

Validation Report
October 2018

Sri Lanka: Conflict-Affected Region Emergency Project

Reference Number: PVR-583
Project Number: 44065-013
Loan Number: 2626
Grant Number: 0246

Independent
Evaluation  ADB

Raising development impact through evaluation

ABBREVIATIONS

ADB	–	Asian Development Bank
BCR	–	borrower completion report
IDP	–	internally displaced person
IEE	–	initial environmental examination
km	–	kilometer
MED	–	Ministry of Economic Development
NCP	–	North Central Province
PCQAU	–	project coordination and quality assurance unit
PCR	–	project completion report
PPMS	–	project performance monitoring system

NOTE

In this report, “\$” refers to United States dollars.

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PROJECT BASIC DATA

Project Number	44065-013	PCR Circulation Date	21 August 2017		
Loan/Grant Numbers	2626 and 0246	PCR Validation Date	Oct 2018		
Project Name	Conflict-Affected Region Emergency Project				
Sector and subsector	Agriculture, natural resources, and rural development Education Energy Public sector management Transport	Irrigation Technical and vocational education and training Electricity transmission and distribution Decentralization–Law and judiciary Road transport (nonurban)			
Strategic agenda	Inclusive economic growth				
Safeguard categories	Environment		B		
	Involuntary resettlement		B		
	Indigenous peoples		C		
Country	Democratic Socialist Republic of Sri Lanka	Approved (\$ million)	Actual (\$ million)		
ADB Financing (\$ million)	ADF: 0.00	Total Project Costs	168.24	152.26	
	OCR: 150.00	Loan			
		Loan 2626		150.00	138.17
		Borrower		18.24	12.69
		Beneficiaries		0.00	0.00
		Others	0.00	0.00	
Cofinancier	International Federation of Red Cross and Red Crescent Societies	Total Cofinancing Grant 0246	0.00	1.40	
Approval Date	15 Apr 2010	Effectiveness Date	7 Sep 2010	2 Sep 2010	
Signing Date	7 Jun 2010	Closing Date	30 Sep 2013	30 Sep 2014	
Project Officers	N. M Amerasinghe K. Obadage C. McDiegen K. M Tilakaratne K. M Palitha Bandara A. Nanayakkara	Location Sri Lanka Resident Mission (SLRM) SLRM SLRM SLRM SLRM	From Apr 2010 Aug 2011 Jan 2012 Nov 2012 May 2013 Jan 2014	To Aug 2011 Dec 2011 Oct 2012 Apr 2013 Dec 2013 Jul 2017	
IED Review Director Team Leader	N. Subramaniam, IESP T. Yokota, Principal Evaluation Specialist, IESP*				

ADB = Asian Development Bank, ADF = Asian Development Fund, IED = Independent Evaluation Department, IESP = Sector and Project Division, OCR = ordinary capital resources, PCR = project completion report.

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I. PROJECT DESCRIPTION

A. Rationale

1. Sri Lanka had been severely affected by about 3 decades of internal armed conflict, with the Northern Province bearing the brunt of hostilities.¹ This had a destructive effect on the northern region and its population, with much of the infrastructure damaged or destroyed, access to basic social services disrupted, and the livelihood of the population severely affected. The conflict caused significant human suffering and displacement, resulting in an estimated 277,000 internally displaced persons (IDPs) at appraisal. With progress on the work of de-mining affected areas, the IDPs were slowly returning to their former residences, while 85,000–90,000 IDPs were still to be resettled. The immediate need at the time was to resettle the IDPs in their original areas of residence, provide them with relief goods, reestablish basic services, revive the people's livelihood, and restore the critically damaged infrastructure.

