

Corporate
Evaluation

ADB Technical Assistance Operations, 2014–2023



Independent
Evaluation **ADB**

Raising development impact through evaluation

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Raising development impact through evaluation

NOTE

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Abbreviations

ADB	–	Asian Development Bank
ADF	–	Asian Development Fund
CCSD	–	Climate Change and Sustainable Development Department (formerly SDCC)
COVID-19	–	coronavirus disease
CPS	–	country partnership strategy
DMC	–	developing member country
FCAS	–	fragile and conflict-affected situations
IED	–	Independent Evaluation Department
MFF	–	multitranche financing facility
NOM	–	new operating model
OCR	–	ordinary capital resources
OMDP	–	Office of Markets Development and Public–Private Partnership (formerly OPPP)
OPPP	–	Office of Public–Private Partnerships (now OMDP)
PPTA	–	project preparatory technical assistance
PRC	–	People’s Republic of China
PRF	–	project readiness financing
PSOD	–	Private Sector Operations Department
RETA	–	regional technical assistance
SDCC	–	Sustainable Development and Climate Change Department (now CCSD)
SEFF	–	small expenditure financing facility
SIDS	–	small island developing states
TA	–	technical assistance
TASF	–	Technical Assistance Special Fund
TCR	–	technical assistance completion report
TCRV	–	technical assistance completion report validation

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Foreword

The Asian Development Bank provides technical assistance (TA) to its developing member countries (DMCs) to support the preparation and implementation of investment projects and policy reform programs and to strengthen DMCs' capacities, policies, and knowledge. The purpose of this evaluation is to assess whether ADB TA was relevant, efficient, and effective in supporting ADB's strategic objectives and DMCs' needs during the evaluation period. Based on its findings, the evaluation has drawn lessons, identified issues, and recommended ways to improve the deployment of TA resources.

There were various ADB initiatives affecting TA during 2014–2023, including the 2015 operational efficiency policy, the 2017 TA reform, and the 2021 TA review. In addition, with the implementation of ADB's new operating model in June 2023, the distinction between transaction TA and knowledge and support TA was dropped and processing procedures were unified.

These initiatives resolved a number of issues. However, there are still areas that can be improved to enhance strategic programming, including strengthening TA's strategic alignment with ADB's operational priorities and the timing of TA resource allocations. ADB loan operations are expected to expand and this may strain ADB's ability to fund TA which in turn will diminish its relevance. ADB will need to find ways to maintain the resources devoted to TA.

In addition, monitoring of TA projects has not kept pace with process efficiency reforms. Monitoring the final objectives and achievements of TA projects will be crucial if ADB is to ensure that TA projects remain responsive to country needs during the definition of their subcomponents and throughout implementation. It is critical that ADB ensures the effectiveness of its TA and identifies the key factors for successful TA operations, especially for capacity development TA.

I hope ADB will use the findings and the recommendations of this evaluation to guide it in refining ADB policies, the Operations Manual, and staff instructions to provide the basis for more relevant and effective TA.



Emmanuel Jimenez
Director General
Independent Evaluation Department

Executive Summary

Background

The Asian Development Bank (ADB) provides technical assistance (TA) to its developing member countries (DMCs) to support the preparation and implementation of investment projects and policy reform programs and to strengthen DMCs' capacities, policies, and knowledge. During 2014–2023, ADB committed \$3.6 billion for 2,312 TA operations. The Technical Assistance Special Fund (TASF), financed by Asian Development Fund (ADF) donors and augmented by ordinary capital resources (OCR) income transfers, provided most of TA financing (57%), with trust funds (26%) and project-specific cofinancing providing the rest (13%). The average size of individual TA projects doubled from \$0.9 million in 2014 to \$2.0 million in 2023, partly because of the growing use of programmatic TA instruments such as clusters and facilities.

The purpose of this evaluation is to assess whether ADB TA was relevant, efficient, and effective in supporting ADB's strategic objectives and DMCs' needs during the evaluation period. Based on its findings, the evaluation has drawn lessons, identified issues, and recommended ways to improve the deployment of TA resources. The evaluation covered 10 years, 2014–2023, a period of much change relevant to ADB's TA operations. These included the transition between two long-term ADB corporate strategies (Strategies 2020 and 2030); ADF and TASF replenishments in 2016 and 2020; two significant increases in the volume of operations following the 2017 ADF and OCR merger and the 2020 coronavirus disease (COVID-19) pandemic; preparations for a further increase in ADB's lending capacity; and the adoption of a new operating model (NOM) for ADB as a whole.

There were various ADB initiatives affecting TA during 2014–2023. The 2015 operational efficiency policy paper led to several measures related to TA operations, including clarifying the permissible scope and implementation arrangements for pilot-testing in TA operations, enhancing the TA cluster approach, raising the monetary ceiling for the

delegation of TA approval authority, and improving knowledge partnership agreements. The 2017 TA reform paper also changed the TA classification system, reducing the number of TA types to two: transaction TA which provides direct support for the preparation or implementation of ADB-financed projects, and knowledge and support TA which covers all other TA operations. In June 2023, the distinction between transaction TA and knowledge and support TA was dropped when processing procedures were unified. However, TA continues to be tagged by its four purposes—capacity development, policy and advisory, project preparation, and research and development—a classification introduced in 2008 that was maintained alongside the simplification of the TA classification into transaction TA and knowledge and support TA. The 2021 TA review introduced a framework for TASF allocation and cost recovery; phased out other special funds administered by ADB; and continued to pursue process efficiency by delegating approval authority, blurring distinctions between TA types, and undertaking other simplification measures.

Technical Assistance was Relevant, but Alignment with Operational Priorities could be Improved

The evaluation found that TA operations were generally aligned with broad ADB strategic institutional objectives such as Strategy 2020 and Strategy 2030. TA completion report (TCR) validations rated 81% of the validated TCRs relevant or highly relevant, the highest ratings among the TA validation criteria. DMC representatives confirmed the TA operations' alignment with their development and knowledge needs and acknowledged ADB TA's contribution to improving capacity, policies, and the implementation of ADB operations. However, the representatives requested more involvement in design and dissemination of ADB TA, particularly for regional TA. Their responses were consistent with those received from the ADB staff survey, which revealed a desire for a stronger government role in TA identification and implementation. The ADB TA program was aligned with DMC needs but did not fully account for all the feedback and preferences from the DMCs. A

recurring area for improvement was the need to articulate a clear design and results chain showing a reasonable cause–effect relationship between the outputs, outcomes, and their corresponding indicators.

In the absence of specific targets for TA operations, in order to assess the relevance of individual TA projects, the evaluation examined the alignment of TA with ADB’s thematic operational priorities and the objectives of ADB’s loan and grant programs. The TA programs were used as a benchmark to gauge how ADB had translated its priorities into practice. At the corporate level, the share of funding for TA tagged as promoting gender equality and regional cooperation and integration kept pace with broader ADB targets. The share of TA funds addressing climate change grew but remained short of ADB targets for the associated loan and/or grant programs they supported. Country case studies showed that, in three out of five cases, during the 10-year evaluation period the TA program devoted considerable resources to sectors with limited or no loan and grant operations. This possibly reduced the potential for embedding the outcome of research and policy advice into projects and programs that could have lasting impacts.

The allocation of TA operations for the corporate goal of private sector development, a key priority under Strategy 2020, could not be accurately monitored since TA projects were not adequately tagged for this purpose. Nonsovereign TA has typically been treated as peripheral to sovereign TA and there has been lack of focused analysis of its purpose, demand, or instruments. TA projects to support nonsovereign operations and public–private partnerships accounted for 7% of the total number and 9% of the total amount of TA in 2019–2023. A large share of nonsovereign TA has been directed toward supporting trade and supply chain finance programs. Procedural revisions and innovations in instruments—including periodic updates of staff instructions, TA facilities, project readiness financing, and the small expenditure financing facility for project preparation—have been confined to sovereign TA. The preparation of specific staff instructions for nonsovereign TA has been delayed. Fund availability for nonsovereign TA operations is based on earlier work program submissions, which may have become outdated.

Timing of Technical Assistance Resource Allocation Hinders Strategic Programming

The annual TA fund allocation encourages short-term and ad hoc programming of TA operations, driven by available funds and the need for speedy processing. This approach hinders medium-term planning aligned with country needs and long-term institutional development goals. TA fund allocations have been delayed in recent years. Memos from the Strategy, Policy, and Partnerships Department seeking the President’s approval on TA resource allocations for the following year were issued as late as December or January (and in March for 2024) in recent years. When asked whether the TA fund allocation process gives sufficient time to schedule and process TA, 43% of staff surveyed responded “sometimes” or “never.” Staff interviews during the evaluation also indicated that the processing schedule for TA was tight. Unsurprisingly, last-quarter TA approvals have become the norm, growing from 38% in 2014–2016 to 67% in 2021–2023, an indication of time pressures on TA programming and processing.

Since many of the sources of funding for ADB TA projects—e.g., the ADF and trust funds—have a long duration, 2-year allocations would be possible with better coordination and planning. A 2-year planning horizon (with a firm first year and an indicative second year) and earlier communication of TASF allocations would encourage longer-term programming and better consideration of countries’ institutional development needs.

Scaling-Up Technical Assistance Financing Is Challenging

TA commitments grew at a pace similar to that of loans and grants in 2014–2023. The share of total TA funding covered by the TASF rose to 62% following the COVID-19 pandemic. With ADB’s potential lending capacity increasing to as much as \$36 billion a year for 10 years, following the 2023 Capital Adequacy Framework update, annual TA demand could reach \$612 million (including about \$180 million for project preparation) if the current relationship between lending amount and TA amount continues. This compares with the \$360 million per year committed in 2014–2023. The expected expansion of ADB operations, combined with the recent decline in non-TASF funding sources, may strain ADB’s ability to fund the needed TA and diminish its relevance.

One way to sustain TA would be to increase the number of TA loans, project readiness financing, project development facility, small expenditure financing facility, and multitranche financing facilities. These loan instruments met about half of the demand for project preparation in 2014–2023. Additional cost recovery for project preparatory TA could be achieved if ADB revisits earlier policies (in effect until 2002) under which TASF project preparatory TA grants for an amount exceeding \$250,000 were reimbursed if a loan ensued. Mechanisms to encourage group C countries to reimburse advisory and capacity development TA for sovereign and nonsovereign could help leverage limited TA resources for Group A and B countries.

Initial ADB experience, along with that of the more established World Bank use of reimbursable TA, shows that such TA requires greater staff involvement (more staff time and travel), which partly offsets the reflows. Reimbursable TA will require ADB to revisit its staff skill sets to ensure that it can provide the value-added advisory support that DMC clients are willing to pay for at market rates. For other multilateral development banks (MDBs), the success of cost-sharing and reimbursable TA has hinged on (i) framework agreements that allow countries to recruit the MDBs; (ii) in-demand, specialized in-house skills; and (iii) access to national sovereign and/or external funding sources.

Technical Assistance Monitoring Has Not Kept Pace with Process Efficiency Reforms

Decentralization of approval authority and the simplification of TA business processes introduced by TA reforms have improved process efficiency. Faster implementation of project preparatory TA resulted in a net reduction in the time between loan and/or grant concept clearance and approval. The average processing time for other TA projects, from concept to approval, has also decreased. Delegation of approval authority was pursued persistently, particularly for transaction TA during the evaluation period, and more gradually for knowledge and support TA. The larger size of programmatic TA projects can reduce processing effort to a third of those that are not programmatic TA.

Despite these achievements, TA implementation was marked by significant extensions beyond the initially planned completion date, which dampened efficiency ratings. Programmatic TA projects relied heavily on supplementary financing. Broader,

longer-lasting TA projects that can serve as flexible pools of funds to respond to emerging project preparation and advisory needs are a growing trend, in contrast to the more focused individual TA projects of the past.

Monitoring the final objectives and achievements of TA projects will be crucial to ensuring that they remain responsive to country needs during the definition of their subcomponents and throughout implementation. Although approvals are now highly delegated, and TA supervising units have considerable autonomy in processing and implementation decisions, the monitoring and information systems for the TA program have not kept pace. The systems cannot track and monitor the TA portfolio across various stages effectively, hindering meaningful real-time assessments of TA operations and limiting the ability to make timely course corrections when needed.

Technical Assistance Effectiveness Varied

The effectiveness of TA provided for different purposes varied. TA was successful when suitable TA modalities were employed to respond to urgent government priorities and when they were adaptable to evolving needs and circumstances. Key factors in successful TA operations included solid preparation and analysis; mobilization of cofinancing to increase TA size and leverage the financing partners' technical strengths alongside ADB's core competencies, and engagement with high-quality researchers and experts. Strong communication between ADB, governments, stakeholders, and consultants during implementation, embedding reform outcomes within government institutional mechanisms, and providing sustained support over time also contributed to effectiveness.

While DMC officials generally expressed satisfaction with how TA had responded to their knowledge needs, ADB's management of the knowledge generated through TA was suboptimal. ADB allocated more than half of its TA portfolio to capacity development. However, this type of TA had lower effectiveness ratings than policy and advisory, and research TA, partly because ADB has less control over external factors that may hinder institutional changes in DMCs. Capacity development TA that aimed to improve staff capacity and systems directly related to ADB project implementation accounted for one-third of all capacity development TA commitments in 2017–2023. These projects received higher effectiveness

ratings in TCR validations than did capacity development TA targeting more complex, time-consuming, and long-term institutional improvements in government agencies and ministries, indicating the need for ADB to reassess and adjust its approach to capacity development.

ADB's TA knowledge repository does not enable research information to be retrieved easily so it can be used to inform the design of new TA projects. Regional TA projects had relatively high ratings but struggled to scale up their knowledge generation and small-scale pilots to have a broader impact. The 2021 country partnership strategy (CPS) and results framework review also recognized that country knowledge plans (CKPs) had added limited value. Many items on the list were indicative knowledge products and events. These were annual publications produced by ADB with no direct relevance to the CPS or the countries' knowledge needs. Also, CKP content was static, and most country teams conducted limited follow-up on the CKP.

Use of programmatic TA expanded during the evaluation period. With its larger scale, longer duration, and more flexible allocation of consultant resources, such TA is well-suited to support capacity and institutional development through continuous and deeper engagement. The validation evidence was encouraging, with clusters achieving better overall success, effectiveness, and efficiency than individual TA projects.

Recommendations

The evaluation has the following recommendations to ADB:

1. **Strengthen the strategic alignment of ADB TA operations with corporate and country priorities through improved coordination mechanisms and adequate resource planning horizons.** The current resource allocation process for corporate priority TA and the decentralized concurrence of regional departments on individual regional TA proposals are not sufficient for the ex-ante identification and mapping of ADB's strategic priorities. Following the 2021 TA policy review, the revised staff instruction, to some extent, has helped improve the strategic alignment of TA operations with the CPSs and CKPs. However, there is a need to strengthen accountability for the country's knowledge portfolio and to improve the coordination mechanism initiated through the country's knowledge plan by

involving governments more closely in TA prioritization. Other MDBs have introduced internal coordination and prioritization platforms. ADB could review these to select an appropriate model that could be adapted to meet ADB's needs. The often-delayed allocation of annual TA funds encourages ad hoc TA provision that is driven by available funds. Adopting a more timely and medium-term rolling allocation, perhaps over 2 years, would encourage better alignment with country needs and long-term institutional development goals.

2. **Assess the medium-term adequacy of TA financing against the expected growth in ADB operations and refine ADB's multipronged approach to maintain the relevance and financial scalability of ADB's TA program.** To mitigate the risk of funding shortages, a combination of approaches can be pursued: (i) increasing the use of loan instruments for project preparation along with grant project preparatory TA; (ii) analyzing the competitiveness of ADB-managed trust funds and actively seeking additional contributions; (iii) pursuing global funds and other trust funds more aggressively to enhance access to these resources; and (iv) encouraging the use of reimbursable TA for project preparatory TA in excess of an established threshold, as well as capacity building and advisory activities, especially for nonsovereign and sovereign operations focused on group C2 and C3 countries in alignment with ADB's strategic directions.
3. **Improve monitoring and information systems for tracking TA programming, processing, and implementation, matching the significant decentralization and simplification measures adopted in 2014–2023.** The evaluation encountered numerous examples of scattered or incomplete TA information and documentation. ADB's SovOps information system, which was partly rolled out in 2024, should continue to be enhanced and should include the documentation of electronic approvals. Processing and implementation should be monitored by a single system, facilitating the assessment of a single operation from start to finish. Links to the ensuing loans should be easy to establish for project preparatory TA projects. Early warnings on the extent and frequency of extensions, supplementary financing, and changes of scope should provide users with a summary of the health of the overall TA

portfolio. More meaningful information and reporting systems that integrate quantitative and qualitative indicators should be created. The systems should document electronic approvals and raise alerts to prompt course corrections if needed.

4. **Strengthen ADB's long-term institutional capacity development TA by conducting a systematic analysis to identify best practices and approaches, leveraging ADB research units and dialogue platforms, while increasing the use of programmatic TA, and augmenting the responsiveness of ADB's TA knowledge repository.** ADB should make a concerted effort to support the long-term development of DMC institutions, complementing its short-term project-related capacity development of staff and systems. Using programmatic TA, such as clusters, and TA with an extended implementation period to address complex and related issues will support long-term development. ADB could consider:
 - (i) scaling up all forms of capacity development, particularly in FCAS and SIDS and in DMCs with weak institutions;
 - (ii) using analysis and support from the ADB Institute, the Central Asia Regional Economic Cooperation Program (CAREC) Institute, capacity development resource centers, and other ADB knowledge units, to design effective capacity development interventions;

- (iii) expanding the use of programmatic TA instruments so DMCs benefit from their larger size, longer duration, and greater flexibility; and
- (iv) replacing or complementing k-Nexus with a comprehensive enterprise digital knowledge system that allows users to query and collate information on specific topics efficiently, generating summaries and responses.

On the human resources front, ADB could consider:

- (i) investing in training and the recruitment of experts in capacity development to improve the effectiveness of ADB staff;
- (ii) plugging skills gaps with newly recruited capacity development experts within the relevant departments and resident missions; and
- (iii) increasing cofinancing and collaboration with development partners with significant experience in capacity development, learning from their approaches and leveraging their expertise.

Linkage Between Findings and Recommendations

Recommendations	Supporting Findings
1. Strengthen the strategic alignment of ADB TA operations with corporate and country priorities through improved coordination mechanisms and adequate resource planning horizons.	<p>(i) TA is seldom discussed in ADB strategies, with no specific targets outlined in strategy documents and no indicators for TA operations in ADB's corporate results framework (para. 19). TA operations tagged under operational priority 3 (climate change, disaster resilience, and environmental sustainability) accounted for 58% of the TA program in 2019–2023, falling short of the 65% target set for 2024 and the 75% target for 2030 (para. 26).</p> <p>(ii) The decentralized concurrence of regional departments for individual regional TA proposals is no substitute for ex ante identification and mapping of ADB's strategic research priorities (para. 32). Other multilateral development banks have established mechanisms to balance country and sector considerations while providing overall direction for TA operations (para. 33).</p> <p>(iii) Several DMC representatives expressed the need for greater engagement in the design and implementation of TA projects, as well as for more frequent updates on the status of TA operations (para. 34). In some DMCs, ADB has invested considerable TA resources without a proportional "return" in terms of loan and/or grant operations (para. 37).</p> <p>(iv) TA fund allocation encourages short-term, ad hoc programming and speedy processing. In 2021, ADB gradually shifted from announcing 3-year indicative planning figures for all TA projects to providing only annual fund allocations, limited to TASF, sometimes as late as March of the year. Loans and grants continue to follow a rolling 3-year cycle. The shorter TA planning horizon for TA encourages ad hoc programming driven by available funds and discourages medium-term programming aligned with country needs and long-term institutional development requirements, ultimately undermining relevance (para. 29).</p> <p>(v) Under such compressed programming schedules, departments shortened TA preparation time from 4.1 months in 2018–2020 to 3.6 months in 2021–2023. Last-quarter TA approvals became more the norm than the exception, increasing from 38% in 2014–2016 to 67% in 2021–2023 (para. 29).</p>
2. Assess the medium-term adequacy of TA financing against the expected growth in ADB operations and refine ADB's multipronged approach to maintain the relevance and financial scalability of ADB's TA program.	<p>(i) The expected expansion of ADB operations, coupled with the recent decline in non-TASF funding sources, is putting increasing pressure on grant TA financing (para. 38). During the evaluation period, TASF served as the primary source of TA financing, contributing 57% of total funding, rising to 62% in the post-COVID-19 years. Increased TASF outlays offset declines in the other two main TA funding sources: trust funds, which fell from 29% of all TA financing in 2014–2019 to 22% in 2021–2023, and project-specific cofinancing, which dropped from 14% to 11% (para. 39).</p> <p>(ii) Following the 2023 Capital Adequacy Framework update, ADB's increased lending capacity of up to \$36 billion a year for 10 years is expected to drive annual TA demand to as much as \$612 million. The amount represents a 65% increase compared with the 2021–2023 TA commitment levels, creating an estimated funding gap of \$240 million annually (para. 46).</p> <p>(iii) Revamped loan-based instruments covered about half of project preparation costs in 2014–2023 (para. 48). To further meet this demand, ADB could not only promote loan-based preparation facilities but also consider revisiting earlier cost recovery policies (para. 52).</p> <p>(iv) Reimbursable TA, which was piloted in the People's Republic of China, Malaysia, and Uzbekistan in 2021, will contribute to filling the gap, although its actual financial contribution and increasing demands on staff time and quality should be properly estimated (para. 56).</p> <p>(v) Country visits show that one reason for the slow uptake of cost recovery and loan-based alternatives to TA is ADB's inadequate briefing on the options to central agencies (ministries of finance or planning) during country programming or ongoing dialogue (para. 53).</p>
3. Improve monitoring and information systems for tracking TA programming, processing, and implementation matching the significant decentralization and	<p>(i) Nearly half of the reform measures introduced in 2014–2024 focused on improving the efficiency of ADB's TA processing and implementation. The reforms (i) significantly streamlined internal review requirements and reduced interdepartmental inputs at all stages of TA processing, (ii) lowered the level of approving authority at the end of processing and during implementation, and (iii) increased the size of TA projects through the introduction of TA facilities and the promotion of TA clusters (para. 60).</p> <p>(ii) As a result of these procedural changes, by the end of the evaluation period, most control over TA content had shifted to the processing units, with regional departments exercising some degree of oversight (para. 61). The increasing delegation of approval</p>

Recommendations	Supporting Findings
simplification measures that were adopted in 2014–2023.	<p>authority freed the Board and Management of this responsibility (para. 64), with minimal involvement of higher management in decisions related to TA portfolio administration (para. 65).</p> <p>(iii) Efficiency ratings for validated TA were low at 59%, largely because of significant duration extensions, averaging 78% (or 27 months) beyond the originally planned completion dates. In 2014–2023, supplementary financing accounted for 46% of total funding for TA clusters and facilities, compared with 27% for regular TA (para. 67). Last-quarter TA approvals became the norm rather than the exception, rising from 38% in 2014–2016 to 67% in 2021–2023 (para. 29).</p> <p>(iv) Fragmented and incomplete information on TA being processed and implemented hinders the assessment of the overall status of the TA program, leading to delays in identifying remedial actions (para. 71 and Box 5).</p>
<p>4. Strengthen ADB's long-term institutional capacity development TA by conducting a systematic analysis to identify best practices and approaches, leveraging ADB research units and dialogue platforms, while increasing the use of programmatic TA such as clusters and facilities, and augment the responsiveness of ADB's TA knowledge repository.</p>	<p>(i) Achieving institutional capacity development outcomes has been particularly challenging, especially in FCAS and SIDS, where effectiveness ratings were notably low at 34% (para. 84). Across TA modalities, progress toward achieving transformative change through institutional strengthening has been limited. However, ADB is well placed to improve the effectiveness of capacity development TA by leveraging its research arms, utilizing communities of practice platforms, and strategically recruiting and deploying personnel with capacity development skills (para. 85).</p> <p>(ii) Regional TA projects have attained higher ratings than other types of TA but struggle to translate their considerable knowledge generation and small-scale pilots and demonstrations into broader, more impactful outcomes. The average validated effectiveness of regional TA projects (67%) exceeded that of country-specific TA projects (63%), with the gap being more pronounced in capacity development TA: 73% for regional TA versus 61% for country-specific TA (para. 78).</p> <p>(iii) The relatively low success ratings of capacity development TA are concerning, particularly given its growing share of the TA portfolio. In 2005, capacity development accounted for 20% of TA operations. As its importance grew, capacity development TA became the dominant modality, absorbing 56% of TA funding in 2014–2023. Although regional departments have used capacity development TA to improve the capacity of DMC institutions and staff, only about 50% of the outcome indicators were achieved (para. 83).</p> <p>(iv) With its larger scale, longer duration, and flexibility in allocating consultant resources, programmatic TA is well suited for sustained, deeper engagement. The approach supports institutional capacity building and tackles cross-sector issues through targeted subcomponents (para. 89). Although evaluation evidence on programmatic TA is still limited, the results are encouraging. The seven validated clusters showed success rates 15 percentage points higher, effectiveness ratings 7 percentage points higher, and efficiency ratings 13 percentage points higher than non-programmatic TA (para. 90).</p> <p>(v) The repository of TA-generated knowledge is inadequate, particularly when compared with similar development finance institutions. ADB developed k-Nexus as a repository for knowledge products, records, links, and calendars generated through TA and other initiatives. While staff are required to consult it before designing TA to avoid duplication, and to update it as knowledge products are generated, its coverage remains incomplete. The repository offers links, references, and sometimes whole documents, but it cannot be interrogated to extract tailored information, severely limiting its usefulness in guiding TA design. Other organizations, notably the World Bank, have invested in generative artificial intelligence applications (para. 77).</p>

ADB = Asian Development Bank, DMC = developing member country, FCAS = fragile and conflict-affected situations, SIDS = small island developing states, TA = technical assistance, TASF = Technical Assistance Special Fund.

