methods may offer a procedural and administrative solution when a tendering process is stalled because of lack of competition or bids above the available budget. But these changes can also cause implementation problems, especially when the implementation capacity of the recipient is weak.  Seafaring is one of the few non-government opportunities for income for young Tuvaluans. It has significant effects on the wealth and well-being of a large section of the population, including the poor. Yet this project did not get the support and attention from the government that its strategic importance warranted and required. This was mainly due to a high turnover of government and project staff, which compounded the weak implementing capacity. In addition, consideration and planning of similar future projects should note that accountability and governance frameworks are poorly developed in small Pacific island developing member countries such as Tuvalu. |
| The Planning and Development Division's (PDD lack of capacity to assist the implementing agencies delayed the issuance of consultant mandates, thus slowing down work on some priority subprojects. The choice of the PDD as the executing agency was a mistake. The PDD lacked qualified staff,, access, and a track record. The setting up of new units to manage consultancy contracts does not work and should not have been proposed in the first place.  ADB should have restructured its technical assistance (TA) loan much earlier, taking into account two events: (i) the approval of new multitranche financing facilities (MFFs) with project-preparation components that duplicated some of the TA's work, and (ii) dramatic changes in the economy that made some subprojects irrelevant and/or unfundable. The review missions reported on consultant services and their performance, and they did propose a major restructuring of the TA over time. If the restructuring had been done earlier and more extensively, however, all concerned would have saved time and money. The important lesson here is that one must take changing circumstances into account.  While the project-preparation facilities made sense, the TA loan itself was spread too thinly. The funds were dispersed across three sectors, and were handled by numerous agencies managing subprojects in many locations. This made coordination a challenge right from the outset, especially given the absence of an experienced and capable local coordination team. It did not work. In retrospect, the multi-sector design of the TA was wrong, and approval should not be given for similar TA loans in the future. The important lesson learned here is to restrict loans to one sector at a time.  When projects cross ministerial boundariesï¿½as was the case with the national and provincial stakeholders in the water resources sectorï¿½there must be a clear commitment at the design stage to avoid disputes. Otherwise, such projects should be avoided altogether.  Where a large capacity-building component precedes project preparation, reviews by ADB should be more frequent. The consultants should also produce verifiable and detailed reports on progress and staff training. This will allow a more timely response to problems by both ADB and the Borrower. |
| 1. Local government units (LGUs) are important as facilitators of housing projects, but should not be overburdened with housing production or housing loans. LGU-driven projects are important and strategic for targeting the urban poor. LGUs can have a crucial role in provision of land, particularly land that has been proclaimed by the President of the Philippines for social housing purposes. However, there needs to be additional innovation to make the urban poor bankable. Home Development Mutual Fund (HDMF) lending needs to open up to LGU-initiated socialized housing projects, even if they are for nonHDMF members. In order to serve the urban poor, LGUs need to innovate and provide guarantee funds (guaranteed by the internal revenue allotment or other forms of collateral) for HDMF lending operations to the urban poor. In addition, the implementation of socialized housing projects needs to make use of microfinance institution collection practices.  project cycle stage:   Lesson Topics:    2. Private sector developers need to be motivated to prefinance and build social housing schemes. The private sector modality does work if established in tandem with a take-out mechanism from Home Development Mutual Fund (HDMF). While the private sector will only require short-term loans during the construction period (until a scheme is fully sold), it relies on a separate financing mechanism through HMDF or similar other arrangements.  project cycle stage:   Lesson Topics:    3. A bigger role for nongovernment organizations (NGOs) can be envisaged. NGOs can borrow from the Developnment Bank of the Philippines if they have sufficient collateral at their disposal. However, few NGOs may have land available for housing, and may consequently rely on partnerships with other stakeholders, such as the local government units or the private sector, to access land for their projects.  project cycle stage:   Lesson Topics:    4. Microfinance for housing should be encouraged. Housing microfinance is an important long-term development instrument. Microfinance institutions that have clienteles with good reputation as borrowers are best suited to implement such housing microfinance loans.  project cycle stage:   Lesson Topics: |
| Implementation of the program demonstrated that consistent government support is critical to success. The effective implementation of the banking sector component is attributable to the National Bank of the Kyrgyz Republic's (NBKR) strong commitment and ownership of the proposed reforms. In contrast, the capital market component lacked a clear champion as a result of political developments. Therefore, despite intensive policy dialogue, and awareness and capacity-building efforts, the pace of reforms did not proceed as well as anticipated.  The ownership and rationale of policy reforms should be carefully assessed at appraisal. In assessing ownership, it is important to remember that policy actions affect many stakeholders, even within the government. In this case, the legislative branch was not enthusiastic about adopting complex new laws pertaining to the regulation of capital markets that would then be interpreted by agencies outside their direct control.  The process of translating drafts of the Law on the Securities Market from English into Russian and back into English affected its readability in English. Achieving a reasonable and consistent standard of translation into both Russian and English remained a problem. Once the final version of the draft law has been adopted, it would be desirable if an official English translation could be produced for the benefit of ADB, foreign investors, and other interested parties. In the meantime, an accurate consolidated translation of the final draft of the law should also be produced for the records of the technical assistance (TA). |
| Political support and macroeconomic stability are vital to the success of a development assistance program. At the time the Banking Sector Reform Program (BSRP) was approved, the government had just come out of a severe macroeconomic and fiscal crisis. The fiscal situation had stabilized by 2003 with a deficit equivalent to 5.6% of gross domestic product (GDP). The severe constraints on budget resources and suppressed spending on the economic and social sectors meant that the MInistry of Finance's (MOF) priorities were not closely aligned with the goals of the Bank of the Lao PDR (BOL) and the BSRP (which required a substantial placement of interest-bearing government recapitalization bonds in the two state-owned commercial banks or SOCBs).  Focus in scope is important. The extended time period, the considerable amounts of counterpart and staff time, and the breadth of technical assistance (TA) support involved in program implementation (6 years and about $6 million in loan and grant-based TA resources) clearly indicate the scope and complexity of the program. Significant additional support was also provided under rural finance-related projects to address Agriculture Promotion Bank (APB) and microfinance-related measures. The BSRP's core and immediate objective was to address the crisis facing the banking sector by restructuring and restoring the SOCBs to financial health. Reforms directed at this objective required close attention and significant support given their urgency and fundamental nature. As noted above, however, the program's scope also included a wide range of other measures (e.g., reform of the judicial system) that diluted focus and complicated implementation (involving a significant number of implementing agencies, for one, made coordination more difficult) without directly supporting the achievement of the program's main objective, partly because of the much longer time and greater resources needed for effective implementation. Closer assessment of the judicial system at the time of program formulation could have highlighted the very basic level of capacity present, the long-term nature of the support needed, and inherent difficulties in meaningfully achieving the proposed goals within the program time frame and available resources.  The program's approach to dealing with nonperforming loans (NPLs) might have concentrated more fruitfully on strengthening credit assessment with a focus on future cash flows rather than security, through greater support for the development of needed procedures and capacity in this regard. Attempting concurrent reforms of a fundamental nature in the legal and judicial system requires a significant commitment of resources over the medium to long term, well beyond those available under the program and its associated TA.  The program's significantly longer than anticipated implementation also meant that there was considerable turnover of key staff within executing and implementing agencies as well as on the ADB team (six mission leaders over the course of implementation). These changes contributed further to delays as new staff learned their responsibilities and adjusted to the many exigencies of a complex and wide-ranging program. A program of more focused scope would have helped reduce the effective transition period for new staff, thereby allowing more effective and timely implementation.  The tranche conditions were overloaded with complicated policy reforms and involved too many implementing agencies with different interests, overstretching the weak administrative capacity of the government. Policy conditions included adherence to complicated and lengthy governance agreement agreements; legislative reforms, among them, amendments to the Secured Transactions Law, the Law on (Civil) Judgment Enforcement, the Law on Civil Procedure, and the Anti-Money Laundering Law; the establishment of a financial intelligence unit at the BOL; and the placement of recapitalization bonds at the two SOCBs. A governance agreement to insulate a state bank from political interference was a relatively new instrument; its use in the Lao PDR was therefore tantamount to an experiment.  Flexibility can help strengthen stakeholder ownership and support effective implementation. The first set of governance agreements had to be revised to unlock progress in implementation.  Funding should be commensurate to the size and scope of the program to align incentives. The total amount of funding under the program was $15 million (spread over three tranches), yet the release of funds was contingent on compliance with some 42 conditions, some of which carried costs significantly greater than the program amount (e.g., recapitalization of the SOCBs). Interest payments alone on the recapitalization bonds were estimated at $18-$20 million over the originally anticipated program period of 3 years. Many conditions also involved fundamental and far reaching institutional changes that contributed to prolonging the implementation period by 3 years. This suggests a mismatch between the magnitude and scope of the reforms undertaken and the program amount, further diluting the incentives for timely and effective implementation. |
| ADB and the government should jointly ensure project readiness before approval (e.g., all relevant studies, including the local feasibility studies should be completed before the start of the project).  Inadequate allocation and delayed release of counterpart funds can jeopardize project outputs.  ADB should be more proactive to ensure full compliance with the loan agreement and adherence to ADB procedures relating to procurement of goods and consulting services. |
| Design. The risk assessment of political resistance to devolution was not sufficiently robust, and mitigating measures were not realistic. The design should have been revised to address political resistance to implementation of the Punjab Local Government Ordinance 2001 (PLGO). Failure to do so undermined program implementation. Another significant design flaw was the multi-sector and ambitious scope of the program. This observation was also raised by the executing agency (EA) during the program completion review mission. The demands of implementing reforms across four sectors limited the extent of sustained interaction in any one sector. The water supply and sanitation sector, in particular, faces a very different set of development needs and requires specific technical expertise. The multi-sector Second Social Action Program Project faced similar implementation challenges, though this lesson was not sufficiently incorporated into the program design.  Implementation. The implementation efficiency of the program was constrained by the late recruitment of the Technical Assistance Management Agency (TAMA), and the lack of recruitment of local support groups. The TAMA was meant to mobilize about 4,000 person-months of consulting services. The local support groups were expected to be mobilized in each district for 3 years to enhance capacity. For the majority of program implementation, these tasks became the responsibility of ADB and the program support unit (PSU), albeit with insufficient resources, which negatively affected implementation efficiency. A fully functional TAMA for the duration of the program would have allowed ADB to focus more on implementation of program reforms, rather than on technical assistance (TA) contract issues.  Sustainability. The focus of the EA and PSU was on implementation of the policy matrix. Considerably less importance was given to the loan covenants. The PSU indicated that it would have recruited local support groups if it had been a condition in the policy matrix; however, since it was not a tranche condition, the PSU did not feel compelled to comply. This was also the case with covenants related to social sector expenditures and conditional grants, which were key covenants for ensuring improved social sector performance. Major covenants should have been included in the policy matrix for greater consistency and to increase the likelihood of compliance. |
| Project targets should be achievable. Cost estimates should be based on thorough and professional assessments as part of a feasibility study, instead of aspirational or subjective considerations alone.  Measures ensuring government commitment to implement institutional development and provide counterpart funds should be carefully reviewed and tied to the release of funds.  Detailed design engineers and supervision and implementation consultants should be recruited in advance of project approval, to increase project readiness. The project implementation schedule should be realistic.  Delayed payments to contractors adversely affect implementation. ADB and the government should work together to ensure timely disbursements. |
| Adequate consultation and participation at the state and community level during project design and scope change are essential for understanding the institutional capacity, and for identifying appropriate implementation arrangements and required technical assistance. Although most of the project activities were at state level, the project was designed to be managed at the national level. Consultations with all stakeholders at state or lower level during the design and preparation of scope changes would have been helpful to identify most appropriate activities and arrangements.  It is essential to include maintenance components for new systems and facility renovations to ensure the sustainability of project outputs. The project initiated several new monitoring systems and supported renovation of health and education facilities. Since it often takes time for staff to understand the usage of new systems and facilities, 6 to 12 months of maintenance services are required to support the gradual shift of maintenance responsibility to the national and state governments.  Providing long-term technical assistance at the state level would be more appropriate to support long-term development, including human resource development and monitoring and quality control systems. Institutional capacity developments require gradual changes and long-term support at the local level would be more efficient.  To improve ownership, state governments should be closely involved in project monitoring and evaluation.  Although the Federated States of Micronesia (FSM) government and ADB flexibly responded to the changes required as a result of second Compact, few activities were implemented during the first 5 years after the project was approved. To respond to such changes, long-term technical assistance on the ground and closer communication between local stakeholders and ADB is critical, through consultations and review missions. |
| Participating local government units (LGUs) obtained several benefits. The project generated strong interest among LGUs. Most LGUs appreciated the loan terms (particularly the fixed long-term nature of ADB funds) and the assistance and services provided by the Land Bank of the Philippines (LBP) and the Department of Interior and Local Government (DILG). LGUs also appreciated receiving assistance in modernized governance systems, including assistance in rationalized planning (comprehensive development plans), property tax administration, and revenue enhancement. The assistance was transforming for some LGUs as it allowed them to handle big projects involving loan financing for the first time. The project also increased LGU awareness of urban development priorities and opportunities for future investments.  Revenue-earning subprojects were favored. Many of the implemented subprojects e.g. public markets, public transport terminals, and water supply schemes are good revenue earners or have the potential to be good revenue earners. These subprojects provide essential economic and environmental benefits that will have long-lasting positive impacts. It is expected that most of these investments will be sustainable and will lead to further related investments to expand infrastructure networks. Notably, public markets and transport terminals were the most popular choices of subprojects, while water supply systems were the third most popular. Sanitation, flood control, and solid waste management subprojects, perceived by LGUs as low revenue earners, were not implemented. This indicates that LGUs fail to understand or appreciate the benefits of improving the local environment, and that incentives (like capital grants from the DILG) have not been effectively used to direct LGU investment choices. Building town or municipal halls or gymnasiums are of questionable relevance compared with water supply, sanitation, and solid waste management. Municipal buildings may not generate large revenues, but data suggest that they can contribute to improved revenue collection since tax payers appreciate improved quality of town halls and demonstrate more aptitude to pay their taxes there.  More strategic and participatory planning is desirable. LGU chief executive officers (CEOs) often selected subprojects and made investment decisions on their own rather than on the basis of strategic local development plans. Although the project assisted some LGUs in formulating comprehensive land use plans, it did not succeed in ensuring that such plans are standard tools for investment planning despite an LBP requirement mandating that LGUs possess annual development plans to qualify for loan approval. The absence of participatory strategic development plans could result in future LGU administrations backtracking on established development priorities and arbitrarily choosing new priorities. Allowing CEOs to choose subprojects creates a risk that cost recovery mechanisms will not be implemented, as political expedience may lead future CEOs to provide services at below-cost levels.  Decentralized projects call for a better PPMS. The scattered nature of investments throughout Mindanao created substantial management challenges of reporting and data management. The disparity and decentralized nature of the subprojects should have made it imperative that the project implement a web-based project performance monitoring system (PPMS) instead of employing traditional narrative reporting methods. A web-based PPMS would have facilitated management and supervision. It proved advantageous that LBP had offices in many LGUs or in their subregions, and that the DILG had local officers in all LGUs and was thus able to offer hands-on support for subproject implementation, but did little to support central data management. Collaboration between local DILG officers and LBP lending center staff varied.  Capital grants are attractive, but should only be given as a reward for good performance. In the first years of the project the DILG offered capital grants for eligible subprojects. These were discontinued in 2005 after the cancellation of the DILG's grant source. After that, many LGUs stopped subproject preparation work because of the (perceived high) costs of ADB loans. The commitment and buy-in of LGUs was weak at times. Many LGUs were more oriented toward grants than the lending facility. It raises the question of whether the mixed grant-loan scheme was a good concept to start with, considering that it tried to compete with operations of the Municipal Development Fund Office (MDFO) of the Department of Finance (DOF). The concept of capital grants, also part of the national government-local government cost sharing policy, might require some reformulation. Ex-post performance-based grants might have been more appropriate than upfront capital grants, which often distorted LGU perceptions of the project as a lending facility.  LGUs see banking requirements as too tedious. Despite various introductory workshops, some LGUs kept complaining about the documentation requirements. The assistance of DILG and its consultants has helped ease their concerns, but LGUs reported that at times they felt like they were being forced into compliance with procedures that other official development assistance (ODA) providers (like Japan Bank for International Cooperation) had already relaxed. Both ADB and LBP procedures could have been simplified to better bond LGU customers with the project.  The value of capacity development. Although not easily measurable in terms of monetary impacts and outcomes, capacity development support made an important contribution to the project. The investment of $6 million through an Nordic Development Fund (NDF) loan to the DILG was an unprecedented engagement in favor of LGUs; this amount was augmented with a substantial in-kind operational counterpart contribution by the DILG. However, the true value of the NDF-funded capacity development program can only be assessed in terms of the sustainability of the urban services financed under the project. LGUs reported that without the capacity building they would not have been able to effectively implement the infrastructure investments. Several LGUs stated that cost-free capacity building for their staff was the most attractive aspect of the project even more attractive than the loans especially as it prepared their staff to possibly participate in future ODA projects.  A single executing agency could have simplified implementation. The report and recommendation of the president (RRP) and the loan agreement both established an unnecessary overlap of functions between LBP and the DILG. This could have been avoided through a more straightforward and functional separation of roles: LBP to implement Part A, and the DILG to limit its role to Part B. The existence of two executing agencies under the project should have been avoided. |
| Institutional weakness has been a key constraint to timely and efficient project execution and to long-term sustainability of newly created assets. Local capacity constraints were exacerbated by a centralized system of governance, management and decision making. Local infrastructure investments remain largely at the discretion of the central government and local officials lack the budgetary and human resources or skills to maintain assets and to effectively respond to the constituents' needs. The incentives and resources for local governments to strengthen services are limited. The project's implementation arrangements, which vested almost all responsibility for implementation at the central level, may have contributed to these weaknesses. The project would have benefited from greater local involvement in project planning, design and implementation, and by addressing local capacity constraints and incentives for quality service provision.  The project had only limited, uneven success in raising tariffs, resulting in underfunding of operation and maintenance (O&M). This raises the need for wider institutional and policy reform. The support of ADB and other development partners has focused on helping the government to rebuild assets but has placed less emphasis on building the institutions and systems required to ensure these assets are maintained and used efficiently. Given the acute needs for infrastructure rehabilitation and expansion in urban areas in the 1990s, this emphasis on infrastructure provision was understandable. Today Mongolia lags behind other former socialist countries in institutional reform and strengthening and risks wasting resources on infrastructure that it cannot maintain and manage properly. While the project addressed this issue, it placed insufficient emphasis on delineating the functions of the aimag governments and the public urban service organizations (PUSOs) and on strengthening lines of accountability for delegated service provision.  The issue of tariffs is complicated by (i) the high cost of servicing in some areas, particularly the ger area settlements; and (ii) the government's willingness to subsidize service tariffs. The project supported a dialogue between ADB and the government around urban service reform, tariff issues, the application and targeting of government subsidies, and the development of more transparent, efficient and equitable mechanisms for directing such subsidies in public services.  Lessons learned indicate the need for (i) detailed project formulation during the project preparatory stage, (ii) adoption of simple and affordable technologies in construction and facility improvements, and (iii) parallel provision of institutional development and training during project implementation. It is vital that relevant institutions and beneficiaries at the local level are fully involved in all stages of project preparation, design and construction.  Measurement of sector performance and progress in achieving urban economic development and improved service provision, including in those areas specifically related to the Millennium Development Goals and the National Development Strategy, is compromised by an absence of disaggregated data and a lack of clear and measurable indicators. The project did not include monitoring of a set of clear indicators for which data is available or can be readily obtained. Better analysis of existing information and trends is required at preparation and greater attention needs to be paid to the development of a robust baseline and measurement and evaluation of outputs, outcomes and benefits.  Certain lessons have already been incorporated in The Southeast Gobi project, which was approved in April 2010. In contrast with L1907, aimags have primary responsibility for the design and construction of infrastructure, including procurement and oversight of construction supervision. Design and build contracts aim to avoid technical problems at the design stage and shorten the period required for completion of works. The Southeast Gobi project also supports a reform process in which tariffs are set through a tender process in which firms compete for the right to manage service provision. |
| Inadequate project design undermines project implementation. Good project design is a basic requirement for project success, and inadequate design can prevent project success. In this case, design did not demonstrate adequate technical understanding of the availability of suitable water or the feasibility of its use for water supply and sanitation (WSS) projects in four of the six provincial towns. The cost estimates at appraisal, based on project preparatory technical assistance (PPTA), were too low, as actual costs were almost 225% higher than the appraisal estimate for the Wabag water supply subproject and 650% higher for the Madang sewerage subproject. The risk of the Australian Agency for International Development (AusAID) grant not being approved was not identified, and this curtailed capacity building in the Waterboard.  Only priority sites should be surveyed at project design. Identifying a short list, not a long list, of priority sites before PPTA starts is good practice. Frequently, executing agencies in Papua New Guinea (PNG) do not identify priority sites or undertake preliminary analysis, citing their lack of preparatory budgets or skills. This does not foster ownership and passes on responsibility to consultants. In this case, PPTA consultants were asked to survey 12 provincial towns, out of which only 2 were ultimately developed. Inadequate preparatory work was done prior to project approval, causing high cost overruns and the need for re-design during implementation. ADB did not have the capacity to verify results from so many sites. Commitment from citizens in the form of willingness to pay and from governments in the form of investment, maintenance, and protecting assets from vandalism should be regarded as a part of future Waterboard investment decisions. The Waterboard should require an enforceable contract with provincial governments prior to new town investments.  Targeting poor families with grant funds and low-cost technology makes good sense. The low cost sanitation and community awareness and health education (LC-CAHE) component was the most successful part of the project, despite cost overruns and reduced impact compared with the original targets. It combined low-cost infrastructure improvements with vitally needed information to improve awareness and understanding of the need for greater cleanliness and modern sanitation to improve public health. It also involved working with poor communities in a participatory manner to build commitment. It is a model that can be replicated at minimal cost in PNG and elsewhere in the Pacific.  Lower-cost technologies have significant potential to improve public health. The very high cost of servicing small and isolated towns in PNG through reticulated WSS systems means that lower-cost alternatives should be considered. Water prices have risen and will rise further with the Independent Consumer and Competition Commission's (ICCC) regulatory contract with the Waterboard. This improves the commercial environment for the Waterboard, which it may be able to exploit if it can provide improved services more efficiently. However, water prices are unlikely to increase enough, even in the medium to long term, to financially justify reticulated WSS systems throughout urban PNG. Alternative models for providing WSS services should be considered that aim to alleviate capital constraints on reaching customers. The actual costs of reaching urban customers e.g., approximately $3,900 per user for the sewerage upgrade under the loan project in Madang, compared with $212 per user for septic tanks in Madang or $150 per user for ventilated improved pit latrines in the LCS-CAHE Program is evidence that far cheaper solutions are available. Alternative providers of these services, in competition with the Waterboard, should be encouraged if the Waterboard is unable to offer lower-cost alternatives. In Wabag, the investment cost of $6.3 million to serve 6,000 beneficiaries, at $1,050 per person, may be sustainable if all water supplied is paid for. Currently, only 29% of consumers pay their bills, a figure that is expected to significantly increase as the user-pays principle becomes established in Wabag. |
| The project timeframe did not allow adequate time for developing knowledge and understanding, processes, procedures, and the project implementation framework.  More attention should have been paid to the executing agency's ability to implement the project. Inadequate capacity resulted in complex problems and incomplete outputs.  The Government of Sindh (GOS) should have had greater ownership and commitment to the completion of activities. A project-based, decision making forum may have been an option to reduce processing delays.  Pre-project capacity building is essential in the following areas: procurement; loan and contract administration; disbursement processes; monitoring and evaluation mechanisms; periodic reporting needs; and social and environmental safeguards.  A well-qualified and experienced project team leader and consultants' familiarity with ADB processes are essential to implement an ADB-financed project.  Extensive and regular coordination of ADB staff is important in developing adequate skills, capacities, and experience, and eliminating common implementation bottlenecks.  A stepwise, flexible approach should have been adopted with adequate supervision support for sector specialists in the policy and reform program and capacity building activities.  Overly optimistic objectives and implementation scheduling should haven been avoided. A gradual, step-by-step approach consistent with local realities should have been adopted.  The local communities and government should have been considered as part of the project team as they could have played an important role in planning and implementation.  ADB should have insisted on dedicated professionals with a demonstrated track record to ensure consistency, continuity and competence in the project team.  Achieving the investment and reform program in a limited timeframe was difficult within a highly bureaucratic environment.  The government's commitment to implement the institutional development, capacity building, and reforms program should have been carefully reviewed, discussed, and tied to funds release. A detailed implementation review and evaluation process must be conducted.  An inappropriate and poorly performing consulting firm should have been replaced as soon as possible. Heavy reliance on a single group of consultants' for both components does not work.  In the case of unrecoverable delays, ADB should have considered reducing the project scope, closing the loan early, or suspending the loan until all conditions were met.  Late completion of pre-project activities and advance actions caused inordinate delays and ultimately incompletion. Resources should have been mobilized more quickly.  Project readiness in the areas such as land acquisition, detailed design, procurement, establishment of the project management unit and project implementation units should have been in place prior to loan approval.  Unrealistic work schedules, poor procurement planning, insufficient implementation details, and loose monitoring targets prolonged implementation. Over optimistic implementation plans should have been avoided.  Inappropriate monitoring and reporting risks noncompliance, suspension, or early closure. ADB should enforce regular monitoring of land acquisition, resettlement, and environmental impacts.  Previous performance of consultants should have been a major evaluation and selection criteria. Penalties for poor performance and failure should have been introduced in the consultancy contracts. A stricter approach should be adopted for replacing specialists.  The project had difficulty in attracting international contractors; those who were contracted performed poorly. Suitable packages for local competitive bidding may yield better results.  The prequalification activity should ensure participation of capable and resourceful contractors. The postqualification procedures should have been adopted for procuring civil work contracts allowing more participation and wider competition. |
| Many of the administrative lessons learned have been addressed and taken into account in the design of later projects through recent improvements in ADB project-processing methodologies such as the review of project concept papers, the use of project readiness filters, and harmonization of ADB and country procedures for procurement. However, many of the technical lessons learned point to the need for greater attention to design issues at the project formulation stage. They are as follows.    (i) Greater care should be taken when recommending the introduction of new technology such as drip irrigation, which had not been practiced on a large scale in the Philippines.    (ii) More resources should have been allocated prior to appraisal for the preparation of the feasibility study to verify that the project was both technically and economically viable. The small-scale feasibility study did not provide sufficient time or resources to collect important design data such as rainfall records, land tenure status, crop budgets (including realistic figures on crop inputs), yields, and prices for the with- and without-project situations. This additional information would have enabled the appraisal report to provide a more informed assessment of major project risks.    (iii) The feasibility study should have included a detailed value-chain analysis to trace the flow of produce from the farm to its final use and to identify all risks involved at different stages. Effective, feasible remedies should be recommended at each stage. A critical oversight in assessing risks was linking the investment project to the purchase of tomatoes by the tomato-processing factory.    (iv) The project should have supported a detailed market study to identify the demand for various high-value crops in different markets at various times of the year. This information could have been made available to farmers to guide them in their timing and choice of planting different crops. A market information system, linking farmers with major buyers for their commodities, could also have been provided to ensure that farmers receive the best prices for their crops.    (v) The high cost of providing water to crops, such as tomatoes, using drip irrigation can only be justified in situations where there is assurance of high yields and prices for farm produce. In the project design, insufficient attention was paid to ensuring that the farmers would be able to secure the resources to fund the purchase of high levels of farm inputs or that the marketing arrangements would remain in place for them to obtain high prices.    (vi) The water availability for the irrigation schemes appears to have been underestimated at the design stage. In particular, it was found that the Sagayon communal irrigation system or CIS (if implemented) would have been able to provide irrigation water to less than 35% of the area planned.    (vii) Procedures for project implementation at the local level need to be established at an early stage. More attention needs to be given to establishing an ongoing dialogue among ADB, national-level government agencies, and the provincial- level executing agency (EA) and implementing agencies (IAs) on the documentation required for the smooth flow of funds. More attention should have been given to capacity building of the EA and IAs in the early stages of project implementation.    (viii) Greater attention should have been given to the impact of the project on the budget resources of the province. Although the project was reduced in size from $66.0 million in the initial design to $37.3 million at appraisal, not enough consideration was taken of the province's financial capacity, its revenue, or its budget commitments, which in the end became a key consideration in the provincial government's decision to cancel the loan (principally the irrigation and rural roads components) so that it could channel more of its discretionary budgetary resources into higher priority investments, which turned out to be health care, education, and water supply, and which part of the project did support. |
| The major lesson learned from implementing the program is that it is generally difficult to implement reform measures that involve institutional shrinking and downsizing staff as in the case of the Badan Pengawasan Keuangan dan Pembangunan or Financial Supervisory and Development Board, now the government internal auditors (BPKP). The BPKP was a well-entrenched auditing institution with about 6,500 staff, about 5,000 of whom were spread in about 30 regional offices. The downsizing of the BPKP as contemplated under the program would have necessitated moving its staff to other audit institutions such as the inspectorate generals of individual ministries, badan pengawasan daerah or regional internal audit bodies (BAWASDAs), and the Badan Pemeriksa Keuangan or Audit Board of the Republic of Indonesia (BPK). That was found to be difficult, as it involved changes in seniority, salaries, and staff positions. The strong political backing that the BPKP appeared to enjoy further exacerbated the problem.  Implementing a reform program that involved cross-agency coordination and cooperation needed the country's highest political support, while this program was supported mainly by the Ministry of Finance (MOF) as part of its public financial management reform program. The MOF by itself appeared to lack support to push for downsizing the BPKP as contemplated under the program. In the end, the government appeared willing to sacrifice the second tranche in the interests of political expediency. The $100 million involved in the second tranche was relatively small in the context of Indonesia's overall budget. Thus, its sacrifice would not have caused any budgetary problems.  The other lesson learned was that this sort of vital reform measure, i.e., reorganizing the BPKP, should not have been pushed back as a condition for release of the second tranche. This appears to be a flaw in the program design. ADB should have insisted on reforming the BPKP step by step, making the government's agreement to reorganize the BPKP a condition for submitting the program for Board approval. Then government agreement to come up with a firm plan to reorganize the BPKP should have been made a condition for the release of the first tranche. Finally, the government's beginning to implement the reorganization plan for the BPKP should have been a condition for the release of the second tranche. Board approval and release of the first tranche should have been used to lever positive movement towards reorganizing the BPKP. Leaving that to the final stage of releasing the second tranche appeared to be quite late in the reform implementation program, causing the cancellation of that tranche and allowing the BPKP to maintain more or less its pre-program status. |
| A midterm review of a project should not be linked to the timing of another project activity. Such a linkage was found to be counterproductive to the timely and successful implementation of the Project.    The sustainability issue should be given careful attention in designing a project that requires (i) innovative services to be established and continued after loan closing; and (ii) budget allocation, human services, and commitment by decision makers.    The physical appearance of existing buildings, landscape, and teaching equipment at an educational institution is a good indicator of budget allocation for maintenance and commitment by teaching and administrative staff to a good work environment. It should not be assumed that where maintenance of existing facilities is poor, new buildings and teaching equipment provided under a project will fare any better.    Bank supervision of project implementation is more critical at the start when implementation arrangements are made operational than when implementation is progressing on schedule. More staff time should be allocated to review missions for projects at widely scattered locations.    Poor design of and quality of completed civil works are linked with inadequate and unqualified supervision at the local project level. To eliminate these potential problems, the main implementing agency for a project should have overall responsibility for the engagement and monitoring of implementation of the services. |
| 1. Except for special circumstances, such as when a pilot project is small or the executing agency is experienced in project implementation, the project design should be simplified to ease implementation. Generally, the focus should be on a single sector with a minimum number of types of measures. Although the project focused on rural development and agriculture, it comprised different measures (rural business strengthening, irrigation and drainage system enhancement, and cotton and wheat quota system reform) as a result of incorporating most of the challenges encountered in the sector. Projects with a narrower focus are more likely to be implemented successfully.  project cycle stage:   Lesson Topics:    2. In general, something as substantial and sensitive as cotton and wheat (C&W) quota system reform cannot be completed within a short time frame and should be undertaken at the national level. Although the Ministry of Agriculture and Water Resources was responsible for implementing the C&W quota system, reform required inputs from other government departments. Such policy reforms are better accomplished through vehicles other than projects, and certainly not a single pilot investment project in one district or region. A need for a policy reform could be identified and clarified by a technical assistance. Then, implementation of the reform could be set up in ADB's country partnership strategy as the condition to be met before specific investments could be processed. Sensitive policy reform must be separated from physical investment: project design that is highly independent of at-risk assumptions such as policy reforms will ensure the economic viability and efficiency needed to achieve outcomes. It should be noted that Uzbekistan's policy reforms are being gradually implemented - a fact that should have been considered to ensure a more realistic project design.  project cycle stage:   Lesson Topics:    3. The project completion mission noted that some farmers interviewed were unaware of their obligations to the government for on-farm rehabilitation cost recovery, despite having signed a repayment agreement with each water users' association and the government before rehabilitation works. This suggests that farmers had limited awareness of the cost-recovery requirements and that the farmers who were not willing to pay for rehabilitation might have been included in on-farm irrigation and drainage (I&D) systems. If on-farm I&D rehabilitation had been limited to farmers willing to participate and well aware of their cost-recovery obligations, the contractor would have encountered less resistance from farmers. In this regard, (i) the cost-recovery requirements for farmers should have been better publicized; or (ii) a survey on willingness to pay should have been conducted by the government and the project preparatory technical assistance consultants during project preparation, to identify areas for improvement more clearly so that civil works could be conducted more smoothly.  project cycle stage:   Lesson Topics:    4. During project implementation, key project officers in ADB and the Ministry of Agriculture and Water Resources changed, contributing to delayed decision making and project implementation. A new project officer should take over the project administration and management with adequate time, and ADB should ensure that the previous project officer accompanies a new project officer on mission to ensure a seamless transition in project administration.  project cycle stage:   Lesson Topics: |
| 1. Mongolia is a large country with a small population and limited technical capacity. The project represented a major change to existing practices in institutions with few technical resources and limited technical capacity. In future interventions of this type, greater emphasis should be placed on measures to build technical and management capacity in the executing, implementing, and end-user institutions. Due to ADB's flexibility in adjusting implementation arrangements, implementation was not negatively impacted, despite institutional changes during the initial years of the project.  project cycle stage:   Lesson Topics:    2. Elements of the project were technically complex. While the technical assistance consultants did a good job of specifying the system requirements, there were insufficient resources to fully familiarize the client with the technical approach, and to moderate requests for system enhancements. As a result, there was a communication gap between the client and the National Land Information System (NLIS) contractor, which ultimately resulted in the system design moving away from the structure originally specified. Additional technical resources would have mitigated, and might have avoided, this situation. ADB's midterm review suggested that a third-party review of the NLIS design be carried out. This was not taken up although it might have resulted in a better outcome.  project cycle stage:   Lesson Topics:    3. The level of complexity of the National Land Information System (NLIS) was also a challenge for ADB. While the technical assistance consultant provided useful reporting and briefing notes, the consultant and ADB were unable to prevent delays that resulted from the negotiations between the executing agency and contractor. More technical support during NLIS design could have helped.  project cycle stage:   Lesson Topics:    4. In designing the National Land Information System, more attention could have been paid to the external constraints likely to impact negatively on the system (such as power and connectivity constraints). A more incremental approach to system development might have been more appropriate, with complexity added as external infrastructure improved.  project cycle stage:   Lesson Topics: |
| 1. If there are many small subprojects, the sector project modality should be adopted only with an executing agency having strong implementation capacity.  project cycle stage:   Lesson Topics:    2. Improving the quality of the feasibility study will minimize uncertainty in identifying subprojects and lead to more precise cost estimates. When subproject cost estimates are uncertain, adequate physical contingencies should be provided in sector projects to mitigate against potential cost overruns.  project cycle stage:   Lesson Topics:    3. Procurement problems can be reduced by introducing prior review of procurement documents. In a sector project with many small subprojects, contracts should be grouped into larger packages to reduce the number of civil works contacts. This will help the PMUs as well as ADB to concentrate more effectively on fewer contracts. Use of clear and stringent evaluation and qualification criteria in selection of contractors should be mandatory, and establishing consortia of contractors should be encouraged.  project cycle stage:   Lesson Topics:    4. Community participation in all stages of implementation, from identification to design to construction processes, is critical for the success of investments.  project cycle stage:   Lesson Topics:    5. The introduction of in-kind beneficiaries' contributions should be carefully evaluated in projects where the works are done by contractors and not by the communities themselves.  project cycle stage:   Lesson Topics:    6. Community-based projects should be implemented with more involvement of local administrations than of just the central government.  project cycle stage:   Lesson Topics:    7. Community-based organizations should be provided basic operation and maintenance kits to ensure sustainability of project activities.  project cycle stage:   Lesson Topics:    8. Establishing a joint project management unit at sector level can be a more efficient and cost-effective solution and help ensure a harmonized approach among the financing institutions.  project cycle stage:   Lesson Topics: |
| 1. A strong sector development program (policy and investment) entails a design that properly links and demarcates expected impacts, outcomes, and outputs. The Power Sector Development Program (PSDP) failed to coherently set out the objectives between its policy and investment components. Consequently, the lack of clarity between the two components in the PSDP framework contributed to the sector program's underperformance and poor design made it difficult to evaluate. Thus, in designing of such programs, proponents need to properly articulate linkage of impact, outcomes and outputs in various project documents. [Main text, paras. 40,69]  project cycle stage: Design, Implementation  Lesson Topics:    2. Advance procurement actions and decisiveness on the end of the Ceylon Electricity Board and ADB could have prevented procurement delays. The project completion report noted that the project was extended by 24 months to accommodate delays in procurement. [Main text, paras. 20, 71]  project cycle stage: Implementation  Lesson Topics:  Project Management: Procurement Project Management: Project management |
| The first intervention through an executing agency (EA) without prior working experience with ADB should have easy and simple targets. The project timeframe should have provided adequate time for developing adequate knowledge and understanding; establishing the required processes, procedures, and project implementation framework; and slowly attaining momentum in implementation. Inadequate time caused complexity and failure to complete the project.  The implementation of a multisector project by many implementing agencies (IAs) should have followed a sector approach with more autonomy and authority in line agencies. A project implemented through various independent agencies provides an appropriate mechanism for identifying subprojects and providing the flexibility required for implementing many geographically scattered subprojects in a timely manner. However, the IAs' departments should have greater ownership of the process and control of project activities.  The implementation experience of the first ADB-funded project in Azad Jammu and Kashmir (AJK) suggests that project management and administration requires capacity building up front regarding procurement processes; contract administration; disbursement processes; monitoring and evaluation mechanisms; periodic reporting needs; and ADB's procedures, guidelines, and compliance requirements.  The presence of well-qualified and experienced consultants familiar with ABD business processes is essential for guiding an inexperienced EA with limited capacity or work experience on ADB-financed projects.  Coordination by a representative from the funding agency proficient in project implementation is beneficial for developing skills, capacities, and experience for collectively eliminating common implementation bottlenecks in a timely manner.  For an inexperienced EA with no prior reform program, institutional-development and capacity-building benchmarks should have a stepwise, flexible approach, with adequate supervision and support from sector specialists.  Overly optimistic objectives in a limited implementation period should be avoided. A gradual, step-by-step approach consistent with local realities and government processing requirements should be adopted.  The choice of the EA should be carefully and realistically done with due regard for its capacity and experience in working with ADB. The EA's team should consist of dedicated professionals with a demonstrated track record.  Achieving the investment and reform program in a limited timeframe was difficult to achieve for an inexperienced EA. Different EAs or IAs should have been chosen to undertake the rehabilitation and institutional-development and capacity-building components separately, and they should have had appropriate technical support.  Measures ensuring government commitment to implementing institutional development should have been carefully reviewed and tightly tied to the release of funds.  Heavy reliance on the consultants' performance does not work well with a weak and inexperienced EA. Poorly performing consultants should have been replaced as early as possible.  ADB's monitoring, advising, and coordinating helped resolve issues concerning slippage, inordinate delays, unmet conditions, and poor performance in a timely fashion. In the case of unrecoverable delays, the EA should seek to reduce the project scope, close the loan early, or suspend the loan until all compliances are met.  Poor attention to pre-project activities and advance actions causes inordinate delays and, ultimately, to incompletion. ADB and the government should use advance actions such as land acquisition, detailed engineering design, procurement of civil works and consultancy contracts, and full establishment of the project management unit and project implementation units (PIUs). Readiness for implementation should be ensured during pre-loan activities.  Unrealistic work schedules, poor procurement planning, inadequate implementation details, and loose monitoring targets cause prolonged implementation, delays, and inaccuracy during processing. Optimistic implementation plans with no margin for unexpected delays and no consideration for seasonal impacts should be avoided. The lack of an adequate monitoring and reporting framework introduces the risk of noncompliance with loan conditions, suspension, or early closure of the loan. ADB should enforce regular monitoring of land acquisition, resettlement, and environmental impacts with specialists and dedicated resources. |
| More analytical rigor and due diligence is required at the stage of designing technical assistance (TA) loan support, using needs assessments and stakeholder workshops, unbundling the planned activities, and indentifying the required consulting and procurement requirements. Currently, TA loan design comes secondary to program loan design.  While the executing agency exhibited generally strong buy-in for the program and project, the implementing agencies were less supportive. Implementing agencies need to be involved and mainstreamed at the design stage to ensure smooth implementation.  The project management unit should be put in place before the starting date of the TA, so that activities can start from day one of the project. The team should be in place when the funding comes in, with a project director and core technical staff, recruited on a merit basis. The project director should be retained throughout the project to guarantee continuity of project implementation.  Training efforts were fragmented, and not always well integrated. While infrastructure work can be undertaken on a project basis outside the government, training activities should be more integrated. The training and preparation of the training manuals should go through the government to promote ownership, using their own training institutes. |
| The scope of the Small and Medium Enterprise Development Program (SMESDP) was wide and inputs from the program loan and project loan intertwined and cut across several areas of complex, challenging reforms. This risked spreading coordination capacity too thinly from the outset and imposed a steep learning curve on any entity attempting to administer the project administration. These risks ended up causing additional difficulties during implementation, and perhaps this wideness and complexity of scope should be avoided in future ADB operations.  Awarding the role of executing agency to the Ministry of Finance (MOF) was clearly a mistake in project design, since most of the activities were to be delivered by the Ministry of Industries, the Ministry of Labor, or the State Bank of Pakistan. The high turnover of project directors in the core program management unit (CPMU) made it hard for the MOF to coordinate the many different work areas across the SMESDP. The communication lines between agencies of the ministries involved and the CPMU were never effective in helping the implementing agencies overcome their many implementation challenges. The high-level coordination bodies established to monitor the SMESDP reform agenda seldom met. In the future, awarding of coordination roles to one of the various agencies involved in projects of this nature should be done based on ownership potential, as recognized during the preparatory work and design.  The lack of utilization of a Project Administration Memorandum (PAM) for the project led to implementation difficulties, particularly in disbursements. This was exacerbated by the insufficient financial management capacity in the CPMU. The inability of the implementing agencies to undertake procurement and meet ADB's disbursement rules and regulations continued into the last year of the program, as did errors and mistakes in filling withdrawal applications, which required abnormally high levels of support from the resident mission. The fact that, by design, the SMESDP left undefined most of the procurement and disbursements rules that should apply to the Small and Medium-Sized Enterprise Business Support Fund (SME BSF) component led to a long period of project implementation without any presentation of claims or withdrawal applications. This component was using resources disbursed to the government, budgeted against funds previously sourced from the program loan. One lesson is that undertaking a procurement risk assessment exercise during preparation of the SMESDP would have highlighted the potential for some of the problems highlighted above. Perhaps, a specific capacity development component dedicated to mitigate these risks could have been designed in response. But these problems are not only a result of an underestimation of procurement risks; by a significant measure they are also due to the lack of close project implementation and monitoring effort by ADB.  Due to changes between 2003 and 2006 at ADB, the responsibility for project administration was transferred across several departments in headquarters and back and forth between headquarters and the resident mission in Pakistan. The lack of review missions for most of 2006 and 2007, and lack of the informal, deeper, and frequent interaction that naturally develops once project officers mobilize on the ground to discuss implementation challenges with the respective agencies had a number of consequences:  (i) For most of the implementation period, the ADB loan ledger did not record the actual progress of the project or reflect the reality on the ground. Dedicated review missions would have detected the loan ledger deficiencies and would have helped improve project performance.  (ii) Most of the exchanges that occurred between the CPMU and the ADB were formal in nature and focused on disagreements in ledger records. These communications failed to clarify that substantial activity was actually underway on the project loan's biggest component, the SME BSF, even though ADB records showed zero for both contracts awarded and disbursements. The fact that there were substantial delays at inception of this component (the SME BSF) should have triggered a heightened attention in ADB project administration rather than less.  (iii) Subproject 3.2 on Regulatory Policy Development, Credit Information Development, and Capacity Building for Financial Institutions had shown very little progress from the start of implementation. When the contract with the consulting firm was cancelled due to lack of interest from financial institutions in the training packages, the effort lost momentum. In hindsight, the unutilized funds could have been cancelled right away. Instead, this significant contract remained active in the ADB loan ledger until late in 2008, and was recorded under the wrong subproject item (SME Bank Restructuring Support). The specific lesson learned here is that there is no substitute for review missions. If signs indicate that a loan or a component is likely to be unsuccessful, ADB should dispatch a review mission to discuss the matter and, if agreed, take decisive action to cancel the unused portion of the loan.  Including the common facility center (CFC) program in the SMESDP as a component to be funded directly by intergovernmental transfers, indirectly sourced from several tranche releases of the program loan, tested whether the government's financial management and control systems could properly implement these activities. Instead of funding this program through a project modality, ADB aimed to harmonize its support with the government's system and thereby reduce the transaction costs associated with differences in procedural requirements. The SMESDP earmarked funds from the second and tranche for the CFC program and included design details as policy conditions in the program loan and as implementation milestones in the project loan to keep fiduciary risks and ensure original intentions and objectives were achieved. The second and the third tranches were disbursed but the Technology Upgradation and Skills Development Company (TUSDEC) received only a portion of the funds from the MOF, with long delays and in a sporadic fashion. Only one of the four CFC projects had been established by the time this project completion report (PCR) was prepared. The breach in the loan agreement that these delays represent was raised several times formally and informally from June 2008 onwards but not much progress has been made. |
