

## Evaluation Approach Paper

### Thematic Evaluation

# ADB Support for Making Cities More Livable, 2017–2024

September 2024

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## A. Introduction

1. This paper sets out the rationale, approach, and methodology for an independent evaluation of the Asian Development Bank (ADB) support for making cities more livable during 2017–2024. Given the role of cities as engines of growth and the challenges and opportunities associated with the rapid pace of urbanization “making cities more livable” is one of the 7 Operational Priorities (OPs) of ADB’s Strategy 2030.<sup>1</sup> Although the midterm review of ADB’s Strategy 2030<sup>2</sup> has deemphasized the OPs, the objective of making cities more livable remains important given the challenges arising from rapid urbanization in the region and the opportunities it provides in serving the Sustainable Development Goals (SDG), SDG 11 in particular, and the objectives of Paris Agreement on climate change: reducing greenhouse gas emissions and adapting to climate change impacts and in the implementation of UN-Habitat’s New Urban Agenda which provides a framework for urban development to ensure that cities contribute to sustainable development and climate resilience. Findings and lessons from this evaluation will inform the design and implementation of future operations aimed at improving urban livability as well as inform the wider set of operations in the five strategic focus areas identified in the Midterm review: climate action, private sector development, regional cooperation and public goods, digital transformation, and resilience and empowerment.

2. The concept of livability is multifaceted with no standard definition but covers broad aspects such as clean and green urban environment, inclusive and resilient access to infrastructure and services, safety and security and access to healthcare and education. The Operational Plan for Priority 4, 2019-2024 (OP4) considers livability as describing “the quality of life and community well-being, supported by strong governance systems and practices” and the “operational plan sets out the direction and approach of ADB to help its developing member countries (DMCs) build livable cities that are green, competitive, inclusive and resilient”.<sup>3</sup> ADB’s Urban Sector Directional Guide (USDG)<sup>4</sup> describes a livable city as one that “is sustainable, green, inclusive, healthy, safe, resilient, with integrated communication and information technology, among many other characteristics.” Major global indices on livability consider several factors of livability in ranking cities across the world. The Economist Intelligence Unit index on livability uses several indicators grouped under five categories: stability, healthcare, culture and environment, education and infrastructure. The Mercer Quality of Living index groups indicators under ten categories: political and social environment, medical and health, public services and transport, consumer goods, economic environment, school and education, recreation, housing and natural environment.

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<sup>1</sup> ADB. 2018. [Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific](#).

<sup>2</sup> ADB. 2024. [Strategy 2030 Midterm Review: An Evolution Approach for the Asian Development Bank](#)

<sup>3</sup> ADB. 2019. [Operational Plan for Strategy 2030 Operational Priority 4: Making Cities More Livable, 2019–2024](#).

<sup>4</sup> ADB. 2022. [Strategy 2030 Urban Sector Directional Guide Nov 2022](#).

3. The importance placed on different aspects of livability affecting the quality of life such as economic opportunities, housing availability, affordability and location, air, water and noise pollution, disaster and climate resilience, and equity in access to services, will vary depending on the level of development and the challenges cities face in each of the DMCs. This evaluation will take these differences into account in assessing how ADB responded to the challenge of making their cities livable and if it is positioned well to support DMCs in addressing this challenge. The evaluation will identify lessons and make recommendations for future ADB support. It will cover the project portfolio approved during 2017–2024 and is slated for completion in September 2025.

4. The Asia and the Pacific region is experiencing rapid urbanization. By 2050, 66% of Asia's population is projected to be urban and in 44 of the 51 countries more than 50% population will be urban.<sup>5</sup> Out of the 33 mega cities (cities with a population of 10 million or more) in the world 20 are in Asia.<sup>6</sup> Globally, the rate of urbanization is expected to slow down in the future. Although the share of the population in cities doubled from 25% in 1950 to about 50% in 2020, it is projected to slowly increase to 58% over the next 50 years.<sup>7</sup> Planning for and managing city densities in these countries needs to strike a balance between the provision of basic infrastructure and services and the availability of clean environment with open common spaces. Smaller and new cities will need enhanced planning capacities for sustainable management of city expansion.

5. While rising urbanization provides opportunities for growth and innovation through economies of agglomeration and scale, cities face various challenges in providing basic public services to the growing populations including water and sanitation,<sup>8</sup> social services, affordable housing, public transport, power supply, and flood risk management, given their resource and capacity limitations. Tackling urban poverty and inequality requires inclusive approaches to planning and extending infrastructure and services to underserved communities including slums and informal settlements. Inclusive approaches are important in ensuring women's equal access to work, housing, health, education, urban services, and representation in urban governance. Urban planning needs to consider the specific needs of girls and women ensuring their safety in public spaces.

6. Cities are also vulnerable to climate change related and other natural disasters, and pandemics such as the coronavirus disease (COVID-19) with differential impacts on women and girls, which requires building economic, social, and environmental resilience, through appropriate governance and institutional structures. Increasing urbanization and rapid economic growth are leading to increasing environmental pollution (land, water, and air) and ecosystem degradation. An increase in the number of vehicles, for example, is a cause of traffic congestion, a major source of CO<sub>2</sub> emissions and accounts for around 80% of air pollution. Addressing these challenges requires integrated and multisectoral approaches.

7. The evaluation will be informed by the available evaluative evidence on the subject drawn from internal and external sources. The midterm review of OP4 by ADB,<sup>9</sup> which assessed the Plan's performance, strategic alignment, and business processes, will serve as one of the inputs for this evaluation, along with other recently completed IED evaluations relating to the urban sector.<sup>10</sup> Given the cross-sectoral nature of OP4 operations, evaluations of ADB's support for DMCs in sectors such as water and other urban infrastructure and services (WUS), transport and energy and themes such

<sup>5</sup> UN. 2019. [World Urbanization Prospects. The 2018 Revision](#).

<sup>6</sup> UN. 2018. [World Urbanization Prospects 2018 highlights](#).

