



IDEV

Independent Development Evaluation
African Development Bank

IDEV Annual Report **2015**

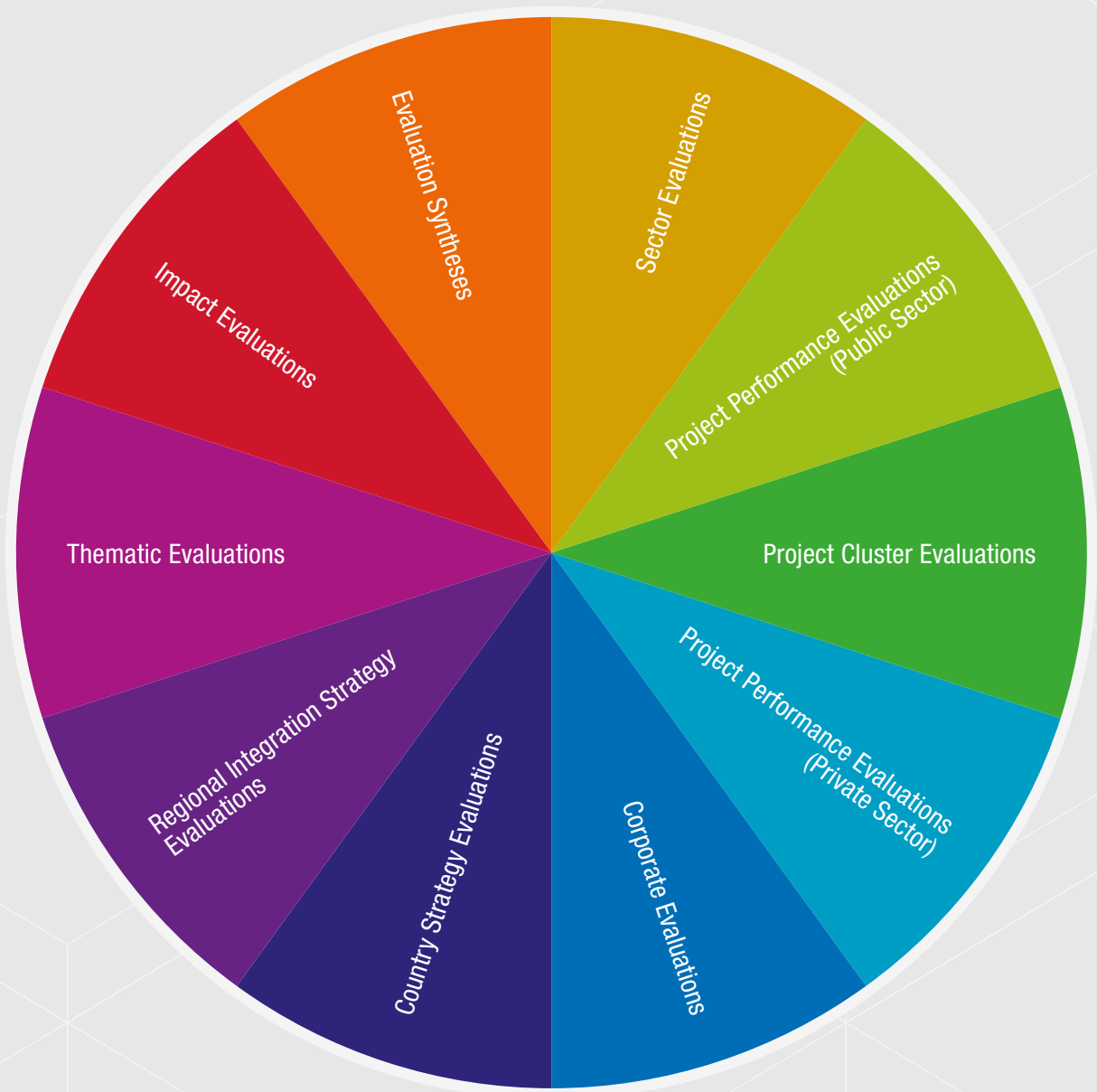


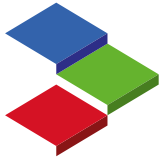
STRENGTHENING IMPACT



AFRICAN DEVELOPMENT BANK GROUP

IDEV conducts different types of evaluations to achieve its strategic objectives





IDEV

Independent Development Evaluation
African Development Bank

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STRENGTHENING IMPACT



AFRICAN DEVELOPMENT BANK GROUP

Acknowledgements

Team members

David Akana, Knowledge Management and Communications Consultant
Jayne Musumba, Principal Knowledge Management Officer
Rafika Amira, Division Manager, IDEV.1
Samer Hachem, Division Manager, IDEV.2
Karen Rot-Münstermann, Division Manager, IDEV.3

Other assistance and contributions

Deborah Glassman (editing & translation), and Visual Identity (design & layout)

Division manager

Karen Rot-Münstermann

Evaluator-General

Rakesh Nangia

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About the AfDB

The overarching objective of the African Development Bank Group is to spur sustainable economic development and social progress in its regional member countries (RMCs), thus contributing to poverty reduction. The Bank Group achieves this objective by mobilizing and allocating resources for investment in RMCs and providing policy advice and technical assistance to support development efforts.

About Independent Development Evaluation (IDEV)

The mission of Independent Development Evaluation at the AfDB is to enhance the development effectiveness through independent and instrumental evaluations and partnerships for sharing knowledge.

Contact

Phone: +225 20 26 20 41
Fax: +225 20 21 31 00
E-mail: idevhelpdesk@afdb.org
idev.afdb.org

Independent Development Evaluation (IDEV)
African Development Bank Group
Avenue Joseph Anoma, 01 BP 1387,
Abidjan 01 Côte d’Ivoire

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Acronyms

ADF	African Development Fund
AfDB	African Development Bank Group
APNODE	African Parliamentarians' Network on Development Evaluation
AsDB	Asian Development Bank
CEDR	Comprehensive Evaluation of the Bank's Development Results
CODE	Committee on Operations and Development Effectiveness
CSP	Country Strategy Paper
CSPE	Country Strategy and Program Evaluation
DAC	Development Assistance Committee
ECG	Evaluation Cooperation Group
ECoP	Evaluation Community of Practice
EPRADI	Evaluation Platform for Regional African Development Institutions
EVRD	Evaluation Results and Lessons Learned Database
GCI	General Capital Increase
IDEV	Independent Development Evaluation
MDB	Multi-lateral Development Bank
OECD	Organisation for Economic Cooperation and Development
PCR	Project Completion Report
PPP	Public-Private Partnership
PRA	Project Results Assessment
RMC	Regional Member Country
QaE	Quality at Entry
SME	Small and Medium-sized Enterprises
UA	Unit of Account
XSR	Extended Supervision Report

Definitions

Effectiveness	The extent to which a project, program, or strategy achieves its expected outcomes.
Efficiency	The extent to which resources are used such that the same amount of inputs yields a greater output, or fewer resources yield the same output.
Impact	Long-term changes caused (in whole or in part) by a development intervention that may be positive or negative, direct or indirect, intended or unintended.
Indicator	A qualitative or quantitative means of measuring a desired change associated with a development intervention.
Lessons Learned	Generalizations and insights based on evaluation experience that are relevant to other operations, projects, and initiatives.
Outcome	Short or medium-term changes in condition or behavior that have resulted (in whole or in part) from a development intervention.
Performance	The extent to which a project, program or policy has demonstrated effectiveness and efficiency.
Relevance	The extent to which a project, program or policy meets a demonstrable need and is aligned with the needs of key stakeholders and beneficiaries.
Sustainability	The continuation or probability of continuation of development benefits achieved after the conclusion of a development intervention.



Foreword: CODE Chair



Unlike commercial banks, the success of development banks like the AfDB cannot be measured merely by turnover or profit. They must mobilize extra funds and syndicate financiers for development, and primarily show success by the much harder-to-measure development outcomes of programs, projects, knowledge work, policy dialogue and advice, capacity building and training.”

In development institutions and banks, we love numbers. They play an important part in showing how we perform. But unlike commercial banks, the success of development banks like the AfDB cannot be measured merely by turnover or profit. They must mobilize extra funds and syndicate financiers for development, and primarily show success by the much harder-to-measure development outcomes of programs, projects, knowledge work, policy dialogue and advice, capacity building and training.

IDEV had many complex assessments of development outcomes on its plate in 2015. The macro-evaluations of the implementation of the General Capital Increase VI and the ADF Funds 12 and 13 commitments included evaluating policy and strategy making, the implementation of the management of the administrative budget, and a comprehensive evaluation of the Bank's development results (eagerly awaited in 2016 and in the run-up to the next ADF replenishment). Similarly, IDEV's first impact evaluations of water were complex, as were several challenging country strategy and program evaluations.

The Board of Directors and CODE depend on these evaluations, on learning from them, and on a critical assessment of our work to do our job properly. IDEV performs a delicate task: being accepted to provide independent advice; demonstrating an understanding of the work of the organization and its partners; communicating and winning the trust of Management and staff and the Board of Directors

and shareholders to deliver relevant, qualitatively high-standing, implementable work. IDEV has continued to consolidate this trust with its work in 2015. As CODE chair, I see CODE's discussions of evaluations and the presence of Board members and Management in them as a simple proxy indicator for part of this trust. Looking at this proxy in 2015, the demand side from the Board remains strong although Management sometimes still has room to improve.

Management has accepted most recommendations in 2015, which is a good sign, but the key is their implementation. We hope that the new electronic implementation monitoring system will help, but every system needs ownership and leadership. And here, Management and the Board can do a lot to show the way. IDEV will have to do its part in maintaining high quality in 2016, in striking the right balance in the number and length of evaluations and recommendations, and in working with staff. Giving form to this balance led to the formulation of an Evaluation Policy that the Board of Directors and CODE have developed such that it can be concluded very soon.

A new President and a return to Abidjan have led to greater ambitions at the Bank. The Ten-Year Strategy 2013–22 to transform Africa and the President's 'High 5' topics reflect higher ambitions, but we also need to keep up the volume and quality of IDEV's work to know what to invest in, and what works and under what circumstances. President Akinwumi Adesina



reiterates the need for collaboration and partnership to achieve his ambitious targets such as powering and lighting Africa by 2025, and transforming agriculture. IDEV also depends on collaboration with evaluation partners in our regional and non-regional member countries, with other evaluation units in multilateral development banks and different actors in our partner countries. Networks like APNODE that bring together African Parliamentarians or exchanges with civil society actors are crucial for understanding the demand side.

WHAT WOULD BE MY WISHES FOR 2016?

- Continue your good work and maintain its quality. The Committee has already profited multiple times from your staff's high motivation and engagement, which needs to be mentioned here. Thank you (and your families) for this commitment, which unfortunately required considerable self-sacrifice at time.
- That we have enough time to digest the important 2015–2016 evaluations and use them as much as we can as background for the 2016 ADF replenishment negotiations, for the Bank's new business model and for realistic strategy-making.
- Keep an eye on what Management, operations people, partner country agencies and CODE members can manage with respect to the number and length of evaluation papers and recommendations.

- Remain firmly rooted in rigorous standards of evaluation, and alert us when suggested topics become too abstract or broad to deliver.
- Produce a first joint evaluation with an evaluation unit of a partner country in CODE in the future, if possible. We need to strengthen the capacity in partner countries and need many more good evaluators on the continent. The AfDB can work with these units, with Parliaments, with research institutions and universities to make this happen.
- Spend your limited funds wisely and efficiently, and hope that we succeed in finding the necessary resources so that you can achieve all of this.

CODE and the Board will always be one of your most important clients. I am sure that you will effectively 'sell' your products in a timely manner to us, to RMCs, and to Bank Management in 2016 so that we all perform our tasks better.

► **Ronald Meyer**
CODE Chair

Message from the Evaluator General



I am honored and proud to present the 2015 Annual Report for the Independent Development Evaluation function (IDEV) at the African Development Bank.

2015 was a remarkable year both globally and for IDEV.

On a global level, three things strike me as significant. For the first time in history, less than 10 percent of the world's population lives in extreme poverty. Second, pursuant to the conclusion of the aspirational MDGs, there was universal agreement on the new SDGs that are applicable to both developed and developing countries. And third, the historic closure to COP21, which reiterated Kyoto with respect to common but differentiated responsibilities, and led to a universal agreement to limit the rise in global temperatures.

For IDEV, 2015 was another record-breaking year. We delivered 12 high-level, influential evaluations, the highest number in our 30 years of operation and topped last year's record of nine evaluations. In response to the growing demand for evaluation, IDEV was agile and proactive in seeking out opportunities to influence decisions to strengthen impact. In light of the available human and financial resources, the accomplishment was truly extraordinary.

IDEV's recent shift to strategic, multi-year evaluations began yielding concrete results in 2015. When it submits the Comprehensive Evaluation of the Bank's Development Results (CEDR) in 2016, IDEV is expected to substantially deepen its contribution to shaping current and future strategies, programs, policies, and the Bank's overall direction.

With respect to its knowledge management, communications and outreach streams of work, IDEV scaled up learning from evaluations by organizing several learning events, updating existing knowledge management tools and embracing new ones, and giving more importance to communications and dissemination.

In July 2015, IDEV hosted the first General Assembly of the African Parliamentarians Network on Development Evaluation, an initiative to mainstream and promote evidence-based decision-making in Africa's legislative institutions. In partnership with other Bank departments, IDEV also launched the Baobab Forum, a speaker series with diverse, distinctive African opinion leaders, global thinkers, and achievers who share personal experience and encourage new and inspiring ideas to meet Africa's development challenges.



The 12 high-level, influential evaluations delivered represent the highest number in IDEV's almost 30-year-old history, and one third more than 2014."

LOOKING AHEAD

The strategic choices ahead, the expected programming changes and the implementation issues facing operational units in the short and long-term offer opportunities for IDEV to further help the Bank in making evidence-based decisions. To deliver the necessary body of knowledge to assist the Bank in achieving the desired development effectiveness, we must always be at our best.

The challenges of 2016 are daunting. Nine country level evaluations are expected, along with a comprehensive evaluation of the Bank's assistance in the energy sector for the period 2000–2014 early in the year, not to mention the CEDR. IDEV will also revisit its strategy for project level evaluations based on the last 3 years of experience, and launch the Management Action Record System to strengthen accountability.

I have no words to express my gratitude for all the sacrifices that staff has made to focus on the work and meet the challenging deadlines. I also recognize that we still have much more to accomplish.

Reaching our goal requires persistence, discipline, teamwork, industry, and leadership at every level. It implies a willingness to go above and beyond the call of duty, to maintain integrity in everything we do and to remain true to ourselves, above all.

Let me again congratulate and thank all IDEV staff for superb year. I am confident that IDEV will build on it and go from strength to strength in supporting the Bank to fulfill its ambitions for Africa and for Africans.

► **Rakesh Nangia**
Evaluator General
Independent Development
Evaluation

Executive Summary

KEY ACCOMPLISHMENTS IN 2015

IDEV delivered 12 high-level influential evaluation reports, up from the previous record of nine in 2014. In 2015, IDEV delivered more reports than it has in any year in its 30-year history. IDEV also delivered on project-level evaluations, further scaled up evaluation coverage and quality, promoted the use of evaluative knowledge, and strengthened evaluation systems in the Bank and in the RMCs.



BROADER COVERAGE

The high-level evaluations delivered in 2015 accounted for more than UA 8.6 billion of Bank Group lending:

- Five country strategy and program evaluations: Cameroon, Ethiopia, Tanzania, Togo, and Senegal;
- Three thematic evaluations: Private Equity; Small and Medium Enterprises, and Public-Private Partnerships;
- Three corporate evaluations of the implementation of General Capital Increase—VI and African Development Fund—12 and 13 commitments: an overarching review of commitments; an evaluation of the policy and strategy-making and implementation; and an evaluation of the management of the Administrative Budget,
- One cluster evaluation of Power Inter-connection projects.

IDEV also launched evaluations of 9 additional country strategies, two clusters, one sector, and over 200 Project Results Assessments (PRA). The PRA is a new tool developed to systematically collect reliable development results data and provide a credible basis for assessing Bank contributions to development results and for informing future performance. These findings will inform the Comprehensive Evaluation of the Bank's Development Results (CEDR), a key, cutting edge undertaking expected to be delivered in 2016. This initiative, the first by any Multilateral Development Bank (MDB), will broaden the evaluation coverage of AfDB financing to more than 60 percent of Bank Group lending for 2004–2014. This is particularly timely as the Bank is currently considering a new business delivery model to focus the implementation of its Ten-Year Strategy (TYS) 2013–2022 on the priorities defined by management, the 'High 5s'.