| Design Considerations:  There is value in conducting thorough project preparation during design to take into account existing capacities of the executing agency (EA) and implementing agencies (IAs). This could include conduct of an EA Procurement Capacity Assessment.  Pilot projects with complex implementation arrangements need to include detailed draft operating agreements and will require higher levels of ongoing monitoring and support.   A phased approach to implementation starting with the Small Business Loans Guarantee Scheme (SBLGS), followed by the microfinance facility (MFF), and then the policy elements, may have proven helpful.  Working with nongovernment organizations (NGOs) requires that attention be given to ensure shared common ownership of the expected procedures and outcomes.  When a project deals with difficult policy issues using consultants, it is important to ensure that there is an agency to champion the recommendations after the consultants have withdrawn.  In a small economy, efforts to increase the size of a project to improve processing efficiency may broaden the project's scope beyond the capacity of the borrower to manage it efficiently.  There is merit in pilot projects of this nature, since it was only by attempting to implement this Project that the Borrower was able to find the means to progress to a number of otherwise intractable issues including the provision of microfinance using the commercial banks.  Implementation Issues:  It was appropriate that the Project was initially guided by a project management unit (PMU); however, to improve sustainability after the project and to reduce costs, it would have been preferable if each IA had taken responsibility for monitoring the Project's outputs and impact in collaboration with the Aid and Debt Management Division of the Ministry of Finance (MOF).  The failure to implement the Small Business Development Fund (SBDF) concept meant that the Small Business Enterprises Centre (SBEC) was unable to obtain the resources needed to operate at full efficiency and effectiveness. This contributed to a need for SBEC to seek other sources of funding, although SBEC itself has added to its operating costs through rental of a more expensive office. |
| The technical and economic implications of investing in irrigation at Stung Chinit were not fully appreciated by either the Cambodian agencies or ADB. ADB's technical assistance (TA)-based project preparation and loan processing cycle simply could not handle the complexities and uncertainties of this situation; either (i) a more intensive design phase was required before loan approval and ADB management should have insisted on this; and/or (ii) project implementation should have originally been designed to be more flexible (and local expectations managed accordingly).  The fundamental lesson from the project is that a trade-off exists between eventual project success based on a robust technical and economic design and the (essentially political) gains from processing an investment approval primarily to suit a domestically driven agenda. Proceeding with the project may well have gained ADB credibility in the water resources sector in Cambodia at the time, but it led to significant implementation and administration problems in subsequent years. In short, ADB may be criticized for aspects of the design process (at all stages), but also given credit for willingness to engage with irrigation issues in a difficult political economy environment (as well as for continuing with the project once its problems had emerged). |
| The Access to Justice Program (AJP) was too centrally designed and managed, supply-driven, and too complex based on pervasive capacity constraints and ineffective coordination mechanisms. Without strong demand and support from key stakeholders, including provincial governments, a number of critical reforms (police) could not be effectively implemented. Police reforms also lacked a well-grounded agenda, clear mandate, and capacity within the governments or ADB to effectively implement. The Ministry of Law, Justice, Human Rights and Parliamentary Affairs (MOL) had never managed a project of this nature before, and project planning for the technical assistance (TA) loan was an added burden. The program had too many implementing agencies, and the coordination framework was ineffective in resolving conflicts between the MOL and the provinces. Tension between the judiciary and the executive branch, and executive control of the program, also undermined program implementation at the local and provincial government levels.  While earlier TA projects helped to develop benchmark indicators for the justice sector, with the exception of data from the judiciary, other data were not generally updated or maintained. This made it difficult to quantify achievements, build a case for sustained intervention over the longer term, and effectively evaluate the AJP. Insufficient attention was paid to consolidating and publishing outputs. Few knowledge products were produced, and most of the reports produced are outdated. The AJP also lacked an effective communication strategy that could have helped clarify program successes, manage expectations, and generate stronger ownership and accountability.  Engagement of experienced staff assigned to the resident mission made ADB a more credible partner in reform implementation. Without such engagement, ADB's role was reduced to procurement disbursement reviews. Implementing many of the reform measures nationwide was challenging. For a length of time, ADB was not able to sufficiently oversee project outputs, which exposed ADB to criticism.  It was challenging to evaluate the AJP under the program's design and monitoring framework, which had integrated reform outcomes, combining judicial with police reforms, the latter accounting for a much smaller part of the reform agenda. In contrast, the policy loans' framework separated judicial and police reform outcomes, which made it easier to highlight the stronger results in judicial reforms. |
| Avoid Overly Optimistic Objectives in Project Design. Putting overly optimistic objectives in the limited implementation period should have been avoided. A gradual, step-by- step approach, consistent with the government processing requirements for achieving the policy and reform goals should have been adopted.  Base Capacity Evaluation on a Realistic Analysis. The choice of Executing Agency, its capacity, capability, and experience of working with ADB should have been carefully and realistically done. The Executing Agency's team should consist of dedicated professionals with demonstrated track records.  Adopt Separate Implementation Arrangements for Each Component. Consideration should have been given to selecting different executing agencies or implementing agencies to implement the road rehabilitation and institutional development components.  Include Additional Assurances for Sustainable Government Support. Measures ensuring government commitment to implementing the institutional development initiative should have been taken, and a periodic review of the institutional development component should have been undertaken that is tightly tied to the release of funds.  Avoid Heavy Reliance on Consulting Services. Project design should not depend heavily on consultant support. The criteria for selecting consultants should be more carefully thought out. Previous performance should be a major evaluation and selection criteria. Penalties for poor performance and failure to fully comply with the project design should have been introduced. A stricter approach should be adopted for replacing the specialists.  More Focus on ADB's Advisory Role. ADB should have monitored the Project's performance more closely and should have worked with the government on resolving issues concerning slippage, inordinate delays, unmet conditions, and poor performance in a more- timely fashion. In the case of unrecoverable delays, early closure, reduction of scope, and loan suspension should be considered.  Greater Concentration on Local Contracting Resources. The Project had difficulty attracting international contractors; those who were contracted performed poorly. Smaller civil work packages, suitable for local competitive bidding, would probably yield better results. Greater care should be taken in prequalification to ensure the participation of capable and resourceful contractors. Incentives for early completion and penalties for delays should be built into contracts. The post-qualification procedures should be adopted for procuring civil works contracts.  More Attention to Readiness Filters and Advance Actions. ADB and the Government should have allowed advance actions such as land acquisition, detailed engineering design, procurement of civil works and consultancy contracts, and full establishment of the project management unit and project implementation units. Compliance with readiness for implementation should be ensured during pre-loan activities.  Adopt Realistic Work Scheduling, Procurement, and Monitoring Targets. The monitoring and reporting framework should further be reinforced through specialist and dedicated resources ensuring regular monitoring of land acquisition, resettlement, and environmental impacts. Implementation schedules should be based on realistic procurement timelines allowing floats for unforeseen revisions and/or resubmissions. ADB should have ensured that the project performance, benefit monitoring, and evaluation (PPBME) was prepared and then monitored the achievements against the benchmarks in a timely manner.  Enhancing the Imprest Account Role in Implementation. The enhanced imprest account ceiling can play a more important role in implementation. Loan conditions should allow more flexibility for utilizing the instruments for improving the cash flow. |
| Design of the project loan was too complicated with five subcomponents, originally six, to be implemented in the most distant aimags of Mongolia;  For projects with complex design, more attention must be given to the roles and responsibilities of executors and implementation consultants for each part;  Consulting services should be provided by the technical assistance (TA) while the cost of other activities could be financed from the loan proceeds;  Institutional development should be linked with the achievement of specific tangible outcomes. For instance, cooperative development should have been focused on specific economic activities rather than promoting cooperatives as an ideology;  Training provided under projects should be demand driven and based on beneficiaries' proposals for investment activities; and  Participatory procedures should be included in the design of the project whenever cost recovery and contribution for operation and maintenance (O&M) is required from private beneficiaries, in order to involve beneficiaries in identification of sector activities and obtain their commitment to cost recovery. |
| The pipeline of eligible subprojects was weak. In addition, the subprojects at the state level funded under the loan were developed by the Infrastructure Leasing & Financial Services Limited (IL&FS) in partnership with the state governments. This points towards a need to develop the capacities of the state governments in developing and structuring projects, and to offer those projects on a competitive bidding basis.  IL&FS's social safeguard capacity was a critical factor in the successful financing of two of the subprojects-Ahmedabad Mehsana Toll Road Project (AMTRP) and New Tirupur Area Development Project (NTADP). ADB must ensure that the financial intermediary that it partners with for infrastructure projects has adequate capacity with respect to safeguards and, if required, ADB should take steps to enhance the capacity.  Some of the pipeline subprojects could not be financed because of difficulties in complying with ADB's social safeguard requirements, and the advanced stage of subproject progress. ADB's involvement at an early stage of subproject development may have facilitated compliance with ADB's social safeguard requirements, as well as timely completion of resettlement plan implementation. Moreover, during most of PSIF II implementation the India Resident Mission did not have a designated social safeguard resource, resulting in a longer ADB response time on social safeguard issues under the Private Sector Infrastructure Facility at State Level Project (PSIF II). This added to difficulties in financing potential subprojects.  IL&FS's experience suggests that the role of the sponsoring authority-the central or state government or other statutory authority initiating or bidding out the project-is essential for successful implementation of public-private partnership (PPP) projects. The sponsoring authority's role should include sound rehabilitation and resettlement policies, providing land free from encumbrances and encroachments, expeditious assistance in shifting of utilities, and equitable distribution of risks of the project. At the time of PSIF II, there was a lack of model concession agreements that incorporate these features in many sectors other than the road sector. Further, the social safeguard policies and practices of the sponsoring authorities are, in many cases, not completely aligned with ADB's requirements, especially with respect to compensation requirements for affected persons. As a result, the project company has difficulty ensuring compliance with ADB's social safeguard norms since the land is typically acquired by the sponsoring authority.  The demand risk factor is important in the success of projects in which the demand risk is borne by the project. It is important to mitigate this risk through a realistic demand analysis and forecasts at appraisal or structuring the projects as an annuity-based project. |
| Executing agencies, such as the National Fisheries Authority (NFA), when nominated to act as project management unit on behalf of the borrower, must be provided with the necessary office space, required counterpart staff, financing, etc., during the early stages of loan effectiveness to avoid project implementation delays.  The status of land ownership needs to be determined and initial measures taken to ensure the required land is available for project purposes.  The objectives of the project were delivered more effectively by having consultants located within the provincial headquarters-a strategy that can be considered by the NFA in delivering its functions.  The involvement of nongovernment organizations (NGOs) and other nationals directly recruited as field assistants ensured wider participation and better utilization of time.  The need for high-quality consultants to carry out reliable geotechnical feasibility studies is very important for such difficult marine settings.  Delegation of project administration and management responsibilities to the resident mission needs to be determined in the early stages of project implementation to avoid unnecessary setbacks to overall project objectives and achievements. |
| 1. Major changes in implementation arrangements midway through project implementation had a destabilizing and delaying impact on the Project. Changes may be unavoidable, especially if they result from Government institutional restructuring. But implementation arrangements for such a challenging project as this, must be thoroughly considered and designed well in advance by completing policy dialogue on institutional arrangements (e.g., establishment of well represented steering/coordination committee) before a project commences than during implementation. [Main text, paras. 20, 28, 30, 43(i-ii)]  project cycle stage: Design Appraisal  Lesson Topics:  Project Management: Executing/Implementing agencies Project Management: Project administration  2. A detailed, well-considered sustainability plan is particularly important for institutionally complex projects such as this. A sustainability plan, prepared and adopted well before project completion, could help facilitate adequate funding and effective management of service delivery. The plan prepared under this skills development project, however, has yet to be approved. [Main text, paras. 38, 46(iii)]  project cycle stage: Implementation  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Finance & Financial Aspects: Financing Project Management: Project management |
| Focused Program Structure. One of the pitfalls in the design of Balochistan Resource Management Program (BRMP) is an inappropriate structure that proved to be too complex for Balochistan. The program scope was too broad and the required actions were too numerous relative to the capacity within the provincial government. This resulted in poor compliance and weak traction within the Program. Future program lending in Balochistan needs to be focused on a narrower and simpler set of policy actions. This would reduce the likelihood of delays and/or reversals.  Securing Ownership of Reforms. All reforms, and particularly policy and institutional reforms, require the full ownership of both the political and bureaucratic levels within the government since such reforms frequently involve changes to the status quo. Adequate internal dialogue between the bureaucracy and the political leadership is necessary before commitments are finalized. BRMP appeared to suffer from this disconnect as commitments from the bureaucracy were not always consistent with the political realities surrounding reform issues. A lack of full commitment on the part of key actors within the bureaucracy and/or political leadership can result in future implementation problems. A high-level steering committee with real decision-making authority within the government of Balochistan would have been a useful mechanism to ensure the commitments needed for successful BRMP implementation.  Strengthening Coordination among Implementing Agencies. The experience of BRMP demonstrates the importance of close coordination among implementing agencies. It is necessary to empower the relevant focal persons within key implementing agencies. Proper dissemination of information on reform achievements and benefits can also help build constituencies of support.  Need for Strong Program Implementation Support. One of the factors leading to poor implementation of BRMP was that the program management unit (PMU) was unable to provide effective support. The implementation of the technical assistance (TA) loan was very poor, with disbursement and utilization at very low levels. Constraints were faced in consultant recruitment as well as integrating the various TA activities toward the achievement of program objectives. Any province-level policy reform program in Pakistan must have its own dedicated and fully-resourced PMU. The decision to use the same PMU for both BRMP and Decentralization Support Program (DSP) led to compromises in staffing the PMU. Lessons also point to the need to have professional, dedicated staff in the PMU, both at the technical and project management level. Staffing for the PMU should be based upon a recruitment process that is open, transparent, and competitive. |
| Policy lending programs in the financial sector should be linked to overall economic development and private sector financing needs. It should focus on implementing best practice principles within the country context, and on what is achievable and can be sustained - based on government capacity and commitment and ADB resources (funding and staff). The policy reform agenda should be focused on a few key areas that can result in a tangible impact. The need for strong ownership of program reform activities, especially in politically sensitive areas, is crucial and depends on extensive and in-depth discussions with government officials and other key stakeholders - preceded by capacity building initiatives - at the time of program design and throughout implementation. In view of the general operating and administrative conditions in Pakistan, frequent consultations are needed to proactively address and reconcile and resolve divergent approaches and emerging issues and concerns. Reform programs should be able to respond to market developments effectively. A more flexible program structure over a longer period, combined with sufficient technical assistance (TA) support to address capacity constraints, would enable greater flexibility within the context of agreed focused principles and objectives.  It might be more effective to choose a few areas where agreement can be reached on core principles and related actions, demonstrate concrete benefits from reform implementation, and then build on successes. For example, protection of minority shareholders is a key objective of securities regulation that everyone can agree on. Reaching agreement on a menu of options to facilitate such protection, while clarifying that the cost of such measures is less than the benefits in terms of market development, will help develop stronger ownership and sustainability. Where taking criminal enforcement actions is difficult based on broader rule of law constraints, the Government could focus on preventive measures (investor education, reporting and record keeping, monitoring through e-filing and inspections, more effective use of information technology to monitor compliance and inform investors, etc.) and administrative sanctions/complaint mechanisms that are within the control of implementing agencies (IAs).  Although many of the basic concepts and frameworks to enable development of the nonbank financial sector (NBFS) have been put in place, additional work is needed to ensure that the NBFS is able to develop and function effectively as a medium for channeling risk and term funds efficiently to the economy.  The political risk guarantee (PRG) is a useful tool to help absorb country risk, including political risks, and encourage investment. However, there needs to be a clear demand for this instrument and it needs to be marketed effectively by ADB after loan approval. The Government has no incentive to market the PRG (effectively insure against itself). The facility is complex but very useful in transferring risk and lowering the cost of funding. However, the product will not sell itself. ADB should explore options for creating awareness of this product more effectively among potential investors. |
| Linking tranche releases with conditions involving legislation such as the issuance of laws and presidential decrees (i.e., investment law) is subject to a great degree of uncertainty given that ADB and the Government have no control over actions of Parliament or Congress, hence, the time required to meet conditions can easily be underestimated.  Newly enacted national laws during program implementation can pose new risks for program implementation. The advent of decentralization in 2001 produced new risks that delayed fulfillment of some reforms under the Program. The Decentralization Law of 2001 devolved to local governments the authority and responsibility for a wide range of administrative and public service functions. During program design, awareness of potential risks involving possible laws and future legislation that could emerge during implementation is important.  Different conditions facing the industry sector during program formulation as compared with that during program implementation did not allow for the conversion of all import licenses other than those required for environmental, moral, safety, and public health reasons to either (a) a general class of import license or (b) import duty. The Ministry of Industry and Trade indicated that licenses were still to be required for chemical raw materials and farming tools because import regulation in these industries is one of the Government's policy instruments to protect domestic industries. The industry was still competitive at the time of program design but during implementation the situation changed.  For program monitoring, some agency counterparts who attended the regular program steering committee (PSC) meetings did not have official authority to report the status of compliance of their assigned conditionality. For the project implementation unit (PIU) to obtain timely updates, agency officials attending the PSC meetings must be those given the official authority to disclose official information to the PSC meetings to save time and effort for the PIU's compilation of program updates. |
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| Policy lending programs in the financial sector should be linked to overall economic development and private sector financing needs. It should focus on implementing best practice principles within the country context, and on what is achievable and can be sustained - based on government capacity and commitment and ADB resources (funding and staff). The policy reform agenda should be focused on a few key areas that can result in a tangible impact. The need for strong ownership of program reform activities, especially in politically sensitive areas, is crucial and depends on extensive and in-depth discussions with government officials and other key stakeholders - preceded by capacity building initiatives - at the time of program design and throughout implementation. In view of the general operating and administrative conditions in Pakistan, frequent consultations are needed to proactively address and reconcile and resolve divergent approaches and emerging issues and concerns. Reform programs should be able to respond to market developments effectively. A more flexible program structure over a longer period, combined with sufficient technical assistance (TA) support to address capacity constraints, would enable greater flexibility within the context of agreed focused principles and objectives.  It might be more effective to choose a few areas where agreement can be reached on core principles and related actions, demonstrate concrete benefits from reform implementation, and then build on successes. For example, protection of minority shareholders is a key objective of securities regulation that everyone can agree on. Reaching agreement on a menu of options to facilitate such protection, while clarifying that the cost of such measures is less than the benefits in terms of market development, will help develop stronger ownership and sustainability. Where taking criminal enforcement actions is difficult based on broader rule of law constraints, the Government could focus on preventive measures (investor education, reporting and record keeping, monitoring through e-filing and inspections, more effective use of information technology to monitor compliance and inform investors, etc.) and administrative sanctions/complaint mechanisms that are within the control of implementing agencies (IAs).  Although many of the basic concepts and frameworks to enable development of the nonbank financial sector (NBFS) have been put in place, additional work is needed to ensure that the NBFS is able to develop and function effectively as a medium for channeling risk and term funds efficiently to the economy.  The political risk guarantee (PRG) is a useful tool to help absorb country risk, including political risks, and encourage investment. However, there needs to be a clear demand for this instrument and it needs to be marketed effectively by ADB after loan approval. The Government has no incentive to market the PRG (effectively insure against itself). The facility is complex but very useful in transferring risk and lowering the cost of funding. However, the product will not sell itself. ADB should explore options for creating awareness of this product more effectively among potential investors. |
| The broader impacts expected from policy, legal and institutional reforms of the Program will take much longer to materialize than the program period. This reinforces the principle of long-term engagement in governance reforms adopted by the Program. Public sector reform is usually complex, time-consuming, and demands genuine political commitment, ownership, and actions. Further, predictability and continuity of development partner's engagement is critical to support the Government's development efforts on good governance. In the context of the conflict and political instability that existed in Nepal during the program period, continuous engagement with stakeholders at all levels was the only way to ensure attainment of program outputs and outcomes.  Successful and sustainable governance reforms require an institutional home and adequate budgetary inputs. The reform agenda needs to be integrated into the organization's annual plans, activities, and budget - with implementation responsibility clearly embedded in the permanent organization structure. Ministries and line agencies, that are the target of reforms, should be guaranteed adequate funds through a process of ring-fencing of the program budget. Under the ring-fencing arrangement, the Government will ensure that the counterpart funds generated from the proceeds of the ADB program loan or grant will be made available to the ministries to finance the direct costs of the reforms. Otherwise, there is no incentive for line agencies to undertake reforms. Parallel organizational arrangements and budgeting system should be avoided, as they generate sustainability and institutionalization challenges after completion of the program.  Legal, policy, and organizational reforms should be supplemented by long-term capacity development to achieve the intended goals and impacts. Capacity development interventions should be included as part of the program design. Behavior changes of civil servants, as anticipated from legal and policy reforms, will take longer to materialize.  Cofinancing for advisory technical assistance (ADTA), where such provisions exist, should be confirmed prior to approval and initiation of program loans, especially when the focus of the program is on policy, institutional, system, and process reforms. Since the capacity of government agencies to lead and manage complex policy reforms is limited, technical assistance (TA) support is critical to successful program implementation and long-term capacity development.  A clear long-term vision of support in governance reforms should be agreed with the Government during ADB's country partnership strategy process. The scope of reforms should be focused and needs-based to reduce implementation challenges. Further, the time and effort required for institutionalizing governance reforms needs to be considered realistically in the program design by undertaking a readiness assessment for change. Flexibility is also needed in program design and implementation to meet emerging needs of participating government agencies.  The involvement of civil society in governance reform has the advantage of soliciting widespread support and advocacy for the reforms process, as well as exerting pressure on government agencies for effective implementation of reforms. Civil society organizations can also monitor reform initiatives independently by highlighting successes and failures. |
| Linking tranche releases with conditions involving legislation such as the issuance of laws and presidential decrees (i.e., investment law) is subject to a great degree of uncertainty given that ADB and the Government have no control over actions of Parliament or Congress, hence, the time required to meet conditions can easily be underestimated.  Newly enacted national laws during program implementation can pose new risks for program implementation. The advent of decentralization in 2001 produced new risks that delayed fulfillment of some reforms under the Program. The Decentralization Law of 2001 devolved to local governments the authority and responsibility for a wide range of administrative and public service functions. During program design, awareness of potential risks involving possible laws and future legislation that could emerge during implementation is important.  Different conditions facing the industry sector during program formulation as compared with that during program implementation did not allow for the conversion of all import licenses other than those required for environmental, moral, safety, and public health reasons to either (a) a general class of import license or (b) import duty. The Ministry of Industry and Trade indicated that licenses were still to be required for chemical raw materials and farming tools because import regulation in these industries is one of the Government's policy instruments to protect domestic industries. The industry was still competitive at the time of program design but during implementation the situation changed.  For program monitoring, some agency counterparts who attended the regular program steering committee (PSC) meetings did not have official authority to report the status of compliance of their assigned conditionality. For the project implementation unit (PIU) to obtain timely updates, agency officials attending the PSC meetings must be those given the official authority to disclose official information to the PSC meetings to save time and effort for the PIU's compilation of program updates. |
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| The successes and failures of the Program point to a number of lessons. First, the vulnerability of reform programs to the political environment, especially in a conflict situation, needs to be fully understood. Even without the political upheaval in 2005, many of the reforms under the Program - especially those relating to institutional restructuring and privatization of public enterprises - would have been difficult to implement in the prevailing political environment in 2003. Political stability is essential for the success of such reforms. As the Program was designed at a time of substantial political and economic uncertainty, the political situation should have been closely monitored and carefully assessed. This would have ensured a more realistic program design and more successful outcomes.  Second, the complexity and long-term processes of poverty reduction and economic and public sector reform need to be recognized. One short-duration program loan can have only a limited impact on poverty reduction. When designing reform programs, outputs, objectives, and development goals need to be more realistically and logically linked with policy conditions.  Third, program design needs to be focused with adequate and substantive policy conditions for achieving intended impacts. Reforms under the Program were thinly spread, which made implementation complex and resulted in unclear and limited outcomes. The Program would have been more effective and efficient with fewer components and more substantive reform measures under each component. For example, the elimination of the vacant positions and freezing of new recruitment for vacant non-gazetted civil service positions alone cannot be expected to result in a significant and clear impact on Nepal's public sector governance, which suffers from many other weaknesses and constraints.  Fourth, program design also needs to be coherent for maximizing outcome and impacts. In addition to being thin, the linkage of policy conditions on the three corporate governance laws with other Program components aimed at strengthening public sector management and governance was weak. The linkage was also weak with the Program's overall objective of helping the Government to implement its poverty reduction strategy.  Fifth, capacity-building support has to be deeply woven into a reform program. The advisory technical assistance (TA) attached to the Program was more focused on achieving the short-term program outputs, rather than on building capacity within government institutions to manage and sustain such reforms in future. |
| Microfinance, like any other business, requires a good business culture, which means microfinance institutions (MFIs) need a clear vision and strategies, autonomous management free of political interference, prudent financial management, and strict control of delinquent loans. They need to be financially viable and free from subsidy. ADB's microfinance strategy notes that most state institutions or programs that provide microfinance services have been created within and nurtured by a distorted policy environment characterized by various degrees of financial repression. Government sponsored microfinance programs normally do not emphasize loan recovery and portfolio quality. They are highly susceptible to unsound political interference. Even new institutions created by governments in most developing member countries are unable to provide good services, let alone expand their services in a sustainable way. Weak governance, susceptibility to political influence and an implicit government guarantee in government- sponsored institutions or programs reduce incentives to focus on viability and sustainability. MFIs must be autonomous because political interference (e.g., loan and interest waivers) affects their cash flow, weakens their capital base, and discourages their recovery efforts. The Rural Livelihood Project's (RLP) reliance on a government agency overlooked crucial factors of loan recovery and delinquency control, which meant that upazila bittaheen central cooperative associations (UBCCAs) were not sufficiently sustainable. The limited capacity of the Bangladesh Rural Development Board (BRDB) to maintain the viability of UBCCAs has led to concerns about the erosion of the share and savings deposits of the landless primary society members.  When financing microfinance projects, MFIs need to be selected carefully and given rigorous monitoring. They should have characteristics that will enable them to ensure viable and sustainable microfinance operations. These include (i) an autonomous governance structure that prohibits unsound political interventions, (ii) competent professional management with a clear mission and vision, (iii) adequate human resource policies in which staff are rewarded for good performance, and (iv) a comprehensive management information system (MIS) to enable the management to monitor and make rapid business decisions. Supporting policy environments and infrastructure are also important to facilitate successful microfinance outreach expansion. Supervision and regulation of MFIs by an autonomous supervisory authority is indispensable to the healthy growth of the microfinance sector. Many MFIs have capacity constraints and lack the ability to manage resource mobilization and credit expansion prudently. Funding agencies for microfinance projects shall provide timely guidance and monitoring to compensate capacity deficiencies of MFIs. Projects also need to allocate sufficient resources for the capacity development of MFIs. |
| The essence of vocational education and skills training is relevant practical training and hands-on experience for students; however the new equipment procured under the Project for the 45 pilot schools was mostly used for demonstration purposes, rather than for practical training of students. Project monitoring focused on equipment procurement and installation at schools. Consequently, the impact of the new equipments will remain limited. Project monitoring efforts must include means to ensure that (i) new equipment is being fully integrated in lessons, (ii) suitable qualified teachers are available to conduct lessons as planned, and (iii) sufficient consumables and supporting tools/equipment are in place.  ADB could have been more proactive in working with the Government to fully comply with the loan agreement. In particular, while ADB took corrective actions in several cases, its actions could have been more immediate to ensure adherence to ADB procedures over local laws and regulations relating to procurement of goods and consulting services.  ADB could have been more effective in enforcing the loan covenants on monitoring and evaluation (M&E), teacher education certification system, and the project steering committee (PSC). Those covenants were crucial for successful project implementation from the broader development perspective and better management of project implementation.  The Senior Secondary Education Project (SSEP) did not provide for systematic gathering and analysis of data on the project impact, including effectiveness of teaching and learning in schools before and after the intervention. For future projects, a system to collect and maintain data, and to monitor and analyze quantitative and qualitative outputs and impacts should be built into project design. |
| There is continuing political ambivalence to decentralization within the provincial bureaucracy. Decentralization, as formulated in the local government ordinance (LGO), was a federal initiative, which received limited support. One year before the completion of the Sindh Devolved Social Services Program (SDSSP), an independent mid-term review evaluated progress with policy reforms under the program, the first one of its kind supporting devolution of service delivery on the provincial level. The report recommended that future support to devolved social service provision should take account of the following lessons:  (i) The transfer of responsibility for social service delivery from the provincial government to district and Taluka/town municipal administration (TMA) level is a major institutional shift. Even with strong commitments, SDSSP should have been undertaken for a minimum of 5 years.  (ii) Progress has been just sufficient to warrant a second phase of 5-years duration, and only if the weaknesses in design, delivery and at the policy outcome level are addressed.  (iii) Devolved social services delivery is new in Pakistan, and support, advice, stimulation, critique and capacity are essential. Effective technical assistance (TA) must be included in any similar support program, drawing on international local government best practice.  (iv) There was an inherent ambivalence in SDSSP between its emphasis on social sector performance and impact and support for decentralization. Any similar support program should be more strongly focused on social sector impact at the local level. The fiscal leverage of the conditional grant mechanism should be targeted at encouraging change at the local level with separate incentives to encourage change within the provincial line departments (PLDs).  The transfer of responsibility for social service delivery from the provincial government to local governments involves a major institutional shift. It requires a long trial and error process, with carefully designed reforms that are timed in line with available capacity. Project design should be kept relatively simple and modest in scope, and tailored to the stage of development. A long implementation period combined with substantial TA is needed to undertake fundamental institutional and governance reforms that require changes in the way of working, the mindset, and the political culture. In case of innovative techniques, TA should precede program lending to build capacity to implement new interventions.  Political commitment to the core policy and institutional reforms, in particular at the central level, is essential to obtain significant results in policy programs that aim to introduce governance reforms. The program will be more appropriate and likely to succeed if political factors are well understood and sufficiently accounted for in the program design. This requires an extensive consultation process, involving all the main stakeholders.  A key premise of SDSSP was confirmed - that institutional reforms in the social sectors cannot be addressed in isolation, but need to be combined with governance and related institutional reforms in the government as a whole. In addition to such reforms, attention should to be paid to institutionalizing community participation. Active community involvement contributes to the accountability and eventually the quality of service delivery. |
| Need for Institutional Sustainability for Microfinance Delivery. The Khushhali Bank (KB), through its outreach, was reasonably successful in addressing problems of poverty reduction and gender empowerment. However, it did not build adequate financial resources to be able to continue to do so sustainably after its access to subsidized funding from the loan ends. The Government's implicit subsidy of bearing the exchange risk of the loan and not charging KB a risk premium further exacerbated KB's complacency about funding its needs independently. KB's financial viability as an institution delivering on its microfinance mandate remains dependent on its access on subsidized funding. To ensure KB's financial viability, the Loan Agreement should have mandated financial covenants for KB such as (i) capital adequacy ratio, (ii) loan to deposit ratio, and (iii) return on assets ratio. Regrettably, these were not included as covenants. If the loan agreement had mandated the exchange risk transfer to KB, the bank might have been more conscious of its need for financial viability. If such covenants had been mandated, and by the fourth year of its operations in 2004 KB still had not raised any customers' deposits, ADB could have then withheld disbursements. Such leverage could have helped to impress on KB the importance of securing its own financial sustainability.  Need for Realistic Assumptions Regarding Nongovernment Organization (NGO) Capabilities. Considering that this was ADB's first formal microfinance project and program in Pakistan, ADB should have been more realistic about NGOs' capabilities and willingness to deliver social capital formation services in Pakistan's interior. It appears that the project design sought to replicate experiences of other countries with a stronger NGO success rate than was the case in Pakistan. KB had to finance many such activities out of its own funds. The loan's objective of separating KB financial intermediation costs from its social intermediation cost, which were to be funded by the Microfinance Social Development Fund, was not fully met. Had ADB required KB to undertake the social capital formation function itself and charge its lending rate accordingly, there could have been increased financial transparency and an end to implicit and explicit subsidies to KB.  Need for Project Focus on Institutional Strengthening. The sub-component for the portfolio audit of Zarai Taraqiati Bank Limited was unrelated to any of the deliverables under the loan. The amount spent on the audit could have been better spent on providing advisory services to KB for improving its own financial sustainability once ADB's concessionary loan funds would no longer be made available. |
| There are several lessons to be drawn from the project experience. First, savings mobilization is a crucial feature of credit unions. The decision to proceed with the Project despite the initial lack of legal provision and the National Bank of the Kyrgyz Republic's (NBKR) lack of enthusiasm for credit unions to take deposits undermined the cooperative foundation at the outset. The potential conflict between the role of NBKR as owner of the Financial Company for the Support and Development of Credit Unions (FCSCU) and its function as the supervisor of the credit union system added to it. The course of the Project has demonstrated the difficulty in building a credit union system while beginning with lending without a proper foundation.  The process by which FCSCU would become owned by credit unions was not detailed at the time of loan negotiations, and, despite being raised at the first review mission, was never resolved. The lesson from this experience is that, if such a state-owned financial institution is established, there needed to be clear agreement at the outset on a mechanism for divestiture. Had the process been explored in detail, it may have led to adoption of a different ownership structure from the outset, perhaps dividing between two entities the responsibilities for administering the onlending program and the development of apex functions, which were combined in FCSCU under the Project.  Although the Project contemplated provision of technical assistance (TA) concurrently with the implementation of onlending, better sequencing would have seen the provision of extensive assistance to support credit union formation and the establishment of an apex organization. Provision of matching funds to credit unions should have been considered only after they were well established on the basis of mobilizing their own resources, including deposit-taking from members to ensure a mix of both net borrowers and net savers. Net savers are important in the governance of credit unions, as those with funds invested take a keen interest in management.  Given the crucial importance of TA to the success of the onlending program and project management, decoupling the provision of TA from the rest of the Project introduced a serious weakness. The need for intensive TA when creating credit unions and their supporting infrastructure cannot be overemphasized. The program's initial design front-loaded the provision of TA, but actual delivery was delayed, in part due to the loss of momentum after the cancellation of the ADB-financed TA component while preparations were made to field the German Agency for Technical Cooperation (GTZ)- grant financed TA. In addition to the delay, decoupling the TA from the loan served to introduce some divergence in the vision of the credit union system held by the TA providers, credit union leaders receiving TA, and the original program design, which was never wholly resolved. |
| Although the Asian financial crisis adversely affected the Project, the confluence of several factors contributed to the final outcome.   If a proposed project identifies potential risks, it should go ahead only after substantial proof is available that those risks can be adequately mitigated.   Success in implementing a development project depends largely on the extent of project preparatory work prior to its presentation for approval.   For project loans in which package or contract sizes have been indicated at appraisal, the direct payment procedure is appropriate, to avoid the abuse of the imprest account and SOE procedures by splitting contracts into smaller ones.   Local contractors' work should be supervised and monitored closely to ensure its quality and to avoid cost increases and delays. |
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| Although the Asian financial crisis adversely affected the Project, the confluence of several factors contributed to the final outcome.   If a proposed project identifies potential risks, it should go ahead only after substantial proof is available that those risks can be adequately mitigated.   Success in implementing a development project depends largely on the extent of project preparatory work prior to its presentation for approval.   For project loans in which package or contract sizes have been indicated at appraisal, the direct payment procedure is appropriate, to avoid the abuse of the imprest account and SOE procedures by splitting contracts into smaller ones.   Local contractors' work should be supervised and monitored closely to ensure its quality and to avoid cost increases and delays. |
| Part B took long to resolve and the Perusahaan Listrik Negara (PLN) or National Power Company stated that third party mediation, mandatory arbitration or court settlement of contractor claims should be pursued as a last resort. When a project schedule is extended well beyond the planned date, ADB should ensure that the data needed for the project completion report (PCR) and the final project evaluation are preserved. If parts of a project end significantly earlier than the overall project, measures should be put in place to gather the data needed for the PCR. PCRs from all project teams (consultants and the executing agency/EA project team) should be gathered soon after completion of the various project components. The ADB should encourage project staff to prepare file notes on project-related matters and record these interviews, as they would be valuable during later PCR preparation. |
| 1. The restructuring of the Public Utilities Board has lost momentum, and may even have shifted into reverse. Technical Assistance can quickly provide an organization with appropriate policies and procedures (and fulfill their terms of reference), but support and reiteration must continue to maintain progress and fully embed organizational changes. Time is needed to digest, discuss, test, and tailor new approaches over several business cycles.  project cycle stage: Design, Implementation  Lesson Topics:  Modality: Technical Assistance Capacity Development: Capacity building Capacity Development: Capacity development Policy & Reform: Public sector reform  2. At present, the Public Utilities Board is not strongly held to account for its water resource extraction, service levels, efficiency, or financial viability. Technical Assistance can provide the initial motivation to address these issues, but permanent regulation and accountability mechanisms are required to maintain appropriate organizational focus.  project cycle stage: Design, Implementation  Lesson Topics:  Modality: Technical Assistance Capacity Development: Capacity building Capacity Development: Capacity development Policy & Reform: Public sector reform  3. Maintenance and improvement of infrastructure based services, even those based on new infrastructure, require constant monitoring, evaluation, and planning. Public Utilities Board (PUB) restructuring was limited by staff shortages at management levels, and is now even more severely constrained by even higher vacancy levels. The Technical Assistance outcomes could have been enhanced by helping PUB develop strategies to recruit and retain staff, including, for example, the training and promotion of lower level staff, increased remuneration, succession planning, international recruitment, and bonded overseas scholarships.  project cycle stage: Design Appraisal Implementation  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Management: Operation and maintenance Capacity Development: Human resources management Capacity Development: Institutional analysis  Opportunities to consolidate early restructuring and community development gains were overlooked at the later stages of the Project. Early project directions had been influenced by TAs and the PIUs but expanding infrastructure, civil works, and contracting priorities dominated the later stages. The inexperienced steering committee failed to coordinate the Project adequately or to sufficiently develop shared goals and action between all players. This limited the success in achieving some project objectives - a 24-hour water supply, for example, or a meter-based tariff, operating-cost recovery, or community empowerment, with bottom-up accountability. Some proposed activities were not implemented.  project cycle stage: Implementation  Lesson Topics:  Project Design: Project design Project Management: Project administration Methodologies/Approaches: Participatory approach  Simple infrastructure, robust materials, and low O&M requirements promote sustainable service delivery. The constant-flow water supply system, on the other hand, has added complexity, cost, O&M needs, and more opportunities for user abuse, and it remains only partially effective to date. Landfill leachate controls added complexity, cost, O&M needs, and are no longer operated due to sewer flooding.  project cycle stage: Design  Lesson Topics:  Project Design: Project design Project Management: Operation and maintenance  The impasse between the Government and landowners over development of the Abatao and Tabiteuea water resources, and the reluctance of landowners to vacate the Bonriki and Buota water reserves, are examples of the strong link between land and water issues. Government efforts to manage water resources are at odds with the landowners' traditional views and concerns over the agricultural sustainability of their land. A lack of alternative land for settlement constrains effective protection of water reserves  project cycle stage: Design, Feasibility, Implementation  Lesson Topics:  Crosscutting Issues/Themes: Resettlement Country Context: Cultural constraints Sector Related Issues: Water resource management  The inaction in removing settlements from water reserves, poor mplementation of the constant-flow water supply system, and continued reliance on a flat rate tariff ï¿½until all households are connected,ï¿½ are examples of where local custom and traditional practice have dictated a less-than-effective or a higher-cost approach.  project cycle stage:   Lesson Topics:  Crosscutting Issues/Themes: Resettlement Project Management: Project administration Country Context: Cultural constraints Sector Related Issues: Water resource management |
| 1. The outcome of several project interventions was affected by changes in government policy during project implementation. The success of institutional reforms is closely linked to consistency in government policies.     project cycle stage: Implementation    Lesson Topics:   Monitoring &amp; Evaluation: Monitoring and evaluation  Project Management: Risks/Risk management  Policy &amp; Reform: Policy reforms/framework    2. To ensure implementation of institutional reforms, an agency or unit that has adequate mandate and power should be involved. A project management unit lacks the power to put pressure on the Government to enact policy reforms.    project cycle stage: Implementation    Lesson Topics:   Project Management: Executing/Implementing agencies  Project Management: Project management  Capacity Development: Institutional analysis  Policy &amp; Reform: Policy reforms/framework    3. A voluntary staff separation package program for streamlining an institution should use staff performance as an eligibility criterion. The voluntary early separationprogram under the Project did not achieve the expected results because it was not linked to staff performance indicators.    project cycle stage: Design, Implementation    Lesson Topics:       4. A plan for institutional reforms should be designed with due consideration for the effectiveness of the proposed actions. The reconstitution of the boards of the tea-related institutions was a reform intended to ensure the perspectives of the private sector and the tea smallholders were heard with respect to management decisions. Although the boards were reconstituted, their effectiveness did not increase as the role of the boards did not change, despite the inclusion of the new members.    project cycle stage: Appraisal Implementation    Lesson Topics:   Capacity Development: Capacity assessment  Capacity Development: Institutional analysis  Sector Related Issues: Public-private partnership  Policy &amp; Reform: Policy reforms/framework  Policy &amp; Reform: Public sector reform  Policy &amp; Reform: Reform  Methodologies/Approaches: Participatory approach    5. A mechanism to continue and replicate successful activities after a project ends needs to be established prior to project completion. Despite the potential for continuity of the homestead development component, all activities ceased at the end of the Project and the increase in capacity relating to homestead development is not being utilized.    project cycle stage:     Lesson Topics:   Crosscutting Issues/Themes: Knowledge Management  Crosscutting Issues/Themes: Sustainability  Capacity Development: Capacity development    6. Consideration should be given to institutional sustainability after the project period, including coordination among related agencies and M&amp;E of project benefits. Temporary arrangements for project implementation, such as the PMU and a steering committee, cannot continue their activities once a project closes. The stimulus for successful activities tends to disappear quickly upon project closure.    project cycle stage: Completion, Country Partnership Strategy    Lesson Topics:   Crosscutting Issues/Themes: Sustainability  Monitoring &amp; Evaluation: Monitoring and evaluation  Capacity Development: Institutional analysis    Project management should be given flexibility in modifying staff positions, especially for key technical positions.     project cycle stage: Implementation    Lesson Topics:   Project Management: Project management  Capacity Development: Human resources management    The capacity of the entity that will be responsible for operation and maintenance of project facilities should be assessed carefully at appraisal.     project cycle stage:     Lesson Topics:   Project Design: Appraisal  Project Management: Executing/Implementing agencies  Project Management: Operation and maintenance  Capacity Development: Capacity assessment  Capacity Development: Institutional analysis    The executing agency's firm commitment is essential to promote participation by the private sector in activities that could potentially be undertaken by public sector agencies.    project cycle stage: Implementation    Lesson Topics:   Project Management: Executing/Implementing agencies  Sector Related Issues: Private sector  Sector Related Issues: Public-private partnership    The record of fund utilization segregated by project activities is essential information for M&amp;E, and adequate arrangements for financial management should be established early in a project, particularly when multiple implementing agencies are involved.     project cycle stage: Implementation    Lesson Topics:   Finance &amp; Financial Aspects: Financial management  Finance &amp; Financial Aspects: Financial reporting  Monitoring &amp; Evaluation: Monitoring and evaluation  Project Management: Executing/Implementing agencies    The time and resources needed to finalize project accounts should be considered in preparing project implementation arrangements.     project cycle stage: Feasibility, Appraisal    Lesson Topics:   Finance &amp; Financial Aspects: Financial management  Finance &amp; Financial Aspects: Financial reporting  Capacity Development: Human resources management |
| 1. Increasing water tariff before investments were made in water supply facilities would have made the project financially viable and sustainable. Noncompliance with financial loan covenants that included water tariff increases that would have been sufficient to cover O&M, depreciation, and debt service contributed substantially to the poor financial position of the provincial water supply companies and the project's low ratings for efficiency and sustainability. [Main text, paras. 33-34, 58, 64]  project cycle stage: Implementation  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Loan Agreement: Covenants Sector Related Issues: Water resource management  2. High connection charges have resulted in low connection rates - limiting accessibility to water services. A more appropriate approach for water companies is to keep ownership of the assets and charge the depreciation cost by building this into the water tariffs or by imposing a flat rental fee. [Main text, paras. 52, 61, 65, 70]  project cycle stage: Operation  Lesson Topics:    3. The project management units should have made sure the water companies and the provincial departments of public works and transport understood their obligations to achieve the defined outputs and comply with the covenants in the loan agreement. Evaluation noted that the apparent lack of awareness of these stakeholders have led to the low achievement of the outputs and noncompliance with financial covenants. [Main text, paras. 45, 50-35, 58, 66]  project cycle stage: Implementation  Lesson Topics:  Loan Agreement: Covenants Loan Agreement: Loan Agreement Sector Related Issues: Water resource management  4. There is a need for continuing support to ensure effective community participation. The community awareness and participation program (CAPP) appeared to be less effective, considering the low level of disbursements from the revolving fund and the slow implementation of the sanitation works. This was because the consultants were not based in the project area and could not provide continuous support to the newly formed water supply and sanitation user groups. [Main text, paras. 18, 38, 40, 67]  project cycle stage: Implementation  Lesson Topics:  Sector Related Issues: Water resource management Methodologies/Approaches: Consultation/Participation |
| 1. The essence of vocational education and skills training is relevant practical training and hands-on experience for students; however the new equipment procured under the Project for the 45 pilot schools was mostly used for demonstration purposes, rather than for practical training of students. Project monitoring focused on equipment procurement and installation at schools. Consequently, the impact of the new equipments will remain limited. Project monitoring efforts must include means to ensure that (i) new equipment is being fully integrated in lessons, (ii) suitable qualified teachers are available to conduct lessons as planned, and (iii) sufficient consumables and supporting tools/equipment are in place.  project cycle stage: Design, Implementation  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Capacity Development: Capacity development Sector Related Issues: Education  2. The project did not provide for systematic gathering and analysis of data on the project impact, including effectiveness of teaching and learning in schools before and after the intervention. For future projects, a system to collect and maintain data, and to monitor and analyze quantitative and qualitative outputs and impacts should be built into project design.  project cycle stage: Design, Completion Operation  Lesson Topics:  Monitoring & Evaluation: Data collection and management Monitoring & Evaluation: Impact evaluation Monitoring & Evaluation: Monitoring and evaluation Monitoring & Evaluation: Project evaluation Monitoring & Evaluation: Reporting |
