



IDEV

Independent Development Evaluation
Évaluation indépendante du développement

Synthesis Report on the Validation of 2022-2023 Project Completion Reports and Expanded Supervision Reports

December 2024



AFRICAN DEVELOPMENT BANK GROUP

Acknowledgements

Task Managers	Clément Banse, Chief Evaluation Officer, IDEV.1 Latéfa Conè Camara, Senior Evaluation Officer, IDEV.1
Team Members	Souleymane Dieye, Senior Evaluation Database Assistant, IDEV.3; Tsfaye Teklu, Consultant
Internal Peer Reviewers	Mohammed Jalaludeen Issahq, Principal Evaluation Officer; Eustace Uzor, Evaluation Officer (IDEV.1); Abdulkareem Lawal, Quality Assurance Consultant, IDEV.0
Internal Bank Reference Group	Penelope Jackson, Division Manager; Mariam Paiko Yinusa, Chief Quality Assurance Officer; Clement Mensah, Development Effectiveness and Quality Officer; Felix, Badolo, Consultant (SNDR.3) Olivier Shingiro, Division Manager; Charles Mulingi, Principal Results Specialist; Ihcen Naceur, Principal Results Officer (SNDR.1); Suraj Olajide Balogun, Division Manager; Jessie Qwaqwa Mvula, Senior Portfolio Results Officer; Cheick Mohamed Lemine, Chief Portfolio Management Officer (PINS.2)
Knowledge Management and Communication Team	Raky Gassama, Principal Knowledge Management Officer; Aminata Kouma Moulod, Evaluation Knowledge Assistant; Arsène Birindwa, Communications consultant (IDEV.3)
Other assistance provided by	Henda Ayari, Team Assistant, IDEV.1
Division Manager	Rufael Fassil, IDEV.1
Evaluator-General	Karen Rot-Munstermann

Table of contents

EXECUTIVE SUMMARY	IV
1. INTRODUCTION	1
1.1 BACKGROUND	1
1.2 PURPOSE	1
1.3 METHODOLOGY	2
1.4 LIMITATIONS	3
1.5 STRUCTURE OF THE REPORT	3
2. CHARACTERISTICS OF THE 2022-2023 VALIDATED PCRS AND XSRS	3
3. PROJECT PERFORMANCE AND QUALITY OF THE 2022-2023 REVIEWED PCRS	6
3.1. PCR PROJECT PERFORMANCE AND RESULTS.....	6
3.2. PCR AND PCREN RATINGS DISCONNECT AND PCR QUALITY	9
4. PROJECT PERFORMANCE AND QUALITY OF THE 2022-2023 REVIEWED XSRS	14
4.1. PROJECT OVERALL DEVELOPMENT PERFORMANCE	15
4.2. STAKEHOLDERS' PERFORMANCE	17
4.3 QUALITY OF THE 2022-2023 REVIEWED XSRS	19
5. LESSONS FROM THE 2022-2023 REVIEWED PCRS AND XSRS.....	22
5.1 LESSONS FROM THE 2022-2023 PCRS AND THEIR VALIDATION	22
5.2 LESSONS FROM THE 2022/2023 XSRS AND THEIR VALIDATION	24
ANNEXES.....	27
ANNEX 1: CHARACTERISTICS OF THE 2022-2023 PCR AND XSR POPULATIONS AND SAMPLED PCRS AND XSRS.....	27
ANNEX 2: PROJECT PERFORMANCE OF THE 2022-2023 REVIEWED PCRS.....	29
ANNEX 3. PCR AND PCREN RATINGS DISCONNECT 2022-2023	31
ANNEX 4. QUALITY OF THE 2022-2023 PCRS.....	32
ANNEX 5. PERFORMANCE AND QUALITY OF THE 2022-2023 REVIEWED XSRS	33