“

IDEV also strengthened its work on strengthening evaluation systems both in the Bank and in Regional Member Countries. This initiative aims to build both the supply of evaluations as well as demand for evaluations.”



TIMELY DELIVERY

For independent evaluations to influence the Bank's work and contribute to development effectiveness, they must be delivered in a timely manner. In 2015, the new approval process for country strategy papers (CSPs) introduced a discussion of proposed intervention pillars to precede the presentation and discussion of the country strategy. The Board's Committee on Operations and for Development Effectiveness (CODE) rightly requested that for all countries where IDEV undertakes a strategy and program evaluation, a discussion of the evaluation should precede the presentation of the intervention pillars. IDEV responded with agility by accelerating the evaluation process whenever possible, succeeding in presenting a full evaluation report in two instances, and main findings and lessons in all other cases. IDEV also committed to making all future country evaluations available prior to the discussion of proposed pillars.

At the institutional level, CODE, the Bank's Board, and the Deputies at the ADF-13 Mid-Term Review meeting were very appreciative of IDEV's presentation of three timely, relevant evaluations assessing the extent of implementation of ADF and GCI commitments. The lessons from these evaluations are being adopted in the next replenishment cycle and in the broader efforts to improve institutional effectiveness.

HIGHER QUALITY

The quality of an evaluation is essential for it to influence or improve results. With the quest for quality enshrined in the Independent Evaluation Strategy 2013-2017, IDEV has made extensive efforts to professionalize the quality of the evaluation function at the AfDB. Strict adherence to international good practice standards has become the norm in IDEV, where new tools have been developed, internal and external peer review of all evaluations made, and systematic reference group meetings organized. The new Project Results Assessment tool, for example, includes a template and detailed guidance for assessing and rating each evaluation criterion. Workshops have been conducted to strengthen

internal capacity and focus on the new approach. Job descriptions have been updated, and IDEV staff is progressively designing evaluations. The quality of evaluations is reflected by the agreement of Bank management with 87 percent of IDEV's recommendations and its partial agreement with another 11 percent.

ENHANCED USE OF EVALUATIONS

IDEV scaled up its work on knowledge management and learning in 2015 to promote an enabling environment where evaluative knowledge is routinely demanded and used in developing new policies and operations. Knowledge products were customized to key IDEV stakeholders. At the learning events organized for specific audiences, discussions ranged from ensuring that evaluation lessons inform new country strategies to discussing lessons on how best to address Africa's energy deficit.

Other knowledge tools include a revamped website and a greater attention to dissemination and communications. The quality of the Evaluation Results Database, which includes all evaluation findings, lessons, recommendations and ratings, was reviewed in detail and made available on Internet.

Finally, in collaboration with the Quality Assurance and Results and IT departments, the Management Action Record System was developed to track real-time reports of the implementation of actions in response to evaluation recommendations.

STRONGER EVALUATION SYSTEMS

In 2015, IDEV focused on strengthening evaluation systems in the Bank and in RMCs to build both evaluation supply and demand. On the supply side, the pilot project to strengthen national evaluation systems in Ethiopia and Tanzania was reviewed and the next phase approved by the Government of Finland, which generously provided additional grant funds. Integrating lessons from this pilot phase, IDEV aims to expand the initiative to other RMCs in response to

demand. On the demand side, IDEV is working with parliamentarians who use evaluations in policy and decision-making, establishing the African Parliamentarians Network on Development Evaluation (AP-NODE) to promote evidence-based decision-making in Africa's legislative institutions. In July, IDEV hosted 50 Members of Parliament from 14 countries at the inaugural APNODE Annual General Meeting.

WORK PROGRAM CHALLENGES

IDEV faced external and internal challenges in implementing its 2015 Work Program.

- **Lack of reliable monitoring and development results data:** The quality of Project Completion Reports and Extended Supervision Reports is variable and wanting in many cases. In addition, the relative dearth of information on development outcomes, given the focus on outputs, further exacerbated weak monitoring and evaluation capacity in RMCs.
- **Scarcity of qualified evaluators:** Like many other evaluation departments, IDEV has faced a shortage of skilled, experienced development evaluators (external consultants and staff). Attracting them to the Bank is challenging.
- **Higher evaluation costs:** The demand for qualified consultants and IDEV's more strenuous demand for quality have raised evaluation costs.
- **Challenges evaluating countries in transition:** Security issues, political instability, and natural disasters (e.g. Ebola) have made evaluation field missions challenging and, at times, impossible.
- **Delays in CEDR implementation** due to contextual, methodological, capacity, and planning challenges.
- **Budget challenges due to cost overruns** on some evaluations.
- The Bank's **Management Action Record System** was beset by technical challenges and changing priorities during its development and, therefore, by delays.
- Elections in Tanzania and Ethiopia followed by government reshuffles slowed work on **strengthening national evaluation systems**.
- **Maintaining the momentum on APNODE** was a challenge, as members rely heavily on the (small) Secretariat for planning and organizing all activities.

IDEV views these challenges as potential opportunities to further professionalize the evaluation function, and will respond by further mainstreaming evaluation into the project lifecycle. This will raise the bar on quality and scaling up evaluation capacity.

LOOKING AHEAD

The Bank's focus on the High 5s within the context of its TYS brings challenges and opportunities to further refine methods and explore innovative approaches to delivering and disseminating high quality evaluations. IDEV's ambitious work program for 2016–2018 is aligned with the High 5s and the Bank's TYS, while the product mix responds to the needs of key stakeholders and potential users. IDEV intends to stay nimble in delivering this work program so as to best serve the growing demands of its clients.

In 2016, IDEV will deliver the CEDR synthesis and expects to deliver eight Country Strategy and Program evaluations, one sector evaluation (energy), a project cluster evaluation (rural electrification) and two impact evaluations as well. IDEV will simultaneously endeavor to strengthen project-level evaluations by conducting 100 percent validation of PCRs. The quality of these evaluations will be further strengthened by field validations and by the adoption of PRAs as a basis for all high-level work.

Moreover, IDEV will consolidate its work on communication, knowledge management, and evaluation capacity development. Communication and outreach will remain focused on ensuring that evaluative knowledge is known and easily accessible at the right time and in the right format by mixing channels and tools—face-to-face events and the evaluation results database. To further strengthen Bank staff evaluation capacity, IDEV will invite selected departments to participate in its staff training, and develop learning modules for potential evaluation users (i.e. operations task managers). The Task Manager Academy spearheaded by the Results and Quality Assurance Department is one example to which IDEV will contribute. Finally, IDEV will continue to consider evaluation capacity development to be a high priority for Africa. Additional support will be provided to further strengthen demand for evaluation, including through APNODE.

On the supply side, initiatives will continue to strengthen evaluation systems in RMCs (two pilot countries—Ethiopia and Tanzania), supported by a donor trust fund. IDEV will strive to include more countries if bilateral resources are mobilized. In addition, opportunities for enhanced partnerships will be sought with organizations such as the Centers for Learning on Evaluation and Results that are working on developing evaluation capacities.

2015 in Review

IDEV delivered 12 high-level influential evaluation reports in 2015, up from the 2014 record of nine and the greatest number of evaluations in IDEV's 30-year history. The increase in productivity required greater efficiency given relatively stable budgetary resources in the 2013–2015 period. With many more evaluations, IDEV was able to further broaden coverage: 2015 evaluation products account for more than UA 8.6 billion of Bank Group lending.

In addition, IDEV delivered on project-level evaluations, further scaled up the quality of its evaluation

work, promoted the use of evaluative knowledge, and strengthened evaluation systems in the Bank and in member countries. It also updated knowledge management tools, including its website, embraced new ones, and placed a higher premium on dissemination and communications while taking adult pedagogies into account.

Finally, IDEV scaled up learning from evaluations by organizing several internal and external learning events, and, whenever possible, in partnership with other development institutions.



Overview of IDEV's 2015 delivery

EVALUATIONS



PROJECT-LEVEL EVALUATIONS

- Validations
- Cluster Evaluation (Power Interconnection)
- Project Results Assessments



COUNTRY STRATEGY AND PROGRAM EVALUATIONS

- Cameroon
- Ethiopia
- Senegal
- Tanzania
- Togo



THEMATIC & SECTOR EVALUATIONS

- Assistance to SMEs
- Equity Investments
- Public Private Partnerships



CORPORATE EVALUATIONS

- Evaluation of GCI VI, ADF 12 and ADF 13 Commitments
- Policy and strategy making
- Budget management



KNOWLEDGE, COMMUNICATION AND CAPACITY DEVELOPMENT



OUTREACH

- Reports
- Briefs
- Revamped website
- Social media



EVENTS

- ECoP
- Learning events
- Baobab Forum



KNOWLEDGE

- Knowledge and learning series
- Evaluation Matters
- Lessons from evaluations
- Management Action Record System



STRENGTHENING EVALUATION SYSTEMS

- National systems
- Parliamentarians

Higher Delivery, Broader Coverage

In line with 2014 planning, IDEV's work in 2015 has been driven by the preparation of the Comprehensive Evaluation of the Bank's Development Results (CEDR), which focuses specifically on results. The findings of this broad evaluation will shed light on the Bank's contribution to development results in Africa. It will also draw key lessons on the factors driving or hindering the Bank's performance to inform management decisions.

This is especially timely as a new delivery model to focus implementation of its TYS 2013–2022 on new priorities, also known as the High 5s, is being considered. The CEDR will, by design, increase the evaluation coverage of AfDB financing to more than 60 percent for the decade starting 2004.





BOX 1: THE COMPREHENSIVE EVALUATION OF THE BANK'S DEVELOPMENT RESULTS (CEDR)

The CEDR may well be the most ambitious evaluation ever undertaken by IDEV or by any other MDB. The approach is based on “building blocks”, i.e. evaluations embedded within IDEV’s wider evaluation work program. To ensure representative coverage, the CEDR draws on a significant number of building blocks: 14 Country Strategy and Program Evaluations (CSPE) take center-stage, since country goals and beneficiaries in the RMCs constitute the “raison d’être” of Bank operations. But the evaluation will also incorporate findings from other critical evaluation building blocks that examine Bank interventions that contribute to country results—sector, cluster and thematic evaluations and reviews; project validations and outcome measurements for key sector projects, and additional studies on Bank-wide activities and products.

Challenges range from contextual to methodological to capacity and planning. Contextual challenges include unstable political environments in some countries, particularly those with pockets of fragility. The CEDR represented a methodological conundrum: a huge mosaic of building blocks from different sectors (governance, energy, agriculture etc.) and different types of countries (MIC, LIC, Fragile states) and instruments. IDEV developed a rigorous methodology to account for such diversity and to allow for a meaningful synthesis.

Another methodological challenge is assessing development results in the field and determining the Bank’s contribution. The dearth of reliable and credible data on development results in African countries required the team to fill a huge data gap. At the same time, there is fierce competition among multilateral and bi-lateral institutions for the small pool of qualified evaluators. There is even more limited evaluation capacity in African countries, making it hard to access local evaluators. Finally, the CEDR required bulletproof planning that ensures a harmonized approach in all IDEV evaluations under very tight timelines.

IDEV views these challenges as opportunities to: 1) develop a cutting-edge methodological approach that others can emulate; 2) help build evaluation capacity in African countries by training local consultants involved in the CEDR; 3) develop a suite of evaluative tools and techniques to grow IDEV’s repertoire, and be used by evaluators on the continent.



Project-level evaluations

The project is the fundamental evaluation unit in an institution such as the AfDB, and the means through which financial and technical support are delivered. Since the Independent Evaluation Strategy 2013–2017, IDEV has deliberately moved away from full stand-alone project evaluations towards evaluating a representative sample or thematic clusters to inform higher-level evaluations. Cluster evaluations can consolidate lessons learned for future project design. Judiciously handled, this cost-effective approach generates more relevant lessons from experience than those typically secured through a single project performance evaluation report. In 2015, IDEV delivered a cluster evaluation of power interconnection projects that will inform the evaluation of the Bank's support to the energy sector. Additional cluster evaluations of rural electrification and renewable energy projects to be completed in early 2016 will also feed into the same evaluation. IDEV also launched its first impact evaluations focusing on rural water and sanitation programs in Ethiopia and Tanzania, which are expected to be delivered in early 2016.

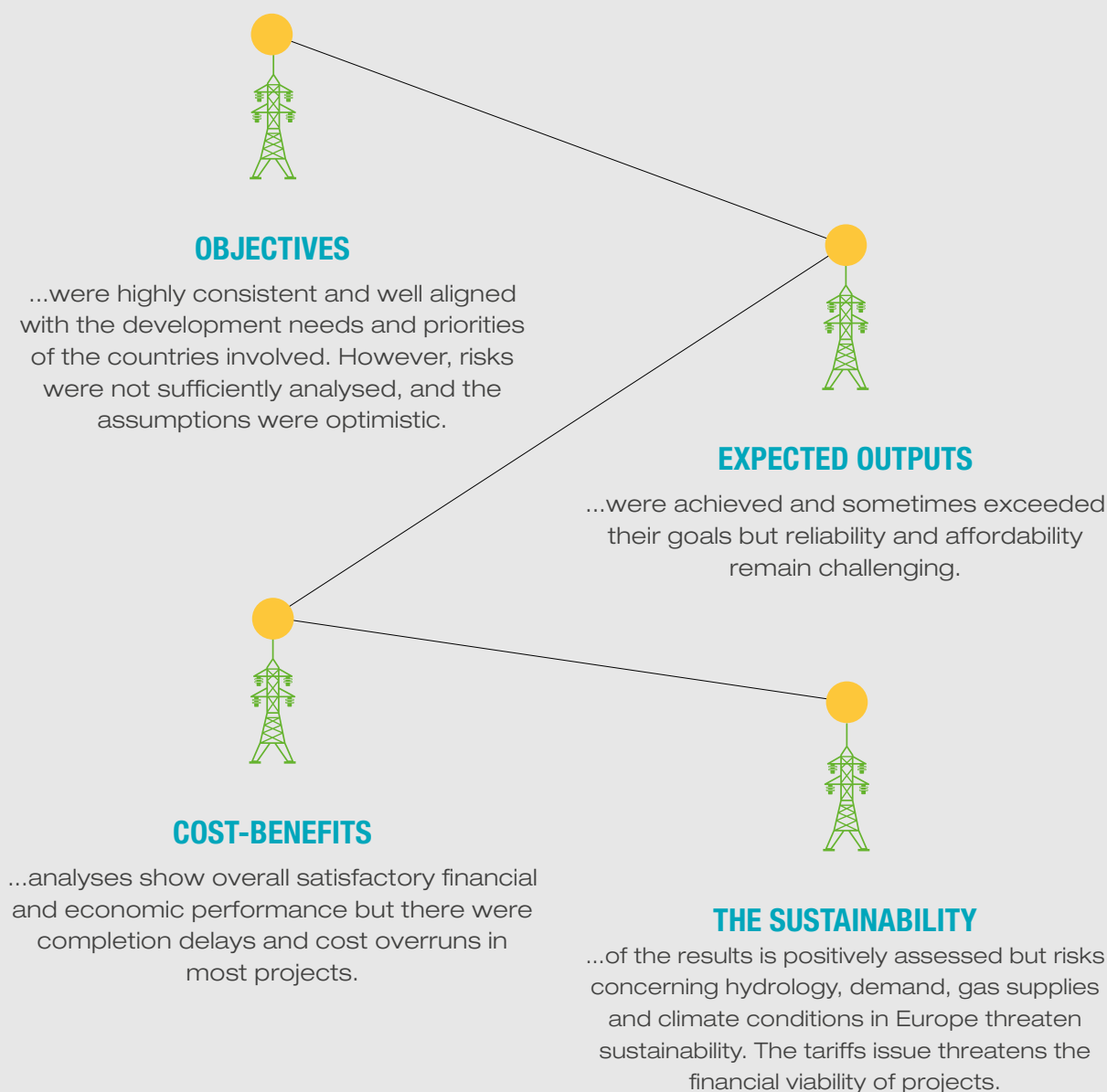
Also in line with the TYS, IDEV developed a Project Results Assessment (PRA) tool to strengthen the evaluative information base on development results in the field. The PRA implements a systematic assessment of

project relevance, efficiency, effectiveness and sustainability by systematically collecting and triangulating reliable data on development results as a credible basis for assessing the Bank's contribution. It also examines the factors that thwart or promote the success of Bank-financed projects. A guidance note and a template have been developed to ensure a harmonized approach to conducting assessments and to ensure their quality. More than 200 project results assessments were launched in 2015. All completed PRAs will be inputs in the CEDR.