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| During implementation, there was a need for rigorous review of project activities proposed at appraisal to evaluate their feasibility. With rapid urbanization in the Klang River catchment, the project scope should have been modified to quickly respond to changing conditions. ADB review missions could have been strengthened with more technical specialists, including environment specialists, to analyze the changing civil works and environmental requirements and to advise ADB management and the Government on the best use of the project funds to achieve desired outputs and outcomes.  Project consultants could have been recruited using advance procurement procedures, as their timely engagement was essential to ensuring that project components were implemented on schedule for maximum benefit.  The project administration memorandum should have provided explicit provisions for budget and implementation arrangements for improving water quality, river corridor development, watershed management, municipal and industrial pollution control, and environmental monitoring. Although water quality and environmental improvement was to be a major outcome of the Project, the involvement of the Department of Environment (DOE) in project implementation was minimal. The provision of specific funding for environmental improvement and the involvement of DOE and city councils as project implementing agencies was a crucial missing link in project implementation. This was particularly important because the primary mandate and focus of the Department of Irrigation and Drainage (DID) was drainage improvement and flood control, and not environmental improvement. The review missions could have included environmental specialists to advise DID on incorporating measures into the project design to mitigate adverse impacts on the environment and meet environment targets set at appraisal.  Basin-level flood control and environmental improvement is a dynamic and holistic activity. Although the Project funded a study to assess integrated river basin management (IRBM) issues, the commencement of the study took 3 years, or almost half of total duration of the Project. The study recommended drastic revisions to many proposals made during the feasibility study and appraisal. Time was inadequate to implement these revised findings during the remaining implementation period. For an IRBM project, watershed-level strategic assessment, including strategic environmental assessment, could have been conducted early in the process. It is also important to have clear understanding of government procedures, mandates, priorities, institutional capacities, and development trends in the feasibility study stage, to design the project without duplicated effort. Related government activities outside the project scope could have been closely monitored to ensure a more realistic project design.  Executing agencies (EAs) tend to focus their efforts on resolving politically sensitive and important pressing issues (e.g., the flooding problem in Kuala Lumpur) without having time to give adequate thought to interventions' downstream impacts (e.g., downstream water volume and quality and the potential for erosion and sedimentation), including the need to consider the views of the downstream communities. It is important to recognize and address these views and issues before embarking upon solving pressing issues.  The Project did not provide any funds for monitoring project benefits, and this activity was not undertaken by the Project. DID conducted its own monitoring of all activities, but no specific data was collected or submitted to ADB on the impact of this Project, as was required by project appraisal and the project implementation memorandum. |
| Analysis of the Project offers a number of lessons that can be applied when implementing projects and assessing development proposals.  (i) Selection of Executing Agency (EA) and Management. EAs should be selected based on their proven entrepreneurial expertise and track record for managing similar projects. As part of the selection due diligence process, attention should be focused on ensuring the prospective appointee has sound and proven management capacity.  (ii) Review process of subprojects. To reduce false hopes and misconceptions on the part of subproject proponents, the EA must clarify the proponent's logistical and financial obligations by carrying out briefing and awareness sessions. In addition, time-consuming, small, uneconomic subprojects should be eliminated at the outset, especially those recycled from the Department of Agriculture and Livestock (DAL) and other agencies. Such proposals could be better supported by DAL, commodity boards or nongovernmental organizations.  (iii) Financial Governance Issues. The financial internal controls that comprise checks and balances should be clearly articulated at the commencement of the project and continuing compliance should be strictly enforced. This will promote an orderly management culture and assist in streamlining and ensuring timely decision making. The failure of the Technical Assistance Screening and Management Unit (TASMU) to comply with the audit requirements for its financial statements for 2 years, and the long delay (18.1 months delay for fiscal year 2002, 5.1 months for fiscal year 2003, and non submission for fiscal year 2004) by the Government in refunding the un-disbursed balance of the ADB-financed imprest account is a reflection of the serious governance issues associated with the Project.  (iv) Provision of counterpart funding. Government provision of counterpart funding on a timely basis during project implementation is critical in ensuring the successful achievement of project's objectives. This was not fully maintained during implementation of the Project and led to instances where ADB loan funds were not properly utilized. This caused the laying off of national experts, which contributed to declining morale in TASMU. Staff morale was also low, contributing to the demise of the project.  The major lesson learned from the project is that implementing agricultural rehabilitation, development strategies and related projects requires entrepreneurial private sector planning and implementation skills, accompanied by a sustainable management regime. |
| Future performance of the irrigation systems will largely depend on improvements in farmers' water management. Better water management, in conjunction with a move toward improved varieties of rice and more extensive adoption of higher-value cash crops, will further increase farmers' income beyond present levels. Future irrigation project investments will need, therefore, to address adequately (and integrate into project design) agricultural extension services and demonstration of improved agricultural technologies. Beyond optimal and continuously adapted engineering solutions, better water management in the long term requires the collective effort of the community rather than a focus only on farmers' individual interests. Better water management should be based on the principle of social inclusiveness so as to minimize any conflicts in the community.  The Second Irrigation Systems Improvement Project (ISIP-II) helped to create the Farmer Irrigators' Service Cooperatives (FISCOs), thereby encouraging strong beneficiary participation in Project implementation and managing the irrigation systems beyond the duration of the Project. The FISCOs were an evolving institutional mechanism intended to spearhead communal efforts toward improved water management, but they generally did not demonstrate the required effectiveness. For instance, the FISCOs could not get all farmers in the target service areas to dig the necessary ditches to their fields. Nor were the FISCOs able to get full cooperation on water rotation. Many farmers within the service areas were not members of the FISCOs. Consequently, irrigation service fee (ISF) collections were relatively low despite some modest improvements made through ISIP-II. In addition, the Project did not provide the necessary clarity as to the capacity building of the FISCOs and the retention of acquired expertise. Fortunately, some FISCOs performed well and constitute examples of relative success. They are expected to continue to work toward improved local irrigation management.  Most FISCOs were not given full responsibility. The perceived weakness of the FISCOs was seen as a reason not to increase their responsibilities. As a result, no change is forthcoming. It may be time for the National Irrigation Administration (NIA) to hand over local-level management to the FISCOs (however weak they are perceived to be). Such action perhaps would force the FISCOs into effective action. Some incentive would need to be provided to encourage the FISCOs to enlarge the area that benefits from irrigation within their service areas. Otherwise members who already receive water may resist providing water to farmers who do not yet benefit from the system. Perhaps the prospect of a greater amount of resources from ISF collections on more irrigated land could provide such an incentive. This would hopefully help to develop among the FISCO members a stronger sense of belonging and shared responsibility for managing the irrigation systems. |
| Coordination between divisions and agencies concerned. There is need for better interministerial coordination to minimize delays and ensure long-term sustainability. This is particularly important for a multisectoral Project.  Division of responsibilities and clarity of mandates. There have been a number of ministerial reorganizations with changes in mandates and leadership. It is essential that within a decentralized framework - currently under consideration - clear, realistic roles and responsibilities, and associated resources be allocated to different tiers of Government, with reporting lines (some cross-sectoral) established. Planning and administration functions may be separated, recognizing the support role that regional development management offices (RDMOs) can play.  Policy formulation. In the absence of clear policies relating to solid waste management and, to a lesser degree, sanitation, investments risk to be ad hoc; vertical, and possibly horizontal, integration needs to be explored and responsibilities clearly defined.  Education programs. Programs at community and administrative level are critical to ensure the successful implementation of regional initiatives. Community awareness should be conducted continuously and programmed by RDMOs and other agencies annually. Similarly, environmental monitoring programs for RDMOs should be supported by central agencies through periodic visits and exchange programs.  Operation and Maintenance (O&M) mechanisms. O&M for main infrastructure functions and supporting (e.g., environmental monitoring equipment) are integral to the Project. They should be realistically designed and adequately implemented from the outset. |
| ADB should not provide plain credit lines. The achievement of fairly positive outcomes even in a complex environment proves the benefit of policy dialogue at design and during implementation. ADB's policy dialogue with Government encouraged the introduction of policy interventions which helped to address distortions in the small and medium-sized enterprise (SME) sector. An enabling environment is a necessary albeit insufficient condition for the sector's efficient performance.  Satisfactory performance of subprojects even in an improved enabling environment should not be taken for granted. The benefits of policy interventions that improved the sector's productivity did not, however, percolate to all 31 subprojects financed under the loan. This asymmetry is attributable to the participating commercial banks' (PCB) less than rigorous initial screening of subprojects' technical and commercial feasibility and particularly their inability to monitor post-disbursement credit recovery with greater frequency and intensity. A covenant requiring PCBs to monitor subprojects' financial performance on a quarterly basis and reporting on them to ADB could have provided both ADB and PCBs an early warning tool to deal with potentially problematic subprojects.  Efficient financial intermediation requires autonomous credit decisions by banks guided purely by sound banking considerations. Uzbek PCBs' credit decisions by contrast are subservient to the country's national development policies instead of being autonomous and aimed at maximizing their own profits. ADB loans' conditions should therefore provide for the rigorous enforcement of sound and autonomous credit policies by PCBs.  Financial intermediation loans should include adequate and enforceable provisions for ensuring sustained financial and operational performance of PCBs. While the loan established covenants for PCBs' solvency, liquidity, and profitability, there were no covenants in the Project Agreements to enforce compliance with the covenants established for the above measures. A covenant enabling ADB to suspend loan disbursements to banks whose financial ratios deteriorated and breached covenants could have disciplined PCBs to avoid the moral hazards cited above that were detrimental to their overall financial health. |
| The Department of Irrigation (DOI) convened a national workshop to discuss the findings of the executing agency's (EA) draft project completion report in December 2002. The lessons from the Second Irrigation Sector Project (SISP) were identified and incorporated in the follow-on Community Managed Irrigated Agriculture Sector Project (CMIASP). The experience with the SISP indicated needs for (i) strengthening quality control at entry or pre- feasibility stage, and engaging nongovernment organizations (NGOs) to assess farmer needs, (ii) taking more time and resources to form sound water users associations (WUAs) through engaging community-based organizations (CBOs) as facilitators, (iii) avoiding expensive structures (such as headwork and extensive main canal lining) to focus more on low-cost and labor-intensive works, (iv) more stringent construction quality control through joint supervision with water users associations (WUAs), (v) more strategic and coordinated provision of agricultural services, (vi) continued monitoring and guidance to WUAs after physical completion to ensure sustainable operation and maintenance (O&amp;M), and (vii) substantial improvement in overall quality control through an effective internal management information system and an external quality assurance mechanism. The project completion review mission (PCRM) largely confirmed that these recommendations remain valid.    CMIASP made a very good start based on the recommendations and lessons from the predecessor SISP. Additional insights gained during the PCRM, particularly the need to address the vulnerability of hill irrigation sites, are provided in Appendix 9, which is summarized below.    Inadequate Preparation. The rush to subproject implementation early in the SISP compromised WUA and farmer-managed irrigation system (FMIS) quality. This rush was due to (i) staff experience and continuity with the earlier Irrigation Sector Project (ISP), which led to overconfidence and a consequent swell of subproject intake in the first year; (ii) awareness of budget opportunities with the impending SISP; and (iii) the provision of retroactive financing by ADB, which gave the EA financial confidence to go forward. Not enough measures were put in place under the SISP design to ensure that the project's design principles and quality control were adhered to early in subproject processing.    Subproject Feasibility and Design. The SISP exhibited variable quality in subproject preparation and design. Some subprojects appeared to have been well prepared and designed, while others seemed insufficiently assessed. The lack of quality control was recognized early in the Project, and measures were taken to bolster supervisory and consultant review of subproject preparation. There were cases of inadequate analysis and consideration for (i) hydrology, (ii) geotechnical conditions, (iii) inter-basin connectivity, (iv) appropriate structures and layout, (v) need for drainage structures, and (vi) institutional readiness of WUAs.    The project design did not emphasize sufficiently the design challenges of mountain and hill sites as distinguished from plains (terai) sites. Mountain and hill sites, by virtue of being in less stable geological environments, have proven vulnerable to landslides and floods that have repeatedly undermined subproject improvements.    Subproject Construction. The quality in subproject construction was also uneven. Construction was satisfactory for many subprojects, but a number of shortcomings are also evident. Maintaining construction quality standards was difficult due to the high number of small and scattered works. Generally, only contractors with limited capacity were attracted to the work. Furthermore, capacity for construction supervision was not always sufficient in DOI and the WUAs. On the implementation side, the quality of WUA-rehabilitated irrigation schemes was also not always to the expected standard, indicating a need for better training and guidance. The construction of more permanent structures has also created a dependency of the farmers on DOI input and support.    Institutional Development. While progress has been made in institutional capacity under the SISP (particularly with DOI and WUAs), further strengthening is desirable in several areas. For WUAs, shortcomings were noted in (i) construction supervision, (ii) operation and maintenance, (iii) collections and disbursement for O&amp;M, and (iv) institutionalization of democratic management. For DOI, further strengthening is desirable in (i) subproject design and preparation, (ii) construction supervision, and (iii) provision of training in on-farm water management. Lastly, too little attention was given to integrated subproject agricultural development (as opposed to irrigation system development only). The need is for greater coordination and partnering of DOI with WUAs and Department of Agriculture (DOA) in agriculture and on-farm water management.    Benefit monitoring and evaluation (BME) never gained traction. According to the appraisal, WUAs were to be instrumental in collecting BME information, which would be routed to the district, regional, and national DOI offices. DOA was also to have a role. There is little evidence that this system was effective. In practice, miscellaneous data were collected by DOI, community organizations, NGOs, and consultants, seemingly without a coordinated or systematic approach and without summarizing analysis or reports to regularly inform project managers and stakeholders. |
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| 1. Establishing and strengthening water users association (WUAs), and planning and rehabilitating systems with the active participation of users instills beneficiary ownership of subprojects. However, before users take over responsibility for operation and maintenance (O&amp;M), systems should be functional and able to deliver irrigation water to farmers fields with key structures rehabilitated and the canal network intact. This would also ensure the collection of the irrigation service fee (ISF) and the undertaking of routine O&amp;M through local resource mobilization. In this project, weak performance of some irrigation systems were noted due to lack of O&amp;M and beneficiary ownership. [Main text, paras. 12, 24, 31-32, 38]    project cycle stage: Feasibility, Implementation    Lesson Topics:   Project Design: Subprojects  Project Management: Operation and maintenance  Capacity Development: Ownership  Sector Related Issues: Irrigation management  Methodologies/Approaches: Consultation/Participation    2. The formation and basic capacity building of user groups and associations require sufficient lead-time before planning and rehabilitation are started. User capacity needs to be further developed by involving users in project implementation with clearly defined roles and skills-development training to ensure that they possess the necessary capacity to manage the system after completion. In this project, lead time was insufficient for orientating and training users before the commencement of construction works. Project performance was consequently affected by the lack of proper operation and maintenance and beneficiary ownership. [Main text, paras. 5, 18, 40]     project cycle stage: Feasibility, Implementation    Lesson Topics:   Crosscutting Issues/Themes: Sustainability  Project Design: Project design  Project Management: Project management  Capacity Development: Capacity building  Capacity Development: Capacity development  Sector Related Issues: Irrigation management    3. Small and medium systems with independent intakes or headworks have considerable potential for rehabilitating structures and reestablishing canal networks in collaboration with users and for transferring management responsibility to water users associations (WUAs). Lack of executing agency capacity to mobilize huge numbers of users constrains users' intensive involvement in planning and implementation, which limits their interest in contributing to effective system on operation and maintenance. [Main text, para. 41]    project cycle stage: Feasibility, Implementation    Lesson Topics:   Project Design: Project design  Project Management: Executing/Implementing agencies  Project Management: Operation and maintenance  Project Management: Project management  Sector Related Issues: Irrigation management  Methodologies/Approaches: Consultation/Participation    4. At times, the quality of project design and implementation suffered as (i) some designs were inappropriate, (ii) proper mechanisms for quality control were lacking, and (iii) construction supervision by senior, experienced technicians was lacking. These shortcomings can be avoided by obtaining independent consultant services to supervise and maintain quality control of design and construction works and by effectively involving users in monitoring subproject implementation at different stages. [Main text, paras. 5, 25, 42]    project cycle stage: Design, Implementation    Lesson Topics:   Monitoring &amp; Evaluation: Monitoring and evaluation  Project Design: Project design  Project Design: Subprojects  Project Management: Consultants  Project Management: Project supervision  Methodologies/Approaches: Consultation/Participation    Experience has shown that water users associations (WUAs) should be established first at the lowest control unit,the tertiary canal, and then established moving upward to branch and main canals. This makes each user familiar with the potential and constraints of the system and the WUAs representative and effective.    project cycle stage: Feasibility    Lesson Topics:   Project Design: Project design  Sector Related Issues: Irrigation management    In larger irrigation systems, WUAs at different tiers (main, secondary, tertiary canal) with clearly defined roles and functions could secure more effective beneficiary participation and system ownership. Efforts could be made to turn over secondary and tertiary canals in the larger systems.    project cycle stage: Design    Lesson Topics:   Project Design: Project design  Capacity Development: Capacity development  Capacity Development: Ownership  Sector Related Issues: Irrigation management  Methodologies/Approaches: Consultation/Participation |
| 1. In terms of social and institutional development, community livelihoods have improved significantly from the contribution of projects already implemented, but the institutions are weak in the collection of irrigation service charge (ISC) and participation in operation and maintenance (O&M). Local government institutions (union parishads, upazila parishads) have the scope to be involved in the O&M of infrastructure through mobilization of local funds and manpower. There is a need to further strengthen coordination and cooperation between the executing agency and other agencies involved, especially the local government department implementing infrastructure projects, at both the organizational and the field level. [Main text, paras. 67-70, 63, 72]  project cycle stage: Design, Feasibility  Lesson Topics:  Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Operation and maintenance Capacity Development: Capacity building Capacity Development: Capacity development Country Context: Decentralization Crosscutting Issues/Themes: Employment Sector Related Issues: Irrigation management Methodologies/Approaches: Consultation/Participation  2. Training should not be evaluated by the number of trainees but by its quality and effectiveness. While the project was able to meet its numerical target in training executing agency staff on participatory water management, the project completion report noted that the quality and effectiveness of these local training programs were unsatisfactory. [Main text, paras. 21-22, 72; Appendix 2]  project cycle stage: Implementation, Completion  Lesson Topics:  Modality: Technical Assistance Monitoring & Evaluation: Monitoring and evaluation Capacity Development: Capacity building  3. Problems brought about by technical inadequacies in planning, design and construction of irrigation infrastructure could be minimized by (i) locating flood-control, drainage, and irrigation investments in morphologically stable areas; (ii) paying special attention to smaller and remote canals of larger systems which often do not get adequate water; and (iii) using locally available knowledge. As reported during project completion, problems regarding the planning, design and construction of irrigation infrastructures contributed to irrigation coverage that is much lower than expected. [Main text, para. 16, 25, 43, 52, 72]  project cycle stage: Feasibility  Lesson Topics:  Project Design: Project design Sector Related Issues: Irrigation management Sector Related Issues: Water resource management  4. Project sustainability depends on several factors including, among others, adequate funding for operation and maintenance (O&M), and well-functioning and effective water user organizations (WUOs). In this project, O&M activities generally received less attention and suffered from financial constraints. Beneficiaries were too dependent on the executing agency for O&M, while executing agency, as well as water management organizations were confronted with inadequate O&M funding. Given these, placing importance on collection of irrigation service charges, allocation of government funds and upfront capacity building of WUOs would contribute to improving sustainability of project benefits. [Main text, paras. 52, 64, 67, 69, 72]  project cycle stage: Design, Feasibility, Implementation, Operation  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Finance & Financial Aspects: Financing Project Management: Executing/Implementing agencies Project Management: Operation and maintenance Capacity Development: Capacity development  Locally available knowledge should be used in planning and design.  project cycle stage: Design, Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Knowledge Management Project Design: Project design  Smaller and remote canals of larger systems often do not get adequate water and hence, need special attention.   project cycle stage: Feasibility  Lesson Topics:  Project Design: Project design Sector Related Issues: Irrigation management  Strengthening Water User Groups (WUGs) and Water Management Associations (WMAs) should be undertaken up front, prior to starting physical works, and given sufficient time.  project cycle stage: Feasibility  Lesson Topics:  Project Design: Project design Capacity Development: Capacity development Sector Related Issues: Irrigation management |
| It is difficult to get an appropriate balance between what is achievable as outputs and how they lead to broader impacts. Even if most specific loan conditions, performance indicators, and reporting requirements are relevant and satisfactorily met, the principles underlying their design may not be readily embraced. In part, this may simply be a question of time. Public sector reform is a complex and long-term undertaking. It depends on changing not only the rulesof the game and the systems that operate, but also the attitudes of stakeholders. Project experience demonstrated that it is unrealistic to expect for reforms to be embedded sufficiently in PNG's systems after only a year or two of serious reform effort. What was missing from the Public Service Program was a mechanism to continue to advocate for the principles underlying the tranche conditions after the tranche was withheld and the loan finally closed. [Main text, paras. 38-40, 46-47]  project cycle stage: Design, Feasibility, Implementation  Lesson Topics:  Loan Agreement: Covenants Monitoring & Evaluation: Indicators Project Design: Project design Project Management: Project reporting Policy & Reform: Public sector reform |
| 1. In the case of a weakly performing, fragile, state (such as the Republic of Marshall Islands) - where governance is weak and institutional performance can also be expected to be poor - project design must pay far greater attention to examining the effective demand for any public sector improvement and the need to strengthen institutions and capacity development. [Main text, paras. 3, 53-54, 64(i)]  project cycle stage: Design, Feasibility, Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Governance Project Design: Project design Capacity Development: Capacity development Capacity Development: Institutional analysis Policy & Reform: Reform  2. National consultants should be preferred over international consultants where qualified, skilled, and otherwise competent national consultants exist. Greater attention should be given to consultants' terms of reference, so that this may complement local capacities. There is a growing cadre of Marshallese consultants in the field of economics and social development and ADB is increasingly employing them. [Main text, paras. 43, 46, 64(ii)-(iii)]  project cycle stage: Appraisal Implementation  Lesson Topics:    3. The engagement of a full-time, qualified accountant who is experienced in ADB loans can greatly assist project implementation. In this project, the accountant did an excellent job of tracking all orders. and ensuring timely payments to vendors and proper distribution of landed goods. [Main text, paras. 45, 64(iv)]   project cycle stage: Implementation  Lesson Topics:  Finance & Financial Aspects: Financial reporting Project Management: Procurement Project Management: Project administration |
| 1. Closer consultation between ADB and the Borrower (National Power Corporation) at each step of the procurement, particularly on the issue of project scope, could have avoided a change in the financing arrangements and consequent delay. The major change in the financing arrangements for Part A delayed the completion of the Leyte-Cebu interconnection uprating by about 5 years.   project cycle stage: Appraisal Implementation  Lesson Topics:  Finance & Financial Aspects: Financing Project Design: Project design Project Management: Procurement Sector Related Issues: Energy planning/management Methodologies/Approaches: Consultation/Participation  2. Before loan approval, ADB should have assessed thoroughly National Transmission Corporation (Transco) capacity to deal with right of way (ROW) issues. The project schedule at appraisal was unrealistic, because it did not take into account the long time needed for Transco to comply with the procedures to secure ROW. At the time of the project completion report Mission, 302 affected households and owners (i.e., 13% of the total) had not received compensation. These issues led to long implementation delays for Part B. Transco could have mitigated many of the delays with forward planning and effective project management. ADB's review mission could have included a resettlement specialist to advise and assist Transco in addressing ROW issues.  project cycle stage: Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Resettlement Project Design: Appraisal Project Design: Project design Project Management: Project management Project Management: Project supervision Capacity Development: Capacity assessment Capacity Development: Human resources management  3. In accordance with the arrangements agreed at appraisal, ADB's loan financed the supply and delivery of substation and transmission line equipment, while the executing agency financed the civil works and erection contracts. This arrangement required two procurement processes, and different contractors for the implementation of the same project components. Turnkey contracts could have reduced the implementation delays caused by the use of separate supply contracts (financed by ADB) and civil works and erection contracts.  project cycle stage: Appraisal Implementation  Lesson Topics:  Finance & Financial Aspects: Financing Loan Agreement: Loan Agreement Project Design: Appraisal Project Management: Procurement Sector Related Issues: Energy planning/management  The demand forecasts made at appraisal were overly optimistic, because the methodology used was based on the projected gross domestic product and constant elasticity coefficients. Such an econometric approach failed to capture the impact of the Asian financial crisis that slowed the country's economic growth and suppressed electricity demand.  project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Market analysis Project Design: Appraisal Country Context: Crisis/Post-crisis Sector Related Issues: Energy planning/management |
| The combined activities of constructing a building, supplying equipment, and training technical staff are insufficient to establish an operational water quality laboratory. More assistance is required, such as (i) providing the laboratories with water supply and electricity; (ii) training the medical technicians to operate the supplied equipment, which may be different from the equipment used during formal training; (iii) training new technical staff to replace departing staff; (iv) establishing rates for the services offered; and (v) formulating a business plan.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Project Design: Project design Capacity Development: Capacity building Capacity Development: Human resources management Sector Related Issues: Health and sanitation management Sector Related Issues: Water resource management  The organizational structure should be in place before implementation starts. In the case of new management structures, it should be anticipated that this will take time, and adequate resources should be allocated. A functional monitoring system should be established to manage large numbers of subprojects effectively.  project cycle stage: Appraisal Implementation  Lesson Topics:  Finance & Financial Aspects: Financing Monitoring & Evaluation: Monitoring and evaluation Project Design: Subprojects Project Management: Project management  The project proved to be very ambitious. It required cooperation among at least three government agencies at three levels and communities in 20 different provinces. Implementation required strong management skills and capacity from the executing agency (EA), implementing agencies (IAs), and local government units (LGUs).  project cycle stage: Design, Implementation  Lesson Topics:  Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Project management Capacity Development: Capacity assessment Country Context: Decentralization |
| 1. Integrated Rural Development Projects (IRDPs), by nature, are multisectoral undertakings. Limited project preparation resources are therefore spread more thinly as the complexity of the design grows. It is therefore better to focus project activities on a core program, rather than trying to cover a wide array of potential activities. Extra care should be taken when including relatively new arrangements for line agencies, such as the devolution of powers to the Provincial Irrigation Departments (PIDs) and the Provincial Road Development Authorities (PRDAs). A period for building capacity through technical assistance may be required before the project, or, alternatively, special provisions may need to be made to ensure long-term institutional capacity building during the project. IRDPs require careful planning and coordination among all project partners.  project cycle stage: Design, Feasibility  Lesson Topics:  Modality: Technical Assistance Project Design: Project design Capacity Development: Capacity building Country Context: Decentralization Sector Related Issues: Irrigation management Sector Related Issues: Roading Sector Related Issues: Rural development Methodologies/Approaches: Consultation/Participation  2. Projects that aim to expand emerging enterprises or help the establishment of new enterprises should provide more than credit. There is a need to support managerial, planning, record keeping, and marketing skills. Capacity building by qualified service providers (e.g., NGOs) or microfinance institutions is desirable. Proper targeting of beneficiaries at the design phase will help to determine the right microfinance option and to target poor beneficiaries who are often risk averse and cannot obtain credit from participating credit institutions (PCIs). The microcredit component of this integrated rural development project had very little impact on the poor (i.e., it has failed to target the poor, instead it has successfully encouraged entrepreneurship through training and/or credit provision among already established enterprises). [Main text, paras. 14-16, 62]  project cycle stage: Design, Feasibility  Lesson Topics:  Finance & Financial Aspects: Financing Project Design: Project design Capacity Development: Capacity building Sector Related Issues: Industry and Trade Methodologies/Approaches: Civil Society Participation Methodologies/Approaches: Targeting  3. The overall project objective was to reduce poverty in the province. The poorest of the poor might have benefited if the following approaches had been adopted: (i) the provision of microcredit and skill and employment training (rather than only the enterprise development approach that was finally adopted for the credit program); (ii) creative financing schemes to facilitate access to drinking water and rural electrification under the Village Advancement Program or VAP (e.g., through links to NGOs or microfinance institutions as is already being done elsewhere in Sri Lanka); and (iii) greater use of qualified NGOs that have the capacity to target and work with the poorest of the poor. This need not have required an overhaul of the Project Design, but could have been achieved with only minor enhancements. [Main text, para. 63]  project cycle stage: Design, Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Poverty reduction Finance & Financial Aspects: Financing Project Design: Project design Capacity Development: Capacity building Crosscutting Issues/Themes: Employment Sector Related Issues: Health and sanitation management Sector Related Issues: Rural development Methodologies/Approaches: Civil Society Participation Methodologies/Approaches: Targeting  4. Better implementation planning would have ensured better phasing of project activities: (i) establishing the PMO office (staff, facilities, equipment, consultants); (ii) creating and integrating line agency capacities; (iii) a controlled pilot phase to introduce and learn from initial project works; and (iv) a scaling up of activities after a careful assessment of lessons learned from the initial pilot phase. BME is a critical part of planning and implementation, and should be established within the first year of the project. In the case of this integrated rural development project, poor planning has resulted to lack of cost control, poor quality work, and lack of program integration, among others. [Main text, paras. 26, 64]  project cycle stage: Implementation  Lesson Topics:  Monitoring & Evaluation: Benefit monitoring and evaluation Project Management: Project management Methodologies/Approaches: Pilot project  5. To foster greater ownership by local government, participation of local leaders and line agencies should be sought (i) in project preparation, and (ii) through routine and periodic planning throughout project implementation. The project did not achieve much transference to the provincial government or line agencies. It achieved little integration and significantly lacked involvement in and ownership of the project by the provincial government which threatens the likelihood of the project's sustainability. [Main text, paras. 52, 56, 60, 66]  project cycle stage: Design, Feasibility, Implementation  Lesson Topics:  Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Project management Capacity Development: Ownership Country Context: Decentralization Methodologies/Approaches: Consultation/Participation  6. Strengthening operation and maintenance (O&M) and looking into innovative mechanisms for participatory O&M should be a priority to ensure likelihood of project sustainability. Realistic post-project strategies, plans and budgets should be incorporated into the project for each sector. Serious attention to O&M issues at the design stage, and, where appropriate, a phased project implementation approach, with clear beneficiary understanding and formal commitment of the requirements for O&M is needed. If local government resources are limited, projects that require intensive O&M need particular attention in the country strategy and program and during the project design stage. One of the shortcomings in the project preparation of the integrated rural development project is the failure to incorporate enhancing O&M capabilities as a major component seriously reducing its relevance and likelihood of sustainability. [Main text, paras. 36, 60, 67]  project cycle stage: Design, Feasibility, Country Partnership Strategy  Lesson Topics:  Finance & Financial Aspects: Financing Modality: Cluster operations Project Design: Project design Project Management: Operation and maintenance Country Context: Decentralization Country Context: Prioritization Methodologies/Approaches: Participatory approach  A participatory approach is critical throughout implementation of rural development projects and must be a high-profile activity.  project cycle stage: Implementation  Lesson Topics:  Sector Related Issues: Rural development Methodologies/Approaches: Participatory approach  Technical and resource limitations should be documented when institutions are assessed in project preparation and programs prepared to overcome these. If the limitations cannot be addressed in project preparation, the components should be dropped, and the remaining implementation arrangements simplified.  project cycle stage: Feasibility  Lesson Topics:  Project Design: Project design Capacity Development: Institutional analysis |
| 1. Flexibility in project design could have facilitated adjustments required during project implementation; hence addressed reduction in geographical coverage and limited scope of the project. The project loan approach was too rigid. It did not offer the executing agency and IAs the possibility of replacing cities or subprojects. A more flexible approach (e.g., sector loan) would have reduced the government's commitment fees, while enabling more cities to be accommodated and equally worthy subprojects to be considered. A major change of project scope could have allowed the replacement or redefinition of subprojects, or the replacement of cities that dropped out of the project. However, this was not pursued due to the lengthy processing time required. The loan amounts per city were considered too small relative to the transaction costs involved. [Main text, paras. 51, 63(i)]   project cycle stage: Design, Feasibility, Appraisal  Lesson Topics:  Modality: Lending modality Modality: Program Project Design: Project design Project Design: Subprojects Project Management: Executing/Implementing agencies  2. There should be greater attention to risks, including political risks which could disrupt project implementation. The project completion report has noted that changes in local administrations resulted in delays in subrpoject implementation. Project designs should consider the 3-year terms of local governments, and insist on longer-tem commitments. Advocacy is needed to ensure project sustainability. [Main text, paras. 53, 63(ii)]  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Project Design: Project design Project Management: Risks/Risk management Country Context: Decentralization Policy & Reform: Information dissemination/Public awareness  3. Thorough technical reviews, or a second technical opinion, should be sought for important and environmentally sensitive projects (such as the Puerto Princesa landfill). For the sanitary landfill in Puerto Princesa, the failure of the design to consider all possible technical details, such as the provision of geo-textile membrane for anchoring of the isolation materials, proved costly. The detailed engineering design did not anticipate significant excavation works of underlying wastes since necessary soil investigations were not conducted. [Main text, paras. 43, 63(iv)]  project cycle stage: Design, Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Environmental management Project Design: Project design  4. The assessment of local government unit (LGU) borrowing capacity should consider all information that could affect an LGU's ability to borrow funds. The failure to consider Legaspi City's plan to float municipal bonds overrated its borrowing capacity, which eventually led to its decision to withdraw from the project. All cities declared that they had more capacity to borrow than the executing agency/loan administrator recognized. Further, they stated they would have liked additional loan funding for, among other things, investments in (a) drainage and storm water control, (b) improvement/maintenance of the road network (asphalt batching), (c) water resource management, and (d) sewerage treatment. All LGUs would agree to provide collateral in the form of city assets or their budgeted internal revenue allocations (IRA). [Main text, paras. 6, 11, 63(v)]  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Environmental management Crosscutting Issues/Themes: Public governance Finance & Financial Aspects: Financing Project Management: Executing/Implementing agencies Capacity Development: Capacity assessment Sector Related Issues: Roading Sector Related Issues: Water resource management  5. Future ADB support should consider more flexible and responsive fund channels for local government units (LGUs). Cities found the documentary requirements of the Municipal Development Fund Office (MDFO) cumbersome and the process time-consuming. They also found transacting business with MDFO in Manila to be more costly than with other financial institutions with branches in the cities. Processing paperwork at MDFO was considered too time-consuming and centralized. In contrast, working with the Development Bank of the Philippines or Land Bank of the Philippines is considered easier since they have local branches in the participating cities. The cities would like to have direct loan agreements with ADB, or to have access to a municipal financing facility that is flexible and responsive to their requirements. [Main text, paras. 63(vi)]  project cycle stage: Design, Feasibility, Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Public governance Finance & Financial Aspects: Financing Loan Agreement: Loan Agreement  6. Resettlement of displaced familties (as the case was for the Iligan drainage subproject) to distant sites requires mitigation measures that would address transport costs, lack of income opportunities, and shortage of water supply and electricity. The project completion report noted that about 20% of resettled families moved back to the city given the challenges of living in distant relocation sites. Considering the additional costs, LGUs will incur to address these concerns, support of other funding agencies need to be sought. [Main text, paras. 60, 63(viii)]  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Resettlement Finance & Financial Aspects: Financing Country Context: Decentralization Crosscutting Issues/Themes: Employment  7. More frequent review missions could have helped to avert some of the loan cancellations, or to introduce a major change in scope of the project in time, as the implementing agencies desired. ADB staff conducted only five loan review missions, two special loan review missions, two loan administration missions, and a midterm review mission. While the missions were able to highlight urgent issues affecting project implementation, and helped facilitate execution through their recommendations, ADB failed to provide adequate backstopping, and has not been proactive in addressing or providing guidance on cancellations. [Main text, paras. 50, 63(ix)]  project cycle stage: Implementation  Lesson Topics:  Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Project supervision  Environmentally sensitive projects require Environmental Impact Statement (EIS) and Environmental Clearance Certificate (ECC). Proponents should be made aware that the processing of ECCs takes time. Tests and documentary requirements should be prepared in advance. If the proposed sites for the project are risky, alternatives should be identified.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Environmental assessment Project Design: Project design  The combination of loan and grant financing is well received. All participating cities considered ADB funds expensive. The combination of the AusAID-funded capacity building assistance with ADB-financed support for infrastructure subprojects has been widely appreciated as a successful and attractive model that provides added value to the recipients as well as to the executing agency and the funding agencies involved.  project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Financing Modality: Lending modality Project Design: Subprojects Project Management: Executing/Implementing agencies Capacity Development: Capacity building Country Context: Decentralization |
| Advanced action and periodic supervision remains the most important avenue available to ADB to ensure proper and timely land acquisition and resettlement (LAR) implementation.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Crosscutting Issues/Themes: Resettlement Project Management: Project supervision  Effective land acquisition and resettlement (LAR) requires that the Borrower assumes the ultimate responsibility on LAR financing and administration (in the case reviewed, responsibility was left to Davao City).  project cycle stage: Feasibility, Implementation  Lesson Topics:    In areas with developed real-estate markets a sound compensation policy needs to include provisions fitting the local house-financing practices to ensure adequate compensation in line with market prices.  project cycle stage: Feasibility  Lesson Topics:  Finance & Financial Aspects: Financing Sector Related Issues: Industry and Trade  Safety and security are important elements of airport design/layout and operations. To make sure that the relevant installations will be effective and efficient it is imperative that they are well planned and designed, and that the completed facilities are maintained in good working condition. The fence deserves particular attention, and must be kept clear of vegetation, so that patrol must be able to control its indemnity without difficulty. Monitoring of safety compliance should become a standard element of ADB's review missions.  project cycle stage: Design, Feasibility, Implementation, Operation  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Project Management: Operation and maintenance Project Management: Project supervision Sector Related Issues: Transport planning  Since loan covenants sometimes relate to long-term issues such as financial sustainability or maintenance of the facilities, it is necessary to have continued policy dialogue on pending issues, through portfolio reviews and future interventions, as an incentive for the Borrower to comply with the covenants beyond project completion.  project cycle stage: Feasibility, Country Partnership Strategy  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Loan Agreement: Covenants Project Design: Problem identification Project Management: Operation and maintenance Policy & Reform: Policy matrix  Sound land acquisition and resettlement (LAR) planning inclusive of systematic compensation policies and clear compensation rates agreed by the affected families (AFs) before project implementation is essential to prevent project delays and ensure equity in compensation.  project cycle stage: Feasibility  Lesson Topics: |
| ADB should insist on enforcement of bylaws and regulations, such as penalties on illegal septage disposal and solid waste disposal. The drainage system, which was designed purely for storm water, is channeling raw sewerage into the (Phewa) lake, because of illegal dumping of septage.  project cycle stage: Implementation  Lesson Topics:  Crosscutting Issues/Themes: Environmental management Sector Related Issues: Health and sanitation management Sector Related Issues: Water resource management  Airport expansions should have considered projected traffic forecasts, and allocated land for future expansion. In Lukla, airport traffic has increased significantly and is now congested. However, new land for expansion is difficult toacquire because of new construction around the airport.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Resettlement Finance & Financial Aspects: Market analysis Project Design: Project design Sector Related Issues: Transport planning  Assessment of community attitude to infrastructure, such as waste disposal, should be better assessed at appraisal. For example, a participatory process to identify a feasible waste disposal site would have prevented significant delays in the implementation of the project.  project cycle stage: Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Environmental management Project Design: Appraisal Project Design: Project design Capacity Development: Capacity assessment Methodologies/Approaches: Participatory approach  Assurances of the government and implementing agencies should be scrutinized more carefully at appraisal stage, in view of past experience during implementation of the first tourism infrastructure development project. Only realistic assurances, based on proper assessment of institutional capacity and political context, should be incorporated as covenants in the Loan Agreement.  project cycle stage: Appraisal  Lesson Topics:  Loan Agreement: Covenants Loan Agreement: Loan Agreement Project Design: Appraisal Project Management: Executing/Implementing agencies Capacity Development: Capacity assessment Sector Related Issues: Industry and Trade  Capability enhancement of implementing agencies should be carried out well in advance of implementing infrastructure components based on a thorough institutional assessment. Virtually all the problems in the (Pokhara) environmental improvement component of the project were rooted in the poor capacity of the implementing agency. More emphasis should have been placed on strengthening its capacity prior to the commencement of physical works.  project cycle stage: Design  Lesson Topics:  Crosscutting Issues/Themes: Environmental management Project Design: Project design Project Management: Executing/Implementing agencies Capacity Development: Capacity building Capacity Development: Institutional analysis  Designs of environmentally sensitive infrastructure systems should anticipate the impacts of noncompliant behavior by the public. The drainage system (in Pokhara) discharges all water into the (Phewa) lake. Although designed for storm water, many residents have directed their sewerage lines into the drains, which will, over time, cause significant contamination of the lake.  project cycle stage: Design  Lesson Topics:  Crosscutting Issues/Themes: Environmental management Project Design: Project design Sector Related Issues: Health and sanitation management Sector Related Issues: Water resource management  Entities intended to manage O&M for infrastructure should be established early in the project cycle, and staff trained throughout the implementation period, rather than at the very end. ADB should be more involved in ensuring the appropriate institutions are in place, and that their capacity is strengthened.   project cycle stage: Design, Implementation  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Management: Operation and maintenance Project Management: Project supervision Capacity Development: Capacity building  Land acquisition needs should be addressed up front, before infrastructure construction is started. Designs should be modified if land acquisition is not likely. In Pokhara, the drainage system is generally complete. However, three sedimentation traps were not constructed because the proposed land could not be acquired. Over time, this will cause increased sedimentation in Phewa Lake.  project cycle stage: Design, Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Environmental management Crosscutting Issues/Themes: Resettlement Project Design: Project design Sector Related Issues: Water resource management |
| Delays in finalizing core implementation arrangement (e.g., engagement of TA consultants or partner NGOs) must be resolved promptly. The implications of prolonged delays should be assessed and, if necessary, certain project activities should be rescheduled to maintain the integrity of the project's overall intent.  project cycle stage: Design  Lesson Topics:  Modality: Technical Assistance Project Design: Project design Project Management: Consultants Methodologies/Approaches: Civil Society Participation  Essential implementation arrangements to be finalized during the project should be linked to disbursement of funds on related project activities to avoid the activities commencing before arrangements are in place.  project cycle stage: Design  Lesson Topics:  Finance & Financial Aspects: Disbursement Project Design: Project design  Greater emphasis should be placed on monitoring of implementation and benefits and on evaluation systems. In some instances, continuous monitoring and evaluation linked to specific project activities may be more efficient and sustainable than benefit monitoring and evaluation programs.  project cycle stage: Implementation  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Monitoring & Evaluation: Benefit monitoring and evaluation Monitoring & Evaluation: Monitoring and evaluation Methodologies/Approaches: Program Approach  Participatory resource management projects involve complex arrangements between the beneficiaries, intermediaries (NGOs), and custodians (executing agency, etc.). Dynamics between parties, incentives for participation in project activities, and other such issues must be addressed in detail during preparation. Projects must also be flexible to accommodate changes, since the social dynamics between parties involved in such projects cannot be expected to remain fixed for long.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Environmental management Project Design: Project design Methodologies/Approaches: Participatory approach  Projects that introduce innovative approaches and implementing arrangements require close supervision by ADB especially during the first few years. The officer responsible for processing should remain involved during implementation at least during the first 1-2 years. Alternatively, such projects may be prepared with close, active involvement of Resident Mission staff, who would be assigned as project officer after loan inception. Regular and timely review missions during this period are essential to keep the project on track.  project cycle stage: Implementation  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Design: Appraisal Project Design: Project design Project Management: Project supervision Other: Resident Mission  The government considers the project pro-forma (PP) as the guiding document for project implementation. The PP must therefore accurately reflect the project scope, implementing schedule and arrangements, breakdown of expenditure, and conditions and covenants. Ideally, executing agency staff involved with project preparation should have a role in preparing the PP, and should be finalized before project inception.  project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Financing Loan Agreement: Covenants Project Design: Appraisal Project Design: Project design Project Management: Executing/Implementing agencies  The project could have encouraged greater private sector/community participation by outsourcing the production of plants under the executing agency's supervision and quality control.  project cycle stage: Feasibility  Lesson Topics:  Project Management: Executing/Implementing agencies Sector Related Issues: Private sector Methodologies/Approaches: Community approach |
| A considerable amount of technical assistance is needed over an extended period to build a strong and sustainable microfinance bank (MFB) in a post-conflict situation similar to Timor-Leste.  project cycle stage: Appraisal, Country Partnership Strategy  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Finance & Financial Aspects: Financing Modality: Cluster operations Modality: Technical Assistance Country Context: Conflict/Post-conflict  An appropriate policy, legal, and regulatory framework should be in place before sustainable microfinance bank (MFB) operations can begin. In post-conflict countries, developing financial infrastructure and viable local institutions takes much longer than in normal situations.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Legal system Finance & Financial Aspects: Financing Capacity Development: Capacity development Country Context: Conflict/Post-conflict Policy & Reform: Policy reforms/framework  Establishing a regulated microfinance bank (MFB) through grants is a sound strategy. However, it is important to have a very clear road map for an ownership structure from the start. Further, the local staff and institutional capacity should not be overestimated because, in the case of Timor-Leste, a large number of qualified Timorese left the country because of civil unrest and the project and the country faced a severe shortage of skilled labor in all sectors, including microfinance.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Finance & Financial Aspects: Financing Modality: Lending modality Capacity Development: Capacity assessment Capacity Development: Ownership Country Context: Conflict/Post-conflict  In post-conflict countries such as Timor-Leste, microfinance is an effective development tool for poverty reduction. It enables poor and conflict-affected communities to improve economic security quickly. The capacity of poor households to borrow and save should not be underestimated, even in the most difficult environments.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Poverty reduction Finance & Financial Aspects: Financing Capacity Development: Capacity assessment Country Context: Conflict/Post-conflict  To establish a successful microfinance bank, it is essential to recruit a qualified practical banker (rather than a general microfinance specialist) with extensive field experience in managing similar banks. In the case of Instituicao de Microfinancas de Timor-Leste (IMFTL), it is one of the success factors.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Finance & Financial Aspects: Financing Capacity Development: Human resources management |