Acronyms and Abbreviations

ADOA	Additionality and Development Outcome Assessment
AfDB	African Development Bank Group
ALCB	African Local Currency Board
BDC	Botswana Development Corporation Limited
CBA	Cost-Benefit Analysis
CTF	Clean Technology Fund
DBN	Development Bank of Nigeria
DFI	Development Finance Institution
DTB	Diamond Trust Bank, Kenya
ECMR	Macroeconomics Policy, Forecasting and Research Department
EOM	Early Operating Maturity
IDEV	Independent Development Evaluation
IPR	Implementation Progress and Results Report
LOC	Line of Credit
M&E	Monitoring and Evaluation
MDB	Multilateral Development Bank
NSO	Non-Sovereign Operation
PAR	Project Appraisal Report
PCN	Project Concept Note
PCR	Project Completion Report
PCREN	Project Completion Report Evaluation Note
PFI	Private Financial Institution
PINS	Non-Sovereign Operations and Private Sector Support Department
RBLF	Results-Based Logical Framework
RMC	Regional Member Country
RMF	Results Measurement Framework
RRS	Results Reporting System
SME	Small and Medium Enterprise
SNDR3	Quality Assurance & Learning Division
TA	Technical Assistance
UA	Unit of Account
UTB	Sierra Leone Union Trust Bank
XSR	Expanded Supervision Report
XSREN	Expanded Supervision Report Evaluation Note

Executive Summary

Background

The African Development Bank Group (AfDB or “the Bank”) evaluates its operations through a combination of self and independent evaluations. For sovereign operations (SOs), self-evaluation is conducted through a Project Completion Report (PCR), which is prepared immediately following project completion by the operations department responsible for the project design and implementation. For non-sovereign operations (NSOs), the Bank undertakes self-evaluation through the Expanded Supervision Reports (XSRs) produced by the designated operations departments for projects that reach Early Operating Maturity.

The Independent Development Evaluation (IDEV) function at the Bank validates a certain number of PCRs and XSRs each year and prepares PCR Evaluation Notes (PCRENs) and XSR Evaluation Notes (XSRENs). The PCRENs and XSRENs form the basis for a biennial synthesis report. This synthesis report relates to the evaluation notes prepared for 130 PCRs and 18 XSRs produced during the period 2022–2023.

The overall objective of the validation exercise is to assist the Bank’s staff and Management in improving the management of public and private sector projects by assessing the quality of PCRs and XSRs, and fostering learning, accountability, and evaluation capacity building through the provision of lessons and success drivers.

Purpose

The purpose of this combined 2022-2023 PCR and XSR validation synthesis report is to provide credible evidence on project performance, the quality of PCRs and XSRs including project monitoring and evaluation (M&E) systems, and key lessons drawn from the findings of the validation of the 2022 - 2023 cohort of PCRs and XSRs. The specific objectives of the synthesis report include:

- Reporting project performance and results against a defined set of evaluation criteria for public and private sector projects respectively.
- Assessing of the quality of the PCRs and XSRs and contributory factors.
- Drawing lessons from the 2022-2023 cohort of PCRs and XSRs for improving future project performance and self-evaluation capacity.

The synthesis report is expected to assist the Bank’s management and operational staff to improve: (i) the management of current projects; (ii) the design and implementation of future projects; and (iii) the quality of future PCRs and XSRs.

The synthesis report will be disseminated widely to the Bank’s Board, Management, and staff, and shared with the public through other IDEV activities, and products, and the Bank’s website.

Methodology

The PCR validation synthesis component of the combined report is based on an analysis of 130 validated PCRs (PCRENs) drawn from a total of 167 PCRs that the Bank delivered in the 2022-2023 period. The 130 PCRs were selected through a stratified random sampling. The sample represents 77.84 percent of the number of operations and 91.69 percent of the volume of disbursement of operations for which a PCR was delivered. The operations underlying the 130 PCRs represent a total disbursement of about UA 5.8 billion, in all of the Bank’s supported sectors and regions of intervention (See Annex 1.1).