Source: ADB (Independent Evaluation Department).

Assessing Technical Assistance: What and Why?

A. Purpose and Classification of Technical Assistance Operations

1. The Asian Development Bank (ADB) provides technical assistance (TA) to (i) prepare and implement investment and policy reform projects and programs; and (ii) strengthen the capacity, policies, and knowledge of its developing member countries (DMCs). TA strengthens project and program preparation by ensuring that all the necessary dimensions are addressed, including ADB's social and environmental protection safeguards. TA complements policy reforms by providing analytical inputs and comparative studies of best practices. It builds the human and systems capacity of entities that implement ADB projects and provides stand-alone support to strengthen institutions in ADB's DMCs.¹ TA is an important part of ADB's menu of instruments to support the economic and social development of its DMCs and aims to fill knowledge and expertise gaps that project and program financing cannot fully resolve. TA is closely tied to ADB's commitment to strengthen country-level capacity, ensure the sustainability of development investments, and progress toward the long-term goal of poverty reduction.² ADB committed \$3.6 billion for 2,312 TA projects in 2014–2023.³ Other multilateral development banks (MDBs) provide TA in some form.⁴

2. Since 2008, TA operations have been classified into capacity development, policy and advisory, project preparatory, and research and development TA. In 2017–2023, TA operations were divided into transaction TA for project and/or program preparation and implementation, and knowledge and support TA for all other types (Box 1). During this period, processing and review procedures for transaction TA were simplified. In due course, these simplified processes accelerated project preparation, as they also covered the related TA. In response to the coronavirus disease (COVID-19) pandemic, ADB adopted streamlined approaches to processing using “One ADB” teams, which were adopted and later mainstreamed across all TA types. Although TA continues to be processed by many departments, the introduction of ADB's new operating model (NOM) in 2023 has given regional departments the authority to approve country-specific or single-region TA, while their concurrence is required for multi-region TA involving their region.⁵ In June 2023, the distinction between transaction TA and knowledge and support TA was eliminated.

¹ The ADB Charter includes among ADB's functions the provision of technical assistance (TA) for the preparation, financing, and execution of development projects and programs, including the formulation of specific project proposals. ADB. 1965. [Agreement Establishing the Asian Development Bank \(ADB Charter\)](#) (Article 2 [iv]). The *Operations Manual* section on TA ([OM D12](#)) clarifies that the purpose of TA is to improve the technical, managerial, and administrative capabilities of entities within DMCs, which may not be directly linked to ADB-financed projects.

² ADB. 2007. [Integrating Capacity Development into Country Programs and Operations: Medium-Term Framework and Action Plan](#).

³ The count of 2,312 TA projects is the unique TA count for each TA during the evaluation period 2014–2023, regardless of how many times the TA was committed within the study period.

⁴ The World Bank defines TA as the transfer, adaptation, mobilization, and utilization of services, skills, knowledge, technology, and engineering to build national capacity on a sustainable basis. The Inter-American Development Bank states that technical cooperation's objective is to facilitate the transfer of technical expertise and qualified experience to complement and strengthen national and regional technical capacities, thereby contributing to the primary purpose of the bank: accelerating the process of economic and social development of the borrowing member countries, individually and collectively.

⁵ ADB's new operating model (NOM) combines all sector and thematic expertise in the Sectors Group and the Climate Change and Sustainable Development Department (CCSD), both of which report to the vice-president for sectors and themes.

Box 1: Classification of Technical Assistance Operations

Before 2008, technical assistance (TA) was classified into project preparatory, advisory, and regional. A 2008 Asian Development Bank (ADB) policy paper introduced a more detailed classification by purpose, focusing on the expected outcomes of TA operations:^a

- **Project preparatory TA.** Identify and prepare development projects.
- **Capacity development TA.** Enhance the capacity of executing agencies and other institutions, including support for implementing projects.
- **Policy and advisory TA.** Support the formulation of development policies, strategies, plans, and programs, and undertake sector, policy, and issue studies.
- **Research and development TA.** Undertake sector, policy, and issue studies with a focus on Asia and the Pacific. This type of TA is often regional, covering several developing member countries (DMCs).

Individual TA projects are tagged for operational priorities in the same way as other ADB operations and are classified as regional if they concern more than one DMC. Up to 30% of ADB funded TA amount can be used to pilot-test new project approaches.

Between 2017 and 2023, TA was also classified as either (i) transaction TA, used to prepare or support ADB-financed investment projects and/or programs, or (ii) knowledge and support TA, covering all other TA.^b This distinction was abandoned in 2023 when processes for the two types of TA were unified, but the use of TA by nature of activity (capacity development, policy and advisory, project preparatory, and research and development) continued to be tracked throughout the evaluation period.^c

^a ADB. 2008. [Increasing the Impact of the Asian Development Bank's Technical Assistance Program](#).

^b ADB. 2017. [Technical Assistance Reforms—Improving the Speed, Relevance, and Quality of Technical Assistance Operations](#).

^c ADB. 2022. [Technical Assistance. Operations Manual. OM D12](#); ADB. 2023. [Staff Instructions on Business Processes for Technical Assistance](#).

Source: ADB.

B. Technical Assistance Commitments Proportion were Fairly Stable

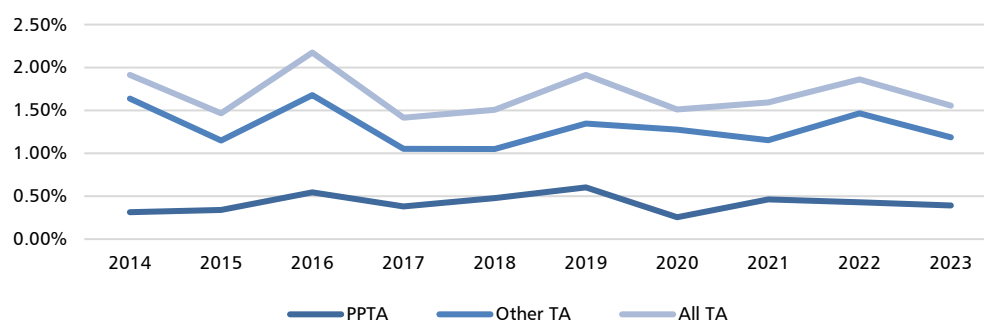
3. TA commitments remained within a stable range (1.4%–2.3%) as a proportion of lending, averaging 1.7% of loan and grant operations over 2014–2023 (Figure 1). TA commitment amounts peaked in 2019–2020 but returned to 2018 levels when the COVID-19 pandemic subsided (Figure 2).⁶ Capacity development TA accounted for the largest share of TA funding (56%), followed by project preparatory TA (25%), policy and advisory TA (12%), and research and development TA (7%). Tables A1.1 and A1.2 in Appendix 1 contain detailed information on trends in TA operations during the evaluation period.

4. Approximately one-third of capacity development TA was transaction TA associated with specific lending or grant operations. Operations departments processed 70% of capacity development TA by amount (79% by number), while the Climate Change and Sustainable Development Department (CCSD) and its predecessor, the Sustainable Development and Climate Change Department (SDCC), were responsible for most of the remainder: 25% by amount and 14% by number.⁷ Within operations departments, the Private Sector Operations Department (PSOD) accounted for 6%–7% by both amount and number, and the Office of Markets Development and Public–Private Partnership (OMDP) and its predecessor, the Office of Public–Private Partnership (OPPP), accounted for 5% by amount but only 1% by number.⁸

⁶ In 2020, the commitments included TA projects addressing the COVID-19 pandemic, amounting to \$68.6 million. In 2019, ADB approved several large cofinanced TA projects for the Pacific and Southeast Asia, totaling \$144 million across 13 TA projects.

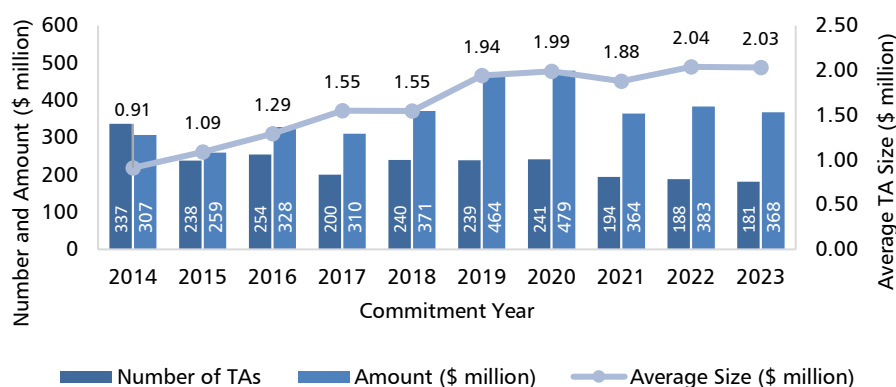
⁷ For the purposes of this evaluation, ADB operations departments are: the five regional departments, PSOD, OMDP (and its predecessor, OPPP), and the Sectors Group since 2023.

⁸ Three-fourths of OMDP TA came from four projects for Strengthening Project Preparation Capacity in Asia and the Pacific, including a \$63 million TA project approved in 2016 with Asia Pacific Project Preparation Facility (AP3F) financing.

Figure 1: Technical Assistance as a Percentage of ADB Loan and Grant Operations

PPTA = project preparatory technical assistance, TA = technical assistance.

Sources: Asian Development Bank (Independent Evaluation Department) and (Strategy, Policy, and Partnerships Department).

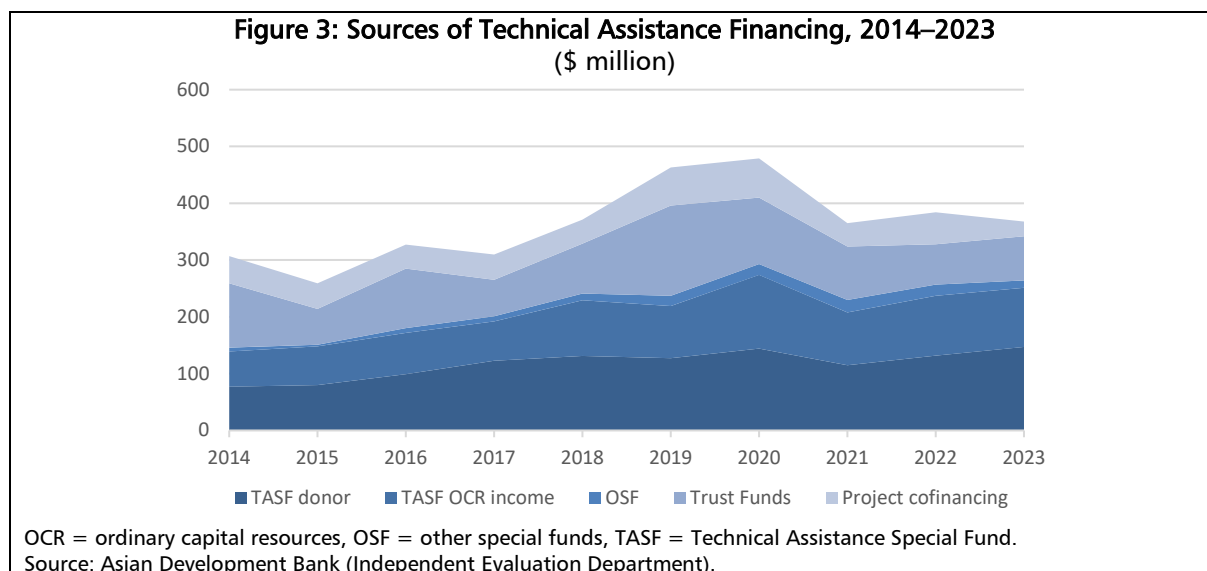
Figure 2: Number, Amount and Average Size of Technical Assistance Projects (\$ million)

TA = technical assistance.

Sources: Asian Development Bank (Independent Evaluation Department) and (Strategy, Policy, and Partnerships Department).

5. The average size of individual TA projects doubled during the evaluation period, partly due to the growing use of programmatic TA instruments (clusters and facilities). The average size grew from \$0.9 million in 2014 to \$2.0 million in 2023 (Figure 2). The introduction of TA facilities in 2017, which are mostly used for transaction TA and specifically project preparation, contributed significantly to this trend: the average size of a TA facility was \$3.8 million in 2017–2023, compared with \$1.5 million for non-programmatic TA.

6. TA is financed from a combination of sources: the Asian Development Fund (ADF), transfers from ADB ordinary capital resources (OCR) income, and external cofinancing through ADB-administered trust funds or project-specific contributions (Figure 3). The principal funding sources of the Technical Assistance Special Fund (TASF) are ADF replenishments, which are referred to as TASF (donor contribution); and OCR net income transfers, which are referred to as TASF (income transfer). The TASF was the backbone of TA financing, with strong support provided by trust funds. All cofinancing sources of TA experienced a decline after the pandemic. The TASF share grew from 54% of TA financing in 2014–2019 to 62% in 2021–2023. The share from trust funds fell from 29% to 22%, and project-specific cofinancing from 15% to 11% over the same periods. ADB-administered special funds accounted for the remainder.



7. The size of the active TA portfolio declined moderately in the first half of the evaluation period and expanded in the second half. Other features did not change significantly. As Table A1.3 in Appendix 1 shows, from a starting point of 1,070 TA projects (\$1.66 billion), the portfolio of TA under implementation shrank to about 800 TA projects (\$1.50 billion) in 2017–2018, and then gradually grew again to 941 TA projects (\$2.00 billion) in 2023. Limits on TA portfolio size introduced by the 2008 TA reforms led to the closing of open but inactive TA projects in the first period and a reduction in non-project preparatory TA in the portfolio.⁹ The growth in size and duration of TA contributed to the increase observed in 2019–2023. The average age of the active TA portfolio remained largely stable at 2.1–2.3 years, and the average extension of active TA projects was in the 1.7–1.9 years range, bringing their duration to 3.7–3.9 years, although the average length was 2 years at the design stage.

8. Validation of 262 TA completion reports (TCRs) produced an overall 72% TA success rate—below the 80% target for TCRs set by the 2017 TA reforms policy paper. This performance was driven largely by the following criteria: 81% were validated relevant or highly relevant, 64% effective or highly effective, and 59% efficient or highly efficient. Research and development TA had the highest percentage rated successful (94%) and efficient (80%). Table A1.4 in Appendix 1 shows the ratings by TA category.

C. Technical Assistance Operations and Reforms Took Place in a Rapidly Evolving Context

9. Strategies, policies, and the external and internal environment for ADB’s TA operations changed significantly in 2014–2023, as summarized in Table 1. This changing environment means that the relevance, effectiveness, and efficiency of TA policies needed to be evaluated dynamically, by looking at trends in operations and policy directions, rather than statically, by assessing the adequacy of specific policies and procedures at a point in time or for the entire duration.¹⁰

⁹ The target was to reduce the number of non-project preparatory TA projects in the portfolio to fewer than 750 by the end of 2015.

¹⁰ The frequency of changes makes it impossible to attribute precise outcomes to specific policy measures, because TA projects committed at a given time would have been at various stages of processing, and there is a time lag between issuance of a policy and detailed instructions on its application. The timing of different measures also overlapped. Some measures, e.g., delegation of approval authority, took effect instantly after approval, and their impact can be more easily measured.

Table 1: Changing Environment for Technical Assistance Operations, 2014–2023

Year	Operations Volume	Strategic Guidance	TA Policies and Procedures	Culture and Work Environment
2014		Strategy 2020 Midterm Review		
2015	Merger of ADF and OCR approved		Innovation and Efficiency Initiative	
2016		ADF 12 Donor Report		
2017	Merger of ADF and OCR effective		TA Reforms policy paper	
2018		Strategy 2030 approved		
2019				
2020	COVID-19 operations increase	ADF 13 Donor Report		
2021			TA Review	Culture Transformation Initiative launched
2022				NOM launched
2023	Capital Adequacy Framework update			NOM reorganization implemented

ADF = Asian Development Fund, COVID-19 = coronavirus disease, NOM = new operating model, OCR = ordinary capital resources, TA = technical assistance.

Source: Asian Development Bank (Independent Evaluation Department).

10. As Table 1 shows, during this period:

- (i) Strategic guidance on priority sectors changed in 2014 with ADB's Midterm Review of Strategy 2020, and again in 2018 by Strategy 2030's shift from sectoral to thematic priorities.¹¹
- (ii) Donors directed ADB to focus TASF resources on group A and B DMCs during the replenishments of the ADF 12 in 2016 and ADF 13 in 2020.
- (iii) The scale of ADB operations grew substantially in 2017 following the merger of the ADF and OCR and in response to the COVID-19 pandemic. The 2023 Capital Adequacy Framework update will further increase ADB lending capacity by \$10 billion per year for the next 10 years.
- (iv) The COVID-19 pandemic required the adoption of remote working by ADB staff and virtual missions, which gradually blended into a hybrid work model and the "One ADB" approach still in place today.
- (v) ADB launched an internal Culture Transformation Initiative to reduce hierarchy and bureaucracy in 2021 and the NOM in 2022, and these culminated in a reorganization in 2023.
- (vi) Forty policy and procedural adjustments affecting TA took place in three stages: (i) the 2015 Innovation and Efficiency Initiative, (ii) the 2017 TA reforms policy paper, and (iii) the 2021 TA review.¹²

11. Regarding item (vi), the 2015 Innovation and Efficiency Initiative included several measures related to TA operations, such as clarifying the scope and implementation arrangements for pilot-testing in TA operations, enhancing the TA cluster approach, raising the ceiling for the delegation of TA approval authority, and improving knowledge partnership agreements. The most notable of the

¹¹ ADB. 2014. *Midterm Review of Strategy 2020: Meeting the Challenges of a Transforming Asia and Pacific*; and ADB. 2018. *Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific*.

¹² ADB. 2015. *Enhancing Operational Efficiency of the Asian Development Bank*; ADB. 2017. *Technical Assistance Reforms—Improving the Speed, Relevance, and Quality of Technical Assistance Operations*; and ADB. 2021. *Technical Assistance Review*. Staff instructions were adjusted on 13 March 2017, 3 July 2018, 26 April 2019, 9 June 2022, 30 June 2023, and more recently on 12 January 2024.

2017 reforms was the classification of TA into two categories: transaction TA and knowledge and support TA. Other measures focused on (i) improving the strategic alignment of TA with the country program; (ii) introducing TA facilities, which could be used to support the preparation of multiple projects, even across DMCs; (iii) streamlining TA business processes; and (iv) enhancing learning from TA. The 2021 TA review suggested improvements to fund mobilization and TASF allocation; business processes; the quality and use of knowledge products and services (including lessons generated from TA); and systems for monitoring and reporting on TA, including an alert system for TA projects disbursing slowly. In 2014, the Independent Evaluation Department (IED) undertook a corporate evaluation on the role of TA in ADB operations (Box 2).

Box 2: Evaluation of ADB Technical Assistance Operations in 2014

The Independent Evaluation Department (IED) undertook an evaluation of ADB technical assistance (TA) operations in 2014. Its main objectives were to assess the strategic relevance of TA within ADB and to analyze TA management processes, paying special attention to the results of the 2008 TA policy reforms.^a The evaluation found that the 2008 policy had correctly identified several solutions to the limitations affecting TA, but more action was needed, particularly to address incentives and culture.

The 2014 evaluation made five recommendations: (i) improve the strategic use of TA, particularly the alignment of regional TA to country needs; (ii) increase the use of programmatic TA, including reimbursable options; (iii) increase developing member country (DMC) involvement at all stages of the TA project cycle; (iv) improve business processes; and (v) improve the use of consultants and the involvement of ADB staff during TA implementation.

In response to these recommendations, a new resource allocation mechanism was set up in 2015 to establish annual priorities for corporate TA. The procedures for processing TA clusters were clarified, leading to greater use of such TA, and TA facilities were introduced, primarily for project preparation. Business processes were revamped. The management action records system (MARS) that IED maintains to track the implementation progress of IED recommendations reveals that some of the sub-recommendations from the first and second recommendations have been either fully or largely implemented, while some under the fourth and fifth recommendations have been partly implemented.^b The third recommendation and several sub-recommendations were not accepted by ADB management.

^a Independent Evaluation Department (IED). 2014. [Corporate Evaluation Study: Role of Technical Assistance in ADB Operations](#). ADB.

^b The first sub-recommendation under the first recommendation was fully accepted and implemented. In order to establish annual priorities for corporate TA, ADB formed a fixed senior management committee rather than an open strategic forum or bilateral Strategy, Policy, and Partnerships Department (SPD) consultations with other departments.

Source: ADB (Independent Evaluation Department).

12. Overall, the TA reforms in 2008–2023 focused primarily on enhancing TA process efficiency and secondarily on its effectiveness. The 40 measures that can be separately identified (Table A2 in Appendix 2) addressed:

- (i) **Relevance.** These measures focused mostly on the alignment of TA operations with ADB and country strategic objectives. Seven of the 40 measures (18%) focused on TA relevance, the division into transaction TA and knowledge and support TA, mechanisms to improve the strategic alignment of country-specific TA and regional TA with ADB and country priorities through country knowledge plans (CKPs), and by directing TASF resources to lower-income countries, fragile and conflict-affected situations (FCAS), and small island developing states (SIDS).
- (ii) **Effectiveness.** The focus was on programmatic TA. Thirteen of the 40 measures (32%) addressed TA effectiveness by allocating more resources to complex TA projects, allowing cofinancing to be used for detailed design and engineering, introducing TA facilities, encouraging the retention and dissemination of knowledge generated through TA operations, fostering the involvement of DMCs and resident missions in TA implementation, and introducing a validation system for TCRs.
- (iii) **Efficiency.** New measures aimed to streamline and shorten the processing timetable and internal review and approval procedures. Twenty measures (50%) targeted process

efficiency, particularly through simplification of procedures and internal review requirements for transaction TA; delegation of authority to approve TA, trust funds, and cofinancing arrangements; relaxation of restrictions on TA fund use by allowing blending of TA purposes; simplification of consultant recruitment arrangements; and improved monitoring of TA implementation, particularly for slow-moving TA projects.

D. Evaluation Approach and Methodology

13. The current evaluation assessed the relevance, efficiency, and effectiveness of ADB TA operations committed in 2014–2023, drawing lessons that can be applied under the NOM. It covered all TA operations committed in the evaluation period, including those partially or wholly cofinanced by ADB-managed trust funds and project-specific cofinancing.

14. This evaluation's overarching question was: Has ADB's TA been relevant, effective, and efficient in supporting ADB's strategic objectives and DMCs' needs? The theory of change used for the evaluation (Figure A1.1 in Appendix 1) highlighted the inputs, outputs, and outcomes of ADB's TA operations. The inputs were ADB's transaction TA and knowledge and support TA operations, which lead to (i) project preparatory support; (ii) capacity development and knowledge generation and dissemination; (iii) policy and strategy analysis and advisory services; and (iv) research and development activities related to special topics.

15. The overarching question was underpinned by the following specific questions:

- (i) How relevant and coherent has ADB's TA support been at meeting ADB priorities and DMC needs?
- (ii) How effective has ADB's TA support been and what were the effectiveness factors for different types of TA activities?
- (iii) How efficient have ADB's TA processes been and how have changes in internal ADB and external DMC contexts affected efficiency?

16. The report is structured around the findings on relevance (Chapter 2), efficiency (Chapter 3), and effectiveness (Chapter 4) with a focus on issues common to all TA types. Many types of TA can contribute to a development outcome. For example, policy and advisory TA that improves sector policies will enhance the chances of success of a project designed through project preparatory TA, whose implementation is financed by loans or grants and supported by capacity development TA to strengthen executing agency capacity. Therefore, it is important to analyze and address the issues that affect the relevance, efficiency, and effectiveness of the TA program as a whole, rather than to focus on a specific TA type, particularly since ADB's TA classification was altered in 2017, midway through the evaluation period and then again in 2023. The exception to this approach is capacity development TA, which receives most of the attention in Chapter 4. This type of TA was the largest single destination of TA funds (56%) and potentially has the most impact on DMCs' ability to sustain the development process through institutional development that goes beyond ADB operations. However, it was also the lowest performer in terms of both its effectiveness (66%) and overall success (73%) ratings.