| ADB and its consultants should be more thorough in preparing cost estimates, especially for non-standard types of projects.The project cost was substantially overestimated at appraisal, as evidenced by the 46% cost underun and the surplus loan proceeds of almost $20 million, or 44% of the original loan amount.   project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Financial analysis Project Design: Appraisal Project Management: Consultants  Frequent replacement of project directors, managers, and staff negatively affected implementation. It appears that the Ministry of Environment (MOE) selected management staff based on technical expertise rather than project management experience. The technical tasks were numerous and time consuming, so they should have been performed with input from short-term specialists. Projects of this type should be headed by well-qualified experienced project managers, who dedicate most (if not all) of their time to management, with technical staff seconded as required. In addition, consultants should demonstrate a positive commitment to knowledge transfer to create a pool of skilled staff within the agency to lead future projects.  project cycle stage: Implementation  Lesson Topics:  Project Management: Consultants Project Management: Executing/Implementing agencies Project Management: Project management Capacity Development: Human resources management Capacity Development: Technology/Technology transfer  The environmental sector requires significant investment in regional human resources and institutional development. Organizational structure and the focus of regional offices should be clearly identified, strengthened, and evaluated prior to deciding which facilities should be installed.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Environmental management Project Design: Project design Capacity Development: Capacity development Capacity Development: Human resources management  When designing projects relying to a large extent on information technology, the requirement for modern and highly sophisticated technical equipment such as GIS and VSAT satellite network stations should be carefully assessed, given high O&M costs. Unless there are technical and financial means to upgrade the facilities to keep pace with technological developments, such equipment may become quickly outdated. In addition, databases that require technical as well as statistical input - physical features of maps for GIS overlays or demographics - are time consuming and costly to maintain.  project cycle stage: Design  Lesson Topics:  Monitoring & Evaluation: Data collection and management Project Design: Project design Project Management: Management information system Project Management: Operation and maintenance Capacity Development: Technology/Technology transfer |
| Especially in situations where the government's capacity is poor, the design of the reform measures should be kept simple and extensive conditionalities should be avoided. The timeframe of the reform program should be realistic in balancing the government's need to rapidly establish a track record in relation to the external funding community and the broader public on the one hand, and the program's technical and political feasibility on the other. Moreover, providing sufficient resources for complementary institutionalchange and capacity building is indispensable.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Finance & Financial Aspects: Financing Loan Agreement: Covenants Modality: Program Capacity Development: Capacity assessment Capacity Development: Capacity building Policy & Reform: Reform  Measures that promise relatively rapid progress should be prioritized to facilitateeffective communication of success stories to the public. Effective communication of the reformprogram's rationale, objectives, and achievements is essential for maintaining public support,especially where an institutionalized participation mechanism does not exist.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Modality: Program Country Context: Prioritization Policy & Reform: Information dissemination/Public awareness Policy & Reform: Reform Methodologies/Approaches: Participatory approach  The gap between domestic capabilities and skills requirements may be widened by theimportation of inappropriate techniques and technologies, so that reforms may not provedurable. At the same time, the involvement of strong, committed local consultants caneffectively help expand the government's capacities to manage and coordinate the reformprocess.  project cycle stage: Implementation  Lesson Topics:  Modality: Program Project Management: Consultants Capacity Development: Capacity assessment Capacity Development: Capacity development Capacity Development: Technology/Technology transfer Policy & Reform: Reform  The program has shown that strong government ownership of and commitment to aprogram with well-focused conditions can effectively support the reform process. By contrast,the program has also demonstrated the vulnerability of reform programs to the politicalenvironment, especially in conflict situations. This suggests that the level of commitment to aprogram loan is determined not only by the commitment of the government in power, but also byits ability to manage vested interests that wish to maintain the status quo (reform resistors) andthe overall political aspects of the reforms (for instance, displaced workers). Therefore, givensuch situations, carefully assessing and closely monitoring the political environment isimportant, including all supporting and resisting forces and the risks of a politically motivated interruption of the reform process, as well as assessing the capacity of the civil service and itsability to continue a reform program despite political upheavals. Extensive consultations amongpolitical factions and the broader public, including at the provincial level, are indispensable toensuring broadly based support for any reform program.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Modality: Program Monitoring & Evaluation: Monitoring and evaluation Project Management: Risks/Risk management Capacity Development: Capacity assessment Capacity Development: Ownership Country Context: Conflict/Post-conflict Policy & Reform: Information dissemination/Public awareness Policy & Reform: Reform Methodologies/Approaches: Consultation/Participation |
| ADB project administration needs to more rigorously dealwith design and implementation arrangements when they turn out to be problematic. This requires a mission team of diverse expertise, in particular for the mid-term review (MTR) to undertake significant redesign where necessary, or following any other event - in the case of Indonesia, the sudden decentralization - that significantly impacts project structures and outcomes.  project cycle stage: Implementation  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Project Management: Project administration Project Management: Project supervision Capacity Development: Human resources management Country Context: Decentralization  Geographic and subsector coverage should be limited, depending on the number of subproject appraisal reports (SPARs) that can realistically be prepared as part of project preparation, and the level of representativeness of conditions in these SPARs vis-ï¿½-vis other towns. This is particularly important for areas with large cultural diversity such as Sumatra. The subsectors covered should ideally have similar institutional setups and functioning to reduce project complexity during project preparation - which results in exponentially larger preparation time - and administration. The integration of diverse urban development subsectors requires a project team with distinct subsector expertise to allow for better understanding and differentiated treatment of these.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Project Design: Project design Project Design: Subprojects Capacity Development: Human resources management Sector Related Issues: Urban sector/development  Institutional capabilities - both managerial and technical - of local governments and local government water supply enterprises (PDAMs) to manage, operate, and maintain their investments and provide decent public services require a realistic assessment during project and SPAR preparation, coupled with adequately tailored training and capacity building to tackle deficiencies encountered. The sustainability of investments depends on understanding the function of and demand for subsector services in the eyes of local government and the community. Sufficient time is necessary during preparation and implementation to involve these parties in the development of investments and to ensure that technical and institutional capabilities are adequate for their use and sustainability.  project cycle stage: Feasibility, Appraisal Implementation  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Finance & Financial Aspects: Market analysis Project Design: Project design Capacity Development: Capacity assessment Capacity Development: Capacity building Sector Related Issues: Health and sanitation management Methodologies/Approaches: Community approach  Subproject appraisal report (SPAR) preparation and review should be rigorous. It should rely on thorough demand analysis based on community consultations, and include a description of the condition and service coverage of existing assets. Technical solutions offered by SPARs should be specific for each situation. Requirements for financial and economic evaluation should be prepared carefully. Expertise in relevant disciplines should be made available during the preparation and review process. SPARs should be produced in the local language and English; and the English translations should extend to the main text and not be confined to executive summaries, to allow proper evaluation of the proposal.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Finance & Financial Aspects: Market analysis Monitoring & Evaluation: Project evaluation Project Design: Appraisal Project Design: Project design Project Design: Subprojects Capacity Development: Human resources management Methodologies/Approaches: Community approach  Substantial delays in consultant recruitment seriously undermine the effectiveness and sustainability of services provided. Adequate attention should be paid to this during project implementation to ensure that consultant recruitment is timely, and if it is not, that appropriate adjustments are made to the packages and the related terms of reference.  project cycle stage: Implementation  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Project Management: Consultants Project Management: Procurement  Successful implementation arrangements of previous projects, including the degree of authority and enforcement control of the executing agency, should be thoroughly assessed before transferring them to new projects. What has worked reasonably well before in smaller, centralized projects may not work for large-scale sector projects under decentralization. Adequate provision for monitoring and ensuring compliance with loan covenants by local governments and local government water supply enterprises (PDAMs) should be incorporated in the project design and implementation arrangements.  project cycle stage: Design, Feasibility  Lesson Topics:  Finance & Financial Aspects: Financing Loan Agreement: Covenants Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Project Management: Executing/Implementing agencies Capacity Development: Institutional analysis Country Context: Decentralization Sector Related Issues: Health and sanitation management  The substantial increase in local procurement irregularities after decentralization was due to inadequate contract administration procedures in most PIUs; this included lack of proper archiving procedures, and no records of as-builtdrawings of civil works and contract variations. A combination of additional training, frequent monitoring, increased quality control by the executing agency, and rigorous enforcement of sanctions is necessary to address the PIUs' lack of capacity - and willingness - to strictly enforce procurement regulations.  project cycle stage: Appraisal Implementation  Lesson Topics:  Crosscutting Issues/Themes: Corruption Monitoring & Evaluation: Monitoring and evaluation Project Management: Executing/Implementing agencies Project Management: Procurement Project Management: Project administration Project Management: Project reporting Project Management: Project supervision Capacity Development: Capacity assessment Capacity Development: Capacity building Country Context: Decentralization |
| Despite support from local and central governments, as well as ADB, most participating local government water enterprises (PDAMs) are in a poor financial condition and have excessive water losses. The low water tariff is one key reason. The PDAMs also are managed inefficiently by those without proper experience in the water industry. The dual function of PDAMs - social and commercial - also has increased the burden on their financial capacity.  project cycle stage: Appraisal Implementation  Lesson Topics:  Finance & Financial Aspects: Financial management Capacity Development: Capacity building Sector Related Issues: Health and sanitation management  Inadequate project preparation was one of the issues that prevented full achievement of project purpose. Partly because of the limited time for preparation of the subproject appraisal reports (SPARs), demand projections were inaccurate, resulting in idle capacity of some project facilities. The poor preparation of the SPARs also resulted in improper operation of the facilities. Inadequate representation of the diverse social, cultural, and institutional capacity of the participating local governments was another consequence of insufficient resources invested in project preparation. The appraisal of only one SPAR for this sector loan, as a representative sample of conditions in 20 cities, was unreasonable.  project cycle stage: Feasibility  Lesson Topics:  Finance & Financial Aspects: Market analysis Modality: Lending modality Project Design: Appraisal Project Design: Project design Project Design: Subprojects Project Management: Operation and maintenance Capacity Development: Capacity assessment  Proper environmental controls on the operation of solid waste disposal sites and sanitation facilities are critical to the sustainability of operations, and are needed to preventunwanted environmental impacts on surrounding areas. In most cases, improper operation of the facilities and the absence of proper environmental controls are responsible for disputes with surrounding communities and their resistance to accepting their operations.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Crosscutting Issues/Themes: Environmental management Crosscutting Issues/Themes: Sustainability Project Design: Project design Project Management: Operation and maintenance Capacity Development: Capacity building Sector Related Issues: Health and sanitation management  Proper tariffs and service charges to cover operation and maintenance (O&M) expenditures and new capital investments are crucial to the operation and sustainability of project components. Most local governments keep water tariffs low for political reasons. For solid waste management, the service charge is also low relative to O&M expenditure. An improper understanding of the nature of the service is partly responsible for this. In Indonesia, solid waste management is regarded as a public service. As such, the government is expected to subsidize the service as much as possible.  project cycle stage: Operation  Lesson Topics:  Crosscutting Issues/Themes: Governance Crosscutting Issues/Themes: Sustainability Finance & Financial Aspects: Financial management Project Management: Operation and maintenance Sector Related Issues: Health and sanitation management  The institutional capacities of the participating local governments to manage, operate, and maintain their investments were overestimated. As a result, the project provided insufficient training. In addition, improper training in needs assessment produced a minimal impact on local government capacity. Intradepartmental transfer of staff limited further the effectiveness of the training. The local governments' lack of political will to implement the institutional development scheme provided under the project worsened the situation. The unimproved local government capacity indicated that the integrated urban development approach, which involves diverse cross-sector investment, might not be suitable for addressing governance issues at the local level. Specific initiatives focusing on the institutional development and capacity building might be more suitable.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Governance Project Management: Operation and maintenance Project Management: Project management Capacity Development: Capacity assessment Capacity Development: Capacity building Capacity Development: Human resources management Country Context: Decentralization Sector Related Issues: Urban sector/development Methodologies/Approaches: Holistic approach  The limited budget and inadequate staff capacity provided for the project management unit (PMU) and project implementation units (PIUs) prevented them from performing as expected. This resulted in a lack of coordination and, in some cases, poor quality of works. O&M of the completed works is a serious problem in all cities. During preparation, the participating local governments committed to providing the necessary funds. However, the funds allocated are well below the level needed to operate the services effectively, and to establish a reserve for future investments.  project cycle stage: Appraisal Implementation  Lesson Topics:  Finance & Financial Aspects: Financing Project Management: Operation and maintenance Project Management: Project management Capacity Development: Human resources management Country Context: Decentralization Sector Related Issues: Urban sector/development Methodologies/Approaches: Consultation/Participation  The project was too complex and geographically large. It involved seven diverse components (in their institutional setup and functioning) and 20 cities (18 local authority areas). As such, monitoring and supervision strained the limited capacity of the executing agency.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Project supervision Capacity Development: Capacity assessment  To monitor and evaluate the benefits of built facilities under a project, a proper BME system needs to be established at the local and central levels. Timely recruitment of consultants responsible for producing and testing necessary indicators and procedures is very important. Adequate investment in the institutionalization of the system is also needed. Further, training for local and central government staff must be provided to ensure that BME is maintained after the consultants hand over the system.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Monitoring & Evaluation: Benefit monitoring and evaluation Monitoring & Evaluation: Indicators Project Management: Consultants Capacity Development: Capacity building Country Context: Decentralization |
| Ambitious project targets, especially with regard to behavior change of populations, require high levels of technical competence of the executing agency and implementing agencies, detailed planning, and continuous monitoring of interventions.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Management: Executing/Implementing agencies Capacity Development: Capacity development Methodologies/Approaches: Targeting  Detailed implementation arrangements and coordinating mechanisms of executing and implementing agencies are critical to success and more attention should be paid to them in the project design.  project cycle stage: Design  Lesson Topics:  Project Design: Project design Project Management: Executing/Implementing agencies Methodologies/Approaches: Consultation/Participation  During project appraisal, a set of simple and concise indicators for data collection should be designed and agreed upon to make the Benefit Monitoring and Evaluation (BME) System operational at project inception and review missions should be rigorous in their pursuit of ensuring BME is maintained and updated.  project cycle stage: Appraisal  Lesson Topics:  Monitoring & Evaluation: Benefit monitoring and evaluation Monitoring & Evaluation: Data collection and management Monitoring & Evaluation: Indicators Project Design: Appraisal Project Management: Management information system Project Management: Project supervision  Ensuring access to basic health services for the poor means that projects need to identify strategies such as effective outreach programs which address high opportunity costs such as transport costs, time and income lost by attending consultations at health centers, etc. There is work to be done, beyond the interventions included in the project, in explicitly targeting measures to ensure accessibility to health services.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Poverty reduction Project Design: Project design Sector Related Issues: Health and sanitation management  Even in emergency situations, design of projects and programs impacting on the same sector should be coordinated so as to foster synergies and to clearly delineate responsibilities and consistent approaches to sector interventions.  project cycle stage: Feasibility  Lesson Topics:  Modality: Program Project Design: Project design Country Context: Emergency Methodologies/Approaches: Consultation/Participation  In a changing project context, objectives, basic design, and assurances need to be maintained but activities and indicators should be adjusted to emerging needs to make the project more relevant, efficient, and effective. This requires systematic and regular assessment and effective response by review missions.  project cycle stage: Implementation  Lesson Topics:  Loan Agreement: Covenants Monitoring & Evaluation: Indicators Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Project Management: Project supervision  Outsourcing services to NGOs requires commitment at all government levels and thorough assessment of their technical capacity building requirements and accountability mechanisms.  project cycle stage: Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Governance Capacity Development: Capacity assessment Capacity Development: Capacity building Capacity Development: Ownership Methodologies/Approaches: Civil Society Participation  Particularly in decentralization, the project management office (PMO) and project implementation units need to be integrated into an existing unit or department rather than established as stand-alone structures to maximize technical and administrative capacity for project implementation.  project cycle stage: Design  Lesson Topics:  Project Management: Project management Country Context: Decentralization  Poverty target mechanisms need to be based on clear and consistent indicators, which are accessible and useful for decision-makers.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Poverty reduction Monitoring & Evaluation: Indicators Project Management: Management information system Methodologies/Approaches: Targeting |
| Credit operations should have been professionally managed, preferably by a financial institution. The incentives for early or timely repayment or collection of fees should have been paid at the time and point of collection.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Finance & Financial Aspects: Financing Project Design: Project design  Project preparation should be thorough and foresee the changes unfolding in the economy or sector. While it is not possible to fully predict the changes, the project design and implementation should be flexible and management shouldproactively address these changes during implementation. The input-output and output-outcome linkages should be carefully established, and the risks identified and mitigated.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Project Design: Project design Project Management: Project management Project Management: Risks/Risk management  The project aimed to change marketing regimes but lacked the inputs to do so. Farmer empowerment and organization of farmers' groups into cooperatives should have been emphasized.  project cycle stage: Feasibility  Lesson Topics:  Finance & Financial Aspects: Market analysis Project Design: Project design Capacity Development: Capacity development  The terms and conditions of cofinancing should have been agreed on between the government and the cofinancier before ADB approval. The loan products should have been examined to ensure that they were appropriate for the interventions and cost-effective.  project cycle stage: Appraisal  Lesson Topics:  Modality: Lending modality Project Design: Appraisal  While the country has excess capacity for rubber processing, some regions may need additional processing units. However, expansion of processing units should be carefully considered, as smaller units may have high processing costs and may not be competitive in an export-dominated market. The smaller units may not have outputs sizable enough to attract the foreign buyers that dominate the market. In light of the excess capacity, projects to process rubber or other tree crops should consider input supply potential and economies of scale in deciding on the regional need for additional factories.  project cycle stage: Feasibility Operation  Lesson Topics:  Finance & Financial Aspects: Financial analysis Finance & Financial Aspects: Market analysis Sector Related Issues: Rural development |
| All formalities, including approval of the Planning Commission Form 1 (Project Pro forma) document, shouldbe completed before proposed projects are submitted for financing by multilateral and bilateral agencies. Specifically, attention should be focused on staffing the project management unit, appointment of project management consultants (and the possible role as project engineer), counterpart staff, and advance preparation of procurement packages.  project cycle stage: Feasibility  Lesson Topics:  Project Management: Consultants Project Management: Procurement Project Management: Project management Capacity Development: Human resources management  As part of project preparation, domestic conditions - resettlement, landacquisition prices, environmental concerns, and domestic cultural practices - should be carefully assessed. Mitigation measures should be incorporated in theProject Design, and brought into the physical implementation plan.  project cycle stage: Design, Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Environmental assessment Crosscutting Issues/Themes: Resettlement Project Design: Project design Country Context: Cultural constraints  For efficient and cost-effective implementation of projects, continuity of keypersonnel should be ensured. The transfer of staff during project implementationshould be minimal.  project cycle stage: Implementation  Lesson Topics:  Project Management: Project management Capacity Development: Human resources management  In multidisciplinary projects, adequate and strong coordination should be in placebetween the executing agency and the agency responsible for assuming theO&M responsibilities of the completed project facilities.  project cycle stage: Feasibility  Lesson Topics:  Project Management: Executing/Implementing agencies Project Management: Operation and maintenance Methodologies/Approaches: Consultation/Participation Methodologies/Approaches: Holistic approach  Sufficient institutional development efforts are needed in association with thelarge physical investments. Farmers should be consulted intensively at theplanning and design stage, and the farmers should accept responsibilities forO&M of distributary, minor canals, and subsurface drainage facilities oncompletion.  project cycle stage: Design, Feasibility Completion  Lesson Topics:  Project Design: Project design Project Management: Operation and maintenance Capacity Development: Capacity development Sector Related Issues: Irrigation management Sector Related Issues: Rural development Methodologies/Approaches: Consultation/Participation |
| Direct selection is the easiest way to engage consultants, but strong justification is required to secure transparency and ensure performance of the selected consultant. One of the reasons that the executing agency failed to recruit individual consultants for establishment of a National Airport Authority was unfamiliarity of methodology and requirements for the standard consultant selection procedure. When ADB is requested to consider the direct selection of consultants, very careful examination is required. Direct selection should only be used with a strong justification, and ADB should carry out a careful review of the minutes of contract negotiation meetings and the contract document. It is not appropriate to apply direct selection for the purposes of time savings only.  project cycle stage: Implementation  Lesson Topics:  Crosscutting Issues/Themes: Corruption Project Management: Consultants Project Management: Executing/Implementing agencies Sector Related Issues: Transport planning  The number of contract packages should be minimized as much as possible in order not to spend much time in preparing bidding documents, reviewing the bidding documents, evaluating technical and financial bids, and solving issues which can be detrimental to project implementation. It is adequate to procure highly technical packages separately.   project cycle stage: Implementation  Lesson Topics:    Under a substantial change in the executing agency's function, the loan covenants and due compliance should have been revised as appropriate, and additional loan covenants should have been agreed with the Borrower as a conditionality to continue project implementation. Further, to strengthen government organizations and undertake sector reform, it is important to reserve sustainable funds. It is highly recommended that an airport development special account be set up in the country. The technical assistance consultant for establishing the National Airport Authority (NAA) found that only about 25% of the aeronautical revenue is being used for the civil aviation sector and the remaining 75% is transferred to the government general account, and pointed out that financial sustainability of an NAA is highly questionable under the current financial mechanism. The loan covenants should have included establishment of an airport development special account, prior to setting up an airport authority.  project cycle stage: Appraisal Implementation  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Finance & Financial Aspects: Financial management Finance & Financial Aspects: Financing Loan Agreement: Covenants Modality: Technical Assistance Project Management: Consultants Project Management: Executing/Implementing agencies Capacity Development: Capacity building Sector Related Issues: Transport planning Policy & Reform: Reform |
| SAPPII demonstrated that complex projects need careful design, risk analysis, preparation and strong capacity of implementing agencies to adjust as necessary during implementation. The aid agencies, despite intensive coordination, failed to provide adequate technical inputs for institutional development and monitoring. ADB needs to carefully analyze management requirements that lead to good project performance.  project cycle stage: Design, Feasibility, Implementation  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Design: Appraisal Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Project management Project Management: Risks/Risk management Capacity Development: Capacity assessment Capacity Development: Capacity development  SAPPII provides an example of the difficulties associated with implementing complex multisector and multiprovince projects. Keeping in view the limited implementation capacity of governments , future programs and projects should be limited in terms of scope and implementing agencies, supported by adequate leadership and capacity building, and allowed adequate time for implementation and consolidation.  project cycle stage: Design, Feasibility  Lesson Topics:  Modality: Program Project Management: Executing/Implementing agencies Capacity Development: Capacity assessment Capacity Development: Capacity building  The Social Action Program (Sector) Project II showed that the performance of Pakistan's public social sector strongly depends on political will, governance, and funding, which are all nontechnical issues. Uplifting the sector therefore requires financial restructuring and profound institutional reforms in governance and civil service, which are partly beyond the scope of the social sector.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Public governance Finance & Financial Aspects: Financing Modality: Program Project Design: Project design Capacity Development: Ownership Sector Related Issues: Education Sector Related Issues: Health and sanitation management Policy & Reform: Reform |
| Implementation was undertaken in a disjointed manner with a focus on procurement and disbursement, and minimal focus on the project's objectives. Coordination mechanisms failed in their purpose. These were manifestations of weak ownership and commitment. Despite four extensions totaling 4 years and 3 months, project outcomes vis-ï¿½-vis the development objectives were not adequately realized. Given weak government commitment, a more stringent assessment should be made of extensions of the loan closing date.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Finance & Financial Aspects: Disbursement Monitoring & Evaluation: Monitoring and evaluation Project Management: Procurement Project Management: Project administration Capacity Development: Ownership Methodologies/Approaches: Consultation/Participation  Improved physical facilities are not a sufficient condition precedent to a better school andlearning environment. More critical is the presence of teaching staff and regular classes.Phasing of civil works should factor in the functional status of facilities under earlier phases.  project cycle stage: Feasibility  Lesson Topics:  Project Design: Project design Capacity Development: Human resources management Sector Related Issues: Education  Monitoring by the executing agencies (EAs) and Project Implementation Units (PIUs) was limited to an assessment of physical targets with negligible, if any, assessment of impact. The respective education management informationsystems were effectively non-existent in terms of generating data on project facilities. A greaterintegration of the two would have been more effective.  project cycle stage: Implementation  Lesson Topics:  Monitoring & Evaluation: Data collection and management Monitoring & Evaluation: Impact evaluation Monitoring & Evaluation: Monitoring and evaluation Project Management: Executing/Implementing agencies Project Management: Management information system Project Management: Project management Sector Related Issues: Education  Project design suffered from three deficiencies: (i) no overall achievement goals wereset for national and provincial school participation and attainment indicators (particularlyimportant to understand the impact of non-quantifiable quality improvement components); (ii) noanalysis of value addition was considered, whereas the appropriate indicator of achievement isthe incremental growth in enrollment attributable to the project; (iii) inadequate attention waspaid to governance issues in the functioning of public schooling systems in Pakistan; (iv) andissues related to monitoring and accountability deserved more weight.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Governance Monitoring & Evaluation: Indicators Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Sector Related Issues: Education  Supervision by the executing agency (Ministry of Education) of the international consultants' work was inadequate. Moreeffective supervision would have maximized the benefits of the consulting input.  project cycle stage: Implementation  Lesson Topics:  Project Management: Consultants Project Management: Executing/Implementing agencies Project Management: Project supervision  The appointment of full-time executing agency (Ministry of Education) officials as project director and project manager wasineffectual as their responsibilities in MOE limited their ability to execute project responsibilities. The appointment of teaching staff to project schools does not assure an overall increasein access to education where staff are appointed on a deputation or transfer basis, as the gainof the project school is at the cost of a nonproject school.  project cycle stage: Appraisal  Lesson Topics:  Project Management: Executing/Implementing agencies Capacity Development: Human resources management Sector Related Issues: Education  The civil works' programs highlighted the need for prequalification of contractors; topsupervision; appropriate design features relevant to specific circumstances, such as for toilets inschools where water supply was inadequate or nonexistent; adequate funds for maintenance;and the presence of a caretaker to prevent vandalism.  project cycle stage: Design, Implementation  Lesson Topics:  Project Design: Project design Project Management: Procurement Project Management: Project supervision Sector Related Issues: Education |
| Although the target-oriented approach may have worked well in delivering required outputs, overemphasizing accomplishments in terms of numbers might have affected the quality of outputs. Poor construction quality could have partly resulted from placing too much emphasis on completing lengths of environment friendly roads (EFRs) while setting aside compliance with EFR guidelines andconcerns related to the geological condition of the terrain.  project cycle stage: Implementation  Lesson Topics:  Sector Related Issues: Roading Methodologies/Approaches: Targeting  Any support for the construction of infrastructure, including buildings and bridges, must address operation, maintenance, and sustainability aspects from the very start.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Project Design: Project design Project Management: Operation and maintenance Sector Related Issues: Roading  Delayed and often very late payments to workers and a lack of measurement transparency are the main reasons for distortion in the users group approach and the occurrence of hidden contracts. A simplified procedure for approval and payment must be put in place. This is frequently done through a system of partial advances to workers (at least fortnightly). Moreover, transparent measurement and full pay for workers must be ensured.  project cycle stage: Appraisal Implementation  Lesson Topics:  Crosscutting Issues/Themes: Corruption Finance & Financial Aspects: Disbursement Project Management: Procurement  Implementation of environment friendly roads (EFRs) should not be rushed. Implementation is needed for local laborers to become aware of the concept and gain some on-site experience and for all concerned to become accustomed to all systems and procedures. The initial stage of construction should emphasize building capacity, setting practical procedures, and doing things correctly, rather than achieving quantitative outputs. Road construction by mobilizing local labor and using EFR principles requires intensive social mobilization and information dissemination sufficiently in advance of implementation, to ensure effective participation by the genuine beneficiaries. In this way, the quality and speed of works will gradually improve.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Crosscutting Issues/Themes: Environmental management Capacity Development: Capacity building Crosscutting Issues/Themes: Employment Sector Related Issues: Roading Policy & Reform: Information dissemination/Public awareness Methodologies/Approaches: Community approach Methodologies/Approaches: Consultation/Participation  Improved rural infrastructure is a key to agriculture development and income improvement in rural areas. Therefore, to achieve project benefits or ensure sustainability, the project area should be made accessible.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Project Design: Project design Sector Related Issues: Rural development  Strong, reliable, relatively independent and timely monitoring systems, with appropriate procedures to provide feedback and ensure actions based on the monitoring findings, are necessary.  project cycle stage: Feasibility, Appraisal Implementation  Lesson Topics:    When recruiting consultants, careful consideration should be given to the background and suitability of the technical personnel fielded by the consulting firm. If the consulting industry lacks specific experience in particular technical applications, such as environment friendly roads (EFRs), training must be provided. Since EFR construction is a relatively new concept, training may be needed at all technical levels, down to labor groups.  project cycle stage: Appraisal Implementation  Lesson Topics:  Crosscutting Issues/Themes: Environmental management Project Management: Consultants Capacity Development: Capacity building Capacity Development: Human resources management Sector Related Issues: Roading  While designing the project, people's demands and needs should be analyzed thoroughly, and their participation should be strengthened at all stages of the project cycle. Frequent changes in the implementation arrangements and administration structure of the project created confusion and caused delays. Should there be genuine need for modifications, these should not be carried out without careful analysis of all relevant aspects, in consultation with all stakeholders. When management issues are particularly problematic or complex, briefly engaging an independent specialist to assist with analyses and make recommendations may be preferable.  project cycle stage: Design, Feasibility, Implementation  Lesson Topics:  Finance & Financial Aspects: Market analysis Project Design: Project design Project Management: Consultants Project Management: Project administration Project Management: Project management Methodologies/Approaches: Consultation/Participation |
| Covenants should be relevant and easy to implement in a localcontext. The Loan Agreement contained some ambitious covenants that couldnot be implemented.  project cycle stage: Appraisal  Lesson Topics:  Loan Agreement: Covenants Loan Agreement: Loan Agreement  Design should cater to future growth in demand, including phaseddevelopment, if necessary. Port design should be undertaken in discussion withintended users. Provisions should be made for small fishers, to the extentpermitted by efficient port operation. Equipment requirements should be moreclosely analyzed and related to specific needs.  project cycle stage: Design  Lesson Topics:  Finance & Financial Aspects: Market analysis Project Design: Project design Sector Related Issues: Transport planning Methodologies/Approaches: Consultation/Participation  Fisheries infrastructure projects need to ensure thatadequate processes are in place or established to monitor fisheries resourcestatus and exploitation. The project did endeavor to do this through establishingenvironment and resource management units (ERMUs), but this aspect of the project was modified due to the existence of aparallel project that, however, has not yet provided adequate data.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Environmental management Monitoring & Evaluation: Monitoring and evaluation Sector Related Issues: Rural development Sector Related Issues: Transport planning  Fully effective waste management systems should beintegral to modern fishing port design.  project cycle stage: Design  Lesson Topics:  Crosscutting Issues/Themes: Environmental management Project Design: Project design Sector Related Issues: Transport planning  Port selection should be based on detailed analysis of demand. Anadequate feasibility study on an individual port would, at the least, examine portrequirements over time, consider options, and assess economic and financialperformance.  project cycle stage: Feasibility  Lesson Topics:  Finance & Financial Aspects: Financial analysis Finance & Financial Aspects: Market analysis Project Design: Project design Sector Related Issues: Transport planning  The difficulty of effecting change needs to be accountedfor in project design. At present, the provincial authorities do not appear to havemuch interest in introducing modern port management systems.  project cycle stage: Feasibility  Lesson Topics:  Project Design: Project design Project Management: Executing/Implementing agencies Capacity Development: Capacity development Sector Related Issues: Transport planning Policy & Reform: Reform |
| Alternate staffing arrangements should be introduced in project implementing units (PIUs), in cases when the project manager or project coordinators go on long leave, to ensure smooth project implementation. Alternates should have hands-on experience in administering projects, specifically those funded by ADB.  project cycle stage: Design  Lesson Topics:  Project Management: Project administration Project Management: Project management Capacity Development: Human resources management  Capacity building through the use of consultants varied largely depending on the area. The major problem was the availability of local counterparts and the continuity of their presence during the job. Too often they were transferred to other sectors after being trained. While this modality was very effective with the health health management information system (HMIS), due to the stability and leadership within themonitoring and research branch, the transfer of the senior finance officer trained in the Health Sector Development Program (HSDP) secretariat to another sector puts at risk the capacity built in this area by the attached technical assistance.  project cycle stage: Appraisal Implementation  Lesson Topics:  Modality: Technical Assistance Project Management: Consultants Project Management: Management information system Project Management: Risks/Risk management Capacity Development: Capacity building Capacity Development: Human resources management Sector Related Issues: Health and sanitation management  The choice of a quick-disbursing approach, with release of two large tranches was not adequate for the kind of reforms and support envisaged in the Health Sector Development Program (HSDP). This approach resulted in major difficulties between the Department of Treasury (DOT) and the National Department of Health (NDOH), with the latter not releasing funds as scheduled. The approach also did not allow ADB's close monitoring of the progress made during the program's entire life, as any leverage disappeared after the release of the second tranche.  project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Disbursement Modality: Program Monitoring & Evaluation: Monitoring and evaluation Project Management: Executing/Implementing agencies Sector Related Issues: Health and sanitation management Policy & Reform: Reform  The Health Sector Development Program (HSDP) established early on a policy of producing and disseminating information on as broad a basis as possible. The attention given to transparency and resolving issues raised through the monitoring process also served to underscore the importance of the monitoring and information process. The useful application of information in the management process is acquired through practice. Only when managers have acquired this skill is the costly exercise of producing information justified.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Crosscutting Issues/Themes: Corruption Monitoring & Evaluation: Monitoring and evaluation Sector Related Issues: Health and sanitation management Policy & Reform: Information dissemination/Public awareness  The reform process underway in the National Department of Health (NDOH), with the assistance of an international accounting firm, also needs to be sustained. The progress to date is substantial, but a change in public service culture will require continued assistance and the progressive and active involvement of the relevant government support agencies, including the Auditor General's Office, Department of Finance, Department of Intergovernment Relations, Department of Personnel Management, and others. A public service culture change cannot occur in a sustainable manner in one government department alone.  project cycle stage: Feasibility, Appraisal, Country Partnership Strategy  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Project Management: Executing/Implementing agencies Capacity Development: Capacity development Sector Related Issues: Health and sanitation management Policy & Reform: Public sector reform Methodologies/Approaches: Consultation/Participation |
| Nonrevenue water (NRW) reduction is more complex and difficult than it initially appears. Appraisal projections of NRW reduction need to be conservatively estimated in line with the Project Design, to avoid over estimation of project benefits. One project is not sufficient to reduce NRW. The water utility must take responsibility for NRW reduction in terms of a routine operational activity while targeting at the same time 24-hour coverage with piped water. Experience shows that covenanting NRW reduction should be done with caution, as drivers for NRW are often difficult to get under control.  project cycle stage: Appraisal  Lesson Topics:  Loan Agreement: Covenants Project Design: Appraisal Project Design: Project design Project Management: Operation and maintenance Sector Related Issues: Health and sanitation management  To avoid issues like the fiberglass pipe dispute and the leaking Aqueduct No. 5, provisions should be made to hire an independent technical panel of experts to provide advice regarding contentious problems. It is recommended to have one senior person responsible for program management, critical path monitoring, and risk management particularly for complex projects and those involving several funding sources. Seeing the interrelationship of various components can facilitate decision-making, especially limiting the damage caused by delays.  project cycle stage: Design Appraisal  Lesson Topics:  Finance & Financial Aspects: Financing Monitoring & Evaluation: Monitoring and evaluation Project Management: Procurement Project Management: Project management Project Management: Risks/Risk management Capacity Development: Human resources management Sector Related Issues: Health and sanitation management |
| Land acquisition objectives should be realistic and funds should be available in advance of construction to finalize procurement. Contracts should not be awarded until land acquisition is complete and the land available for construction. The project was designed prior to adoption of the ADB Involuntary Resettlement. This is now mandatory for all ADB projects.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Resettlement Finance & Financial Aspects: Financing Project Design: Project design Project Management: Procurement  Project designs should be complete and ready for execution. The benefits over the simplified design previously used are reduced construction time, and minimized extra costs and variations due to design reviews once the contract is awarded.  project cycle stage: Design  Lesson Topics:  Project Design: Project design Project Management: Procurement  Roads in Indonesia and especially the route of the North Java Pantura are subject to serious overloading. Axle-load regulations should be better enforced and design standards increased. Lessons learned on overloading and pavement design should be included in any policy dialogue with government for future road projects.   project cycle stage: Design, Implementation  Lesson Topics:  Project Design: Project design Sector Related Issues: Roading Policy & Reform: Policy matrix  Timely maintenance helps realize the life expectancy of the road. Under the Road Rehabilitation Project (RRP), maintenance costs issues were addressed through a specific project assurance. The proposed RRP2 includes a component on strengthening of road maintenance management.  project cycle stage: Appraisal  Lesson Topics:  Project Design: Appraisal Project Design: Project design Project Management: Operation and maintenance Sector Related Issues: Roading  To ensure achievement and sustainability of the project benefits, the executing agency should undertake benefit monitoring and evaluation, in formats and procedures agreed to by ADB, within four years after project completion.  project cycle stage: Operation  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Monitoring & Evaluation: Benefit monitoring and evaluation Project Management: Executing/Implementing agencies  When evaluating loan surplus for possible partial loan cancellation, sufficient contingency funds should remain to cover future price adjustment and design change without having to reduce the project scope. Revision of project scope should be based on revised project costs and updated financing plans. To address weak financial management by the executing agency, a financial management specialist was engaged under the ongoing RRO. However ADB staff should also be proactive in supporting the executing agency's financial management of the project.  project cycle stage: Implementation  Lesson Topics:  Finance & Financial Aspects: Financial analysis Finance & Financial Aspects: Financial management Finance & Financial Aspects: Financing Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Project supervision |
| Commercial projects need to be financed with reasonable debt-equity ratios.Equity should be paid in as a condition for ADB Board consideration of the loan.  project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Financial analysis Sector Related Issues: Private sector  Commercial projects of this type require greater flexibility in design, and moreproactive and timely responses by ADB to key emerging issues duringimplementation.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Project Design: Project design Project Management: Project supervision Sector Related Issues: Industry and Trade Sector Related Issues: Private sector  For a project of this type, the forestry component should start well in advance of pulpmill construction so that the first harvest coincides with the mill start-up. Long-term guarantees of access to an adequate timber supply are needed fromspecific plantation land or leases on government timberland.  project cycle stage: Feasibility  Lesson Topics:  Project Design: Project design Sector Related Issues: Industry and Trade Sector Related Issues: Rural development  For future projects of similar type, a thorough and complete capacity analysisshould be conducted during the feasibility study to ensure long-term economicand financial viability of the enterprise.  project cycle stage: Feasibility  Lesson Topics:  Finance & Financial Aspects: Financial analysis Project Design: Project design Capacity Development: Capacity assessment Sector Related Issues: Rural development  The forestry component involved technology transfer related to the introduction of new forest management, planting, and harvesting techniques. Due to theserious financial constraints faced by Jinggu County Forestry Bureau andpotential risks associated with introducing new technology-related activities, the executing agency(Yunnan Province) decided not to implement the forestry component as designed. Such a component needs to be designed carefully in the context of localknowledge and practices. Recommendations for new technologies require fulllocal ownership.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Environmental management Crosscutting Issues/Themes: Knowledge Management Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Risks/Risk management Capacity Development: Ownership Capacity Development: Technology/Technology transfer Sector Related Issues: Rural development  The government should give more attention to the need for experienced foreignconsultants when new technologies and equipment are imported. The loanprovision for consultants was intended to ensure that the equipment met thepurchase criteria and that construction and start-up was executed smoothly. Thisprovision was only partially utilized.  project cycle stage: Implementation  Lesson Topics:  Project Management: Consultants Project Management: Procurement Capacity Development: Technology/Technology transfer  Timely and complete training of operating staff that is specific for the technology and equipment is essential for smooth start-up and operation. Yunnan Yun-Jing Forestry and Pulpmill Company (YFPC) required 4 years to achieve a steady operating rate and consistent product quality. A provision for international training was included in the design, but never utilized.  project cycle stage: Implementation  Lesson Topics:  Project Design: Project design Capacity Development: Capacity building Capacity Development: Human resources management Capacity Development: Technology/Technology transfer Sector Related Issues: Private sector |
| Greater attention needs to be given to project preparation. ADB should have ensured, before loan approval, that the executing agency's implementation procedures were compatible with ADB's and that probable sources of delay were eliminated through mutual agreement. ADB also missed an excellent opportunity to provide capacity-building technical assistance (TA) to the executing agency.     project cycle stage: Feasibility, Appraisal    Lesson Topics:   Modality: Technical Assistance  Project Design: Project design  Project Management: Executing/Implementing agencies  Project Management: Project administration  Capacity Development: Capacity building    Loan savings use, to carry out flood damage repairs in subprojects outside the originalproject area, was not cost-effective. The irrigation extension subprojects did not have clearobjectives or adequate needs and options assessments, and their selection criteria were notsufficiently rigorous to eliminate unsuitable schemes or works. These subprojects areconsidered unsuccessful, and they detract from the project's otherwise successful rating.    project cycle stage: Implementation    Lesson Topics:   Project Design: Project design  Project Design: Subprojects  Sector Related Issues: Irrigation management  Sector Related Issues: Water resource management    Many project implementation delays and performance-related difficulties can be tracedto the executing agency's lack of familiarity with ADB's project implementation guidelines and procedures. TheEA's need for capacity building should have been more carefully examined during projectpreparation, and appropriate technical assistance (TA) should have been included to complement physical works.Central Project Office's (CPO's) implementing capacity is limited, due to its low status within the executing agency (Ministry of Agriculture and Rural Development or MARD). CPO's role and status should therefore be strengthened, and CPO should be more effectively integrated into MARD.    project cycle stage: Feasibility    Lesson Topics:   Modality: Technical Assistance  Project Design: Project design  Project Management: Executing/Implementing agencies  Project Management: Project administration  Project Management: Project management  Capacity Development: Capacity building    O&amp;M continues to be less than that needed to ensure the schemes' integrity. Irrigation management companies (IMCs)retained the practice of not providing maintenance to new infrastructure for a period of 3-5 years, thus setting the stage for ongoing cycles of capital reinvestment that water user fees do not cover. Currently, water fees pay for routine O&amp;M but do not provide reserves for capital reinvestment. IMCs showed themselves to be effective implementers, but their capacity tomanage irrigation systems should be strengthened in all future projects. Most IMCs do not have O&amp;M or business plans on which water fees and scheme performance can be based. A need also exists for greater accountability within IMCs for scheme performance.    project cycle stage: Implementation    Lesson Topics:   Crosscutting Issues/Themes: Governance  Crosscutting Issues/Themes: Sustainability  Finance &amp; Financial Aspects: Financial management  Project Management: Operation and maintenance  Capacity Development: Capacity building  Sector Related Issues: Irrigation management    The amount for resettlement required under the project far exceeded the appraisalestimate. Although the executing agency managed to resettle most affected people and compensate thosewho lost assets in a manner that increased well-being and produced little discontent, the lack ofa resettlement plan caused significant delays and increased counterpart fund requirements. Inaddition, project-gained experience was not applied to the irrigation extension subprojects.Resettlement planning should be integral to project preparation, including that for projectextensions.    project cycle stage: Feasibility    Lesson Topics:   Crosscutting Issues/Themes: Resettlement  Finance &amp; Financial Aspects: Counterpart funds  Finance &amp; Financial Aspects: Financing  Project Design: Appraisal  Project Design: Project design  Project Design: Subprojects  Project Management: Executing/Implementing agencies  Sector Related Issues: Irrigation management    The executing agency did not understand the potential value of effective Benefit Monitoring and Evaluation (BME), and monitoring and evaluation during implementation were therefore sporadic. At project completion, no permanentBME unit existed for Hanoi dike or the irrigation subprojects. All future projects should give closeattention to establishing effective monitoring and evaluation functions, and making thesefunctions consistent with the Project Performance Management System and operational prior tocommencement of any construction activities. Attention should also be paid to the terms ofreference for monitoring and evaluation, to ensure that control areas are included and that theseare consistent with project-impacted areas.    project cycle stage: Design, Implementation    Lesson Topics:   Monitoring &amp; Evaluation: Benefit monitoring and evaluation  Monitoring &amp; Evaluation: Monitoring and evaluation  Project Design: Subprojects  Project Management: Executing/Implementing agencies  Sector Related Issues: Irrigation management    The predominantly engineering approach failed to address constraints facing waterusers in irrigated agriculture. A wider systems approach that builds water user and water resource institution involvement would provide a more complete project formulation that is capable of achieving the stated goals. Future projects should include more effective involvement of primary stakeholders [farmer beneficiaries, water management groups, and irrigation (and drainage) management companies] in project design.    project cycle stage: Design, Feasibility    Lesson Topics:   Project Design: Project design  Sector Related Issues: Irrigation management  Sector Related Issues: Water resource management  Methodologies/Approaches: Consultation/Participation    The relief wells for the Hanoi dike subproject were a completely new technique in VietNam, and their design should have been based on detailed geological investigations carried outas part of project preparation. The technical difficulties, however, proved too challenging forsome local contractors. As a result, the number of installed relief wells fell short ofspecifications, and some wells have low efficiency. When new technical solutions areintroduced, greater care is needed to engage suitably qualified and experienced consultantsand contractors.    project cycle stage: Design, Feasibility    Lesson Topics:   Project Design: Project design  Project Design: Subprojects  Project Management: Consultants  Project Management: Procurement  Capacity Development: Technology/Technology transfer  Sector Related Issues: Irrigation management |
| Although the project's transmission component was implemented successfully, therewere considerable delays. ADB should be more circumspect in appraising the likelihood ofmeeting the project's schedule, and the risks and obstacles, ensuring that the government and the executing agencyhave committed adequate local counterpart funds, and that right-of-way (ROW) problems are minimizedduring project design and planning, particularly in a densely populated commercial area likeKarachi.  project cycle stage: Design, Feasibility, Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Resettlement Finance & Financial Aspects: Counterpart funds Project Design: Appraisal Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Risks/Risk management Sector Related Issues: Energy planning/management  Costs were significant for the delay in implementation and the reduction in project scope. Worsened system losses and impaired financial position adversely affected the executing agency's (Karachi Electric Supply Corporation's) ability to comply with ADB covenants and to effectively implement the project. The implications of reducing the scope of a project should be assessed carefully in terms of operational and financial impacts on the sector where appraisal target achievements depend on the availability of local funding. To restore financial viability and operational efficiency, KESC and the government should also rigorously enforce the management schedules of ongoing investment projects.  project cycle stage: Implementation  Lesson Topics:  Finance & Financial Aspects: Counterpart funds Finance & Financial Aspects: Financial analysis Loan Agreement: Covenants Project Design: Appraisal Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Project management Sector Related Issues: Energy planning/management Methodologies/Approaches: Targeting  Many uncertainties are involved in project design and implementation in sectors that areundergoing major restructuring, such as the Karachi Electric Supply Corporation's (KESC's) case. These may include policy and institutional uncertainties that cannot be foreseen fully at appraisal. To cope with suchuncertainties and unexpected developments, close consultation among ADB, the government,and the executing agencies should be held during project implementation at the sector level, rather than theproject level.  project cycle stage: Implementation  Lesson Topics:  Project Design: Appraisal Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Project management Sector Related Issues: Energy planning/management Policy & Reform: Reform Methodologies/Approaches: Consultation/Participation |