The 2022-2023 PCREN process, as in previous validations, adopted the evaluation approach prescribed by the Bank’s “Staff Guidance on Project Completion Reporting and Rating” in force (2012¹). This staff guidance establishes how to assess, (i) project performance using the international evaluation criteria of relevance, effectiveness, efficiency, and sustainability, as

¹ While the Operations Committee of the Bank approved a new Operational Instruction on Project Completion Reporting for Sovereign Operations in December 2021,

including a revised rating scale, the new guidance has not been rolled out yet as the Bank awaits the implementation of its automated Wakanda system.

well as (ii) the performance of the Bank, the Borrower and other project stakeholders. The guidance sets out a four-point rating scale: Highly Satisfactory (3.50-4.00), Satisfactory (2.50-3.49), Unsatisfactory (1.50-2.49), and Highly Unsatisfactory (1.00-1.49). Each criterion is assessed using a set of sub-criteria, with each evaluated separately. These individual ratings are then combined to produce an overall rating. It is important to note that the final score for the overall criterion is not simply the average of the sub-criteria ratings. Instead, the lowest sub-criteria scores are considered and the number of projects not rated (missing observations)² on each (sub)-criterion can also affect the final result.

In addition, the PCR validation template includes an assessment of (i) the quality of the PCRs based on nine criteria, (ii) project monitoring and evaluation quality, and (iii) compliance of the PCRs with the staff guidance note.

The XSR validation synthesis component of the report is based on 18 XSREns, prepared for the 18 XSRs delivered by the Bank in 2022-2023, representing 100 percent coverage. The operations underlying the 18 XSRs represent a total disbursement of UA 931 million across six sectors, in all of the Bank's regions of intervention. The validation was guided by the Bank's framework for evaluating private sector operations in force at the time of the validation, which are the 2021 Guidelines for the Preparation of Expanded Supervision Reports and Expanded Supervision Report Evaluation Notes. The guidelines are in line with the 4th edition of the Evaluation Cooperation Group (ECG) Good Practice Standards for Evaluation of Private Sector Investment Operations, which focus on: (i) Project Overall Development Performance (relevance, effectiveness, efficiency, and sustainability), (ii) the Bank's performance (investment profitability, work quality, and additionality), and (iii) other dimensions of performance (coherence and client non-financial performance). A four-point rating scale with ratings of Highly Satisfactory (3.50-4.00), Satisfactory (2.50-3.49), Partly Unsatisfactory (1.50-2.49), and Unsatisfactory (1.00-1.49) was applied, except for the criterion "Project Overall Development Performance"

which is rated on a six-point scale ranging from Highly Successful to Highly Unsuccessful (see table A5 in Annex 5).

The preparation of the 2022-2023 PCREns and XSREns required the extraction of both quantitative and qualitative evidence through the desk review of pertinent project and program documentation and other documents to complete a standard PCREN template for each PCR, and an XSREN template for each XSR. A team of international evaluation experts from relevant disciplines, together with some IDEV and other Bank prepared the PCREns and XSREns.

Findings

Project performance and quality of the validated 2022-2023 Project Completion Reports

PCR Project Performance

The overall project performance of the 2022-2023 cohort of sovereign operations was found satisfactory on average, with a score of 2.94, based on the combined core criteria of relevance, effectiveness, efficiency, and sustainability. The overall performance progressed from a score of 2.80 in 2018 to 3.04 in 2019 and to 3.15 over the 2020-2021 period but dropped in the 2022-2023 cohort of reviewed PCRs. Of the 130 projects, 116 (89.2 percent) achieved a positive rating (satisfactory or highly satisfactory).

Relevance: On average, the relevance of (i) project development objectives and (ii) design was rated highly satisfactory (3.55) across the 130 PCRs. The performance was stronger on the relevance of development objectives, which was rated highly satisfactory (3.83). Nearly all the projects (99.2 percent) achieved a positive rating (satisfactory or higher), signaling good alignment with the countries' development priorities and with pertinent Bank strategies.

Regarding the relevance of project design, performance was rated satisfactory, with an average score of 3.00. A total of 105 projects (80.8 percent) achieved a positive rating (satisfactory or highly satisfactory). The

² Lack of data to analyze or evidence to validate.

relevance of project design was mainly challenged by deficiencies in the project results frameworks (including imprecise causal logics and limited identification of unintended effects), and the lack of adequate engineering designs for accurately determining costs.