2. A needs assessment undertaken by the government informed the development of a medium-term strategy that focused on (i) resettling IDPs and protecting their fundamental rights; (ii) revitalizing basic livelihoods through revival and expansion of productive sectors; (iii) accelerating the development of infrastructure in roads, electricity, ports, transport, water supply and sanitation, and housing; (iv) improving the rural economy with technological transformation; (v) sustainably extracting marine resources; (vi) improving knowledge, skills, and youth talent; (vii) upgrading the quality and performance of public services through institutional reform; and (viii) encouraging private investments by establishing industrial estates. To this end, the government launched the 180-day plan for IDP resettlement to enable them to restart their livelihood, which included restoring public administration, social services, and community and social infrastructure to meet their most critical basic needs (footnote 1).

3. In January 2010, the government formally requested the Asian Development Bank (ADB) for an emergency loan, which took over 12 weeks to process, exceeding the requirements under the ADB Disaster and Emergency Assistance Policy.²

B. Expected Impacts, Outcomes, and Outputs

4. The project's expected impact was reduced incidence of poverty in the conflict-affected areas. The envisaged project outcomes were restored and improved livelihood, economic infrastructure, and administrative and legal services in the conflict-affected areas. The four project outputs were to have (i) connectivity reestablished, (ii) utilities restored, (iii) basic social services improved, and (iv) legal governance improved.

C. Provision of Inputs

5. The loan was approved in April 2010 with the loan agreement dated June 2010. The loan became effective in September 2010, 5 days earlier than scheduled.³ Actual loan closing was in September 2014 due to a 1-year delay, with two extensions granted by ADB. The implementation delays were due to several factors starting with the (i) post-conflict situation in the project area where communities were still traumatized by the conflict, (ii) weak provincial institutions, (iii) few

¹ ADB. 2010. *Report and Recommendation of the President to the Board of Directors: Proposed Loan to the Democratic Socialist Republic of Sri Lanka for the Conflict-Affected Region Emergency Project*. Manila.

² ADB. 2004. *Disaster and Emergency Assistance Policy*. Manila (para.104).

³ ADB. 2017. *Completion Report: Conflict-Affected Region Emergency Project in Sri Lanka*. Manila.

competent local contractors, (iv) shortages in local labor and materials, and (v) poor access to project sites. The project implementing units lacked staff and the late appointment or inadequacy of consultants slowed the project's initial progress. Local contractors had limited resources—resulting in contractual and payment issues, overambitious work program during the rainy season, and delays in finalizing working drawings.

6. Project investment was estimated at \$168.2 million, with ADB financing of \$150.0 million (89.2%) and \$18.2 million (10.8%) from the government. The loan proceeds were channeled by government to the implementing agencies through budgetary allocations. The government on-lent portions of the loan proceeds to the Ceylon Electricity Board and the National Water Supply and Drainage Board on terms and conditions satisfactory to ADB.

7. At completion, the project cost was \$152.3 million (9.5% lower than the estimate). During implementation, the International Federation of the Red Cross and Red Crescent Societies joined as a cofinancier, providing \$1.5 million for the Point Pedro water supply scheme subproject (footnote 3). The grant from this cofinancier was disbursed ahead of the loan funds from ADB.

8. At appraisal, 1,255 person-months of consulting services were estimated to comprise 45 international and 1,210 national consultants. Provisions were made for additional individual consultants depending on needs and these were selected using government guidelines. The project completion report (PCR) did not provide the final tally of consultant person-months utilized.

9. The project was classified as category B under the ADB environmental safeguards since it was highly unlikely that the proposed subprojects will have adverse irreversible impacts. Since the exact location of the subprojects had not been identified at appraisal, the environmental impacts of a specific subproject were expected to be known only during implementation. Six initial environmental examinations (IEE) were prepared between 2011 and 2012. The project was classified as category B for resettlement since resettlement was not expected as reconstruction was along existing corridors. It was category C under the indigenous peoples classification as the project was not expected to affect any minority group.

D. Implementation Arrangements

10. The Ministry of Economic Development (MED) was the project executing agency and provided overall coordination.⁴ A national steering committee was created, chaired by the MED, and included representatives from the Ministry of Finance and Planning, implementing agencies, and chief secretaries of the Northern Province and North Central Province (NCP). It provided project oversight and was assisted by the project coordination and quality assurance unit (PCQAU). The provincial project coordination committees in the Northern Province and NCP were headed by their respective chief secretary with provincial line agency representatives as members. They reviewed and approved projects proposed by the line agencies and departments of the provinces.