Finally, the Strategy aims for a lower target of PCRs and extended supervision report (XSR) validations in response to resource constraints and to the difficulty of drawing common lessons at a project level that are applicable to the portfolio. A new concern is the number of timely self-evaluation reports. The percentage of on-time PCRs in 2014 is 66 percent, down from 91 percent in 2012 and far below the target of 95 percent. This naturally limited IDEVs' ability to validate these reports and added to internal capacity challenges to implement the CEDR, which resulted in delaying 2015 validations to 2016, thereby creating unnecessary stress on staff by disrupting the meticulous planning process.

Key messages from project evaluations

Evaluation of the power interconnection cluster



Power interconnection

AN EFFECTIVE TOOL FOR REGIONAL INTEGRATION

1. The NEPA-CEB Power Interconnection Project connects the electricity grids of Nigeria to those of Togo and Benin, which is already connected with Ghana (on a 161 kV link), Côte d'Ivoire (on a 225kV link), and Burkina Faso (on a 161 kV link). It therefore constitutes an important component in WAPP's vision of interconnecting the regional grids. The project also provides a platform for Nigeria to integrate into the regional Power Pool by linking its electricity grid to the already connected grids of Togo, Benin, Ghana, Côte d'Ivoire and Burkina Faso, thereby improving the reliability of supply and optimizing production cost within the sub region.
2. The Morocco project serves to enhance the cooperation between the Mediterranean countries of North Africa and Europe in the energy sector by reinforcing power interconnections between them, from Morocco to Egypt. It complements 225kV of interconnectors between Tunisia and Algeria (since 1980), as well as between Tunisia and Libya (completed in 2001) and promotes power trade between these countries.
3. The Ethiopia-Djibouti power interconnection was to be a springboard for establishing a regional power market in which Ethiopia's hydropower will play a significant role. Ethiopia's Power Sector Development Plan (2001–2006) aimed to develop other power interconnections with Kenya, Somalia and Eritrea as a means towards setting up an integrated Regional Energy Market. These interconnectors were to promote power trade between the countries initially based on bilateral contracts (PPA), but in the long term on a competitive power market in the East African Power Pool (EAPP). The existing 220kV/200MW Victoria Falls-Katima Mulilo interconnector has become a vital segment of EAPP's ZiZaBoNa project and will support regional linkages required to circumvent the current regional power flows via South Africa. Since 2012, ZESA has supplied a 100MW of continuous to NamPower over the Victoria Falls-Katima Mulilo line, which is part of the ZiZaBoNa.

Source

*Selected Power
interconnection PRAs*



Country Strategy and Program Evaluations

In 2015, IDEV delivered five Country Strategy and Program Evaluations (CSPEs): Cameroon, Ethiopia, Senegal, Tanzania and Togo that covered 2004–2013, a period that usually spanned three CSP cycles.

These evaluations form an integral part of the building blocks for the CEDR. Their objectives were to: (i) assess the development results of Bank assistance to the country and especially the extent to which its interventions have made a difference, and (ii) to identify lessons and potential improvements to support the design and implementation of the next CSP.

Some of the challenges in delivering country strategy evaluations are similar to the CEDR. Changes in political climate or issues such as Ebola, forced changes in some country selections after work had been planned or begun (e.g. Burkina Faso, Sierra Leone). Similarly, at the methodological level, a new framework was developed to ensure that results from the CSPEs could be consolidated for the CEDR synthesis report. It is encouraging to note that despite the many challenges encountered along the way, the team has been steadfast and neither the quality nor quantity of work have been adversely affected.



...this is a great report and it shows the value IDEV has to the Bank”



► **Mr. Dominic O'Neill**
Executive Director representing Italy, Netherlands, United Kingdom. On the CSPE for Tanzania.

Key messages from country strategy and program evaluations

SENEGAL

Bank strategies were well **aligned** with country development priorities and needs of beneficiaries but greater selectivity is needed.

Expected **outputs** were delivered in more than 80 percent of operations. Road projects increased urban mobility, cross-border trade, and income-generating activities in the rural communities along the roadsides. The Bank also successfully attracted private investors in high potential PPPs.

Sustainability needs further attention.

Bank **efficiency** has varied by sector.

TOGO

The Bank's strategies **align** well with Togo's needs and priorities.

The **results** of Bank interventions in Togo in infrastructure development and support for economic governance are satisfactory but there is no assurance of **sustainability**.

Bank interventions have affected several factors that contribute to **fragility** but have only indirectly and marginally impacted extreme poverty and inequality.

Delays have been observed due to both Bank and country constraints.

CAMEROON

Bank strategies were **relevant** to priorities and the needs but further selectivity is needed in governance support.

There were tangible **results** in infrastructure that contributed to regional integration through roads, and increased energy production capacity.

Sustainability is variable, likely in energy, but less so in roads due to weak capacity, and governance due to lack of ownership.

There were many implementation **delays** due among reasons to low capacity in some implementation units and business providers.



ETHIOPIA

Bank strategies were **aligned** with country and sector priorities. Selectivity has increased over time.

There were tangible **results** in transport, energy, and water supply and sanitation, and a significant contribution to improved access to basic services through Promotion of Basic Services programs (together with other donors).

Sustainability remains an issue, particularly in infrastructure interventions, because of financing gaps and low institutional capacity.

Delays have affected Bank operations, although the situation has improved over time.

TANZANIA

Bank strategies were broadly **aligned** with national and sectoral strategic framework and needs but selectivity needs improvement.

Results have been achieved in focus areas. Road projects helped reduce travel times but investments in agriculture, energy and water and sanitation, while high, generated lower than expected outcomes due to **delays** and inefficiencies.

Sustainability is not ensured. Key challenges include road maintenance financing gap, and low local capacity.



Thematic and Sector Evaluations

The Bank has stepped up its engagement and lending to the private sector in recent years. Between 2006 and 2013, for example, it invested almost USD 2 billion in Small and Medium size Enterprises (SMEs), reflecting SMEs importance in developing a vibrant private sector that promotes inclusive growth.

In 2013, IDEV completed its first comprehensive evaluation of Non-sovereign Operations (NSO), which provided a birdseye view of various elements related to these operations, including the complexity of internal processes. It thus became important to examine components sectors and instruments in greater depth. Thematic evaluations completed in 2015 therefore focused on Bank support to SMEs and on its equity investments. IDEV also delivered a stocktaking report of the Bank's Utilization of the Public-Private Partnership Mechanism as a starting point for launching a broader evaluation of the PPP

mechanism in 2016. Together with the evaluations of Bank support to and of the Additionality and Development Outcomes Assessment, these evaluations provide decision-makers with a virtually comprehensive vision of private sector initiatives.

Key messages from thematic and sector evaluations



SMEs

The **relevance** of strategic orientations is satisfactory. However, no dedicated SME strategy exists and SME assistance lacks a unified conceptual framework.

Relevance of operations was often undermined by weaknesses in design, limiting also their **effectiveness** as the ability to reach SMEs was found limited, with a majority of projects performing well below targets.

The **additionality** of the Bank's interventions was limited, as the Bank rarely played a catalytic role.

The **efficiency** of the organizational set-up and procedures is limited by the low sharing of experience between the various units involved in SME-related work.

Sustainability could not be rated.

PPP STOCKTAKING

Phase 1 of the evaluation of the Bank's participation to PPP mechanisms was a stocktaking exercise preparing for the full evaluation to be undertaken in a second phase in 2016.





PRIVATE EQUITY

The majority of the Bank's equity investments (both private equity and direct investments) are **aligned** with its industrial objectives and priorities. In addition, the investments adequately support regional diversification, regional integration, Micro Enterprises, Small and Medium Enterprises, and fragile states to a lesser extent (for equity funds).

Financial performance was rated satisfactory, as the majority of mature funds are in the first quartile compared to their benchmarks. Results for more recent funds were mixed, but the majority was found lagging behind their benchmarks.

Effectiveness was rated as moderately unsatisfactory because: 1) a substantial proportion of funds were behind in their plans or did not meet their targets on two key outcomes (job creation and tax revenues) and 2) there was a lack of reliable outcomes data, particularly on direct investments.





Corporate Evaluations

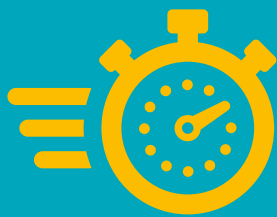
In late 2013, IDEV proposed to CODE various options for implementing a comprehensive evaluation of the Bank Group. The Executive Directors were unanimous in their preference for a two-phase evaluation: the first phase was an evaluation of the implementation of commitments made through the sixth General Capital Increase and the 12th and 13th replenishment of the African Development Fund implemented through three components: (i) an overarching review of the implementation of commitments and of the process to reach agreement on them; (ii) an evaluation of the policy and strategy making function of the Bank, and (iii) an evaluation of the Bank's administrative budget management. The second and third components take a closer look at two areas of commitments made by the Bank to see how much they changed its business practices. All three components were delivered in 2015, on time to inform the discussions held at the November 2015 mid-term review of ADF-13, where the findings were presented.



The process needs more selectivity. Management never says no. This can occur only if there is a realignment of power away from the traditional donors to new donors and to regional members.”

- ▶ **Regional Executive Director,**
Excerpt from the Independent Evaluation of General Capital Increase VI and African Development Fund 12 and 13 Commitments: Overarching Review—Summary Report, p.15

Key messages from the evaluation of the implementation of GCI-VI and ADF 12 & 13 commitments



OVERARCHING REVIEW

The commitments are **relevant** and well aligned with the Bank's strategic priorities but too numerous including some that are insufficiently strategic.

The process for agreeing on commitments could be made more **efficient** and transaction costs could be reduced. However, ADF processes are not markedly less efficient than those of comparator organizations.

101 out of 108 commitments due have been **delivered**, of which approximately half were delivered late. Target delivery dates were unrealistic and commitments are heavily frontloaded.

The Bank has made **progress** in all areas highlighted in ADF and GCI discussions albeit to varying degrees. Initial problems and delays notwithstanding, the Bank is moving in the **right direction** in all areas examined.

POLICY AND STRATEGY MAKING



The Bank has produced a **comprehensive** range of regulatory and strategic documents, generally of satisfactory quality and relevant to its priorities. However, the suites overall are **not well organized** due in part to a lack of clarity—the Bank lacks a clear framework and agreed nomenclature and definitions for its guiding documents—and partly to issues around information management.

For example, there was no easy-to-navigate repository for active policies and strategies during the evaluation period.

That the documents exist does not guarantee that they are correctly and **fully implemented**. The Bank has not consistently focused on implementation to date, in terms of appropriate resourcing, training and guidance, or monitoring progress.

BUDGET MANAGEMENT



The budget reform was **relevant** and largely articulated and integrated with other components of the Bank's reforms: it remains a work in progress.

Budget tools have been **enhanced**, but require further fine-tuning. The behavioral changes needed for effective implementation of the reform were not adequately addressed. The budget reform has had limited effects on the **efficiency** of key budget processes and on institutional efficiency. The **alignment** of resource allocation with strategic objectives shows a positive trend, but upfront strategic priority setting and use of results data still need to be strengthened. The **accountability framework** remains underdeveloped, despite the devolution of budget responsibility. The **monitoring** and reporting framework can be further developed, as it has yet to translate into a data-driven performance culture.

Timing is Everything

IDEV is striving to sequence the delivery of its evaluation products with decision-making—discussions about ongoing or new policies, strategies, processes, projects or programs. This brings challenges.

In 2015, the new approval process for country strategy papers introduced a discussion of proposed intervention pillars prior to the presentation and discussion of the country strategy itself. CODE rightly requested that for all countries for which IDEV is undertaking a strategy and program evaluation, the discussion on interventions be preceded by a discussion of the evaluation to help ensure that its findings and lessons be fully taken into account in developing the new country strategy.

IDEV was agile in its response and accelerated the evaluation process whenever possible. It succeeded twice in presenting a full report and in all other cases presented the main findings and lessons of the evaluation. IDEV also committed to making all future country evaluations available prior to the discussion of the proposed pillars.

Another example of adding value through timely sequencing was the presentation in November 2015 of the three evaluations of the implementation of ADF and GCI commitments at the ADF-13 Mid-Term Review meeting. Bank management judiciously scheduled the discussion at the beginning of the meeting, which ADF deputies appreciated because it set the stage for discussions over the following two days. Evaluation lessons are being taken on board in the next replenishment cycle and in broader efforts to improve institutional effectiveness. For example, Bank management has presented a framework paper to the Board aimed at addressing some of the problems identified in the evaluation of the policy and strategy making function, specifically to clarify the nomenclature and rationalize the crowded suites of documents.



Evaluation findings from IDEV on the previous Country Strategy Papers (2004-2013) were instrumental in the preparation the new country strategy covering the period 2016-2020. All the recommendations were taken on board, in particular, the need for more selectivity, raising the profile of knowledge, adding some innovation, improving quality at entry, and strengthening mainstreaming of cross cutting issues such as environment and gender.”

► Ms. Tonia Kandiero
AfDB Resident Representative,
Tanzania Country Office



The Quest for Quality

Quality is the third leg of the value triangle for evaluation. Without it, no evaluation can wield influence or improve results. The Independent Evaluation Strategy 2013–2017 reflects IDEV's focus on quality, as do its efforts over the last several years to professionalize and improve the quality of the evaluation function at the AfDB.

Adhering strictly to the OECD/DAC evaluation criteria and to the Evaluation Cooperation Group Good Practice Guidelines while examining opportunities for fine-tuning them has become the norm in IDEV. Moreover, in 2015, the CEDR provided IDEV with a new laboratory to introduce additional measures to reinforce evaluation quality and raise the bar. New tools were designed and rolled out: the PRA tool implements a systematic assessment of project relevance, efficiency, effectiveness and sustainability, and includes a template and detailed guidance note for each evaluation criteria. A second, complementary tool used specifically for the CEDR synthesis analyzes country factors based on an overall theory of change elaborated by IDEV, which systematically assesses drivers and contextual factors affecting Bank performance at the country level. The tool

includes a template and detailed guidance including a rating scale definition for each assessment criterion. Workshops were organized to further build internal capacity on the new approach using both tools. IDEV focused on the CEDR in 2015 but the next step is to leverage the effort and mainstream new tools and approaches into standard practice (see Annex 2 for an example of the CSPE rating scale).

In addition to the Senior Advisory Panel set up to ensure that the CEDR adheres to the highest quality standards, IDEV also ensured that all evaluations underwent both internal and external peer reviews. This comes on top of the current practice of consulting with management through a stakeholders' reference group created for every evaluation to validate the accuracy and usefulness of the findings.

Finally, as IDEV strives to attract the best staff, job descriptions have been updated and the design of evaluations internalized progressively rather than being left to consultants.

These small steps lead to credible evaluations that can inform decisions to strengthen development effectiveness and outcomes.



IDEV membership in the ECG demonstrates its continuous contribution to developing and harmonizing on the quality standards of evaluation. Its independence is an essential factor in promoting accountability and knowledge, however, it is still considered an organic entity in the Bank.”

- ▶ **Dr. Samy Zaghloul**
Former CODE Chair, Executive Director representing Egypt and Djibouti

Promoting the use of Evaluative Knowledge



Evaluations must affect what the Bank does if they are to improve its institutional effectiveness, efficiency and development results.



OUTREACH

IDEV has sought to better target knowledge products to the needs of its audiences. Briefs and highlights are systematically prepared to provide snapshots of key messages from each evaluation. As part of the Knowledge and Learning Series, IDEV brought to the fore key lessons to inform work on PPPs. Almost 600 copies of IDEV publications were distributed in 2015, and care taken to have them reach AfDB field offices and stakeholders in RMCs. Cost-effective electronic and online channels were leveraged to reach many more development stakeholders.

As planned, IDEV also strengthened its communications in 2015. The corporate website now makes available past and current evaluations, knowledge products, issues of *Evaluation Matters*, and has a regularly updated news and events section. Subsequent to Board approval of IDEV's name change, targeted communications campaigns were carried out to raise awareness.

IDEV created a Twitter channel to share knowledge from its evaluations, promote its knowledge products, and communicate its activities in real time and receive feedback.

Finally, as the lead evaluation office in the African region, IDEV actively contributed to raising awareness about the International Year of Evaluation. At the AfDB Annual Meetings, it organized an oversubscribed and widely praised seminar on the contribution of evaluation to development effectiveness at which the commemorative evaluation torch was passed around. During EvalYear, IDEV brought an African perspective to discussions at national and international evaluation events, including the UNDP National Evaluation Capacities conference and International Development Evaluation Association summit in Bangkok, Thailand, and the Global Evaluation Week in Kathmandu, Nepal, during which the 2016–2020 global evaluation agenda was adopted.