Effectiveness: The validated projects scored on average 2.70 on development effectiveness, which combines performance on outputs and outcomes. A total of 88 projects (67.7 percent) achieved positive ratings (satisfactory or highly satisfactory). Performance on output was found stronger, with an average score of 3.02 compared to outcomes which scored 2.81. This was also reflected in more projects being rated positively on outputs (109 projects or 83.8 percent) than on outcomes (89 or 68.5 percent).

Efficiency: Performance in efficiency, based on the combined four sub-criteria of (i) timeliness, (ii) implementation progress, (iii) resource use efficiency and (iv) cost-benefit analysis (CBA), was rated satisfactory overall with an average score of 2.84. A total of 97 projects (74.6 percent), which accounted for 73 percent of the Bank's disbursed amount, achieved a satisfactory or higher performance in overall project efficiency. The least performing sub-criterion was timeliness, which was rated unsatisfactory (2.15). Of the 130 projects, only 36 (22.7 percent) were rated satisfactory or higher on timeliness. The widespread failure of projects to be completed within their initially allocated timeframes requires further examination to determine whether the root cause relates to project design, implementation, or a combination of both.

Sustainability: The project's performance on sustainability was found satisfactory overall with an average score of 2.94. Of the total validated PCR projects, 87.7 percent generated benefits that were likely to be sustained. The prospect of sustainability in each of the four sub-criteria was satisfactory, but it was rated higher in ownership and sustainability of partnerships (3.07) and institutional sustainability and strengthening capacity (2.98), than in environmental and social sustainability (2.77) and financial sustainability (2.71). With 43.8 percent of the projects missing observations for computing the average score for environmental and social sustainability, the validation team

advises caution when comparing the ratings across the sustainability sub-criteria.

Performance of Stakeholders

The performance of the main stakeholders (the Bank, the Borrowers and other Development Partners) together averaged a satisfactory score of 2.95. Bank performance was found to be the strongest at 3.05, with 116 projects (89.2 percent) receiving positive ratings.

PCR-PCREN Ratings Disconnect

The PCR-PCREN Ratings Disconnect is the difference between the percentage of projects rated positively (satisfactory or higher) by Bank Management in the PCRs and the percentage rated positively (satisfactory or higher) by IDEV in the PCRENs. Over the 2022-2023 period, the average overall score of PCRs was 3.23, compared with 2.94 for the PCRENs - a statistically significant difference. The overall effectiveness and efficiency ratings had relatively high disconnects between the Management and IDEV ratings (22 and 8 percentage points respectively). The next most significant gap was in the overall sustainability rating, with a disconnect of five percentage points. The least divergence was in the relevance rating, which had a disconnect of one percentage point.

Quality of the Bank's 2022-2023 PCRs

The overall quality of the 2022-2023 PCRs was found satisfactory (but at the lower end of the rating band), with an average score of 2.65 based on a standard set of nine criteria. About 69 percent of the projects achieved a positive rating (i.e., scored satisfactory or above), which is lower than the 79 percent for the 2020-2021 PCRs. As in previous years, the lowest scoring PCR quality attributes included: (i) the extent to which lessons learned are based on evidence and analysis (2.28); (ii) the extent of soundness of data generation and analysis processes (2.50); and (iii) the extent of objectivity of the PCR assessment score (2.61).

Monitoring and Evaluation of PCR projects

Assessing project M&E systems remains a difficult exercise for the PCREN evaluators, mainly because of insufficient evidence in the PCRs, appraisal reports, and other project documentation on the systems' design,

implementation, and utilization. Even where M&E systems exist, the ratings suggest that they are unsatisfactorily implemented and used. For the 2022-2023 reporting, the analysis focused only on the M&E design due to data unavailability for implementation and utilization/use. The M&E quality had gradually improved over time, increasing from a score of 2.0 in 2016 to 2.4 in 2017, 2.6 in 2018, 2.7 in 2019, and 2.8 over the 2020-2021 period to 3.0 in 2022-2023, which was a satisfactory rating.