11. The PCQAU was strengthened but was affected by four project coordinator staff changes. The sub-office in Anuradhapura enabled PCQAU to improve project coordination and accounting services. It was also the implementing agency for the additional small tank irrigation output. The

⁴ There were three major changes to the initial implementation arrangements. First, the executing agency's name was changed to MED at commencement. Second, the Ministry of Vocational Training and Technical Education was excluded as implementing agency with the deletion of the vocational center output. Third, the PCQAU became an implementing agency when the small tank irrigation sub-output was added.

provincial councils, through their respective irrigation departments, were the implementing agencies for the irrigation sub-outputs. The Northern Province Road Development Department was the implementing agency for provincial and local council roads and the North Central Province Road Development Authority implemented the Pradeshiya Sabha roads in the NCP.⁵ At the Ministry of Public Administration and Home Affairs and Northern Province Irrigation Department, new project implementing units were established with minimal support from the PCQAU. The project had many implementing agencies, and the implementation arrangements were complex given the post-conflict environment, low capacity of local contractors, and local government staffs' short experience on project management and implementation.

12. The PCR noted that 32 of 33 loan covenants were complied. These covenants pertained to project execution, implementation, operation of project facilities, financial arrangements, safeguards, and subproject selection. The covenant on the submission of audited financial statements at the end of the fiscal year was only partially complied with, due to delays caused by changes in the executing agency (footnote 4).

II. EVALUATION OF PERFORMANCE AND RATINGS

A. Relevance of Design and Formulation

13. The PCR rated the project relevant. The project was consistent with the government's medium-term policy for the north—Wadakkinn Wasantham—which included the restoration of roads, electricity, water supply, and irrigation; and the strengthening of civil administration.⁶ The project was aligned with the ADB Country Partnership Strategy, 2009–2011, which emphasized assistance to the government in addressing major constraints in post-conflict Sri Lanka.⁷

14. This validation notes that the project supported the government's 180-day plan for the resettlement of IDPs and the restoration of public administration, social services, and community and social infrastructure to meet their needs. In 2009, the government created a presidential task force to formulate a strategic framework for revitalizing the economy of the northern region, and to ensure livelihood recovery and sustained reduction in poverty. Prior to project design, the government undertook a needs assessment, resulting in the formulation of the medium-term strategy that focused on (i) the resettlement of IDPs; (ii) accelerating the development of infrastructure (roads, electricity, water supply, etc.); (iii) institutional reforms for upgrading the quality and performance of public service; and (iv) improving the knowledge, skills, and talent of the youth (footnote 1).

15. While there were minor scope changes in view of the project's emergency nature, these did not affect project relevance.⁸ Given these findings, this validation rates the project relevant.

⁵ Pradeshiya Sabhas in [Sri Lanka](#) are the legislative bodies that preside over the [third tier municipalities](#). Introduced in 1987 through the [13th Amendment](#) to the [Constitution](#), Pradeshiya Sabhas became a devolved subject under the provincial councils in the [local government system of Sri Lanka](#).

⁶ Government of Sri Lanka. 2009. Wadakkinn Wasantham: Three-Year Development Strategy for Northern Province. Colombo.

⁷ ADB. 2008. *Country Partnership Strategy: Sri Lanka, 2009–2011*. Manila.

⁸ The additional subprojects were (i) 151 small tank systems and cascade irrigation schemes, including bund and headwork repairs and de-silting; and (ii) 129 agricultural gravel roads (398 kilometers (km)) in six districts of Northern, North Central, and Eastern provinces. The Ministry of Justice requested to reduce the number of loan-funded judicial centers from nine to three due to the availability of local funds. The rehabilitation and/or reconstruction of 16 district vocational training centers in Kilinochchi, Mannar and Mullaitivu were deleted.