Panelists at the AfDB Annual Meetings Seminar held in Abidjan, L-R: Dr. Frannie Léautier, Partner & Chief Executive Officer, Mkoba Private Equity Fund, Tanzania; Hon. Mr. Antonin S. Dossou, Ministre de l'Évaluation des politiques publiques, de la promotion de la bonne gouvernance et du dialogue social, Bénin; Hon. Dr. Susan Musyoka (Kenya), Vice-Chairman, African Parliamentarians' Network on Development Evaluation (APNODE); and Mr. Rakesh Nangia, Evaluator General, AfDB.



LEARNING EVENTS

IDEV organized many learning events for the Bank's Evaluation Community of Practice on themes stemming from IDEV's key focus areas in 2015, including the conduct and use of evaluative evidence from CSPEs, how to mainstream impact evaluations in AfDB operations, and on promoting evidence-based decision making in African Parliaments.

Through the ECoP on CSPEs for example, operations and evaluation staff discussed some of the recurrent challenges associated with feeding back findings, lessons, and recommendations into new CSPs. These include the selectivity of Bank projects at country level, challenges associated with policy dialogues, and putting in place measures to ensure the sustainability of Bank projects at country level.

Other learning events were organized in partnership with sister institutions whenever possible. Extending

the learning spectrum beyond the institution presents the great advantage of stimulating debate and exchanging ideas about what does and does not work and in which context. In 2015, the World Bank Group's Independent Evaluation Group (IEG) completed an evaluation of the World Bank's support for access to electricity, which yielded vital findings and lessons on how to tackle this challenge in Africa. IDEV was in the process of conducting its own evaluation of AfDB support to the energy sector, making it timely to organize a joint learning event in December to inform current and future World Bank and AfDB interventions in the sector. Energy sector experts, development evaluators, policy makers, and other stakeholders discussed innovative and concrete ways to achieve President Akinwumi Adesina's ambitious target of providing 645 million Africans with electricity by 2025.



Success in delivering electricity to 645 million people requires government ownership with clear vision, a strong regulatory environment and financial support

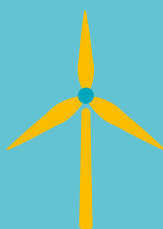


4

TAKEAWAYS FROM THE JOINT IDEV/IEG LEARNING EVENT ON ENERGY

Innovation, new technologies and capacity building can help overcome challenges

Meeting Africa's energy needs requires an integrated and a combined grid and off-grid approach



Public-Private Partnerships are essential for delivering Africa's energy needs





Finally, the Baobab Forum, an innovative Bank-wide speaker series championed by IDEV as a platform for bringing together innovative, creative, and inspiring ideas, approaches, and methods, assembled diverse, distinctive African opinion leaders, global thinkers and achievers in August 2015 to share personal experiences. Speakers included HE Pedro Pires, former President of Cape

Verde who gained a reputation for governance, Dr. Donald Kaberuka, former AfDB President, Dr. Ngozi Okonjo-Iweala, former Finance Minister of Nigeria and former Managing Director of the World Bank, and Dr. Elhadj Ibrahima Bah, who supervises the Ebola treatment center at the Donka Hospital in Guinea-Conakry.



Speakers at the Baobab Forum, AfDB, Abidjan, L-R: Rakesh Nangia, Evaluator General, IDEV/ AfDB; Dr. Olajide Idris, former Commissioner for Health in Lagos State, Nigeria; Dr. Donald Kaberuka, former AfDB President, Dr. Ngozi Okonjo-Iweala, former Finance Minister of Nigeria and former Managing Director of the World Bank; H.E Pedro Pires, former President of Cape Verde; Dr. Saran Daraba Kaba, Secretary General, Mano River Union, Sierra Leone; Dr. Elhadj Ibrahima Bah, Ebola treatment center at the Donka Hospital in Guinea-Conakry; Fred Swaniker, co-founder, African Leadership Academy in Johannesburg; and Cecilia Akintomide, former Vice President and Secretary-General, AfDB



“

I find IDEV evaluations in general as potentially very useful tools for learning and exchange of best practice amongst development practitioners across operations and amongst Regional Member Countries. A way needs to be found to enable Regional Member Countries to strongly engage in peer learning as a result of the outcome and recommendations of IDEV evaluations.”



► **Mr. Alieu Momodou Ngum**
Executive Director representing
The Gambia, Ghana, Liberia, Sierra
Leone and Sudan

“

The Country and Regional Programs complex is a major user of evaluation work. Specifically in 2015, the complex incorporated IDEV recommendations from its country assistance evaluations in several new country strategy documents, including Chad, Cameroon, Ethiopia and Tanzania. Significant adjustments were made to improve the Bank’s effectiveness in terms of growth inclusiveness, and investment sustainability.”

► **Janvier Litse**
Acting Vice President, Country and
Regional Programs





KNOWLEDGE

Readers worldwide appreciate IDEV's quarterly *Evaluation Matters*, which is becoming a leading knowledge product in the global evaluation community. Each issue treats topics carefully selected to help advance debates in development evaluation. Issues three and four, for example, examined emerging issues in development evaluation from the perspective of innovative solutions against the backdrop of significant changes in the international development landscape—the adoption of the Sustainable Development Goals, the paradigm shift in financing for development, the conclusion of an ambitious climate change deal in Paris, and the adoption of the 2016–2020 global evaluation agenda.

To feed evaluative knowledge back into operations, the Evaluations Results Database (EVRD) underwent

a second quality assurance in 2015 and now includes lessons from more than 1,200 evaluations. Previously available only to Bank staff, the EVRD was published on the Bank's public website and IDEV organized a learning event in tandem with the launch to raise awareness of its publication and facilitate staff use and data extraction from it.

IDEV collaborated with the Bank's Quality Assurance and Results department and the IT department to develop a Management Action Record System to track the implementation of actions in response to evaluation recommendations. In 2015, Bank Management agreed with 87 percent of IDEV's recommendations and partially agreed with a further 11 percent.

Panelists at Energy event at AfDB, Abidjan, hosted by IDEV and IEG, L-R: Bright Okogu, Executive Director, AfDB; Batchi Baldeh, Senior Vice President, Power, Africa Finance Corporation; Eddy Njoroge, Chairman, Nairobi Securities Exchange, Kenya; Mathieu B. Mandeng, CEO, Standard Chartered Bank, Mauritius; Richard Arkutu, Manager, Africa Special Initiative for Infrastructure, International Finance Corporation; and Daniel Schroth, SE4All Africa Hub Coordinator, AfDB





STRENGTHENING EVALUATION SYSTEMS

IDEV continued to work with and support evaluation institutions and organizations in Africa to build capacity to supply evaluations and also raise demand for them and for their use. On the supply side, the pilot project to strengthen national evaluation systems in Ethiopia and Tanzania was reviewed and the next phase approved by the Government of Finland, its funder. Integrating lessons from the pilot phase, IDEV aims to expand the initiative to one or more additional RMCs to respond to demand for such assistance, pending the availability of additional financing through trust funds. To support supply capacity, IDEV contributed to evaluation events organized by national evaluation associations such as the Ivorian Monitoring and Evaluation Network, the Ivorian Initiative for Evaluation, the Cameroon Development Evaluation Association, and Niger's Monitoring and Evaluation Network.

On the demand side, IDEV is working with parliamentarians, for whom credible, impartial evidence on what does and does not work is crucial. In July 2015, IDEV hosted the first Annual General Meeting of the African Parliamentarians Network on Development Evaluation (APNODE), an initiative to mainstream and promote evidence-based decision making in Africa's legislative institutions. More than 50 Parliamentarians from 15 countries took part in the meeting, adopted an APNODE Constitution, budget and work program for 2015–2016, and elected the first Executive Committee.

APNODE in Brief

Founded in March 2014, APNODE was created to enhance the capacity of African Parliamentarians to improve their oversight, policymaking, and national decision making by ensuring that they are based on reliable evidence. This network also works to bridge the gap between the evaluators who provide the evidence and parliamentarians, encourage the latter to institutionalize evaluations, and support them in ensuring that evaluations conducted at country level are responsive to the needs of women and vulnerable groups.

Membership is open to current and former Parliamentarians from Africa and other regions, African national Parliaments, civil society organizations, private sector organizations, research institutions, national and regional evaluation associations, development partners and other individuals and organizations demonstrating a keen interest in the network.

In line with its mandate to promote an evaluation culture in the AfDB's RMCs and as part of its evaluation capacity development initiatives, IDEV is temporarily hosting the APNODE Secretariat until it is established in Yaoundé, Cameroon.

APNODE benefits from the support of a number of other partner organizations: the Bill & Melinda Gates Foundation, the United Nations Children's Fund, the United Nations Development Program, and UN Women.



APNODE

African Parliamentarians Network on Development Evaluation
Réseau des Parlementaires africains pour l'évaluation du développement

*African parliamentarians
at the 1st Annual General
Meeting of APNODE at
AfDB, ABIDJAN.*





Efforts must be made to ensure that governments do not view evaluations as a threatening tool but rather as a guide for better decisions.”

- ▶ **Senator Roger Mbassa Ndine**
Chairperson of APNODE



Group photo of participants at the 1st Annual General Meeting of APNODE at AfDB, Abidjan.



Meeting the Challenges

IDEV surmounted a series of challenges in implementing its work program in 2015, including many that were extraneous albeit known and anticipated to some degree:

- **Lack of reliable monitoring and particularly development results data:** A common and recurring problem at the Bank is the lack of a robust monitoring system that collects credible data on development results on an ongoing basis. While the implementation of PCRs and XSRs has been a positive step, their quality is variable and wanting in many cases. In addition, there is a dearth of information on development outcomes, as the focus is on outputs. Weak monitoring and evaluation capacity in RMCs exacerbates these problems. Evaluation teams must often collect data ex-post and thus divert resources from other evaluation activities.
- **Shortage of qualified evaluators:** Like other evaluation departments, IDEV has faced a shortage of skilled, experienced development evaluators (external consultants and staff). This problem was exacerbated in 2015 by the Bank's relocation, which contributed to the departure of senior evaluators. IDEV has also found it difficult to attract experienced evaluators equipped with the appropriate skills and competencies.
- **More costly evaluations:** The dearth of qualified consultants and the IDEV's increasing demands for rigor and quality has led to an increase in the cost of individual evaluations. IDEV must offer competitive contracts to attract qualified consultants and ensure that its evaluations are conducted rigorously.
- **Evaluating countries in transition:** IDEV has faced difficulties in conducting evaluations of countries in transition. Security issues, political instability and natural disasters (e.g. Ebola) have made field missions challenging if not impossible: The Sierra Leone CSPE had to be cancelled because of the Ebola outbreak.

Internal challenges were related to implementation issues.

- **Delays in implementing the CEDR:** Although well on track for delivery in mid-2016 as planned, the CEDR implementation was delayed because of a host of contextual, methodological, capacity, and planning challenges. This heightened pressure and stress on the IDEV team in 2015 but did not affect delivery.
- **Cost overruns:** Linked to the higher costs of some evaluations, led to a financing gap detected mid-2015. By working on priorities and collaborating with management, the gap was filled and the issue did not impact delivery.
- The development of the **Management Action Record System** was beset by many technical challenges and delays.
- Elections in Tanzania and Ethiopia led to government reshuffles, which slowed down the work on **strengthening national evaluation systems**.
- **Maintaining momentum on APNODE** was a challenge, as its members rely heavily on the (small) Secretariat for planning and organizing all activities.

IDEV took these challenges as potential opportunities to pursue its effort to become the leading evaluation function in MDBs. To do so will require sustained improvement along the lines set out in the following sub-sections.



Mainstreaming Evaluation

Evaluation is the foundation for the Managing for Development Results approach, to which the AfDB subscribes, and for evidence-based decision-making. Building on earlier evaluations of the quality-at-entry (QaE) of public sector projects, IDEV will work with other Bank departments to institute an integrated institutional approach to evaluation, mainstream evaluation into the lifecycle of policies, strategies, programs and projects. For example:

- At the ex-ante stage (quality at entry), IDEV can deliver independent assessments to complement those currently carried out by the Results and Quality Assurance Department. A third iteration of the assessment of the QaE of public sector operations is planned in 2016.
- During the implementation stage, IDEV can complement the forward-looking aspects of its summative evaluations by gradually introducing formative or real-time evaluations to inform mid-term reviews and guide the implementation of the balance of the policy, strategy, project, or program period.
- At the ex-post stage, IDEV conducts summative and/or impact evaluations to draw the lessons of experience for new interventions.

The intention is to arrive at a flexible suite of evaluation approaches that include strategic policy evaluation, implementation evaluation, and impact evaluation among others that can be tailored to meet users' information needs and respond to issues of risk and complexity.

Raising the Bar on Quality

IDEV will continue to improve and harmonize the quality of its evaluation products so as to minimize inter-evaluation variability.

To better structure its processes, increase the efficiency and timeliness of its products, clarify expectations at key stages of the evaluation, support robust planning and project management, reduce cost and time overruns, help ensure that engagement and consultation occur at key stages, and increase the relevance of evaluations, IDEV will produce an Independent Evaluation Manual that describes the following:

- The principal processes of the various types of evaluations and expected duration of each stage.
- Requirements and modalities of stakeholder engagement and feedback processes.
- Evaluation quality standards including verification mechanisms—internal and external expert reviews and IDEV management oversight at key stages.
- Guidance on integrating cross-cutting issues such as gender equality and opportunities for joint evaluations.

IDEV also intends to introduce a standard template for the evaluation summary report, and will examine possible software options to improve data analysis.

Scaling-up Evaluation Capacity

To further strengthen capacity and continue professionalizing the evaluation function while reducing reliance on external consulting firms, thereby minimizing costs and increasing self-reliance and productivity, IDEV plans to consider core competency profiles for evaluators (by level) and support training programs (as the training budget permits) for a hiring strategy to attract qualified evaluators.



Every IDEV evaluation deals with a great number of issues, but they distinguish the forest from the trees. The main findings and recommendations are well focused on those that are most common, most important, and most relevant by nature.”



► **Mr. Heikki Tuunanen**
Executive Director representing
Finland, Denmark, India, Norway
and Sweden

2016: Looking Ahead

IDEV will continue to support the Bank's pursuit of the twin objectives of the TYS—achieving inclusive growth and transitioning to green growth—through its ambitious 2016–2018 work program. Approved by the Board of Directors in December 2015, the work program proposes a product mix reflecting the results of broad consultations and responding to AfDB stakeholders' needs. IDEV will continue working on the country and regional level, and produce corporate and sector/thematic evaluations to better clarify Bank achievements in the past decade to guide future work. It also intends to refocus efforts on the validation of PCRs and expanded supervision reports. IDEV will also continue to pursue innovative and creative knowledge-sharing formats, dissemination, and communication to promote the use of evaluative knowledge.

High quality evaluations will remain a major priority. IDEV will therefore continue to review its methodologies, approaches, and evaluation toolkits while at the same time promoting a culture whereby knowledge from evaluations feeds back into new AfDB policies, strategies, processes and operations.

The CEDR synthesis report is a major objective for 2016. It will elucidate the extent to which the Bank has achieved its objectives in the decade starting in 2004, and provide lessons on the drivers of or hindrances to its performance. It will provide management with a basis for its decisions, particularly as a new delivery model currently under consideration for focusing the implementation of the TYS 2013–2022 on the 'High 5s,' the new priorities.

The core of IDEV's work will be the implementation of its agreed 2016 work program but project-level evaluations will be strengthened as they are critical building blocks for CSPEs and for sector-level evaluations and also key accountability and learning tools. In line with its 2013–2017 Strategy, IDEV will continue to focus on higher-level evaluations but does not aim to reintroduce single project evaluations. IDEV will innovate and roll out new tools such as the PRA, and also extend the scope of validation for self-evaluation reports, with a target of

reviewing 100 percent of PCRs starting in 2016. IDEV will also strengthen the quality of PCR validation by undertaking field validations. IDEV expects to deliver two impact evaluations in 2016 and launch a third one.

IDEV expects to deliver eight country strategy and program evaluations in 2016: Burundi, Democratic Republic of Congo, Ghana, Morocco, Nigeria, South Africa, Tunisia, and Zambia. In addition, more than 200 project results assessments will be completed along with a country case study in Mozambique. Three more CSPEs, including a pilot mid-term review evaluation, will be launched in 2016, as will the evaluation of the Bank's regional integration strategy in the East African region.

A broad evaluation of the Bank's assistance to the energy sector during the 2000–2014 period will be delivered in 2016 as will a cluster evaluation of rural electrification projects, both of which are expected to contribute to the ongoing discussion about how best to achieve the first of the High 5s, "Light Up and Power Africa".