PCR compliance with PCR guidelines

The PCRs' compliance with the guidelines in terms of timeliness, stakeholder participation in PCR preparation, and provision of the required annexes was found satisfactory, with an overall average score of 2.93 for the 2022-2023 projects. This result was primarily driven by two factors. The first was timeliness, which is based on a unique scoring system, with PCRs being rated as either 4 (highly satisfactory) if they are on time, or 1 (highly unsatisfactory) if they are not. A total of 88 of the 130 PCRs (68 percent) were delivered according to schedule. The second factor is the extent of stakeholder participation in PCR preparation, which in the 2022-2023 assessment scored satisfactory (2.87), but this was based on only 112 of the 130 projects. In the remaining 18 cases, the PCREN evaluators had insufficient information on which to base their opinion.

Project performance and quality of the validated 2022-2023 Expanded Supervision Reports

Project Overall Development Performance

The overall project development performance rating summarizes the project's impact on the development of the host country or region, and implicitly the extent to which the project has contributed to fulfilling the Bank's mandate of economic and social development in its' regional member countries. The rating is a synthesis of the ratings of four sub-dimensions, namely: relevance, effectiveness, efficiency, and sustainability. Numerically, the overall performance score was 2.86. On the six-point scale, 14 of the 18 non-sovereign projects achieved positive ratings (highly successful, successful and mostly successful). The

remaining four projects were negatively rated, with three being mostly unsuccessful and one highly unsuccessful. Regarding the four sub-dimensions, the majority of projects also received positive ratings (highly satisfactory or satisfactory): relevance 99.4 percent, effectiveness 66.7 percent, overall efficiency 66.7 percent, and overall sustainability 77.8 percent.

The drivers of good overall project development performance included, the quality of the sponsor/management, sound front-end work by the Bank in terms of project structuring, as well as the inclusion of technical assistance components aimed at improving governance, and environmental or risk management practices by the borrower or sponsor company.

For the non-core dimension of coherence which assesses how a project fits within the broader system, considering internal and external operating contexts, the average rating for coherence of project objectives was 3.3 (satisfactory), i.e. the projects had good support, synergies and interlinkages, and consistency (complementarity, harmonization, and coordination) with other interventions. Nearly all the projects (17 out of 18) were positively rated (satisfactory and highly satisfactory). Five of these projects were deemed highly satisfactory.

The Bank's Investment Profitability

The Bank's Investment Profitability is essential to its long-term sustainability as a development finance institution and central to accomplishing its long-term corporate goals. This performance dimension assesses the extent to which the Bank has realized to date, and/or expects to realize over the remaining life of the project, the income that was expected at the time of approval of the intervention. The Bank's Investment Profitability dimension was rated positive (satisfactory or higher) for 16 projects (88.9 percent), with three of these projects rated highly satisfactory and 13 rated satisfactory.

The Bank's Work Quality

This performance dimension assesses the quality of the Bank's front-end work on the

intervention, which includes Screening, Appraisal and Structuring; this includes how professionally the Bank has undertaken its Administration and Supervision of the interventions under review, how the reporting requirement was implemented over the lifetime of the project, and how the Bank kept itself well informed of all material developments related to the project during implementation.

Over the 2022-2023 period, the Bank's front-end work quality was largely rated positively. The Bank's Screening, Appraisal, and Structuring work was rated satisfactory or higher in 16 out of 17 projects rated (94.4 percent), with two projects rated highly satisfactory. One project (6 percent) was rated unsatisfactory primarily due to overly optimistic financial and operational assumptions at origination. Note that one project was not rated in this sub-criterion due to the lack of information.

The Bank's Supervision and Administration performance was rated positive with an average score of (3.0). A total of 16 projects (94 percent) were rated satisfactory or higher on supervision and administration, while one project (6 percent) got an unsatisfactory rating. One project was not rated in this sub-criterion due to a lack of information.