17. The evaluation applied a combination of methods to gather evidence to address the evaluation questions. These included (i) a review of ADB TA policies, procedures, and practices; (ii) an ADB TA portfolio review; (iii) four in-person country missions (Indonesia, Papua New Guinea, Uzbekistan, and ADB's Pacific Liaison and Coordination Office in Sydney, Australia), and five virtual missions (Bangladesh, India, Mongolia, Pakistan, and the Philippines) to conduct country case assessments; (iv) a comparator review with other MDBs; (v) interviews with ADB staff, stakeholders, and TA consultants; and (vi) a staff survey. More details on the evaluation methodology are presented in the evaluation approach paper.¹³

¹³ IED. 2023. [Evaluation Approach Paper. Corporate Evaluation: ADB Technical Assistance Operations 2014–2023](#). ADB.

CHAPTER 2

Relevant with Room to Improve Strategic Alignment

18. TA, if used well, is a potentially powerful instrument to complement ADB's financial clout to accomplish its strategic and operational aims. This chapter assesses the relevance of ADB TA operations in relation to meeting (i) ADB's operational priorities and the targets set by Strategies 2020 and 2030, and the country prioritization established during TASF replenishments; (ii) DMC knowledge needs and priorities reflected in the loan and grant program; and (iii) the demand for future TA given the expected growth of ADB lending operations in the next decade. To supplement the relevance ratings from TA completion report validation (TCRV) reports, and in the absence of specific targets for TA operations, the evaluation assessed the overall relevance of ADB TA based on the alignment of the TA portfolio with the operational priorities of ADB's loan and grant programs. This assessment was taken as a benchmark of how ADB translates priorities into practice over the medium term (i.e., the evaluation period 2014–2023).

A. Relevance Partly Undermined by Under-Represented Priorities and Disincentives to Medium-Term Programming

19. More than 80% of individual TA operations were rated relevant or highly relevant in TCRVs. ADB TA operations had higher ratings for relevance than for any other evaluation criteria (Table A1.4 in Appendix 1).¹⁴ The relevance rating was lower for TA operations in FCAS and SIDS (69%), mainly due to problems in the results chain and inadequate analysis or consideration of risks in the TA design (Table A1.5 in Appendix 1). Several validations highlighted the need for the TA to articulate a clearer design and results chain showing a reasonable cause–effect relationship between the outputs, outcomes, and their corresponding indicators. It is also critical to apply enhanced project management capabilities and appropriate tools for TA projects from conceptualization to implementation. Given the high relevance ratings of individual TA projects of all types, the evaluation focused on the broader question of ADB TA's strategic relevance, a subject that was also highlighted in the 2014 evaluation.¹⁵ However, TA is seldom directly discussed in ADB strategies, except indirectly to emphasize the importance of knowledge in ADB operations.¹⁶ There are also no specific targets for TA in the strategy

¹⁴ The finding is consistent with the higher relevance ratings of all ADB operations, compared with the other evaluation criteria. Based on the validation of 262 TCRs, the relevance ratings for capacity development TA were 81%, policy and advisory TA 86%, and research and development TA 89%. The only exception was the project preparatory TA, with a 58% rating. Only project preparatory TA that do not lead to a project are subject to TCR and TCR validation according to ADB guidelines. This naturally leads to lower ratings for the validated project preparatory TA, even if avoiding funding a project that is not feasible may be the most desirable outcome for both ADB and its DMCs.

¹⁵ One of the 2014 TA evaluation's recommendations focused on improving the strategic use of TA, particularly with regard to (i) the annual setting of corporate priorities for TA; and (ii) the explicit alignment of country TA programs, including regional TA, with country needs. Specifically, the evaluation recommended: (i) relying on a fixed senior management committee rather than an open strategic forum or bilateral SPD consultations with other departments to establish annual priorities for corporate TA; and (ii) requiring operations departments to provide a mandatory and more explicit presentation of country TA needs (covering capacity constraints, knowledge needs, opportunities for innovation) within country partnership strategies and country operations business plans to inform the TA program, including regional TA projects.

¹⁶ ADB's efforts to incorporate knowledge in its operations were the subject of a previous evaluation (IED. 2020. [Knowledge Solutions for Development: An Evaluation of ADB's Readiness for Strategy 2030](#). ADB) and are not specifically addressed in the present evaluation.

documents and no indicators for TA operations in ADB's corporate results framework, aside from "completed technical assistance projects rated successful."¹⁷

20. That said, the TA program was mostly aligned with the Strategy 2030 operational priorities set for the loan and grant program. Poverty, gender, and climate change were underrepresented in TA operations, while promoting livable cities and governance TA operations slightly exceeded the share of the loan and grant programs devoted to these areas (Figure A1.2 in Appendix 1). In general, the share of TA projects tagged as addressing the five thematic priorities under the 2020 and 2030 strategies has grown over time (Table A1.6 in Appendix 1), indicating that the design of specific operations was adjusted to better reflect ADB corporate priorities (Table A1.7 in Appendix 1).¹⁸

21. The alignment of TA operations with the sectors covered by the loan and grant programs in the 2014–2023 period was strong. The main differences were the higher share of TA resources devoted to the public sector management, water and other urban infrastructure services, and agriculture, natural resources, and rural development sectors, and the lower TA share for the energy, transport, and finance sectors (Figure A1.2 in Appendix 1). These differences can partly be explained by the fact that the energy and transport sectors are large users of multitranches financing facilities (MFFs), whose loan funds are accessible for use instead of TA to prepare and support the implementation of succeeding tranches after the first tranche. Executing agencies and utilities in the transport and energy sectors also tend to be better funded and to have higher capacity so they require less TA support.

22. The TA program responded well to the broadening of sector priorities following the 2014 Midterm Review of Strategy 2020. TA was used to prepare and support a revised pipeline, while loans and grants programmed 2 or 3 years in advance remained focused on the previous priority sectors. In 2014–2018, the original Strategy 2020 priority sectors—infrastructure (transport, energy, and urban services), education, and finance—accounted for 71% of the loan and grant programs, but only 53% of TA operations. The broader sector focus ushered in by the 2014 Midterm Review of Strategy 2020, the change in approach from sectoral to thematic priorities introduced in 2018 by Strategy 2030, and the extraordinary levels of support for the health sector caused by the COVID-19 response, including a \$80 million TA project, all meant the sector alignment of the TA and loan and grant programs became close in 2019–2023. If the Strategy 2020 core sectors of infrastructure, education, and finance are combined with the Midterm Review priority sectors of health, agriculture, and food security, these sectors accounted for 79% of the loan and grant programs, and 70% of TA operations.

1. Private Sector Development was not Well-Monitored and Climate Change was Under-Represented in Technical Assistance Operations

23. The number, volume, and direction of TA operations in 2014–2023 supported progress toward the corporate targets set for all ADB operations (Table A1.8 in Appendix 1). The TA program met or

¹⁷ ADB strategic documents identify three key functions for TA: (i) preparation and support of loan and grant projects; (ii) strengthening of national institutions, policies, and regional cooperation; and (iii) promotion and dissemination of knowledge and innovation. The limited reference to technical assistance operations is also found in the documents produced by other multilateral development banks. For example, the Inter-American Development Bank's corporate results framework does not include any indicators related to technical cooperation. The World Bank Group Corporate Scorecard reports on clients' perceptions of the achievement of advisory and analytical services activities. It is similar to but more specific than ADB's indicator on the percentage of clients satisfied with the use of ADB knowledge products (ADB Corporate Results Framework, Level 2B indicator 5).

¹⁸ This includes more attention to gender and governance considerations in TA, loan and grant design; and a greater focus on climate change in the design of infrastructure projects and related TA. These trends were confirmed if we measure these discrepancies through quantitative analysis using a methodology that closely resembles the chi-square statistical test. The methodology compares the sector or thematic distribution of TA operations with that of the loan and/or grant program at either the ADB or country level. Discrepancies between the two distributions are squared (so the negative and positive discrepancies do not offset each other), divided by the loan and/or grant share, and summed. A coefficient of zero would denote perfect alignment (identical distributions). The higher the coefficient, the larger the discrepancy.

exceeded several specific sector and thematic targets for the sovereign loan and grant programs set by Strategy 2020 and Strategy 2030 and contributed strongly to ADB's COVID-19 response.

- (i) The Strategy 2020 Midterm Review recommended an increase in social sector operations. While TA for the education sector did not meet the Midterm Review's target of 6%–10% of the total TA program in 2014–2019 by amount, its share grew to 7% in 2019–2023, which was matched by 7.3% for health (excluding 2020 because of distortions caused by the pandemic response). The COVID-19 response in 2020 brought the health sector share in 2020 to 18.0% of the TA program and the 2019–2023 social sector average to 8.9%.
- (ii) The program exceeded both the 30% target for regional cooperation and integration (RCI) set by Strategy 2020 and the 75% gender equality target set by Strategy 2030. RCI was a theme for about 40% of TA operations by amount. TA projects with gender themes lagged behind both the loan and grant program and the target for 2014–2018 (the target was 67% and the achievement was only 60%, although the program exceeded the target in 2019–2023 when 79% was achieved).

24. TA support for private sector and public–private partnership (PPP) operations was modest, and its use to promote private sector development through sovereign operations was not monitored. Strategy 2030 set a target for 33% of ADB operations by number to be nonsovereign by 2024. The nature of nonsovereign operations and their limited use of TA would not justify using this as a benchmark for the allocation of TA resources, but the number of TA projects processed by PSOD and OMDP (and its predecessor OPPP) was very limited: 55 in 2014–2018 and 76 in 2019–2023, while the total amount increased from \$96 million to \$178 million over the same period (from 6% to 9% of the TA program).¹⁹ Only five TA projects (1.5% by amount) were devoted to market studies and development of private sector opportunities. By sector, finance used three times as much TA funding (\$73 million) as the three infrastructure sectors combined (energy, transport, and water and urban services TA totaled \$23 million). Nearly 20% by number and more than one-third by amount of PSOD TA was used to support the implementation of Trade Finance and Supply Chain Finance programs.²⁰ The most supported operational priorities for nonsovereign TA were poverty reduction and gender (more than two-thirds of nonsovereign operations in both cases).

25. The 2014 project classification system required the tagging of TA that supported private sector development, which accounted for about 50% of ADB loan and/or grant operations in 2014–2023 by number and amount. However, eOps data reflecting the tagging was not always complete and up to date. Furthermore, the classification of projects according to the new private sector development criteria introduced in 2024 does not apply to TA. Some sovereign TA supported upstream and midstream efforts related to private sector development (a Strategy 2020 priority, with a 50% target by 2020), while nonsovereign TA supported downstream efforts. However, the lack of robust monitoring of sovereign TA and staff interviews suggested that there was no clear link between the constraints of processing investment opportunities and the upstream work on improving the environment for private sector development carried out under sovereign operations.

26. Despite ADB's ambitions to address climate change, the percentage of the TA program responding to this priority was lower than that for the loan and grant program and did not achieve ADB targets. The percentage of TA operations tagged for operational priority 3 (climate change, disaster resilience, and environmental sustainability) grew from 49% in 2014–2018 to 58% of the TA

¹⁹ ADB seeks cost recovery on TA financed under TASF for all TA expenditure incurred to prepare private sector projects that results in financing from ADB or other sources.

²⁰ Since its launch in 2003, ADB's Trade Finance Program (TFP) has supported \$30.7 billion in trade and mobilized \$18.2 billion in cofinancing. Between 2012 and 2019, the Supply Chain Finance Program supported 1,744 transactions valued at \$868 million and generated \$434 million in cofinancing. Almost 80% of the transactions involved small and medium-sized enterprises (SMEs). In 2022, the three PSOD short-term finance programs accounted for 14% of ADB operations and 47% of cofinancing mobilized.

program in 2019–2023, below both the 65% target set for 2024,²¹ and the 75% target set in Strategy 2030 for ADB operations.²²

2. Technical Assistance Fund Allocation Mechanisms Discourage Medium-Term Programming

27. The strategic alignment of TA with operational priorities may be hindered by the way it is allocated. The TASF replenishments in 2016 and 2020 introduced binding conditions on the country allocation of TASF resources. ADB complied strictly with these conditions.²³ As Table A1.9 in Appendix 1 shows, TA funds allocated to ADB group A and B DMCs decreased by 22% between 2014–2018 and 2019–2023. The shift towards larger TA projects with multiple country coverage continued under the NOM: 34% of the TA projects processed by the Sectors Group since its establishment in 2023 were regional.

28. Targeting of DMCs containing FCAS was affected by the 2021 suspension of ADF operations in Afghanistan and Myanmar. However, the utilization of TA by SIDS grew significantly, largely through regional operations in the Pacific.²⁴ Afghanistan and Myanmar accounted for two-thirds of ADB TA support to FCAS in 2014–2018. Despite the suspension of ADB operations in both countries in 2021, the FCAS share of the program still grew by 13% between 2014–2018 and 2019–2023 due to regional operations processed in 2023 by the three regional departments covering FCAS and by PSOD. Growth in TA to SIDS (half of which are also FCAS) was much stronger (68%). Given the small scale of these economies, regional TA (nearly all processed by the Pacific Department and since 2023 by the Sectors Group) played a significant role, including some long-standing initiatives such as the Pacific Private Sector Development Initiative, Pacific Business Investment Facility, and the Pacific Region Infrastructure Facility Coordination Office. The larger amount, the multi-country coverage, and the broader scope of these TA projects suggest that monitoring their final specific objectives and achievements will be important to ensure they respond to country requirements during the definition of their subcomponents and implementation.

29. The TASF allocation process introduced by the 2021 TA review successfully channeled funds to the priority DMCs, but it suffered from two constraints. One is that since 2021, ADB has gradually shifted from announcing 3-year indicative planning figures for all TA to providing only annual fund allocations limited to TASF, sometimes as late as March of the relevant year.²⁵ While loans and grants continue to be planned on a rolling 3-year cycle, the justification for the change in TA planning horizon was that, since “ADB strives to be more responsive to DMCs’ imminent needs, only the TA pipeline for the following year can be seen accurately.”²⁶ While TA does have a shorter planning horizon than those for loans and grants, this practice encourages ad hoc TA provision based on available funds and discourages medium-term programming based on country needs and long-term institutional

²¹ Indicator 11 at level 3C (Strategic Alignment) of ADB. 2019. [ADB Corporate Results Framework, 2019–2024](#).

²² The share of the loan and grant operations tagged for climate change grew from 55% in 2014–2018 to 65% in 2019–2023.

²³ ADB committed itself to using 100% of the TASF replenishment and 84% of all TASF resources (including OCR income transfers) for these countries, and to introducing a transparent TASF allocation methodology.

²⁴ ADB placed on hold its regular assistance in Afghanistan effective 15 August 2021. ADB. 2021. [ADB Statement on Afghanistan](#). News Release. 10 November. ADB placed on hold its assistance in Myanmar effective 1 February 2021. ADB. 2021. [ADB Statement on New Developments in Myanmar](#). News Release. 10 March.

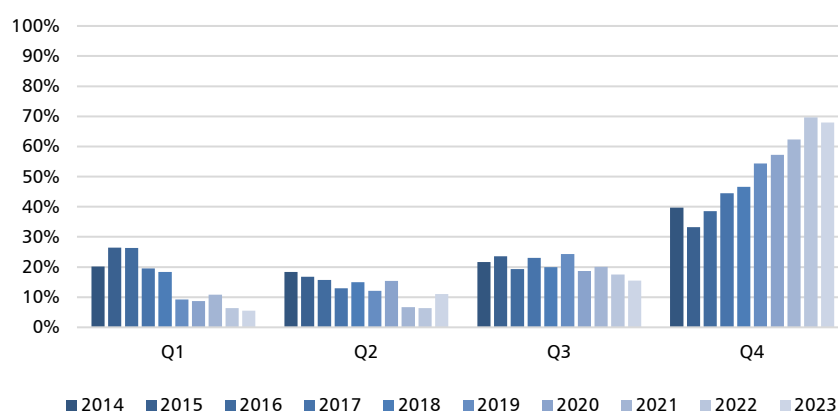
²⁵ Starting with the 2021 Planning Directions for 2022–2024, 3-year allocations were limited to TASF. Since 2022, only annual TASF allocations are provided in a separate memo, issued on 20 December 2021 for 2022, in January of the same year for 2021 and 2023, and on 12 March 2024 for 2024. It is IED’s understanding that this approval is the first step, followed by internal deliberations within the receiving offices of the vice-presidents and departments, negotiations with cofinanciers and governments, etc. before the TA processing starts. Previously, 3-year planning figures were communicated in the spring *Planning Directions* (for example on 31 March 2015 for 2016–2018) and annual TASF allocations in December of the previous year, e.g., on 7 December 2018 for 2019.

²⁶ ADB. 2022. [Work Program and Budget Framework, 2023–2025](#); and ADB. 2023. [Work Program and Budget Framework, 2024–2026](#).

development requirements, ultimately undermining the relevance of the TA.²⁷ Given these compressed programming schedules, departments responded by shortening the TA preparation time from 4.1 months in 2018–2020 to 3.6 months in 2021–2023. Last-quarter TA approvals became the norm, growing from 38% in 2014–2016 to 67% in 2021–2023 (Figure 4, Table A1.10 in Appendix 1). There is no evidence so far that TA projects approved in the last quarter perform worse than those approved earlier in the year.²⁸ However, nearly 43% staff surveyed felt that the TA allocation process did not give them sufficient time to schedule and process TA (Appendix 3, Linked Document B). The combination of bunching TA approvals in the last quarter, faster processing, and a simplified process for receiving feedback on TA during the design stage raises concerns about processing under stress and possible future lapses in TA design quality.

30. Another constraint is that since 2020, TASF allocations to PSOD have taken place at an “application 2” stage, after corporate priorities and regional and other departments’ TA programs have been funded under the “application 1” stage. This possibly reduces PSOD’s ability to use TA funding for unplanned needs, an especially important consideration for nonsovereign operations with a short gestation period. Within PSOD, nonsovereign TA allocations occur on a first-come, first-served basis, due to difficulties forecasting commercial demand. Prioritization is thus based on single operations rather than country considerations such as market development or private sector development opportunities which require close coordination with sovereign TA projects.

Figure 4: Number of Technical Assistance Approvals, Quarterly Distribution, 2014–2023



Source: Asian Development Bank (Independent Evaluation Department).

3. Regional Technical Assistance Focused on Emerging Priorities

31. CCSD carries out sector and thematic research and the day-to-day management of the corresponding trust funds (as its predecessor, SDCC, did), a function that has now been partially shifted to the Sectors Group. A key feature of SDCC’s TA program was the launching of large-scale TA addressing emerging issues at sector and thematic levels. In 2014–2023, the department accounted for 14% of ADB TA commitments by amount (9% by number), all of which was regional TA.²⁹ Sixteen TA projects above \$5 million each and totaling \$143 million (26% of the whole SDCC program in the evaluation period) provided analysis and operational support to most sectors of ADB operations. The

²⁷ In the 2021–2023 country operations business plans for the case study countries, the amount of the second-year firm programs was 95% for loans and/or grants and 60% for TA. For third year programs the amount was 93% for loans and/or grants and 51% for TA.

²⁸ Success rates are comparable for the 34 TCR validations of TA committed in 2019–2020 (85% for the whole year, 87% for the 15 TA projects approved in the last quarter) and for all 262 validated TCRs (72% for the whole year and 70% for the 140 approved in the last quarter).

²⁹ The Economic Research and Development Impact Department, previously the Economic Research and Regional Cooperation Department, accounted for 3% by amount and 5% by number, so its TA operations were not covered by this evaluation.

focus of these large initiatives shifted from the social and urban sectors in the early years (malaria control, education innovation, the transformative gender agenda), to energy, sea and coastal environmental issues, and transport innovation in recent years. These large projects helped to define operational plans in support of Strategy 2030 priorities and to mobilize large amounts of cofinancing. SDCC's close involvement in the management of trust funds facilitated this mobilization: 78% of SDCC TA cofinancing came from trust funds, compared with 65% for all ADB TA operations. This TA program exemplifies the limited usefulness of separately analyzing TA types. The department essentially provided applied research and policy analysis, and some pilot-testing of concepts at the regional level, yet 78% by number and 86% by amount of the TA it processed during 2014–2023 was classified as capacity development. Determining the contribution of the program to ADB sector and operational priorities (Box 3) is more important than analyzing the way different types of TA performed.

Box 3: Sector and Operational Priority Alignment of the Sustainable Development and Climate Change Department Technical Assistance Program, 2014–2023

When compared with the sector emphasis of ADB's overall technical assistance (TA) and lending programs, the TA program of the Sustainable Development and Climate Change Department (SDCC) gave much less weight to the finance and transport sectors, and considerably more to health and water and other urban infrastructure services. Malaria and communicable disease control (four TA projects for \$25 million in 2014) and the coronavirus disease (COVID-19) response (four TA projects for \$91 million in 2020) dominated the \$149 million health sector program. The focus in the urban sector was on increasing the climate and environmental resilience of cities, including two large operations in 2014 and 2020 to support the Cities Development Initiative for Asia.^a Half of the transport sector budget was allocated to two large TA projects, Implement Sustainable Transport for All and Accelerate Innovation in Transport, designed to help transition ADB's operations from traditional road projects to more sustainable transport modalities.^b SDCC mobilized substantial cofinancing for these urban and transport sector initiatives (82% of the \$34.3 million), demonstrating that cofinancing can be leveraged when ADB pursues innovation or modernizes its operations.

SDCC's TA program was well aligned with ADB operational priorities under Strategy 2020 and Strategy 2030 and was consistent with the department's mandate and role in developing sector and thematic plans. In comparison with ADB's overall TA program, SDCC gave a higher priority to the environment, climate change, and urbanization. Compared with ADB's loan and/or grant program, SDCC TA underemphasized gender and poverty topics and had a stronger focus on livable cities. Gender equality in ADB operations was the topic of a series of TA projects processed by regional departments.

^a ADB. [Supporting the Cities Development Initiative for Asia](#); and ADB. [Implementing the Cities Development Initiative for Asia](#).

^b ADB. [Implementation of Sustainable Transport for All](#); and ADB. [Accelerating Innovation in Transport](#).

Source: Asian Development Bank (Independent Evaluation Department).

32. The best way to prioritize and align regional TA with ADB and country priorities is still an open question, partly because of TA's twin roles of (i) supporting operations and (ii) researching future developmental trends and issues, which may not be immediately operationally relevant.³⁰ A Strategic Forum envisaged by the 2008 TA policy was abandoned after a few years and replaced by an up-front TASF set-aside for "corporate priority TA." The number of such TA projects fell from 32 in 2019–2021 to 17 in 2022–2024, with an even larger decline by amount, from \$42 million to \$18 million, indicating that this set-aside does not express a strong strategic prioritization at the corporate level.³¹ There is still a perception among many staff in operations departments that alignment of the regional TA

³⁰ Several models were used, including a strategic forum chaired by the vice-president for knowledge management in 2008; a review by the relevant or all regional departments in 2015; closer involvement of SDCC in country programming missions and inclusion of relevant regional TA projects in each country's pipeline in 2021; and the current mandatory clearance of regional TA proposals by regional departments. Corporate priority TA, which benefits from a set-aside in the TASF allocation, has steadily declined from \$18.3 million (for 10 regional TA projects) in 2020 to \$4 million (for two TA projects) in 2024.

³¹ The set-aside has been used to support innovation in education, debt management approaches, and domestic resource mobilization, but it has been used more frequently for such core ADB deliverables as the *Asian Development Outlook*, *Key Indicators for Asia and the Pacific* (each four times), business opportunities seminars, and improvements in the thematic focus of ADB operations.

program with ADB operations could be improved. However, given ADB’s cooperative culture, it is rare for regional TA proposals to be turned down when clearance by the sponsoring regional departments and country directors is requested. More importantly, the decentralized concurrence of regional departments to each regional TA proposal is no substitute for ex ante identification and mapping of ADB’s strategic research priorities. In addition, while ADB allocates TA resources to regional or research departments, under the NOM it seems likely the sector and thematic groups will identify cross-country needs for research and policy analysis, raising the need for strategic prioritization of these activities. It will be important to enhance the linkage of the country partnership strategy (CPS) country diagnostics, sector assessments, and strategic pillars with both the program and TA portfolios for each DMC.