<sup>7</sup> UN Habitat. 2022. [World Cities Report 2022: Envisaging the Future of Cities](#).

<sup>8</sup> Sanitation involves safe collection, transport, treatment, disposal and reuse of human waste and sewage; hygiene promotion; and collection, transport and disposal of garbage and hazardous waste.

<sup>9</sup> ADB. 2023. Midterm Review of Strategy 2030's Operational Plan for Priority 4: Making Cities More Livable (2019–2024) (OP4 MTR).

<sup>10</sup> IED. 2023. [Sector Assistance Program Evaluation: ADB's Support for Urban Infrastructure and Services in India, 2012–2022](#); IED. 2022. [Sector-wide Evaluation: Integrated Water Management—Evaluation of ADB's Water Sector Policy and Program, 2011–2021](#).

as climate change and gender will be relevant. The evaluation will also review completion and validation reports of projects tagged as OP4.

## **B. ADB's Plan for Operational Priority 4 and related strategy/guidance documents**

8. The OP4, approved in 2019, sets out the direction and approach for ADB support to its developing member countries in building livable cities that are green (environmentally sustainable), economically competitive, inclusive, and resilient; as well as in developing the needed institutions, policies, and enabling environments for enhanced livability. The operational plan is envisioned as a cross-sector and cross-thematic platform for urban interventions that will help ADB and cities in DMCs adopt a holistic approach, providing integrated solutions to achieve livable cities. The three strategic pillars of the plan are: (i) improved coverage, quality, efficiency, and reliability of services in urban areas; (ii) strengthened urban planning and financial sustainability of cities; and (iii) improved urban environments, climate resilience, and disaster management.

9. The Urban Sector Directional Guide (USDG), approved in 2022, provides guidance for ADB's support for the urban sector in its DMCs for the period 2022–2030. It complements OP4 with guidance on how cities can address complex urban challenges through integrated principles and innovative development solutions. It identified seven guiding principles to inform and catalyze ADB investments, TA, and knowledge work (Table 1). The USDG offers 18 Development Solutions to illustrate tactical approaches for achieving the three pillars of OP4 for urban livability with outcome indicators that will be tracked, monitored, and evaluated against a set of outcome-level indicators from ADB's Corporate Results Framework.<sup>11</sup> ADB also prepared a guidance note advising cities on immediate response to COVID-19 crisis and short- and medium-term strategies to “build back better”.<sup>12</sup>

**Table 1. Guiding Principles**

Address urban development complexities by designing projects that incorporate multi-sectoral and cross-thematic benefits
Pursue pro-poor, inclusive, gender-responsive, and participatory approaches
Foster the competitiveness of cities for economic growth and job creation
Adoption of efficient technologies and digital solutions
Focus on environmental sustainability, low-carbon development, and climate and disaster resilience
Enable PPPs and private sector participation to enhance synergies with sovereign operations
Improve governance and institutional capacities of cities

10. In addition to the OP4 and USDG, parts of guidance of other sector and thematic activities are also of relevance for OP4 tagged operations. For example, ADB's Climate Change Action Plan, 2023–2030<sup>13</sup> focuses on urban resilience and low carbon development in urban areas and building capacity of local governments in implementing climate actions. The water sector directional guide<sup>14</sup> covers, among other things, urban flood protection, urban sanitation, urban sewerage, urban water supply, and water-based natural resources management in contributing to the objective of making cities more livable. The energy sector directional guide<sup>15</sup> indicates that the sector would contribute to this objective by supporting energy smart buildings, electric vehicles, microgrids, waste-to-energy, and demand-side energy efficiency, and energy–urban nexus. The transport sector directional guide indicated that the sector's support for this objective will be through, among other things, the promotion of sustainable urban transport, which will prioritize urban public transport; nonmotorized transport

<sup>11</sup> Table 3 of the USDG lists the development solutions, distributed across the three pillars of OP4 with outcomes and tracking indicators.

<sup>12</sup> ADB. 2020. [COVID-19 and Livable Cities in Asia and the Pacific: Guidance Note](#).

<sup>13</sup> ADB. 2023. [Climate Change Action Plan, 2023–2030](#).

<sup>14</sup> ADB. 2022. [Strategy 2030 Water Sector Directional Guide](#).

<sup>15</sup> ADB. 2023. [Strategy 2030 Energy Sector Directional Guide](#).

modes; and the promotion of integrated, multimodal transport operations, transit-oriented development, and traffic management.

### **C. Policies and Strategies of other Multilateral Development Banks (MDBs)**

11. Support for improving urban planning and strengthening urban governance and financing mechanisms and climate change and environmental sustainability along with infrastructure development and services is a commonality between the strategic approaches of various MDBs.

12. The AIIB, through its Sustainable Cities Strategy, aims to support cities in Asia to be Green, Resilient, Efficient, Accessible and Thriving (GREAT).<sup>16</sup> The objectives supported are: enhancing environmental sustainability through pollution reduction, climate mitigation, and sustainable management of natural resources (Green); building capacity to withstand natural disasters and adapt to climate change (Resilience); improving infrastructure to ensure reliable services like water, sanitation, and power (Efficient); ensuring that all city residents have access to essential services and opportunities (Accessibility); and promoting economic growth and social well-being (Thriving). The priority areas under the Strategy are (i) enhancing urban mobility, (ii) improving basic infrastructure and city resilience and (iii) promoting integrated development. AIIB will be guided by the principles of client-driven, outcome-driven and financial viability-driven. It will proactively seek to build trusted client relationships with subnational entities; invest in projects that promote the GREAT objectives by adopting a more holistic/integrated approach, such as by being part of a city masterplan and/or by considering strategic/efficient land use; and prioritize infrastructure investments in cities that are financially sound and viable, which is consistent with its priority to mobilize private capital into infrastructure development.