The Bank's Additionality

As per the 2021 XSR and XSREN guidelines, the Bank's Additionality measures what the Bank's financing brings to the project over and above commercial financiers. It is based on a counterfactual assessment of how the project would have proceeded without the Bank's financing. This dimension is measured through two sub-indicators: financial additionality and non-financial additionality. Financial Additionality measures the special contribution that the Bank's funding offers the client that would otherwise not have been offered by other financiers. Non-financial Additionality measures the Bank's contribution to the project's design or functioning and reducing its risk profile. Overall, the Bank's Additionality was rated positive (satisfactory or higher) in 88.9 percent of the 18 projects reviewed. Three of these projects (19 percent) were rated highly satisfactory.

Client non-financial performance

The non-financial performance factors assessed include the sponsor and client's performance with respect to: (i) project design; (ii) project implementation; (iii) ability to adapt to changing macro and market conditions; (iv) meeting commitments embodied in the AfDB investment agreements (financial and non-financial); (v) sponsor ongoing support for the project/company; (vi) client responsiveness to the AfDB supervision recommendations; and (vii) measures taken by the sponsor and/or company management to establish the basis for project sustainability. The assessment for the 2022-2023 cohort of validated XSRs found an average score of 3.1 (satisfactory). All the projects were rated positively.

Quality Assessment of XSRs

IDEV rated the quality of three XSRs (17 percent) highly satisfactory, 11 XSRs (61 percent) satisfactory, and four XSRs (22 percent) partly unsatisfactory. High ratings on individual quality attributes suggest limited scope for improving XSR quality in future. However, caution is necessary with such a conclusion given the low number of validated XSRs (18).

Lessons

This section summarizes the key lessons that emerged from the 2022-2023 PCRs and XSRs validation.

Lessons from the 2022/2023 PCRs and their validation

The following lessons pertain to project preparation, design, implementation and results:

- **Consultative project design process:** Engaging key stakeholders in a consultative project design process ensures their needs are identified and met, fostering ownership from the outset.
- **Participatory project management:** Success is more likely when all stakeholders and partners reach a consensus and adopt mutually agreed-upon project management governance models that facilitate their actions.

- **Good governance and capacity building:** Strengthening technical and institutional capacities of stakeholders is crucial for achieving project goals and developing sustainable and endogenous expertise.
- **Agility in implementation and management:** Agility in project implementation and management is essential to adapt to changing circumstances from design to completion, allowing for necessary adjustments to ensure continued relevance and effectiveness of the project.
- **Building partnerships:** Strengthening partnerships during project design and implementation enhances the sustainability of results, as collaboration continues beyond the project's end.
- **Coordinated monitoring:** Coordinating the monitoring of reforms with development partners who provide budgetary support reduces transaction costs, especially in low-capacity contexts.
- **Clear financing articulation:** For projects using multiple financing instruments, clearly defining and articulating the activities to be financed enhances implementation and progress monitoring.

Lessons from the 2022/2023 XSRs' validation

Lessons drawn from the validation of XSRs were organized into two sections, one pertaining to the finance sector and the other to the real sector.

Lessons from validated XSRs covering the finance sector

- **Long tenure Lines of Credit (LoCs):** While LoCs to private financial institutions (PFIs) enable them to offer medium to long-term loans to small and medium enterprises (SMEs) and corporate customers, PFIs are often reluctant to provide long-term funding to micro, small and medium enterprises (MSMEs). Therefore, additional strategic initiatives and incentives such as those provided by the African Local Currency Bond Fund (ALCB), Partial Credit Guarantees and Capacity Building Programs are necessary to create a more

favorable environment for PFIs to extend long-term funding to MSMEs, thereby improving their access to finance.

