

# Relevance and replicability of the ADB's “What factors explain development projects’ performance?”

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30 November 2023



# Discussion points

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- ❑ how the study by the ADB's IED team fits into the literature
- ❑ clarifications for the non-ADB audience
- ❑ findings that are especially relevant to the Philippines
- ❑ replicability in the Philippines' M&E practice

# How the study fits into the literature

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- contribution to the literature
  - broadly, on international development finance
  - specifically, on project management and evaluation
- useful not only to officials and staff of the ADB and project implementors in ADB developing member countries but also to academics and researchers
- review of literature makes its case convincingly on determinants in general; empirical findings on ADB-funded projects in particular support the established literature

# Clarifications for the non-ADB audience

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## Requires esoteric knowledge of ADB practices

- ❑ Before referring to the “factors explaining the success of development projects”, it has to be clarified first what this study adopted as meaning of “success”.
  - It appears that project success is being measured first based on ADB project teams’ self-assessment (ratings: “successful”, “highly successful”, “weakly successful”, “unsuccessful”). Then the ADB’s independent evaluation department validates, and in some cases downgrades the ratings. Criteria used -- relevance, effectiveness, efficiency and sustainability
- ❑ Stringing together of the concepts “project risk severity”, “project risk classification”, and “safeguard categorization”. This needs to be demystified.
  - 3 major themes of safeguards in ADB operations
    1. environment - requirements on pollution prevention and abatement, biodiversity protection and natural resources, healthy working conditions, and the like
    2. involuntary resettlement - avoiding it, minimizing it, or at least restoring the livelihoods and improving the living standards of the displaced groups
    3. indigenous peoples - demonstrating informed consent, collective expression of it (broad community support even if some individuals object)

# Findings that are especially relevant to the Philippines

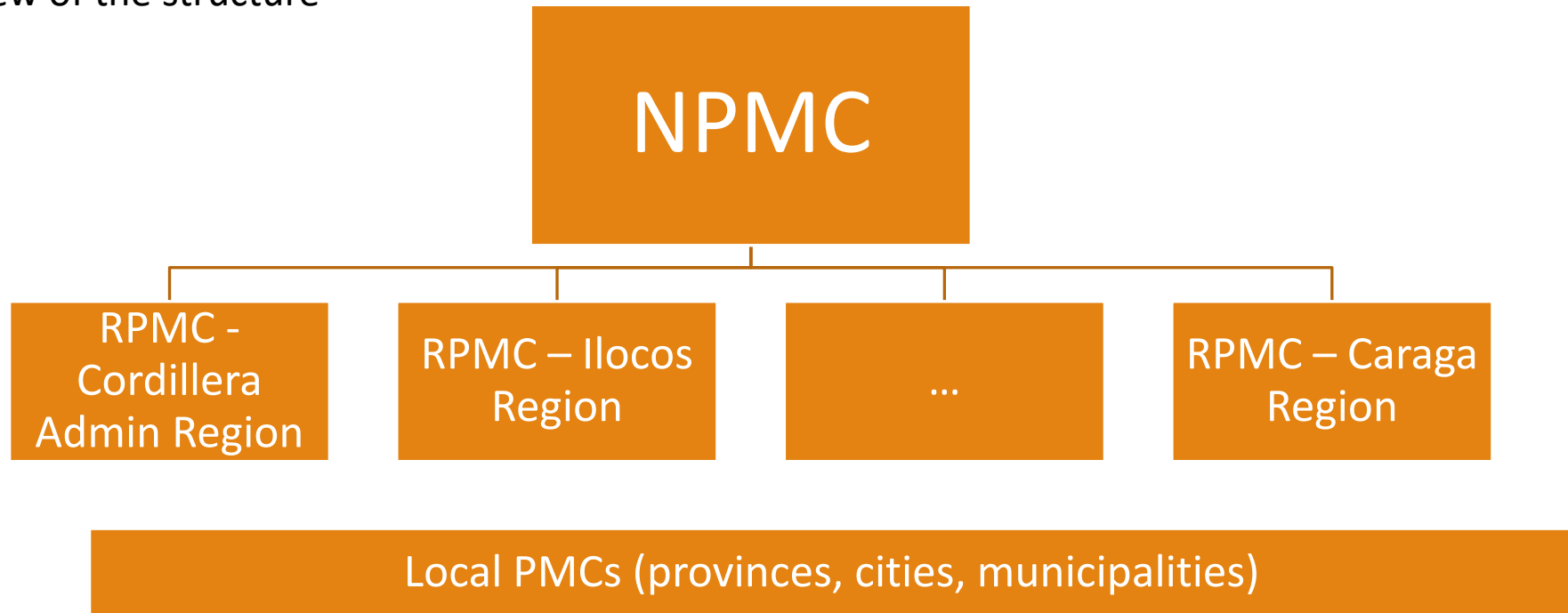
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Findings in poor-performing projects – familiar as many examples have been encountered in Philippine projects:

- ❑ delayed project start, with knock-on effects on financing utilization, e.g., procurement delays hampering mobilization of project teams and preventing the timely progression to next steps
- ❑ had inadequate risk assessment during project appraisal stage, e.g., MRT-3 project, water sector projects in areas with indigenous peoples or communities
- ❑ with insufficient risk mitigation during implementation stage, e.g., numerous DPWH, DOTr and LGU projects that require right-of-way acquisition
- ❑ had unjustified or untimely change in project scope, even in financing scheme in some cases, e.g., Cebu bus rapid transit project (has still not yet taken off, the government had to pay commitment fees), regional airports initially for PPPs then switched to ODA
- ❑ had ambitious project scope not commensurate with government capacity, e.g., projects at the start of electric power industry reforms, agricultural value chain development
- ❑ faced security concerns or geographical issues, e.g., programs in the Bangsamoro Autonomous Region of Muslim Mindanao, school building projects in the Cordillera Administrative Region

# Replicability in the Philippines' monitoring and evaluation practice

## Overview of the structure



### Notes:

NPMC – National Project Monitoring Committee; an inter-agency body composed of the NEDA (as Chair), DBM, DILG, and Office of the President-Presidential Management Staff (as members)

RPMC – Regional Project Monitoring Committee; the counterpart of the NPMC at the regional level, which consists of the regional counterparts of the member-agencies of the NPMC plus a private sector representative or non-government organization

# Replicability in the Philippines' monitoring and evaluation practice

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## Potential replication of methodology

- ❑ Starting with regional data at first (later, by agency or by LGU can be attempted)
- ❑ Statistical analysis - probit fixed effects model, using RPMC data, controlling for geographic region; there are existing project-level data that can be consolidated, rearranged, and harmonized
- ❑ Surveys - through members of the RPMC; no similar existing surveys yet
- ❑ Decomposition analysis can be by sector and theme

## Potential to generate rich data

- can uncover trends on determinants of project performance and measurement of problems at the national and sub-national (regional) levels
- lessons, approaches, and strategies toward problem-solving can surface



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# Thank you!

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