33. Other MDBs have established mechanisms to balance country and sector considerations and to provide overall direction to TA operations. At the Inter-American Development Bank (IDB), a Technical Assistance Strategic Orientation Group was established in 2022 to provide strategic orientation and monitor the Ordinary Capital Strategic Development Program technical cooperation portfolio. At the operational level, a Joint Decision-Making Mechanism is co-chaired by the vice-presidents for countries and sectors, and this includes the Grants and Cofinancing Management Unit within the Office of Outreach and Partnerships. This mechanism oversees the allocations for each area, coordinates programming, and approves funding allocation decisions, including individual operations. The World Bank Group has outlined the principles of its interaction with other stakeholders through a Partnership Charter,³² and plans to introduce a Partnership Council, made up of senior leadership from across the World Bank Group, to provide strategic direction, guidance, and monitoring of key operational and knowledge partnerships.

B. Country-Level Technical Assistance Alignment with Loan and Grant Programs

34. DMC representatives confirmed the TA operations’ general broad alignment with their development and knowledge needs, acknowledging ADB TA’s contribution to improving capacity, policies, and the implementation of ADB operations. However, ADB did not fully account for all the feedback and preferences from the DMCs. Officials from the DMC ministries interviewed during the country missions said they would like stronger engagement in the design and implementation of TA projects. They acknowledged ADB TA’s contribution to improving capacity, policies, and the implementation of ADB operations. ADB’s 2022 Client Perceptions Survey also found that most clients “strongly agree” or “agree” that ADB TA is well aligned with their country’s development needs (84%) and effectively addresses their knowledge needs (79%). This was an improvement from the 2020 survey, when the percentages were 78% (for alignment with country’s development needs) and 73% (for effectively addressing knowledge needs).³³ However, evaluation missions to Indonesia, Mongolia, Pakistan, and Uzbekistan met DMC staff who expressed a need for stronger engagement in the design and implementation of TA projects and for more frequent updates on their status. This was consistent with the responses received from the surveyed ADB staff, which indicated staff would welcome a stronger government role in both TA identification and implementation (Appendix 3, Linked Document B).³⁴ Some DMCs also expressed interest in becoming involved in the TA procurement process. Related to this, stronger engagement at the DMC level means not only at the central government level but also with implementing agencies at the sectoral level.

³² World Bank. [Stakeholder Relations](#).

³³ ADB. 2021. [ADB Client Perceptions Survey 2020: Multinational Survey of Stakeholders](#); and ADB. Client Perceptions Survey 2022: Multinational Survey of Stakeholders (forthcoming).

³⁴ For project preparatory TA, 70% favored more government involvement in identification and 62% more government involvement in implementation, compared with 20% and 28% who preferred it to remain the same. For other TA, the ratios were 58% and 56% for greater involvement compared with 24% for both phases for the status quo. Details of the perception survey are in Appendix 3 (Linked Document B).

35. CKPs were introduced in 2014, but they have not provided guidance to the TA program. The plans were introduced in response to the recommendations of the 2014 TA evaluation to ensure non-lending activities are relevant to country requirements. The CKP is an appendix to the CPS that defines the scope of ADB's knowledge operations in a DMC and includes a list of indicative knowledge products and events. Until recently, it provided only general lists of regional TA operations and other, often vaguely related, ADB knowledge products. The 2021 CPS review recognized that "CKP... have added limited value... many knowledge products in the list of indicative knowledge products and events are annual publications produced by ADB with no direct relevance to the CPS or the countries' knowledge needs ... CKP content is static... [and] most country teams conduct limited follow-up on the CKP."³⁵ Aligning CKPs to the development opportunities highlighted in CPS sector assessments will ensure that a DMC's national priorities are adequately reflected in a DMC-specific TA and knowledge program. The 2021 CPS reforms proposed refocusing CKPs on knowledge outcomes for each CPS strategic objective, updated annually during the country's programming process. Following the 2021 TA policy review, the revised staff instruction, to some extent, has helped improve the strategic alignment of TA operations with the CPSs and CKPs. It is still too early to assess the impact of these revisions, but the early signs are only moderately encouraging: in the staff survey carried out for this evaluation, 33% of respondents indicated that the CKP drives the TA agenda always or most of the time, while 51% said this happens sometimes or never.³⁶

36. ADB aligns its operations with country priorities through the CPS and supports these priorities through ensuing loan, grant, and TA programs. Loan and grant programs receive strong scrutiny because of the size of the projects and the loans' repayment obligations. At the aggregate level, therefore, one can assume that, over the medium term, e.g., 10 years, a TA program aligned with the sectors and operational priorities of the country's loan and grant programs would also be aligned with the country's priorities (Table A1.11 in Appendix 1).³⁷

37. The analysis found that, in three of the five representative DMCs considered for each region, (Indonesia, Pakistan, and Papua New Guinea), (i) the country's TA program was more closely aligned with ADB-wide priorities than with the DMC's own loan and grant program; and (ii) the country's TA program was more closely aligned with the country's loan and grant program's operational priorities than with its sector distribution.³⁸ At the aggregate level, these results suggest that:

- (i) In some cases, lower TA allocations were due to the use of loan instruments and MFFs to prepare and support implementation of subsequent tranches.
- (ii) DMCs were more willing to accept grant-funded TA that promoted ADB corporate priorities—typically governance and environment and/or climate change—than to borrow for these purposes. This points to the key role of TA in sensitizing countries to important issues that are not immediate concerns, but it also suggests that TA may not be responding to the country's operational priorities.
- (iii) In some DMCs, ADB has invested considerable TA resources without this leading to loan and grant operations that could embed the outcome of research and policy advice into projects and programs that have more lasting impact (Box 4).

³⁵ ADB. 2021. [Country Partnership Strategy and Results Framework Review](#).

³⁶ Based on input from ADB Department of Communications and Knowledge Management (DOCK) Action Plan (2021–2025), a midterm assessment survey of over 600 staff across the bank revealed that 47% of staff outside the headquarters agreed that the implementation of dynamic CKPs has improved resident missions' ability to plan for knowledge and engage with clients, while 34% were uncertain and 17% disagreed. A focus group discussion with resident missions' staff who prepared CKPs from 2021 to 2023 indicated that knowledge prioritization is based on several factors: (i) DMC context; (ii) ADB's lending operations in the country; (iii) NOM shifts; and (iv) Priorities set by sector divisions.

³⁷ The extent of this alignment can be tested by applying the same methodology employed above for ADB as a whole to five of the case study countries (one for each region).

³⁸ One would intuitively expect closer alignment with a country's loan and operations' profile than with the all-ADB profile. This is the case for India and Mongolia. All country programs show better alignment with operational priorities (lower coefficients) than with the sector distribution.

Box 4: Divergence Between Country Technical Assistance and Loan and Grant Programs

In Indonesia, differences between ADB's technical assistance (TA) and lending programs were largely caused by a lack of investment in agriculture, transport, and water and urban services, and a large reliance on program lending. Nine project preparatory TA projects in these three sectors and related capacity development TA projects totaling \$30 million translated into a modest \$1.7 billion investment program, none of it in transport. Conversely, nine program loans totaling \$4.9 billion for fiscal and public expenditure management and other policy reforms (including one for COVID-19 response and expenditure support for \$1 billion) were accompanied by relatively little project preparatory or capacity development TA, and practically no policy advisory TA. This suggests that, for Indonesia, ADB funding was more sought after than policy advice. However, lending and TA resources for the energy sector were well-balanced.

Papua New Guinea has a very focused lending program that is accompanied by more diversified TA operations. About 88% of lending was concentrated on three sectors: transport (roads and civil aviation) accounted for 47%, followed by health (24%), and public sector management (17%). TA was also focused on these three sectors (62%), but TA has also been provided to two other sectors—water and other urban infrastructure services, and finance—where there have been no subsequent lending operations.

Pakistan displayed the highest divergence between the TA and lending program. Large program loans in the industry and public sector management sectors (43% of the overall lending program) have been accompanied by a far more modest (25%) share of TA operations in these sectors. By contrast, the agriculture and natural resources sector accounted for 21% of all TA, half of which was for project preparation, but this sector received only 3% of all lending. The lending and TA programs in the energy sector were well balanced if the multitranches financing facility's role in project preparation is considered.

Source: Asian Development Bank (Independent Evaluation Department).

C. Scaling-Up Technical Assistance Financing to Keep Pace with Growing Operations

38. ADB's loan and grant programs are expected to grow following the 2023 Capital Adequacy Framework update. To maintain the relevance of ADB non-lending operations, TA financing will need to be scaled up accordingly. While some DMCs will graduate from ADB assistance and will therefore rely less on ADB TA, the increasing complexity of addressing climate change and other cross-sector priorities is likely to require TA at a scale comparable to the past, relative to the lending and grant program, to ensure that ADB identifies, delivers and supports the most appropriate solutions. The expected expansion of ADB operations and the recent decline in non-TASF funding sources are placing growing pressure on grant TA financing. Loan-based project preparation instruments have addressed about half of the demand and improved project readiness. Nonetheless, additional cost recovery for project preparatory TA is possible. Systematic pilot-testing of reimbursable TA began only in 2021, and its contribution is likely to be modest.

1. Financing for TA Relies Increasingly on the Technical Assistance Special Fund

39. TASF was the core source of TA financing in the evaluation period, providing 57% of all funding, and 62% in the post-COVID years, with a peak commitment of \$274 million in 2020, mainly for pandemic response (Table A.2 in Appendix 1).³⁹ Growing TASF outlays compensated for the post-COVID-19 decline in the other two main TA funding sources: trust funds (which fell from 29% of all TA financing in 2014–2019 to 22% in 2021–2023), and project-specific cofinancing (which dropped from 14% to 11%).⁴⁰ Within the TASF, OCR income transfers (43% of cumulative TASF resources in

³⁹ TASF replenishments grew steadily, from \$375 million for 2013–2016 to \$461 million for 2017–2020 and \$517 million for 2021–2024. By comparison, the total size of ADF replenishments declined after the merger of the ADF with OCR, from \$12.4 billion for ADF 11 (2013–2016) to about \$4 billion each for ADF 12 and 13. Donor contributions to ADF fell by half, from \$4.6 billion to \$2.3 billion.

⁴⁰ Three other special funds provided about 4% of TA financing during the period. Following the 2021 TA review, the Climate Change Fund, Financial Sector Development Partnership Special Fund, and Regional Cooperation and Integration Fund will be discontinued when their remaining balances are fully committed, and their separate OCR allocation will be merged into the TASF.

2014–2023) have become increasingly important for stability: these transfers grew by 49% between 2014–2016 (\$67.7 million on average) and 2021–2023 (\$100.7 million on average).

40. By comparison, both the World Bank and IDB relied more heavily on donor resources for technical cooperation activities. The World Bank disbursed \$991 million for analytical and advisory services (ASA)—which included both policy analysis and capacity building—in 2022.⁴¹ Of these disbursements, 26% were funded by the World Bank administrative budget; 68% by donors, mostly through trust funds, most of which were set up to support specific TA operations; and 6% by reimbursable advisory services. Of the \$394 million technical cooperation budget allocated to technical cooperation by IDB, 38% was funded from ordinary capital resources, and the balance through donor resources.

41. ADB-administered trust funds raised \$3.59 billion in 2014–2023. Of this, \$952 million was committed to the TA program, equivalent to 26% of total TA commitments by value, making these trust funds the most important TA cofinancing source.⁴² The main characteristics of such funding were:

- (i) **Prevalence of few large donors.** Seven bilateral donors accounted for 80% of trust fund contributions (Table A1.12 in Appendix 1). Most of them preferred to establish single-donor funds (62% of the trust funds raised, and 72% for the eight main donors), but also tended to contribute to multiple trust funds. With \$1.54 billion in contributions, Japan was the largest bilateral source of trust fund financing, followed by the United Kingdom (\$571 million), and the Republic of Korea (\$235 million).
- (ii) **Modest presence of multilateral sources.** The European Union and Nordic Development Fund contributed a modest amount (\$92 million, 3% of the total) to ADB trust funds. Such organizations typically prefer to cofinance loan and grant projects directly.
- (iii) **Small but encouraging involvement of private foundations.** ADB mobilized \$42 million from four private foundations (1% of the total). The Bill and Melinda Gates Foundation was the most regular source of financing, with three replenishments for \$12 million of the Sanitation Financing Partnership Trust Fund.⁴³
- (iv) **Declining commitments in recent years.** Annual trust fund TA commitments in 2021–2023 were \$81 million, 86% of the 2014–2016 level in nominal terms, and 62% in real terms.

42. Trust funds were an important funding source for capacity development, while bilateral cofinancing provided significant support for a few large policy and advisory operations (Table 2). Cofinancing was harder to mobilize for project preparation and research and development activities, which were seen as more linked to ADB internal requirements.

Table 2: Share of Technical Assistance Funding by Type and Source, 2014–2023 (%)

Technical Assistance Type	TASF	OSF	Cofinancing	
			Trust Funds	Project-Specific Cofinancing
Project preparation	71	2	21	6
Capacity development	49	4	32	15
Policy and advisory	59	5	12	24
Research and development	72	4	21	3

TASF = Technical Assistance Special Fund.

Source: Asian Development Bank (Independent Evaluation Department).

⁴¹ The World Bank does not report separately on TA for design, preparation, and implementation of lending operations

⁴² TA represented 31% of trust fund commitments in 2014–2023. The balance of the commitments was used for loans (\$996 million, 32%), project grants (\$968 million, 31%), and equity (\$179 million, 6%).

⁴³ The Bloomberg Family Foundation and Goldman Sachs Charitable Gift Fund each contributed \$12.5 million, and the Rockefeller Foundation (which separately established the Global Energy Alliance for People and Planet, which was also tapped by ADB for cofinancing) contributed \$5 million.

43. Sources of project-specific cofinancing (13% of the 2014–2023 TA program) were diversified, with a few major donors, notably Australia, which focused on Southeast Asia and the Pacific. The United Kingdom, which in the initial years cofinanced large TA operations in India and Pakistan, switched to supporting multi-donor trust funds in a variety of sectors. Long-term capacity development and policy advisory initiatives, such as the Pacific Private Sector Development Initiative, attracted extended financial involvement over time from Australia and New Zealand. Showing a similar trend to trust funds, the average annual project-specific TA cofinancing in 2021–2023 was \$41 million, only 91% of the 2014–2016 level in nominal terms, and 66% in real terms.

44. ADB's use of global funds administered by the World Bank for TA resources was equivalent to \$99 million (2.7% of the TA program). Global funds for the environment and climate change accounted for 71% of these TA sources, followed by education (17%) and gender (11%). ADB's ability to mobilize cofinancing for underfunded corporate priorities is limited. Interviews with ADB managers and staff responsible for managing cofinancing relationships suggest that many cofinancing opportunities are identified through the personal initiatives of staff who have developed contacts in the field or in donors' capitals. In response to ADB's shareholders' commitment to corporate, regional, sector, and thematic priorities, ADB tries to attract resources for themes that are relatively underfunded—such as gender, oceans, and regional cooperation—through cofinancing proposals.

45. Fund mobilization requires an assessment of the resources that ADB is willing and able to commit for a given purpose and the financing that is available. In some instances, funds may be mobilized but commitments have not materialized for several years, negatively affecting relationships with donors. Philanthropic organizations are particularly demanding of ADB's attention, as they are accustomed to funding small organizations with limited capacity and expect to be frequently involved and informed at all TA stages.

46. The increase in ADB's lending capacity to as much as \$36 billion a year for 10 years following the Capital Adequacy Framework update in 2023 would imply that, to keep pace, annual TA demand would need to rise to as much as \$612 million, including about \$180 million for project preparation. This would be 65% higher than the 2021–2023 TA commitment levels and 2.3 times the level of TASF financing in the same period. This projection implies that funding would need to increase by \$240 million annually over the most recent 3-year average. Even allowing for efficiencies and economies of scale resulting from larger project sizes and use of programmatic TA, bridging a funding gap of this magnitude will require supplementary financing mechanisms, including cost recovery.

2. Cost Recovery as a Funding Source

47. The 2021 TA review suggested ADB implementing cost recovery for TASF funds allocated to sovereign TA operations in C2, C3, and C4 DMCs by 2025, after a 3-year transition period in 2022–2024.⁴⁴ The recovery mechanisms are different for project preparation and other TA operations.

a. Cost Recovery for Project Preparatory Technical Assistance

48. Revised loan-based instruments covered about half the project preparation costs in 2014–2023. Grant-financed project preparatory TA averaged 0.42% of the loan and grant program in the evaluation period (0.50% of sovereign operations, which used 97% of project preparatory TA resources). Project preparation was also supported by the use of MFF funds to prepare subsequent tranches and by other loan instruments for project preparation, which were revamped in 2018. The TA loan and the project development facility (PDF) that was introduced in 2011 were replaced in 2019 by (i) project readiness financing (PRF), which can be used to support multiple projects, is refinanced

⁴⁴ Nonsovereign project preparatory TA is subject to full cost recovery if it results in financing from ADB. Use of reimbursable TA (for upper middle-income countries) was first requested in the ADF 13 or TASF 7 negotiations. ADB. 2020. [Asian Development Fund 13 Donors' Report](#). In January 2024, C2 countries included Armenia, Azerbaijan, Georgia, Thailand, and Turkmenistan. C3 countries include the People's Republic of China, Kazakhstan, and Malaysia. The graduated economies are Brunei Darussalam; Hong Kong, China; the Republic of Korea; Singapore; and Taipei, China.

under the ensuing loan, and is approved by ADB Management using simplified documentation; and (ii) the small expenditure financing facility (SEFF), which, within country-specific ceilings, can be refinanced under any loan, has a 5-year duration (renewable with Board approval), and can fund initial project start-up activities.⁴⁵ Estimates show that, once all funding sources are considered, grant project preparatory TA accounted for about half of project preparation costs, with the balance being loan-financed (Table 3 and Table A1.13 in Appendix 1).⁴⁶

Table 3: Sources of Funding for Project Preparation, 2014–2023

	Grant PPTA	MFF Tranches	PDF	TA Loan	PRF	SEFF	Total
Total (\$ million)	893.5	81.5	48.7	386.2	324.4	5.3	1,739.5
Share (%)	51.4	4.7	2.8	22.2	18.6	0.3	100.0

MFF = multitranche financing facility; PDF = project development facility; PPTA = project preparatory technical assistance; PRF = project readiness financing; SEFF = small expenditure financing facility; TA = technical assistance.

Source: Asian Development Bank (Independent Evaluation Department and Strategy, Policy, and Partnerships Department).

49. Despite the overall decline in the amounts committed, the new project preparation loans have been widely used. The decline in project preparation loans from \$425 million in 2014–2018 to \$340 million in 2019–2023 largely reflects a distortion caused by two sizable TA loans to Indonesia and the Philippines that were committed in 2016 and 2017.⁴⁷ The increased flexibility of the new loan-financed instruments for project preparation expanded the number of user countries from 14 to 19 and resulted in a higher number of smaller loans—40 in 2019–2023 compared with 21 in 2014–2018.

50. Use of the PRF and SEFF has improved project readiness, which has been translated into shorter implementation and signing-to-first-contract award periods. In 2014–2023, design-ready projects had a 0.9-year (13%) shorter implementation period and 0.7-year (30%) shorter average extensions than non-ready projects. Procurement-ready projects fared even better, with 1.8-year (25%) and 1-year (43%) improvements. All 11 projects that used loans for project preparation through PRF or SEFF achieved high readiness: all were design-ready, and seven (64%) were procurement-ready.⁴⁸

51. The new preparation facilities are progressive instruments for cost recovery. DMCs borrow at terms based on their classification, so their cost for these instruments is proportional to their ability to pay. Specifically, 45% of the number of loans using the PRF and SEFF (24% by amount) were on ADF terms, 23% (47% by amount) were on concessional terms, and the remaining third in number (29% in amount) were on OCR terms (Table A1.14 in Appendix 1). The progressive nature of this approach is noteworthy, even as it shifts project preparation costs to DMCs.⁴⁹

52. It is anticipated that demand for grant project preparatory TA could more than double, from an annual average of \$89.3 million in 2014–2023 to \$180 million in 2024–2033. In addition to

⁴⁵ ADB. 2021. [What are Project Readiness Financing, Small Expenditure Financing Facility, and Technical Assistance?](#) Video. 21 November.

⁴⁶ Estimates are based on actual approvals for the four types of loan-financed project preparation (TA loan, PDF, PRF, and SEFF) in 2014–2023. As no cost breakdown for project preparation costs under MFF is available, the cost of project preparation was assumed to be equal to the share of sovereign PPTA over the ADB sovereign lending and grant program during 2014–2023, i.e., 0.50% of the tranche amount.

⁴⁷ ADB. [Indonesia: Accelerating Infrastructure Delivery through Better Engineering Services Project](#) (\$148.2 million); and ADB. [Philippines: Infrastructure Preparation and Innovation Facility](#) (\$100 million).

⁴⁸ ADB. 2024. [2023 Annual Portfolio Performance Report](#). Design readiness is a more subjective criterion, whereas procurement readiness is defined as having advertised the bidding documents. Procurement-ready projects are also design-ready by definition. Of the 242 projects in the study that did not use PRF or SEFF, 242 (80%) were design-ready and 154 (51%) were procurement-ready.

⁴⁹ The ratio of grant-financed PPTA increased from 45% of total preparation cost in 2014–2018 to 58% in 2019–2023, largely because the number of approved MFF tranches (whose preparation is self-financed) declined from 114 to 39 (and from \$16.2 billion to \$10.9 billion) from the first to the second period, and no large loan-financed preparation facilities were processed in 2019–2023.

promoting loan-based preparation facilities, there is potential for ADB to consider revisiting earlier cost recovery policies to respond to the expected increase in demand. Until 2002, grant project preparatory TA funded from the TASF was subject to reimbursement of any amount beyond \$250,000 if a loan ensued. This policy was eliminated because borrowers faced different TA pricing depending on their funding sources (TASF or cofinancing), which encouraged them to seek alternative funding, sometimes causing delays in project preparatory TA processing. Cost recovery was also minimal, averaging \$313,000 annually in 2000–2001.⁵⁰ The situation has changed with more DMCs now familiar with cost recovery TA and there have been pilot cost recovery TA projects introduced to DMCs in recent years. If the same \$250,000 threshold had been applied to project preparatory TA committed in 2014–2023 it could have potentially generated annual reflows of about \$67 million. Also, when assuming the threshold as \$700,000 to account for global inflation since 2002 it is estimated to have yielded \$35 million annually (Table A1.15 in Appendix 1).⁵¹ As FCAS, SIDS, and the lowest-income countries receive ADF financing for any ensuing loans, this cost-recovery approach would also be progressive.

b. Cost Recovery for Other Types of Technical Assistance

53. The cost recovery mechanism for sovereign technical assistance operations is in various modes, including full or partial cost recovery, upfront payment or reimbursement, and periodic installments or lump-sum payments.⁵² Cost recovery for other ADB TA operations has been very modest but is slowly increasing. In Kazakhstan, the Knowledge and Experience Exchange Program had partial cost recovery arrangements through upfront payment to ADB whereby the government made counterpart contributions to TASF-others, and ADB administered the government's portion.⁵³ In Malaysia in 2011, ADB began to recover TA costs from two small-scale technical assistance (SSTA) projects and a \$3.5 million TA cluster focused on urban management (green cities) and subregional infrastructure. Cost recovery was piloted in two more DMCs, the People's Republic of China (PRC) and Uzbekistan—which was the only OCR-blend DMC to receive reimbursable TA—in 2022. A further eight operations followed in 2023.⁵⁴ The total amount committed in 2021–2023 was \$7.9 million, of which \$4.9 million was reimbursable, equivalent to about 1% of ADB TA operations during this period. The Malaysian experience shows that, once trust is established, the government commitment to this approach can be significant, and the engagement can strengthen ADB's reputation and relations with the DMC, even if it no longer borrows from ADB. This is evidenced by high-level participation by both ADB and the government in TA steering committees. Country officials interviewed for this evaluation indicated that one reason for the slow uptake of cost recovery and loan-based alternatives to TA was the lack of adequate briefing on the subject to central agencies (ministries of finance or planning) provided by ADB during country programming or ongoing dialogues.

54. The potential amount of cost recovery from other TA types in the medium term should not be overestimated. During fiscal years 2019–2022, World Bank reimbursable advisory services in the East Asia and the Pacific region averaged \$3.8 million for three countries annually, with Malaysia and the PRC using investment climate surveys and analysis of reforms to increase the ease of doing business. ADB data for 2021–2023 (the period following the tightening of TASF use based on country classification) show that the use of TA by C2–C3 DMCs for purposes other than project preparation averaged \$17.8 million annually for 29 TA projects, with more than three-fourths (\$6 million for 16

⁵⁰ ADB. 2002. *Review of the Management and Effectiveness of Technical Assistance Operations at the Asian Development Bank*.

⁵¹ The recoverable amount is calculated as the difference between the total amount of funds committed for TASF-funded PPTA above the threshold specified in a column and the number of PPTA projects above the threshold multiplied by the threshold level.

⁵² Cost recovery of TA is not limited only to reimbursement of TA expenditures. ADB. 2024. *Staff Instruction on Business Processes for Technical Assistance*.

⁵³ ADB. 2023. [Technical Assistance to the Republic of Kazakhstan for Joint Government of Kazakhstan and ADB Knowledge and Experience Exchange Program, Phase 5](#).