| A cautious approach is needed while moving from a monopolistic and government owned and regulated market structure to a competitive one. The government needs to study upfront the implications of different restructuring options and prepare the sector to operate in a market environment before the introduction of competition. Evolution of competition to the retail level would depend on how the sector develops further and on socioeconomic conditions. These considerations underline the need for flexibility in the design of the program.  project cycle stage: Design, Feasibility, Implementation  Lesson Topics:  Modality: Program Policy & Reform: Public sector reform  Implementing a program of power sector reforms leading to full competition is a complex task and involves a number of actions over a long period of time. Significant changes in the political, social, and economic environment during the implementation period would influence the strategy and time schedule. Further, the executing agency does not have full control over actions relating to legislative changes. Thus it is difficult to prepare a highly realistic implementation schedule at the appraisal stage. However, to maximize chances of success, thorough policy research and design, adequate assessment of implementation arrangements, and full government ownership should be ensured at the time of program formulation.  project cycle stage: Design, Feasibility, Appraisal Implementation  Lesson Topics:  Crosscutting Issues/Themes: Legal system Modality: Program Project Design: Appraisal Project Management: Executing/Implementing agencies Capacity Development: Ownership Sector Related Issues: Energy planning/management Policy & Reform: Reform  The power sector restructuring program should include components and/or covenants to improve the operational performance of the government owned power utilities during the transition period prior to their privatization. Simultaneous monitoring of loans that are interlinked in realizing an objective (for example this program loan, the TA loan and other investment loans provided to PT Perusahaan Listrik Negara or PLN (State Electricity Enterprise) can improve the effectiveness of program implementation.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Loan Agreement: Covenants Modality: Program Modality: Technical Assistance Monitoring & Evaluation: Monitoring and evaluation Sector Related Issues: Energy planning/management Policy & Reform: Privatization Policy & Reform: Public sector reform |
| In Asia, the Philippines has been one of the first countries to encourage greater private sector participation in its power sector, as evident from its experience with independent power producers (IPPs) in the 1990s and recognition of introducing wholesale electricity spot market (WESM). However, the reforms pursued have yet to restore legislative and public confidence as the economic efficiency of state power utilities is low and electric tariffs remain one of the highest in the region. In wake of this, and given the legislative sentiments associated with the sale of transmission assets, developing consensus for the transfer of transmission franchise bill has been difficult. In designing power sector reforms and restructuring, it is important to consider political constraint as well as involve stakeholders to ensure buy-in of reforms.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Legal system Modality: Program Capacity Development: Ownership Sector Related Issues: Energy planning/management Sector Related Issues: Private sector Policy & Reform: Public sector reform Policy & Reform: Reform Methodologies/Approaches: Consultation/Participation  The Philippines is among the first developing member countries to implement fundamental power sector restructuring, requiring substantive privatization of generation assets and entering into concessionaire agreement with private parties for operating transmission assets, with the objective of achieving full competition. This is an ambitious and complex task given the prevailing economic environment and involves coordinated actions on legislative, regulatory, and policy measures spread over a reasonable long period of time. With hindsight, a more appropriate modality for fundamental power sector restructuring of the magnitude targeted under the Power Sector Restructuring Program would have been a cluster approach, where the reform actions are prioritized and sequenced in phases more realistically. In the first phase, the program could have concentrated on establishing a sound policy, legal, and regulatory framework for introducing new competitive markets, and laying the ground for transfer of assets, privatization, and absorption of stranded debt in subsequent phases. Therefore, power sector restructuring in developing countries is a long process and, as such, the design of policy reforms should recognize the need for a steady approach with a phased and realistic implementation schedule.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Legal system Modality: Cluster operations Modality: Lending modality Modality: Program Country Context: Prioritization Sector Related Issues: Energy planning/management Sector Related Issues: Private sector Policy & Reform: Policy reforms/framework Policy & Reform: Privatization Policy & Reform: Public sector reform Policy & Reform: Reform  The program included 60 policy actions to be implemented. Though most of these actions have been complied with, some of the key objectives were not achieved. This is more an action-oriented program than an objective-oriented program. Program loans should be designed with fewer conditionalities, following the recommended cluster approach.   project cycle stage: Appraisal  Lesson Topics:  Loan Agreement: Covenants Modality: Cluster operations Modality: Program Policy & Reform: Policy matrix  The program, as designed, underestimated the complexities of the prevailing investment climate, both judicial and regulatory, which plays a significant role in privatization of power entities. The legislative branch in the Philippines has some unique characteristics that render any key decision a lengthy process. The investment climate has been further affected by the judiciary overruling Energy Regulatory Commission (ERC) rulings and weak contract enforcement as manifested in case of some private sector deals involving public utilities. As such, ensuring adequate independence of regulator and broader improvements in governance of judicial system are critical for power reforms to move ahead in a timely manner.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Governance Crosscutting Issues/Themes: Legal system Modality: Program Sector Related Issues: Energy planning/management Sector Related Issues: Private sector Policy & Reform: Policy reforms/framework Policy & Reform: Privatization Policy & Reform: Reform  Theoretically, timely privatization of generation and transmission ought to help alleviate financial difficulties of public sector power utilities and ease government budget pressure. However, the program underestimated the nexus between the public sector liabilities and high fiscal deficit which impacts the ability to restructure the power sector. Over the last few years, inefficiencies of government owned corporations have perpetuated the fiscal deficit and eroded government's ability to upfront finance costs of structural adjustment of power entities, the settlements of which are critical to facilitating the privatization and restoring power sector's financial sustainability. As such, future power sector operations should recognize the nexus and complexities of debt resolution of state enterprises at a time of high and unsustainable fiscal deficits. In the Philippines, the fiscal deficit will continue to impede the prospects of an early absorption of National Power Corporation's (NPC's) stranded debt, which in turn affect the ability of NPC/Power Sector Assets and Liabilities Management Corporation (PSALM) to raise resources at competitive prices. Moreover, the restructuring cost should take into account the possible timing mismatch between cash inflows from the expected revenues of privatization and cash outflows, particularly in the initial years when key milestones of the privatization process are being passed. In such cases, provision of partial credit guarantee (PCG) is appropriate to support the government to keep the reform program on track and maintain momentum until the process is completed.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Finance & Financial Aspects: Financial management Finance & Financial Aspects: Financing Modality: Program Sector Related Issues: Energy planning/management Policy & Reform: Privatization Policy & Reform: Public sector reform |
| Negotiations on the Compact [Compact of Free Association between the Governments of the Marshall Islands and the United States of America (US)], especially the extension of the economic assistance package, complemented and reinforced this reform program. The Compact Negotiation Office (CNO) became a partner and stakeholder in the reform process. The CNO helped champion many of the program reforms, and moved forward on many reforms when the executing agency (Ministry of Finance) was still lagging. In contrast, the government showed little support for the reform program during the Public Sector Reform Program (PSRP). The PCR for the PSRP recognized that lack of champions of reform within the government, which made reforms much more difficult to implement.  project cycle stage: Feasibility  Lesson Topics:  Modality: Program Project Design: Project design Project Management: Executing/Implementing agencies Policy & Reform: Public sector reform  The implementation of the program provides a useful comparison with the difficulties faced during the implementation of the Public Sector Reform Program (PSRP). Many of these difficulties can be attributed to the fact that the PSRP involved severe, painful, and enforced reductions in the number of employees in the public service. Even so, it is interesting to note the differences that appear to have allowed for a smoother implementation of the program. Among the most notable differences was the improved dialogue between ADB and the government, which was willing to address reforms. The administration implementing the program was elected in 1999, and initially addressed the outstanding conditions of the PSRP. The new government then proceeded to implement the program with the assistance of ADB, moving forward on a number of reform fronts. The openness of the new administration made implementing reforms more realistic. Although some progress in fiscal policy has been demonstrated, some weaknesses endure.  project cycle stage: Concept Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Public governance Loan Agreement: Covenants Modality: Program Policy & Reform: Policy matrix Policy & Reform: Public sector reform  The improved design of the program can be attributed to a more consultative and participatory process than in the Public Sector Reform Program (PSRP). Meto 2000, created under a Pacific Islands Economic Report (PIER) TA, involvedwidespread consultation with the community about the impacts of the PSRP and the priorities for further reform. The recommendations of the Meto 2000 led to many of the reforms included in the program. When it came to implementing the program, Meto 2000 ensured a greater understanding of the reform process and the need for the reforms. However, the reforms under the program were less painful and less dramatic than those required under the PSRP.  project cycle stage: Feasibility  Lesson Topics:  Modality: Program Modality: Technical Assistance Project Design: Project design Country Context: Prioritization Policy & Reform: Reform Methodologies/Approaches: Participatory approach  The program was implemented without the coordination of a program steering committee, a noteworthy accomplishment. Good coordination between the executing agency (Ministry of Finance) and the Compact Negotiation Office (CNO) was a key to successful implementation. When problems arose, they were resolved through close consultation among key agencies - without resorting to a formal program steering committee. The CNO also needed to move forward quickly on some fronts due to the momentum of the Compact negotiating process. The result was that the program and the Compact negotiation process reinforced each other, leading to a greater impetus for reform. This situation, which is closely related to the need for champions of reform, shows how useful it can be to link reforms to parallel processes with similar objectives.  project cycle stage: Feasibility  Lesson Topics:  Modality: Program Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Project management Policy & Reform: Reform Methodologies/Approaches: Consultation/Participation |
| ADB has learned that the executing agency's opinion needs to be considered in procurement, even if the executing agency does not fully understand the procedures of ADB's Guidelines for Procurement.  project cycle stage: Implementation  Lesson Topics:  Project Management: Executing/Implementing agencies Project Management: Procurement  Better and more project-specific terms of reference for the consultants (including the PPTA consultant), closer supervision, and more training in ADB procedures for the project implementation unit and executing agency, as well as advice in selection of consultants and contractors, would have reduced the technical problems during project implementation.  project cycle stage: Design Appraisal Implementation  Lesson Topics:  Project Management: Consultants Project Management: Executing/Implementing agencies Project Management: Procurement Project Management: Project administration Project Management: Project supervision Capacity Development: Capacity building  Many delays in the project were due to the executing agency's and the Borrower's reluctance to accept the international contract conditions, and the failure to honor the Engineer as the Borrower's representative in the project. The Borrower (represented by the Ministry of Finance) would have benefited from more and continual training in international competitive bidding (ICB) procedures and in application of ADB's various guidelines.  project cycle stage: Design  Lesson Topics:  Project Management: Executing/Implementing agencies Project Management: Procurement Project Management: Project administration Capacity Development: Capacity building  The executing agency has learned that it should be prepared to actively participate in project preparation (including PPTA and advisory TA) and to oversee the work of consultants and contractors to gain strong ownership in all project components and in all decisions made. In this project, the executing agency largely ignored the advisory technical assistance and the maintenance assistance during the civil works.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Modality: Technical Assistance Project Design: Project design Project Management: Consultants Project Management: Executing/Implementing agencies Project Management: Operation and maintenance Project Management: Procurement Project Management: Project supervision Capacity Development: Ownership Methodologies/Approaches: Consultation/Participation |
| A single turnkey contract, while easier to implement, is not always the most effective and efficient way to implement a multiple component project.  project cycle stage: Appraisal Implementation  Lesson Topics:    Applying the principles of full cost recovery and determining onlending rates must be properly evaluated, especially for small utilities with limited financial capacity.  project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Financial management Finance & Financial Aspects: Financing Monitoring & Evaluation: Project evaluation Project Design: Appraisal Capacity Development: Capacity assessment Sector Related Issues: Health and sanitation management  Better understanding of local conditions, the operational setup of the utilities concerned, and the cultural environment in which the project will operate, are vital to proper design and implementation.  project cycle stage: Design, Implementation  Lesson Topics:  Project Design: Project design Country Context: Cultural constraints  For smaller communities, much greater analysis is required before designing tariffs, particularly when alternative sources of water are accessible.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Governance Finance & Financial Aspects: Financial analysis Sector Related Issues: Health and sanitation management  In the absence of an in-depth review and analysis, accepting the continuation of detailed design consultants to continue with supervision of construction must be made with much circumspection.  project cycle stage: Implementation  Lesson Topics:  Project Management: Consultants Project Management: Project supervision  In transferring water resources to other locations from areas where there are resource limitations, better understanding of political climate and in-depth consultations leading to proper agreements should be in place prior to project formulation.  project cycle stage: Concept  Lesson Topics:  Project Design: Project design Sector Related Issues: Health and sanitation management Methodologies/Approaches: Consultation/Participation  Lack of adequate consultation at project preparatory stage and at design stage with the end user and other stakeholders can reduce the impact of a project. Consultations that cover type and level of proposed facilities, size, costs involved, probable tariffs, affordability, and willingness to pay are vital for the sustainability of the project.  project cycle stage: Design, Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Project Design: Project design Methodologies/Approaches: Consultation/Participation  The assumptions on revenue growth and tariff increases must be based on social indicators that are not unrealistically high.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Finance & Financial Aspects: Financial analysis Monitoring & Evaluation: Indicators  The project design and the consequent loan size must take into consideration the size of the utility and population of the project location. Over ambitious projects can become a burden of the government and the community.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Project Design: Appraisal Project Design: Project design Sector Related Issues: Health and sanitation management  When designing future assistance, the selection of the reservoirs and other materials to be used should take into account local knowledge on atmospheric conditions (which is highly corrosive in locations like Majuro).  project cycle stage: Design  Lesson Topics:  Project Design: Project design Sector Related Issues: Health and sanitation management |
| If an environmental assessment study was done for at least one saltwater exclusion and drainage (SWED) scheme during project preparation, the SWED implementation could have been launched earlier. This project highlights the importance of preparing a technically rigorous environmental assessment early in the business process. That would allow (i) the integration of safeguards into subProject Design, (ii) the appropriation of funds, and (iii) the provision of adequate institutional support as needed. ADB's suspension of SWED works until the Central Environmental Authority (CEA) approved the technical studies demonstrates the importance of monitoring safeguard compliance during project implementation.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Crosscutting Issues/Themes: Environmental assessment Finance & Financial Aspects: Financing Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Project Design: Subprojects Capacity Development: Capacity building Sector Related Issues: Irrigation management  In terms of closure and continuity, the project and other Integrated Rural Development Projects (IRDPs) typically employ an independent project management unit to coordinate activities and budgets during implementation. Upon completion, officers and staff frequently transfer and the project civil works are delegated - often to line agencies with inadequate O&M programs and budgets. The sense of continuity, commitment, and follow-through of the IRDP are generally casualties.  project cycle stage: Completion  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Project Management: Management information system Project Management: Operation and maintenance Project Management: Project management Capacity Development: Human resources management Capacity Development: Ownership Sector Related Issues: Rural development Methodologies/Approaches: Holistic approach  The Project Benefit Monitoring and Evaluation (PBME) studies were partially satisfactory. The shortcomings were not necessarily in the execution of the PBME surveys by consultants. They were due partly to (i) inadequate ADB communication of its information and evaluation needs, and (ii) a lack of guidance to the local consultants conducting the surveys. To this end, more ADB contribution and guidance to these surveys is advisable if they are to provide useful input into ADB evaluations later.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Monitoring & Evaluation: Benefit monitoring and evaluation Monitoring & Evaluation: Data collection and management Monitoring & Evaluation: Post-evaluation Project Management: Consultants Project Management: Project supervision  The project has not overcome the fact that lowland agriculture in the province generally is practiced on a subsistence basis, involving uneconomic-sized farms, land tenure and labor constraints, limited access to technology and inputs, and low levels of technical know-how. The project basically focused on upgrading infrastructure facilities. A more comprehensive approach to agriculture would include improving (i) farm practice and input use, (ii) input availability and product marketing, and (iii) crop diversification. This implies a higher profile for agricultural extension, farming systems, agribusiness and marketing, and policy assessment - areas less easily addressed in an integrated rural development approach.  project cycle stage: Feasibility  Lesson Topics:  Finance & Financial Aspects: Market analysis Project Design: Project design Capacity Development: Technology/Technology transfer Sector Related Issues: Extension service Sector Related Issues: Rural development Policy & Reform: Policy reforms/framework Methodologies/Approaches: Holistic approach  The project's management demonstrated an ability to achieve substantial disbursements and physical outputs for the province. However, the numerous sectors, activities, and implementing agencies were spread over a large geographic area. As such, the project did not achieve the focus and synergy that might be expected for an Integrated Rural Development Project (IRDP). This geographic spread stretched project management and limited the ability to focus on strategic issues, such as capacity building in implementing agencies, strengthening O&M, and ensuring sustainability.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Finance & Financial Aspects: Disbursement Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Operation and maintenance Project Management: Project management Capacity Development: Capacity building Sector Related Issues: Rural development Methodologies/Approaches: Holistic approach  The requirement of 10% farmer contribution to irrigation works was an obstacle to implementation. While this rate might be workable in high-performance systems, the appropriateness must be carefully considered when applied to subsistence agriculture. An alternative proposal for the future was half pay or food for labor. Under that proposal, poor farmers would have something to bring home at the end of the day, while simultaneously contributing to the irrigation works.  project cycle stage: Feasibility  Lesson Topics:  Project Design: Project design Crosscutting Issues/Themes: Employment Sector Related Issues: Irrigation management Sector Related Issues: Rural development  While the project and other Integrated Rural Development Projects (IRDPs) have achieved some increases in rural income and employment, they generally have not resulted in a self-sustaining process of income growth to break the cycle of rural poverty. The projects typically have not provided rural inhabitants with the alternative skills, resources, and employment avenues required to move to higher levels of productivity.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Poverty reduction Crosscutting Issues/Themes: Sustainability Crosscutting Issues/Themes: Employment Sector Related Issues: Rural development Methodologies/Approaches: Holistic approach |
| Due to the complexity of the program, joint supervision and monitoringby the government and ADB on specific project activities financed with counterpart funds could have been carried out more frequently. This was particularly important during program implementation to increase a sense of accountability among implementing agencies. Program Management Office's (PMO's) resources for conducting field verifications of a large number of project activities scattered around the country were limited. A shortage of budgetary resources also constrained capacity building activities that needed to be carried out in parallel with the institutional changes and decentralization proposed under the program.  project cycle stage: Implementation  Lesson Topics:  Crosscutting Issues/Themes: Governance Finance & Financial Aspects: Counterpart funds Finance & Financial Aspects: Financing Modality: Program Monitoring & Evaluation: Monitoring and evaluation Project Management: Executing/Implementing agencies Project Management: Project management Project Management: Project supervision Capacity Development: Capacity building Country Context: Decentralization  In view of ADB's long absence from the agriculture sector in Thailand (except for rural finance), a more comprehensive sector analysis would have been useful at the time of program formulation, along with longer periods for the program negotiations and policy dialogue. This would have allowed the implementing agencies to enhance their understanding and ownership of the policy matrix.  project cycle stage: Feasibility  Lesson Topics:  Modality: Program Project Management: Executing/Implementing agencies Capacity Development: Ownership Sector Related Issues: Rural development Policy & Reform: Policy matrix  The difficulties encountered by the government in resolving medium- to long-termsector issues under a fast-disbursing loan during a crisis period needs to be fullyconsidered for future operations. For instance, the introduction of a decentralized system foragricultural planning and management requires better local capacity and awareness. Properplanning and sequencing are needed to support effective institutionalization. The use of a quick-disbursingemergency loan might carry certain risks and the possibility of adverse impacts. Thechoice of an appropriate operational modality needs to be carefully assessed.  project cycle stage: Appraisal  Lesson Topics:  Modality: Lending modality Project Management: Risks/Risk management Capacity Development: Capacity building Country Context: Crisis/Post-crisis Country Context: Decentralization Country Context: Emergency Sector Related Issues: Rural development Policy & Reform: Information dissemination/Public awareness  The program involved a large number of detailed actions, many ofwhich were relatively complex and time-bound. It also called for major changes in deeply rootedpractices and approaches. A more focused approach, with fewer major policy and institutionalissues, could have been effective in establishing a clear understanding of program measuresand required actions. For complex programs involving several agencies and many actions, it isimportant to be realistic about the expected pace of reforms and to ensure that the programperiod includes a sensible allowance for delays in government processes.  project cycle stage: Feasibility  Lesson Topics:  Modality: Program Project Management: Executing/Implementing agencies Policy & Reform: Reform  Transparency during program preparation and implementation was critical in obtaining constructive inputs from key stakeholders including nongovernment organizations (NGOs), keeping them reassured, and seeking their support, ownership, and participation. Awareness about the long-term benefits of efficient use of water resources could have been promoted more widely to mobilize political support. Such information dissemination was particularly important for the pilot schemes that require contributions from farmers' groups. Greater emphasis on proactive public relations throughout the program period would have been useful. The benefit of ensuring that all versions of the policy matrix are produced in the Thai language at the beginning of program formulation is also an important consideration.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Crosscutting Issues/Themes: Governance Modality: Program Capacity Development: Ownership Sector Related Issues: Water resource management Policy & Reform: Information dissemination/Public awareness Policy & Reform: Policy matrix Methodologies/Approaches: Civil Society Participation Methodologies/Approaches: Pilot project |
| Systematic follow-up by the executing agency (Ministry of Education and Science or MOES) and Department of Education (DOE) on equipment procurement, delivery, and installation was inadequate. Given the on-going large-scale procurement of equipment, MOES and DOE need to strengthen their systems for monitoring equipment delivery, installation and related follow-ups.  project cycle stage: Implementation  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Management: Executing/Implementing agencies Project Management: Procurement  Teachers considered the 10+1 computer classroom configuration most efficient from a pedagogical perspective. The 5+1 configuration was considered appropriate for providing access to computer education in small rural schools, but was pedagogically less efficient. Large schools needed more than one computer classroom.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Sector Related Issues: Education Sector Related Issues: Rural development  The roles of each agency should be clarified to avoid implementation delays. While the Ministry of Education and Science (MOES) was the executing agency and the Project Implementation Unit (PIU) was responsible for planning, budgeting and implementing project activities, several delays occurred when the Ministry of Finance (MOF) reviewed and rejected financing of activities that were included in the annual budget approved by MOF.   project cycle stage: Design  Lesson Topics:  Finance & Financial Aspects: Financing Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Project management Sector Related Issues: Education  Similar projects in the future should take into account the complexity of developing an Educational Management Information System (EMIS) framework, establishing and modifying the system, and building the necessary capacities, which for this project were underestimated at appraisal. The rapid computerization of all general secondary schools was an enormous achievement that was made possible by the high level of commitment in the executing agency (Ministry of Education and Science or MOES), oblasts, raions and schools. Computers are being used for informatics as well as other subjects, and are increasingly integrated with the new curriculum and new generation textbooks. Discussions with staff and teachers at Republican Institutes for the Improvement of Qualifications of Leaders and Research/Pedagogical Staff of the Education System or RIIQs (formerly Republican Teacher Improvement Institute) and teacher improvement institutes (TIIs) highlighted the need to provide continuous, targeted training to teachers to achieve more effective teaching and learning. It is also important to reduce skill gaps among teachers and between teachers and students.  project cycle stage: Appraisal  Lesson Topics:  Project Design: Appraisal Project Management: Executing/Implementing agencies Project Management: Management information system Capacity Development: Capacity building Capacity Development: Ownership Sector Related Issues: Education |
| A project that involves crops that take long to produce but have long-term benefits,should consider the long-term interests of the participants and assess the risks involvedrigorously. Project design should provide for periodic monitoring of government interventions,and the macroeconomic environment that affects production and marketing. To improve the effectiveness of monitoring and evaluation, institutional arrangements should ensure that regular and well-coordinated benefit monitoring surveys are conducted at timely intervals, and that the results are fed back into the executing agency's monitoring system.  project cycle stage: Design, Feasibility  Lesson Topics:  Monitoring & Evaluation: Benefit monitoring and evaluation Monitoring & Evaluation: Data collection and management Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Risks/Risk management Sector Related Issues: Rural development Policy & Reform: Policy reforms/framework  Even though the project provided advance procurement, implementation was notpossible because of the government's restrictive budget policy, which allows budget allocationonly after the loan agreement is signed. Therefore, it is recommended that preparation of ashortlist of consultants be a condition for loan negotiations.  project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Financing Loan Agreement: Loan Agreement Project Management: Consultants Project Management: Procurement  For a project with many components and executing agencies, it is essential to have only one projectmanager and one consolidated project implementation budget, under the project manager'scontrol, from the beginning. If these conditions cannot be met, the project should be designedwith fewer components and a single executing agency.  project cycle stage: Feasibility  Lesson Topics:  Finance & Financial Aspects: Financing Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Project management  Intercropping of tree crops with food crops while trees are still young helps controlweeds, and increases farm income. Low-cost, low labor-input technology is appropriate forindigenous farmers.  project cycle stage: Feasibility  Lesson Topics:  Project Design: Project design Crosscutting Issues/Themes: Employment Capacity Development: Technology/Technology transfer Sector Related Issues: Rural development  Participation of farmer-beneficiaries in all stages of project preparation andimplementation enhances institution building and management, and achievement of the objectives of projects. Meaningful participation of beneficiaries from the onset will require substantial time, effort, and flexibility, and intensive technical supervision. But this would result in more viable and sustainable projects through the benefits of cost savings, mobilization of farmers' resources, development of a sense of ownership among farmer-beneficiaries, and improved ability of the beneficiaries to manage the project after its completion.  project cycle stage: Design, Feasibility, Implementation  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Finance & Financial Aspects: Financial analysis Project Design: Project design Project Management: Project management Project Management: Project supervision Capacity Development: Capacity building Capacity Development: Ownership Sector Related Issues: Rural development Methodologies/Approaches: Consultation/Participation  The short duration and inappropriate composition of ADB review missions contributed toinadequate project supervision. Special attention should be given to supervision of projectsinvolving expertise not available in ADB. In such cases, recruitment of short-term specialists toparticipate in the ADB missions may be essential.  project cycle stage: Implementation  Lesson Topics:  Project Management: Project supervision Capacity Development: Human resources management |
| One reason for the delay in implementing harbor and anchorage subprojects wasthe appointment of a single local consulting firm to conduct the coastalengineering studies. During project preparation and at appraisal, localcapacity should be realistically assessed before fixing the procurement mode(which, in this case, was local competitive bidding). Alternatively, recognizing thelimitations in local capacity, implementation schedules should be more realistic.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Environmental management Project Design: Appraisal Project Design: Project design Project Design: Subprojects Project Management: Consultants Project Management: Procurement Capacity Development: Capacity assessment Sector Related Issues: Rural development  Some facilities built through the social infrastructure subproject are notmaintained well, because funding is inadequate. To ensure the sustainability ofsuch assets, beneficiary consultation should include (a) providing awareness tothe beneficiaries of the need for periodic maintenance, and (b) obtaining the user community's commitment to the funding of operating and maintenance (O&M)costs. Selection and design of such facilities should be within the communities'capacities.   project cycle stage: Design, Feasibility, Appraisal Implementation  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Finance & Financial Aspects: Financing Project Design: Project design Project Design: Subprojects Project Management: Operation and maintenance Capacity Development: Capacity assessment Capacity Development: Ownership Policy & Reform: Information dissemination/Public awareness Methodologies/Approaches: Consultation/Participation  The benefit monitoring and evaluation (BME) interim evaluation noted that the Panadura site was not suitable technically, and that political considerations played a major role in the site selection. Although subproject selection is demand-driven, technical and financial or economic viability should be the overriding consideration in investment decisions. In addition, anadequate analysis should be made of risks and the robustness of assumptions.   project cycle stage: Feasibility, Appraisal  Lesson Topics:  Finance & Financial Aspects: Financial analysis Finance & Financial Aspects: Market analysis Monitoring & Evaluation: Benefit monitoring and evaluation Project Design: Project design Project Design: Subprojects Project Management: Risks/Risk management  The financial management consultants were appointed almost 38months into the project. The systems that the consultants recommended werenot implemented properly. Project data were not readily available. Data retrieval took time and effort, and was often incomplete. Project information systems should be set up within 6 months of implementation for efficient recording anddissemination of basic information.  project cycle stage: Implementation  Lesson Topics:  Finance & Financial Aspects: Financial management Monitoring & Evaluation: Data collection and management Project Management: Consultants Project Management: Management information system Policy & Reform: Information dissemination/Public awareness |
| Consultants under the technical assistance (TA) on community-based, small-scale forest industriesshould have been fielded when comprehensive site development (CSD) was completed and people's organizationswere ready to pursue their recommendations.  project cycle stage: Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Environmental management Modality: Technical Assistance Project Management: Consultants Sector Related Issues: Industry and Trade Methodologies/Approaches: Civil Society Participation Methodologies/Approaches: Community approach  Delays in project implementation could have been minimized if the project relied on the executing agency's technical expertise and experience in survey, mapping, and planning (SMP) instead of relying on private survey firms that were unfamiliar with forest surveys and boundaries. Even though the loan agreement specified contractual arrangements for SMPs, ADB and the executing agency should have taken early steps to overcome the delays caused by incapability of private firms to carry out SMP.  project cycle stage: Implementation  Lesson Topics:  Crosscutting Issues/Themes: Environmental management Loan Agreement: Loan Agreement Monitoring & Evaluation: Data collection and management Project Management: Executing/Implementing agencies Sector Related Issues: Private sector  Fund provision should have been made specifically for silvicultural treatment(weeding, thinning) 3-5 years after subproject site planting under cost-sharingarrangements with the relevant people's organizations.  project cycle stage: Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Environmental management Finance & Financial Aspects: Financing Project Design: Project design Project Design: Subprojects Methodologies/Approaches: Civil Society Participation  Loan consultants should have been recruited and fielded in the first year ofimplementation, and the appraisal of subprojects could have been carried out assurvey, mapping, and planning (SMP) work was being completed.  project cycle stage: Implementation  Lesson Topics:  Project Design: Appraisal Project Design: Subprojects Project Management: Consultants  Nongovernment organizations (NGOs) should have been screened more rigorously.The success of people's organizations in implementing comprehensive site development (CSD) and in developingthemselves into viable organizations depended heavily on assistance provided by the executing agency, particularly during the first 2 years of the subprojects. The people's organizations made earnest attempts to pursue livelihood projects; however, they lacked technical expertise and skills in marketing that would have enabled themto expand their projects into truly viable ventures.  project cycle stage: Feasibility  Lesson Topics:  Finance & Financial Aspects: Market analysis Project Design: Subprojects Project Management: Executing/Implementing agencies Capacity Development: Capacity building Capacity Development: Capacity development Crosscutting Issues/Themes: Employment Methodologies/Approaches: Civil Society Participation  The project design was too ambitious, as the executing agency did not have the capacity, bothat national and regional level, to implement such a large-scale sector investment.It would be more feasible to undertake reforestation projects on a smaller-scalewithin a contiguous area, rather than as a sector investment with a nationwidegeographical coverage.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Environmental management Modality: Lending modality Project Design: Project design Project Management: Executing/Implementing agencies Capacity Development: Capacity assessment  The subproject sites were spread out across remote areas and their sizes weretoo small to justify the construction of access roads and other infrastructure.Monitoring of activities in such areas was much more difficult and less effectivethan it would have been if larger and contiguous planting sites had been used.  project cycle stage: Feasibility  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Project Design: Subprojects Sector Related Issues: Roading |
| Capacity building at community-based organizations (CBOs) through effective training programs should be undertakenearly in implementation. Responsibility for executing schemes should be entrusted to CBOs,with government line departments providing only financial and technical support.  project cycle stage: Implementation  Lesson Topics:  Finance & Financial Aspects: Financing Project Design: Project design Project Management: Executing/Implementing agencies Capacity Development: Capacity building Methodologies/Approaches: Civil Society Participation  Careful evaluation is required before imposing per-capita limits on subproject costs,because they may restrict the potential for fulfilling the entire water, sanitation, and drainageneeds of communities. After setting the limits, a flexible approach is generally needed.  project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Financial analysis Monitoring & Evaluation: Project evaluation Project Design: Subprojects Sector Related Issues: Health and sanitation management Methodologies/Approaches: Process approach  Design of water supply schemes should be based on the minimum pressurerequirements at terminal points. Unless this pressure is maintained, the design remainsinadequate. The executing agencies (EAs) and consultants should thoroughly review scheme designs.  project cycle stage: Design  Lesson Topics:  Monitoring & Evaluation: Project evaluation Project Design: Project design Project Management: Consultants Project Management: Executing/Implementing agencies Sector Related Issues: Health and sanitation management  Startup delays should be avoided by taking advance action, including securinggovernment approvals; establishing a Project Management Unit (PMU); appointing the project director, PMU staff, and Community Development Unit (CDU) staff; recruiting consultants; and qualifying contractors/suppliers in advance.  project cycle stage: Appraisal  Lesson Topics:  Project Management: Consultants Project Management: Procurement Project Management: Project management Capacity Development: Human resources management  The executing agencies (EAs) should have the capacity to review consultant outputs such as reports andworking papers, to ensure relevance and quality. The EAs should own and effectively use the Management Information System (MIS), the accounting system, and the monitoring and evaluation system.  project cycle stage: Implementation  Lesson Topics:  Finance & Financial Aspects: Financial management Monitoring & Evaluation: Monitoring and evaluation Project Management: Consultants Project Management: Executing/Implementing agencies Project Management: Management information system Capacity Development: Capacity building  The sustainability of community-managed projects relies on developing community-based organizations' (CBOs') capacityto bear responsibility for their own decisions. Involving the community - the most importantproject stakeholder - from project identification to completion and O&M ensures ownership if theproject is needs-based. Social mobilization should not be restricted to a few communitymembers but should include all or most of them. Social mobilization should ensure equitabledistribution of benefits. Women's participation should be emphasized in water supply andsanitation projects to achieve lasting results since they are responsible for water collection.Nongovernment organizations (NGOs) should be involved for making social mobilization effective. Sustainability also depends on the sense of ownership. Community share in the schemecost would contribute.  project cycle stage: Concept Design, Feasibility, Implementation, Completion Operation  Lesson Topics:  Crosscutting Issues/Themes: Gender Crosscutting Issues/Themes: Sustainability Project Design: Project design Capacity Development: Capacity development Capacity Development: Ownership Sector Related Issues: Health and sanitation management Methodologies/Approaches: Civil Society Participation Methodologies/Approaches: Community approach |
| Although ADB approved advance action on the recruitment of consultants andretroactive financing for the preparation of design and bid documents for the project'scomponents at the request of the government, the benefits of the approval did not materialize,owing to the substantial delay of about 16 months in the appointment of the consultants. Lack ofadequate delegation of powers to the executing agencies (EAs) in the appointment of consultants resulted in thedelay. Although there were other implementation delays caused by the EAs, the time needed fordesign, bid preparation, and awarding works was not estimated in a realistic manner duringappraisal. There is a need for appraisal missions to more carefully estimate the time required forsuch complex infrastructure works.  project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Financing Project Design: Appraisal Project Design: Project design Project Management: Consultants Project Management: Executing/Implementing agencies Project Management: Procurement Country Context: Decentralization Sector Related Issues: Transport planning  If a project involves major investments to be made by some agencies other than the executing agency, it is generally not adequate only to set up a high level committee and provision loan covenants ensuring the investments required by the other agencies. All the stakeholders and the beneficiaries of the project should have a substantial stake, preferably financial, in a project and share its associated design, implementation, and commercial risks. Under the project, all the design, implementation, and commercial risks were borne by the facility provider. None were borne by the facility users. It would have been a more effectiveapproach to ensure that (i) for all captive dedicated port facilities (those meant for use by asingle user), there should be an equitable sharing of the design, implementation, andcommercial risks associated with the project, in the form of equity ownership, debt provision,and sharing of costs and revenue between the facility provider and the facility user; (ii) aminimum annual throughput agreement should be in place between the various facility providersand the facility users; and (iii) the minimum throughput agreement should also include aprovision on the assured opening date of the facility and penalties for any delay in opening.  project cycle stage: Design Appraisal Implementation  Lesson Topics:  Loan Agreement: Covenants Project Design: Project design Project Management: Project management Project Management: Risks/Risk management Sector Related Issues: Transport planning  Reflecting the disputes between the executing agencies and the consultants, systems for ensuring theaccountability of consultants, such as professional liability insurance, should be devised andbuilt into consultancy contracts.  project cycle stage: Appraisal Implementation  Lesson Topics:  Crosscutting Issues/Themes: Governance Project Management: Consultants Project Management: Executing/Implementing agencies Project Management: Procurement |
| A weak government budgetary commitment prevented nonformal education (NFE) to be fully institutionalized nationwide and to make the project sustainable. Without adequate budgetary allocation of the government, project impacts cannotbecome sustainable.  project cycle stage: Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Finance & Financial Aspects: Counterpart funds Sector Related Issues: Education  Essential data, e.g., baseline literacy rates, and systematic operational guidelines for functional education and literacy program (FELP) and nonformal education (NFE) accreditation and equivalency (A&E), should guide implementation and evaluation of NFE projects. The importance of a simple management information system (MIS) cannot be underestimated.  project cycle stage: Implementation  Lesson Topics:  Monitoring & Evaluation: Baseline data Monitoring & Evaluation: Project evaluation Project Management: Management information system Project Management: Project management Sector Related Issues: Education  Project design should incorporate adequate horizontal and verticalcommunication involving many stakeholders at different levels to maximize thequality of project implementation. Project designs should envisage adjustment to address any shortcomings at the early stage of implementation, which will make projects more relevant, efficient, and effective.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Project Design: Project design Policy & Reform: Information dissemination/Public awareness Methodologies/Approaches: Process approach  Project design was too ambitious and complex to be completed in five years. This resulted in weak institutional arrangements for project implementation. Future intervention should adequately assess the capacity of the executing agency and implementing agencies upfront for projects of this nature.   project cycle stage: Feasibility  Lesson Topics:  Project Design: Project design Project Management: Executing/Implementing agencies Capacity Development: Capacity assessment  The inclusion of four nongovernment organization (NGO) umbrella organizations gave them a major role in nonformal education (NFE)delivery and helped speed up implementation. However, the experience gainedcould not be transferred to other NGOs at grassroot level thus limiting thecapacity building impact at NGO level.  project cycle stage: Implementation  Lesson Topics:  Capacity Development: Capacity building Sector Related Issues: Education Methodologies/Approaches: Civil Society Participation  To augment a demand driven approach to delivery of service, the project designshould be based on a more comprehensive analysis of institutional, social, andeconomic demands. Without employment opportunities, livelihood skills acquiredthrough nonformal education (NFE) do not lead to higher income.  project cycle stage: Feasibility  Lesson Topics:  Finance & Financial Aspects: Market analysis Project Design: Project design Crosscutting Issues/Themes: Employment Sector Related Issues: Education |
| As noted during the formulation of the Capital Market Development Program (CMDP), a lack of cooperation by the parties involved in the program and their weak capacities were major risk factors. The government's ownership of the policy reforms was vital to the success of the program. Ministry of Finance (MOF), as the executing agency for the CMDP, and Securities and Exchange Commission (SEC), as the executing agency for TA 2913, provided strong support for the implementation of the program, contributing to significant progress in enhancing SEC's supervisory capabilities. However, the development of the supply and demand sides of the capital market progressed slowly. The lack of management and staff skills in the Privatization Commission (PC), inappropriate rules and procedures, and bureaucratic consultation impeded the privatization process. The insurance and pension and provident fund reform is a complicated and broad-based issue, requiring policy decisions by the government. The slow response from the government in evaluating recommendations related to insurance sector reform became an impediment to subsequent development. The scope of TA 2915 had to be refocused on pension and provident fund reform, but the Ministry of Commerce or MOC (instead of MOF) continued to be the executing agency. With more extensive discussion during program formulation, an appropriate implementation arrangement for the TA could have been designed. Staff and lack of skills in regulatory authorities hampered implementation of theCMDP and its attached TA activities. Transforming these regulatory bodies into independent self-funded organizations with greater flexibility in setting their own compensation scale is a delicate issue to be taken up with the government under ADB's future assistance program.  project cycle stage: Feasibility, Country Partnership Strategy  Lesson Topics:  Crosscutting Issues/Themes: Governance Finance & Financial Aspects: Financing Modality: Program Modality: Technical Assistance Project Management: Executing/Implementing agencies Project Management: Risks/Risk management Capacity Development: Capacity assessment Capacity Development: Capacity building Capacity Development: Human resources management Capacity Development: Ownership Policy & Reform: Policy matrix Policy & Reform: Policy reforms/framework Policy & Reform: Privatization Policy & Reform: Reform Methodologies/Approaches: Consultation/Participation  Due to the prevalence of malpractice in the market when the Capital Market Development Program (CMDP) was designed, there was a strong need for increased transparency and disclosure and strengthened regulation and supervision of market players. However, the establishment of a disclosure-based system of regulation required several parallel reforms, including (i) a strong and independent but market-sensitive Securities and Exchange Commission (SEC); (ii) strong market players, including merchant banks; (iii) proactive exchanges willing and capable of self-regulation; (iv) the implementation of accounting and auditing systems to produce financial reports conforming to international standards; and (v) goodcorporate governance practices. Serious deficiency in any of these support reform elements makes it difficult to implement regulations based on full disclosure. The CMDP did not give balanced support to all these elements. Training and capacity building were heavily focused on SEC, almost to the neglect of other key capital market participants. Corporate governance, transparency, and adoption and implementation of accounting and auditing standards should have been given more priority. When brokers were barred from undertaking merchant banking functions, new merchant banks that were established did not have any experience and expertise. Accreditation should have been more selective, based on stricter criteria, and training on due diligence should have been provided.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Corporate governance Crosscutting Issues/Themes: Governance Finance & Financial Aspects: Financial reporting Finance & Financial Aspects: Financing Modality: Program Project Design: Project design Capacity Development: Capacity building Policy & Reform: Reform  The tranche release conditions should have been more specific, thereby avoiding ambiguity in interpretation. For example, it could have been stated that the ï¿½private sectorï¿½ member of the Securities and Exchange Commission (SEC) board should have working experience in industry or business or in the financial intermediary or securities businesses. As regards the condition to ï¿½establishï¿½ a company or institution, it should have been made clear that this meant not just getting the company incorporated but obtaining a license and becoming operational. It is not clear if the phrase ï¿½new businessï¿½ in the Investment Corporation of Bangladesh (ICB Amendment) Law includes new transactions for existing clients. The tranche condition for the divestment of government's shares should have specified the minimum number of public and private limited companies to be divested and identified some of them. In many cases, the compliance status was assessed on the basis of the amendment of existing laws or the enactment of new laws, which were deemed to satisfy tranche conditions. However, enforcement of these laws in practice remained questionable.  project cycle stage: Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Legal system Finance & Financial Aspects: Financing Loan Agreement: Covenants Sector Related Issues: Industry and Trade Sector Related Issues: Private sector  Weaknesses in corporate governance have been a pervasive problem. The quality offinancial reports and adequacy of disclosures of listed companies have to be improved to be inline with international norms. The privatization process lacked transparency and had seriousdeficiencies in policy, regulation, and valuation methods. Although reforms under the Capital Market Development Program (CMDP) have corrected many of these shortcomings, further improvement in corporate governance isimperative to foster investor confidence and attract capital flows.  project cycle stage: Feasibility, Country Partnership Strategy  Lesson Topics:  Crosscutting Issues/Themes: Corporate governance Finance & Financial Aspects: Financial reporting Finance & Financial Aspects: Financing Modality: Program Policy & Reform: Privatization Policy & Reform: Reform |
| Although the target-oriented approach may have worked well in delivering required outputs,the overemphasis of accomplishments in terms of numbers might have affected the quality ofoutputs. Plantation failures could partly result from too much emphasis on the satisfaction oftargeted numbers, while setting aside quality checks on contractor outputs and site selection.  project cycle stage: Implementation  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Project Management: Project supervision Methodologies/Approaches: Targeting  Most failures in the irrigated plantations may be caused by (i) soil salinity, (ii) improper landpreparation, or (iii) drought. Implementors may control the first two causes, but drought is obviouslybeyond human control. The soil salinity problem may be avoided by better site selection. Similarly,closer monitoring can minimize, if not completely eliminate, improper land preparation. Projectmanagement has noted that success rates are generally higher in contracts that are of moderatesize (200 ha or less) than in large contracts (more than 300 ha). This simply means that largercontracts are less manageable and thus, their quality of output is lower.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Crosscutting Issues/Themes: Environmental management Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Project Management: Procurement Sector Related Issues: Irrigation management  Participation of local communities in the community forestry subcomponent was primarilybased on optimistic projections that a wood processing plant would be established to absorbproduction of eucalyptus plantations. This did not materialize, however, which dampenedparticipants' interest in tree plantations. Cancellation of the private sector credit component alsohighlights the need for careful policy analysis, assessment of existing and alternative tenurialarrangements, and extensive consultations with the stakeholders.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Environmental management Finance & Financial Aspects: Financing Project Design: Project design Sector Related Issues: Private sector Methodologies/Approaches: Community approach Methodologies/Approaches: Consultation/Participation  Social forestry appears to be an efficient strategy to promote the policy of increasing forest cover and bridging the gap between supply and demand for wood, as indicated by its EIRR of 22% compared with the overall project EIRR of 9%. But the project, in its current design, is biased toward landowners and virtually excludes the landless. Thus, there is a need to develop a strategy that promotes social forestry and helps enhance livelihood security for marginalized groups.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Environmental management Crosscutting Issues/Themes: Vulnerable groups Finance & Financial Aspects: Financial analysis Project Design: Project design Crosscutting Issues/Themes: Employment Sector Related Issues: Rural development Methodologies/Approaches: Community approach  Technical Assistance (TA) outputs can be more beneficial if (i) the TA is conducted in response to clearly identifiedgaps in knowledge, (ii) deliberate efforts are taken to respond to the outputs, and (iii) knowledge istransferred to end users. The management plans are fully appreciated because their use is readilyseen, and filled an executing agency need. In contrast, the assistance provided in developing benefitmonitoring and evaluation system was not very successful because its use was not easilyappreciated, no effort was made to utilize it, and there was no knowledge transfer. Thus for futureprojects, it will benefit the executing agency to include, when applicable, a phase fordemonstrating the use of the results, and a reasonable time for knowledge transfer.  project cycle stage: Appraisal Implementation  Lesson Topics:  Crosscutting Issues/Themes: Knowledge Management Modality: Technical Assistance Monitoring & Evaluation: Benefit monitoring and evaluation Project Design: Problem identification Project Design: Project design Project Management: Executing/Implementing agencies Capacity Development: Technology/Technology transfer  The economic efficiency of developing new plantations in riverine and inland forest reserveshas not been established; this is indicated by their low EIRRs, ranging from 0 to 1%. The lowEIRRs are such that the cost of land preparation and investment in irrigation infrastructure are high,compared with the benefits derived. But it is viable to place existing plantations (where irrigationsystems are in place) under sustainable management; examples are the inland (rehabilitation) andthe existing plantations covered by the integrated management plans. However, considering anecological and environmental perspective, there would be good reasons to continue the forestcover program, including the combat of desertification, preservation of biodiversity, soilstabilization, and minimization of soil erosion.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Environmental management Finance & Financial Aspects: Financial analysis Sector Related Issues: Irrigation management Methodologies/Approaches: Holistic approach  The project management focused on the physical and financial progress of the project. But besides maintaining adequate records for irrigated plantations, qualitative information was also gathered. Data on stand density or tree cover provided some qualitative measure of achievement of targets. Project management is now using such data to decide whether or not to replant. Reporting only the extent of areas planted for any given year does not indicate the overall area planted. To more meaningfully measure project accomplishments, the area planted as a physical target for a given year should be accompanied by the accumulated areas with sufficient tree cover as a result of plantations established since the project began.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Monitoring & Evaluation: Data collection and management Monitoring & Evaluation: Indicators Project Management: Project management Sector Related Issues: Irrigation management Sector Related Issues: Rural development |