B. Effectiveness in Achieving Project Outcomes and Outputs

16. The PCR rated the project effective as the outcomes envisaged at appraisal were achieved. For the improved road network, travel time costs per vehicle-kilometer (km) decreased by 35%–44% (target: 30%), while vehicle operating costs per vehicle-km decreased by about 25% (target: 20%). The 705 km of rural access roads (target: 265 km) that were rehabilitated improved the livelihood of isolated farming communities. As envisaged, 67.2 km of power transmission line and grid station was restored. Some 800,000 people (target: 750,000) in the Northern Province gained access to power supply. Two water supply schemes were restored, and some 33,000 people (target: 35,000) in the Northern and Eastern provinces gained access to safe drinking water. A total of 17 irrigation tanks and seven saltwater exclusion schemes were rehabilitated (target: 10 irrigation schemes). The expanded irrigation subprojects exceeded the outcome target with 16,767 former IDPs (target: 6,000) restarting irrigated cultivation on 19,916 hectares (target: 6,500) in the Northern Province, parts of Eastern Province, and NCP. For improved basic administrative and legal infrastructure, 1,060,000 people (target: 1 million) in Jaffna, Kilinochchi, Mullaitivu, Mannar, and Vavuniya districts gained access to improved and more efficient administrative infrastructure through new or reconstructed divisional and district secretariats and government staff quarters, while 361,000 people within the jurisdiction of Jaffna peninsula and islands had access to legal services and facilities. The number of judicial centers were agreed to be reduced at midterm review as other funding sources were obtained by the implementing agencies. The vocational training output was dropped from the project upon the request of the government.⁹

17. As an emergency project, it was prepared quickly with few environmental safeguards included in the design.¹⁰ However, an Environmental Assessment and Review Framework and several IEEs for individual sub-outputs such as for roads were well prepared. Although environmental management plans were required in the IEEs, many contractors did not take the environmental aspect seriously. Not having much oversight and supervision in implementing the environmental management plan did not help the situation. However, impacts caused would be minor (para. 9). On resettlement, it was possible that some small land acquisition was required for some subprojects. However, due to the lack of monitoring reports, this validation could not assess if land acquisition was needed. Project activities also did not affect indigenous peoples (footnote 10).

⁹ The project had four major outputs with 12 sub-output targets, most of which were either met or exceeded, while one target was not achieved. Under Output A—Reestablished connectivity, two of the three targets were achieved: (i) 65.7 km of national road rehabilitated (target: 65 km roads); and (ii) 108.4 km of municipal, urban, and Pradeshiya Sabha roads rehabilitated and improved (target: 100 km roads). The project did not meet the target output in the Northern Province provincial roads with only 72.1 km rehabilitated (target: 100 km); and only 90.5 km of municipal, urban, and Pradeshiya Sabha roads rehabilitated and improved (target: 100). Under Output B—Restored utilities, four of five targets were achieved: (i) 67.2 km transmission line restored (target: 67.2 km); (ii) Chunnakan grid substation completed (target: one grid substation restored); (iii) at least 800,000 people had access to reliable power (target: 750,000 people); (iv) Point Pedro and Eachchalampattu water supply schemes restored or constructed, and commissioned (target: two water supply schemes restored); and (v) 33,000 people benefited from the two water supply schemes (target: 35,000 people). Under output C—Improved basic social services, all three targets were exceeded: (i) 280 small tanks system and agricultural roads rehabilitated (target: 200 infrastructure works and agricultural roads rehabilitated); (ii) 51 small and medium tanks rehabilitated, in addition to 61 minor tanks and four large tanks (target: 10 small- and medium-sized irrigation schemes rehabilitated); and (iii) 24 administrative offices constructed or reconstructed, and fully equipped (target: 10 administrative offices). This validation considers the additional small tank and cascade irrigation as above output C's original target, making optimal use of the available financial resources. Under output D—Improved legal governance, the revised target of three judicial centers constructed and fully equipped was achieved (original target: 9 judicial centers).