⁵⁴ The 2023 TA projects were for policy advice, capacity building, and research programs in the People's Republic of China, Kazakhstan, Malaysia, and Uzbekistan. ADB. 2024. *Eighth Replenishment of the Technical Assistance Special Fund*. ADF 16 Replenishment Meeting.

TA projects) in the PRC, a country that tends to use very focused SSTA to address specific issues, often related to climate change and social protection, and has so far agreed to equal cost sharing rather than full reimbursement. Where cost sharing and reimbursable TA has been successful for other MDBs, it has featured (i) framework agreements that allow countries to recruit the MDBs; (ii) the MDB offering specialized in-house skills that are in demand; and (iii) the availability of national sovereign and/or multilateral funding sources (e.g., the European Union) to fund the contracts.

55. The World Bank has provided the most reimbursable advisory services: \$63 million, or 6.3% of the total analytical services and advisory disbursements of \$991 million that it provided in 2023. Its experience and ADB's initial pilots suggest that reimbursable TA requires (i) a strong commitment of staff resources; (ii) a fluid combination of internal staff and external consultant expertise; and (iii) systems and procedures to handle the reimbursement.⁵⁵ Overall, reimbursable TA can be expected to require more staff with specialized skills, who can engage with external consultants and directly with the government to provide specific and actionable advice to DMCs, in addition to managing consultants and administering the TA to standards comparable with those of commercial consulting organizations. Details of the comparison of ADB TA operations (including reimbursable TA) with the World Bank and IDB are included in Appendix 3 (Linked Document A).

56. Unless ADB starts charging the related staff time and travel costs to the reimbursable TA budget (as the World Bank currently does), the size of any reimbursement will be partly offset by the additional ADB costs. OCR income transfers to TASF to fund TA grants would be replaced by smaller OCR allocations to the administrative budget, making the use of reimbursable TA almost neutral in terms of the demands on OCR income. ADB's Workforce Rebalancing Framework has made a promising start in rebalancing how staff and TA consultants build up internal expertise in an "OCR income-neutral" way and this can be the vehicle to create the needed additional capacity (\$24 million for 120 international staff equivalent positions were allocated in 2022–2024, with 100 more position equivalents planned for 2025–2026).⁵⁶ The use of staff time should be recorded during the ongoing pilots to allow for an objective assessment of the net budgetary impact of reimbursable TA. Also, while ADB is serving as a trusted partner and encouraging cost recovery for DMCs, it will be important not to crowd out the private sector and ensure that its objectives are clear.

⁵⁵ At the beginning of the Malaysian reimbursable TA, ADB had no internal arrangements to receive the funds. Dedicated accounts have proven preferable for receiving the reimbursement rather than making the reimbursement flow into TA fund pools that involve other DMCs (e.g., the TASF). Tranche reimbursements at the end of each year have so far been the simplest arrangement, but they place the fiduciary responsibility for reconciling the fund use on ADB. Malaysia has accepted the arrangement and expressed no desire to manage TA funds or the consultants, but it refused to pay a "cofinancing charge" for ADB to manage Malaysian funds destined for use in Malaysia.

⁵⁶ ADB. 2021. [Budget of the Asian Development Bank for 2022](#); ADB. 2022. [Budget of the Asian Development Bank for 2023](#); ADB. 2023. [Budget of the Asian Development Bank for 2024](#); and ADB. 2023. [Work Program and Budget Framework 2024–2026](#).

CHAPTER 3

Monitoring Lags Process Efficiency Reforms

57. ADB has recognized the importance of improving TA efficiency and various reform measures were implemented during the evaluation period. IED's 2014 TA evaluation concluded with a specific recommendation to ADB to improve its TA business processes, which ADB responded to by introducing several reforms in this area. This chapter reviews the evidence from technical assistance completion report (TCR) validations on the efficiency of the TA portfolio. It then devotes special attention to the nature and consequences of the business process reforms undertaken during 2014–2023, and to the adequacy of the monitoring and information systems that are meant to provide an up-to-date status of the TA portfolio under the new decentralized and delegated approach.

A. Efficiency Ratings were Low

58. Efficiency for TA operations is typically assessed in terms of TA extensions, funds utilization, disbursements and savings and other process efficiency factors, including time and cost factors, delays, variance from the planned budget, and savings. Timely completion of TA ensures its planned outputs are delivered, which can include projects or programs for ADB financing, research products and publications, or improved capacity in DMC institutions and executing agencies. Average TA efficiency ratings (59%) were lower than those of sovereign loan and grant operations (66%), largely due to the significant extensions in the duration of most TA projects. Timely delivery and sound budget and consultant utilization were the key efficiency parameters, and the frequent use of TA extensions—averaging 27 months, equivalent to 78% of the originally scheduled duration—contributed to low efficiency ratings. Delays were caused by (i) inadequate design, necessitating changes of scope or coordination among several executing agencies; (ii) consultant recruitment difficulties; (iii) institutional changes—e.g., executing agency restructuring, mergers, or elections; and (iv) the COVID-19 pandemic. Validated research and development TA had considerably higher efficiency ratings (80%) than other TA types. More than half (55% by number and 63% by amount) of the research and development TA projects were processed and implemented by ADB knowledge departments (CCSD and ERDI and their predecessors), which allowed better control of the circumstances surrounding their implementation than is the case for TA implemented within DMCs.

59. The gap between the efficiency ratings in TCR validations and those in TCRs was 17 percentage points, wider than for loans and grants (13 percentage points), implying that staff preparing TCRs did not assign as much importance to timely TA completion as IED did. This may reflect the practice of keeping TA active to ensure funds are available to respond to sudden requirements for consultant inputs. While efficiency appears to be worsening (63% in the 2023 Annual Evaluation Review, but only 50% in 2024), more data are needed to establish a trend.⁵⁷ As long as completion within the original timeframe remains a key parameter for validation, efficiency ratings are likely to remain low because of (i) the

⁵⁷ The ratings are dependent on the particular cohort of TA projects validated in a given year. The efficiency ratings from the 262 TCR validations in the sample improved in more recent approval years: 46% for TA approved in 2014, 69% for TA approved in 2017, and 83% for TA approved in 2019. This is explained by the fact that TCR validation started only in 2020, therefore TA approved in earlier years and only recently closed and validated would have had longer implementation times and therefore more extensions, leading to lower efficiency ratings.

tendency toward larger TA projects, (ii) longer durations (now approaching 5 years), and (iii) delegation of authority to approve extensions up to 5 years to TA supervising unit (TASU) directors.

B. Technical Assistance Reforms Mainly Focused on Process Efficiency

60. Increasing the efficiency of ADB's processing and implementation of TA operations was the focus of nearly half of the reform measures introduced between 2014 and 2024. These reforms (i) significantly reduced internal review and interdepartmental inputs at all stages of TA processing; (ii) lowered the level of the approving authority during both processing and implementation; and (iii) increased the size of TA projects by introducing TA facilities and promoting TA clusters. Reforms also changed the process for TASF allocations in response to donor requests and strengthened feedback on completed TA by introducing validation of TCRs in 2020. Loan-based instruments introduced in 2018 helped address the growing demand for project preparation financing. PRF and SEFF replaced TA loans and the grant and project design facility (PDF), and they helped cover an estimated half of project design costs during the period (Table 2). Strengthening TA quality (for example through technical peer review of complex TA projects, greater use of stand-alone fact-finding, and management information systems to track all aspects of TA) received less attention than improving process efficiency.

61. The distinction between transaction TA and knowledge and support TA was introduced by the 2017 TA reforms to simplify and shorten the processing of transaction TA and therefore of the ensuing or supported loans or grants (Table A1.16 in Appendix 1).⁵⁸ Experience of remote processing accumulated during the pandemic, along with the replacement of the interdepartmental review by "One ADB" teams that include representatives from all relevant departments, was mainstreamed in June 2023, when procedures became uniform for all TA types, and the classification of TA into two types—transaction TA and knowledge and support TA—was abolished. Processes now largely follow the approach that was previously applied to transaction TA.⁵⁹ As a result of these procedural changes, by the end of the evaluation period, most of the control on TA content had been shifted to the processing unit, with the regional departments exercising some degree of oversight:⁶⁰

- (i) TA projects that are already included in the latest annual country pipeline require no specific clearance. If they are not included, endorsement by the country director is required.⁶¹
- (ii) A concept note is not required if the TA is processed in conjunction with an associated project. The processing lead unit or country director approves the TA.
- (iii) Interdepartmental review has been replaced by a One ADB team, which includes representatives from all relevant departments and offices. Members of the team provide their inputs during TA design and no interdepartmental review takes place.
- (iv) Government concurrence will be assumed if the government does not inform ADB otherwise in writing.
- (v) Endorsement and approval levels have been shifted considerably down the hierarchy.

62. Faster project preparatory TA implementation led to a net reduction of the period between loan or grant concept clearance and approval from 23.2 months in 2018–2020 to 19.5 months in 2021–2023. Average project preparatory TA implementation from loan concept clearance to loan fact-finding fell

⁵⁸ The preference extended to most processing steps.

⁵⁹ ADB. 2024. *Staff Instructions on Business Processes for Technical Assistance*. These are practically identical to those issued on 30 June 2023.

⁶⁰ Country directors and heads of regional operations coordination units endorse TA at the national or transnational level and chair "resolution meetings" to address disagreements among departments represented on the TA team. Ultimately, the lead processing department is responsible for a TA's technical quality, and the chair can decide to proceed despite outstanding unresolved issues, documenting the disagreement in the minutes. ADB. 2024. *Staff Instructions on Business Processes for Technical Assistance*.

⁶¹ Country director endorsement to proceed for an unlisted TA or to add a DMC to a RETA can be requested and granted via email. ADB. 2024. *Staff Instructions on Business Processes for Technical Assistance*.

from 15.1 months in 2018–2020 to 7.4 months in 2021–2023.⁶² However, these time savings were partly offset by an increase in the post-fact-finding loan preparation schedule from 8.1 to 12.1 months. This suggests that some necessary preparatory activities were simply shifted to the period after loan fact-finding. The average processing time for other TA projects fell from 4.1 months in 2018–2020 to 3.6 months in 2021–2023. Annual fluctuations are large, and, in both cases, the results are based on incomplete data.

63. Delegation of approval authority was pursued persistently, particularly for transaction TA and more gradually for knowledge and support TA. The 2015 efficiency reforms raised the ADB President's delegated approval authority from \$1.5 million to \$5.0 million and eliminated any ceilings on cofinanced TA, with some limitations.⁶³ In practice, the combination of these two conditions gave the ADB President the authority to approve TA projects of any amount. This was applicable if the commitment from ADB special funds did not exceed \$5 million, which was nearly always the case. The President's authority was promptly delegated to vice-presidents and heads of departments for transaction TA,⁶⁴ and more gradually for knowledge and support TA (Table 4).⁶⁵

Table 4: Evolution of Delegated Approval Ceilings for Knowledge and Support Technical Assistance, 2014–2024 (\$'000)

Year and Source	Director	Head of Department	Vice-President
2008 TA Policy ^a	-	225	750
2015 Efficiency Initiative ^a	225	750	1,500
2017 TA Reforms Policy	225	750	1,500
2019 Staff Instructions	225	750	5,000
2021 TA Review	500	1,500	5,000
2023/2024 Staff Instructions	1,500	5,000	No ceiling ^b

TA = technical assistance.

^a For all TA projects, including project preparatory TA projects.

^b If less than \$5 million for each ADB-administered fund.

Sources: ADB. 2017. *Staff Instruction on Business Processes for Transaction Technical Assistance*; ADB. 2017. *Staff Instruction on Business Processes for Knowledge and Support Technical Assistance*; ADB. 2019. *Staff Instruction on Business Processes for Knowledge and Support Technical Assistance*; ADB. 2022. *Staff Instruction on Business Processes for Knowledge and Support Technical Assistance*; ADB. 2021. *Technical Assistance Review*; and ADB. 2024. *Staff Instruction on Business Processes for Technical Assistance*.

64. The increasing delegation of approval authority virtually freed the Board and Management from approving TA. In 2023 the Board did not consider any TA projects (it would have approved 52 under the procedures that applied in 2014), the President approved two (50 under the 2014 procedures), vice-presidents 59 (61 under the 2014 procedures), heads of departments 77 (22 under the 2014 procedures), and directors 47 (none under the 2014 procedures).⁶⁶

65. TA reforms did not address TA implementation in a significant way, but some of the delegation of approval authority spilled over into implementation arrangements. For example, the TA supervising unit (TASU) now decides whether a change in scope is major or minor. The change requires approval

⁶² Loan fact-finding is the stage when the key elements of loan design are verified and assembled into a project, usually during a mission. It normally coincides with the end of implementation of the PPTA that performed the feasibility study.

⁶³ ADB. 2015. *Enhancing Operational Efficiency*. Initially, the ADB President's approval limit for TA involving ADB special funds was retained at \$1.5 million, but it was raised to \$5 million in 2017. Board approval is required if the TA entails exceptions to ADB policies, unusual legal obligations towards cofinanciers, or potentially significant adverse impacts.

⁶⁴ Approval authority for all TRTA up to the same \$5 million ceiling was delegated in 2015 to vice-presidents for complex projects, and to heads of departments for low-risk TA. In 2017, the \$5 million ceiling was removed for both, if special funds committed did not exceed \$1.5 million, and ADB-administered funds did not exceed \$5 million.

⁶⁵ At IDB, Board approval is required for amounts above \$3 million, both the vice-president for countries and the vice-president for sectors approve amounts between \$1.5 and \$3 million, an individual vice-president approves amounts between \$1 to \$1.5 million; managers can approve amounts between \$0.5 to \$1 million; and division heads below \$0.5 million. The World Bank delegation of authority is not based on monetary thresholds; decision making authority is delegated based on the nature of the product (i.e., country director for country-level products, the regional vice-president or chief economist for regional products, and the managing director, development policy and partnerships for global products).

⁶⁶ Calculated by applying the 2014 and 2023 approval criteria to the TA projects approved in 2023.

from the director if it is major and the TASU project administration unit head if it is minor.⁶⁷ Extensions of TA duration within a 5-year total period are also approved by the TASU director. There is therefore minimum involvement of higher levels of management in decisions on TA portfolio administration.

66. Programmatic TA, which was introduced in 2017, provides several efficiency advantages. The average size of TA facilities used for project preparation (\$4.2 million) is 3.6 times larger than the average size of ordinary project preparatory TA projects (\$1.2 million). Project preparatory TA facilities allow processing time to be reduced to a third if they are used to prepare a combination of projects for the same amount. TA clusters (average size \$7 million in 2014–2023) are slightly more time consuming, as each subproject (average size \$1.8 million in 2014–2023) requires a memo for the head of the department to approve, and the interchangeability of resources across subprojects is limited. Their larger size makes programmatic TA projects attractive to consulting firms, and once consultants have been recruited they can be deployed across projects, reducing consultant recruitment delays and ensuring a uniform approach.⁶⁸ If programmatic TA is cofinanced, non-ADB resources can also be used for detailed design and engineering, improving project readiness. Initially, TA facilities were used exclusively for project preparation and TA clusters were used for other TA purposes, but this distinction has become blurred.⁶⁹

67. Programmatic TA instruments relied heavily on both time extensions and supplementary financing during implementation. Clusters required a 66% time extension over the initially planned duration and for facilities, 77%.⁷⁰ Supplementary financing in 2014–2023 accounted for 46% of total funding for TA clusters and TA facilities, compared with 27% for regular TA. The operating model appears to be to process supplementary financing if funds run out or to extend the duration (and if necessary, adjust the scope) if funds are still available. As an extreme example, a TA cluster to enhance gender equity results in South Asia, initially approved with a 1-year duration and a \$1.5 million budget, was extended twice and refinanced three times, and in the end lasted 10 years with a total budget of \$6.6 million. In addition to these extensions negatively affecting TA efficiency ratings, this approach carries the risk of transforming TA projects into a generic pool of funds to support operations in a broad way, diluting their initial purpose.

68. These procedural revisions and innovative instruments—such as periodic updates of staff instructions and the introduction of programmatic TA facilities and the PRF and SEFF for project preparation—have been confined to sovereign TA. Staff instructions for nonsovereign TA, planned since 2019, have been delayed. While the use of TA to prepare nonsovereign projects is infrequent and is subject to reimbursement, three issues require further analysis: (i) the extent of TA demand for nonsovereign operations, (ii) its possible use for upstream market development, and (iii) the most appropriate instruments and procedures to deliver nonsovereign TA. The issue of nonsovereign TA needs to be seen in the context of the ambitious goal that 33% of ADB operations by number be nonsovereign by 2024. ADB staff interviews suggest that the TA instrument, as currently designed and processed, is of limited use for the rapid pace and type of inputs needed by private sector operations.

69. The introduction of the validation of TCRs in 2020 has strengthened the assessment of sovereign TA performance, but discrepancies in success ratings between TCRs and their validations remain high,

⁶⁷ The country director for country-specific TA, the regional operations coordination head for RETA approval, and the TA supervising unit director or head for multiregional TA projects. ADB. 2023. *Administering Technical Assistance*. PAI 5.09.

⁶⁸ Other efficiency enhancements in the use of consultants adopted by ADB during the period included (i) use of framework agreements for repeat consulting services; (ii) flexible and faster selection methods, such as shopping, output-based, or fixed-fee contracts; (iii) allowing the retention of TRTA consultants to facilitate initial loan implementation activities; and (iv) promoting greater use of output-based contracts.

⁶⁹ The only remaining significant distinction between TA clusters and facilities is the timing of fund commitments: gradually through subproject approvals in the first case, and all up-front in the second. The 2021 TA Review allowed up to 30% of a TRTA budget to address upstream crosscutting sector and thematic activities, and a similar 30% of KSTA to support project preparation and implementation.

⁷⁰ The percentage is similar to the portfolio of active TA projects by end of December 2023. This contained TA projects which had become effective between 2014 and 2020, and the average time overrun was 78% (27 months), close to the average planned duration of 34 months.

particularly for effectiveness and efficiency. Between January 2020 and June 2023, IED validated 262 TCRs, about one-half of those completed in that period. The gap in the overall success rate was 14 percentage points on average, and the difference in ratings by criterion was in the range of 14%–17% (Table 5). Validation reports for sovereign loan and grant operations in the same period provide a useful benchmark: TA projects had higher overall success ratings (72% versus 67% for loans and grants), but lower effectiveness and efficiency ratings. Validations have shed little light on nonsovereign TA operations, as only three PSOD TA projects were validated (1% of the 262 validations), and none of these were from OMDP and its predecessor, OPMP.

Table 5: Comparison Between Ratings in Technical Assistance Completion Reports and Their Validations, January 2020–June 2023 (%)

Reports	Overall Success	Relevance	Effectiveness	Efficiency	Sustainability
TCR	86	95	78	76	87
TCRV	72	81	64	59	76
Difference between TCR and TCRV	14	14	14	17	11
PVR	67	83	66	66	65
Difference between PCR and PVR	17	8	10	13	21

PCR = project completion report; PVR = project validation report; TCR = technical assistance completion report; TCRV = technical assistance completion report validation.

Note: Ratings of adequate or better, e.g., successful or highly successful, effective or highly effective.

Source: Asian Development Bank (Independent Evaluation Department).

C. Monitoring of Technical Assistance Implementation was Inadequate

70. ADB has repeatedly committed itself to enhancing its information and management system for TA operations.⁷¹ The 2014 TA evaluation included a recommendation that ADB should develop its management information system so it could track all aspects of TA. The improvements that were made were mainly limited to: (i) apportioning regional TA funds among DMCs; (ii) an alert system to identify TA projects that were disbursing slowly or that seemed likely to exceed expected completion and closure dates; and (iii) a TASF allocation and monitoring system to ensure that TASF resources were used predominantly for group A and B DMCs, and particularly for SIDS and FCAS, as agreed during the TASF replenishments.

71. Information on TA during processing and implementation was fragmented and incomplete, which hindered an overall assessment of the TA program and therefore delayed any remedial actions. In gathering information for this evaluation, the team encountered several obstacles in the current system (Box 5).

72. Overall, TA reforms have not devoted significant attention to monitoring and information systems for TA operations, although recent innovations have made such systems critical. The decentralization and delegation of decision-making authority that has taken place has been consistent with the two main principles of the Culture Transformation Initiative: reducing bureaucracy and lessening hierarchy. Electronic approval processes and reliance on the judgment of the staff and management closer to operations should result in more flexible and responsive TA operations. However, if these innovations are not well managed, they can also undermine process integrity and make data verification difficult. Given the frequent turnover of staff and managers, delegation that is not accompanied by transparent information and oversight mechanisms based outside the processing unit risks reducing accountability instead of increasing it.⁷²

⁷¹ The 2015 *Efficiency Initiative* stated that “a systematic flow and stock of information on TA implementation will be instituted.” The 2021 *TA Review* found that “enhancements are required to improve the monitoring of TA performance and the reporting system to increase transparency and accountability” and committed ADB to improving its systems for TA monitoring and reporting.

⁷² Based on ADB’s Budget, People, and Management Systems Department (BPMSD) database, 139 directors and country directors changed jobs (77 were lateral transfers and 62 promotions), so, on average, 14 director-level staff positions changed every year in 2010–2020.

Box 5: Shortcomings of ADB's Current Technical Assistance Information Systems and Processes

Regional departments rely on spreadsheets containing essential processing and implementation data that are not integrated with ADB information technology (IT) systems and databases.

Data entered in the ADB eOps system are incomplete and are imperfectly linked to subsequent loans. For example, (i) implementation duration could not be calculated in 13% of the transaction and project preparatory technical assistance (TA) that supported loans approved in 2015–2024 because the dates for ensuing loan milestones were missing; (ii) processing duration could not be measured in 43% of other TA projects due to missing concept clearance or fact-finding dates; and (iii) links between project preparatory TA and any ensuing loans were not easily available and had to be painstakingly reconstructed from other sources.

Increasing reliance by ADB staff on emails (e.g., to endorse unplanned TA or reallocate funds) and internal memos (e.g., for the approval of TA cluster subprojects) is a logical consequence of decentralization and changing communication channels. However, if these events are not captured by IT systems, this undermines the integrity and documentation of processes.

Staff do not regularly update project data sheets, and they do not systematically link the data sheets to TA reports or TA completion reports, or to internal approval memos for cluster subprojects or small-scale TA projects, and consultant reports.

The annual *Work Program and Budget Framework*, *Evaluation Review*, and the *Portfolio Performance Report* touch lightly on TA operations and provide only limited information at a very aggregate level. The corporate results framework no longer includes any reference to TA operations.^a

High-level oversight sessions such as Board Informal Seminars on Operations Performance and Operations Review Meetings chaired by ADB Management are held in the first quarter. These focus mainly on the loan and grant program; information on TA operations is largely confined to the number and amount of TA commitments, disbursements, and the TA portfolio, and to the allocation of TA Special Fund resources across countries. Indicative country pipeline and monitoring reports, which replaced country operations business plans in 2021, are ADB internal documents, which restricts the external visibility of ADB's current and planned TA pipelines in each country.

^a Until 2018, the percentage of completed TA projects rated *successful* was indicator 6, level 2 in the section "ADB contribution to development results. Quality at completion" of ADB's *Development Effectiveness Review Report Scorecard*. The indicator had a 2014–2016 baseline of 87 and a 2020 target of 80%. As the observed values were 86% in 2017 and 88% in 2018, the indicator was dropped and replaced by the percentage of clients satisfied with the use of ADB knowledge products (2018 baseline 78%, 2024 target 80%) when the results framework was revised following the approval of Strategy 2030. ADB. 2020. [2019 Development Effectiveness Review. Scorecard and Related Information](#).

Source: Asian Development Bank (Independent Evaluation Department).

CHAPTER 4

Effectiveness Uneven and Capacity Development Faces Challenges

73. This chapter discusses the effectiveness of different types of TA operations, common success factors that emerged from the evaluation's country case studies and analysis of TCR validation reports, and some of the obstacles that currently prevent a more comprehensive assessment of the success or failure of TA. Given the importance of long-term capacity development for ADB's DMCs, the relevance of capacity development TA in ADB's TA portfolio, and the below-par performance of capacity development operations, the second part of the chapter analyzes ADB's approach to capacity development in theory and practice through TA operations. The final section reviews the initial experience with programmatic TA instruments, whose size, duration, and flexibility appear suited to the deeper, more flexible cross-sector engagement necessary to achieve institutional change.