| A strong governance framework has been one of the highlights of the program. This isreflected in the voluminous number of laws enacted. But severe capacity constraints mean thatthese laws were passed without much scrutiny. In most cases, further amendments were madeto enable effective implementation.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Governance Crosscutting Issues/Themes: Legal system Modality: Program Capacity Development: Capacity assessment  A wide consultation and participation process entrenches support and broad ownership for any reform initiative. The consultation process carried out during preparation of the Comprehensive Reform Program (CRP) and still continuing provided an opportunity for stakeholders to understand, monitor, and reassess their goals and make adjustments.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Modality: Program Monitoring & Evaluation: Monitoring and evaluation Capacity Development: Ownership Policy & Reform: Reform Methodologies/Approaches: Consultation/Participation  ADB should be committed to fund institutional strengthening programs of key centralagencies to ensure alignment of outputs with the intended reform objectives. Experience inVanuatu has shown that work driven by project milestones has frequently failed to take accountof governments' overall strategic reform agendas. Therefore, some of the outputs and capacitybuilding envisaged under the program have not been satisfactorily met on time. At the sametime the government should be assertive in its leadership role in managing the outputs ofvarious funding agencies.  project cycle stage: Appraisal Implementation  Lesson Topics:  Finance & Financial Aspects: Financing Modality: Program Project Management: Executing/Implementing agencies Project Management: Project management Capacity Development: Capacity building Capacity Development: Capacity development Policy & Reform: Reform  Following the dissolution of the Development Bank of Vanuatu (DBV), access to credit has been a problem for the public atlarge. The ni-Vanuatu Business Center established to cater for the business interests of ni-Vanuatu was inadequately resourced but replete with bureaucratic procedures. Furtherinstitutional strengthening will be needed before the Center becomes productive. This is anexample of waste as ADB helped establish the former DBV, dissolved it, and created anothernew institution for which the intended objectives have not been met.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Finance & Financial Aspects: Financing Project Design: Appraisal Capacity Development: Capacity building  The program underestimated the severe capacity constraints within Vanuatu. Thereform initiatives created new systems and processes that are alien to Vanuatu's managementand local culture. Consequently, considerable frustrations, lethargy, and communicationbreakdown were experienced during implementation.  project cycle stage: Feasibility  Lesson Topics:  Modality: Program Project Management: Risks/Risk management Capacity Development: Capacity assessment Country Context: Cultural constraints Policy & Reform: Reform  The sequencing of reform was inadequately assessed at appraisal, without due consideration to the sustainability of the project. The Comprehensive Reform Program (CRP) was too ambitious and addressed three major sectors simultaneously (public, economic, and financial) instead of being more focused. A more logical approach would have been to develop a financial sector project loan separate from the program loan covering public sector reform. Similarly, the program assumed too much in expecting the private sector to step into the vacuum following the public service retrenchment program. Unfortunately, the framework needed to develop the private sector was absent. In addition, some reform initiatives, such as privatization of public enterprises and the creation of an environment that induces private sector investment, will take many more years than envisaged under the program.  project cycle stage: Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Legal system Crosscutting Issues/Themes: Sustainability Finance & Financial Aspects: Financing Modality: Program Project Design: Appraisal Sector Related Issues: Private sector Policy & Reform: Policy reforms/framework Policy & Reform: Privatization Policy & Reform: Public sector reform Policy & Reform: Reform |
| A project designed to be commercial and ï¿½private sectorï¿½ in nature must be allowed to be truly commercial and not be constrained by excessive bureaucracy, government monopolies, and requirements to use particular government services (such as transshipping and airfreight management). In this instance, the lack of vertical integration in fishing, handling,transport, and marketing is a constraint on possible commercial success for Micronesia Longline Fishing Corporation (MLFC). Duplication of activity that reduces efficiency, such as the operation of fishing fleets by both MLFC (privatesector) and National Fisheries Corporation (public enterprise), must also be avoided. In this context, it is difficult tocomprehend how the project, in the design phase, could have been conceived as a pilot project.  project cycle stage: Feasibility, Appraisal Implementation  Lesson Topics:  Finance & Financial Aspects: Market analysis Project Design: Project design Sector Related Issues: Private sector Sector Related Issues: Rural development Methodologies/Approaches: Pilot project  ADB standard tendering requirements were more complex than desirable for many aspects of procurement for the project. It is imperative for a private sector fishing company, whose primary objective is to keep the vessels out at sea fishing, to be able to act fast when mechanical failures occur and be able to buy the necessary spare parts immediately. For the Commercial Fisheries Development component (Part A), this sometimes caused considerable downtime of the vessels while Micronesia Longline Fishing Corporation (MLFC) was going through ADB's procurement guidelines.  project cycle stage: Appraisal  Lesson Topics:  Project Management: Procurement Sector Related Issues: Private sector Sector Related Issues: Rural development  In Project Design, the realities - financial, physical, and geopolitical issues - must be clearly understood. In the case of this project, the presence of fish stocks does not necessarily mean that a viable commercial fishery can be developed. Conversely, however, fisheries projects will not always fail if they are appropriately designed in the context of a clear understanding of the situation confronted (such as reliability of airfreight). Where the project involves a commercial component, a careful analysis of the public policy setting and enabling environment will provide important guidance on the likelihood of success. Agreement to support a project such as this could then be predicated on governments, particularly state governments, making certain policy, regulatory, and legislative changes.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Legal system Project Design: Project design Sector Related Issues: Private sector Sector Related Issues: Rural development Policy & Reform: Policy reforms/framework  The project was subject to a major design change: the replacement of new vessels with the purchase of secondhand vessels. For this, the Commercial Fisheries Development component (Part A) of the project should have beentemporarily suspended and a full review undertaken so that the likely outcomes of such a change could be fully understood.  project cycle stage: Implementation  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Sector Related Issues: Rural development  The selection of consultants without Pacific experience, along with consultants who did not have appropriate technical skills, led to unsatisfactory and/or incomplete outcomes.  project cycle stage: Appraisal Implementation  Lesson Topics: |
| A monitoring mechanism together with baseline data must be identified duringproject appraisal to assess the project's progress and success.  project cycle stage: Appraisal  Lesson Topics:  Monitoring & Evaluation: Baseline data Monitoring & Evaluation: Monitoring and evaluation Project Design: Appraisal  Given the pivotal importance of the roles and preparedness of the executing agency, assessing the executing agency's capacity to implement a project is particularly important. The establishment of the Project Implementation Unit (PIU) and the appointment of the project manager and accountant must be made a condition of loan effectiveness.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Loan Agreement: Loan Agreement Project Management: Executing/Implementing agencies Project Management: Project management Capacity Development: Capacity assessment Capacity Development: Human resources management  In the design of education projects for small nations such as island nations, thelikelihood of inadequate institutional capacity, political interference, weakmanagement, budgetary cuts, and longer implementation periods must be takeninto account.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Finance & Financial Aspects: Counterpart funds Project Design: Project design Capacity Development: Capacity assessment Sector Related Issues: Education  The availability of counterpart staff for the project should be determined duringproject appraisal and suitable people should be identified to avoid delays andensure the transfer of technology.  project cycle stage: Appraisal  Lesson Topics:  Project Design: Appraisal Project Management: Executing/Implementing agencies Capacity Development: Human resources management Capacity Development: Technology/Technology transfer  The incorporation of more frequent reviews, including quarterly and midtermreviews by both the government and ADB, seems to be critical in situations wherethe availability of counterpart funds and staff is likely to be limited.  project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Counterpart funds Monitoring & Evaluation: Monitoring and evaluation Project Management: Executing/Implementing agencies Project Management: Project supervision Capacity Development: Human resources management  The number of consultants should match the availability of counterpart staff andthe country's absorptive capacity. A large number of short-term consultantsimposes a heavy administrative, logistical, and counterpart staff burden on aninexperienced Project Implementation Unit (PIU). Long-term consultants are better placed to provide continuityin ideas and assistance to counterpart staff, who would then be required insmaller and more manageable numbers and be available for a longer period tohelp digest reports.  project cycle stage: Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Project Management: Consultants Project Management: Executing/Implementing agencies Project Management: Project management Capacity Development: Capacity assessment Capacity Development: Human resources management  The provision of a long-term consultant team leader to coordinate the inputs andoutputs of a large number of consultants is vital to assure continuity andcoordination and preserve institutional memory.  project cycle stage: Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Project Management: Consultants Methodologies/Approaches: Consultation/Participation  The timely provision of counterpart funds is critical for the speedy implementationof any project. Ways must be found to ensure that adequate funds are set asideunder the project.  project cycle stage: Appraisal  Lesson Topics:    Unlike construction and consultancy components, which are administered in thecountry and can therefore be more easily monitored and coordinated, overseasstaff development programs do not lend themselves to easy monitoring andcoordination because they involve people with careers, families, and financialresponsibilities who have to adjust to the educational, cultural, and otherdemands of foreign universities. About 30% more time should be added to theperiod for studies abroad compared to studies in the home country.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Project Management: Consultants Capacity Development: Capacity building Methodologies/Approaches: Consultation/Participation |
| ADB needs to take into account the government's capacity to implement substantial policy reforms in crucial sectors, particularly in light of the country's economic and political situation. ADB should not design an overly ambitious policyreform agenda for program loans, since such an agenda will likely require modification in thefuture and does not increase the likelihood that reforms will be implemented.  project cycle stage: Feasibility  Lesson Topics:  Modality: Program Project Design: Project design Capacity Development: Capacity assessment Policy & Reform: Policy reforms/framework |
| Flexibility of scope changes or loan extensions during implementation can behelpful, but in the face of persistent failure to meet targets, firm action should beconsidered. Unless the causes of failure can be resolved promptly, the projectshould be reviewed thoroughly and, if warranted, fundamentally redesigned.  project cycle stage: Implementation  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Project Management: Project administration Methodologies/Approaches: Process approach Methodologies/Approaches: Targeting  It is best to limit the size and scope of a project to manageable proportions, taking into account the capacity and resources of the recipient government and executing agencies. To find the right match between needs and capabilities, it is also advisable to allow more time in designing future projects. It is better to err on the side of too much project preparation than too little. Project design ï¿½on the jobï¿½ may suffice if the engineer is knowledgeable and experienced, but the money saved can be lost many times over if, for example, the work done is washed away in the first flood.  project cycle stage: Feasibility  Lesson Topics:  Project Design: Project design Project Management: Executing/Implementing agencies Capacity Development: Capacity assessment Country Context: Emergency  Systematic monitoring of the execution of routine maintenance is essential.There is a need for independent inspectors to perform technical audits ofmaintenance, and there should be a financial audit to make sure that physicaloutputs are commensurate with the inputs.  project cycle stage: Implementation  Lesson Topics:  Finance & Financial Aspects: Financial analysis Finance & Financial Aspects: Financial management Finance & Financial Aspects: Financial reporting Monitoring & Evaluation: Monitoring and evaluation Project Management: Operation and maintenance  There are no shortcuts in project monitoring. Active project administration and close monitoring should be stressed. Field visits to inspect the physical progress are essential, not optional.  project cycle stage: Implementation  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Management: Project administration  When there are problems in maintaining existing infrastructure, lending money for projects that add to the maintenance load without first addressing existing problems must be thoroughly reviewed and debated. Loans to cover recurrent costs are not a good practice. Serious consideration should therefore be given to lending money for routine maintenance, or indeedfor all maintenance, including rehabilitation.   project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Financing Project Design: Problem identification Project Design: Project design Project Management: Operation and maintenance |
| A more conservative approach should have been used to estimate the demand for urea. The projected urea price ofCNY1,700 per mt for estimating the FIRR at appraisal was overly optimistic. The fertilizer enterprises' assessment of market risk in an open economy was grossly inadequate, particularly with respect to the likely impact of price deregulation and changes in farm practices on the subprojects' financial viability. While the primary and secondary objectives of the project were largely met, the financial performance of the assisted enterprises has not improved and the reevaluated FIRR (and EIRR) is lower than appraisal estimates. This has made all the assisted enterprises virtually dependent ongovernment financial assistance to fulfill their loan repayment obligations.     project cycle stage: Feasibility, Appraisal    Lesson Topics:   Finance &amp; Financial Aspects: Financial analysis  Finance &amp; Financial Aspects: Financing  Finance &amp; Financial Aspects: Market analysis  Project Design: Appraisal  Project Design: Subprojects  Sector Related Issues: Rural development  Policy &amp; Reform: Reform    Design for industrial projects in an open economy should incorporate flexibility infeedstock and product mix to the extent possible, so that projects can take advantage ofchanging market conditions to switch to cheaper feedstock and produce higher value-addedproducts. A subproject manufacturing a single product under rapidly changing conditions may have difficulty sustaining its operation if the projected demand for and/or price of its product arenot realized.    project cycle stage: Feasibility, Appraisal    Lesson Topics:   Crosscutting Issues/Themes: Sustainability  Finance &amp; Financial Aspects: Market analysis  Project Design: Project design  Project Design: Subprojects  Sector Related Issues: Industry and Trade    The delay in project start-up and implementation was due mainly to a shortage ofdomestic funds, compounded by the increase in project costs. To ensure timely project implementation all required funding should be confirmed upfront and contingent arrangements made for cost overruns.    project cycle stage: Appraisal    Lesson Topics:   Finance &amp; Financial Aspects: Financial analysis  Finance &amp; Financial Aspects: Financing  Finance &amp; Financial Aspects: Local currency    The gross underestimation of project costs during appraisal resulted in the subsequentdeletion of an approved subproject, which along with difficulties in mobilizing additional domesticfunds reduced the project's financial and economic viability. Cost estimates prepared byborrowers, particularly for new technology, should be verified for accuracy through crosscheckingwith similar projects in other developing member countries or by a short-terminternational expert.    project cycle stage: Appraisal    Lesson Topics:   Finance &amp; Financial Aspects: Financial analysis  Finance &amp; Financial Aspects: Local currency  Project Design: Appraisal  Project Design: Subprojects  Project Management: Consultants  Capacity Development: Technology/Technology transfer    The monitoring of reforms and compliance with loan covenants became difficult after the disbanding of the executing agency (Ministry of Chemical Industry). In hindsight, senior government officials should have been alerted to the need to ensure that stipulated commitments and obligations were fully honored when this unanticipated reorganization took place.    project cycle stage: Implementation    Lesson Topics:   Loan Agreement: Covenants  Monitoring &amp; Evaluation: Monitoring and evaluation  Project Management: Executing/Implementing agencies  Policy &amp; Reform: Public sector reform  Policy &amp; Reform: Reform |
| Closer supervision by the federal-level executing agency, the consulting firms, and ADB review missions could have improved the outputs of the international and domestic consultants.  project cycle stage: Implementation  Lesson Topics:  Project Management: Consultants Project Management: Executing/Implementing agencies Project Management: Project supervision  Due to the failure of the federal-level executing agency to properly supervise and coordinate project activities,particularly at the provincial level, such umbrella-type project management should bediscontinued and replaced largely by a decentralized system led by Provincial Institute of Teacher Education (PITEs) or Project Implementation Units (PIUs) and coordinated by the Technical Panel on Teacher Education (TPTE).  project cycle stage: Feasibility  Lesson Topics:  Project Management: Project management Project Management: Project supervision Country Context: Decentralization Methodologies/Approaches: Consultation/Participation  Due to the high turnover of project directors and project managers, theappointment of deputy project managers from external candidates with strong project management experience would help maintain continuity of project supervision.  project cycle stage: Appraisal Implementation  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Project Management: Project management Project Management: Project supervision Capacity Development: Human resources management |
| Most of the variation orders issued by the engineer and agreed with the various civil works contractors have been left pending for nearly 2 years awaiting the executing agency (EA) board approval. There does not seem to be any clear-cut reason for this excessive delay, except for a politicized board reluctant to make decisions where large sums of money are involved. Strong actions by ADB at an early stage may have resolved this matter.    project cycle stage: Implementation    Lesson Topics:   Project Management: Procurement  Project Management: Project administration    The improvement and upgrading of airport facilities generally bring broad areas of socioeconomic benefits not only to airport users but also to the general public. The relevant data are now in place to monitor the socioeconomic impacts of the project through the project benefit monitoring and evaluation carried out by the consultants. However, due to the government's failure to follow through on the loan's further capacity-building component within the executing agency (EA), the functioning of the EA is below optimum. Its financial and accounting section lack sufficient qualified staff, computer equipment, and budget. Appropriate maintenance of airport facilities is not taking place, since there is no comprehensive maintenance and repair program in place, critical maintenance equipment has not been procured, and maintenance activities are underfunded. ADB should have taken strong action in an attempt to ensure that the follow-on capacity building was implemented.    project cycle stage: Feasibility, Implementation    Lesson Topics:   Finance &amp; Financial Aspects: Financial management  Finance &amp; Financial Aspects: Financing  Monitoring &amp; Evaluation: Baseline data  Monitoring &amp; Evaluation: Benefit monitoring and evaluation  Project Design: Project design  Project Management: Consultants  Project Management: Executing/Implementing agencies  Project Management: Operation and maintenance  Project Management: Project administration  Capacity Development: Capacity building  Capacity Development: Human resources management  Sector Related Issues: Transport planning |
| Associated with the need to adopt adequate project management systems, is the need to recognize risks involved in project implementation and to design and implement robust risk monitoring and response systems. In the case of rural water supply and sanitation systems, a key characteristic of project design is that many subprojects will be undertaken as part of a 'design and construct' process. While criteria were stated for subprojects and the project's covenants required a process that considered demand, there was no overall risk management approach to ensure that these critical activities were implemented.    project cycle stage: Feasibility, Appraisal Implementation    Lesson Topics:   Finance &amp; Financial Aspects: Market analysis  Loan Agreement: Covenants  Monitoring &amp; Evaluation: Monitoring and evaluation  Project Design: Project design  Project Design: Subprojects  Project Management: Project management  Project Management: Risks/Risk management  Sector Related Issues: Health and sanitation management  Sector Related Issues: Rural development    Consultants were used extensively throughout the project, but the coordination of consultant inputs was poor. As a result consultant inputs were probably both ineffective and inefficient. An example is the use of consultants for essentially administrative tasks and the failure to provide sufficient resources for consultants to adequately inspect works. In a similar way, audits did not pick up the major underperformance of the project. Audits should focus on risk areas such as outcomes and inappropriate use or misuse of project resources, and should be provided with sufficient incentive to report problems.    project cycle stage: Implementation    Lesson Topics:   Finance &amp; Financial Aspects: Financing  Project Management: Consultants  Project Management: Project management  Project Management: Risks/Risk management  Methodologies/Approaches: Consultation/Participation    Institutional strengthening in the project was limited to training. As a result, the institutional impact flowed from the agencies to the project rather than the other way. While institutional strengthening is about building capacity, it is also about building capability and the will to use it. Capability includes the attitude and behavioral traits that enable achievement of purpose. At the community level this is characterized by demand for water. At the institutional level, demand for the project should be assessed in terms of a real desire to see the project purpose achieved. This level of institutional demand should be as real a prerequisite for institutional strengthening as demand for water is for water facilities. In the same way, projects cannot create institutional capability if there are no adequate prospects to supply basic skill levels. Alternative institutional approaches are needed when the basic institutional prerequisites cannot be satisfied.    project cycle stage: Feasibility    Lesson Topics:   Finance &amp; Financial Aspects: Market analysis  Project Design: Project design  Capacity Development: Capacity building  Sector Related Issues: Health and sanitation management    Lessons highlighted include the importance of local knowledge in the design process, the importance of the price of water on demand, and the importance of tariffs to achieve sustainable operations. Most international agencies have changed their approach to rural water supply and sanitation based on a need to better respond to community demand. Project implementation failed to reflect these changes.     project cycle stage: Design, Feasibility, Implementation    Lesson Topics:   Crosscutting Issues/Themes: Knowledge Management  Crosscutting Issues/Themes: Sustainability  Finance &amp; Financial Aspects: Financial analysis  Finance &amp; Financial Aspects: Market analysis  Project Design: Project design  Project Management: Project management  Sector Related Issues: Health and sanitation management  Sector Related Issues: Rural development  Policy &amp; Reform: Public sector reform    The agencies involved in the project acted in a way that indicated they firmly believed their views were more important than those of the recipient community. This impacted on the project in a number of ways. In some cases officials who seemed not to want to spend time or resources on community involvement usurped the community's role. In other cases community participation was reduced to labor. All of this makes a bottom-up approach difficult to implement. Unless project designs include ways to overcome such attitudes, community-based approaches will be difficult to implement, and will continue to impact negatively on community, gender, and poverty objectives.    project cycle stage: Feasibility    Lesson Topics:   Crosscutting Issues/Themes: Gender  Crosscutting Issues/Themes: Poverty reduction  Project Design: Project design  Project Management: Executing/Implementing agencies  Methodologies/Approaches: Community approach    The fundamental reason for the project's lack of success is the need to move away from the supply oriented approach of traditional government engineering agencies toward a more consumer-oriented approach to providing community services. While a significant degree of technical skill and management rigor is still required, the new approach needs to be totally premised on a service-oriented organization culture, and this has not been apparent in the government agencies involved in the project.    project cycle stage: Feasibility    Lesson Topics:   Project Management: Executing/Implementing agencies  Capacity Development: Capacity development  Sector Related Issues: Health and sanitation management  Policy &amp; Reform: Public sector reform    The issue of demand management is not restricted to communities. Perusahaan Daerah Air Minum (PDAMs or regional water supply enterprises) are more attuned to the demands of their consumers than are the government's implementing agencies. The relationship between public works authorities and PDAMs is one of service provider and client. This relationship was generally poorly handled within the project as PDAMs were forced to take on systems that were mostly unprofitable and for which they had little or no involvement in planning and design. Future projects should see PDAMs and other utilities as a key client group.     project cycle stage: Feasibility    Lesson Topics:   Finance &amp; Financial Aspects: Market analysis  Project Design: Project design  Project Management: Executing/Implementing agencies  Sector Related Issues: Health and sanitation management  Methodologies/Approaches: Consultation/Participation    The project, a complex one, was implemented with such loose project management structures and processes. Coordination was identified as a problem many times, specifically, between implementing agencies, between levels of government, and between consultants and contractors. Many of the fundamental requirements for a project management system were lacking and certainly there was no overall quality management system. Aspects of project implementation were impacted by the lack of project management systems. The lack of a logical framework meant that the processes linking inputs, activities, outputs, and outcomes were not explicitly recognized and certainly not monitored. Monitoring was generally restricted to input counting as evidenced by failure of reporting systems to indicate problems early in the project. Project experience indicates that there is a clear need to implement a project management system that is based on valid implementation processes and that provides relevant information about achievement of purpose. This is particularly true when the project is intended to produce many small outputs in widely dispersed remote locations.    project cycle stage: Feasibility, Implementation    Lesson Topics:   Monitoring &amp; Evaluation: Monitoring and evaluation  Monitoring &amp; Evaluation: Reporting  Project Design: Project design  Project Management: Consultants  Project Management: Executing/Implementing agencies  Project Management: Project management  Methodologies/Approaches: Consultation/Participation    The use of standard designs was intended to improve quality and reduce cost. But many of the standard designs were inappropriate for local conditions. There was a failure to recognize when standard designs were inappropriate, and to act to change specifications.    project cycle stage: Design    Lesson Topics: |
| Benefit monitoring and evaluation (BME) was not successful in generating usefulinformation, either during project implementation or for post project reviews.There is a need to review the BME approach because the system was not beingused by government agencies in view of the lack of incentive to use it, and its not being understood by water users associations (WUAs).  project cycle stage: Appraisal  Lesson Topics:  Monitoring & Evaluation: Benefit monitoring and evaluation Monitoring & Evaluation: Post-evaluation Project Management: Executing/Implementing agencies Sector Related Issues: Irrigation management  Parts B (agriculture), C (coordination), and D (irrigation services fee or ISF) were very much subsidiary toPart A (irrigation) and did not get the attention that was needed from theimplementing agencies. As a result they were generally less successful.  project cycle stage: Appraisal  Lesson Topics:  Project Design: Project design Project Management: Executing/Implementing agencies Sector Related Issues: Irrigation management Sector Related Issues: Rural development  The agricultural support through integrated agriculture demonstration units (IADUs) was mistimed, with agriculturaldemonstrations being hindered by lack of water in irrigation systems where improvements were not yet completed. Yet there was ample time within the project period to carry out agricultural development activities after the completionof many systems.   project cycle stage: Appraisal  Lesson Topics:  Project Design: Project design Sector Related Issues: Irrigation management Sector Related Issues: Rural development  The concept of efficient operation and maintenance (EOM) largely failed. It did not result in increased government operation and maintenance (O&M) spending as decentralization has largely transferred responsibility for O&M from provincial irrigation agencies to district governments. The approach to system operation was flawed, being too complicated for many of the staff involved, as well as for farmers who are increasingly playing a role in system operation.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Project Management: Operation and maintenance Country Context: Decentralization Sector Related Issues: Irrigation management  The implementation period was too short to allow for full development of tertiaries and land in new schemes. Insufficient time also meant that water users associations (WUAs) did not get enough support to build their capacity for system operation and maintenance (O&M).  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Project Design: Project design Project Management: Operation and maintenance Capacity Development: Capacity building Sector Related Issues: Irrigation management  The quality of construction work remains a problem, but there is no easy solution. Giving consultants a larger role as engineers to approve all payments to contractors may not be cost-effective on projects such as the Second Integrated Irrigation Sector Project (IISP-2) where there are many scattered small-scale work sites. Farmers could take a greater role, but they lack training and expertise. And they have become used to accepting substandard work in the knowledge that it will be rebuilt by another rehabilitation project within a few years. The use of precast concrete sections for lining smallcanals and for structures could reduce quality control problems at small work sites.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Project Design: Project design Project Management: Consultants Project Management: Procurement Sector Related Issues: Irrigation management |
| Outcomes depend a lot on the performance of consultants. This has been obviousduring the project, but it is often difficult to evaluate before recruitment. Progress has to bemade in linking performance to remuneration.  project cycle stage: Appraisal  Lesson Topics:  Project Management: Consultants Capacity Development: Human resources management  The accounting function is chronically weak in the public sector in Papua New Guinea. As a result, project design should routinely provide for a private accountant.  project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Financial reporting Project Design: Project design Project Management: Executing/Implementing agencies  The complexity built into the project has been a major obstacle to its implementation.The manageability of projects must be carefully assessed at the design stage. Given the limitedcapacity of executing agencies, the lesson is to avoid involvement inmultidonor/multiagency projects. Practically, the executing agency has moved toward the sector-wide approachwith the first step taken by the Health Sector Development Program.  project cycle stage: Feasibility  Lesson Topics:  Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Project management Capacity Development: Capacity assessment Sector Related Issues: Health and sanitation management Methodologies/Approaches: Sectoral approach  The impact of the project could have been much more significant had the appropriategovernment counterparts been identified in the design and stayed in place throughout the life ofthe project. This encompasses the overseas training provided under the project, as takinggovernment personnel away from their posts for extended periods which exacerbates operationaldifficulties experienced when officers are absent from their duty stations.  project cycle stage: Design  Lesson Topics:  Monitoring & Evaluation: Impact evaluation Project Design: Project design Project Management: Executing/Implementing agencies Capacity Development: Capacity building Capacity Development: Human resources management |
| Subloan selection should be focused and clearly emphasize the developmentimpact on the entire province selected and on selected areas within the province. The amount of subloans should be based on the optimal requirement of selected priority subprojects. Setting a maximum limit of $5 million for one subloan maynot be a good approach as indicated by lessons drawn from many ADB Development Finance Institution (DFI) projects, where the greater the number of subprojects, the less the focus and the greater the risk.  project cycle stage: Feasibility  Lesson Topics:  Finance & Financial Aspects: Financing Project Design: Project design Project Design: Subprojects Project Management: Risks/Risk management Country Context: Prioritization  The evaluation of small, rural projects has to be strengthened. Smallmultisectoral subprojects should be evaluated on the basis of their economicimportance and the development impact on the entire project area.  project cycle stage: Appraisal  Lesson Topics:  Monitoring & Evaluation: Impact evaluation Monitoring & Evaluation: Project evaluation Project Design: Subprojects Sector Related Issues: Rural development  The project put a good deal of effort into providing the subprojects with creditfacilities and strengthening the development finance institution's (DFI's) institutional capability in managing thefunds. However, the project made less effort to enhance the capability of the borrower of thefunds which was crucial to the success of the project.  project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Financing Project Design: Subprojects Capacity Development: Capacity building  The technical assistance (TA) provided to the executing agency could also have addressed the fundamental issues ofits banking reform and helped it improve its financial status in areas such as reducing its nonperforming loans.  project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Financial management Finance & Financial Aspects: Financing Modality: Technical Assistance Project Management: Executing/Implementing agencies Policy & Reform: Reform  To assure consistency, certain compromises have to be considered in settingtargets for possibly conflicting factors, such as poverty reduction and job creationversus a high project financial internal rate of return (FIRR) and economic internal rate of return (EIRR) and job creationversus technology upgrading.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Poverty reduction Finance & Financial Aspects: Financial analysis Crosscutting Issues/Themes: Employment Capacity Development: Technology/Technology transfer Methodologies/Approaches: Targeting |
| Along with credit lines, guarantees (either full or partial) and other instrumentsconsistent with the stage of the development of the financial sector in theparticular country, should be considered.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Finance & Financial Aspects: Financing Project Design: Project design  Assessment of the factors that could affect availability of internal resources anddemand for credit should be undertaken during loan appraisal.  project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Counterpart funds Finance & Financial Aspects: Financing Finance & Financial Aspects: Market analysis Project Design: Appraisal  Development finance institutions should be required to hedge foreign exchangepositions, the expertise for which should be provided along with the ADB loan. ADB'sLIBOR-based lending modality facilitates hedging foreign exchange risks.  project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Financing Finance & Financial Aspects: Foreign exchange Modality: Lending modality Project Management: Risks/Risk management  Policy reforms, in addition to being covenanted, should also be linked andcoordinated with the reforms being promoted by other lending agencies.  project cycle stage: Appraisal  Lesson Topics:  Loan Agreement: Covenants Policy & Reform: Policy reforms/framework  The anchor for relending and on-lending interest rates should be a variable localbenchmark that is transparently determined.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Finance & Financial Aspects: Financial analysis Finance & Financial Aspects: Financing Project Design: Project design |
| The appraisal and design of technical assistance (TA) 2642, which was done during loan appraisal, were deficient. The TA assumed a banking system and state-owned commercial bank (SCB) sector more developed than was in fact the case. The operations of the SCBs have been directed from the Bank of Lao PDR (BOL), including setting of lending and deposit targets and interest rates. The SCBs had little understanding of risk management, as the conditions under which they operated did not require them to systematically deal with risks. Technical assistance (TA) 2642 was tasked to explore and arrange joint-venture partnerships and management contracts. Considering the political economy and economic climate at that time, such arrangements were premature. Even now there is political reluctance to increase the autonomy of the SCBs. This will have to be addressed in the bank restructuring plans of the SCBs and future financial sector development program of the government.  project cycle stage: Feasibility, Appraisal, Country Partnership Strategy  Lesson Topics:  Finance & Financial Aspects: Financing Modality: Technical Assistance Project Design: Appraisal Project Management: Executing/Implementing agencies Project Management: Risks/Risk management Policy & Reform: Public sector reform  The government did not give much thought to the steps to be taken and the coordination efforts required by the program before it sought ADB financial support. Neither the government nor ADB devoted enough time or effort to building government ownership of the reforms. ADB did not adequately assess the preparedness of the government and the executing agency to own the reforms. ADB's evaluation of the implementation capacity of the executing agencywas too optimistic. ADB underestimated the bureaucratic and cumbersome legislative process. Continuity and perseverance by ADB in monitoring and supporting program implementation are essential.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Crosscutting Issues/Themes: Legal system Modality: Program Monitoring & Evaluation: Monitoring and evaluation Project Management: Executing/Implementing agencies Project Management: Project supervision Capacity Development: Capacity assessment Capacity Development: Ownership Policy & Reform: Reform Methodologies/Approaches: Consultation/Participation  The Second Financial Sector Program loan (FSPLII) underestimated the scope of work involved in changing the fundamental behavior of an established system. In hindsight, the design of the program agenda was optimistic and theimplementation period originally envisaged for the program was unrealistic.  project cycle stage: Feasibility  Lesson Topics:  Finance & Financial Aspects: Financing Modality: Program  The state-owned commercial banks (SCBs) should not be recapitalized unless they have a high degree of independence to operate commercially. Recapitalization should be based on improvement in performance as measured by performance indicators. This should be documented in a restructuring plan. The Second Financial Sector Program loan (FSPLII) recognized at appraisal, but did not support by tranche release conditionalities, the need for measures to increase the autonomy of the state-owned commercial banks (SCBs), i.e., joint ventures, management contracts, and privatization.   project cycle stage: Feasibility, Appraisal  Lesson Topics:  Finance & Financial Aspects: Financing Loan Agreement: Covenants Modality: Program Monitoring & Evaluation: Indicators Project Design: Appraisal Policy & Reform: Privatization Policy & Reform: Public sector reform  Waivers of tranche conditions should be given only sparingly, and only for strong valid reasons. Waivers were given in First Financial Sector Program loan (FSPLI) to policy actions with little or no progress because of delay in implementation of TAs supporting the tranche conditions and technicalities difficult for the government to understand and resolve. Owing to this precedent, the government did not press on with some Second Financial Sector Program loan (FSPLII) reform measures in the face of delays and complexities.  project cycle stage: Implementation  Lesson Topics:  Finance & Financial Aspects: Financing Loan Agreement: Covenants Modality: Program Modality: Technical Assistance Policy & Reform: Policy reforms/framework Policy & Reform: Reform |
| Although generally more expensive than asphalt penetration, hot mixed roads are clearly more sustainable in the long run, and compared to main drainage maintained by Dinas Pekerjaan Umum Kabupaten (DPUK or District Public Works Service), the maintenance of kampung area drains is much better due to community ownership.    project cycle stage: Feasibility, Implementation    Lesson Topics:   Project Design: Project design  Capacity Development: Ownership  Sector Related Issues: Health and sanitation management  Sector Related Issues: Roading  Sector Related Issues: Urban sector/development  Methodologies/Approaches: Community approach    As their operating tariffs are only about 30 percent of breakeven tariffs, Perusahaan Daerah Air Minum (PDAMs or Regional Water Supply Enterprises) are not financially viable. However, local parliaments are unwilling to raise tariffs. With impendingprivatization of PDAMs, key decision makers should know that the user-pays principle must beapplied if the utilities are to continue providing and improving services. Reducing unaccountedforwater from 40-60 percent to 25 percent is unrealistic.    project cycle stage: Feasibility, Appraisal    Lesson Topics:   Crosscutting Issues/Themes: Legal system  Finance &amp; Financial Aspects: Financial analysis  Loan Agreement: Covenants  Sector Related Issues: Health and sanitation management  Policy &amp; Reform: Privatization  Policy &amp; Reform: Public sector reform    Proper assessment of water resources must be the basis for supplying water fromboreholes. In Kupang, for example, improper assessment led to underutilization of several waterreservoirs. Due to poor engineering, sewage and sludge treatment facilities on Lombok Islandare massively overdesigned and constructed, estimated at several times the actual requirement.    project cycle stage: Feasibility    Lesson Topics:   Project Design: Project design  Project Management: Project supervision  Sector Related Issues: Health and sanitation management    The Kampung Improvement Program and Market Infrastructure ImprovementProgram component has brought about the most direct social, community, andenvironmental benefits as the target beneficiaries take ownership and maintain the walkways, minor roads, drains, public water hydrants, and toilets provided by the project.    project cycle stage: Feasibility    Lesson Topics:   Crosscutting Issues/Themes: Environmental benefits  Project Design: Project design  Capacity Development: Ownership  Sector Related Issues: Health and sanitation management  Sector Related Issues: Urban sector/development  Methodologies/Approaches: Community approach    The mere provision of final disposal facilities and sewage treatment facilities by itself is inadequate for the safe disposal of human waste. The facilities, which are unused, are a massive waste of capital. Enforceable laws and regulations requiring all owners of septic tanks to pay for and use these facilities are preconditions for any investment in such facilities. While waste may be collected and removed from urban areas, the final disposal sites may not be managed properly. The education of the public, and training and retention of staff, of operatives and managers of these facilities are also essential. The revenue from tariff collection is almost negligible, and a more realistic and enforceable tariff structure is required to make this service sustainable.    project cycle stage: Feasibility, Appraisal    Lesson Topics:   Crosscutting Issues/Themes: Environmental management  Crosscutting Issues/Themes: Legal system  Crosscutting Issues/Themes: Sustainability  Project Design: Project design  Capacity Development: Capacity building  Capacity Development: Human resources management  Sector Related Issues: Health and sanitation management  Sector Related Issues: Urban sector/development  Policy &amp; Reform: Information dissemination/Public awareness  Policy &amp; Reform: Public sector reform |
| Project management. Strong government ownership was critical to successful project implementation. Creative and practical implementation arrangements ensured the investment program was soundly managed. Under the MFF, a distinctive financial intermediary modality was adopted, and a third party was selected to conduct energy savings M&V for each subproject. Furthermore, the executing agency issued and updated management handbooks for the investment program on procurement, financial management and energy savings M&V that ensured smooth and sustainable project implementation.  project cycle stage: Implementation    Financial intermediary. The financial intermediary loan modality was an effective mechanism to support implementation of energy efficiency projects. Evaluation of the financial viability of the candidate subborrowers was conducted independently by the GFTC to assess the financial status of each subproject. The project's revolving funding mechanism is operational, and proceeds from the loan repayments of earlier subborrowers are being rolled over to provide loans to new subborrowers that meet the eligibility criteria. The relending of subloan funds that have been repaid with interest will allow compound growth in the energy savings produced by the project during the ADB loan repayment grace period.  project cycle stage: Feasibility, Appraisal, Implementation, Operation    Energy saving estimates. The actual energy savings achieved by the tranche 3 project are much higher than anticipated at appraisal. More accurate methods of estimating energy savings should have been used at appraisal. The key is to establish an accurate baseline and design a customized M&V method to verify energy savings achieved from the outset. It is also important to use the same methodology for pre- and post-project energy saving calculations.  project cycle stage: Implementation, Operation    Measurement and verification. Third-party M&V agencies ensured accurate assessment of subproject energy savings and emissions reductions, which enabled the energy efficiency benefits and achievement of the overall project to be accurately calculated.  project cycle stage: Implementation, Operation |
| Long-term vision and strategic planning. Strategic prior ADB TA (technical assistance) contributing to the preparation of the SRBPCMP (Songhua River Basin Water Pollution Prevention and Control Master Plan), which was approved by the State Council in March 2006, and ongoing ADB involvement and long-term partnership with local governments in the SRB (Songhua River Basin) is a model for replication. Key inputs to the SRBPCMP through ADB TA established a solid framework for policy and governance reforms and capacity building for pollution control, sustainable urban development, and integrated river basin management. The TA also developed a strategic prioritized portfolio as the basis for future investments by the government, ADB and other development partners, and the private sector. This was featured in the project design and implementation, and was fundamental to ensuring project relevance, and sustained future regional and local-level pollution control actions. In particular, following project preparation, phases 1 and 2 of Songhua River Basin Water Pollution Control and Management Project Private Sector Facilities provided an equity loan to Longjiang Environmental Protection Share Company to complete the project investments by upgrading wastewater and sludge treatment facilities in the SRB. Finally, one key aspect of the strategic planning was to identify cities where ownership and commitment were high, which is very important in situations involving a large number of cities and stakeholders.  project cycle stage: Design, Implementation, Operation, Country Partnership Strategy    Project coordination. The large scale and scope made project design and implementation challenging. Implementation succeeded because key stakeholders were involved in achieving the project goals, from the design stage through implementation. ADB missions served as catalysts to develop strong coordination and commitment between the two provinces and among the project counties and cities. Finally, the very good cooperation between agencies - and especially between provincial development reform commissions and finance bureaus - was essential for this type of project.  project cycle stage: Design, Implementation    Clear cost-recovery mechanism. National regulations on water and wastewater tariffs formulated and promulgated with ADB TA (technical assistance) require full cost recovery; all towns and cities nationwide must implement the regulations. Some project cities and counties have not yet reached full cost recovery, but they are making progress in a phased manner. Effective and sustained policy dialogue on cost recovery and tariff reforms is essential, and must be undertaken first nationally, to support and facilitate tariff reform in towns and cities. ADB's successful policy dialogue with the government on cost recovery and tariff reforms, and TA to prepare national water and wastewater tariff regulations, helped establish an enabling environment for private sector participation. This helped prepare market conditions for the Longjiang Environmental Protection Share Company and introduce the company for the Private Sector Operations Department-financed project, which contributed to important SRB pollution control objectives.  project cycle stage: Operation |
| The delay in project start-up could have been avoided if the government had issued Government Regulation No. 7 of 4 February 2008 immediately after project effectiveness.  project cycle stage: Implementation    The project adopted excellent design features of poverty targeting, community participation, capacity building for both the project implementers and the project beneficiaries, and microenterprise business development in aquaculture production and processing.  project cycle stage: Design    The project developed strong institutional capacity and good coordination and teamwork among national and district agencies, encouraged dedication among the NGOs (nongovernment organizations) and CEWs (community-based extension workers), and supported the active participation of project beneficiary groups.  project cycle stage: Implementation    Gender mainstreaming through group formation and capacity building training programs in aquaculture production and food processing is an effective strategy in empowering women.  project cycle stage: Implementation    Forming and strengthening cooperatives is a good strategy in sustaining project benefits after project completion.  project cycle stage: Completion, Operation    Use of voluntary extension workers recruited from local communities by district agencies will help ensure continuity of extension services to local project beneficiaries.  project cycle stage: Operation    A functional management information system should have been developed in DGA (Directorate General of Aquaculture).  project cycle stage: Implementation, Operation |
| Project design and implementation schedule. Design and implementation of policy reform activities are inherently complex, requiring coordination between various stakeholders. Considering the complexities, sufficient time should be allowed. Some of the target years specified in the DMF (design and monitoring framework) were unrealistic. Given the time required for design and implementation, especially under uncertain political situations, an adequate degree of flexibility needs to be built into the project design to respond to changes in the government's policies and priorities. For the design of and capacity building for policy reforms, a technical assistance attached to the project could have been considered. Contract awards and disbursements concerning policy reform activities tend to be slower than investment activities, which should be taken into account in the preparation of procurement plans and the projection of contract awards and disbursements.  project cycle stage: Design, Implementation    Procurement of technical equipment and materials. Lack of capacity to prepare bidding documents, evaluate bids, and monitor contract execution can significantly delay project implementation. Procuring technical equipment and materials - notably natural science laboratory equipment, didactic books for TTIs (teacher training institutes), and ICT (information and communication technology) learning objects - proved particularly challenging under the ESRP (Education Sector Reform Project). Careful capacity assessment and planning can prevent procurement delays arising from capacity constraints.  project cycle stage: Appraisal, Implementation |
| To minimize large variations in partner agreement nongovernment organization performance (PANGO), it is necessary to (i) evaluate, contract, and mobilize PANGOs within a specific time frame to avoid delays; (ii) critically evaluate budget proposals to ensure they are sufficient to deliver primary health care services; and (iii) set realistic selection criteria for evaluating the experience of PANGOs and their capacity to deliver services.   Behavior change communication and marketing is important for expanding coverage of primary health care services delivery and raising awareness among partnership agreement area residents, especially women and children.   Identification and targeting of the poor must be based on a simple set of criteria and supported by existing poverty maps or urban poverty mapping undertaken during project preparation. Eligibility requirements for obtaining red cards must be clear to households, and their application must be consistent across PANGOs and adhered to by providers in determining eligibility and distributing cards. To accurately measure health indicators and gather reliable data for evaluating project performance, it is necessary to regularly update the list of poor beneficiaries in order to effectively identify and track those who have left their respective partnership agreement areas and to collect data on unique individuals obtaining services at primary health care centers.  Project management unit and project implementation unit staff must (i) have adequate capacity for procuring goods and services to avoid delays in contracting and awarding processes; (ii) ensure that tender documents contain bid criteria that are pertinent to the required works or consultancy services; and (iii) keep records of evaluation reports to enhance transparency and rigor, in line with undertakings under the ADB loan and grant agreements.69 For this purpose, the design of future projects should incorporate a dedicated procurement specialist to support the project management unit as well as training on ADB procurement and financial management guidelines and procedures for project management and implementation staff.   Project management unit and project implementation unit staff must be trained (i) to proactively monitor funds flow, regularly update project accounts, and track loan and grant drawdowns in order to manage project funds effectively; and (ii) to regularly reconcile loan and grant accounts with ADB's records. To facilitate financial management, projects as complex as UPHCP-II should have an operational computerized financial management information system. |
| Sector development program modality. The Basic Education Sector Development Program demonstrated the efficacy of the sector development program (SDP) modality in providing complementary policy and implementation support, if well designed and supported. However, in future SDPs, it will be important to link program and project components more explicitly (e.g., identifying how the project will support achievement of policy actions) to maximize efficacy, while ensuring close alignment in the content of the Reports and Recommendations of the President and the design and monitoring framework. It will also be important to correctly balance comprehensiveness with feasibility, ensuring a critical mass of interventions while avoiding excess complexity or spreading resources too thinly.    Maintained strategic dialogue. The original project design's alignment with the government's objectives benefited from strong dialogue during the design phase, as well as from ADB's prior engagement in the country's education sector. Implementation also benefited from continuous close dialogue between the executing agency, consultants, and ADB (including on policy and technical dimensions), which allowed for recovery from initial delays and timely and flexible responses to emerging issues. It also enabled ADB to share relevant regional experiences, tapping its role as a leading development partner organization supporting secondary education sector reforms in the region. Strong support and cooperation from the resident mission played an important role, as did the relative continuity in ADB, the project management unit, and consultant teams throughout implementation.    Engaging Ministry of Education and Sports (MOES) units. The approach of engaging multiple MOES units as focal points for implementing particular interventions posed some challenges but proved advantageous on balance, enhancing ownership and building capacities to sustain benefits post-project. In addition to close coordination, careful specification of responsibilities and division of labor, clear unit and individual accountability, and sustained monitoring are critical in such a model. |
| Strong government commitment to the education sector and the strategic leadership of the Ministry of Education and Science (MEDS), backed by a highly capable project implementation unit, were important for keeping the project on track. Their commitment and policy oversight ensured that the findings and recommendations from implementation and from the studies supported under the project were considered in the formulation of evidence-based policy.   Having a project implementation unit that was well equipped with qualified, experienced staff also contributed to efficient project management and implementation. Training on disbursement and procurement procedures early on could help prevent deviation from appropriate institutional procedures.   The emphasis on capacity building helped to strengthen capacity for planning, implementation, and monitoring at the central, provincial, soum, village, and school levels. Stronger capacity ensured timely implementation and also contributed to greater awareness of the long-term impact of education sector programs.   The studies under the project provided extremely useful insights into international best practices, raised issues about implementation, and made policy recommendations for consideration by the MEDS. The project implementation unit ensured that for each study, the draft findings were shared at a policy workshop that included MEDS officials and other stakeholders. Having these workshops built into the project design was very useful. This approach has helped to create a better education policy for Mongolia, one based on evidence and practical experience.   Selection of a consulting consortium that consisted of professional education institutions, both national and international, proved to be very effective in providing guidance on international best practices while aptly assessing local conditions so as to make assessments and recommendations. |
| The project cost is within the approved cost estimate, which can be attributed to accurate preliminary and detailed designs. Contingencies envisaged at appraisal sufficiently covered all routine variations. The Sichuan Provincial Transport Department and Sichuan Dashaan Expressway Company Limited started preliminary and detailed designs during the project processing stage, and results of both designs were incorporated in the project design, contract packaging, and preparation of the procurement plan. According to prevailing project design process for the infrastructure sector, it was optimal and beneficial to project implementation to procure works packages on the basis of the preliminary design or preferably the detailed design, which were completed during loan processing.     The connection road between Chengkou County of Chongqing and the project expressway serves as an example on how to spread project benefits among neighboring provinces. Improving access to poor remote areas should not be limited to project areas within the project province, but should be extended to broader areas. This wider coverage of project influence areas may be considered at the project design stage and supported through commitment and coordination from national authorities. |