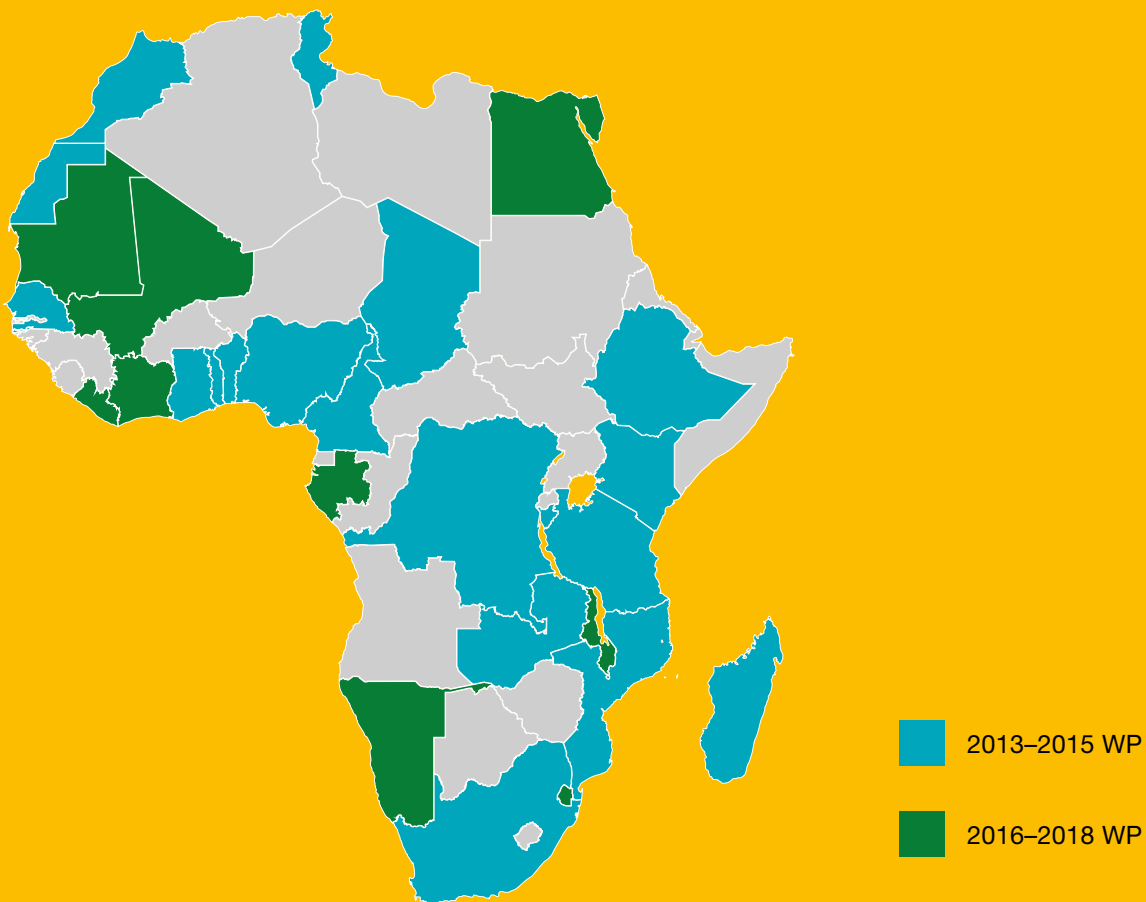
A third iteration of the evaluation of the quality-at-entry of public sector operations will shed light on the Bank's progress and provide lessons for future possible improvements at a time when the capacity to deliver results is becoming a key business objective.

In addition to delivering quality products, IDEV will consolidate its work on communication, knowledge management, and evaluation capacity development. Efforts will continue on communication and outreach to make sure that evaluative knowledge is known and accessible. IDEV will also make knowledge available at the right time and in the right format through a mix of channels and tools—face-to-face events and the evaluation results database—to trigger institutional learning. Internal and external knowledge sharing, learning and discussion events—a seminar at the AfDB Annual Meetings in May, at the Baobab Forum in September, and during Development Evaluation Week in the fall of 2016—are expected to bring the broader evaluation and development community together to discuss how evaluation can contribute to transforming Africa.

To further strengthen the evaluation capacity of Bank colleagues, IDEV will invite selected departments to participate in its own staff training programs. The diversity of perspectives will help promote cross learning and thus strengthen capacity. IDEV will also develop learning modules for potential evaluation users (i.e. operations task managers). The Task Manager Academy being spearheaded by the Results and Quality Assurance Department is an example of an initiative to which IDEV will contribute.

Finally, IDEV will continue to consider that evaluation capacity development is a high priority. It will provide support to further strengthen the demand side for evaluation, especially the APNODE, as parliamentarians can drive evaluation-based decision-making. In

addition to hosting the APNODE Secretariat, IDEV will continue to strengthen it and to prepare for its Annual General Meeting in Zimbabwe in August 2016. On the supply side, initiatives for strengthening evaluation systems in RMCs (two pilot countries—Ethiopia and Tanzania), supported by a donor trust fund, will continue. IDEV will strive to include more countries provided additional bilateral resources can be mobilized. Support to the Evaluation Platform for Regional African Development Institutions will continue to drive an evaluation culture in these institutions. In addition, opportunities for enhanced partnership will be sought with organizations working on developing evaluation capacities, such as the Centers for Learning on Evaluation and Results.







Annexes

2012

Evaluation of Environmental Mainstreaming at AfDB Support to the Roads Transport Subsector
Fostering Regional Integration in Africa: An Evaluation of the Bank's Multinational Operations
Joint Evaluation of Public Financial Management Reform
Evaluation of Bank Assistance to Fragile States
Mainstreaming Gender Equality: A Road to Results or a Road to Nowhere?

Completed
Completed
Completed
Completed
Completed

2013

Institutional Support Projects in the Governance Sector
Review of the African Development Bank's Economic and Sector Work
Trust Fund Management at the African Development Bank
Independent Evaluation of Non-Sovereign Operations
Evaluation of the Bank's Integrated Water Resource Management
Evaluation of Bank Procurement—Phase I
Kenya Country Strategy Evaluation

Completed
Completed
Completed
Completed
Completed
Completed
Completed

2014

Evaluation of the Bank's Additionality and Development Outcomes
Assessment Framework for Private Sector Operations (ADOA)
Transport Sector Evaluation
Chad Country Strategy Evaluation
Botswana Country Strategy Evaluation
Madagascar Country Strategy Evaluation
Joint Evaluation of MDB Support to Climate Investment Funds
Evaluation of Bank Support to Microfinance
Evaluation of Bank Procurement Phase II
Quality at Entry for CSPs/RISPs
Evaluation of the Bank's Risk Management Function
Quality at Entry for Public Sector Operations

Completed
Completed
Completed
Completed
Completed
Completed
Completed
Completed
Completed
Cancelled
Postponed

2015

Cameroon Country Strategy and Program Evaluation
Togo Country Strategy and Program Evaluation
Senegal Country Strategy and Program Evaluation
Tanzania Country Strategy Evaluation
Ethiopia Country Strategy and Program Evaluation
Evaluation of the Bank's Private Equity Investments
Evaluation of the Bank's Support to SMEs
Evaluation of the Bank participation to PPPs—Phase I
Evaluation of GCI VI and ADF 12 and 13 Commitments
Evaluation of the Bank's Policy and Strategy function
Evaluation of the Bank's Budget Management
Cluster evaluation power interconnection projects

Completed
Completed
Completed
Completed
Completed
Completed
Completed
Completed
Completed
Completed
Completed
Completed

Annex 1: Evaluations 2012—2016

2016

To be delivered

Impact Evaluation - Rural Water Supply and Sanitation in Ethiopia
Impact Evaluation - Rural Water Supply and Sanitation in Tanzania
Zambia Country Strategy Evaluation
Mozambique CEDR case study
Morocco Country Strategy Evaluation
Tunisia Country Strategy Evaluation
Democratic Republic of Congo Country Strategy Evaluation
Burundi Country Strategy Evaluation
Nigeria Country Strategy Evaluation
Ghana Country Strategy Evaluation
South Africa Country Strategy Evaluation
Cluster evaluation rural electrification projects
Evaluation of the Bank's Support to the Energy Sector
CEDR Synthesis

To be started

Impact Evaluation—Skills related project tbd
Côte d'Ivoire Country Strategy and Program Evaluation
Malawi Country Strategy and Program Evaluation
Namibia Country Strategy and Program Evaluation (MTR pilot)
Evaluation of the Bank's Support to the Water and Sanitation Sector
Evaluation of the Bank participation to PPPs—Phase II
Evaluation of the Bank's Support to agricultural value chains
Evaluation of the Quality at Entry for Public Sector Operations
Evaluation of the implementation of the Bank's People Strategy
Synthesis evaluation on decentralization

Annex 2:

Evaluation highlights

2.1 Cameroon Country Strategy and Program Evaluation



WHAT DID IDEV EVALUATE? THE BANK'S STRATEGY AND PROGRAM IN CAMEROON

The evaluation covered the 2004–2013 period during which time the volume of Bank assistance to Cameroon was about UA 654 million for 25 projects, 7 of which have been completed. Sector reviews focused on infrastructure (86 percent of approvals) and governance (6 percent of approvals) for a total of more than 90 percent of approvals in the period. 21 percent of approvals used ADF regional resources (3 transport projects and 1 energy sector study). 16 percent of approvals came from the private sector window, in particular 3 PPP projects in the energy sector.



WHAT DID IDEV FIND?

Bank strategy and interventions are relevant to Cameroon development challenges and priorities and to the needs of the population. The focus on infrastructure (transport and energy) is aligned with the national strategy (DSCE 2010-2020). Governance interventions lacked selectivity and private sector interventions have been opportunistic rather than integrated into the program.

Bank assistance achieved tangible results in infrastructure. The Bank has contributed to regional integration through road projects such as the Douala-Bangui and Douala-N'Djamena corridors. Thanks to successful PPPs in the energy sector, production capacity has increased by 1/3 and the supply gap narrowed. Energy has also become greener (e.g. introducing gas as a clean fuel in the country's electric power generation system). A sanitation project has contributed to reducing floods and lowering the prevalence of water-borne diseases around Yaoundé.

The Bank has been less successful in governance because Bank resources are fragmented in too many areas (PFM, Administration HR, legal system) and low leverage to overcome constraints to reforms (e.g. low ownership and political will, a lengthy decision-making process).

The evaluation did not focus on cross cutting issues, but found overall that environmental constraints and gender issues in transport and water projects were addressed.

Sustainability is moderately likely overall. The Bank has done well in supporting participatory approaches for infrastructures. The road maintenance fund lacks autonomy and maintenance capacity is weak. Sustainability in the energy sector is probably due to adequate PPP arrangements. In governance, sustainability is unlikely for lack of ownership.

Efficiency is moderately unsatisfactory despite effective joint country and Bank efforts to improve portfolio performance. There were long implementation delays due primarily to generic issues such as low capacity of some project implementation units and business providers, and the compensation of displaced populations in road projects.



WHAT DID IDEV RECOMMEND FOR THE NEW STRATEGY?

Confirm the positioning with high concentration on infrastructure but enhance programmatic integration:

- a. Focus governance interventions better and seek synergies with the program in coordination with other development partners, for example, by emphasizing sector governance;
- b. Better integrate the private sector into the program, taking advantage of the positive PPP experience in the energy sector based on clear legal and institutional frameworks;
- c. Focus policy dialogue and analytical work on key intervention areas, especially with respect to reforms.

Strengthen risk management across the portfolio to make sure that the critical conditions for implementation are known and managed well and that relevant stakeholders have full ownership. The proposed option is to implement a portfolio-wide risk management process, with periodic reviews and a specific focus area on governance. This can also apply to fragility risks that could negatively impact the portfolio globally.

Ensure the sustainability of investments in infrastructure. It is necessary to strengthen the effectiveness of road maintenance funds to ensure the sustainability of investments and the efficiency of public spending. The Bank should contribute to improving sector governance by combining infrastructure financing with institutional support to create better conditions for project implementation and for achieving results.

Contribute to the strengthening of local enterprises. The Bank should refine the dimensioning of lots in its projects so that local businesses can access them; a useful option could be to support a guide of competent local enterprises.



WHAT DID MANAGEMENT RESPOND?

Generally, Management endorsed the outcome of the evaluation that will inform future Bank operations in Cameroon. IDEV evaluation recommendations have already been taken into consideration in the Joint Completion Report on the 2010–2014 CSP and CPPR along with the outline pillars of the 2015–2019 CSP. In addition, the Bank's Field Office in Cameroon (CMFO) has taken into consideration the evaluation findings and recommendations in the revised 2015–2019 Cameroon CSP.

2.2 Ethiopia Country Strategy and Program Evaluation



WHAT DID IDEV EVALUATE? THE BANK'S STRATEGY AND PROGRAM IN ETHIOPIA

The evaluation covered the period 2004–2013, which covers three CSP cycles. During this period, the Bank supported 37 operations worth approximately UA 1.6 billion of which three sectors—'multi-sector' (corresponding to PBOs), power, and transport—each absorbing between 27 percent and 31 percent of total funds and cumulatively accounted for 86 percent of total support. The share for agriculture, water & sanitation decreased, while the Bank has provided no support at all in the social sector in the last two CSPs periods (2006–2009 and 2011–2015). Two private sector operations (one parastatal and one purely private), account for an insignificant share of total support (0.1 percent).



WHAT DID IDEV FIND?

The strategy was aligned with GoE priorities at country and sector levels, and the portfolio was generally well aligned with the strategy. Selectivity has increased over time, and the portfolio was highly concentrated on three main sectors. A more systematic analysis of beneficiaries' needs and further elaboration of the support to private sector development are areas for improvement.

The Bank contributed significantly to better access to basic services (education, health, and water and sanitation) through successive Protection/Promotion of Basic Services (PBS) programs (together with other donors) in the decentralized system. Further efforts are required to ensure the quality standards of these services.

Tangible results were achieved in the transport, energy, and water supply and sanitation sectors, contributing to improving the country's trunk road network, power distribution and interconnection system, and access to water supply. **The sustainability of the results remains an issue** particularly in infrastructure interventions because of the financing gap and low institutional capacity.

The Bank's contribution to policy dialogue has increased over time, especially through the Development Assistance Group (DAG). The investment in analytical work became more visible towards the end of the period examined, which has reinforced the Bank's role in terms of policy dialogue and its ability to promote reforms, as demonstrated in the area of PPP. Thanks to an extensive, solid analysis in the PPP flagship study, the Bank was able to take the lead and gain the support of the other DPs, persuading the GoE to implement a holistic and comprehensive PPP framework.

To improve the development effectiveness of the Bank in Ethiopia, more progress must be made on inclusiveness analysis and innovation in the instruments used.

Delays have also affected Bank operations, with an average delay of 22 months at completion for the closed portfolio examined between 2004 and 2013, although the situation however improved over time.



WHAT DID IDEV RECOMMEND FOR THE NEW STRATEGY?

Strengthen the inclusiveness analysis in both strategy and operations. The Bank's strategic selectivity has increased over time while investments in sectors of strategic importance for inclusiveness, such as agriculture and water supply, have declined. Gender issues and geographic disparities have not been addressed satisfactorily in the design of operations. The analysis in the CSP and project appraisal reports should be strengthened to clarify how investments in priority sectors support inclusiveness. This should include adequate information on possible integration and synergies between the Bank and its development partners to maximize impact.

Further expand the support to private sector development including stronger collaboration with other development partners. Given the GoE's growing emphasis on promoting the private sector, solutions appropriate to the local environment must be identified. The array of initiatives currently funded by other development partners to foster the public-private dialogue and support private sector development suggests that the Bank should enhance co-ordination to scale up effects, building on its own privileged position gained around PPP.

Adopt innovative approaches to improve the alignment with other development partners and respond to the country's specific constraints. The instruments used by the Bank in Ethiopia have remained stable over time while efforts have been made at a corporate level to propose innovative options.

A diversified range of less traditional approaches, such as program-based approaches and institutional support programs, can help foster alignment and coordination among donors and support the capacity of local counterparts. For the private sector, the use of less common instruments, such as credit guarantees, could also contribute to overcoming regulatory constraints.

Improve the sustainability analysis in the strategy. Given widespread moderate to serious concerns about sustainability in all sectors, a proper analysis of sustainability risks is recommended to improve the potential of Bank support to achieve long-term sustainable economic and social development, especially given its focus on infrastructure development.



WHAT DID MANAGEMENT RESPOND?

Management acknowledged IDEV's report and was pleased to note that the evaluation finds that the Bank's past strategies have satisfactory relevance to and alignment with Ethiopia's development needs. Management further noted that Bank interventions have largely been effective in delivering results under challenging conditions in some instances, which has limited the results achieved. Management also broadly concurred with the evaluations' main findings including the lack of systematic funding of capacity building initiatives in public sector management and governance, limited interventions in private sector development, and insufficient integration of gender and regional disparities in Bank operations. At the same time, Management underscored those improvements that have been achieved progressively in most of these areas during the long period covered by the evaluation thanks to the combined effort of the Bank and the Government, as well as the positive impact of greater decentralization. In addition, the design of the new CSP for 2016–2020 took into account the various issues and recommendations of the Evaluation, making it timely.