¹⁰ ADB (Independent Evaluation Department). 2018. Assessment of Safeguard Performance and ADB's Safeguard Work Quality: Conflict-Affected Region Emergency Project in Sri Lanka. May 6 (internal).

18. In summary, the project exceeded five of the six outcome targets. These are (i) reduction in travel time and vehicle operating costs, (ii) access to power supply, (iii) access to safe drinking water, (iv) families restarting cultivation and in the hectares of irrigated land, and (v) the number of people having access to basic administrative infrastructure and legal services. The target number of people trained in essential skills was not achieved since vocational training was deleted from the project. This validation recognizes the substantial achievement of the project in meeting most of its outcomes and outputs, hence, rates the project effective.

C. Efficiency of Resource Use

19. The PCR rated the project efficient. Processed as an emergency project, no economic analyses were prepared at appraisal as all subprojects were to be evaluated and justified using the criteria described in the report and recommendation of the President.¹¹ While economic viability was not a factor in subproject selection, the PCR calculated the economic internal rate of return for all subproject roads at 19.9%. On the whole, the targets to rehabilitate the conflict-affected area infrastructure were achieved. This validation notes that the methodologies used for economic analyses were based on standard acceptable practices. While not required, the results of these analyses provided an indicative assessment of the economic viability of outputs and subprojects.

20. Process efficiency was not on target as the project experienced a 1-year delay with two extensions, which are acceptable in a post-conflict situation. The delays occurred for a variety of reasons: delays in payments and visits by technical consultants, poor coordination among line agencies, poor cooperation from farmers' organizations, limited financial resources of contractors, changes in design, poor weather, and shortage of local labor. There were no cost overruns. Based on the discussions, this validation rates the project efficient.

D. Preliminary Assessment of Sustainability

21. The PCR rated the project likely sustainable. It noted that the subprojects were implemented by government agencies within their own programs and were turned over on completion to the respective divisions responsible for management and maintenance. The PCR assessed that these agencies have in place institutional systems for operation and maintenance and adequate maintenance budgets.

22. For output A, three government agencies were responsible for the management and maintenance of the road infrastructures.¹² For the management and maintenance of project facilities of output B, the Ceylon Electricity Board was responsible for power, while the National Water Supply and Drainage Board for the water schemes. For output C, three government agencies were responsible for the management and maintenance of the irrigation and agricultural roads.¹³ For output D, the Ministry of Justice was responsible for the management and maintenance of the completed judicial centers.

¹¹ Footnote 1, paras. 30–31.

¹² The three agencies are (i) the Road Development Authority of the Ministry of Highways, Ports and Shipping for national roads; (ii) the Northern Province Road Development Department for its provincial, municipal, and urban roads; and (iii) the NCP Road Development Authority for the NCP local authority roads.

¹³ The three agencies are the (i) Northern Province Irrigation Department for its medium irrigation schemes, together with farmer organizations; (ii) NCP Irrigation Department for its medium irrigation schemes together with farmer organizations; (iii) Department for Agrarian Development of the MED for the additional small irrigation and agricultural roads, together with farmer organizations; and (iv) Northern Province Building Department for the administration offices.

23. This validation notes that the PCR arguments for project sustainability were not supported by assessment results of the technical and financial capacity of the government agencies tasked to maintain these completed infrastructure and facilities. For the irrigation facilities and water supply subprojects, no assessment was done on the users' willingness to pay for the facilities and services provided, and if the revenues were adequate. Government agencies rely on budgetary resources provided by the government and assigning the responsibility to maintain these facilities does not ensure project sustainability, considering the demand for government's limited funds by the different sectors. Even if the project infrastructure and facilities were constructed to a high standard, these still require funding for annual repairs and maintenance. In fact, for irrigation, farmers had complained of the poor quality of the farm roads and bunds.

24. In sum, the lack of data on financial resources and institutional capability against resource demands for managing and maintaining the facilities leaves a question of whether maintenance funding and services would be available and provided throughout the subprojects' economic life. Given these findings, this validation assesses the project less than likely sustainable.