13. As a part of its commitment to improving infrastructure development and achieving its five strategic priorities<sup>17</sup> the African Development Bank's (AfDB) operational support aims to improve the quality of life for its urban citizens and ensure that cities become centers of transformation and economic growth. AfDB is guided by its Sustainable Urban Development Action Plan that focuses on improved planning, governance, and management; and enhanced financing mechanisms at the national and subnational levels, among other things.<sup>18</sup> AfDB's Urban and Municipal Development Fund was launched in 2019 to help cities put in place the building blocks to attract resilient and low-carbon investment and ensure integrated development and enhanced planning with three focus areas: (i) Improved municipal governance, (ii) Improved urban planning, and (iii) Improved urban Infrastructure and essential services.<sup>19</sup>

14. The European Bank for Reconstruction and Development (EBRD) engages in urban regeneration initiatives, investing in projects aimed at improving existing urban public spaces in a manner that creates value and opens new opportunities for complementary private sector investment. EBRD's Green Cities Framework assists city authorities in identifying, prioritizing, and connecting their environmental challenges with sustainable infrastructure investments and policy measures. Smart City Action Plans aim to improve competitiveness, planning capabilities, and quality of life using real-time data analytics. EBRD's City Regeneration and Environment Fund is dedicated to integrated urban investments, upgrading transport hubs, rehabilitating disinvested assets in urban centers, and releasing value from disused industrial sites.

<sup>16</sup> AIIB. 2018. [Sustainable Cities Strategy: Financing Solutions for Developing Sustainable Cities in Asia](#).

<sup>17</sup> The AfDB's High 5s strategic priorities are: light up and power Africa; Feed Africa; integrate Africa; industrialize Africa; and improve the quality of life with gender equality, climate change, fragility, jobs, and governance identified as crosscutting areas.

<sup>18</sup> ADB. 2019. [Creating Livable Cities Regional Perspectives Executive Summary](#)

<sup>19</sup> AfDB. 2023. [African Cities Program](#).

15. The Inter-American Development Bank's (IDB) Urban Sector Framework aims to promote livable cities in the region and focuses on four core areas: urban governance, urban infrastructure and public services, housing, and urban habitat. Mainstreaming the crosscutting issues of climate change and environmental sustainability, and gender and diversity is also important for IDB's work. Solutions are jointly designed with local communities to include holistic territorial concepts for urban-rural linkages, promoting land-based municipal financing instruments, increasing private sector participation in infrastructure provision, strengthening local economies, and promoting metropolitan governance across sectors and jurisdictions. Projects converting traditionally "gray" into "blue-green" infrastructure is showcasing the transformative impact of inclusivity oriented, targeted, place-based investments.

16. The World Bank's urban development strategy aims to build sustainable cities and communities through an urbanization process that is green, inclusive, competitive, and resilient, contributing to the Sustainable Development Goal (SDG) 11 (Make cities inclusive, safe, resilient and sustainable), to the implementation of the New Urban Agenda<sup>20</sup>, as well as to the World Bank's goals to end extreme poverty and boost shared prosperity.<sup>21</sup> It adopts integrated approaches to transform the fundamental systems of cities, focusing on five priorities: (i) enhance planning system and local capacity for cities,<sup>22</sup> (ii) strengthen fiscal and financing systems, (iii) promote territorial and spatial development,<sup>23</sup> (iv) build climate smart and urban resilience,<sup>24</sup> and (v) invest in low-income, marginalized urban communities.<sup>25</sup>

#### **D. ADB Portfolio**

17. The OP4 portfolio for this evaluation will follow the classification adopted by ADB's Strategy, Policy, and Partnerships Department (SPD) for tracking ADB's corporate results framework. SPD has tagged the projects for different OPs for the years before the plans for operational priorities were published in 2019, back to 2017. ADB's OP4 portfolio comprises investments for infrastructure and services with capacity building and strengthening of urban institutions and knowledge support. A large percentage of OP4 operations (87% to 95%) were also tagged for OPs 1, 2, 3 and 6. ADB's total loan/grant financing commitments amounted to around \$35 billion during 2017–2023 for operations tagged as OP4, comprising both sovereign (SO) and non-sovereign operations (NSO). This is around 22% of the total ADB commitment (SO+NSO) during this period. NSO formed 19% of the OP4 financing commitments.

18. Sovereign operations comprised 225 projects, and NSOs comprised 57 projects. Project loan was the most common financing modality for SO, accounting for 49% of the commitment volume, followed by MFF 16%, PBL 7%, sector loan 6% and RBL 4%. Loans and debt instruments formed 98% of NSO, direct investments 1.0%, equity 0.7% and guarantees 0.5%.

19. During 2017–2023, a total of 316 OP4 tagged TA operations amounting to \$750.32 million were approved. CDTAs accounted for \$378.1 million in commitment and 166 approvals. This was followed by PPTAs with \$241 million commitment in 81 approvals. Policy and advisory TA projects

<sup>20</sup> The New Urban Agenda adopted during the Habitat III Conference in Quito, Ecuador, in 2016 aims to enhance the planning, construction, development, management, and improvement of urban areas worldwide. <https://habitat3.org/the-new-urban-agenda/>

<sup>21</sup> World Bank. [Urban Development](#).

<sup>22</sup> Capacities to better design, plan, and manage city assets and urban environments (providing them diagnostics and planning tools).

<sup>23</sup> Looks at not only cities as individual entities, but also at the coordination between them at different scales: identifying priorities of lagging regions; connecting urban and rural spaces, and addressing spatial inequalities within cities, aiming to allow faster economic growth and linking people to better jobs.

<sup>24</sup> Improve population's capacity to adapt to and recover from economic and environmental shocks.

<sup>25</sup> Addresses issues related to urban poverty, slums, and safe and resilient housing solutions. Building new housing and promoting rental markets in developing countries is critical to activate economic activities and boost economic growth.



and research and development TA projects were respectively 41 and 28, with financial commitments of \$90.16 million and \$40.75 million respectively.