A. Technical Assistance Support Varied in its Effectiveness

74. TA performance fell short of the 80% corporate target for successful operations during the evaluation period, achieving a 72% overall success rate.⁷³ ADB's TA operations have been useful in diverse settings and have been used to prepare ADB lending operations and to strengthen loan projects and various aspects of the project cycle, including social and environmental safeguards and procurement. ADB TA has underpinned knowledge management, exploring innovations and guiding CPSs, particularly in recent years where knowledge products have been more tightly linked to CPSs. The country case studies carried out for the evaluation show that ADB TA was successful in diverse contexts. Discussions with ADB staff and counterparts identified the following features favoring success:

- (i) **Selection of suitable TA modalities that were aligned with government priorities.** The TA loan modality—the infrastructure preparation and innovation facility (IPIF)—was described as transformational by the Philippine government and praised by ADB staff for its ability to prepare large and complex projects of national significance quickly.⁷⁴ The Philippine government borrowed \$500 million to prepare strategic infrastructure projects to facilitate design and procurement readiness, indicating that this modality responds well to settings where urgency and strong government support can be found. The Accelerating Infrastructure Delivery through Better Engineering Services Project in Indonesia, which preceded the PHI IPIF, used innovative consultant selection arrangements and the government's "e-proc" system for consulting firm selection.
- (ii) **Strategic combination of TA with other ADB modalities.** In Uzbekistan, several TA projects from various sources were used effectively to support reforms and infrastructure projects in the urban water and energy sectors. In the urban water sector, various capacity development components were employed in concert: some were embedded in loans, and others were free-standing TA projects. This approach provided critical support to provincial actors and the

⁷³ In aggregate, validated TA projects had a 72% success rate, which was similar to the sovereign lending portfolio (77% in 2016–2018 and 68% in 2021–2023). IED. 2023. [Annual Evaluation Review: What Explains ADB's Project Performance, 2016–2022](#). ADB.

⁷⁴ ADB. [Philippines: Infrastructure Preparation and Innovation Facility](#); and ADB. [Philippines: Infrastructure Preparation and Innovation Facility, Second Additional Financing](#).

state-owned enterprise (SOE) responsible for sector implementation. The use of the PRF was also helpful in the water sector.

- (iii) **Mobilization of cofinancing to increase the TA size, encourage client involvement, and leverage financing partners' technical strengths to complement ADB's core competencies.** In the Philippines, a knowledge and support TA and a capacity development TA on strengthening public-private partnership (PPP) from 2011 to 2023 attracted about \$25 million from the governments of Australia and Canada.⁷⁵ This cofinancing allowed ADB to support the development of a PPP framework and the establishment of a PPP Centre. It helped establish a revolving fund, the Project Design and Monitoring Facility (PDMF), which has brought 13 PPPs to transaction readiness. The PPP Centre is now leading the effort to expand the PPP modality beyond central government agencies to educational institutions and subnational governments. The size of the support and the time frame afforded by these additional resources, combined with the emphasis placed by the cofinanciers on issues of organizational development and gender, accounted in large part for the success of this initiative.
- (iv) **Persistence over time, combining well-planned TA with opportunistic adjustments.** In Indonesia, several attempts were made to support municipal bonds through dedicated TA or by opportunistically adjusting unrelated TA to provide assistance. Each additional effort uncovered different obstacles and either removed these or adapted to the circumstances. On the long journey to bond issuance, expected in 2025, the TA has addressed bond ratings, subnational government approval processes, subnational government political interest, and support from other partners. Two key capacity development TA projects, Municipal Bond Issuance and Infrastructure Finance (Subproject 16)⁷⁶ and Strengthening the Local Government Bond Market⁷⁷ built on groundwork established by the 2012 TA project Local Government Finance and Governance Reform,⁷⁸ and by the 2013 TA project Enhancing Financial Sector Governance, Risk Management, and Depth.⁷⁹
- (v) **Linking with or mobilizing high-quality researchers and expertise.** In Indonesia, the research and development TA Supporting Technological Transformation used partnerships to gain access to expertise.⁸⁰ In this case, the Centre for Strategic and International Studies (CSIS), Jakarta, was attracted to the TA project and paired with Cambridge University in the UK, adding prestige to the project.
- (vi) **Ensuring the TA project has a strong and participatory design and is well coordinated.** In Indonesia, the outcome target of the TA project Sustainable Infrastructure Assistance Program Phase II was "capacity of government agencies and SOEs for effective identification, preparation, implementation, and financing of infrastructure projects enhanced."⁸¹ A steering committee with representatives from the government and ADB ensures close cooperation and communication. ADB provides a strong secretariat for this cluster TA project.
- (vii) **Quick response and adaptation to evolving needs and lessons learned.** In Uzbekistan, the TA Promoting Distributed Solar Photovoltaic Systems for Enhanced Access to Energy was approved in 2020, but for various reasons, including the COVID-19 pandemic, it was slow to start. A new project officer assessed the situation and noted that the concept itself was stale—accounting for a rather low level of interest in the Ministry of Energy. In close consultation with the Ministry, ADB adjusted the focus of the TA to a more stand-alone mini-

⁷⁵ ADB. [Philippines: Strengthening Public-Private Partnerships in the Philippines](#).

⁷⁶ ADB. [Indonesia: Sustainable Infrastructure Assistance Program - Municipal Bond Issuance and Infrastructure Finance \(Subproject 16\)](#).

⁷⁷ ADB. [Indonesia: Strengthening the Local Government Bond Market](#).

⁷⁸ ADB. 2016. [Technical Assistance Completion Report: Local Government Finance and Governance Reform, Subprogram 2 in Indonesia](#).

⁷⁹ ADB. [Indonesia: Enhancing Financial Sector Governance, Risk Management, and Depth](#).

⁸⁰ ADB. 2021. [Technical Assistance Completion Report: Supporting Technological Transformation in Indonesia](#).

⁸¹ ADB. [Indonesia: Sustainable Infrastructure Assistance Program Phase II - Innovative Infrastructure Financing, Infrastructure Planning, and Program Management Support \(Subproject 1\)](#).

grid integrated with other local energy sources instead of regular feed-into-the-system photovoltaic systems.⁸²

75. Data constraints affect an assessment of the effectiveness of project preparatory TA projects. Under the current TCR procedure, a project preparatory TA that results in a loan or grant is considered a success; the current TCR validation process requires TCRs to be produced only for project preparatory TA that did *not* result in an ADB loan project. This tends to produce low ratings for validated project preparatory TA projects (success rates, at 31%, were 41 percentage points lower than the average for validated TA),⁸³ even though not funding a project that would not be feasible can be a positive outcome. This makes it difficult to provide a nuanced assessment of the overall effectiveness of project preparatory TA. Regression analysis performed as part of IED's 2022 Annual Evaluation Review showed that the presence of project preparatory TA was not a significant factor in project effectiveness; the most significant factor was the assessment of capacity building and institutional development initiatives under the implementation capacity.⁸⁴ It is also true that various external factors can influence an investment project's success and project preparation can also take place through other means (e.g., loans and MFF tranches) as discussed in Chapter 2.

76. Regarding the effectiveness of TA knowledge support, 79% of the surveyed DMC representatives in 2022 expressed the view that ADB knowledge and support TA had effectively addressed their knowledge needs. Staff and ADB consultants who were surveyed indicated that such TA projects made their greatest contributions to filling knowledge gaps, followed by addressing capacity needs and contributing to policy reforms.⁸⁵

77. Internally, however, ADB does not manage TA-generated knowledge well. ADB has developed "k-Nexus," a repository of the knowledge products, records, links, and calendars generated through TA and other initiatives.⁸⁶ Staff are required to consult it before undertaking TA design to avoid duplication and to "feed" it once a TA has been approved and begins generating knowledge products.⁸⁷ The repository provides links, references, and sometimes whole documents, but it is incomplete and cannot be interrogated to extract tailored information. This limits its usefulness for guiding TA design efforts.⁸⁸ Other organizations, notably the World Bank, have invested in generative artificial intelligence applications that can produce short or long syntheses of available research findings, quoting sources and data if prompted. The system can generate terms of reference for a specific assignment, which staff can then refine. While outputs from such systems need to be checked and vetted, as always with artificial intelligence, the World Bank system is far more useful than a mere document repository. The World Bank

⁸² ADB. [Uzbekistan: Promoting Distributed Solar Photovoltaic Systems for Enhanced Access to Energy](#).

⁸³ Validated PPTA projects were *relevant* or better in 58% of the cases, *effective* in 31%, *efficient* in 23% and *sustainable* in 31%. See Table A1.4 in Appendix 1.

⁸⁴ IED. 2022. [Annual Evaluation Review: Fragile and Conflict-Affected Situations and Small Island Developing States](#). Statistical Method of Analyzing the Key Drivers of Effectiveness in ADB Sovereign Projects and its Results (Appendix 3).

⁸⁵ The share of respondents who replied that TA had made a contribution always or most times was 70% for "addressing gaps in knowledge or the dissemination of knowledge" (28% said sometimes or never); 60% for "addressing priority capacity needs in the institution involved," (34% said sometimes or never); and 52% for "addressing major policy issues and contributing to reforms." (34% said sometimes or never).

⁸⁶ ADB DOCK indicated that as part of the Knowledge Management Action Plan (2021–2025), it has initiated the scoping of a comprehensive enterprise digital knowledge system to develop a bank-wide, taxonomy-driven information architecture. This architecture is linked to a digital records management system (DRM), aimed at improving content searchability and knowledge discovery within SharePoint by leveraging Artificial Intelligence (AI). This effort led to the design and approval of the knowledge navigator project in September 2023, currently being piloted with several sector groups, Climate Change, Resilience, and Environment Cluster Division (CCRE), Safeguards, and Viet Nam Resident Mission. The work on the knowledge navigator underscores the critical need for reliable sources of truth to access and reuse TA information.

⁸⁷ ADB. 2017. *Staff Instructions on Business Processes for Knowledge and Support Technical Assistance*. Confirming the increasing blurring of distinctions across TA types, the requirement for transaction TA to consult k-Nexus was introduced in the 12 January 2024 staff instructions, and the obligation to input into k-Nexus a description of the knowledge products and services to be delivered was contained in the 9 June 2022 Staff Instructions on transaction TA.

⁸⁸ ADB DOCK indicated that the underlying causes for the current absence of such sources were noted due to lack of (i) clear roles and responsibilities, (ii) adequate implementation of the available IT tools and (iii) reinforcing behavior that leads staff to ensure discoverability of content produced under a TA.

application operates behind a semi-permeable firewall that allows access to external sources of knowledge but does not allow outside programs to make use of World Bank documents introduced into the system. ADB should evaluate the benefits of shifting to a higher-level knowledge management platform, integrated with external sources, that suits its knowledge management objectives.

78. Regional TA projects received higher ratings (67% rated *effective*) than did country-specific TA projects (63%) but they struggled to translate their considerable knowledge generation and small-scale pilots and demonstrations into larger-scale impact (Table A1.17 in Appendix 1). The difference was more pronounced for regional capacity development TA (73% compared with 61% for country-specific capacity development TA)—Table A1.18 in Appendix 1. ADB has employed some regional TA to promote innovation, particularly through knowledge product generation and pilot applications. However, evidence from selected case studies, including nature-based flood management in the Philippines and gender-oriented training in the railways sector in Uzbekistan, indicates that pilot projects have found it difficult to convert learning and small-scale success into larger-scale success and sustainability. Experience shows that scaling-up requires qualitative changes and institutional adjustments that go beyond quantitative expansion. The design of small pilots supported by regional TA initiatives sometimes lacks proper scaling-up strategies that would enable them to be embedded in DMC government and nongovernment institutions to ensure sustainability. To address this shortcoming, in recent years ADB has insisted on closer engagement with governments and other relevant institutions when staff are preparing regional TA projects. The design process needs to anticipate scaling-up pathways and strategies and ADB needs to be persistent in realizing or adapting these during implementation.

79. Capacity development TA accounted for 56% of the amount and 51% of the number of TA projects. The validated capacity development TA ratings (66% *effective*) were lower than those for policy and advisory TA (68%) and research and development TA (74%). This reflected the increasingly complex and challenging operating environment for capacity development TA projects, which have recently been characterized by larger projects addressing cross-sector issues and/or solutions such as climate change adaptation, and the occasionally difficult operating environments in ADB's DMCs, particularly those with weak institutional capacity. These findings (Table A1.4 in Appendix 1) also suggest the TA performed better when ADB had greater control over TA implementation. Conversely, working closely with DMC institutions to alter established practices and promote institutional changes entails additional efforts. Given the impact that capacity and institutional development can have on ADB's DMCs development, the importance of capacity development TA in ADB's TA portfolio, and its recent low effectiveness ratings, the next section focuses on the challenges and success factors of this type of TA.

B. Performance of Capacity Development Technical Assistance

1. ADB's Conception of Capacity Development

80. ADB formally recognized the importance of capacity development in August 2004, as part of the adoption of the comprehensive Reform Agenda.⁸⁹ In the same year, capacity development became a new thematic priority for ADB lending and technical assistance operations.⁹⁰ ADB's Capacity Development and Governance Division (which no longer exists) developed a framework for capacity development interventions that focused on three levels: organizational, network of organizations, and the enabling environment.⁹¹ This framework explained that the entry points for ADB's capacity development assistance could occur at any of these three levels in any sector. The framework was similar to those of the United Nations Development Programme (UNDP) and the Organisation for Economic Co-operation and

⁸⁹ ADB. 2008. [ADB's Reform Agenda](#).

⁹⁰ ADB. 2004. [Review of ADB's Poverty Reduction Strategy](#).

⁹¹ ADB. 2007. [Integrating Capacity Development into Country Programs and Operations: Medium-Term Framework and Action Plan](#).

Development's Development Assistance Committee (OECD-DAC).⁹² The TA reform document of 2017 confirmed the link between TA and capacity development, noting that ADB's TA program was an increasingly important source of knowledge solutions that DMCs could use in addressing key development challenges. The report also noted that TA operations had played a key role in building capacity in DMCs, particularly in FCAS.

81. The last two decades have witnessed a shift from a limited transfer of skills model to a focus on empowering and strengthening endogenous capabilities in ways that are tailored to the context and that emphasize deep, lasting transformations through policy and institutional reforms. This new emphasis requires capacity development tools that are appropriate for institutional change, such as South–South exchanges, peer-to-peer links and mentoring, knowledge generation (e.g., political economy assessment, capacity assessments), organizational restructuring, and devising incentives for performance (e.g., accountability, competition, recognition). Development partners that make capacity development their primary modality are better placed to deliver on this approach than MDBs for whom TA plays an ancillary role in project financing. For instance, the Asia Pacific Network for Global Change Research operates the CAPaBLE program, which aims to enhance the capacity of scientists, policy makers and practitioners to assess global change issues and to achieve sustainability.⁹³ ADB may not be able to match development partners whose primary focus is capacity development, but there is room for improvement in the way ADB uses TA to build capacity in its DMCs.

2. Practice of Capacity Development through ADB Technical Assistance

82. ADB's TA support for capacity development is crucial for strengthening the government agencies and stakeholders that manage ADB-financed projects and for leading reforms and broader institutional strengthening efforts. While capacity development TA accounts for an increasingly significant share of overall TA, achieving broader institutional capacity development has been particularly challenging, especially in FCAS and SIDS. Capacity development TA is intended both to assist DMCs in addressing any immediate project design and implementation issues and to improve the capacity of DMC institutions to shape their country's development. During the 2017–2023 period, when TA was classified as project-related or not (i.e., knowledge and support TA), 32% of capacity development TA commitments was related to projects (i.e., transaction TA focused on capacity development), while the remaining 68% supported general institutional capacity development (i.e., knowledge and support TA)—Table A1.19. This knowledge and support TA had a lower average effectiveness rating (65%) than the project-related transaction TA (75%), raising concerns about the effectiveness of ADB's capacity development interventions that were not linked to loan or grant operations. (Table A1.20 in Appendix 1).⁹⁴ There is scope for ADB to improve its effectiveness through longer-term, deeper, and broader institutional support, which has the potential to enhance the effectiveness of permanent government institutions and provide enduring benefits that extend beyond ADB operations. Involvement of senior DMC officials in the TA design could also improve effectiveness.

83. The low success rating of capacity development TA is significant in light of the growing share of such TA in the TA portfolio. In 2005, capacity development accounted for 20% of TA operations. This proportion has grown steadily, and capacity development TA absorbed the largest share of TA funding (56%) during 2014–2023. Capacity development TA has been used by regional departments to strengthen DMC institutions and to train staff, but only around 50% of the outcome indicators of such TA were achieved (Box 6).

⁹² IED. 2008. [Special Evaluation Study: Effectiveness of ADB's Capacity Development Assistance: How to Get Institutions Right](#). ADB.

⁹³ UNDP. 2009. [Capacity Development: A UNDP Primer](#).

⁹⁴ Following TCRV guidelines, the sample of project-related capacity development TA was very small and included only 12 projects (9% of validated capacity development TA projects).

Box 6: Learning from Less Successful Capacity Development Technical Assistance Case Studies

Common factors. The following factors affected the performance of capacity development technical assistance: (i) insufficient attention to technical assistance (TA) design, leading to unrealistic or irrelevant objectives, indicators, and scope; (ii) inadequate analysis of the local context and stakeholders during project preparation; (iii) inadequate capacity needs assessment to enable the optimum specific approaches to be used, including a clear identification of the target audience; (iv) limited coordination mechanisms inside and outside ADB and weak synergy between concurrent TA operations; (v) short-term and fragmented capacity development and institutional transformation; (vi) inadequate oversight during implementation leading to poor consultant performance, high staff turnover, or lack of coordination; and (vii) inadequate dissemination and ineffective communication, resulting in knowledge products or recommendations generated by the TA not being adopted. Some TA projects also faced unforeseen external factors, such as political instability, natural disasters, or the coronavirus disease (COVID-19) pandemic, that disrupted or delayed TA implementation.

Design stage. If capacity development TA is to be successful, ADB needs to: (i) conduct adequate preparatory work and analysis to assess the local context, needs, and risks; (ii) align the TA objectives, scope, and indicators with evolving client needs and priorities, and choose an appropriate modality, timeframe, and budget for the TA; (iii) review previous or concurrent TA projects to avoid duplication and ensure synergy; and (iv) secure strong government ownership and commitment for the TA.

Implementation. To ensure smooth and timely implementation of its capacity development TA, ADB needs to (i) maintain regular communication and coordination with the government and other stakeholders to address any issues or requests; (ii) review and revise the design and monitoring framework (DMF) when there are changes in the TA scope, implementation arrangements, or indicators; (iii) provide adequate oversight and support to the consultants to ensure high-quality and timely delivery; (iv) be responsive and flexible to the changing context and needs of the clients; and (v) planning and conducting effective dissemination and uptake of the TA knowledge products.

Sustainability and impact. For ADB capacity development TA to have an enduring impact, ADB needs to: (i) secure political commitment and institutional mechanisms for reform implementation; (ii) ensure that TA outputs are aligned with the government's legal and regulatory framework and budget system; (iii) embed the TA results into the government's institutional mechanisms and processes; (iv) secure adequate financial and human resources to ensure continuity and knowledge transfer despite staff turnover; (v) conduct follow-up surveys or interviews to assess the value and application of the TA knowledge products; (vi) engage in extensive consultative processes with various stakeholders; (vii) conduct quality assurance, facilitate knowledge exchange and learning, and resolve issues and challenges during implementation; and (viii) coordinate with other development partners to leverage the TA outputs for future interventions.

Source: Asian Development Bank (Independent Evaluation Department).

84. The effectiveness ratings of capacity development TA projects in SIDS and FCAS, e.g., in the Pacific, were particularly low, again highlighting challenges in pursuing capacity development in situations where it is most needed.⁹⁵ In addition to the factors common to all DMCs highlighted in Box 6, such TA requires systematic capacity assessments and long-term support, given the limited capacity and inadequate government support. The large proportion of regional TA projects in SIDS and FCAS presents another difficulty since solutions need to be tailored to each country's situation and

⁹⁵ The following factors were particularly evident: (i) persistent difficulties in designing capacity development TA support due to limited capacity and inadequate government support; (ii) unsystematic capacity assessment, and insufficient long-term programs to strengthen the institutional capacity and apply a transformative approach, resulting in short-term project impact; (iii) insufficient linkages between the outputs and the intended outcomes; (iv) use of more stand-alone capacity development TA that focused on training and limited interventions to develop the longer-term capacity needed to sustain the government's commitment to implement reforms; (v) emphasis on capacity supplementation and short-term consultants focused on improving ADB's project implementation capacity, neglecting the larger institutional context; (vi) a few cases where knowledge acquisition, South–South cooperation, and collaborative practices with nongovernment actors were used to develop capacity; (vii) limited attention to optimizing capacity development support in loan instruments in relation to grant TA; (viii) inefficiencies in coordinating and managing the high proportion of regional TA projects in the Pacific region to promote integration with other operations; (ix) lack of implementing systems or processes to measure, monitor, or report performance using evidence at the strategic level; and (x) lack of strong collaboration and concerted efforts with other development partners (beyond some notable cofinanced projects).

complemented by the capacity development provided under loan or grant projects. However, regional TA also presents an opportunity to coordinate with cofinancing partners and to mobilize nongovernment actors and South–South cooperation, which can further be enhanced when supported by a long-term relationship, aligned priorities, and regional or country level engagement.

85. ADB’s commitment to undertake a differentiated approach to DMCs facing capacity challenges has yet to be fully realized. Across TA modalities, the achievement of transformative change through the strengthening of institutions has been limited. Even so, ADB is well placed to improve the effectiveness of its capacity development TA by leveraging its research arms and platforms, and through the strategic recruitment and deployment of staff with capacity development skills. Effectiveness of ADB capacity development TA can also be enhanced through more strategic TA programming with stronger links between the CPS sector assessments and the CKP, and more clarified roles and responsibilities across sector offices and other departments within the context of the new NOM organizational structure. This would bring about a rebalancing between improving the capacity of the implementing agencies, staff, and systems involved in ADB projects, and longer-term, deeper, and broader institutional development.

86. The evaluation’s review of the validated TCRs of capacity development TA projects identified the following key factors that enabled successful transformative changes, defined as innovative technology or practices that have had a large and sustainable impact on beneficiaries and institutions:

- (i) **Strong government ownership and commitment.** Successful transformative changes were usually supported by strong government ownership and commitment, which ensured that the initiatives were aligned with national priorities and had the necessary backing for implementation. This emphasizes the importance of linking ADB TA programming and knowledge solutions with the country strategy, which should be aligned with the DMC government’s national strategy and priorities.
- (ii) **Extensive stakeholder consultation and participation.** When ADB engaged a diverse range of stakeholders in the design and implementation of transformative changes, this helped ensure that the initiatives were well-suited to the local context and that the capacity development activities were well targeted.
- (iii) **Flexible and responsive design and implementation.** Transformative changes are more likely when TA is designed to be flexible and responsive to changing needs and priorities, allowing for adjustments in the scope of work if necessary to meet the client’s needs and the evolving development context.
- (iv) **Comprehensive and innovative capacity-development interventions.** Capacity development has to be integrated into ongoing processes and systems. It should also be innovative and, where appropriate, include elements such as new financing mechanisms, digital technology, and participatory monitoring and reporting systems.
- (v) **Leveraging partnerships and cofinancing.** Collaborating with other development partners and donors can enhance the scope and impact of transformative changes, enabling ADB and its partners to share knowledge and experience and to avoid duplication.

87. The ultimate test of successful capacity development is the sustainability of the TA benefits and their institutionalization in country systems (Box 7).

C. Promising Initial Results from Programmatic Technical Assistance Instruments

88. The 2014 TA evaluation recommended increasing the use of both programmatic TA and reimbursable TA for project preparation. Considerable progress was achieved on both fronts during the evaluation period. TA clusters—broad TA that includes different but related subprojects—were

introduced in 1997, but the first was not processed until 2009,⁹⁶ and 78% (by number and amount) were approved after 2013. The 2017 TA reforms introduced TA facilities that could support the preparation and implementation of multiple projects in a sector, thematic area, or DMC. In the following 7 years, both TA clusters and facilities grew significantly and in 2014–2023 they accounted for 22% by amount (and 13% by number) of all TA committed (Figure A1.3 in Appendix 1).⁹⁷ ADB's transition to the NOM has reinforced this trend: 10% of the 100 TA projects (23% by amount) and 37% of project preparatory TA (63% by amount) approved by the Sectors Group were facilities.

Box 7: Three Case Studies of the Institutionalization of Technical Assistance Benefits

Mainstreaming Climate Resilience into Development Planning in Cambodia. This TA project aimed to enhance the resilience of Cambodia to climate change by strengthening the institutional and technical capacities of key ministries and subnational governments, developing tools and guidelines for climate risk management, and identifying and preparing adaptation projects. The sustainable benefits of this TA included the long-term enhancement of Cambodia's resilience to climate change and the improvement of livelihoods through the strengthened institutional and technical capacities of key ministries and subnational governments.^a

Tax Revenue Administration Modernization and Policy Improvement in Local Governments in Indonesia. This TA project supported the Indonesian government in improving local tax revenue administration and policy through governance strengthening, knowledge sharing, and legal drafting. The TA also introduced digital technology that could be used for payments, valuations, and database updating, and it developed manuals and guidelines for a fiscal cadastre and local tax assessment. The sustainable benefits included a long-term improvement in local tax revenue administration and policy achieved by modernizing the system and strengthening governance.^b

Capacity Building of the Indian Renewable Energy Development Agency (IREDA). This TA project aimed to strengthen IREDA's capacity for financial and risk management, safeguard compliance, and project administration. The TA supported the implementation of an ADB-financed multitranches financing facility for renewable energy projects in India. It helped IREDA explore innovative financing mechanisms, such as asset-based securitization, an alternative investment fund, and green bonds. The sustainable benefits of this TA included the long-term strengthening of IREDA's capacity for financial and risk management, safeguard compliance, and project administration, which will support the implementation of future renewable energy projects in India.^c

^a ADB. 2022. [Technical Assistance Completion Report: Mainstreaming Climate Resilience into Development Planning in the Kingdom of Cambodia](#).