III. OTHER PERFORMANCE ASSESSMENTS

A. Preliminary Assessment of Development Impact

25. The PCR rated the project's impact satisfactory. The PCR determined that the project is contributing to the reduction in poverty incidence in the conflict-affected areas. The design and monitoring framework impact indicator was reduction of poverty in the Northern Province—from 37% in 2010 to 15% by 2020. The PCR also recognized that the full restoration of livelihood and incomes, and reducing poverty especially among IDPs would take time, with the project investments laying the foundation for the population's improved living conditions and well-being. By the end of 2013, the mean poverty level in the five districts of Northern Province declined to 14.7%.

26. This validation notes that project impacts would not be immediately reflected in the 2013 mean poverty level. Although it would be difficult to attribute how much of the decline in poverty was due to the project, the positive outcome of the project is consistent with the macroeconomic data on poverty. The government and ADB need to periodically monitor the poverty situation of project beneficiaries for each subproject. This validation rates project impact satisfactory.

B. Performance of the Borrower and Executing Agency

27. The PCR rated borrower performance satisfactory. The MED worked to ensure timely completion of the project, but some implementing agencies were delayed in their subproject completion. This validation also notes that the MED was subsequently replaced by the Ministry of National Policy and Economic Affairs as the project was approaching its closure.

28. This validation acknowledges that a substantial number of subprojects were completed given the difficult post-conflict situation and other constraints faced by the executing and implementing agencies. Based on the discussions, this validation rates the performances of the borrower, and executing and implementing agencies satisfactory.

C. Performance of the Asian Development Bank

29. The PCR rated the performance of ADB satisfactory. ADB facilitated, coordinated, and monitored implementation closely and frequently, deploying 10 review missions and one project

completion review mission, and liaising with the executing and implementing agencies on their respective activities. The implementing agencies acknowledged that ADB support facilitated decision-making and monitoring. The executing agency welcomed ADB's timely decisions—in consultation with relevant agencies—on budget reallocations, release of contingency funds, and extension approvals. ADB procedures for bidding and engaging contractors and suppliers were initially found complex, especially by the small contractors involved. ADB engaged a staff consultant for 3 years to monitor subproject activities, provide administrative assistance to the PCQAU, and submit periodic reports monthly. The ADB financial monitoring system efficiently handled the numerous payments to contractors and coped with the processing load. ADB subsequently delegated to the executing agency the responsibility to process payments through an imprest advance, which speeded up payments.

30. This validation notes that the project was administered through the Sri Lanka Resident Mission, with its proximity to the executing and implementing agencies, and the various subproject sites. The PCR did not discuss the overall project performance monitoring system (PPMS) and its findings except mentioning it as a source in Appendix 11. Based on the discussions and acknowledging the post-conflict situation in the subproject areas, this validation rates ADB performance satisfactory.

D. Others

31. This validation notes that eight borrower completion reports (BCRs) were prepared by the implementing agencies. These agencies recognized that the completed subprojects generally achieved the output targets and were being utilized by the beneficiaries. The beneficiaries acknowledged improvement in the service levels provided through the project facilities and infrastructure.

IV. OVERALL ASSESSMENT, LESSONS, AND RECOMMENDATIONS

A. Overall Assessment and Ratings

32. The PCR rated the project successful. This validation rates the project successful based on its ratings of relevant, effective, efficient, and less than likely sustainable. On sustainability, there was no assessment on the financial and institutional capacity of the agencies and farmers' organizations to manage and maintain the project outputs. There were also no assurances that financial resources would be available over the medium- and long-terms, therefore, this validation rates the project less than likely sustainable.