20. The top 5 sectors in terms of financing commitments OP4 tagged projects were WUS (33%), TRA (26%), ENE (18%), ANR (7%), and PSM (6%). The top 5 sectors in terms of number of sovereign OP4 projects were WUS (51%), TRA (16%), ENE (13%), ANR (8%), PSM (4%) and HLT (4%). The top 5 sectors in terms of number of nonsovereign OP4 projects were ENE (33%), FIN (21%), WUS (18%), TRA (14%), and HLT (7%).

21. SARD had the biggest share of commitments (SO+NSO), accounting for 37%, followed by SERD 26%, EARD (25%), CWRD (10%), and PARD (2%). The top 5 countries in terms of share of the total commitments include India (24%), PRC (23%), Philippines (14%), Bangladesh (9%), and Indonesia (4%). The top 5 countries in terms of number of OP4 projects include India (18%), PRC (17%), Bangladesh (7%), Mongolia (5%), and Philippines (5%) (Attachment 1).

22. ADB's water and other urban infrastructure and services sector is a major contributor to the objective of making cities more livable with 100% of these operations tagged as OP4.<sup>26</sup> Other sectors whose activities are significantly aligned with this objective include transport (with 32% of operations tagged as OP4), and energy (33% operations tagged as OP4). Outside of these sectors, ADB has a range of other sectoral contributions that have varying degrees of alignment with the outputs and outcomes envisaged under OP4.

## **E. Evaluation Purpose, Scope, Theory of Change, and Key Questions**

23. The purpose of the evaluation is to assess how ADB responded to the priority of “making cities more livable” identified under Strategy 2030 and if it is positioned well to support DMCs in addressing the challenge of making cities livable. It will draw relevant lessons from completed and ongoing operations, enhance understanding of ADB's comparative strengths and weaknesses, and inform future strategic approaches and investment design to improve development effectiveness. The evaluation will also consider thematic contributions such as gender equality and climate change adaptation and mitigation and contributions to other operational priorities of strategy 2030 from ADB's sectoral operations tagged as OP4. It will examine how the cross-border/regional cooperation dimension of projects has helped in addressing challenges to making cities more livable and resilient.

24. **Scope.** This evaluation proposes to include OP4 interventions (sovereign and nonsovereign) approved and committed during the period 2017–2024. Considering committed investments in the 3 years (2017–2019) before the introduction of OP4 allows for a comparative analysis before and after the launch of OP4 in 2019 in terms of the design of CPS and the projects. The evaluation will include detailed portfolio reviews at the project, sector and country levels, and review the design of CPSs and projects. The evaluation will assess how ADB has responded to livable cities agenda by assessing the design quality of CPSs and projects in terms of adequacy of diagnostics and support for knowledge and capacity development. It will also examine the organizational arrangements for effective delivery of livable cities operations, who in the Bank owns the livable cities priority area in terms of delivery and how they ensure that different sector groups and thematic groups come together. Given the importance of the urban environment to ensure sustainability and resilience of development, the evaluation will examine how policies and regulations related to the urban environment (e.g. setting of standards for air and water quality, green building codes) are factored into OP4 operations and if appropriate financing modalities are identified to address these issues. The evaluation will focus on arriving at findings and lessons that will inform the design and

<sup>26</sup> ADB. 2023. Midterm Review of Strategy 2030's Operational Plan for Priority 4: Making Cities More Livable (2019–2024) (OP4 MTR).

implementation of future operations aimed at improving urban livability as well as inform the wider set of operations in the five strategic focus areas identified in the S2030 Midterm review.

25. **Theory of Change.** The evaluation will base its assessments on an explicit theory of change (TOC), highlighting the major expected outputs and outcomes corresponding to the three strategic pillars of the OP4 (Attachment 2). The TOC is based on the framework articulated in ADB's operational plan for priority 4 and the urban sector directional guide.<sup>27</sup> The activities (based on differing DMC needs), outputs and intermediate outcomes leading to these major outcomes are derived from the operational approaches of OP4. These are driven by ADB support (sovereign and nonsovereign financing and technical assistance) for WUS, transport, energy and various other sectors and thematic areas as listed in the OP4 operational plan and based on the guiding principles laid down in the urban sector directional guide. The overall impact is to make Asian cities more livable.

26. At the institutional level, the evaluation will examine ADB's organizational set-up for the delivery of ADB support for making cities livable in its DMCs. External drivers, which play a key role in urban development, will provide important context and information on binding constraints, such as climate change, and technological developments. Assumptions behind the TOC include complementarity with development partners, inter agency and intergovernmental cooperation and coordination and commitment to goals of sustainable and resilient urbanization.

27. **Key Evaluation Questions.** The evaluation will address the overarching question: how well positioned and responsive is ADB in delivering effective support for improving urban livability and resilience in Asia and the Pacific? The overarching question will be underpinned by three supporting questions. Greater emphasis will be given to issues of relevance and coherence and lessons learned, as it is too early for a comprehensive assessment of effectiveness. Changes related to the New Operating Model (NOM) and its implications will be based on key stakeholders' feedback from the implementation progress so far since it is too early to see definitive results from the NOM. An evaluation matrix with sub-questions and data sources is presented in Attachment 3.

- (i) **How relevant is ADB's approach to responding to the evolving challenges in making cities more livable and resilient and how well has it incorporated lessons in the design of projects?** This will include an assessment of the relevance of the OP4 plan, the Theory of Change, and related guidance, in addressing the persistent challenges and evolving needs of DMCs. The assessment will take into account the diversity of definitions of livability used by different DMCs, reflecting their priorities and how these are addressed by OP4. It will include a comparative analysis of CPSs and operations' designs, including before and after OP4 was endorsed. It will also include assessing how ADB prioritized planned outputs and outcomes and tailored its actions to different country contexts, as well as how effectively it has incorporated lessons from the past.
- (ii) **How coherent are ADB's OP4 operations, internally and externally?** Internal coherence will consider cross-sectoral contributions and synergies with regards to ADB's OP4 interventions in different sectors, across sovereign and nonsovereign operations and across lending and nonlending modalities. External coherence will focus on synergies with DMC plans and activities and those resulting from ADB's

<sup>27</sup> Figure 13 in page 25 of [Strategy 2030 Urban Sector Directional Guide Nov 2022](#); Page 8 of [Strategy 2030 Operational Plan for Priority 4: Making Cities More Livable \(2019-2024\)](#)

coordination and collaboration with other development partners and knowledge partners to augment its approaches and address gaps in expertise and knowledge.