2.3 Senegal Country Strategy and Program Evaluation



WHAT DID IDEV EVALUATE? THE BANK'S STRATEGY AND PROGRAM IN SENEGAL

The evaluation covered three CSPs over the period 2004–2013 during which time the Bank approved a total of 32 operations worth approximately UA 529.9 million, in several sectors: transport (38 percent), governance (20 percent), agriculture and rural development (15 percent), energy (12 percent), water and sanitation (11 percent), and social (4 percent).

Private sector operations emerged in the energy sector under the 2005–2009 CSP and then expanded into the transport sector in 2010 with 3 operations, accounting for 27 percent of total Bank assistance.



WHAT DID IDEV FIND?

Bank strategies and programs are results-oriented and well aligned with country development priorities and beneficiaries' expectations. The results-orientation of the CSPs, clearly stated national priorities, and consultations with stakeholders including the private sector and non-state players, have contributed to this success. However, further efforts are needed to translate the results-orientation into implementation and to improve the measurement of development results. Effectiveness could be improved by enhancing the scattered, underperforming monitoring and evaluation units to provide information on development results rather than on implementation.

Greater selectivity and proactive strategic positioning underpinned by analytical work are needed. The Bank is engaged in 6 sectors essentially to respond to country needs and government requests, but not as a result of proactive and informed decision-making based on experience and the situation of development partners in the country.

Expected outputs were delivered in more than 80 percent of operations, with some tangible development results. Evidence indicates that road projects increase urban mobility, cross-border trade, and income-generating activities in the rural communities alongside the roads. In the public sector, reforms put in place the needed governance structures and institutions. In agriculture, water infrastructure developed by the Bank increased cropped area and local production.

The Bank successfully attracted private investors in high potential PPPs, raising private sector operations to UA 144.4 million, about 27 percent of its portfolio in 5 years. Highway investments have eased urban mobility in Dakar, home to 55 percent of the population of Senegal. Bank support to the container terminal of the Port of Dakar has improved productivity (vessel waiting time, turnover).

The sustainability of the achieved development results however deserves further attention. Key challenges include:

- Lack of sustainability mechanisms designed ex-ante or ineffective existing mechanisms.
- Gap of public budget contribution to the road maintenance fund.
- Non-optimal involvement of community organizations in rural infrastructure maintenance.

Bank efficiency has been variable depending on the sector. Transport projects have shown good unit costs compared to the regional average, whereas agriculture, energy, water and social sector projects have been affected by delays.



WHAT DID IDEV RECOMMEND FOR THE NEW STRATEGY?

Enhance the strategic positioning of the Bank. There are several promising avenues in the following sectors: (i) transport: the development of rural roads would support decentralization and help transform local economies; (ii) governance: the Bank should deepen its interventions to achieve expected outcomes by consolidating previous reforms, and support a better implementation of the structures and institutions that were put in place, and (iii) energy, water supply and sanitation, and agriculture and rural development: the Bank should use existing PPP opportunities. Such strategic positioning will require greater selectivity supported by strong evidence from relevant economic and sector work.

Ensure infrastructure sustainability. For roads, the Bank should incentivize the government to put an effective mechanism in place to ensure that disbursements of the state budget contribution to the Road Maintenance Fund (FERA) are timely to respect the annual maintenance schedule.

In addition, involving community organizations in infrastructure management encourages ownership and ensures sustainability of the outcomes. This should be considered more systematically in Bank procedures.

Enhance the effectiveness of supervision through three complementary actions: (i) Assist the government in setting up an effective national results-based monitoring and evaluation system to make the acquisition of data related to implementation performance and development results easy to access; (ii) Form supervision mission teams so that all relevant aspects are covered, including quality control to avoid the frequent physical defects observed in some infrastructure, and (iii) Closely follow up the strict implementation of the recommendations of supervision missions.



WHAT DID MANAGEMENT RESPOND?

Management was satisfied with the outcome of IDEV's evaluation, which sought to contribute to enhancing the Bank effectiveness and credibility. The report highlighted the need to emphasize infrastructure quality control and establish suitable procurement procedures when rural communities are involved. It also stressed the importance of maintaining enough staffing in the field office to match the size of the Bank's portfolio in light of the office's regional coverage. Furthermore, the report pointed to the need to systematize the capitalization and management of knowledge coming from operations and to disseminate information on Bank achievements, especially in rural areas. The various conclusions and recommendations have been taken into account in preparing the Bank's new assistance strategy in Senegal (2016–2020) and operations arising therefrom.

2.4 Tanzania Country Strategy and Program Evaluation



WHAT DID IDEV EVALUATE? THE BANK'S STRATEGY AND PROGRAM IN TANZANIA

The evaluation covered three CSPs over the period 2004–2013 during which time the Bank approved a total of 42 operations worth around UA 1.52 billion. The transport sector (mainly roads) accounted for the largest share (34 percent) followed by assistance to governance (multi-sectoral), which represents 26 percent; the energy sector represents around 7 percent of approvals. Most private sector operations emerged in the last CSP, and account for less than 1 percent of total assistance.



WHAT DID IDEV FIND?

The Bank CSPs and the portfolio of operations reviewed were broadly coherent with Tanzania's national and sectoral strategic framework and needs and were well aligned with the Bank's strategies.

The selectivity of the country strategies was an area warranting possible improvement. The Bank has engaged in 7 sectors and 13 sub-sectors, which probably fragmented some results achievement at aggregate level. Cross-sectoral coordination of operations for integrated development was also weak. Potential synergies among projects operating in the same geographic areas and/or addressing common constraints remain untapped.

Results have been achieved in focus areas:

- Completed roads projects contributed to development outcomes such as less travel time, increase in traffic, improved road conditions, and increased connections among the country's economic centers. There are also evidence of improved economic activities development (agriculture production and marketing, tourism development, bank services, 'road-side' businesses) and growth in social services (health services and schools);
- The overall General Budget Support (GBS) helped the government maintain and possibly expand development expenditure in key areas;
- After the IPTL scandal, the Bank succeeded in pushing the policy reform agenda in the energy sector, and contributed to the preparation and adoption of the Electricity Supply Industry Reform Strategy and Roadmap 2014–2025, which have informed the energy reform process. The reform agenda includes: i) strengthening the institutional framework and operational efficiency of the power sector, and ii) enhancing competition and private sector participation in the power sector.
- A high level of investment in agriculture, energy and water and sanitation yielded lower than expected outcomes because of delays and inefficiencies. In SME finance and education, some promising results were obtained, but the projects were too small to make a tangible difference.

There is no assurance of results being sustained after the end of Bank support.

Key challenges include the road maintenance financing gap, low technical capacity available at local level to maintain rural infrastructures (especially irrigation schemes), and the return on investment on rural markets (some of which are underused).

Despite increased production of knowledge, visibility and use in operations design and policy formulation is weak. Stakeholder awareness of the Bank's product was found to be low, partly due to insufficient dissemination. Only three documents of 30 cited in the last CSP 2011–15 are Bank products compared to 11 from other international organizations.



WHAT DID IDEV RECOMMEND FOR THE NEW STRATEGY?

Concentrate on fewer key areas of proven expertise but give inclusiveness and integration more emphasis.

Improve the Bank's profile as a 'knowledge-partner' in the country assistance framework, its influence on the reform agenda and its catalytic potential.

Consider adopting a more innovative approach to portfolio selection, management and delivery mechanisms and especially explore opportunities to enhance its private sector operations.

Further strengthen supervision with the close involvement of the Bank's institutional counterparts.



WHAT DID MANAGEMENT RESPOND?

Management welcomed IDEV's evaluation report, which provided a timely assessment of the CSPs' relevance, effectiveness, and sustainability in the key areas of infrastructure, economic and financial governance, social sectors, water and sanitation, and agriculture. It also assessed the performance of CSPs in light of cross-cutting themes: regional integration, inclusive growth, gender mainstreaming, and environmental issues and green growth. Overall, Management agreed with the findings and recommendations, particularly the need for innovation in CSPs, to explore less traditional interventions in terms of instruments and focus, and enhanced selectivity and internal coordination of the Bank interventions in Tanzania. Several issues raised by the evaluation have either been addressed or are in the process of being addressed. The evaluation provides a unique opportunity for the Bank to improve its operations in Tanzania in terms of formulation and implementation. The recommendations of the IDEV report, which were welcomed by Management, have informed the Bank's new CSP for Tanzania for 2016–2020.

2.5 Togo Country Strategy and Program Evaluation



WHAT DID IDEV EVALUATE? THE BANK'S STRATEGY AND PROGRAM IN TOGO

The evaluation covered the period 2004–2013 during which time four documents provided the framework for cooperation between the Bank and Togo: the 2005 and 2006 Policy Dialogue Notes and two CSPs covering the 2009–2010 and 2011–2015 periods. Bank support for Togo amounted to UA 195 million, of which 92 percent was invested in two sectors; Transport (66 percent) and Governance (26 percent), and the rest in water and sanitation, the financial sector, and emergency activities.



WHAT DID IDEV FIND?

The Bank's strategies in Togo are consistent with the country's needs and priorities, and overall strategies especially for addressing fragility. With respect to addressing fragility in Togo, Bank strategies are in line with its corporate strategies, and the country's needs and priorities but only a limited number of interventions addressed inequality, gender and environment issues, and none directly targeted extreme poverty. As inclusive growth and green growth are part of the Bank's long-term strategy, the most recent CSP for Togo was revised to incorporate social inclusion aspects.

Overall, the effectiveness of the Bank's program is satisfactory. It contributed to improved national capacity and governance by strengthening the public structures, and the legal and regulatory framework for managing public finances, and by increasing the functionality of public financial management and control, all of which helped improve the quality of the budget preparation and the transparency of its execution, the business climate, and domestic resources mobilization. In the infrastructure sector, Bank interventions contributed to providing Togo with modern infrastructure in regional roads and electricity supply, and to upgrading the capacity of the Port of Lomé, transforming it into the biggest deep-water port on the West African coast. Given the Bank's areas of competence, it directed its support to critical fragility aspects (including growth, domestic resource use, and donor-government partnership).

In policy dialogue, the Bank played an active role in the resumption of the cooperation between Togo and the international community, and in enabling the country to reach the HIPC completion point and to create the Togolese Revenue Office Analytical work contributed to establishing the Bank as trusted partner.

The sustainability of the outcome of the Bank's interventions is deemed moderately unsatisfactory. The infrastructure results are unlikely to be sustained because of maintenance problems, overload, and ownership, and limited consideration for environmental issues (at the port). It is also unlikely that the governance reforms will be sustained, because trained staff are unlikely to be retained and IT investments maintained.

Bank efficiency is rated moderately satisfactory. Success factors include: The strong political commitment and effective supervision and follow up of Bank operations thanks to the presence of the Bank's office in Lomé. Issues include: Delays in project implementation due to the untimely release of project counterpart fund, limited capacities of the administration, weaknesses in the quality at entry of operations and Bank delays in releasing its non-objections.



WHAT DID IDEV RECOMMEND FOR THE NEW STRATEGY?

Strengthen the focus of the next CSP on inclusive and green growth by seizing opportunities in sectors where the Bank has a comparative advantage. Redirecting infrastructure investments to the creation of agricultural value chains may help enhance the potential of economic diversification while helping to reducing inequalities by operating in a high growth sector that employs 79 percent of the poor in Togo. Similarly, the sustainable tapping of natural resources may become the blueprint for future strategies by prioritizing green infrastructure. The potential for developing mineral resources can be supported by targeted private sector operations and by specifically redirecting investments into infrastructure.

Improve the use and monitoring of analytical work. Analytical work should be considered a tool in its own right, alongside other of the Bank's intervention methods. Concretely, this implies that it should be: (1) better mainstreamed into intervention strategies, while maintaining some flexibility; (2) validated based on a systematic analysis of opportunities; (3) assigned adequate resources for implementation, and (4) monitored and evaluated.

Revive policy dialogue by focusing on a few key subjects, specifically: i) the continuation of public finance management reforms with special emphasis on debt sustainability; ii) the sustainability of investments at strategic and sector levels; iii) the effective implementation and functioning of coordination mechanisms, and iv) the mobilization of resources to implement more inclusive policies.

Make sustainability a strategic issue. Besides policy dialogue, sustainability should be carefully analyzed to provide solutions within the framework of the Bank's program. Specific analytical work on sustainability should help strengthen dialogue and promote operations. Topics include for example, road maintenance, the sustainability of capacity building activities, and environmental risks related to Port activities.

Strengthen the results orientation and the assessment of strategies. Weak CSP monitoring and evaluation systems of were challenges for the evaluation because effective monitoring and evaluation is a key aspect for transforming the CSP into a more operational tool. This requires that CSPs and operations have clear and distinct short-, medium- and long-term objectives. One method could be to systematically use various sectoral theories of change to define a common framework for strategy formulation, implementation and evaluation.



WHAT DID MANAGEMENT RESPOND?

Management welcomed IDEV's evaluation findings and agreed overall with the report's conclusions. The report acknowledged the effectiveness and relevance of Bank interventions in Togo during the evaluated period but stressed the need for the Bank to henceforth: (i) make a decisive turn towards inclusive growth and green growth, seizing the opportunities where it has an advantage; (ii) ensure that analytical work is better used and monitored, (iii) re-launch the political dialogue and structure it around a limited number of important subjects; (iv) make sustainability a strategic concern, and (v) reinforce the focus on the results and evaluability of strategies. These recommendations will be taken into account when preparing the Bank's new assistance strategy for Togo (2016–2020) and the various resulting operations.

2.6 Evaluation of the Bank's Assistance to Small and Medium Enterprises



WHAT DID IDEV EVALUATE?

The evaluation examined a portfolio of 70 operations approved between 2006 and 2013 that specifically support SME development. These include 46 investment operations, 16 technical assistance grants, and eight institutional support projects for a total value of approximately USD 1.9 billion, or about 3.7 percent of all Bank approvals.



WHAT DID IDEV FIND?

The relevance of the Bank's strategic orientation is rated satisfactory. The Bank has long recognized the importance of SME development in Africa, which has been a recurrent theme in strategic and policy documents. However, no dedicated SME strategy exists and SME assistance lacks a unified conceptual framework. Nor is there a harmonized definition of SME, making it difficult to identify target groups. Limited use of local currency lending is a persistent gap in the Bank's product mix that limits its ability to effectively reach SME beneficiaries.

The relevance of the SME assistance operations is rated as moderately satisfactory. The relevance of SME assistance operations was often undermined by design weaknesses. In some cases, a client's financial needs were not fully appreciated, which resulted in project cancellations. Financing agreements often lacked appropriate eligibility criteria for sub-loans. As a result, whereas a significant share of Bank assistance nominally targeted SMEs, in practice it can be better described as generic private-sector development assistance. However, since 2013 the SME focus has been considerably strengthened, and operations are much more aligned with SMEs' financing needs.

The effectiveness of SME assistance operations is rated as moderately satisfactory. Design weaknesses limited the Bank's ability to reach SMEs, and the majority of projects performed well below target. While 90 percent of the firms receiving funding can be reasonably characterized as SMEs, they received less than 40 percent of the US\$ 622 million disbursed while the balance went to large enterprises. Only a few financial intermediaries expanded their SME portfolio and even fewer introduced new financial products for SMEs. On the positive side, the majority of projects performed well in financial terms, with few or no defaults.

The additionality of the Bank intervention is rated as moderately satisfactory. Provision of long-term resources enabled financial intermediaries to match the demand for term credit (medium-to-long-term lending). The Bank was also an important investor in a dozen equity funds although it rarely played a catalytic role. Non-financial additionality is rather modest.

The efficiency of the organizational set-up and procedures is rated as moderately satisfactory. Over the study period (2006–2013), it took an average of 10–12 months to process an investment operation, i.e. about twice the average approval time at the International Finance Corporation and the European Bank for Reconstruction and Development. Similarly, the Bank had about twice as many approval gates and a particularly laborious project clearance process. Finally, the various units involved in SME-related work share experience on a limited basis, despite some recent improvements.

The appropriateness of monitoring and evaluation arrangements is rated as **moderately unsatisfactory**. The monitoring and evaluation of SME assistance operations is challenging and complex, requiring appropriate measuring tools and the collection of a significant mass of data. Tools for measuring the performance of SME assistance operations were developed in the framework of the ASMEP but serious problems persist in data collection and client financial institutions show little inclination to provide data in a timely manner. Bank staff sometimes hesitate to put pressure on clients.