Overall Ratings

Validation Criteria	PCR	IED Review	Reason for Disagreement and/or Comments
Relevance	Relevant	Relevant	
Effectiveness	Effective	Effective	
Efficiency	Efficient	Efficient	
Sustainability	Likely sustainable	Less than likely sustainable	No financial and institutional capacity assessments were done on the agencies and farmers' organizations with responsibility over the project facility operation and maintenance.
Overall Assessment	Successful	Successful	

Validation Criteria	PCR	IED Review	Reason for Disagreement and/or Comments
Preliminary assessment of impact	Satisfactory	Satisfactory	
Borrower and executing agency	Satisfactory	Satisfactory	
Performance of ADB	Satisfactory	Satisfactory	
Quality of PCR		Satisfactory	Para. 37.

ADB = Asian Development Bank, IED = Independent Evaluation Department, PCR = project completion report.
Source: ADB Independent Evaluation Department.

B. Lessons

33. The PCR identified the following project-level lessons from the project's implementation: (i) Decentralization of some subprojects to provincial agencies improved local community and institutional ownership; (ii) Engagement of local contractors developed local capacities although their limited management, physical, and financial resources led to slower progress than expected; (iii) In contract packaging, geographical locations of irrigation reservoirs should have been considered; (iv) ADB's procurement and disbursement procedures were too complex for small entities; and (v) The workshop conducted for implementing agencies by the resident mission on preparing completion reports resulted in higher-quality BCR documents.

34. Based on the discussions above, this validation identified the following lessons in implementing emergency loan projects under a post-conflict situation:

- (i) **Sector-level lesson.** It is best to allocate available local resources and assistance, including loans based on sector priorities, through a participatory process involving all stakeholders and beneficiaries.
- (ii) **Project-level lesson.** The number of projects and subprojects to be implemented under any assistance package must consider the absorptive capacity of local contractors, availability of construction materials, and local labor. Close attention must be given to the quality of the facilities and infrastructures built. Utilizing local contractors and labor have their trade-offs, such as implementation delays and deficiency in financial resources, but the quality of the completed facilities is nonnegotiable. This would require closer supervision, frequent monitoring, and faster processing of payments.

C. Recommendations for Follow-Up

35. The resident mission should periodically follow up with the executing and implementing agencies the condition of the completed facilities and infrastructure and confirm whether funds are available and used for managing and maintaining the project facilities. If a PPMS was developed for the project, the resident mission should determine whether it continues to operate and request for copies of the reports.

V. OTHER CONSIDERATIONS AND FOLLOW-UP

A. Monitoring and Reporting

36. The PCR reviewed the various project documents, including the BCRs of the implementing agency, which provided a substantial project information. In the ADB management review meeting on the proposed loan, IED mentioned the need for a robust monitoring mechanism and for the refinement of the monitoring and evaluation section in the project administration manual. The PPMS should have been functional given the large number of subprojects.

B. Comments on Project Completion Report Quality

37. This validation rates the PCR quality satisfactory. It provided a clear presentation of project achievements, especially in the design and monitoring framework. The PCR concentrated more on the positive aspects of the project and was silent on the constraints that delayed implementation. It did not provide a sufficient description of project implementation, including the issues and problems encountered and how these affected outcomes and outputs. PCR quality would have improved if it provided information on the status of the PPMS and the usage of consultant services. However, this validation has no concerns on the PCR's ratings, except on sustainability. Justification for the ratings were available and supporting data provided were reasonable and sufficient.

C. Data Sources for Validation

38. Data sources for this validation include the report and recommendation of the President, PCR, ADB management review meeting report, ADB mission reports, and detailed safeguard assessment. The ADB Country Partnership Strategy for Sri Lanka (2009–2011) was reviewed to determine ADB priorities for the country (footnote 7). The BCRs were reviewed and these provided insights and perspective of the implementing agencies on project activities and issues and how these were resolved. They also provided the government's views on the completed projects, the benefits generated, and the borrower's perspective on ADB's performance.

D. Recommendation for Independent Evaluation Department Follow-Up

39. The PCR noted that there was no pressing need for a project performance evaluation report, although it recommended that one should be undertaken before mid-2019. Since the project was successful and there were no major issues during implementation or at completion, this validation recommends that there is no need for a project performance evaluation report.