- (iii) **How well organized is ADB in delivering OP4 operations and to what extent are the project design and monitoring framework (DMF) indicators and CPS results framework adequate in tracking progress towards the objective of making cities livable and resilient?** This will include an assessment of how ADB has strengthened its staffing and organizational setup to address the objective of making cities more livable and resilient as well as initial assessment of changes related to the NOM. The assessment will also include the alignment of project DMF and CPS results framework with indicators under the previous and newly proposed corporate results framework (improvements in services, institutional performance, and urban environment including climate and disaster resilience).

## **F. Evaluation Methods, Resource Requirements, and Tentative Timetable**

28. **Evaluation Methods.** The evaluation will use a mixed methods approach to gather evidence from various sources to address the evaluation questions. The evaluation activities will include (i) review of the OP4 plan, its midterm review, and processes; (ii) review of contextual background papers on urbanization, urban service provision and urban development; (iii) a comparative analysis of approaches to supporting livable cities by other multilateral financial institutions; (iv) portfolio analysis of ADB projects and country case studies; (v) field visits, beneficiary focus groups, and interviews with government officials, private sector clients, ADB staff, development partners, including civil society organizations and other key stakeholders; and (vi) institutional assessment of ADB's staffing and organizational set-up and staff survey. The evaluation will review indicators relating to OP4 used in the DMF indicators of reports and recommendations of the President and in project completion reports. It will use validations of project completion reports and extended annual review reports to support the performance assessment.

29. To answer the evaluation questions, the assessments from review of evaluative reports and operational documents will also be supplemented by systematic feedback through beneficiaries' focus group discussions and semi-structured client interviews. A project template will be developed to assess contributions to various outputs and outcomes under the three pillars of OP4 by reviewing the design of approved projects and DMF indicators for alignment with outputs and outcomes set out in the TOC. Effectiveness assessments will be limited to evaluative evidence from completed operations during the evaluation period with project and TA completion report validations. The assessment will focus on the achievement of target indicators aligned with the TOC. These assessments will be supplemented by evidence gathered from country case studies, and field missions.

30. **Country case studies.** Case studies will serve as an opportunity for more in-depth analysis and will be designed to answer the evaluation questions and to test the validity of the TOC. Case studies will emphasize interventions tailored to country contexts and capture a range of approaches covering the three OP4 pillars. The case study countries will cover Ordinary Capital Resources (OCR), Blend, concessional OCR lending (COL) and FCAS categories to assess how ADB tailors its OP4 response to these contexts. The selection of cases study DMCs will be based on portfolio size, coverage of sectors, lending modalities, and the mix of sovereign and nonsovereign operations. India is well covered, since IED recently completed the India urban sector SAPE. Bangladesh will be considered since it has the second largest OP4 portfolio in south Asia covering the three major sectors, ENE, TRA and WUS, and a project each in health and PSM. The PRC will also be covered since it has the second largest OP4 portfolio in ADB covering many sectors including ANR, PSM and



health. Uzbekistan has one of the highest OP4 investment volume among the central west region countries and has a mix of urban services project including an integrated urban development project. In the Pacific, Tonga with the greatest number of OP4 operations and belonging to the SIDS category will be considered. From Southeast Asia, the Philippines with the largest volume of financing commitments and Timor-Leste categorized as FCAS will be considered. The PRC and the Philippines cover the OCR only category, while Bangladesh and Uzbekistan cover the Blend (OCR and COL) category. Some case country assessments will be based on desk reviews while others will be through in-person or virtual country evaluation missions. In addition, consultation and/ or virtual missions are also planned for Washington, DC (to consult with development partners and think-tanks).

31. **Country evaluation missions.** The focus of country evaluation missions would be to obtain primary data on DMC governments (national, state, and local) and development partner perspectives, and beneficiary experiences. Triangulate information on challenges, constraints and opportunities in the urban sector and obtain feedback on ADB value added, use of integrated and solutions-based approaches to operations and implementation lessons from ongoing projects.

32. **Limitations.** One challenge for the evaluation will be pinning down ADB's definition of livability. Most of the OP4 investments approved after the approval of OP4 operational plan in 2019 have not yet been completed or validated. Given the limited evaluative evidence from the validation reports published during the evaluation period the assessment will be restricted to the relevance and design aspects of the portfolio, the extent to which the output and outcome indicators are aligned with in the TOC and measured and monitored. On the organizational setup, it would be too early to assess the effectiveness of the new operating model adopted by ADB.

33. **Dissemination plan.** IED will disseminate the evaluation findings within ADB and externally (Attachment 4). It will post the final report on its website. After the Development Effectiveness Committee discussion of the final report, IED will hold knowledge sharing and learning activities, including dissemination seminars and presentations in evaluation conferences as opportunities arise. It will prepare a video capturing experiences and results in the field with key stakeholders and beneficiaries. IED will also undertake an event in one of the case study countries to disseminate findings and lessons with country stakeholders.

34. **Resource requirements.** The evaluation will be conducted by a team of IED staff comprising: (i) Srinivasan Pale Venkata, senior evaluation specialist and (ii) Sung Shin, senior evaluation specialist (team leaders with overall responsibility for the evaluation implementation and report delivery); (iii) Alexander Wellsted, principal evaluation specialist; (iv) Arjun Guha, evaluation specialist; (v) Hans Woldring, senior evaluation specialist; (vi) Shimako Takahashi, senior evaluation specialist; (vii) Sonia Leonardo, evaluation specialist; (viii) Sonia Chand Sandhu, principal evaluation specialist; (ix) Jerome Jovellanos, Associate evaluation officer; (x) Mark Leander Mendoza, evaluation officer; and (xi) Christine Grace Marvilla, senior evaluation assistant. The team will be under the supervision of Nathan Subramaniam, Director, Sector and Project Division.