- **Blended finance and de-risking mechanisms:** Blended finance and de-risking mechanisms provide opportunities to leverage Development Finance Institution (DFI) and Impact Investor capital to attract local commercial institutional capital. This approach increases and improves access to finance for MSMEs in Africa, as demonstrated by initiatives like the ALCB.
- **Training for LoC borrowers and beneficiaries:** Providing training to enhance the financial management skills of MSMEs makes them more creditworthy and reduces the perceived risk for PFIs. Strengthening the technical and institutional capacities of LoC borrowers and beneficiaries improves their understanding of LoC operations, leading to smoother relationships between financial institutions and sub-borrowers. An example of this is the Sierra Leone Union Trust Bank, which trained both its staff and beneficiaries to enhance their capacities, leading to smoother relationships and more efficient use of funds.
- **Compliance with loan covenants:** Ensuring that financial intermediaries comply early with loan covenants and commitments, and report on the performance of sub-projects or sub-loans, is crucial for the developmental and environmental success of lines of credit.
- **Market enabler Technical Assistance (TA):** TA facilities are essential for capital market development and building issuer capacity, as demonstrated by initiatives like the ALCB, whose success is partly premised on the back of its TA facility.

Lessons from validated XSRs covering the real sector

- **Implementing an Early Works Contract, which includes detailed design, engineering, and initial construction activities, can support the smooth and efficient execution of a project.** An Early Works Contract, which allowed for detailed

design, engineering and construction, was found to be a success factor for the smooth and efficient implementation of the XINA Solar One Project, South Africa.

- **Leveraging the Bank's experience:** Drawing on the Bank's experience and lessons in project management from both completed and ongoing projects is vital for ensuring a strong project start-up and achieving the expected objectives. An example of this is the Seychelles Cable Systems Company Limited project, where the Bank's previous experience contributed to the project's success.
- **Participation in complex investments:** The Bank's involvement in complex, high-risk investments can be instrumental in bringing such projects to completion. Well-structured participation also boosts other investors' confidence in the host country, as demonstrated by the XINA Solar One Project, South Africa.

Financial Additionality: The Bank's financial contributions, including long-term tenors and concessional facilities like the AfDB's Clean Technology Fund, along with the involvement of local DFIs and commercial banks, are vital for the successful structuring and financial efficiency of projects (e.g., XINA Solar One Project, South Africa).

- **Adherence to agreements and plans:** Adhering to agreements between partners and maintaining discipline in following financial and operational plans from the beginning ensures project completion within time and budget. This was demonstrated by the Seychelles Cable Systems Company Limited project.

1. Introduction

1.1 Background

The African Development Bank Group (AfDB or “the Bank”) evaluates its operations through a combination of self- and independent evaluations. For sovereign operations, self-evaluation takes the form of a Project Completion Report (PCR), which is prepared by the operations department responsible for the project’s design and implementation immediately following its completion. For non-sovereign operations (NSOs), the Bank undertakes self-evaluations through the Expanded Supervision Reports (XSRs) produced by the designated operations departments for projects that reach Early Operating Maturity.

Independent Development Evaluation (IDEV) at the Bank validates a sample of PCRs and XSRs each year and prepares PCR Evaluation Notes (PCRENs) and XSR Evaluation Notes (XSRENs). The PCRENs and XSRENs form the basis for a biennial synthesis report. This synthesis report relates to the 130 PCRENs and 18 XSRENs produced during the period 2022–2023. Previous synthesis reports are available on the [IDEV website](#).

1.2 Purpose

The purpose of this 2022-2023 PCR and XSR validation synthesis report is to provide credible evidence on project performance, the quality of PCRs/XSRs and project Monitoring and Evaluation (M&E) systems, and key lessons drawn from the 2022-2023 cohort. It does not make recommendations.

The specific objectives of the PCR/XSR validation synthesis report include:

- Reporting project performance and results against a set of evaluation criteria for public and private sector projects, respectively. The PCR section of the validation synthesis provides an independent desk review of project performance and results on four criteria (relevance, effectiveness, efficiency, and sustainability). It also reviews both the Bank and Borrower performance and evaluates the quality of the PCRs themselves.
- Likewise, the XSR section of the validation synthesis reports on the independent review of the performance of private sector projects in terms of (i) Project Overall Development Performance (relevance, effectiveness, efficiency, and sustainability); (ii) the Bank’s performance (additionality, investment performance, and work quality); and (iii) Other dimensions of performance (coherence of project objectives, and client non-financial performance).
- Assessing PCR and XSR quality and contributory factors, including project Monitoring and Evaluation systems, and the disconnect between self and independent ratings of project performance, to build self-evaluation capacity within the Bank’s operations departments.
- Drawing lessons from the 2022-2023 cohort of PCRs and XSRs towards improving future project performance and self-evaluation capacity.