WHAT DID IDEV RECOMMEND?

Develop a comprehensive conceptual framework for SME assistance, while revamping analytical work, which could provide useful inputs for policy formulation and for designing specific operations

The Bank should adopt an official definition of SME so that the target groups are clearly defined. The definition of SME put forward by the ASMEP, based on size, is a good starting point. In the case of operations with financial intermediaries, the Bank might consider complementing the size-based definition with one based on loan size, which is likely to be more easily handled by PFIs.

Expand the utilization of local currency financing, which is currently envisaged under the ASMEP. The Bank should definitely make efforts to translate this into concrete action.

Improve the design of investment operations, with a more accurate assessment of PFIs' financial needs in order to drastically reduce cancellations. This should be accompanied by a more realistic assessment of PFIs' propensities and abilities to effectively serve SME clients, with the setting of more realistic targets.

Diversify the range of client PFIs and countries of operations, which is already envisaged by the ASMEP. The Bank should definitely deploy efforts to translate this into concrete action.

Strengthen eligibility conditions to ensure that SMEs are effectively reached. In the case of PFIs, eligibility conditions must be clearly specified so that on-lending (where a financial intermediary lends money borrowed from another organization) is aligned with the intended objectives.

Improve the relevance of technical assistance and facilitate its implementation. TA initiatives should be tailored to the specific needs of each intermediary and be more consistently aligned with the objectives of the associated lending or investment operations. In addition, to avoid delays in deploying TA, the Bank should consider simplifying procurement procedures to better match the capabilities of beneficiaries.

Improve coordination among services involved in SME assistance by establishing mechanisms (e.g., community of practice) to better integrate the various Bank services concerned. This could be done by creating a community of practice, linking all the staff involved in SME-related operations and facilitating the sharing of experiences and best practices.

Simplify project approval procedures by building on the experience gained from simpler procedures exhibited in the ASMEP: reduce the number of project approvals; streamline approval procedures based on non-objection mechanisms or on the delegation of powers to senior management.

Improve the collection of information on project achievements by requiring PFIs to provide, at a minimum: (i) the number and basic features of the sub-loans; (ii) detailed data on the composition of their portfolio, with a separate indication of the number and



value of operations with SMEs (based on a uniform definition of SMEs), and (iii) data on non-performing operations, again with a separate indication of the relevant parameters for SMEs. PFIs should also be required to collect information on client SMEs for at least some basic variables.

Establish a system to monitor and report on development results. Such systems are currently standard in most MDBs (e.g. the Development Outcome Tracking System in the International Finance Corporation, and the Transition Impact Monitoring System in the European Bank for Reconstruction and Development).



WHAT DID MANAGEMENT RESPOND?

Management welcomed the independent review of the Bank's Assistance to SMEs 2006–2013—its relevance, additionality, effectiveness, sustainability, and efficiency of SME operations and the approach to SME development—which presented a positive view of AfDB interventions and notes the continued improvements made in the years since the evaluation period.

The evaluation made several useful recommendations, many of which are in-line with Management's own findings since the period under review. These have therefore been implemented. Management was pleased with the opportunity to further refine the approach to SME assistance, as detailed in the Management Action Record.

2.7 Evaluation of Bank Group Equity Investments



WHAT DID IDEV EVALUATE?

The evaluation of the Bank's equity investments covers the combined funds and direct investments in the portfolio, which represent capital commitments of UA 740 million and disbursements of UA 475 million (64 percent of capital commitments).



WHAT DID IDEV FIND?

Relevance is rated satisfactory. The majority of AfDB equity investments (both private equity and direct investments) are aligned with the Bank's industrial objectives and priorities and also adequately support regional diversification and integration, MSMEs, and, to a lesser extent, fragile states (for equity funds).

Industry analysis of the fund portfolio shows an adequate alignment between the actual investee cost basis and Bank's priorities, particularly in infrastructure. However, a sizeable proportion (14 percent) of the funds is not clearly aligned with Bank priorities. Moreover, all direct investees are financial institutions that directly support the Bank's strategy of developing soft infrastructure.

- The equity funds have invested capital in companies in 35 countries, demonstrating a high degree of regional diversification.
- The Bank's equity investments in infrastructure and in many countries are likely to promote regional integration.
- Actual fund investee cost-basis is adequately aligned with the Bank's objectives of supporting MSMEs.
- Only 10 percent (UA 27 million) of the total fund investee cost-basis has been invested in companies operating in fragile states, which are less attractive to many private equity managers because their institutional frameworks are less developed, their governance is weaker, and they are subject to social conflict. However, considering the Bank's low-income country and fragile states country limits for the private sector, the breakdown achieved via funds is higher than the overall private sector department financing.

Overall, the performance of the Bank's equity investments is rated moderately satisfactory based on financial performance and the effectiveness of equity investments.

Financial performance is rated satisfactory: the majority of mature funds are in the first quartile compared to their benchmarks. For more recent funds, results were mixed, as the majority lags behind their benchmarks.

Effectiveness is rated moderately unsatisfactory because: 1) a substantial proportion of funds were behind in their plans or did not meet their targets on job creation and tax revenues, two key outcomes, and 2) reliable outcomes data was lacking, particularly on direct investments. This said, it is still too early to make a final assessment of these results and the Bank has sufficient time to catch up on its targets.

The Bank's equity funds performed well with respect to environmental plans. The majority of capital is invested in companies that either had or added environmental mitigation plans.

The Bank has played a catalytic role in mobilizing additional resources for private equity, particularly in sub-Saharan Africa. However, Bank additionality is limited in MICs, which have the potential to raise sufficient funds without Bank assistance.

The overall risk rating of the equity portfolio has not changed on a weighted-average basis. Subsequent to enhanced models, however, the risk rating of the fund portfolio was downgraded slightly from 5+ to 5, while the direct investment portfolio was upgraded from 5+ to 4+. The ratings of over 80 percent of investments by value have changed since appraisal, indicating a significant change since then in the Bank's understanding of the risk profile of each investment.



WHAT DID IDEV RECOMMEND?

- Continue investments in private equity funds and further strengthen portfolio oversight and management.
- Develop and implement a multi-pronged investment strategy to allow for an approach that responds to the Bank's diverse priorities and strategic objectives.
- Review the risk capital limit of 15 percent risk and/or develop and implement an effective exit strategy for some older investments to free up capital.
- Undertake a detailed, rigorous cash flow projection.
- Review the Bank's risk management methodology in light of concerns raised by several stakeholders.
- Develop and implement a results-based management strategy to ensure a streamlined, strengthened monitoring system of equity investments and a rigorous development outcomes tracking system.



WHAT DID MANAGEMENT RESPOND?

Management welcomed IDEV's evaluation of the Bank's private equity portfolio, which presented a fairly positive view of Bank's interventions. The evaluation was timely, as Management was reviewing some Bank systems for building and managing the portfolio, which has reached a level of maturity that makes it possible to draw a number of conclusions on its performance that will inform the Management Framework for Equity currently being prepared. Overall, Management agreed with most of the findings and recommendations of the evaluation, and offered clarifications on issues where it has reservations.

The evaluation provided valuable recommendations, many of which are in line with recent Management actions. The Bank was already preparing documents that respond to the recommendations:

- The Revised Non-Sovereign Operations (NSO) Policy, with provisions superseding the 1995 Equity Policy (distributed on 3 July 2015 for CODE discussion);
- The first Annual Management Equity Status Report, and
- A Management Framework for Equity Portfolio Construction and Management, intended to formally integrate the lessons from the last decade of equity investing and inform the strategic direction of the PSD and FSD Strategies.

2.8 Evaluation of General Capital Increase-VI and African Development Fund 12 and 13 Commitments: Overarching Review



WHAT DID IDEV EVALUATE?

The Bank's Board of Governors approved the GCI-VI on May 27, 2010. The ADF-12 replenishment period covered the years 2011 to 2013 and the ADF-13 replenishment period covers 2014-2016. Through these processes, the Bank agreed to undertake 112 commitments. The objectives of the evaluation are to draw conclusions and lessons about the (i) relevance of the agreed commitments to the Bank's challenges and priorities; (ii) efficiency of the processes in reaching agreement on a coherent and realistic portfolio of commitments; (iii) delivery of the commitments (outputs such as documents, establishment of new structures or processes), and (iv) effectiveness of their subsequent implementation.



WHAT DID IDEV FIND?

For all three processes, the alignment of the commitments with the Bank's priorities is rated as either satisfactory or moderately satisfactory. The commitments are relevant but numerous, including some assessed to be of an insufficiently strategic nature to require the attention of governors and deputies. The implementation capacity of the Bank and the costs of delivering and implementing commitments were not fully considered when they were agreed.

The efficiency of the **process** for agreeing the commitments (part of a broader funding discussion) ranges from satisfactory for GCI-VI to moderately unsatisfactory for ADF-12 and ADF-13. The overall ADF process is intensive in terms of Bank staff and management time, particularly given that it takes place every three years. It should be emphasized however, that the evaluation did not find the ADF processes to be markedly less efficient than those of comparators.

Perceived **governance** issues surround the ADF process, and have an effect on its efficiency and effectiveness, delivery, and implementation of the commitments. A disconnect exists in some cases between executive directors and deputies, although both are nominees of their governors. There is also a perception in some parts of the Bank that the ADF drives the entire Bank but sidelines non-ADF-contributing Bank shareholders.

The vast majority of the GCI-VI and ADF-12 commitments and the ADF-13 commitments that are due have been **delivered** although around half of them were delivered **late**. In many cases, target dates for delivery were simply unrealistic. Linked to this, for each of the three processes at least two-thirds of the commitments were due to be delivered in the first 12 months after the process had been completed. This frontloading means that the Bank must act on many fronts at once. Other overlapping factors contributing to delays include the internal complexity of some individual commitments, lack of planning for timely delivery, and inadequate institutional resources and coordination.

In terms of **change achieved to date**, the Bank made progress between 2010 and 2014 in all areas highlighted in ADF and GCI discussions to varying degrees. In some

areas, however, it is not yet possible to see that changes expected have been achieved. In some cases, the outputs associated with the commitments were delayed or only recently agreed (in ADF-13), necessarily limited the degree of change achieved. In other cases, the Bank seems to be strong in delivering key outputs but has not yet followed through with the resources, tools, incentives, or the will to implement in practice. In terms of **recent developments** and the direction in which things are going, the picture is more positive. Numerous recent developments indicate that initial problems and delays notwithstanding, the Bank is moving in the right direction in all areas examined.



WHAT DID IDEV RECOMMEND?

Focus on fewer and more strategic commitments, with realistic timelines and estimated costs for delivery. Bank management should:

- Come to the table with a clear, coherent set of proposed commitments, seek to limit the number of commitments and discuss with deputies whether issues raised are sufficiently strategic or of high enough level to be included in these discussions and the agreed matrix of commitments.
- Consult thoroughly with those parts of the Bank that will be responsible for delivering and implementing potential commitments to agree realistic timelines, estimate likely costs (and opportunity costs where relevant) and ensure unequivocally clear wording of the commitments themselves and ownership among the implementing department(s).
- Avoid heavy frontloading of commitments so far as possible.
- Make the documentation clear about the outcome or intended change expected from the delivery of a specific output, and where feasible, how the change will be measured.

Enhance monitoring and managerial accountability for effective performance and results in terms of continued implementation, not only one-off deliveries. Build on existing delivery monitoring to focus on the effectiveness of implementation as well. Ensure that accountability and monitoring does not stop at delivering a paper to the Board but covers implementation in practice. Integrate and align this monitoring with that taking place both for the Results Management Framework and the delivery and performance management function (as opposed to introducing an additional system)—this also requires that the commitments themselves are relevant to these areas.

Simplify the ADF process. Work with the governors, deputies, and the Executive Board, in consultation with other MDBs, on a package of measures aimed at significantly simplifying the replenishment process to be discussed at ADF-13 Mid-Term-Review and implemented in ADF-14 or ADF-15. This package should explicitly consider:

- Moving to a longer replenishment cycle, drawing on the experience of AsDB.
- Producing fewer background papers, drawing on Bank experience with GCI.
- Organizing fewer formal replenishment meetings and continuing to hold the majority of them at Bank headquarters.
- How to shape the new ADF working group to ensure that the time invested in it actually increases the overall efficiency and effectiveness of the process.

Seek early Board ownership of commitments. Build on existing efforts, including the informal Board meeting before each replenishment to obtain executive directors' early ownership of the commitments under the ADF (irrespective of whether Board members represent contributing or benefitting countries or both).



WHAT DID MANAGEMENT RESPOND?

Management welcomed IDEV's evaluation of the General Capital Increase-VI and ADF-12 and ADF-13 Commitments. It provided a timely assessment of the three resource mobilization processes with conclusions that are in time to inform the ADF-13 Mid-term review (MTR) and the ADF-14 replenishment. It is also the first time that an evaluation focused on commitments, delivery and implementation, examined together a capital increase and ADF replenishments. Management noted with satisfaction IDEV's finding that "the Bank is on the road to positive reform, in the direction that both it and its stakeholders want to see." It also agrees that the Bank will need to further streamline resource mobilization processes. Management agreed with three of the four recommendations and partially agrees with one.



2.9 Evaluation of the Bank's Policy and Strategy Making and Implementation



WHAT DID IDEV EVALUATE?

This evaluation assessed the formulation, management, and implementation of the African Development Bank Group's policies and strategies—the core regulatory instruments governing operational and institutional activities and programs. It covered the full suites of 73 operational and non-operational policies and strategies identified from the assessment of various lists totaling more than 300 documents. The evaluation did not seek to look at the final effects of policy and strategy documents on development outcomes, as this would require detailed evaluations of each area.



WHAT DID IDEV FIND?

The Bank lacks a clear framework and an agreed nomenclature and definitions for its guiding documents. There is a lack of clarity within the Bank of the difference between the purpose and content of policies and strategies and other documents, and about what should trigger their formulation. The Board of Directors of the Bank and the Fund approves policies and strategies whereas in the majority of comparator institutions, senior management approves strategies that are shared with the Board for information.

The Bank had no easy-to-navigate repository for its active policies and strategies during the evaluation period. A related issue is the lack of any system for reviewing the policy suite to retire redundant or duplicative policies.

The policy and strategy suites and individual documents were generally found to be relevant, with some variability in quality, despite a solid base. Almost all documents in the standardized review were clear about their objectives and rationale. Both operational and non-operational policies were generally clear on stating what the Bank would do, but less so in proscribing what it would not do. Two issues raised in the case of strategies were those of unrealistic objectives and the quality of the results frameworks.

A few issues limited the Bank's ability to maximize potential efficiency of policy and strategy formulation. First, lack of clarity about the mandated process because of differences across guidance documents and with actual practice. Second, the process comprises a large number of steps, and despite various stages of management review, this input is not supported by any systematic technical quality assurance. The third issue is timeliness.

The biggest challenge is ensuring effective implementation of the policies and strategies to drive Bank activities and operations. Staff report poor dissemination and raise the issue of accessibility—relating to the lack of an easy to use repository. Shortfalls in support further constrain the Bank's ability to ensure effective implementation. Staff express concern about the key aspects of implementation

support (supporting documents, training, and resources). These deficiencies were confirmed in the case studies. Contrary to what happens at other MDBs, accompanying documents such as procedures and implementation guidelines—where required - are rarely ready when the policy or strategy is presented for approval. Resources to support implementation, including required training, are rarely made available to implement occasionally ambitious policy changes and new strategies. Finally, monitoring the implementation of policies and strategies was found to be an area of weakness.



WHAT DID IDEV RECOMMEND?

Develop an explicit framework for all regulatory documents for approval by the Board of Directors that: (i) Includes nomenclature, definitions, classification, requirements and standards with clear approval authority, separately for policies, procedures, strategies, and other guidance documents; (ii) Provides some broad guidance on what each document type needs to contain, including for policies distinguishing between policy and the background policy paper, and (iii) Clarifies the role of the Board of Directors in approving policies as distinct from strategies, and other documents such as guidelines.

Undertake a clean-up of the current set of regulatory documents in the context of the above-mentioned Framework, including streamlining some policy areas by consolidating similar policies into documents. In each case, carefully consider whether old policies or strategies should be replaced with new ones or whether other types of documents, such as guidelines, would be more appropriate.

Strengthen the management of the suites of policies and strategies.

Streamline and improve process for formulation of policies and strategies by: (i) Simplifying and clarifying the process, eliminating redundant steps and making sure the process for each different type of product (policy/strategy/guidelines etc.) is appropriate for that product type, and (ii) Building in technical quality assurance to help inform existing management reviews, not necessarily as an additional step.