35. A team of individual international and national consultants will be engaged using Individual Consultants Selection method and following open competitive bidding procedures in accordance with the ADB Procurement Policy (2017, as amended from time to time) and Procurement Staff Instructions": (i) evaluation advisor, (ii) urban infrastructure and service provision expert, (iii) expert in urban economics, planning and financial sustainability of cities, (iv) expert in urban environment and resilience, (v) private sector and municipal finances expert, (vi) headquarter-based research and evaluation associate, (vii) headquarter-based portfolio and database management consultant, and (viii) in-country national consultants in each country of field visit. The proposed approach paper and

draft report will also be reviewed by internal and external reviewers who are experts in the field of urban development, livability and resilience.

36. **Tentative schedule.** The evaluation of ADB's OP4 plan is expected to be completed and submitted to the Development Effectiveness Committee at the end of the third quarter of 2025. Table 2 presents the proposed timeline for this evaluation.

**Table 2: Proposed Timeline**

<b>Activity</b>	<b>Tentative Schedule</b>
Approval of the approach paper	IV Sep 2024
Country Missions	I November–II January 2025
Storyline meeting	II February 2025
Peer review	I–II April 2025
Interdepartmental circulation	III–IV May 2025
Editing	II June–I July 2025
Heads of Departments meeting	III July 2025
Board circulation	I August 2025
Development Effectiveness Committee meeting	IV September 2025

Attachments:

1. ADB support for making cities more livable in top 10 countries, 2017–2023
2. Theory of Change of the Operational Plan for OP4
3. Evaluation Matrix
4. Communication Matrix
5. Cost Estimates (*not for public disclosure*)
6. Consultants' Terms of Reference (*not for public disclosure*)

**Table A1.1. ADB support for OP4 operations (SO+NSO) in top ten DMCs, 2017–2023**

<b>DMC</b>	<b>Commitment (\$ million)</b>	<b>% Share</b>	<b>Projects</b>	<b>% Share</b>
IND	8,397.24	23.8%	51	18.1%
PRC	8,000.12	22.7%	49	17.4%
PHI	4,995.44	14.2%	15	5.3%
BAN	2,989.35	8.5%	19	6.7%
INO	1,429.13	4.1%	5	1.8%
PAK	1,374.85	3.9%	9	3.2%
UZB	1,162.46	3.3%	8	2.8%
VIE	1,064.00	3.0%	12	4.3%
NEP	916.27	2.6%	7	2.5%
MON	794.31	2.3%	13	4.6%
CAM	488.00	1.4%	6	2.1%
GEO	487.78	1.4%	9	3.2%
SRI	430.00	1.2%	3	1.1%
THA	402.98	1.1%	4	1.4%
MYA	310.00	0.9%	3	1.1%
PNG	249.06	0.7%	3	1.1%
ARM	219.41	0.6%	6	2.1%
KAZ	218.92	0.6%	1	0.4%
TIM	209.00	0.6%	3	1.1%
REG	170.00	0.5%	4	1.4%
KGZ	138.52	0.4%	5	1.8%
MLD	133.97	0.4%	4	1.4%
SOL	122.88	0.3%	6	2.1%
BHU	116.89	0.3%	5	1.8%
TAJ	89.18	0.3%	3	1.1%
LAO	78.50	0.2%	2	0.7%
FSM	60.76	0.2%	6	2.1%
TON	49.48	0.1%	5	1.8%
FIJ	42.11	0.1%	1	0.4%
SAM	40.00	0.1%	1	0.4%
KIR	35.00	0.1%	3	1.1%
RMI	21.50	0.1%	4	1.4%
VAN	20.95	0.1%	3	1.1%
TUV	10.00	0.0%	2	0.7%
NAU	5.00	0.0%	1	0.4%
PAL	5.00	0.0%	1	0.4%