| Project Management. Strong government ownership was critical to the successful implementation of the project. Creative and practical implementation arrangements ensured the investment program was soundly managed. Under the multitranche financing facility, a distinctive financial intermediary modality was adopted, and a third party was selected to conduct energy savings measurement and verification for each subproject. Furthermore, the executing agency issued and updated management handbooks for the investment program on procurement, financial management and energy savings measurement and verification that ensured the smooth and sustainable project implementation.     Financial intermediary. The financial intermediary loan modality was proved an effective mechanism to support implementation of energy efficiency projects. Evaluations of the financial viability of the candidate subborrowers were conducted independently by the Guangdong Finance Trust Company to assess the financial status of each subproject. The projectï¿½s revolving funding mechanism is operational, and proceeds from the loan repayments of earlier subborrowers are being rolled over to provide loans for more new subborrowers that meet the eligibility criteria. The relending of subloan funds that have been repaid with interest will allow compound growth in the energy savings produced by the project during the ADB loan repayment grace period.     Energy saving estimates. The actual energy savings achieved by the tranche 2 project are much higher than anticipated at appraisal. More accurate methods of estimating energy saving should have been used. The key is to establish an accurate baseline and design a customized measurement and verification method to verify energy savings achieved from the outset. It is also important to use the same methodology for pre- and post-project energy saving calculations.     Measurement and verification. Third-party measurement and verification agencies ensured accurate assessment of energy savings and emissions reduction for subproject, which enabled the energy efficiency benefits and achievement of the overall project to be accurately calculated. |
| ADB was able to use its convening power effectively because it had the necessary in-house technical expertise. Public health experts on ADB's staff with knowledge of emerging infectious diseases were involved in designing and implementing the project. This in-house expertise made the dialogue with the technical and regional agencies to strengthen regional collaboration within and across the animal health and human health sectors possible. This dialogue also highlighted the advantages of using a multisector approach to address the problem of emerging and reemerging infectious diseases to provide national and regional economic development benefits. For partnerships between ADB and technical agencies, ADB needs to have strong in-house technical capacity in the relevant areas. Equally important is to have a dedicated team to support the in-house experts in coordinating and monitoring the implementation of the regional activities. Given the range of technical and regional implementing partners involved, the project did well by fielding experts in key geographical areas (Bangkok and Almaty) to facilitate regional collaboration.     ADB's high-level steering committee demonstrated ADB's institutional support, which enhanced coordination between development partners. The committee, comprising the heads of all regional departments and the Strategy and Policy Department and chaired by the director general of RSDD, provided prompt policy guidance and expedited decisions and actions. It also ensured that the needs of the countries were ascertained and that they had adequate access to project resources.     The project supported the One Health concept, which emphasizes the links between animal health and human health and emerging animal and human diseases. One Health provided a platform for unprecedented integration of animal, human and ecosystem health issues to fight the threat of avian influenza. The systematic collaboration of technical agencies across disciplines, such as FAO (veterinarians) and WHO (medical doctors) and civil society organizations (community health workers) supported by the project has promoted this concept since the beginning of the project. ADB's financial and convening power and its high flexibility and responsiveness under the project helped build up links and strengthen collaboration between World Health Organization, the Food and Agriculture Organization of the United Nations, and World Organization for Animal Health.     The rapid launch and accelerated implementation of the project made necessary by the threat that avian influenza would become a pandemic made it difficult to define verifiable indicators for a number of the outputs under the regional capacity building and regional coordination components. A mid-term review of the project would have facilitated a review and updating of the design and monitoring framework.     Each new outbreak of disease confronts projects such as this one, as well as the implementing partners and global community, with a fresh challenge, because its early spread outpaces the gathering of scientific evidence needed to formulate containment policies. Each successive outbreak is followed by an initial opaque period characterized by a frustrating lack of scientific evidence on which to base policies and technical guidance. In the early days of severe acute respiratory syndrome, the avian influenza, and throughout the H1N1 pandemic, uncertainty hindered decision making, including the decisions on the timing of changing policy from containment to mitigation. |
| Key lessons from previous projects incorporated in and validated by this project included: (i) area-based multi-sector community development projects need to be simple to be effective; (ii) institutions with built-in capacity should be used; (iii) a flexible, demand-driven approach to community development should be followed; (iv) civil works and effective social mobilization should be balanced; and (v) the focus should be on service delivery, rather than on policy reforms involving structural changes that are beyond the scope of an area-based development project. The key lesson from this project is related to avoiding startup delays. The followings should be incorporated in similar future projects: (i) implementing NGOs should be pre-selected at appraisal; (ii) beneficiary contribution requirements should be waived, particularly for cash contributions; (iii) regular staff should be hired in favor of consultants, and (iv) project accounts and sub-accounts should be protected from administrative changes. Given the high unemployment rate in Pakistan (6.3% in 2013) and frequent bans on staff recruitment, political interference with recruitment is a systemic problem and it must be anticipated in all projects. |
| Implementing a customs modernization program entails efforts by not only the customs authority, but also various other government agencies involved in regulating international trade. Strengthening interagency coordination for policy consistency and harmonization is a key to success.   Business process reengineering, which is at the core of customs reform, must be conducted in line with international standards, particularly the World Customs Organization's Revised Kyoto Convention. This will maximize harmonization of customs procedures across borders in the interest of facilitating international trade.   Ownership by the borrower, particularly the implementing agency, is critical to successful implementation. An efficient project management office with dedicated staff and supported by experienced international and national consultants plays an indispensable role in project implementation.   Setting up task forces with experienced and motivated staff from the executing and implementing agencies, as well as staff from other government agencies depending on the nature of tasks, proved effective in executing tasks related to business process reengineering, which is both policy oriented and technical in nature, or to testing and accepting customs automated information system, which relied heavily on ICT.   For customs modernization projects with high ICT content, a pilot operation period of at least 1 year needs to be included at appraisal. This will give system developers and project designers a chance to factor in user feedback before final acceptance.   Proactive engagement with the private sector helps ensure effectiveness of business process reengineering, improve system user-friendliness, and facilitate acceptance by the trade community.   Close donor coordination will ensure that project activities are implemented in a synchronized manner.   For ICT-related projects, attracting and retaining high-caliber engineers is a challenge and requires special solutions, e.g., designing special incentive packages. |
| Local government reform is a complex undertaking, involving major changes in the regulatory framework, institutional arrangements, supporting infrastructure, and human capacity. It also requires a long-term perspective in both design and implementation. Thus, the government?s continuous commitment to reform, its ownership of the program, and collaborative support by the donor community are all necessary elements in designing local government reform through a programmatic approach. The Local Government Financing and Budget Reform program cluster shows that ADB, through continuous dialogue with the government and collaborative financing with other donors, was able to develop a well-designed program that is sufficiently demand driven. Substantial reforms were accomplished, which laid a stronger foundation for achieving the program's objective of more effective delivery of key government services at the local level. The program's success and likely sustainability can be attributed also to the technical assistance activities undertaken during implementation, which have strengthened the capacity of local officials in carrying out reforms.  project cycle stage:   Lesson Topics: |
| 1. The financial intermediary loan modality was adopted, and the loan proceeds were relent to support implementation of more energy saving and emission reduction projects. Separate evaluations of technical feasibility of the subprojects and the financial viability of the candidate subborrowers were conducted by the efficiency power plant project management office and Guangdong Finance Trust Company independently to ensure that the technical merits and financial status of each subproject were assessed.  project cycle stage:   Lesson Topics:    2. The actual energy savings achieved of the tranche 1 project are much higher than the anticipated energy savings at appraisal. More elaborate methods of energy saving estimates should have been used. The key is to establish an accurate baseline and design a customized measurement and verification method for verifying the energy savings achieved at the outset. It is also important to consistently use the same methodology for ex ante and ex post energy saving calculations.  project cycle stage:   Lesson Topics:    3. Measurement and verification. ADB Independent Evaluation Department's report noted that the Guangdong provincial government had incorporated appropriate measurement and verification (M&V) of energy savings for the multitranche financing facility investment program implementation. Third-party M&V agencies ensured fair assessment of achievements of energy savings and emission reduction. The measured and verified results of each subproject provided a solid basis for computing the energy efficiency benefits and achievement of the project.  project cycle stage:   Lesson Topics: |
| 1. Experience on several ongoing and completed projects in Afghanistan has shown that project implementation is delayed due to two main factors: start-up delays and adverse security issues. Taking advance actions before grant or loan effectiveness can easily address these problems, as demonstrated on this project. Timely actions were taken to speed up implementation readiness, such as advance procurement of works and consulting services, award of contracts, site handover, and timely establishment of a fully staffed project implementation unit. These actions successfully avoided start-up delays. Furthermore, the provision of comprehensive security arrangements, with advance administrative approvals, resulted in an uninterrupted project implementation. Based on a careful assessment of the security arrangements, about 463 police personnel were deployed along the railway line and at about 62 check posts.  project cycle stage:   Lesson Topics:    2. For implementing large-scale and complex projects with a strict timeframe, the preferred form of contract can be engineering, procurement, and construction (EPC) turnkey. For this project, works were awarded under the EPC turnkey contract using a fixed-price and fixed-delivery schedule with penalties for nonperformance and a bonus for early completion. This provided reasonable economic stimuli for timely project completion.  project cycle stage:   Lesson Topics:    3. Combining the engineering, procurement, and construction (EPC) and operation and maintenance (O&M) into one package may yield more efficient and cost-effective outputs. On this project, this would have given all the parties a clear understanding of the requirements from the beginning, and risk-mitigation measures could have been built into the contract appropriately. The contractor would also have been particularly vigilant in ensuring the best quality of works during construction. In addition, the bidder would have had an opportunity to come up with more innovative ways of implementation and might have offered a more cost-effective bid. This combination could also minimize any additional due diligence required during the O&M contracting and would result in time savings. However, the concentration and performance risks would need to be mitigated through performance standards and deterrent contractual provisions.  project cycle stage:   Lesson Topics:    4. For projects where multiple government agencies are involved in decision making, it is important to establish coordination through an executive committee made up of representatives of the concerned agencies, chaired by a high-level government official and/or champion. Such a committee can facilitate the provision of overall guidance, ensuring expeditious approvals from various agencies, and in places where security is a major concern, could ensure that the project is implemented uninterrupted with sustained security arrangements.  project cycle stage:   Lesson Topics:    5. Implementing a project of this magnitude and in a strict timeframe was quite challenging. However, this can be achieved through exceptional involvement of donors. ADB provided enhanced supervision both from headquarters and the resident mission. Staffs were closely involved in identifying and promptly resolving issues. Any matter requiring ADB's internal approval was expedited and funds were released with fast-track processing. Furthermore, a fulltime implementation consultant was mobilized by ADB on site to provide coordination, implementation assistance, and independent reporting. All these factors contributed to timely resolution of implementation issues and completion of the project.  project cycle stage:   Lesson Topics: |
| Strong government ownership is critical to the successful construction of the project and important to facilitate effective implementation and delivery of development results in ADB-financed projects. The Dagushan Hydropower Company (DHC) was consistently proactive and took initiative in solving problems, including the provision of design documents, timely delivery of equipment, approach to dealing with issues, and other areas. DHC's initiative guaranteed appropriate procedures and timely action for key tasks.  project cycle stage:   Lesson Topics: |
| Project-related. Since the India Infrastructure Project Financing Facility (IIPFF) was rated as highly successful, the lessons learned focus on ADB operations in the financial sector in India rather than being limited to the appraisal and implementation of the facility. While the executing agency did not raise any concerns about ADB's 4-month approval process for subprojects under IIPFF, they built it into their own appraisal procedures to allow for effective coordination with the other consortium lenders. This demonstrates that (i) clear communication and adequate expectations about the length of ADB's implementation procedures are essential to ensure the executing agency's satisfaction with ADB; and (ii) there is room to improve and streamline internal implementation procedures to reduce endorsements to less than 4 months, thereby demonstrating client-orientation and relevance.  The Ministry of Finance (MOF) emphasized the limited fiscal space for public guarantees, including to the India Infrastructure Finance Company Limited (IIFCL). MOF agrees with IIFCL on the importance of credit enhancement products without guarantees by the sovereign. ADB was asked to play a catalytic role in the development and implementation of such products. The MOF and the executing agency both expressed concern about the delays in the approval process. ADB clearly needs to strengthen innovative product development to ensure that interventions are relevant to changes and developments in the financial markets in India and to increase internal coordination to avoid delays in credit risk appraisal and approval.  Another lesson learned is the importance of dialogue and raising awareness for environmental and social safeguards. Initially, the emphasis on safeguards was considered a hindrance rather than an important aspect of IIFCL's project appraisal. Continuous dialogue and awareness raising with senior management and staff training on safeguards were crucial in making safeguards an important consideration in the credit decision-making process. IIPFF benefitted from extensive coordination and collaboration with other development partners such as the World Bank, Japan Bank for International Cooperation, and Kreditanstalt fu?r Wiederaufbau (KfW) to develop a common environmental and social safeguard framework (ESSF).  General. In assessing the overall effectiveness of ADB's intervention through the facility, the performance indicators should be more accurate and aligned with the stated impact and outcomes following ADB's Guidelines for Preparing a Design and Monitoring Framework (2007). |
| The project was the third ADB loan to India for rural road development and the second under the Rural Roads Sector II Investment Program. The project has helped the government at both central and state levels to identify gaps in various project implementation activities, and the lessons include those listed below.  Project benefit monitoring. For investments in physical infrastructure to be effective and sustainable, the investment program needs to focus more on sex-disaggregated data analysis. Road improvements have a high potential to bring improvements in reproductive health, education, possession of movable assets, employment opportunities, and nutrition. Monitoring of selected sex-disaggregated key indicators should be incorporated in future subprojects under the program.  Time requirements for completing a subproject. Following the Prime Ministerï¿½s Rural Roads Program (PMGSY) guidelines, each civil works contract had a stipulated completion period of 12 months. However, it was found that 12 months were insufficient, especially given pre-construction activities, the capability of contractors, and adverse weather conditions in the project area. It was found that at least 15-20 months were needed for all project activities. The proper timing of the signing of civil works contracts in relation to the monsoon period may avoid the loss of construction time due to the monsoon. This should be considered and incorporated into future subprojects under the investment program.  Project readiness and utility relocation. Project preparation had some weaknesses during the design phase, especially in site reconnaissance and consideration of design alternatives. Strengthening this aspect would avoid problems and associated delays in project implementation. Relocation of electricity poles and telecommunication lines was a common problem faced in almost all contract packages. Therefore, early and precise identification and preparationï¿½such as sufficient survey provision, accurate cost estimation, adequate and timely budgeting, and adequate coordination with concerned departments and state organizationsï¿½ should be incorporated into future subprojects.  Availability and capacity of the contractors. The number of contractors was limited and the number of responses from bidders was low. All civil work contractors were local and some lacked working facilities, funding resources, and/or skilled and qualified staff. The weak capacity of some local contractors was a major cause of project delays. Also, some civil works packages were geographically spread out, making it difficult for contractors to manage their resources, labor, and materials. Although some contracts were terminated and new contractors selected for the balance of the work, the overall capacity remained inadequate. In future projects, contract management should be enhanced, and the contract packages could be larger in scale to attract experienced, reputable nationwide or global contractors. |
| In order for it to be efficiently implemented, a multisector area development project covering multiple districts must have (i) the Agency for Barani Areas Development (ABAD) as the executing agency, since it has the essential mandate; (ii) a decentralized project management model with dedicated staff and market-based salaries and benefits; (iii) flexible, demand-driven design of interventions; (iv) minimum beneficiary funding requirements; (v) fewer consultants and more regular staff; (vi) clear and realistic gender and development (GAD) targets; (vii) a duration of at least 8 years; (viii) pre-selection of nongovernment organizations (NGOs) at appraisal to avoid start-up delays; (ix) flexibility in loan extension and responsiveness to security crises and natural disasters; (xi) a dedicated sub-account for district governments; and (xii) a project performance management system designed at appraisal. The combination of a line agencies' support fund, a project allowance for concerned line agencies staff, and community participation ensured the accountability of line agencies and contractors. |
| 1. Major changes in scope were undertaken during implementation. The coal-bed methane/ coal mine methane (CBM/CMM) subproject was revised, two subprojects cancelled, and another two subprojects added, although these did not affect the project outcome. While minor changes in scope and implementation arrangements are inevitable during project implementation, major changes in project scope involve additional inputs and resources from both the government and ADB in undertaking due diligence. Prudent prescreening of subprojects is thus essential during loan processing, especially where the subproject (like the CBM/CMM Development Component) depends on contractual agreement with a third party. [Main text, para. 60]  project cycle stage:   Lesson Topics:    2. Deviations between the final project costs and the appraisal estimates were small. The results were achieved through coordinated efforts made by all parties involved in project implementation. Properly administered bidding processes were vital in obtaining advantageous bid offers. Proactive Project Management, both in equipment procurement and construction, enabled capital cost savings and ensured the quality of construction and equipment supply. The effectively adopted external supervision mechanism also played an important role in improving the quality of the project. The selection and hiring of competent international and national consultants ensured that the quality standards required for projects were met. [Main text, para. 61]  project cycle stage:   Lesson Topics: |
| 1. The overall design contributed to promoting country ownership through the following qualities: (i) relatively simple scope with realistic and achievable goals, (ii) long-term perspective and commitment, and (iii) strong development partner collaboration. These are also consistent with lessons from ADB's special evaluation on promoting good governance in the Pacific. [Main text, para. 45]  project cycle stage:   Lesson Topics:    2. Development partners' coordinated technical and capacity support to the government was critical to achieving the reform in a timely manner. A comprehensive economic and fiscal reform program needs to be backed by a common understanding of both the budget and the strengths and weaknesses of the development strategy, budget processes, and approaches. Setting policy priorities requires careful review, analysis, and implementation by capable government agencies. [Main text, para. 46]  project cycle stage:   Lesson Topics:    3. It is important that development partners remain united on key policy messages and policy actions. The creation of a government-multidonor core economic working group (CEWG) was transformational. The main strengths of the CEWG were its focus, the extent of aid coordination, the regularity of its operations, and the lower transaction costs for the government. [Main text, para. 47]  project cycle stage:   Lesson Topics:    4. Progress in implementation of policy actions needs to be jointly assessed by government and all relevant development partners. This ensures a consistent base for release of funds. The decision to track the program's reforms as part of the quarterly core economic working group dialogue and annual review process reduced the compliance burden on the government and contributed to a shared understanding of progress made among the partners. [Main text, para. 48]  project cycle stage:   Lesson Topics:    5. Policy dialogue requires on-the-ground support from ADB. Establishment of the ADB-World Bank joint development coordination office in October 2008 played a key role in forging successful policy dialogue. [Main text, para. 49]  project cycle stage:   Lesson Topics:    6. Including measures for state-owned enterprise (SOE) and transport policy reform under the program provided an added incentive to the government to implement agreed reforms on a fixed time schedule. It is uncertain whether SOE reforms would have progressed as rapidly if they had been supported by advisory technical assistance alone without the complementary milestones for SOE reform under the program. [Main text, para. 50]  project cycle stage:   Lesson Topics: |
| The participatory approach and the adoption of gender mainstreaming in village investment planning and implementation are key factors in the project's success. Poor farmers, including women, decided on the type of investments needed in their villages. That instilled in them a sense of ownership and responsibility that was critical to sustainability.  The focus on very poor, remote villages where limited government programs were operating contributed to the success of the project. The villagers really valued the investments and were willing to provide significant contributions.  Village-based planning, construction using local labors, and the operation and maintenance (O&M) of small- scale village infrastructure have leveraged local resources, as compared with contracting them to a third party. This strategy minimizes potential corruption.  The mobilization of farmer groups is most effective with the active participation of village facilitators (50% of whom were women) who are village residents or respected village leaders (e.g., religious leaders), and the successful involvement of a consortium between a national nongovernment organization or NGO, local NGOs, and other civil society organizations.  Close coordination between the district governments, the Indonesian Agency for Agricultural Research and Development (IAARD) and assessment institute for agricultural technologies (AIATs), and the village heads from the start of the project is crucial in ensuring their continuous support after project implementation to sustain the benefits gained from the project.  An effective monitoring system that uses clear criteria and indicators to track development, including a digital map monitoring system, contributed significantly to the successful implementation of the project. |
| The successful construction of the project resulted from the strong government ownership and provides a valuable lesson on the importance of this factor in facilitating effective implementation and delivery of development results in ADB-financed projects. The Erlongshan Hydropower Company (EHC) always took the initiative in solving problems, including in the provision of design documents, timely delivery of equipment, approach to dealing with issues, and other areas. The owner's initiative guaranteed appropriate procedures and timely action on key tasks and when problems arose.  The external supervising mechanism was also effective and played an important role in improving the quality of the project. The selection and hiring of competent international and national consultants ensured that the quality standards required for the project were observed.  Procurement. Properly administered bidding processes were vital to obtaining cost- effective bid offers. Strict adherence to such processes, both in equipment procurement and onsite construction, facilitated savings on capital costs and ensured quality construction and equipment. The engagement of an experienced procurement agent proved to be a key factor in facilitating efficient procurement.  Counterpart financing. The project funds comprised international funds and domestic funds. For smooth project implementation, the timely availability of counterpart funds is a key issue. For the project, the actual ADB financing was $22.0 million and the counterpart funds mobilized from stockholders and local banks was $35.9 million, all of which was provided in a timely manner that ensured smooth project implementation and early project commissioning.  Carbon revenue. The project was successfully registered as a clean development mechanism (CDM) project and was able to source significant amounts of revenue from the sale of carbon credits, thereby making it financially viable. This offers valuable lessons as a successful demonstration project for other clean energy developers in the region.  Social development. The project has contributed to regional sustainable socioeconomic development, poverty reduction, and community development in the project area. The good practices of the project include (i) the formulation and implementation of the community development plan, which greatly promoted the development of local communities and enabled the local people to enjoy the benefits from the project in harmony with their traditional values and customs; and (ii) the great importance given to social issues by the Erlongshan Hydropower Project (EHP) throughout project implementation and subsequent operation of project works to strengthen its relationship with local communities. |
| As a pioneer in Sichuan Province in applying software to manage road projects, Sichuan Panxi Expressway Company Limited (SPECL) developed a construction management and administration system as the main tool managing major project implementation activities. Under the system, tripartite management of project fund application, disbursement, and supervision was established between the employer, contractors, and the local commercial bank. With the assistance of the system, SPECL could remotely supervise the implementation progress of each package in terms of quality control, adherence to schedule, and accuracy in cost control. Meanwhile, SPECL could administer and monitor the status of disbursed funds flowing between the bank and the contractor to ensure the disbursed funds were utilized for the intended purpose. The system is now being replicated and applied in other domestically financed road projects in Sichuan Province.  The project cost amounted to CNY7.162 billion, which is CNY1.272 billion less than the CNY8.434 billion approved at appraisal. Project contract management was effective and efficient, focusing on key contract items including key personnel, equipment, scheduling, construction quality, safety, environmental protection, and avoiding corruption. Accumulated knowledge and experience were shared and disseminated. SPECL dispatched regular and special inspection missions during construction and issued orders, regulations, and special notices to contractors as needed. Contractors strictly followed the contract, mobilizing and fielding competent and diligent project managers responsible for implementation. Under a strict contract management system, contractors and national supervision engineers performed as required and stipulated in contracts, which ensured satisfactory outputs.  As the first mountain-traversing expressway in Sichuan Province, the project expressway crossed geo-technically difficult and complicated terrain. To cope with various technical difficulties and challenges, Sichuan Provincial Transportation Department (SPTD) and SPECL initiated 14 technical studies associated with the project expressway's construction. Of the 14 studies, two were awarded state patents and eight were acknowledged as achievements at the provincial and ministry level. The application of these technical research products in the project expressway's construction generated significant social and economic benefits. For example, technical innovations in the study of road construction on Xigeda stratum has been widely used in constructing other road projects, allowing significant cost savings. Other ongoing road projects also benefitted from these studies. The initiation and wide application of the knowledge products are commendable. |
| Socially responsible budget. Rapid disbursements into a budget that is socially responsible and sound in macroeconomic terms provide an efficient channel for supporting sustainable and inclusive public spending, including social sector financing.  Loan size determination. The projected budgetary financing requirement provides the rational for determining the loan size for budget support attached to a policy reform agenda, and it rests on unfunded fiscal ï¿½adjustmentï¿½ costs of reform, including both recurrent and capital expenditures. |
| For complex multisector projects, monitoring of implementation through a central project steering committee (PSC) at a plenary ministry of the borrower is indispensable. Regular interaction between the borrower and ADB through the PSC contributed greatly to the success of the project. The use of a sector approach proved highly beneficial in identifying eligible subprojects spread over a wide geographical area, and enabled reallocation of loan funds from one component/sector to another based on a final needs assessment and performance. Disbursement of funds through separate imprest accounts for the executing agencies handling the contracts also proved to be efficient. When implementing an emergency assistance project, provision for strong consultant support and advance action to select and field them immediately after appraisal proved important.  In Bangladesh, the Local Government Engineering Department (LGED) and Roads and Highways Department (RHD) are still the two agencies that are reasonably capable of implementing ADB-assisted emergency projects. Implementation experience suggests that emergency assistance projects generally require adequate program for capacity building in the executing agencies, with strong institutional support regarding contract administration and fostering familiarity with ADB procedures for procurement and disbursement. This will help ensure timely completion of contractual works, submission of withdrawal applications, and liquidation of imprest accounts.  Experience from the project demonstrated that the adoption of simplified approval procedures for procurement and other project activities is effective and enabled timely implementation of the project, and catalyzes early restoration of people's livelihood in the project-affected areas.  As experienced in all past ADB-financed emergency assistance projects in Bangladesh, delegation of authority to ADB's resident mission in the borrower's country is essential for effective monitoring and immediate decision making. |
| ADB's business procedures for processing crisis response programs should be streamlined and abbreviated, as in the case of the Countercyclical Support Facility (CSF). This allows for crisis responses to be timely and prevent further deterioration of the economy.  By not having any policy conditions other than the government's countercyclical expenditure programs, the Kazakhstan Countercyclical Support Loan (KCSL) was an effective and efficient instrument to respond to the financial crisis. While reforms to correct policy inconsistencies during crisis situations might be desirable, countries that are in the middle of financial crises would find it difficult to simultaneously undertake both crisis mitigation and reforms. What these countries need most urgently in times of financial crisis is quick and timely fiscal support to address the economic and social impact of the crisis. However, as crises open opportunities for reforms, policy dialogue should be initiated for follow-up operations. But such dialogue should not at any time delay the timely provision of financial crisis support.  The success of a financial crisis response is highly contingent on the government's ability to quickly put together its own anti-crisis plan. ADB intervention can be in the form of financing for the anti-crisis plan. In the case of the KCSL, the government already had its employment-generation program (EGP) in place, and was able to use the KCSL funds immediately to finance the EGP. However, since the KCSL is a budget support instrument, it is difficult to track and link the financing with specific development results (e.g., which public works project it funded).  Crisis response operations can be more successful if the government has well- defined implementation arrangements and monitoring mechanisms to be successful, as was the case with the KCSL. |
| The technical assistance (TA) for preparing the project was inadequate. Project preparatory TA was designed and implemented similarly for all countries in terms of budget, scope, and expertise. However, Tajikistan needs more technical support from ADB, especially in engineering aspects. Due to inadequate engineering survey and design, as well as little involvement of government officials, numerous changes in quantity and methodology were required during implementation. ADB should provide suitable technical assistance according to need (which will differ from country from country) and select suitable consultants.  The project was the second ADB-financed road project in Tajikistan. Therefore, the Ministry of Transport and Communication (MOTC) and project implementation unit (PIU) need to be familiarized with ADB's policies and procedures. However, the familiarization effort was inadequate. ADB should continue to train MOTC on its policies and procedures and PIU staff for existing and future projects. In addition, frequent changes in ADB project officers caused discontinuity in project administration. The transfer of project administration from ADB headquarters to the Tajikistan Resident Mission occurred almost at the end of the project (2008), and this made it difficult for the resident mission to take over. Transfer of the project at a late stage of implementation should be carefully considered. Frequent replacement of ADB project officers should be avoided. |
| Interagency committees may be unnecessary. The program required the creation of two committees-the microfinance policy steering committee (MPSC) and the technical working group (TWG)-comprised mostly of representatives from the same five government agencies. The loan agreement for the investment loan required that the committees meet at prescribed intervals. However, the committees were not created on time and met only twice. Nevertheless, all program outputs were achieved.  Enacting legislation and adopting regulations frequently take more time than anticipated. Because a microfinance law had already been drafted when the loan was approved, and because some stakeholders believed that it could be passed within a few months, the program timetable assumed that it would be passed quickly. Instead, it took 11 months after program approval, partially because Parliament decided to hold hearings. The program timetable also anticipated that NBT regulations implementing the law would be drafted while the law was being considered by Parliament. Therefore, the regulations could be implemented quickly after the law was passed. Instead, the regulations did not become effective until 1 year after the law was passed.  Inconsistent policies result in confusion and program delays. In several previous projects, ADB had not objected when the government directly appointed the project manager instead of utilizing an open recruitment process that excluded existing government staff and included public solicitation and ranking of qualified applicants. ADB initially insisted on an open recruitment process, but eventually acceded to the government's request for direct appointment. Since the establishment of the project management unit (PMU) was a condition of effectiveness for the policy loan, this dispute delayed loan effectiveness by several months. |
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| Taxation of Microfinance Institutions (MFIs). In response to the policy action called for by the Microfinance Development Program (MDP), the revenue regulation on taxing nongovernment organizations (NGOs) and cooperatives engaged in microfinance activities was issued by the Bureau of Internal Revenue (BIR) toward unified tax treatment for microfinance-operating NGOs and cooperatives. It clarified the BIR interpretation of the Philippine Tax Code applied to these organizations. While issuing the revenue regulation completed the policy action required, it has not been effectively implemented because of a different interpretation by NGOs insisting on their tax exemption, which is widely applicable to nonprofit and non-stock organizations, and the new cooperative code in effect since 23 March 2009 clarified the tax-exempt status of cooperatives. The lesson from this experience is that the clear and consistent tax treatment that the MDP aimed for cannot be achieved without considering revisions to the tax code, and this seems to be extremely difficult to do in the 2 years of program implementation, given the time required to change the law.  Philippine Postal Savings Bank (PPSB) Privatization Options. The MDP called for financial assessment and valuation of the PPSB to formulate privatization options and plans, with the aim of increasing the efficiency and outreach of PPSB operations in rural areas. The Privatization Management Office (PMO) has undertaken an assessment with assistance from its financial advisor. PMO submitted the privatization options and action plans for PPSB, including the financial assessment and valuation, to the PPSB board of directors, which discussed them on 9 October 2007. The privatization study helped the PPSB board raise awareness of the importance of enhancing operational efficiency for future privatization. Yet, PMO has not formulated an action plan for PPSB privatization, as a variety of options remain to be considered: whether PPSB should be privatized after being separated from the Philippine Postal Corporation or the whole of the Philippine Postal Corporation should be privatized. Despite full compliance with the policy action, actual progress toward privatization has not yet been seen. This shows weak leverage in the policy action toward the expected outcome. The MDP should have sought concrete progress for PPSB privatization through more detailed policy action than seeking board consideration alone. Alternatively, if smooth progress toward PPSB privatization was not expected, this policy action should have been excluded from the MDP policy matrix.  National Anti-Poverty Commission (NAPC) Website. NAPC's website, developed under MDP technical assistance (TA) in response to the policy action, could not effectively receive any complaint from the public for lack of public awareness of it and constraints on the NAPC data system. The current system- development plan for NAPC to upgrade its computer system is expected to restore the NAPC website to full functionality. The lesson from this experience is that, at the formulation stage, the MDP should have assessed the capacity of the NAPC information system to sustain the operation of its newly designed website. |
| Program Loan Modality. The modality with indicative actions being formulated in the predecessor program (Second Development Policy Support Program or DPSP-2) which then form the basis for the translation into triggers in the successor program (Third Development Policy Support Program or DPSP-3) have shown that it is a practical and a sufficiently flexible approach to pursue constructive policy dialogue.  Donor coordination. The Development Policy Loan(DPL)/Development Policy Support Program (DPSP) developed to become the most important platform for key donors to coordinate policy-based programs in Indonesia. The Government welcomed the development of a consistent approach to key reform issues among key donors as a harmonized approach not only strengthens the reform agenda but also reduces transaction costs of the Government in dealing with development partners.  Coordination within Government. To develop joint positions on targeted policy issues necessitated regular and continuous interagency consultation and coordination that may have indirectly led to systemic changes in policy coordination processes within key agencies of the Government. This was noted by stakeholders during the review process. It was also mentioned not to expand the policy dialogue into too many fields as coordination involving multitudes of departments would become increasingly difficult.  Formulation of triggers and flexibility. In formulating triggers equal weight needs to be given in driving reform processes by also assuring the continuity of the Program. A deep understanding of the bureaucracy and political will is absolutely essential. Besides the selection of triggers it was important to identify the reformers that assisted in pushing for their implementation.  Strengthening change management capacity in the Government. The success of DPSP-2 and DPSP-3 hinged on the proactive role taken by key counterparts willing to take up difficult change-management functions. This involved a strong communications strategy with all concerned stakeholders, making assessments of potential gains and losses to key stakeholders, having realistic assessments of the timeframes required to implement specific actions, and identifying potential risks and obstacles as well as remedial and palliative actions. It was widely recognized that supporting the agencies leading the reform process (through advisory services or technical support) would yield disproportionately large benefits in terms of facilitating future reforms and the formulation and design of the Government's forward-looking reform agenda. |
| 1. The successful project construction resulted from the high ownership of the project as promoted by the Government throughout the country. The Xiaogushan Hydropower Company (XHC) always took the initiative in solving problems in the provision of design documents, the timely delivery of equipment, the approach to dealing with accidents, and other areas. The owner's initiative guaranteed appropriate procedures and timely action. [Main text, paras. 24,42]  project cycle stage: Design, Implementation  Lesson Topics:    2. The external supervising mechanism, effectively adopted, played an important role in improving the quality of the project. The selection and hiring of competent international and national consultants ensured that the quality standards required for projects with high investment costs were observed. [Main text, paras. 20,43]  project cycle stage: Implementation  Lesson Topics:  Project Management: Consultants Project Management: Procurement Project Management: Project supervision  3. roperly administered bidding processes were vital in obtaining advantageous bid offers. Following these processes, both in equipment procurement and in site construction, enabled savings in capital cost and ensured the quality of construction and equipment supply. Deviations between the final project costs and the appraisal estimates were noted to be marginal. [Main text, paras. 10,11,19,44]  project cycle stage: Implementation  Lesson Topics:  Finance & Financial Aspects: Financial management Project Management: Procurement Project Management: Project management  4. For smooth project implementation, the required funds must be available on time. The availability of counterpart funds was a key issue, as the funds could not be secured until the project launching. ADB staff must carefully scrutinize counterpart fund arrangements and availability during project appraisal. [Main text, para. 45]   project cycle stage: Appraisal Implementation  Lesson Topics:  Finance & Financial Aspects: Counterpart funds Project Design: Appraisal  5. Comprehensive training in ADB procedures and guidelines and project administration for the project management staff at the start of and during project implementation helped improve project performance. The Project Management, financial management, and performance management capacity of the implementing agency was strengthened through domestic training, overseas study tours, and consulting services. [Main text, paras. 9,16,46]   project cycle stage: Implementation  Lesson Topics:  Project Management: Consultants Project Management: Project administration Capacity Development: Capacity development  6. The delegation of project administration to the resident mission resulted in more efficient communications between the executing agency, the implementing agency, and ADB. Thereby, resolving more efficiently various implementation issues. The PRC resident mission, among others, provided clear guidance and action plans for resolving key issues in financial management, environment and resettlement monitoring, benefit monitoring, and reporting. [Main text, paras. 22,47]  project cycle stage: Implementation  Lesson Topics:  Project Management: Project management Other: Resident Mission  7. Land acquisition and resettlement were generally implemented well. Besides cash compensation for grassland acquired for the project, the implementing agency has provided annual fodder subsidy to households that were seriously affected. The special subsidy has largely helped to mitigate the loss of fodder from the acquired land. This is good practice and can be applied in future projects where the situation is similar. However, an area that would require improvement is the adequate cost estimation of land acquisition and resettlement (including government fees and resettlement monitoring cost); hence, ensure sufficient budget allocation particularl for future projects. [Main text, paras. 34-35,48(i); Appendix 13]   project cycle stage: Design, Implementation  Lesson Topics:    8. The implementation of the community development plan has greatly promoted local community development and enabled the local people to share harmoniously in project benefits. The community development plan, implemented by Xiaogushan Hydropower Company (XHC) and the local governments, covered local roads improvement, education, health, religious protection, electricity supply, water supply, telecommunications, technical training, and job opportunities. The plan was drawn up during project preparation and the early stages of implementation to ensure the development of local communities in harmony with traditional values and customs. Such a plan may be needed in other similar projects in the PRC; in which case, it should be included in the project budget. [Main text, paras. 36-37,48; Appendix 14]  project cycle stage: Design, Implementation  Lesson Topics:    9. An effective regime of ecological management for areas with construction projects can contribute to successful implementation of conservation measures in project reservoir area. In this energy project, soil and water conservation measures were implemented effectively in the reservoir area. Five percent of hydropower company's annual tax payments to the municipal government (Zhangye) go into a special fund to be used to finance projects, and maintain and improve ecological functions in the reservoir area and the Qilian Mountain Nature Reserve. Projects were implemented jointly by the municipal forestry bureau and the local county or township government. The municipal financial bureau has issued financial management regulations specifically to manage the funds collected. A long-term project plan has also been prepared for the use of the special fund for works and projects in the reservoir protection area. Such institutional arrangements have provided a very effective financing instrument for the sustainable support of ecological conservation in the long run. [Main text, para. 48; Appendix 12, para. 12]  project cycle stage: Design, Implementation  Lesson Topics: |
| 1. The provision of free house wiring kits under the project to some customers has been unsuccessful, in part due to concerns on targeting and consumer acceptance. Even with the village electrification kit, evaluation noted poor uptake among the poor and there remains potential consumers who are still without electricity. A project database would be helpful to relevant authorities as this would allow consumers who failed to connect to be readily identified and proactively supported. It would also be useful to examine alternative, more socially acceptable mechanisms for helping poor households install the internal house wiring needed before electricity can be supplied (e.g., provision of low interest loans that would be repaid in installments following energization). [Main text, paras. 23, 54]  project cycle stage: Design, Implementation  Lesson Topics:  Monitoring & Evaluation: Data collection and management Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Project Management: Management information system Project Management: Project management  2. The mission has noted significant variations in the assumptions made in various ADB reports regarding initial electricity consumption and consumption growth rates in newly electrified project areas. Individual consumption must be accurately measured for billing purposes, meaning actual consumption and growth rates in project areas could be directly measured though a project database linked to Bhutan Power Corporation's billing system. Given the strong link between electricity consumption and poverty alleviation, poverty impact assessments would benefit from greater reliance on data that can be accurately measured. Such data would also permit more accurate economic and financial analyses to be undertaken of both existing and proposed projects. Bhutan is unique in that almost all its electricity is generated from a renewable resource; encouraging the use of electricity as a substitute for traditional energy sources will have a positive environmental impact. Accurate data on electricity consumption in different project areas may assist relevant government agencies plan such initiatives. [Main text paras. 51-52, 55]  project cycle stage: Design, Operation  Lesson Topics:  Monitoring & Evaluation: Data collection and management Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Project Management: Management information system Project Management: Project management Project Management: Project supervision |
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| 1. Active involvement by beneficiaries in the project process through effective social mobilization is key to the success of rural water supply and sanitation projects.  project cycle stage: Implementation  Lesson Topics:    2. Training, awareness raising, and capacity-building of beneficiaries is also instrumental in ensuring the sustainability of subprojects that are owned and operated by the communities.  project cycle stage: Implementation, Operation  Lesson Topics:  Capacity Development: Capacity building Policy & Reform: Information dissemination/Public awareness |
| A general lesson from the Project is that the actual freight traffic in the initial years of operation was much higher than the appraisal estimates, reflecting the strong economic performance in the People's Republic of China (PRC) in general and in the project area in particular. Projections of output levels resulting from development activities that will be catalyzed by the transport investment should be carefully estimated. Development of other transport modes in the project area needs to be carefully reviewed and updated. Traffic forecasting for ADB ongoing projects is improving and needs to be continually strengthened to ensure more realistic assessments.  In March 2006, the consultants providing industrial development and marketing assistance pointed out that the railway was unable to meet demand, primarily due to a shortage of wagons. This has been the case for some years, with an estimated shortage of 35% nationwide.  Though not funded under the Project, access and link roads are critically important to the successful operation of the facility. While the proposed roads were reasonably well defined at appraisal, the monitoring of their construction was not robust. The construction and finalization of all access and link roads should have been more closely monitored and evaluated by the executing agency (EA) during implementation and at project completion to ensure better access. |
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| The Project serves as a model for good quality and project readiness at entry. This was the result of (i) project preparation by the National Highways Authority of India (NHAI) through its own resources; (ii) deployment of a project team by NHAI at headquarters and the field office in the initial stage to supervise project preparation, and undertake procurement activities and preconstruction activities; and (iii) advance action on civil works procurement, recruitment of construction supervision consultants, and preconstruction activities such as shifting of utilities, cutting of trees, and land acquisition. NHAI fulfilled the conditions for contract award on preconstruction activities and awarded all the contracts soon after Board approval of the Project.  The total contract value for all the civil works contracts at the time of contract award was Rs5.658 billion ($130 million equivalent) compared with an appraisal estimate of Rs6.707 billion ($180.5 million equivalent), resulting in substantial loan savings. There were also substantial loan savings from the Western Transport Corridor Project. The lessons were incorporated by ADB in its subsequent loans through careful review of cost estimates and adoption of a sector loan modality, which allows inclusion of additional subprojects subject to compliance with the eligibility criteria.  The loan surplus allowed incorporation of additional works on the project road to improve road safety and remove capacity constraints at congested urban locations. These works were not envisaged at the time of project formulation and design, as the Project was one of the earliest under the National Highways Development Project (NHDP). From NHAI's experience in formulating and designing vast stretches under NHDP and from projects completed through ADB and World Bank assistance, these additional works were considered necessary to improve road safety and remove capacity constraints. With the use of loan savings, the additional works were timely incorporated as part of the Project, as they were integral to the original works and would have been difficult to implement at a later stage.  Although NHAI had initiated the process of seeking Government approval for the additional works under the Project in October 2001, such approval was considerably delayed. The public investment board (PIB) clearance was issued in December 2003 and the cabinet committee on economic affairs (CCEA) approval in October 2004. The delay in the two clearances was one of the reasons for the delay in contract package 1 and the claims made by the contractor. The Government needs to streamline the procedures for speedy PIB/CCEA clearance.  NHAI took considerable time in deciding on contractual matters such as contract variation, extension of time, interest against delayed payments, and release of performance security. Delegating certain contractual and financial authority at NHAI headquarters and in the field offices, and streamlining the procedure for contractual decisions would expedite project implementation.  The contractors for contract packages 1 and 2 were joint-venture firms, with a foreign lead partner and a domestic partner. The participation of the foreign lead partners in executing the contract for both packages was not satisfactory, as they did not provide adequate financial resources, equipment, and key personnel. Implementation of the contracts suffered due to lack of adequate participation by the lead partner. A similar problem with joint-venture contractors was also experienced in the Western Transport Corridor Project. The qualification requirements for the other partner and the contractual obligations of the lead partner have since been strengthened in the subsequent projects to avoid such situations. |
| 1. The project introduced a unique method for introducing private equity into a previously state-owned operation. The clear corporate governance structure and transparency in the State Gas Corporation's subsidiary company was cited as a model by the private sector minority shareholders. [Main text, para. 42, 58]  project cycle stage: Feasibility, Implementation  Lesson Topics:  Crosscutting Issues/Themes: Corporate governance Sector Related Issues: Private sector Policy & Reform: Privatization Policy & Reform: Reform  2. Land acquisition and right-of-way disputes are often a source of project delays. The State Gas Corporationmanaged social and environmental issues efficiently to minimize any such delays. The delay in project completion was caused by entirely external factors, primarily financial and economic. [Main text, paras. 49-56, 59]  project cycle stage: Concept Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Environmental management Crosscutting Issues/Themes: Resettlement Project Design: Project design |
| Strong capacity to implement resettlement activities was essential for smooth implementation of the large-scale urban resettlement activities under the project. Clearly defined functions and responsibilities of the Project Preparation Department established within the executing agency and resettlement companies ensured close coordination between resettlement activities and construction activities to prevent delays and maintain orderly relocation.  project cycle stage: Design, Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Resettlement Project Design: Project design Project Management: Executing/Implementing agencies Capacity Development: Capacity assessment Sector Related Issues: Urban sector/development Methodologies/Approaches: Consultation/Participation  The executing agency actively utilized the ability of the private sector in project implementation and management. Tendering companies were engaged to manage tendering works, resettlement activities were coordinated and managed by resettlement companies, and operations of some of the facilities improved and/or constructed under the project were contracted out. This approach was effective for such a large, complicated, and multifaceted project.  project cycle stage: Implementation  Lesson Topics:  Crosscutting Issues/Themes: Resettlement Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Operation and maintenance Project Management: Procurement Project Management: Project management Sector Related Issues: Private sector  The government's strong political commitment and management capability was key to the success of the project. As the project focused on comprehensive environmental rehabilitation and comprised many components, strong leadership to bring in all related agencies of the government (Shanghai Municipal Government) was required throughout the planning and implementation of the project. To exercise its leadership, the government carefully designed and established project implementation arrangements to allow it to coordinate related agencies effectively, provide guidance at the highest level when necessary, keep to schedules, and adhere to procedures.  project cycle stage: Design, Feasibility, Implementation  Lesson Topics:  Crosscutting Issues/Themes: Environmental management Project Design: Project design Project Management: Project management Capacity Development: Ownership Methodologies/Approaches: Consultation/Participation  Wastewater projects in the future should exercise caution in estimating revenues derived from water supply sales and forecasts. Where possible, price elasticity of demand should be explicitly considered or only growth from increased coverage should be incorporated. In this project, estimates of wastewater revenues were overstated because the volume of water sold was overestimated. This is a recurring problem in similar projects in the PRC particularly where the water and/or wastewater tariff has increased substantially. On the other hand, this is a successful case of water conservation through the introduction of a market mechanism.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Environmental management Finance & Financial Aspects: Financial analysis Sector Related Issues: Health and sanitation management |