Identify skills, resources, and support needed for compliance with policies and effective implementation of strategies and ensure their availability as part of the formulation and approval process

Hold managers and staff accountable for effective implementation, monitoring, evaluation, and results, in particular clarify accountability for driving implementation for each individual policy and strategy (to a relevant department or, for cross-cutting areas, to a committee), and provide required resources specifically linked to responsibility for delivery of expected activities, outputs and results.



WHAT DID MANAGEMENT RESPOND?

Management welcomed IDEV's independent evaluation of the Bank's policy and strategy making and implementation processes. It provided a timely assessment of the core regulatory instruments governing operational and institutional activities and programs. As a first of its kind, the evaluation provides a unique opportunity for the Bank to improve its policy/strategy framework both in terms of formulation and implementation. Overall, Management agrees with several of the findings and recommendations, while providing clarifications on key issues.

2.10 Evaluation of the Bank's Administrative Budget Management



WHAT DID IDEV EVALUATE?

The evaluation aimed to assess the extent to which the management of the Bank's administrative budget provides efficiency and effectiveness in delivering on its strategic priorities and areas where further improvements may be possible. The evaluation focused on five years (2010–2014), which include the ADF 12 & 13 and GCI-VI cycles. It has looked further back to take into account changes in processes, where deemed necessary.



WHAT DID IDEV FIND?

The budget reform was, by design, relevant and to a great extent articulated and integrated with other components of the Bank's reforms. The budget reform was implemented within a dynamic context of institutional reforms in, three of which were critical to the budget reform: a) the organizational restructuring of 2006; b) human resources reforms, and c) the decentralization strategy, including the 2010 roadmap.

Budget reform remains a work in progress. Good progress has been made in devolving budget management authority and infusing greater flexibility and building capacity, but the reform remains very much a work in progress. Most of the key measures were implemented in a technical sense, but are yet to translate into tangible results. Budget tools are in place, but further efforts are needed to improve the quality and therefore usability of the data generated. Capacity development requires further improvement, with inadequate attention paid to bringing about cultural and behavioral changes.

The budget reform has had a limited effect on the efficiency of key budget processes, notably budget and work program planning. The Bank's prevailing transaction intensive budget and work program planning process requires approximately 22,000 person-days, largely due to its bottom-up nature.

The effect of the budget reform on institutional efficiency has been limited. Some institutional efficiency indicators show a negative trend over the past five years. While there has been significant improvement in budget execution rates since 2009 reflecting improved flexibility, these do not necessarily mean greater efficiency.

While the alignment of resource allocation with strategic objective shows a positive trend, upfront strategic priority setting and use of results data remain to be strengthened. The Bank has moved beyond budgeting based on historical trends to budgeting based on the work program and strategic objectives. The planning process still lacks sufficient strategic decision-making because of inadequate upfront budget priority setting. Furthermore, results monitoring does not adequately inform strategic decisions on budget allocation.

Greater flexibility has been introduced, but is limited by staff budget management. The Bank has not yet made a full transition to UA budgeting. Controls still remain on fungibility and flexibility, in particular with the reinstatement of headcount controls following the difficulties applying fixed cost ratios, as salaries make up the largest part (about 70 percent) of the directly managed budget.

The accountability framework remains underdeveloped, despite devolution of budget responsibility. The accountability framework has been slowly reinforced by improvements in performance monitoring and other measures, such as Work Program Agreements (WPAs) and the Complex Framework Papers (CFPs). Despite noteworthy achievements, this has been too slow compared with the rapid devolution of budget and staff management responsibilities.

The budget reform has improved the monitoring and reporting framework, but there is scope for progress, as this has yet to translate into a data-driven performance culture. Performance monitoring has been reinforced by greater use of KPIs institution-wide, although there is further room to improve their quality. The Bank is still in the initial stages of making the shift to a data-driven performance management culture; KPIs and other reporting data are not actively used in making budgetary decisions.



WHAT DID IDEV RECOMMEND?

Expedite full implementation of budget reform.

- Review the priorities and sequencing in coherence with other institutional reforms and fix a clear deadline for full implementation of reform measures.
- Define a clear change management strategy that combines targeted capacity development based on the specific needs of stakeholders, clearer communication about the reform vision, objectives, progress, and incentives to adapt to new ways of planning and budgeting.
- Strengthen the reform management structure by assigning an interdepartmental, cross-complex core team under the direction of the First Vice President/Chief Operating Officer to coordinate reform implementation.

Strengthen the monitoring and accountability framework.

- Strengthen the monitoring and accountability framework, with measurable results-oriented KPIs for each cost center and performance conversations based on regular performance assessments.
- Revise the existing KPIs and performance feedback process to ensure that the planning and budgeting process takes results monitoring data sufficiently into account.
- Complete the transition towards Country Budgeting guided by the CSP, to realize the full potential of Work Program Agreements to reinforce accountability.
- Strengthen transparency around planning and budgeting through open access to budget and performance data, for Complexes and Units, and more impactful data visualization.

Simplify the planning and budgeting process and better articulate it with the Bank's strategic priorities.

- Improve the balance between bottom-up and top-down aspects of the planning process by strengthening top down directions by Senior Management at the outset for greater strategic alignment.



- Reduce the information burden of the planning process, particularly by budgeting in detail only for the 1st year of a three-year planning framework and indicating overall resources likely to be available for the 2nd and 3rd years. Complete the implementation of CAS and WPA, and use CAS data to generate cost coefficients to reduce the information burden on managers.
- Integrate the management of external resources, like the Trust Funds, into the planning process to provide Senior Management with a comprehensive picture of available resources and to ensure that their use is fully aligned with institutional priorities.

Streamline and strengthen relations with the Board.

Establish a forum to strengthen the interaction between the Board and Management with clearly defined terms of reference that enable the Board to provide strategic guidance for the budget review, approval, and oversight processes.



WHAT DID MANAGEMENT RESPOND?

Management welcomed IDEV’s independent evaluation of the Bank’s administrative budget management. The evaluation was timely and provided useful lessons. Management agreed with most of the recommendations and emphasized that the implementation of budget reforms has been on a positive trajectory as part of a broader reform agenda to improve coordination, delivery, and corporate performance. In this regard, the Budget Department, with counterparts in other Bank departments, has worked relentlessly to achieve the ambitious objectives of the budget reform agenda. While recognizing the many positive strides, Management is committed to accelerating and scaling up efforts to complete the reform agenda over an acceptable timeframe.

Annex 3:

Use of Rating Scale in Evaluations

INTRODUCTION

- This information note provides a brief explanation of the rating scale that IDEV use in conducting evaluations.
- The use of quantitative rating in evaluation continues to be a subject of debate in the evaluation community. Most evaluation units in MDBs favor the use of a rating system.
- The benefits of quantitative rating include: i) organizing and disciplining the evaluation, ii) setting the tone of the conclusions, iii) making the evaluation process more transparent, and iv) helping to ensure comparability across evaluations.
- According to the MDBs Evaluation Cooperation Group's Good Practice Standards, a rating system should be well defined and as simple as possible; too many or overly detailed ratings may confuse the reader of an evaluation.

IDEV PRACTICE

- In country strategies and programs evaluations (CSPEs) conducted by IDEV, ratings are assigned to core evaluation criteria—relevance, effectiveness, efficiency and sustainability. Other areas such as partnership, knowledge and policy dialogue can also be rated in some cases without constituting a standard requirement.
- IDEV has recently started using a six point scale rating system more systematically in its evaluation, particularly in its CSPEs, as it was felt the six point scale would allow greater nuance when it comes to broader judgment at the country level for example. Four point rating scales may still be used in other types of evaluation when deemed more relevant. The general guidance underpinning the six levels is as follows:

1. Highly Satisfactory: Overwhelming prevalence of positive aspects, with absence of any shortcomings in the performance of the concerned criteria.
 2. Satisfactory: Marked prevalence of positive aspects, clearly mostly outweighing negative aspects, i.e. substantial/good performance/progress on criteria with minor shortcomings.
 3. Moderately Satisfactory: Prevalence of positive aspects with modest shortcomings on criteria.
 4. Moderately Unsatisfactory: Prevalence of negative aspects only partly compensated by positive aspects, i.e. some performances but major shortcoming on criteria.
 5. Unsatisfactory: Marked prevalence of negative aspects clearly outweighing any positive aspects.
 6. Highly Unsatisfactory: Overwhelming prevalence of negative aspects.
- Building on this general guidance, more detailed definitions are used for specific evaluation criteria. For CSPEs, each criterion is evaluated at project, sector, and country levels. For each level, the rating is defined, starting with individual project level, by clear guidance on how to assess each criteria and sub-criteria; for sector and country level, guidance on how to consolidate lower level ratings is provided. In the remainder of this document, the effectiveness criterion is used as an illustrative example. When examined for each project in the portfolio, effectiveness is assessed according to two sub criteria i) the extent to which outputs are achieved, and the ii) extent to which outcomes are achieved. The following specific rating scale applies:

HIGHLY SATISFACTORY

Output: Based on the output execution ratio of all project output targets were reached or are considered on track to be reached by the end of the project in accordance with quality standards.

Outcome: Taking into account the latest value of the outcome indicators and the analysis of other relevant exogenous risks/factors and assumptions, it is plausible to expect that all intended project outcomes were or are likely to be achieved.

SATISFACTORY

Output: Based on the output execution ratio between 90% and 99% of project output targets were reached or are considered on track to be reached by the end of the project. Corrective actions for off track indicators were implemented in a timely manner to ensure that end of project targets could be achieved in accordance with quality standards.

Outcome: Taking into account the latest value of the outcome indicators and the analysis of other relevant exogenous risks/factors and assumptions, it is plausible to expect that most (75%) intended project outcomes were or are likely to be achieved.

MODERATELY SATISFACTORY

Output: Based on the output execution ratio between 75% and 89% of the project output targets were reached or are considered on track to be reached by the end of the project. Corrective actions for off track indicators were implemented in a timely manner to ensure that end of project targets could be achieved in accordance with quality standards.

Outcome: Taking into account the latest value of the outcome indicators and the analysis of other relevant exogenous risks/factors and assumptions, it is plausible to expect that a substantial percentage (50%-74%) of intended project outcomes were or are likely to be achieved.

MODERATELY UNSATISFACTORY

Output: Based on the output execution ratio between 50% and 74% of the project output targets were reached or are considered on track to be reached by the end of the project. Corrective actions for off track indicators were not implemented in a timely manner to ensure that the end of project targets could be achieved.

Outcome: Taking into account the latest value of the outcome indicators and the analysis of other relevant exogenous risks/factors and assumptions, it is plausible to expect that few (25-49%) intended project outcomes were or are likely to be achieved.

UNSATISFACTORY

Output: Based on the output execution ratio between 35% and 49% of the project output targets were reached or are considered on track to be reached by the end of the project. Corrective actions were not implemented and closely monitored for off track indicators. Poor performance jeopardized the achievement of one or more project outcomes.

Outcome: Taking into account the latest value of the outcome indicators and the analysis of other relevant exogenous risks/factors and assumptions, it is plausible to expect that few (5-24%) intended project outcomes were or are likely to be achieved.

HIGHLY UNSATISFACTORY

Output: Based on the output execution ratio less than 35% of the project output targets were reached or are considered on track to be reached by the end of the project. Poor performance jeopardized the achievement of most expected outcomes and the possibility of stopping or suspending the project considered.

Outcome: Taking into account the latest value of the outcome indicators and the analysis of other relevant exogenous risks/factors and assumptions, it is plausible to expect that very few (<5%) of the intended project outcomes were or are likely to be achieved.

- The rating from the individual project can be aggregated to arrive at sector level rating by applying a relative weight for each project in the portfolio of the concerned sector, which is often based on the amount or size of loan/grant of the particular project. This approach is illustrated below for four projects in the energy sector portfolio of a country. The weighted average is only one possible approach to synthesis and the synthesis frameworks defined for each evaluation may differ.

PROJECT	Amount (UA,000)	Individual project rating on effectiveness	Weight	Rating at energy sector level
ELECTRIC INTERCONNECTION	34,000	4 MODERATELY SATISFACTORY	0.25	1.01
RURAL ELECTRIFICATION	15,000	5 SATISFACTORY	0.11	0.56
HYDROPOWER PROJECT	60,000	3 MODERATELY UNSATISFACTORY	0.45	1.34
ELECTRIC TRANSMISSION LINE	25,000	2 UNSATISFACTORY	0.45	1.34
TOTAL	134,000		1.00	3.28*

*(Moderately unsatisfactory)

- A similar approach can be taken to aggregate country level ratings: the rating is aggregated from each sector based on its relative importance in terms of loan/grant size in the country portfolio as illustrated below. Again, this is one possible approach presented for illustrative purposes whereas other synthesis schemes can be applied, depending on the evaluation.
- IDEV is striving to constantly improve its evaluation rating system. As part of the ongoing CEDR, new tools such as the Project Results Assessments and Country evaluation synthesis template have been introduced and used as support to the CSP-ES as well. Both tools come with a guidance note that gives a detailed rating scale for each evaluation criteria.

SECTOR	Approval (UA,000)		Individual sector rating on effectiveness	Weight	Rating at country level
AGRICULTURE	450,000	5	SATISFACTORY	0.30	1.50
ENERGY	650,000	4	MODERATELY SATISFACTORY	0.43	1.73
TRANSPORT	250,000	2	UNSATISFACTORY	0.17	0.33
WATER AND SANITATION	150,000	6	HIGHLY SATISFACTORY	0.10	0.60
TOTAL	1,500,000			1.00	4.16*

*(Moderately satisfactory)

- One of the principal challenges of the rating system are its consistency (reliability) and accuracy (validity). IDEV ensures rating validity and reliability by developing guidelines, providing appropriate training and experience-sharing among staff and consultants. Furthermore, the final ratings are peer reviewed by an external experienced expert. However, evaluating is process of analysis that builds on multiple lines of collected evidence, triangulation and synthesis. Rating can never be mechanical, as judgment always plays a role in the process.

Annex 4:

List of Knowledge Sharing, Outreach and Dissemination Events and Activities

Feb
12–14

Abidjan

Ivorian Evaluation Days: IDEV keynote speech during the opening ceremony, presentation on “Public Policy Performance Assessment: Methods and Techniques” and participation in a panel discussion on “Governments’ evaluation practices”

Feb
23–26

Niamey

Niger Evaluation Week: IDEV keynote address during opening ceremony; provided two rounds of training on “Results-Based Evaluation of Public Policies”; and co-hosted a roundtable on evaluation practices of technical and financial development partners.

May
7

Abidjan

Launch of new IDEV name and branding.

May
13

Abidjan

Evaluation Community of Practice: Are AfDB Country Strategy Papers Fit for Purpose?

May
25–29

Abidjan

IDEV information stand at AfDB Group Annual Meeting.

May
28

Abidjan

Evaluation Seminar at AfDB Group Annual Meeting: Development Evaluation to Development Effectiveness.

May
28

Dakar

IDEV training at CESAG—Centre Africain d’Etudes Supérieures en Gestion—for the Senegalese Evaluation Association, representatives from ministries, non-governmental organizations, consultants, university lecturers and students, and press.

July
2

Abidjan

Evaluation Community of Practice: Mainstreaming Impact Evaluations in AfDB Operations: Progress or Stagnation?

July
22

Abidjan

Evaluation Community of Practice: Embedding Evaluation in Parliamentarians' work

July
24

Abidjan

Seminar for African parliamentarians on Governance during the APNODE Annual General Meeting

Aug
31

Abidjan

Baobab Forum, a high-level knowledge sharing event

Oct
13-14

Johannesburg

IDEV participation in the Centre for Learning on Evaluation and Results (CLEAR) Anglophone African Dialogue on Evaluation

Oct
26-30

Bangkok

IDEV information stand at the International Development Evaluation Association (IDEAS) Global Assembly

Oct
26-30

Bangkok

IDEV participation in National Evaluation Capacities Conference

Nov
11-13

Abidjan

IDEV information stand and presentation at ADF-13 Mid-Term Review

Nov
23-25

Kathmandu

IDEV participation in EvalPartners Global Evaluation Forum

Dec
1-10

Paris

IDEV publications at AfDB pavillion at COP21

Dec
10

Abidjan

Joint IDEV/IEG (World Bank) Learning Event on Energy sector

Dec
16

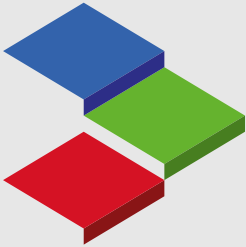
Abidjan

Learning event to familiarize AfDB staff with the Evaluation Results Database





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CONTACT US

Email: idevhelpdesk@afdb.org

Tel: +225 20 26 20 41

Fax: + 225 20 21 31 00



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