**Table A1.2. Sovereign Projects by DMC**

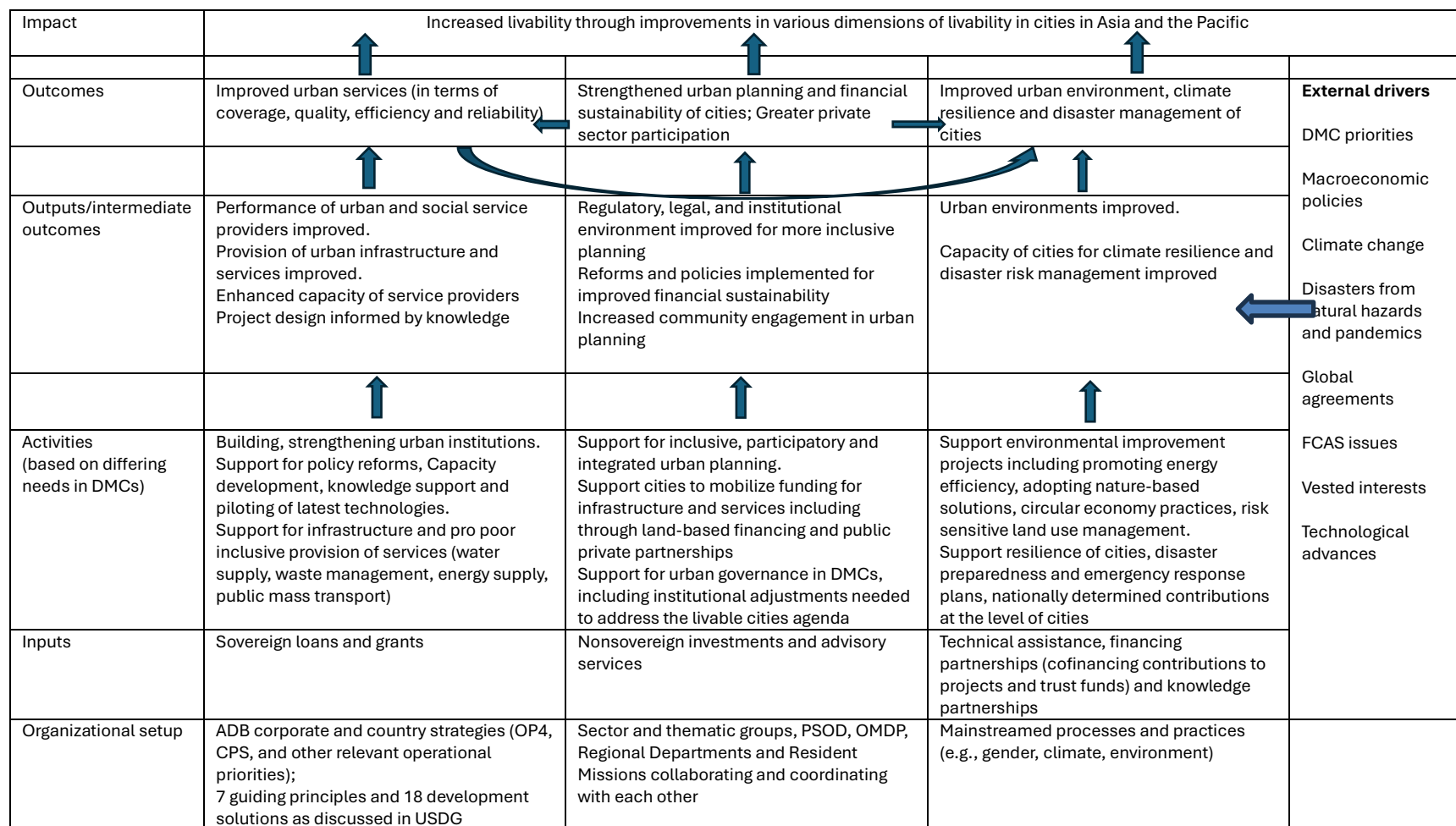
<b>DMC</b>	<b>Commitment (\$ million)</b>	<b>% Share</b>	<b>Projects</b>	<b>% Share</b>
IND	8,022.48	25.2%	41	18.2%
PRC	6,695.21	21.0%	36	16.0%
PHI	4,815.34	15.1%	12	5.3%
BAN	2,969.35	9.3%	18	8.0%
INO	1,397.75	4.4%	3	1.3%
PAK	1,374.85	4.3%	9	4.0%
UZB	1,162.46	3.6%	8	3.6%
NEP	916.27	2.9%	7	3.1%
MON	774.53	2.4%	11	4.9%
VIE	601.00	1.9%	4	1.8%
CAM	488.00	1.5%	6	2.7%
SRI	430.00	1.3%	3	1.3%
GEO	300.11	0.9%	4	1.8%
MYA	260.00	0.8%	2	0.9%
PNG	239.06	0.8%	2	0.9%
TIM	209.00	0.7%	3	1.3%
ARM	147.41	0.5%	3	1.3%
KGZ	138.52	0.4%	5	2.2%
SOL	122.88	0.4%	6	2.7%
BHU	116.89	0.4%	5	2.2%
REG	115.00	0.4%	2	0.9%
MLD	113.97	0.4%	3	1.3%
TAJ	89.18	0.3%	3	1.3%
LAO	78.50	0.2%	2	0.9%
FSM	60.76	0.2%	6	2.7%
TON	49.48	0.2%	5	2.2%
FIJ	42.11	0.1%	1	0.4%
SAM	40.00	0.1%	1	0.4%
KIR	35.00	0.1%	3	1.3%
RMI	21.50	0.1%	4	1.8%
VAN	20.95	0.1%	3	1.3%
TUV	10.00	0.0%	2	0.9%
NAU	5.00	0.0%	1	0.4%
PAL	5.00	0.0%	1	0.4%

**Table A1.3. Nonsovereign Projects by DMC**

<b>DMC</b>	<b>Commitment (\$ million)</b>	<b>% Share</b>	<b>Projects</b>	<b>% Share</b>
PRC	1,304.92	38.3%	13	22.8%
VIE	463.00	13.6%	8	14.0%
THA	402.98	11.8%	4	7.0%
IND	374.76	11.0%	10	17.5%
KAZ	218.92	6.4%	1	1.8%
GEO	187.67	5.5%	5	8.8%
PHI	180.10	5.3%	3	5.3%
ARM	72.00	2.1%	3	5.3%
REG	55.00	1.6%	2	3.5%
MYA	50.00	1.5%	1	1.8%
INO	31.38	0.9%	2	3.5%
BAN	20.00	0.6%	1	1.8%
MLD	20.00	0.6%	1	1.8%
MON	19.79	0.6%	2	3.5%
PNG	10.00	0.3%	1	1.8%