^b ADB. 2021. [Technical Assistance Completion Report: Tax Administration and Modernization and Policy Improvement in Local Governments in Indonesia](#).

^c ADB. 2021. [Technical Assistance Completion Report: Capacity Building of the Indian Renewable Energy Development Agency in India](#).

Source: Asian Development Bank (Independent Evaluation Department).

89. Given its larger size, longer duration, and greater flexibility in allocating consultant resources, programmatic TA is well suited to the longer, deeper engagement that is essential to enhancing institutional capacity development and addressing cross-sector issues through targeted subcomponents. The expanding use of large-scale TA projects favors a combination of project preparation, policy analysis, and capacity development under the same umbrella. This makes programmatic TA more flexible and shortens the time taken to respond to emerging client needs, which can be accommodated through a rapid change of scope, instead of through the lengthier processing of a new TA followed by time-consuming consultant recruitment. TCRs underlined the effectiveness of programmatic TA in supporting complex government and ADB priorities. Examples included the analysis and development of ecological compensation mechanisms in the Yangtze and Yellow River basins in the PRC (Box 8).

⁹⁶ The 2008 TA policy paper found that committing the whole TA cluster amount at approval was a deterrent and introduced the practice of only accounting for subprojects at the time of their approval against the annual TA allocation.

⁹⁷ Overall, during 2014–2023, commitments of programmatic TA instruments, i.e. TA clusters and TRTA facilities, totaled \$791.48 million for 308 TA operations. Of these, facilities accounted for \$436.05 million (55% for 2014–2023 and 62% for 2017–2023) and 112 TA projects (36% for 2014–2023 and 42% for 2017–2023). Since the 2017 introduction of TA facilities, programmatic TA projects, composed of TRTA facilities and TA clusters, accounted for 18% in number and 26% in amount of all TA commitments for 2017–2023.

Box 8: Use of Clusters and Facilities in the People's Republic of China

Programmatic technical assistance (TA) accounted for 40% of the TA funds committed in the PRC since 2017: nine TA facilities (totaling \$30 million) and 22 cluster subprojects (totaling \$12 million) with a climate change focus were approved during the period. The TA facility Preparing Yangtze River Economic Belt Projects, approved in 2017 and refinanced three times for a total of \$4.3 million, was used to prepare at least four urban and rural development projects addressing multisector development and environmental issues in the Yangtze River basin. The TA clusters (\$5.3 million) Policy Research on Ecological Protection and Rural Vitalization for Supporting Green Development in the Yangtze River Economic Belt funded the underlying research, policy and institutional analysis, and piloting and dissemination of solutions for the large and coordinated sets of investment and policy loans in the Yangtze and Yellow River basins. The 21 subprojects covered river basin studies, legal and policy frameworks, digital technology tools, eco-compensation mechanisms, environmental information disclosure, and institutional elements in support of the planned investment.

The TA completion report (TCR) for the TA cluster on the Yangtze River concluded that it was (i) *highly relevant* because of its alignment with PRC and ADB priorities, (ii) *effective* in improving the enabling environment for eco-compensation and innovative financing mechanisms, and (iii) *efficient* in completing all activities and delivering planned outputs, despite the coronavirus disease (COVID-19) pandemic. The Yangtze River TA cluster (i) provided policy and analytical support to the ADB lending program in the Yangtze River Economic Belt, consisting of 12 loans between 2016 and 2020; (ii) demonstrated multisector approaches; and (iii) implemented innovative technologies, institutional strengthening, and policy reforms. Its research results and policy recommendations were used as the basis for a similar approach in the Yellow River Ecological Corridor TA cluster and an ensuing series of loans, and for the Chishui River basin. An \$8.1 million grant from the Global Environment Facility to provide follow-up support on eco-compensation policies, practices, and capacity was approved in December 2022. This was the largest TA project in the PRC in the 2014–2023 period.

Source: Asian Development Bank.

90. The evaluation evidence on programmatic TA is encouraging, but the evidence base is limited because completion reports are required for project preparatory TA (about 45% of programmatic TA and 75% of TA facilities), and all capacity development TA facilities are either still active or were completed only recently. The evidence on TA clusters is encouraging. The seven validated clusters had success ratings that were 15 percentage points higher than those for non-programmatic TA, their effectiveness ratings were 7 percentage points higher, and their efficiency ratings were 13 percentage points higher. A sample of 20 cluster TA TCRs showed similar trends (Table A1.21 in Appendix 1). The analysis of sustainability in the TCRs for programmatic TA showed the positive impact of longer implementation times in maintaining momentum and consolidating capacity development. The sustainability ratings of several of these TCRs were boosted by the existence of a follow-up TA to continue the original programmatic TA's efforts or activities, or by cofinanciers who were willing to contribute additional resources for the same purpose.

91. Programmatic TA allows for persistent and opportunistic support over a time period that matches the institutional challenges it addresses. While programmatic TA appears to be more efficient than stand-alone TA, it is important to balance any potential trade-offs between effectiveness and efficiency. While it may be possible to gain approval for multiple subprojects under a TA cluster, it may be advisable to allow counterparts and cofinanciers the opportunity to contribute their perspectives on each subproject. If other stakeholders and government champions are involved, this is more likely to create more pressure in support of transformative change, despite established interests and ways of working in the public sector. This would be an opportune moment to revisit and strengthen ADB's approach to capacity development, taking into account the opportunities for greater institutionalization and sustainability offered by programmatic TA.

Conclusions and Recommendations

92. During 2014–2023, ADB TA operations provided a steady flow of grant resources, broadly proportional to the size of lending and grant operations, in support of project preparation and implementation, and for the development of complementary sector policies and executing agencies' staff capacity and systems. When set beside the sector and operational priorities of the loan and grant program at both the ADB-wide and country level, TA operations have demonstrated relevance, a capacity to respond quickly both to unexpected events such as the COVID-19 pandemic and to changes in ADB strategy (e.g., the shift from the narrow sector focus of Strategy 2020 to the broader focus recommended in its Midterm Review and then again to the thematic approach adopted by Strategy 2030). ADB has strictly adhered to the priorities in fund allocation that were set by TASF donors. TA has been useful in promoting country awareness of important issues and ADB operational priorities that may not have been of immediate concern (e.g., governance, gender, and climate change).

93. While ADB has no specific targets for TA operations, the alignment of the TA portfolio with the operational priorities of ADB's loan and grant programs is a benchmark of how ADB translates priorities into practice. When compared with the distribution of ADB's aggregate loan and grant program and to corporate targets, two Strategy 2030 operational priorities stand out as underrepresented in TA support in 2019–2023: private sector support through nonsovereign operations (7% of the total number and 9% of the total amount) and climate change (58% by amount), both of which were below the targets for ADB loans and grants. At the country level, case studies showed that, in 60% of cases during the evaluation decade, the TA program devoted considerable resources to sectors where there were limited loan and grant operations. There is a possibility that TA was supporting those areas where there was no demand in the hopes of stimulating demand for loans and grants. However, this limited the potential for embedding the outcome of research and policy advice into projects and programs and therefore achieving more lasting impact.

94. The annual TA fund allocation results in short-term and ad hoc programming of TA operations, driven by available funds and the need for speedy processing. This approach hinders medium-term planning aligned with country needs and long-term institutional development goals, ultimately undermining the relevance of the operations. Since many of the sources of funding for ADB TA projects have a long duration—e.g., the ADF and trust funds—2-year allocations would be possible with better coordination and planning. A 2-year planning horizon (with a firm first year and an indicative second year) and earlier communication of TASF allocations would encourage longer term programming and better consideration of countries' institutional development needs.

95. TA grant financing has so far kept pace with expanding ADB operations but the potential growth in ADB lending and grants allowed by the 2023 Capital Adequacy Framework update, combined with the recent decline in non-TASF sources of finance, could generate an annual funding gap of up to \$240 million compared to the 2021–2023 average. The future relevance of TA grant financing hinges on closing this gap. Recently revised loan instruments for project preparation could help close this gap in an equitable way, given the harder terms these instruments apply to more developed DMCs. Mechanisms to encourage group C countries to reimburse advisory and capacity development TA for sovereign and nonsovereign operations could leverage limited TA resources for group A and B countries. The current piloting of reimbursable TA also offers a way to help to close the gap, although the net financial

contribution of reimbursable TA needs to be properly estimated (given the demands it places on staff time).

96. Three waves of TA reforms and the practical experience of operating remotely during the COVID-19 pandemic have resulted in significant procedural changes in pursuit of process efficiency and the delegation of decision making. ADB Board and Management are no longer involved in approving most TA and higher levels of management have minimum involvement in decisions on TA portfolio administration. Review and clearance steps have been largely delegated to the “One ADB” processing team and most decisions are taken by the unit responsible for any given TA. Approvals are increasingly communicated in electronic format. These reforms halved the implementation time for project preparatory TA. However, the monitoring and information system for ADB’s TA operations has not kept pace with these reforms and is now inadequate. It does not support meaningful real-time assessments or course corrections, and risks reducing accountability instead of enhancing it.

97. TA support for different purposes varied in its effectiveness. TA proved successful when it responded to strongly felt government priorities and adapted to evolving needs and circumstances. Successful TA operations were based on solid preparatory work and analysis; they mobilized cofinancing that increased the size of the TA and leveraged financing partners’ technical strengths to complement ADB’s core competencies; staff working on the TA linked with high-quality researchers and expertise; communication between ADB, the government, other stakeholders and consultants during implementation was good; reform outcomes were embedded into government institutional mechanisms and processes; and the TA offered persistent support over time.

98. Data constraints limited the extent to which the evaluation could assess the effectiveness of policy and advisory TA. DMC officials expressed general satisfaction with the way such TA responded to their knowledge needs, but the way ADB manages knowledge generated through its TA is not optimal. ADB’s TA knowledge repository cannot easily be interrogated to extract previously generated research to guide the design of new TA or loan projects. Regional TA projects have achieved relatively high ratings, but they have struggled to translate their considerable knowledge generation and small-scale pilots and demonstrations into larger-scale impact.

99. ADB devoted 56% of its portfolio to capacity development. However, this type of TA had lower effectiveness ratings than those for policy advisory and research TA. This was partly because ADB cannot control some of the external factors that hinder institutional changes in DMCs. Capacity development TA that aimed to improve staff capacity and systems closely related to ADB project implementation accounted for 32% of all capacity development TA commitments in 2017–2023. Such TA received higher effectiveness ratings (75%) in TCR validations than capacity development TA that supported more complex, time-consuming and long-term institutional improvement of ADB counterpart agencies and ministries (65%). Programmatic TA (clusters and facilities) and regional TA, which often had broad sector and multi-country coverage, were larger and therefore more efficient than stand-alone TA. More importantly, programmatic TA offered—and in some cases demonstrated through better success and effectiveness ratings—the potential for longer, deeper, engagement with DMCs and the opportunity to address long-term institutional development and cross-sector issues through targeted subcomponents.

100. TA reforms undertaken during the evaluation period (i) directed TASF allocations to poorer DMCs, FCAS, and SIDS; (ii) introduced a new programmatic TA instrument (TA facilities); (iii) promoted process efficiency through decentralization and delegation; (iv) ensured regional departments’ scrutiny of ADB’s regional TA program; and (v) strengthened the evaluation of TA through the validation of TA completion reports by the Independent Evaluation Department. However, remaining and evolving issues need to be addressed to enhance the relevance, effectiveness, efficiency, and sustainability of ADB TA. The following recommendations are proposed for ADB.

101. **Recommendation 1: Strengthen the strategic alignment of ADB TA operations with corporate and country priorities through improved coordination mechanisms and adequate resource planning horizons.** The current set-aside resource allocation process for corporate priority TA and the decentralized concurrence of regional departments on individual regional TA proposals are not sufficient for the ex ante identification and mapping of ADB's strategic research priorities. Following the 2021 TA policy review, the revised staff instruction, to some extent, has helped improve the strategic alignment of TA operations with the CPSs and CKPs. However, there is a need to further strengthen accountability for the country's knowledge portfolio and to improve the coordination mechanism initiated through the country's knowledge plan by involving governments more closely in TA prioritization. This will involve defining the roles and the human resource requirements in the country management teams and the regional management teams for coordinating these efforts in order to reduce the mismatch between the TA and loan and/or grant programs and to identify regional TA. Other MDBs have introduced internal coordination and prioritization platforms which ADB should review to select an appropriate model that could be adapted to meet ADB's needs. ADB could consider replacing the current annual planning horizon and late announcement of TA resource allocations with a timelier and medium-term rolling allocation, perhaps over 2 years, that considers all TA funding sources, possibly with a premium for cofinancing mobilization. This would encourage better alignment with country needs and long-term institutional development goals.

102. **Recommendation 2: Assess the medium-term adequacy of TA financing against the expected growth in ADB operations and refine ADB's multipronged approach to maintain the relevance and the financial scalability of ADB's TA program.** To mitigate the risk of funding shortages and to complement the modest medium-term inflows from reimbursable TA, a combination of approaches can be pursued: (i) increasing the use of loan instruments for project preparation along with grant project preparatory TA; (ii) analyzing the competitiveness of ADB-managed trust funds and actively seeking additional contributions; (iii) pursuing global funds and other trust funds more aggressively to enhance access to these resources; and (iv) encouraging the use of reimbursable TA for project preparatory TA in excess of an established threshold as well as capacity building and advisory activities, especially for nonsovereign and sovereign operations focused on group C2 and C3 countries in alignment with ADB's strategic directions.

103. **Recommendation 3: Improve monitoring and information systems for tracking TA programming, processing, and implementation matching the significant decentralization and simplification measures adopted in 2014–2023.** The evaluation encountered numerous examples of scattered or incomplete information and documentation. ADB's SovOps information system, which was partly rolled out in 2024, should continue to be enhanced and should include the documentation of electronic approvals. Processing and implementation should be monitored by a single system, facilitating assessment of a single operation from start to finish. Links to the ensuing loans should be easy to establish for project preparatory TA projects. Early warnings on the extent and frequency of extensions, supplementary financing, and changes of scope should provide users with a summary of the health of the overall TA portfolio. Selective monitoring of key outputs and outcomes of TA operations should be possible to complement the quantitative portfolio analysis. Country partnership strategy final reviews should discuss the achievements and limitations of the policy and advisory TA and capacity development TA portfolio more prominently. The upgraded monitoring and information system should be able to provide a more nuanced picture of the overall health of TA operations, while raising alerts to prompt course corrections if needed.

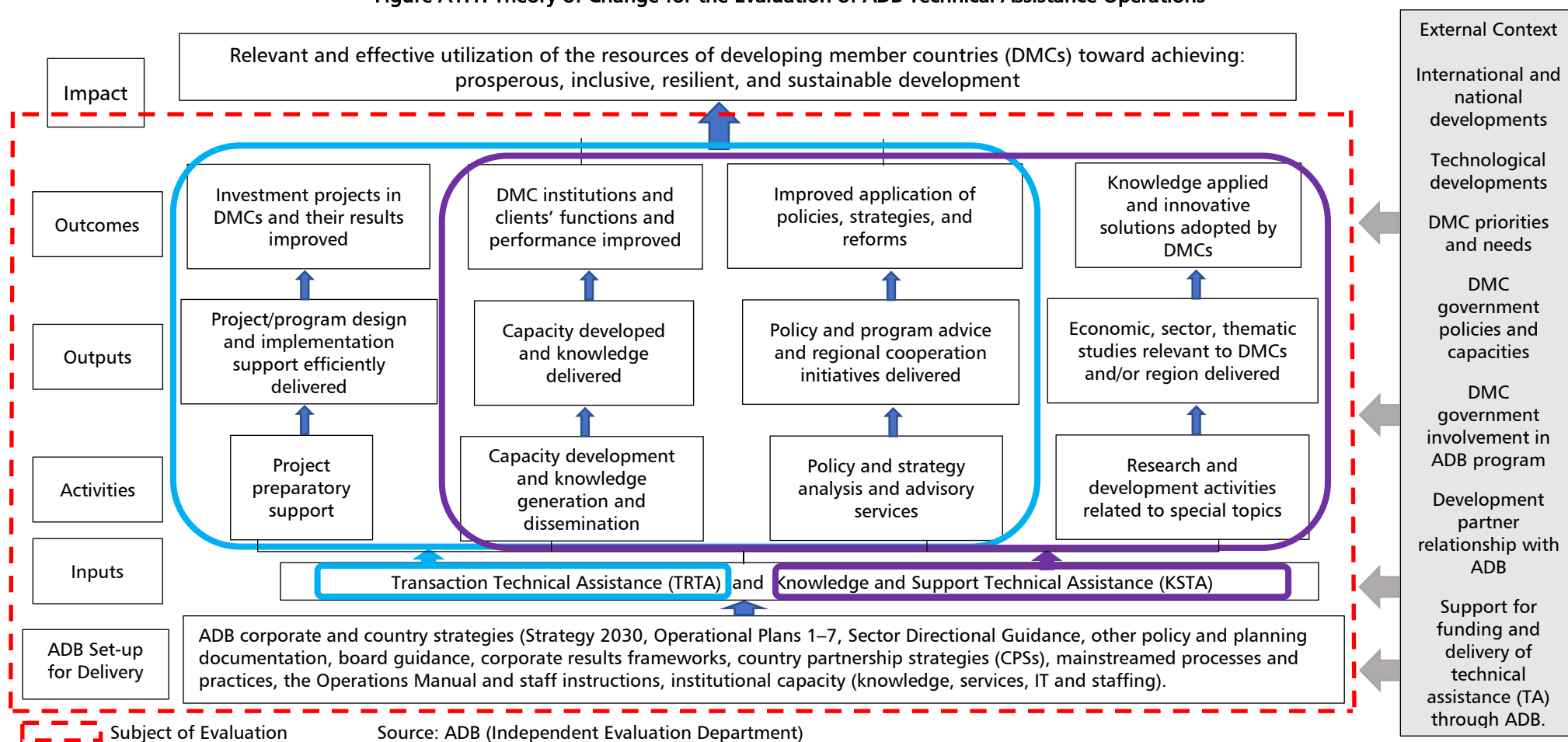
104. **Recommendation 4: Strengthen ADB's long-term institutional capacity development TA by conducting a systematic analysis to identify best practices and approaches, leveraging ADB research units and dialogue platforms, while increasing the use of programmatic TA and augmenting the responsiveness of ADB's TA knowledge repository.** ADB should make a concerted effort to support the long-term development of the DMC institutions it works with, complementing the short-term, project-related capacity development of counterpart agency staff and systems. Using programmatic TA, such as

clusters and TA with an extended implementation period to address complex and related issues will support long-term development. To strengthen its capacity development support, ADB could consider: (i) scaling up all forms of capacity development, particularly in FCAS and SIDS and in countries with weak institutions; (ii) using analysis and guidance support from the ADB Institute (ADBI), the Central Asia Regional Economic Cooperation Program (CAREC) Institute, capacity development resource centers and other knowledge units associated with ADB to design more effective capacity development interventions; (iii) expanding the use of programmatic TA instruments so countries benefit from their larger size, longer duration, and greater flexibility; and (iv) replacing or complementing K-Nexus with a comprehensive enterprise digital knowledge system that allows users to query and collate information on specific topics, generating summaries and responses. On the human resources front, ADB should consider: (i) investing in training and recruitment of experts in capacity development to improve the effectiveness of ADB staff in capacity development to move beyond such traditional approaches as consultant backstopping, training, study tours and manuals; (ii) plugging skills gaps with newly recruited capacity development experts within the relevant departments and resident missions so ADB applies up-to-date concepts and guidance; and (iii) increasing cofinancing and collaboration with development partners with proven capacity development expertise, learning from their approaches and leveraging their expertise.

Appendixes

APPENDIX 1: SUPPLEMENTARY DATA ON TECHNICAL ASSISTANCE OPERATIONS

Figure A1.1: Theory of Change for the Evaluation of ADB Technical Assistance Operations



Assumptions: (i) DMCs are appropriately staffed to ensure continued ownership of the CPS and government priorities; (ii) DMCs provide an appropriate and enabling environment to allow for improved institutional function and performance; (iii) DMCs have adequate resources and commitment to utilize TA findings and recommendations in a sustainable manner; (iv) project preparatory support is timely and relevant at the time of detailed project or program design; (v) capacity development is in line with the required skills to be delivered; (vi) policy and strategy services appropriately delivered for use by DMC strategic and policy level leadership; (vii) research studies and other development analysis meets DMC needs.

Table A1.1: Evolution of Technical Assistance Operations, 2014–2023 (\$ million)

Commitment Year	CDTA	PATA	PPTA	RDTA	Total
2014	179.33	60.59	49.39	17.59	306.90
2015	147.89	35.81	58.94	16.57	259.21
2016	184.87	44.80	80.30	17.85	327.82
2017	176.20	31.19	82.36	20.08	309.82
2018	174.36	41.29	116.21	39.23	371.09
2019	241.75	56.70	143.32	22.16	463.94
2020	319.58	58.68	79.75	21.34	479.34
2021	196.37	34.80	104.65	28.54	364.35
2022	226.44	47.58	86.79	22.45	383.26
2023	187.30	51.10	91.75	37.59	367.74
Grand total	2,034.09	462.53	893.47	243.38	3,633.47

CDTA = capacity development technical assistance, PATA = policy and advisory technical assistance, PPTA = project preparatory technical assistance, RDTA = research and development technical assistance, TA = technical assistance
 Note: All amounts from all sources included.

Source: Asian Development Bank (Independent Evaluation Department).

Table A1.2: Evolution of Technical Assistance Operations, 2014–2023 (number of TA projects)

Commitment year	CDTA	PATA	PPTA	RDTA	Total
2014	173	65	74	25	337
2015	120	43	59	16	238
2016	108	50	81	15	254
2017	100	25	59	16	200
2018	106	43	61	30	240
2019	123	29	61	26	239
2020	146	32	39	24	241
2021	104	23	38	29	194
2022	111	24	26	27	188
2023	87	24	33	37	181
Grand total	1,178	358	531	245	2,312

CDTA = capacity development technical assistance, PATA = policy and advisory technical assistance, PPTA = project preparatory technical assistance, RDTA = research and development technical assistance, TA = technical assistance.

Note: Only unique TA approval numbers are included.

Source: Asian Development Bank (Independent Evaluation Department).

Table A1.3: ADB Active Technical Assistance Portfolio, 2014–2023
(number of TA projects and amount in \$ million)

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
TA number	1,070	965	897	788	825	835	892	915	923	941
TA amount	1,655	1,599	1,594	1,501	1,480	1,622	1,739	1,797	1,931	2,027

TA = technical assistance.

Source: Asian Development Bank (Independent Evaluation Department).

Table A1.4: Success Ratings by Technical Assistance Category
(All Validated Technical Assistance Completion Reports)

TA Purpose	% Successful		% Relevant		% Effective		% Efficient		% Sustainable	
	TCRV	TCR	TCRV	TCR	TCRV	TCR	TCRV	TCR	TCRV	TCR
PPTA	31	46	58	77	31	42	23	46	31	42
CDTA	73	91	81	98	66	78	63	83	87	94
PATA	74	86	86	96	68	83	54	67	69	89
RDTA	94	100	89	100	74	91	80	91	83	91
All TA	72	86	81	95	64	78	59	76	76	87
All TA (no PPTA)	76	91	84	97	68	82	63	79	81	92

CDTA = capacity development technical assistance, PATA = policy and advisory technical assistance, PPTA = project preparatory technical assistance, RDTA = research and development technical assistance, TA = technical assistance, TCR = technical assistance completion report, TCRV = technical assistance completion report validation.

Notes: Ratings for project preparatory TA projects are lower because TCR and validations cover only those that did not result in a loan. The percentage refers to the top two ratings, highly successful and successful.

Source: Asian Development Bank (Independent Evaluation Department).