| As with past ADB railway projects in the PRC, the appraisal projections for freight traffic in the project area were unrealistically high and, conversely, the passenger traffic projections were extremely low and have already been significantly exceeded. Coal production projections at appraisal were significantly below current projections. Also, in land acquisition and resettlement, projections at appraisal were significantly lower than the actual figures.  project cycle stage: Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Resettlement Finance & Financial Aspects: Market analysis Project Design: Appraisal Sector Related Issues: Transport planning  The service/access roads and link roads connecting the railway stations to population centers were two important components of the project, and yet they were not clearly specified in the appraisal. These should have been specified in detail at appraisal to allow the construction and finalization of all the roads to be monitored and evaluated during implementation and at project completion. The project was designed to give more emphasis to coal transport and less to passenger transport. But later on, the focus on passenger transport increased significantly, and the project was flexible enough to accommodate the increased demand for passenger transport. Without such flexibility, the project would have been less successful.  project cycle stage: Appraisal Implementation  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Design: Appraisal Project Design: Project design Project Management: Project management Sector Related Issues: Transport planning |
| In response to demands that quantitative indicators be included in project designs, many specific output targets were specified. This was inconsistent with the major design thrust to respond to school priorities and requests. As projects move increasingly towards demand-driven, community-based approaches, the way in which targets are set currently as part of the project framework needs to be re-examined.  project cycle stage: Feasibility  Lesson Topics:  Monitoring & Evaluation: Indicators Project Design: Project design Sector Related Issues: Education Methodologies/Approaches: Community approach Methodologies/Approaches: Targeting  The flexible, open approach adopted by the project successfully fostered a more holistic view to education development, changing the strong public-sector focus of district and provincial officials through the insistence on the inclusion of private schools and madrasah. The greatest success was with regard to private schools, as most districts now give them financial support.  project cycle stage: Feasibility  Lesson Topics:  Sector Related Issues: Education Sector Related Issues: Private sector Methodologies/Approaches: Holistic approach Methodologies/Approaches: Process approach  The project developed a new competency-based training program for teachers and principals, who appreciated the more focused training and reduced duplication. However, more training on implementation is needed, in addition to post-testing to ensure that all competencies have been mastered. The capacity development program for new district officials was a series of linked modules but a better option for this target group would be a series of seminars combined with ongoing guidance and support, closely related to concrete job tasks.  project cycle stage: Feasibility  Lesson Topics:  Capacity Development: Capacity building Capacity Development: Capacity development Sector Related Issues: Education Methodologies/Approaches: Pilot project  The use of school development plans as a basis for project interventions was generally successful, but it requires an enormous amount of resources to ensure that development plans are sufficiently analytical and truly reflect school and community needs. The project also made progress in the development of a district-based education management information system (EMIS). However, a successful EMIS strategy requires a high degree of commitment from local government officials including assigned staff, extensive training, simple software, and clear links to education planning and policy.  project cycle stage: Feasibility  Lesson Topics:  Project Management: Management information system Capacity Development: Capacity building Capacity Development: Human resources management Capacity Development: Ownership Sector Related Issues: Education Policy & Reform: Policy reforms/framework |
| A particular strength of the project was that the objectives were firmly based on Borrower's priorities and on stakeholder assessment conducted during the preparatory phase and considerable direct consultation with beneficiary groups. Related to this was the demonstrated strong government commitment to the purpose and objectives of the Basic Education Textbook Development Project. Project ownership was evident among the senior management of the executing agencies and helped resolve problems on implementation and ensure its success.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Project Design: Appraisal Project Design: Project design Project Management: Executing/Implementing agencies Capacity Development: Ownership Sector Related Issues: Education Methodologies/Approaches: Consultation/Participation  A system to collect and maintain data, and to monitor and analyze quantitative and qualitative outputs and impacts should be built into project design. The Basic Education Textbook Development Project did not provide for the systematic gathering and analysis of data on the project impact, including effectiveness of teaching and learning in schools before and after the intervention.  project cycle stage: Feasibility  Lesson Topics:  Monitoring & Evaluation: Data collection and management Monitoring & Evaluation: Impact evaluation Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Sector Related Issues: Education  Project design should ensure accurate estimates of the need for foreign exchange and avoid unnecessary burdening of the government with foreign currency financing. At appraisal it was not foreseen that a large amount of paper would need to be imported using foreign exchange. In reality, about 50% of total costs of textbook production was attributable to the cost of imported paper. As a result, the government shared significant project funding in foreign currency.   project cycle stage: Feasibility, Appraisal  Lesson Topics:  Finance & Financial Aspects: Financing Finance & Financial Aspects: Foreign exchange Project Design: Appraisal Project Design: Project design  The introduction of student-centered learning (SCL) is a paradigm shift in Uzbekistan. Given the former rigid educational environment, which focused on learning facts rather than acquiring skills, the understandable skepticism among teachers and trainers about SCL and the relative inexperience of counterparts with hands-on experience on SCL are changing. Ideas of interactive learning methods discussed during in-service training sessions were far more often referred to by teachers than the actual improvement of selected syllabi as primary outcomes of the project.  project cycle stage: Feasibility  Lesson Topics:  Project Design: Project design Sector Related Issues: Education |
| A projection of demand for parking zones at the roadside stations was not done at appraisal, which resulted in insufficient space to meet rising demand. Parking zone projections should be conducted during the design stage to avoid potential traffic congestion. Overseas training for the toll, communications, and traffic surveillance systems should be included as part of the terms reference of the consultants at appraisal.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Finance & Financial Aspects: Market analysis Project Design: Appraisal Project Management: Consultants Capacity Development: Capacity building Sector Related Issues: Roading  The expressway design and traffic forecast should be thoroughly assessed during appraisal to reflect actual traffic demand, and to ensure the appropriate number of lanes.  project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Market analysis Project Design: Appraisal Project Design: Project design  The use of participatory rural appraisal (PRA) techniques should be associated with a better monitoring process, and the Report and Recommendation of the President should provide clear guidance to the executing agency to facilitate implementation of the project. A resettlement plan for the connector roads should be included as part of the expressway resettlement plan, and the cost should be identified and included as part of the project cost.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Resettlement Finance & Financial Aspects: Financing Monitoring & Evaluation: Monitoring and evaluation Project Design: Appraisal Project Management: Executing/Implementing agencies Sector Related Issues: Roading Sector Related Issues: Rural development |
| During project preparation, consultants should carefully assess conditions in project areas that are likely to be encountered during construction which can affect the achievement of more realistic time schedules and durations. Consultants must monitor closely the performance of contractors, and advise the PMU early if corrective measures are needed to prevent construction delays.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Project Management: Consultants Project Management: Procurement Project Management: Project management  Government staff assigned to a project should be trained before implementation to familiarize them with ADB guidelines and procedures for project implementation.  project cycle stage: Appraisal  Lesson Topics:  Project Management: Executing/Implementing agencies Project Management: Project administration Project Management: Project management Capacity Development: Capacity building  The accountability and autonomy of the executing agency, together with its strong leadership, were critical to the success of the water supply component of the project.  project cycle stage: Design, Feasibility, Implementation  Lesson Topics:  Crosscutting Issues/Themes: Governance Project Management: Executing/Implementing agencies Sector Related Issues: Health and sanitation management  The lines of authority and responsibilities of concerned agencies in project implementation must be clearly defined. The project participants (Borrower, EA, IA, PMU, contractors, and consultants) must be made aware of them at the startof a project. Appropriate authority for decision-making should be delegated to the project management unit (PMU).  project cycle stage: Design  Lesson Topics:  Project Design: Project design Project Management: Consultants Project Management: Executing/Implementing agencies Project Management: Procurement Project Management: Project management  The track records of consultants and contractors should be evaluated and checked carefully to verify their ability to mobilize qualified staff and sufficient equipment and other resources to undertake contracted works well and within thespecified duration.  project cycle stage: Appraisal Implementation  Lesson Topics:  Project Management: Consultants Project Management: Procurement |
| Active involvement of ADB in problem solving and design enhancement was essential in ensuring the successful completion and operation of the project's facilities.  project cycle stage: Design, Implementation  Lesson Topics:  Project Design: Project design Project Management: Operation and maintenance Project Management: Project supervision  Well-formulated advisory technical assistance contributed significantly to the implementation of the policy reform action program and successful operation of the project's facilities.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Modality: Technical Assistance Project Management: Operation and maintenance Policy & Reform: Policy reforms/framework |
| A simple loan structure and minimum reporting requirements would minimize operational costs. In the future, ADB loans could be lent directly to the Land Bank of the Philippines (as for the World Bank Countryside Loan Facility, which provides funding for onlending over the limit of the Rural Microenterprise Finance Project, channeled through People's Credit and Finance Corporation or PCFC). The early delays in implementation could have been eased if the statement of expenditure (SOE-2) form were not required. A large amount of end-borrowers' information does not help in effective project monitoring, which largely relies on field verification conducted by PCFC and ADB missions.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Finance & Financial Aspects: Financing Monitoring & Evaluation: Monitoring and evaluation Monitoring & Evaluation: Reporting  Close coordination with a reliable executing agency and implementing agencies and quick responses to any required changes in loan conditions and microfinance institutions (MFI) accreditation are keys to success. ADB's interaction with the executing agency to modify the loan conditions in response to market needs significantly enhanced project implementation.  project cycle stage: Implementation  Lesson Topics:  Finance & Financial Aspects: Financing Loan Agreement: Covenants Project Management: Executing/Implementing agencies Methodologies/Approaches: Consultation/Participation  Management information systems (MIS) development should take a tailor-made approach to the needs of individual microfinance institutions (MFIs), rather than providing a generic model which does not reflect the diversity of types of operations, the size of the institution, its operational focus, its geographic location and the local market demand.  project cycle stage: Design  Lesson Topics:  Finance & Financial Aspects: Financing Finance & Financial Aspects: Market analysis Project Design: Project design Project Management: Management information system  The Rural Microenterprise Finance Project (RMFP) offered a uniform lending rate of 12% per annum to any accredited microfinance institutions (MFI). However, a more flexible means of setting interest rates to reflect the credit standing of individual MFIs may have to be considered. This would keep the RMFP investment credit facility attractive to those MFIs that have a higher credit status and access to alternative funding sources.  project cycle stage: Feasibility  Lesson Topics:  Finance & Financial Aspects: Financing Sector Related Issues: Rural development |
| External management and privatization are critical for successful and viable operation of utilities in small island communities. The ongoing management contract with American Samoa Power Authority or ASPA (an external entity) was a key to the improvement of the operations of the power and water utility. ASPA's technical expertise, controls, and discipline in managing the operations - and its strict adherence to rules for revenue collection - helped to turn around the loss-incurring, government-owned public utility. Therefore, the appointment of a private sector operator to manage and control the utility for a minimum of 18-24 months as a condition of loan effectiveness was a key to project success.  project cycle stage: Appraisal  Lesson Topics:  Project Management: Consultants Sector Related Issues: Energy planning/management Sector Related Issues: Health and sanitation management Sector Related Issues: Private sector Policy & Reform: Privatization  Extra precaution should be taken in materials and equipment specifications to take into account the harsh external environmental conditions in the Pacific islands, such as high humidity, excessive salt content in the air and water, high temperatures, exposure to elements, etc. These conditions contribute to rapid and excessive corrosion of materials and equipment.  project cycle stage: Implementation  Lesson Topics:    For projects of this size and in such a remote location, international competitive bidding often is not possible. Several bid attempts failed due to a lack of responsive bids, as few international bidders expressed interest in civil works that required even minimal mobilization. This caused much of the project's delay. A preferable approach would involve the use of domestic contractors (through local competitive bidding) where feasible, and negotiated bids with international contractors based on the island or with prior work experience in the Marshall Islands.  project cycle stage: Implementation  Lesson Topics:    For proper collection and professional management of public utilities, strong controls, operating guidelines, and appropriate legislation should be in place from the start. This was done before the project began, which led to an immediate turnaround.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Legal system Sector Related Issues: Energy planning/management Sector Related Issues: Health and sanitation management Policy & Reform: Policy reforms/framework  Minimal implementation problems were encountered because (a) adequate consultations were undertaken with all stakeholders during project preparation; (b) a domestic project manager headed the project management unit (PMU); (c) the government, particularly the Office of the President, provided full support; and (d) ADB provided some flexibility in implementation to address the special circumstances of the project.  project cycle stage: Design, Feasibility, Implementation  Lesson Topics:  Project Design: Project design Project Management: Project management Capacity Development: Ownership Methodologies/Approaches: Consultation/Participation Methodologies/Approaches: Process approach  Rehabilitation of equipment and completing unfinished buildings was significantly more complex than anticipated, and the main reasons for the 1-year delay in implementation. Given the isolation and remoteness of the location, an implementation period longer than 30 months should have been provided.  project cycle stage: Feasibility, Appraisal  Lesson Topics:    Single-source procurement should be allowed in cases where, in rehabilitating old equipment, the only option for procuring spare parts is the original manufacturer of the equipment.   project cycle stage: Implementation  Lesson Topics:    The inadequacy of the original hospital design, and non-compliance with health and safety standards, was not fully anticipated during project design. This was a unique situation, and such work in the future should be undertaken after more thorough investigation.  project cycle stage: Feasibility  Lesson Topics:  Project Design: Project design Sector Related Issues: Health and sanitation management |
| A commitment charge to undisbursed loan funds makes it important for ADB missions and the executing agency to closely monitor changes in project costs and to take actions to cancel or use loan savings.  project cycle stage: Implementation  Lesson Topics:  Finance & Financial Aspects: Disbursement Finance & Financial Aspects: Financial analysis Monitoring & Evaluation: Monitoring and evaluation Project Management: Executing/Implementing agencies Project Management: Project supervision  Delegation of authority from the executing agency (Fujian Provincial Government) to the Fuzhou Municipal Government (FMG) enabled the project management office (PMO) to closely manage and coordinate with the implementing agencies (AWDD and YLWWTP) in day-today implementation activities. Project ownership and dedication of all concerned parties has resulted in achieving all targeted outputs with close adherence to guidelines and procedures. The project took 9 months more than the 48 months scheduled at appraisal. A 5-year implementation period would have been more realistic, considering the project's scope. FMG's ability to raise counterpart funds from state and provincial sources in a timely manner was important for smooth project implementation.  project cycle stage: Appraisal Implementation  Lesson Topics:  Finance & Financial Aspects: Counterpart funds Project Design: Appraisal Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Project management Capacity Development: Ownership Country Context: Decentralization Methodologies/Approaches: Consultation/Participation  Failure to increase water and wastewater tariffs to meet targets for cost recovery and to cover weak implementation of tariff policies could significantly jeopardize financial sustainability. Although residents normally object strongly totariff increases, the executing agency (Fuzhou Municipal Government or FMG) has supported measures for cost recovery and tariff reviews, and has implemented increases regularly. The financial risk of not increasing wastewater tariffs to meet full costs has been incorporated in preparing the new ADB-funded project. A corporate development plan for one of the project implementation agency (Yang Li Wastewater Treatment Plant Company or YLWWTP) is included in the project design.  project cycle stage: Implementation  Lesson Topics:  Crosscutting Issues/Themes: Governance Crosscutting Issues/Themes: Sustainability Project Design: Project design Project Management: Risks/Risk management Sector Related Issues: Health and sanitation management  Project Performance and Management System (PPMS) is a relatively new practice whose benefits are not fully appreciated by government and implementing agencies. The executing agencies do not feel that much of the information that ADB staff request is directly relevant to their operations or day-to-day decision making. Thus, they are not willing to spend the money necessary to collect the data. Experience from the project indicates a need for more policy dialogue with government and project staff on preparing practical and functional PPMS. Project targets should be linked to project activities. Methods to monitor achievement of these targets should be based on readily measured indicators.  project cycle stage: Feasibility, Appraisal Implementation  Lesson Topics:  Monitoring & Evaluation: Data collection and management Monitoring & Evaluation: Indicators Monitoring & Evaluation: Monitoring and evaluation Project Management: Executing/Implementing agencies Project Management: Project management Policy & Reform: Policy matrix Methodologies/Approaches: Targeting |
| Centralized procurement of equipment, instructional materials, textbooks, and other related items is efficient only if the coordination and cooperation with the users is effective. Otherwise, decentralized or individual procurement by each beneficiary institution of these items should be considered.  project cycle stage: Appraisal Implementation  Lesson Topics:  Project Management: Procurement Sector Related Issues: Education Methodologies/Approaches: Consultation/Participation  Leadership can be a key factor in the effective execution of a project. In-house seminars and workshops should be conducted to improve the leadership capacity of project personnel.  project cycle stage: Feasibility  Lesson Topics:  Project Design: Project design Capacity Development: Capacity building  The deployment of international and domestic consultants should be synchronized to maximize the benefit from their inputs.  project cycle stage: Implementation  Lesson Topics:  Project Design: Project design Project Management: Consultants  The Program Relevancy Fund (PRF) has been one of the most successful activities of the project. Future education projects dealing with the economic development of the country should involve the government, industry, and educational institutions as partners from project design to implementation. Project design should have some flexibility built in to anticipate changes in input or technology. The flexibility in the design of this project made inclusion of the information and communication technology (ICT) component possible. A good sustainability plan, supported by budgetary resources, should also be included in project design.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Finance & Financial Aspects: Financing Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Management information system Capacity Development: Partnerships Capacity Development: Technology/Technology transfer Sector Related Issues: Education Sector Related Issues: Industry and Trade  The project must draw up a written plan of action and activities for those returning from overseas fellowship programs, so they understand what they are expected to do when they are back in the country.  project cycle stage: Implementation  Lesson Topics:  Project Design: Project design Capacity Development: Capacity building Capacity Development: Human resources management |
| A higher imprest fund ceiling is necessary for short-duration projects to avoid implementation delays. However, this must be linked to strong financial management.  project cycle stage: Appraisal Implementation  Lesson Topics:  Finance & Financial Aspects: Disbursement Finance & Financial Aspects: Financial management  A well-designed associated advisory TA with strong links to the investment project can greatly enhance capacity building and sustainability of the project benefits.  project cycle stage: Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Modality: Technical Assistance Capacity Development: Capacity building  Credible NGOs carry out socioeconomic surveys and information campaigns more effectively and efficiently than consultants.  project cycle stage: Feasibility  Lesson Topics:  Monitoring & Evaluation: Data collection and management Project Management: Consultants Policy & Reform: Information dissemination/Public awareness Methodologies/Approaches: Civil Society Participation  Environmental monitoring programs tend to get neglected under pressing needs to rehabilitate project systems in the shortest possible time. Review missions need to pay particular attention to environmental monitoring activities specified in the summary initial environment examination.  project cycle stage: Implementation  Lesson Topics:  Crosscutting Issues/Themes: Environmental assessment Crosscutting Issues/Themes: Environmental management Modality: Program Monitoring & Evaluation: Monitoring and evaluation Project Management: Project supervision  Rigorous project administration and timely implementation of corrective measures are key to the timely completion of a short-duration project, particularly when the executing agency is not familiar with the ADB procedures.  project cycle stage: Implementation  Lesson Topics:  Project Management: Executing/Implementing agencies Project Management: Project administration Project Management: Project management  Serious review by ADB of the resettlement plan is key to its timely and proper implementation.  project cycle stage: Appraisal  Lesson Topics:    Since ADB staff resources might not be sufficient, suitable provisions should be made for international consultants, particularly if the executing agency is not familiar with ADB procedures.  project cycle stage: Appraisal  Lesson Topics:  Project Management: Consultants Project Management: Executing/Implementing agencies Project Management: Project administration Capacity Development: Human resources management  Strong ownership of the project by the government facilitates the timely release of counterpart funds in appropriate amounts, allowing for the completion of a project on schedule.  project cycle stage: Implementation  Lesson Topics:  Finance & Financial Aspects: Counterpart funds Capacity Development: Ownership  The capacity of government auditors should be assessed at appraisal, and if found to be inadequate, external auditors should be provided.  project cycle stage: Appraisal  Lesson Topics:  Project Design: Appraisal Capacity Development: Capacity assessment  The Project Steering Committee (PSC) can facilitate smooth implementation and timely completion of a project through frequent meetings and rigorous implementation review.  project cycle stage: Implementation  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Management: Project management |
| A properly administered bidding process, supported by detailed technical design and bidspecifications, can obtain advantageous bid offers.  project cycle stage: Implementation  Lesson Topics:  Project Design: Project design Project Management: Procurement Project Management: Project administration  Adequate planning and preparation are key elements to the smooth and timely execution of a project. Timely availability of the required funds is also important (availability of funds though was not an issue in this project).  project cycle stage: Feasibility, Implementation  Lesson Topics:  Finance & Financial Aspects: Counterpart funds Project Design: Project design Project Management: Project management  The issue of detailed information regarding the onshore gas transmission and distribution component of the project (Part B), for which loan proceeds were not utilized, could have been avoided with a more binding provision in the Loan Agreement and closer monitoring during project implementation.  project cycle stage: Appraisal Implementation  Lesson Topics:  Loan Agreement: Loan Agreement Monitoring & Evaluation: Monitoring and evaluation Sector Related Issues: Energy planning/management  The successful implementation of projects with huge investment costs and associatedrisks requires a strong commitment and preparedness by the project proponents, as well as theinvolvement of experienced and well-trained project implementation staff. The expertise ofcompetent international consultants ensured accurate evaluation of the risks involved, adoptionof appropriate technical design and reasonable cost estimates, and observance of theapplicable safety and operating standards.  project cycle stage: Design, Feasibility, Implementation  Lesson Topics:  Finance & Financial Aspects: Financial analysis Project Design: Project design Project Management: Consultants Project Management: Project management Project Management: Risks/Risk management Capacity Development: Human resources management Capacity Development: Ownership |
| The project included advance actions for initial procurement with retroactive financing.This helped the Project Implementation Unit's (PIU's) initial activities. Advance action for consultant selection, however, wasavailable only up to the preparation of the long list of candidates. A provision for more concreteadvance action could have mitigated initial delays, considering the time required for selectingconsultants. Such a provision could include consultant selection up to receipt ofconsultant proposals prior to loan effectiveness. A project preparatory technical assistancecould help the government take advance action.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Modality: Technical Assistance Project Management: Consultants Project Management: Procurement Project Management: Project management |
| Donor coordination was relatively weak at appraisal. For instance, under the Education Sector Development Program (ESDP) the government enforced a moratorium on school construction while the school mapping study was on-going, while at the same time some other donors continued their own school construction projects. The introduction of clear sector policies and development strategies supported by the ESDP and related TAs provided a framework for more effective coordination during implementation. However, this shortcoming highlights the need for stronger donor coordinationand information sharing in future projects.  project cycle stage: Appraisal  Lesson Topics:  Modality: Lending modality Modality: Program Modality: Technical Assistance Project Design: Appraisal Sector Related Issues: Education Policy & Reform: Information dissemination/Public awareness Methodologies/Approaches: Sectoral approach  Strong commitment by the government to the objectives of the Edcuation Sector Development Program (ESDP) was animportant enabling factor for the comprehensive policy reforms carried out under the program,including the rationalization of staff and schools.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Modality: Lending modality Modality: Program Project Management: Executing/Implementing agencies Capacity Development: Ownership Sector Related Issues: Education Policy & Reform: Policy reforms/framework Policy & Reform: Public sector reform  The complementary nature of the policy reform program, the investment project, and the associated technical assistance (TA) were a key factor in the highly successful performance of the Education Sector Development Program (ESDP). The program and the project were mutually reinforcing in many key areas and the associated TA in related capacity building. This was the principal rationale for the adoption of the sector development program modality by ADB, and the ESDP provided the first practical application and validation of the sector development program approach.  project cycle stage: Appraisal  Lesson Topics:  Modality: Lending modality Modality: Program Modality: Technical Assistance Capacity Development: Capacity building Sector Related Issues: Education Policy & Reform: Policy reforms/framework Methodologies/Approaches: Sectoral approach  The Education Sector Development Program (ESDP) was the first loan program for the Ministry of Education, Culture and Science (MOECS), and at the outset MOECS counterparts and Project Implementation Unit (PIU) staff were unfamiliar with ADB's operational procedures and guidelines. The close working relationships between MOECS and PIU staff and consultants was essential to the successful implementation of the ESDP. In addition to formal training, routine operational contacts with consultants played an important role in developing the technical capabilities of MOECS counterparts and PIU staff.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Modality: Lending modality Modality: Program Project Management: Consultants Project Management: Executing/Implementing agencies Project Management: Project administration Project Management: Project management Capacity Development: Capacity building Sector Related Issues: Education  The Education Sector Development Program's (ESDP's) impact was difficult to evaluate in some areas, because pertinent statistics and information were unavailable, partly because of geographical and technical reasons. For future projects, a system to gather and maintain data and statistics and to monitor and analyze outputs and achievements should be established at an early stage of implementation.  project cycle stage: Implementation  Lesson Topics:  Modality: Lending modality Modality: Program Monitoring & Evaluation: Data collection and management Monitoring & Evaluation: Impact evaluation Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Sector Related Issues: Education |
| The Office of the General Auditor's (OGA's) review missions revealed control weaknesses and indicators ofpotential risks in relation to the misuse of loan funds and made recommendations for variousparties involved in project implementation. Following the recommendations, the National AuditOffice has strengthened its audit procedures. The Ministry of Finance agreed to coordinate withMinistry of Communications (MOC) to improve their overall project monitoring procedures and conduct periodic site visits.Effective and regular communication among and monitoring by ADB and national governmentagencies was essential to ensure that any significant changes in project implementation werediscussed and comments and feedback from relevant agencies were sought in advance. Forexpressway projects, resettlement should be evaluated during the midterm review.  project cycle stage: Implementation  Lesson Topics:  Crosscutting Issues/Themes: Corruption Crosscutting Issues/Themes: Resettlement Monitoring & Evaluation: Indicators Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Risks/Risk management Sector Related Issues: Roading Methodologies/Approaches: Consultation/Participation  A properly administered bidding process has been a key factor in obtainingadvantageous bid offers. However, the significant savings in project costs have cast doubt onthe integrity of the cost estimates. The degree of deviation between the final project cost and theappraisal estimates bolsters the PRC's view that project cost estimates adopted in ADB projects tend to be overly conservative. In light of the PRC's track record in generating cost savingsunder this project and others, the project preparatory consultants and ADB staff must carefullyreview the assumptions developed at appraisal.  project cycle stage: Appraisal Implementation  Lesson Topics:  Finance & Financial Aspects: Financial analysis Project Design: Appraisal Project Design: Project design Project Management: Consultants Project Management: Procurement  A strong commitment by the project proponents, and efficient management andexecution of experienced and well-trained project implementation staff, consistently have beenthe primary success factors in most projects in the People's Republic of China. Selection and recruitment of competentinternational as well as domestic consultants have ensured observance of the quality standardsrequired for projects with high investment costs.  project cycle stage: Feasibility, Appraisal Implementation  Lesson Topics:  Project Management: Consultants Project Management: Project management Capacity Development: Capacity building Capacity Development: Human resources management Capacity Development: Ownership  Detailed technical design and adequate planning and preparation are vital to the smoothand timely execution of a project. Timely availability of the required funds is also essential.Under this project, availability of funds was not an issue as firm commitments on disbursementrequirements were secured beforehand.  project cycle stage: Design, Feasibility, Appraisal  Lesson Topics:  Finance & Financial Aspects: Counterpart funds Finance & Financial Aspects: Disbursement Project Design: Project design  Recommendations to amend the power purchase agreement (PPA) to incorporateinternational practices have not shown much progress. While the PRC's power sector is movingtoward competitive pricing governed by independent market mechanisms, achieving market-basedpricing still could take time. In the interim, the approved tariff levels provided in the PPAshould support the requirements for basic operations and debt repayments. On the other hand,the recommendations to include international practices in the PPA would have received awarmer reception in a more open and mature power market. In the PRC's power sector, thereality is that the seller and buyer of electricity are state-owned, and PPA contract provisions areset by the state. As a result, the executing agency and implementing agency have found it difficult to comply with ADB'srecommendations. The prevailing institutional constraints in implementing commercialcontractual provisions have to be recognized and considered upfront to avoid making thempersistent contentious issues during the review of project implementation.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Crosscutting Issues/Themes: Governance Monitoring & Evaluation: Monitoring and evaluation Project Management: Executing/Implementing agencies Project Management: Project supervision Capacity Development: Institutional analysis Sector Related Issues: Energy planning/management |
| A well-designed project, an experienced executing agency with a strong senseof project ownership, and a committed project management office staff make upa formula for project success.  project cycle stage: Design, Feasibility, Appraisal Implementation  Lesson Topics:  Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Project management Capacity Development: Ownership  Designing and implementing projects in sectors that are undergoing major restructuring,such as the power sector, involves many uncertainties. These may include policy andinstitutional uncertainties that can not fully be foreseen at appraisal. To cope with uncertaintiesand unexpected developments, close consultations between ADB, the government andexecuting agencies during project implementation should be held at sector level, as opposed toproject level. Coping also calls for flexibility on both sides when dealing with unexpecteddevelopments.  project cycle stage: Implementation  Lesson Topics:  Project Design: Appraisal Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Project management Project Management: Risks/Risk management Sector Related Issues: Energy planning/management Policy & Reform: Public sector reform Methodologies/Approaches: Consultation/Participation Methodologies/Approaches: Process approach Methodologies/Approaches: Sectoral approach  Government and executing agencies should advise ADB prior to any institutionalchanges resulting from sector restructuring, particularly changes that will impacton project implementation.  project cycle stage: Implementation  Lesson Topics:  Project Management: Executing/Implementing agencies Project Management: Project management Policy & Reform: Public sector reform  There is a need to pay greater attention to project cost estimates and the size ofADB loan at appraisal, to avoid subsequent loan savings.  project cycle stage: Appraisal  Lesson Topics:  Finance & Financial Aspects: Financial analysis Finance & Financial Aspects: Financing Project Design: Appraisal  There is a strong emphasis in the People's Republic of China (PRC) on project technical issues. The government and executing agencies need to pay greater attention to project financial issues, including the financial viability of projects. ADB review missions need to pay more attention to financial issues.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Finance & Financial Aspects: Financial analysis Monitoring & Evaluation: Monitoring and evaluation Project Design: Appraisal Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Project supervision |
| Many roads under the rural road component (RRC) did not meet the assumption at appraisal that they carry littletraffic. A tight budget also imposed limitations on the rehabilitation cost per kilometer, leading tounderdesigned rehabilitation work on some roads. The selection procedure should either haveensured selection of roads with low traffic volumes, or some of the excess funds should havebeen reallocated to the RRC to enable higher standards on roads with heavy traffic. Thereshould have been more interaction between ADB, the executing agency, and the consultant torespond to changing circumstances.  project cycle stage: Appraisal Implementation  Lesson Topics:  Finance & Financial Aspects: Financial analysis Project Design: Appraisal Project Design: Project design Project Management: Consultants Project Management: Executing/Implementing agencies Sector Related Issues: Roading Sector Related Issues: Rural development Methodologies/Approaches: Consultation/Participation  Significant savings were realized in the course of project implementation, primarilybecause local contractors undertook construction rather than international contractors as wasexpected at appraisal. The savings enabled realization of additional project components thathad previously been abandoned for budgetary reasons. This has significantly improved theproject and contributes to long-term sustainability. The lesson learned is that flexibility isimportant during project implementation to ensure that opportunities for improvement can beseized. A flexible approach to unit cost constraints on the rural roads component (RRC) would have improved thesustainability of rural roads with heavy traffic.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Finance & Financial Aspects: Financial analysis Project Design: Appraisal Project Design: Project design Project Management: Procurement Sector Related Issues: Roading Sector Related Issues: Rural development Methodologies/Approaches: Process approach  Small local contractors worked on the rural roads. Although these contractors hadtrouble finishing work on time, and required close supervision from Project Management Unit (PMU)-1 and the supervisionconsultant, the outcome was generally satisfactory. The lesson learned is that untested localcontractors can perform adequately, but ample time must be given to allow for the steeplearning curve and the many constraints facing such contractors.  project cycle stage: Appraisal Implementation  Lesson Topics:  Project Management: Consultants Project Management: Procurement Project Management: Project supervision Sector Related Issues: Roading Sector Related Issues: Rural development  Viet Nam's bid evaluation process is complicated and time-consuming. For contracts above a certain size, the evaluationhas to be approved by the Ministry of Planning and Investment, and finally by the Prime Minister. The usage of advance procurement ensured that the contract with the supervision consultant and the four initial civil works contracts for the national highway component (NHC) were signed within 5 months of loan effectiveness, causing no major delays to implementation. Although initial project approval was lengthy, the executing agency acted swiftly thereafter, as seen in the floating of contracts for various project extensions. Until the systemic causes for initial delay are overcome, advanceprocurement action should always be considered for projects in Viet Nam.  project cycle stage: Appraisal  Lesson Topics:  Project Management: Consultants Project Management: Executing/Implementing agencies Project Management: Procurement Sector Related Issues: Roading |
| Initial procurement delays were caused by (i) the Project Implementation Unit's (PIU's) interpretation of ADB procurement procedures for conformity with government regulations; and (ii) the lack of a focal person who had ample experience in different procurement styles and was proficient in English to handle the bidding process. ADB approved additional procurement specialists during implementation to help carry out procurement for 22 project institutes and centers. During preparation, it is useful to assess potential risks of procedural conflict in procurement. Procurement specialists could be considered, particularly in countries where English is less commonly spoken.  project cycle stage: Appraisal  Lesson Topics:  Project Management: Procurement Project Management: Project management Project Management: Risks/Risk management |
| Local governments should select the locationof agricultural markets on the basis of long-term land use and developmentplanning. Changes in land use have been detrimental to the financial condition ofthe Sangjie market in Fuzhou City.  project cycle stage: Feasibility  Lesson Topics:  Finance & Financial Aspects: Financial analysis Country Context: Decentralization Sector Related Issues: Industry and Trade Sector Related Issues: Rural development Policy & Reform: Policy reforms/framework  Market demand changes, and subsequently the price of outputs,are sensitive. Selection and approval of agroprocessing subprojects should takeinto account the capacity and flexibility that allow quick response to changes inmarket trends.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Finance & Financial Aspects: Market analysis Project Design: Subprojects Capacity Development: Capacity assessment Sector Related Issues: Industry and Trade Sector Related Issues: Rural development  Public-private sector participation was well integrated in the project and played amajor role in ensuring the project's successful outcome. Contractual arrangementswith farmers and enterprise shareholding facilitated innovative risk-sharing throughinvestment-sharing with individuals, management contracts, or partial ownershipthrough shareholdings. The government's role in promoting the enablingenvironment and the effective policy of ï¿½Dragonhead Enterprisesï¿½ are noteworthyfactors in the success of public-private partnership and participation.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Legal system Finance & Financial Aspects: Financing Project Design: Project design Project Management: Risks/Risk management Sector Related Issues: Public-private partnership Policy & Reform: Policy reforms/framework Methodologies/Approaches: Consultation/Participation  Since repayment collection is recorded only for subborrowers oneadministrative level lower, nonperforming loans are difficult to detect and timelyremedial action was not emphasized. Local financial bureaus should systematicallyorganize and monitor financial information to identify loan amounts due andpayment delays, and be proactive in assessing nonperforming loans. In the samemanner, economic enterprises operating in highly competitive markets should havea sound accounting and financial management information system for monitoringtheir productivity and efficiency, and be required to submit financial statementsregularly to the Provincial Project Management Office (PPMO).  project cycle stage: Implementation  Lesson Topics:  Finance & Financial Aspects: Financial management Finance & Financial Aspects: Financial reporting Finance & Financial Aspects: Financing Monitoring & Evaluation: Monitoring and evaluation Project Management: Management information system Project Management: Project management  The project was implemented using primarily existing government structure and staff without hiring consultants or contractual staff. This measure not only reducedproject cost, but also ensured sustainability after project completion. The use offinancial bureaus at provincial and county levels was necessary to overcome theunwillingness of financial institutions, and worked well due to strong ownership andconviction at the very high level of provincial government.  project cycle stage: Design, Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Finance & Financial Aspects: Financing Project Design: Project design Project Management: Consultants Project Management: Executing/Implementing agencies Capacity Development: Human resources management Capacity Development: Ownership Country Context: Decentralization  The use of the imprest account helped in expediting project implementation andpromoted efficiency in disbursements by reducing the number of withdrawalapplications. A reduced number of loan categories would also help Project Management Offices (PMOs) toimplement them more efficiently.  project cycle stage: Appraisal Implementation  Lesson Topics:  Finance & Financial Aspects: Disbursement Finance & Financial Aspects: Financing Project Management: Project administration Project Management: Project management |
| For a gas project of this magnitude, a high level of preparedness and planning on the part of the executing agency, given regular monitoring and review by ADB, enabled timely completion and realization of project objectives. ADB followed closely all activities, through headquarters and INRM review missions. These proved valuable in expediting project schedules and monitoring major milestones.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Project supervision Other: Resident Mission Sector Related Issues: Energy planning/management |
| For multisector projects that involve a large number of executing agencies (EAs), monitoring ofimplementation through a central Project Steering Committee (PSC) of the Borrower is very important. Monitoring by ADBthrough establishment of a Project Implementation Unit (PIU) at the Borrower's country level is also essential. Disbursementof funds through establishment of a separate imprest account by each EA also works well fortimely payment to the consultants, contractors, and suppliers, which is crucial for successfulproject implementation. The sector approach undertaken was also beneficial in identifyingappropriate subprojects scattered over a wide area. Adequate services of consultants are alsoessential. It was noted that consultant input was inadequate in several components. Where alarge number of small subprojects spread over a wide area are implemented, provision forstrong consultant support should be envisaged. Besides, it is an uphill task for the EAs tomanage a large number of widely dispersed small contracts with limited human resources. Inorder to ensure improved construction, supervision, and monitoring performance aimed atraising the quality of works, the number of contract packages should be restricted to a minimum,to the extent possible.  project cycle stage: Appraisal Implementation  Lesson Topics:  Finance & Financial Aspects: Disbursement Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Project Design: Subprojects Project Management: Consultants Project Management: Executing/Implementing agencies Project Management: Procurement Project Management: Project management Project Management: Project supervision Capacity Development: Human resources management Methodologies/Approaches: Sectoral approach  In Bangladesh, the Roads and Highways Department (executing agency for roads component) and Local Government Engineering Department (executing agency for rural and urban infrastructure) are still the two agencies that are reasonably capable of implementing ADB-assisted projects. Other agencies including Bangladesh Water Development Board (BWDB), Bangladesh Railway (BR), Department of Public Health Engineering (DPHE), Dhaka Water Supply and Sewerage Authority (DWASA), Dhaka City Corporation (DCC), and Directorate of Secondary and Higher Education (DSHE) suffer from acute capacity constraints. Implementation experience suggests that civil works restoration projects generally require adequate programs for capacity building in the executing agencies (EAs) regarding contract administration and fostering familiarity with ADB procedures for procurement and disbursement. This will help ensure timely completion of contractual works,submission of withdrawal applications, and liquidation of imprest accounts.  project cycle stage: Design, Feasibility  Lesson Topics:  Finance & Financial Aspects: Disbursement Project Design: Project design Project Management: Executing/Implementing agencies Project Management: Procurement Project Management: Project administration Capacity Development: Capacity assessment Capacity Development: Capacity building  Project experience confirms that the existence of, and familiarity with, a nationalstrategy for disaster management would have been helpful, especially if such a strategy alsocontained the method for early estimation of infrastructure damage and identification ofsubprojects.  project cycle stage: Feasibility  Lesson Topics:  Finance & Financial Aspects: Financial analysis Project Design: Subprojects Country Context: Emergency Policy & Reform: Policy reforms/framework |
| Extensive training under the project and associated technical assistance (TA) led to the establishment of a training center in Hefei Sewage Treatment Company (HSTC), which has contributed to effective transfer of knowledge among the executing and implementing agencies and to wastewater treatment plants (WWTPs) in other cities in the province.  project cycle stage: Feasibility, Appraisal  Lesson Topics:  Crosscutting Issues/Themes: Knowledge Management Modality: Technical Assistance Project Management: Executing/Implementing agencies Capacity Development: Capacity building Capacity Development: Technology/Technology transfer Sector Related Issues: Health and sanitation management  The executing agency (Anhui Provincial Government) and the governments of the implementing agencies (Governments of Hefei and Chao) have supported the cost recovery measures and tariff reviews and increases have been implemented regularly and in close consultation with local residents.   project cycle stage: Implementation  Lesson Topics:  Finance & Financial Aspects: Financial management Project Management: Executing/Implementing agencies Policy & Reform: Public sector reform Methodologies/Approaches: Consultation/Participation  The most important factor was strong commitment from the executing agency and implementing agencies (Anhui Environmental Protection Bureau, Hefei Sewage Treatment Company and Chaohu Wastewater Treatment Engineering Company). Project ownership by all concerned parties and dedication to achieving target outputs resulted in implementation within the original schedule, close adherence to guidelines and procedures, and close coordination among the provincial government, local governments, and the utility companies. The ability of the local governments to raise counterpart funds in a timely mannerwas also an important factor for smooth project implementation and on-target completion.   project cycle stage: Implementation  Lesson Topics:  Finance & Financial Aspects: Counterpart funds Project Management: Executing/Implementing agencies Capacity Development: Ownership Methodologies/Approaches: Consultation/Participation  The project was designed with a clear goal, objectives and outputs that are in line with government policies and ADB's country and sector strategies. Implementation was planned in detail and undertaken through effective supervision, monitoring, and cost control.  project cycle stage: Design, Feasibility, Implementation  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Project Management: Project management Project Management: Project supervision |
| Most of the staff development activities under the project were implemented on the job,and on a short-term or intermittent basis by international consultants to keep abreast with theprogress of reorganization and systems development in the Publishing House and later in itssuccessor, PDH. This arrangement effectively minimized staff absence from the implementationsites, which is often caused by longer term off-the-job training programs that may lead toimplementation delays, and it has reduced the implementation cost compared with the formaloff-the-job training programs.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Project Design: Project design Project Management: Consultants Capacity Development: Capacity building Capacity Development: Human resources management  The project has addressed the importance of textbook distribution, which most of theprevious textbook projects seem to have overlooked. This focus on delivery mechanism is a keyto the project's sustainability, and, therefore, needs to be incorporated in future ADB operationsdealing with social services and provision of public necessities.  project cycle stage: Feasibility  Lesson Topics:  Crosscutting Issues/Themes: Sustainability Project Design: Project design Sector Related Issues: Education Sector Related Issues: Health and sanitation management |
| Proper information dissemination during program preparation and implementation is critical for obtaining inputs from civil society, keeping them reassured, and seeking their support and participation. Misinformation about the reform process canhinder the pace of implementation and weaken political support. Preparation of program loans requires extensive sector analysis, policy diagnosis, and assessment of institutional performance. It is important to consult a wide group of stakeholders in carrying out these assessments.    project cycle stage: Feasibility, Implementation    Lesson Topics:   Modality: Program  Capacity Development: Capacity assessment  Policy &amp; Reform: Information dissemination/Public awareness  Policy &amp; Reform: Reform  Methodologies/Approaches: Civil Society Participation  Methodologies/Approaches: Consultation/Participation    The delay in the release of the second tranche of the loan was partly due to the delay in the government's processes for approval of policy conditions. For complex programs involving several sectors, it is important to be realistic about the expected pace of government approval of reforms and to ensure that program timeframes include a sensible allowance for bureaucratic delays. Unrealistic timeframes can create excessively high expectations and dissatisfaction with the results of the program.    project cycle stage: Appraisal    Lesson Topics:   Modality: Policy-based lending  Modality: Program  Policy &amp; Reform: Reform    The monitoring of sector development programs is complex and requires considerable resources. The program shows that high-level political involvement through the Program Coordinating and Monitoring Committee (PCMC) chaired by the deputy prime minister was critical for monitoring and implementation. Many of ADB's developing member governments may not be able to implement or sustain such monitoring and evaluation activities. Therefore, strong capacity-building efforts and government commitment to comprehensive monitoring and evaluation should be a prerequisite for such complex programs.    project cycle stage: Appraisal    Lesson Topics:   Finance &amp; Financial Aspects: Financing  Modality: Program  Monitoring &amp; Evaluation: Monitoring and evaluation  Capacity Development: Capacity building  Capacity Development: Ownership |
| ADB involvement to speed up loan effectiveness and monitor project progress isan integral part of ensuring successful operations.  project cycle stage: Appraisal Implementation  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Design: Appraisal Project Management: Project supervision  The port construction materials should not be procured in one large package.This procurement could not meet the demand for change, arising from alterationor optimizations of design and construction schemes of civil works. This alsowould lead to allocation of further expenses, unnecessary storage areas, andpossible rust and deterioration of some of the equipment, which is needed atlater stage. Construction materials should be procured under small batch-by-batchprocedures and as required.  project cycle stage: Implementation  Lesson Topics:  Project Design: Project design Project Management: Procurement Sector Related Issues: Transport planning Methodologies/Approaches: Process approach  The project suffered some delays due to the inability of some suppliers to deliver timely services and unfamiliarity of the executing agency with ADB requirements. These problems could have been addressed through disqualification of incompetent contractors and advance training on ADB guidelines, procedures and policies for executing agency staff, respectively.  project cycle stage: Implementation  Lesson Topics:  Project Management: Executing/Implementing agencies Project Management: Procurement Capacity Development: Capacity building |
| The design and distribution of vehicle weigh bridges and environmental equipment should be determined well in advance, preferably before project implementation, so that procurement and installation could be completed before expressways are fully operational.   project cycle stage: Design  Lesson Topics:  Crosscutting Issues/Themes: Environmental management Project Design: Project design Project Management: Procurement Sector Related Issues: Roading |
| If the need to replace pipelines in the distribution system had been assessed indetail at the design stage, the nonrevenue water (NRW) program could have started earlier and hadgreater scope by using canceled loan funds rather than limited local funds.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Finance & Financial Aspects: Counterpart funds Project Design: Project design Sector Related Issues: Health and sanitation management  Nonrevenue water (NRW) could not be sustainably reduced by repairing infrastructure alone.Institutional and managerial measures were required in tandem with therehabilitation works. As an institutional measure, a permanent operations unitwas established in the executing agency (Provincial Waterworks Authority) to carry out the program to reduce NRW and willcontinue the program even after the project. A proposed consultant should havebeen recruited to adopt a zoning approach. The executing agency's capacity and the cancelationof recruitment of consultants for NRW reduction should have been carefullyexamined during the project.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Project Design: Project design Project Management: Consultants Project Management: Executing/Implementing agencies Capacity Development: Capacity development Sector Related Issues: Health and sanitation management  Policy dialogue between ADB, the government, and the executing agency, and ADB technical assistance (TA) contributed to institutional development and policy reform, which strengthenedthe executing agency's operations, accelerated privatization of water supply operations, andestablished a regulatory body.  project cycle stage: Appraisal Implementation  Lesson Topics:  Modality: Technical Assistance Project Management: Executing/Implementing agencies Capacity Development: Capacity development Sector Related Issues: Health and sanitation management Policy & Reform: Policy matrix Policy & Reform: Policy reforms/framework Policy & Reform: Privatization  The current water shortage in the project area could have been predicted earliersince demand for water is higher than Bang Phra Reservoir's (BPR's) capacity to supply it. Raw watersupply for the water treatment plant (WTPs) should have been carefully monitored and appropriatemeasures taken to prevent water shortages for WTPs and other water users inthe project area.  project cycle stage: Feasibility, Implementation  Lesson Topics:  Monitoring & Evaluation: Monitoring and evaluation Project Design: Project design Sector Related Issues: Health and sanitation management |