### Theory of Change of the operational plan for OP4



### Evaluation Matrix

<b>Overarching Question:</b> How well positioned and responsive is ADB in delivering effective support for improving urban livability and resilience in Asia and the Pacific?	
Subsidiary Questions	Data Sources and Methods
<b>1. How relevant is ADB's approach to responding to the evolving challenges in making cities more livable and resilient and how well has it incorporated lessons in the design of projects?</b> (i) What is the extent of ADB's operational focus on OP4? (compare pre and post OP4 period design quality in terms of use of adequate diagnostics and knowledge and capacity development support) (ii) To what extent has ADB adopted a differentiated approach calibrated by client needs? (iii) To what extent has the CPS design reflected the guidance in OP4 (extent to which CPSs articulated the three strategic pillars of OP4)? (compare the pre and post OP4 periods) (iv) To what extent are ADB's OP4 operations in alignment with the TOC? To what extent do the outputs and outcomes relate to different pillars of OP4 as well as to ADB's thematic priorities such as climate, gender and RCI? (v) To what extent did ADB support objectives aligning with priority livability indicators of different DMCs? (vi) What is the extent of ADB support to immediate, medium-term, and long-term objectives? (vii) What is the extent of ADB's value addition? To what extent are project and program interventions informed by diagnostic work or upstream knowledge work? To what extent does ADB support institutional capacity strengthening? To what extent does ADB support improvements in the enabling and regulatory environments including improving urban planning and urban governance? And policy changes to avoid congestion and pollution related problems? (viii) To what extent have sequential and multisectoral or integrated approaches been used in the portfolio? (ix) To what extent was the latest evidence on good practices, innovative solutions, and emerging technologies, integrated into project design?	Portfolio analysis  Document review  Literature review  Interviews with key stakeholders (ADB staff, project managers and EA/IA officials, development partner staff)  Staff survey  Country case studies
<b>2. How coherent are ADB's OP4 operations, internally and externally?<sup>a</sup></b> (i) To what extent does the CPS design capture cross sector synergies through multisectoral operations or adopt a sequential approach building on past experiences? (ii) To what extent do OP4 interventions in different sectors complement each other? (iii) To what extent is there interdepartmental coordination (coordination across sector and thematic groups and across the regional departments, Private Sector Operations Department, Climate Change and Sustainable Development Department)? (iv) To what extent has ADB supported institutional change within DMCs for greater coherence and alignment with livable cities agenda? (v) What is the extent of complementarity of ADB's OP4 interventions with those of other development partners and with government programs? (vi) How has ADB partnered with other development partners and knowledge partners to support OP4 outcomes? What is the extent of cofinancing for OP4 projects compared to other projects?	Document review  Interviews with key stakeholders (ADB staff, project managers and EA/IA officials, development partner staff)  Staff survey  Country case studies

3.	<b>How well organized is ADB in delivering OP4 operations and to what extent are the project DMF indicators and CPS results framework adequate in tracking progress towards the objective of making cities more livable and resilient?</b>	Document review
(i)	How has ADB strengthened its staffing and organizational arrangements and incentives to address the outputs and outcomes under the three pillars of OP4?	Portfolio analysis
(ii)	To what extent have ADB staff working on OP4 projects benefited from capacity building activities in procurement, safeguards, gender and other thematic areas?	Interviews with key stakeholders (ADB staff, project managers and EA/IA officials, development partner staff)
(iii)	How well is ADB organized to deal with cross-sector collaborative approaches?	
(iv)	How do the OP4 operations benefit from the NOM in terms of better internal coherence (in encouraging collaborative efforts from different sector groups in providing solutions to urban problems)?	
(v)	To what extent have ADB's operations included indicators for improvements in the quality of urban services to measure and monitor progress including access to women and girls and the poor?	Staff Survey
(vi)	To what extent are project DMF and CPS results frameworks aligned with indicators under the previous and newly proposed corporate results framework?	Country case studies
(vii)	To what extent were indicators used for performance improvements of service providers (e.g. improvements in cost recovery from tariff revisions, and increases in operational efficiencies)? To what extent is benchmarking encouraged in ADB projects and to what extent are baselines used to make before-after comparisons?	
(viii)	To what extent have operations included indicators for support for cities for urban planning and financial sustainability (for preparing integrated urban plans and for raising financial resources and mobilizing funding for infrastructure and services)?	
(ix)	To what extent were indicators included for urban environment (e.g., promoting energy efficiency, adoption of nature-based solutions, land use management and circular economy practices)?	
(x)	To what extent were indicators related to climate change adaptation and mitigation in cities and disaster and climate resilience of cities used?	

ADB = Asian Development Bank, CPS = country partnership strategy, DMF = design and monitoring framework, OP = operational plan, WUS = water and other urban infrastructure and services.

<sup>a</sup> The Coherence criterion is used to assess the compatibility of ADB's interventions with other interventions in the country, sector by ADB and other institutions. It includes internal coherence and external coherence. Internal coherence addresses the synergies and interlinkages between the interventions being assessed and other interventions carried out by ADB/government, as well as the consistency of the interventions with the relevant international norms and standards to which ADB /government adheres. External coherence considers the consistency of the intervention with other actors' interventions in the same context. This includes complementarity, harmonization and coordination with other development partners, and the extent to which the intervention is adding value while avoiding duplication of effort.

Source: ADB (Independent Evaluation Department).

## EVALUATION COMMUNICATIONS MATRIX

<b>Evaluation Context and Objectives:</b> The purpose of the evaluation is to assess how ADB responded to the priority of “making cities more livable” identified under Strategy 2030 and if it is positioned well to support DMCs in addressing the challenge of making cities livable. It will draw relevant lessons from completed and ongoing operations, enhance understanding of ADB’s comparative strengths and weaknesses, and inform future strategic approaches and investment design to improve development effectiveness. The evaluation will also consider thematic contributions such as gender equality and climate change adaptation and mitigation and contributions to other operational priorities of strategy 2030 from ADB’s sectoral operations tagged as OP4.						
<b>Communications Goal:</b> To disseminate the findings of the evaluation to internal and external stakeholders.						
Audience	Messages	Activity	Channels/ Tools	Timeline	Resources	Expected Outcomes
<b>Internal</b>						
ADB Board, Senior Management and Staff	Key messages and recommendations as stated in the evaluation report.	Board circulation of the approved report	Evaluation Report	3Q 2025	Evaluation Team	The Board, Management, and Staff will be informed on how well positioned and responsive ADB is in delivering support for improving urban livability and resilience in Asia and the Pacific.
		DEC Discussion	DEC Video Presentation	3Q 2025	8 Hours: 2 staff	
		Dissemination of Lessons and Recommendations	What Works? (HQ)	Within 30 days of DEC presentation	40 Hours: 2 Staff	
<b>External</b>						
ADB Member Countries	Key messages as stated in the evaluation report.	Publication of evaluation report	Evaluation report	3Q 2025	Evaluation and Knowledge Teams	As relevant, sharing of key messages and recommendations with ADB member

<b>Peer MDBs</b>		Dissemination through seminars and presentations in evaluation conferences			24 hours: 2 Staff for each occurrence	countries and country-focused forums.  Lessons and recommendations will be drawn and applied which is expected to further strengthen ADB's collaboration with other development partners.
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