Figure A1.2: Sector and Operational Priority Alignment of Loan and/or Grant and Technical Assistance Operations, 2014–2023

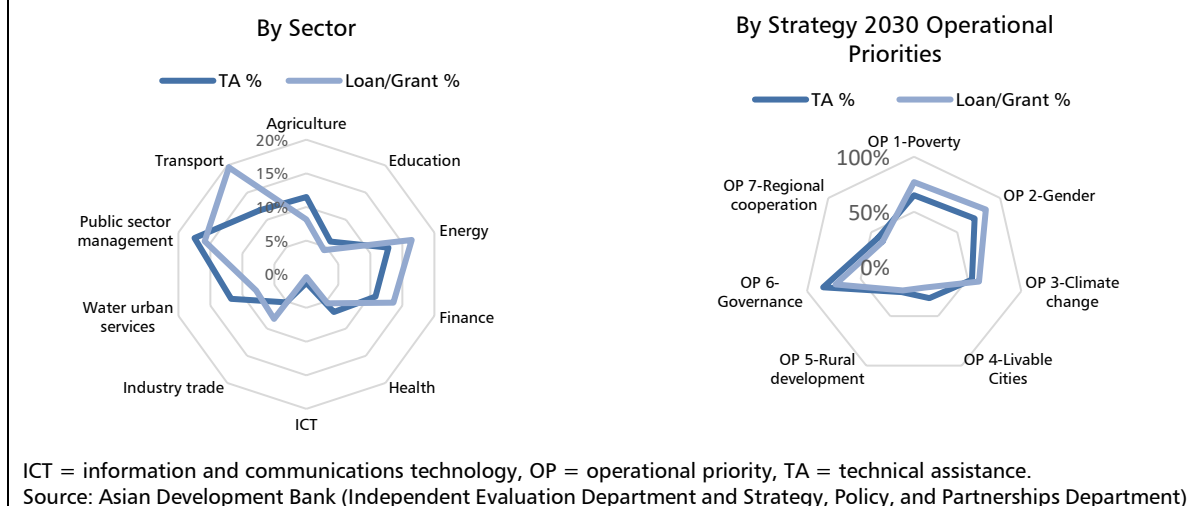


Table A1.5: Comparison Between the Performance of Fragile and Conflict-Afflicted Situations and Small Island Developing States and the Performance of All Validated Technical Assistance (%)

Location	Relevant	Effective	Efficient	Sustainable	Successful
FCAS and SIDS (n=29)	69	34	48	72	52
All TA projects (n=262)	81	64	59	76	72

CDTA = capacity development technical assistance, FCAS = fragile and conflict-afflicted situations, n = number, SIDS = small island developing states, TCRV = technical assistance completion report validation.

Note: TA projects classified as FCAS and/or SIDS include DMC-specific TA projects which are in one DMC classified as FCAS and/or SIDS, and regional TA projects with at least 50% of the covered DMCs in FCAS and/or SIDS.

Source: Asian Development Bank (Independent Evaluation Department).

Table A1.6: Technical Assistance Program by Common Strategy 2020 and 2030 Priorities
(% of amount)

Common Priorities of Strategy 2020 and 2030	TA Program 2014–2018	TA Program 2019–2023
Poverty ^a	59.77	68.89
Governance	86.75	83.48
Environment	48.64	57.89
Gender	59.77	78.52
Regional cooperation and integration	38.33	44.85
<i>Memo item: Average tagging per operational priority^b</i>	51.03	48.70

TA = technical assistance.

^a For the poverty priority in 2014–2018, the sum of pillars 2 (access to economic opportunities) and 3 (social protection) under inclusive economic growth was used as a proxy for the focus on poverty and inclusion.

^b Every operation can be tagged for multiple priorities. The average includes all tags, even if not in common.

Source: Asian Development Bank (Independent Evaluation Department).

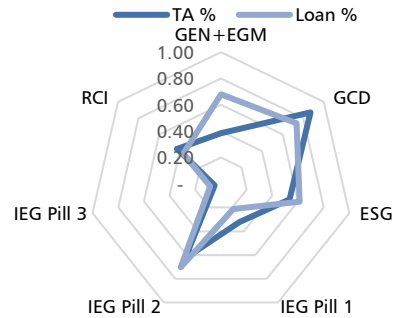
Table A1.7: Comparison of Alignment Coefficients Under Each Strategy

TA and Loan and Grant Alignment	2014–2023 Evaluation Period	2014–2018 (Strategy 2020)	2019–2023 (Strategy 2030)
Sector structure	11.8	33.9	15.1
Strategy 2020 priorities	25.0	17.4	57.0
Strategy 2030 priorities	12.5	14.7	13.6

TA = technical assistance.

Note: A lower value means better alignment.

Source: Asian Development Bank (Independent Evaluation Department).

Figure A1.3: Alignment of the 2014–2023 Technical Assistance Program with Strategy 2020 Strategic Agenda

ESG = environmentally sustainable growth, GCD = governance and capacity development, GEN+EGM = gender equity and effective gender mainstreaming, IEG = inclusive economic growth RCI = regional cooperation and integration, TA = technical assistance.

Note: Pillar 1 = expand economic opportunities, Pillar 2 = broaden access to these opportunities, Pillar 3 = social protection.

Source: Asian Development Bank (Independent Evaluation Department).

Table A1.8: Performance of the Technical Assistance Program Against Specific ADB Targets

Strategy 2020 (target year 2020) ^a	2014–2018	2019–2023
80% of operations in five core operational areas (priority sectors) ^b	53.0%–70.0%	71.0%–79.0%
50% of operations for private sector development ^c	9.0%	6.0%
30% of operations for regional cooperation	38.3%	44.9%
Education = 6%–10% of operations (MTR)	5.0%	6.8%
Health = 3%–5% of operations (MTR)	4.8%	8.9%
		7.3% (no 2020) ^d
Strategy 2030 (target year 2030)		
75% of operations promoting gender equality	60.0%	79.0%
75% of operations addressing climate change (65% by 2024)	49.0%	58.0%
Private sector operations 1/3 of total number by 2024 ^e	5.0%	7.0%
2016 ADF 12 Replenishment (target year 2020)		
Improve TA success rate from 72% in 2014 to 80%	83.0% TCR ^f no TCRV	86.0% TCR 72.0% TCRV ^g
2020 ADF 13		
Set aside \$51.7 million TASF to enhance debt sustainability	...	\$29 million ^h
Selective TASF allocation for upper middle-income countries	228 TA (\$142 million)	223 TA (\$186 million)
Employ PRF and SEFF instead of TA when possible	\$479 million	\$367 million
Only PRF and SEFF, no MFF tranche preparation	\$425million	\$340 million

... = not applicable, ADF = Asian Development Fund, MFF = multitranches financing facility, MTR = Midterm Review of Strategy 2020, OCR = ordinary capital resources, PRF = project readiness facility, SEFF = small expenditure financing facility, TA = technical assistance, TCR = TA completion report, TASF = Technical Assistance Special Fund.

^a There were no specific Strategy 2020 and 2030 targets specified for TAs operations and the targets specified were based on lending operations. IED developed the figures to assess TA's alignment with the lending operations in the absence of TA targets. Share of the volume of TA operations in \$million, except for private sector operations (see footnote e).

^b The first figure refers to the three Strategy 2020 priority sectors (infrastructure, finance, and education), the second to the expanded priority, which includes agriculture, natural resources, and rural development and health.

^c Amount committed only for TA for nonsovereign and public–private partnership operations.

^d Given the impact of the coronavirus disease (COVID-19) pandemic on ADB operations in 2020, the second figure (7.3%) excludes 2020 from the calculations.

^e Number of TA projects processed by the Private Sector Operations Department (PSOD) and the Office of Markets Development and Public–Private Partnerships (OMDP) and its predecessor, the Office of Public–Private Partnerships (OPPP).

^f ADB. 2021. Technical Assistance Review. Manila, Appendix 1.

^g Cumulative ratings as of June 2023 for all TA projects whose TCRs were validated by the Independent Evaluation Department.

^h Committed in 2021–2023. Source: ADB. 2024. Eighth Replenishment of the Technical Assistance Special Fund. Manila. Page 13. Source: ADB. IED database on technical assistance and loan/grant operations from various ADB sources.

Table A1.9: Technical Assistance Utilization by ADB Member Countries

Uses of TA	2014–2018 (\$ million)	2019–2023 (\$ million)	Growth Rate (%)
Group A and B countries	545	427	(22)
Group C countries	332	398	20
Regional	697	1,233	77
FCAS	105	119	13
SIDS	143	240	68

FCAS = fragile and conflict-affected situations, N.A. = not applicable, SIDS = small island developing states, TA = technical assistance, TASF = Technical Assistance Special Fund, () = negative value.

Note: Regional TA projects are implemented in two or more DMCs regardless of DMC classification.

For FCAS, period 2014–2018 amount include country-specific TA, while period 2019–2023 include country-specific and regional TA. For SIDS, both periods include country specific and regional TA project in the Pacific Department.

Source: Asian Development Bank (Independent Evaluation Department).

Table A1.10: Quarterly Distribution in the Number of Technical Assistance Approvals, 2014–2023 (%)

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2014	20	18	22	40
2015	26	17	24	33
2016	26	16	19	39
2017	20	13	23	45
2018	18	15	20	47
2019	9	12	24	54
2020	9	15	19	57
2021	11	7	20	62
2022	6	6	18	70
2023	6	11	15	68

Source: Asian Development Bank (Independent Evaluation Department).

Table A1.11: Country-Level Technical Assistance and Loan and Grant Program Discrepancy Coefficients

Country	Sector Alignment		Strategy 2020 Priorities		Strategy 2030 Priorities	
	To Country Loans and Grants	To ADB Loans and Grants	To Country Loans and Grants	To ADB Loans and Grants	To Country Loans and Grants	To ADB Loans and Grants
India	39.90	43.38	21.25	6.14	4.92	10.53
Indonesia	91.47	37.02	21.43	33.72	27.58	14.69
Mongolia	34.32	40.03	31.12	20.13	7.37	7.65
Pakistan	157.73	32.30	14.36	8.66	14.01	3.32
PNG	86.82	43.62	82.35	15.80	16.06	11.02
Five-country average	82.05	39.27	34.10	16.89	13.99	9.44
ADB	N.A.	11.78	...	25.03	...	12.51

... = not applicable, ADB = Asian Development Bank, N.A. = not applicable, PNG = Papua New Guinea.

Note: Lower values indicate better alignment between the TA and loan and grant programs. Sector alignment and Strategy 2030 priorities for India and Mongolia show higher country alignment. Strategic 2020 priorities for Indonesia show high country alignment.

Source: Asian Development Bank (Independent Evaluation Department).

Table A1.12: Main Bilateral Contributors to ADB Trust Funds, 2014–2023

Funding Source	Amount (\$ million)	Number of Trust Funds	% in Single-Donor Trust Funds	% of Total Trust Funds
Japan	1,541	8	88	43
United Kingdom	571	10	30	16
Republic of Korea	235	3	92	7
Canada	190	4	90	5
Germany	161	5	0	4
Australia	140	5	78	4
People's Republic of China	50	1	100	1

Source: Asian Development Bank (Climate Change Partners Funds Division).

Table A1.13: Role of Different Funding Sources in Project Preparation, 2014–2023 (\$ million)

Year	Grant PPTA	MFF Tranches	PDF	TA Loan	PRF	SEFF	Total	Grant PPTA (%)
2014	49.4	16.6	0.00	0.0	0.0	0.0	66.0	75%
2015	58.9	12.6	10.7	62.6	0.0	0.0	144.7	41%
2016	80.3	7.8	16.7	207.6	0.0	0.0	312.5	26%
2017	82.4	5.0	18.3	100.0	0.0	0.0	205.6	40%
2018	116.2	12.4	3.0	6.0	0.0	0.0	137.6	84%
2019	143.3	6.7	0.0	10.0	107.3	0.0	267.3	54%
2020	79.7	4.1	0.0	0.0	131.5	3.0	218.4	37%
2021	104.6	4.5	0.0	0.0	47.0	0.0	156.1	67%
2022	86.8	4.3	0.0	0.0	23.6	1.5	116.2	75%
2023	91.8	7.6	0.0	0.0	15.0	0.8	115.1	80%
Total	893.5	81.5	48.7	386.2	324.4	5.3	1,739.5	51%

MFF = multitranche financing facility, PDF = project development facility, PPTA = project preparatory technical assistance, PRF = project readiness financing, SEFF = small expenditure financing facility, TA = technical assistance.

Source: Asian Development Bank (Independent Evaluation Department and Strategy, Policy, and Partnerships Department).

Table A1.14: Funding Structure of Non-Project Preparatory Technical Assistance Project Preparation Facilities (\$ million)

Period (Instruments)	Number		Amount		
		Total	ADF	COL	OCR
2014–2018 (technical assistance loan or grant and project design advance)	21	435	19	105 ^a	311
2019–2023 (project readiness financing and small expenditure financing facility)	40	330	80	154	95

ADF = Asian Development Fund, COL = concessional lending, OCR = ordinary capital resources,

^a Includes the last TA loan approved in 2018 but effective in 2019, to Sri Lanka for \$10 million funded by COL.

Source: Asian Development Bank.

Table A1.15: Potential Reflows from Project Preparatory Technical Assistance Grant Threshold Policies, 2014–2023

Item	All PPTA	TASF PPTA	TASF > \$250,000	TASF > \$500,000	TASF > \$700,000
PPTA (number)	531	461	409	341	298
PPTA (amount, \$ million)	893	792	775.00	590.00	563.00
Total grant element (\$ million)	...	...	102.25	170.50	208.60
Total cost recovery (\$ million)	...	...	672.75	419.50	354.40
Annual cost recovery (\$ million)	...	...	67.28	41.95	35.44

... = not applicable, PPTA = project preparatory technical assistance, TASF = Technical Assistance Special Fund.

Note: The recoverable amount is calculated as the difference between the total amount of funds committed for TASF-funded project preparatory TA above the threshold specified in a column and the number of project preparatory TA projects above the threshold multiplied by the threshold level. For example, in the last column, \$563 million was committed for 298 TA projects above the \$700,000 level. The grant element would be \$700,000 x 298 = \$208.6 million. The cost recovery would be \$563 million – \$208.6 million in the 10-year period, or \$35.4 million annually. The global deflator between 2002 and 2023 was 286, raising the \$250,000 threshold to \$716,254. Trading economics. [World - Inflation, GDP Deflator \(annual %\)](#).

Source: Asian Development Bank (Independent Evaluation Department).

Table A1.16: Comparison of Processing Requirements for Transaction Technical Assistance and Knowledge Support Technical Assistance until 2023

Processing Step	Transaction TA	Knowledge and Support TA
Concept paper	Not required unless stand-alone	Required and circulated for interdepartmental comments
Government concurrence	Either at aide-mémoire or memorandum of understanding stage or through TA letter signing	Both at aide-mémoire or memorandum of understanding signing and through TA letter
TA report peer review	Only for complex projects	For all projects
TA report editing	Only if circulated to Board	Always required
President approval	Delegated to vice-president (complex TA) or head of department (low risk)	Initially above \$1.5 million, vice-president above \$750,000, head of department below that. Gradually increased
TA letter signing	Only if not cleared at aide-mémoire or memorandum of understanding stage	Always

TA = technical assistance.

Sources: ADB. 2017. *Staff Instruction on Business Processes for Transaction Technical Assistance*, and ADB. 2017. *Staff Instructions on Business Processes for Knowledge and Support Technical Assistance*. As amended in 2018, 2019, 2022 until unified on 30 June 2023.

Table A1.17: Comparison of Validation and Completion Ratings for Regional Technical Assistance, Developing-Member-Country-Specific, and All Validated Technical Assistance (%)

TA Type	Relevant	Effective	Efficient	Sustainable	Successful
RETA (n=87)	80	67	68	86	77
DMC-Specific (n=175)	82	63	54	71	69
All TCRVs (n=262)	81	64	59	76	72

DMC = developing member country, n = number, RETA = regional technical assistance, TA = technical assistance, TCRV = technical assistance completion report validation.

Source: Asian Development Bank (Independent Evaluation Department).

Table A1.18: Validated Ratings for Regional Technical Assistance and Developing-Member-Country-Specific Technical Assistance by Nature of Activity (%)

Criterion	CDTA		RDTA		PATA		PPTA	
	RETA n=55	DMC Specific n=74	RETA n=19	DMC Specific n=16	RETA n=11	DMC Specific n=61	RETA n=2	DMC- Specific n=24
Relevance	82	81	84	94	73	89	50	58
Effectiveness	73	61	68	81	36	74	50	29
Efficiency	65	61	79	81	55	54	100	17
Overall rating	76	70	89	100	64	75	50	29

CDTA = capacity development technical assistance, DMC = developing member country, N = count, PATA = policy and advisory technical assistance, PPTA = project preparatory technical assistance, RDTA = research and development technical assistance, RETA = regional technical assistance.

Note: There are 262 validated TCRs.

Source: Asian Development Bank (Independent Evaluation Department).

Table A1.19: Commitments Breakdown of Capacity Development Technical Assistance, 2017–2023

Item	KSTA CDTA	TRTA CDTA	Total CDTA Commitment, 2017–2023
Commitments (\$ million)	1,039.90	482.10	1,522.00
Share	68%	32%	100%

CDTA = capacity development technical assistance, KSTA = knowledge and support technical assistance, TRTA = transaction technical assistance.

Source: Asian Development Bank (Independent Evaluation Department).

Table A1.20: Comparison Between Knowledge and Support Technical Assistance Capacity Development Technical Assistance and Transaction Technical Assistance Capacity Development Technical Assistance (%)

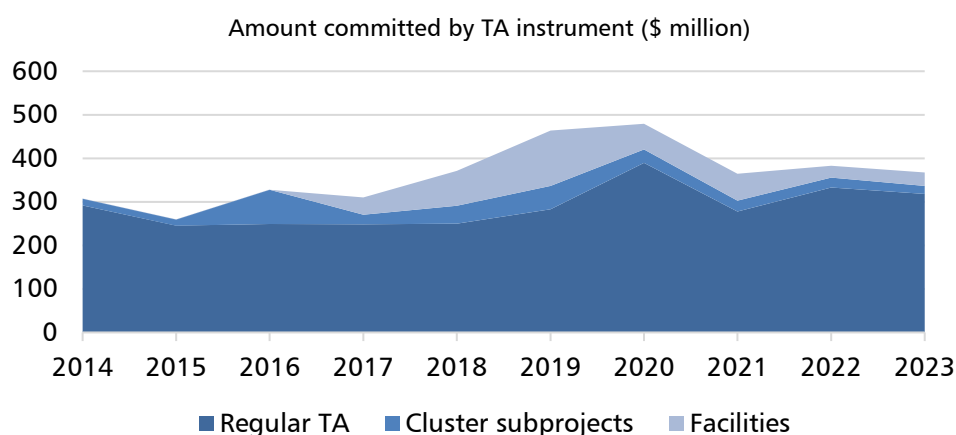
Criterion	KSTA CDTA (N=117)	TRTA CDTA (N=12)	Total CDTA (N=129)
Relevance	79	100	81
Effectiveness	65	75	66
Efficiency	62	67	63
Overall rating	71	92	73

CDTA = capacity development technical assistance, KSTA = knowledge and support technical assistance, TRTA = transaction technical assistance.

Note: There are 262 validated TCRs.

Source: Asian Development Bank (Independent Evaluation Department).

Figure A1.4: Growth of Programmatic Technical Assistance Instrument Commitments, 2014–2023



TA = technical assistance.

Source: Asian Development Bank (Independent Evaluation Department).

Table A1.21: Comparison Between Validation Ratings for Clusters and Validation Ratings for Non-Programmatic Technical Assistance
(percentage with a *successful* or *highly successful* rating in the category)

TA Type	Relevance	Effectiveness	Efficiency	Sustainability	Success
Cluster TCRVs (7 clusters)	86	71	71	86	86
Non-programmatic TCRVs	81	64	58	76	71
Difference (%)	5	7	13	10	15
<i>Memo item: 20 cluster TCRs</i>	<i>93</i>	<i>93</i>	<i>80</i>	<i>94</i>	<i>95</i>
<i>Non-programmatic TCRs</i>	<i>95</i>	<i>78</i>	<i>76</i>	<i>87</i>	<i>86</i>
<i>Difference in TCR ratings (%)</i>	<i>(2)</i>	<i>16</i>	<i>4</i>	<i>8</i>	<i>9</i>

TCR = technical assistance completion report, TCRV = technical assistance completion report validation, () = negative value.

Source: Asian Development Bank (Independent Evaluation Department).

APPENDIX 2: MAIN DIRECTIONS OF TECHNICAL ASSISTANCE REFORMS, 2014–2023

1. The objectives of the reforms implemented during the evaluation period are summarized in Table A2.
2. **Technical assistance (TA) classification.** TA was classified in the following ways: (i) tagging by type (transaction support or knowledge services) introduced in 2017 complemented the classification by purpose (capacity development, policy advice, or research and development) adopted in 2008; and (ii) classification as either “complex” or “low risk” allowed for different processing requirements, clearing the way for simplifications and reduced interdepartmental review.
3. **Strategic alignment.** The following methods were used to increase the relevance of TA: (i) high-level directional meetings; (ii) review and vetting of proposals by other departments; and (iii) inclusion in country programming documents (pipelines and knowledge plans).
4. **Funding reforms.** Reforms increased allocations in support of ADB strategic priorities (support to less developed, fragile, and small island economies and to priority concerns such as debt management and public–private partnership), promoted the use of cofinancing (directly or through trust funds) to respond to TA needs, and encouraged project readiness by allowing cofinancing to be used for detailed project design and engineering.
5. **Portfolio management measures.** TA projects, Closer monitoring of slow-moving and slow-disbursing TA projects has been improved. The need for ADB to develop a TA management information system is a constant refrain and attempts have been made to do this under different information technology initiatives, but only limited progress has been achieved.
6. **Delegation of approval authority.** Two tracks were followed to reduce processing time and increase efficiency: (i) increases in the President’s authority (from \$1.0 million to \$1.5 million in 2008, and to \$5.0 million in 2015); and (ii) parallel increases in the thresholds for further delegation by the President to vice-presidents, heads of departments, and eventually heads of divisions and resident missions. The measures were successful in reducing the burden on the Board and President.
7. **Delegation of TA implementation to developing member country (DMC) executing agencies and ADB resident missions.** This was contemplated by the TA reforms but not achieved during the evaluation period.
8. **Programmatic approaches.** These included (i) loan-based options (TA loans, project design facility, transaction advisory services, project readiness financing, and the small expenditure financing facility) for project preparation; (ii) use of TA clusters and introduction of TA facilities; and (iii) clarification and simplification of the use of pilot-testing.
9. **Management of knowledge outputs and outcomes.** The need to improve knowledge management of TA operations was highlighted in the 2008 policy paper, and strongly and periodically reaffirmed in subsequent ADB corporate evaluations of TA operations, knowledge, and the “One ADB” approach. However, systems to facilitate access to TA outputs and lessons learned have not been successfully developed, despite the fact that the need for this has been raised in all evaluations, reviews, and policy papers produced since then.
10. **Design and processing improvements.** Improvements focused on efficiency by (i) simplifying and accelerating the processing of transaction support and project preparatory TA; (ii) streamlining the interdepartmental review processes for “low-risk” TA projects, and focusing sector and thematic group

(STG) inputs and reviewing “complex” TA projects; (iii) agreeing implementation arrangements with the executing agency at an early stage; and (iv) blending preparatory and capacity and/or policy elements under a single TA project.

11. **Policies and procedures on consultant use.** ADB tried to achieve greater effectiveness through (i) the Workforce Rebalancing Framework, which gradually increased the number of staff positions by shifting ordinary capital resources income resources from the Technical Assistance Special Fund to the administrative budget, to internalize the knowledge and policy advice functions previously left largely to consultants; and (ii) greater delegation of TA design and management to DMCs to increase their ownership (with mixed results). These accompanied a series of efficiency enhancements, including (i) use of framework agreements for repeat consulting services; (ii) flexible and faster selection methods (shopping, output-based, or fixed-fee contracts); (iii) allowing the retention of transaction TA consultants to facilitate initial loan implementation activities; and (iv) proposed greater use of output-based contracts.

12. **Evaluation enhancements.** In 2020, validation of TA completion reports by the Independent Evaluation Department was introduced and this was gradually expanded to most TA by 2021. The previously contemplated formal inclusion of consultant and executing agency inputs into the TCR was not actually implemented.

Table A2: Focus of Technical Assistance Reforms, 2008–2023
(number of measures)

Evaluation Criteria	Relevance	Effectiveness	Efficiency
Classification	1	1	1
Strategic alignment	3		
Funding sources and allocation	3	1	5
Portfolio management			3
Delegation of approval authority			2
Programmatic tools		3	
Management of knowledge outcomes		3	
Design and procedural improvements		1	4
Consultant selection		2	4
Implementation		1	1
Evaluation		2	
Total measures	7	13	20

TA = technical assistance.

Source: Asian Development Bank (Independent Evaluation Department).

APPENDIX 3: LINKED DOCUMENTS

- A. [Comparison of Technical Assistance Provided by the Asian Development Bank, the Inter-American Development Bank, and the World Bank](#)
- B. [Results of a Survey on ADB Technical Assistance Operations](#)