The PCR/XSR validation synthesis report is expected to assist the Bank’s Management and operations staff to improve: (i) the management of current projects; (ii) the design and implementation of future projects; and (iii) the quality of future PCRs and XSRs. The synthesis report is expected to be disseminated widely to the Bank’s Board, Management, and staff, and shared with the public through workshops, other IDEV activities and products, and the Bank’s website.

1.3 Methodology

The PCREN component of the PCR/XSR validation synthesis report was based on an analysis of 130 validated PCRs. The 130 PCRs reviewed were selected through a stratified random sampling from the total of 167 PCRs that the Bank delivered in 2022-2023 (designated here as PCR population). This sample of 130 PCRs represented a total disbursement of about UA 5.79 billion and covered all the Bank's sectors and regions of intervention (Section 2 provides further details).

In terms of sample coverage, the 130 PCRs represented 77.8 and 91.8 percent of the PCR population in terms of number and volume of disbursement of operations, respectively. This high level of coverage entailed a close correspondence in distribution of the characteristics of the sampled PCRs (130) and the PCR population (167) as evident in sectoral distribution (Annex 1, Table A1.1) and regional profile (Annex 1, Table A1.2).

The 2022-2023 PCREN process, as in previous validations, adopted the evaluation approach prescribed by the Bank's "Staff Guidance on Project Completion Reporting and Rating" (2012). The staff guidance establishes how to assess project performance using the international evaluation criteria of relevance, effectiveness, efficiency, and sustainability, as well as the performance of the Bank, the Borrower and other project stakeholders. It should be noted that in December 2021, the Bank's Operations Committee approved a new Operational Instruction on Project Completion Reporting for Sovereign Operations which includes a revised rating scale. However, the new guidance is pending roll-out due to delays in the Wakanda' Results Reporting System (RRS) upgrade, which are essential to maintain gains from transitioning from a manual to a digital PCR completion process via RRS

The PCR validation template (the PCREN) includes an assessment of: (i) the quality of the PCRs themselves based on nine criteria; (ii) project M&E quality, focusing on the design and use of M&E systems in project implementation; and (iii) the compliance of the PCRs with the staff guidance document, focusing on PCR timeliness, stakeholder participation in PCR preparation, and provision of the required annexes. For example, it's required to attach to the PCR an updated Implementation Progress and Results Report (IPR) whose date should be the same as the PCR mission.

The guidance sets out a four-point rating scale (Table 1). Each criterion is assessed using a set of sub-criteria, each of which is evaluated separately, with the results then combined to produce an overall rating. It should be noted that the combined rating for the overall criterion is not the mathematical average of the sub-criteria ratings. Instead, it considers the minimum scores on the sub-criteria, and is also affected by the number of projects not rated (missing observations) for each (sub)-criterion.

Table 1: Rating scale for the PCRs

Rating	Numerical score	Criteria/overall rating score
Highly satisfactory	4	3.50 - 4.00
Satisfactory	3	2.50 - 3.49
Unsatisfactory	2	1.50 - 2.49
Highly unsatisfactory	1	1.00 - 1.49

Source: The Bank's Staff Guidance on PCR Reporting and Rating, 2012.

The XSREN component of the PCR/XSR validation synthesis report was based on an analysis of 18 validated XSRs delivered by the Bank in 2022-2023, a coverage of 100 percent (Annex 5, Table A5.1). The operations underlying the 18 XSRs represented a total disbursement of UA 931 million, in six sectors in all the Bank's intervention regions (namely West, Central, East, North, South and multinational).

The XSREN validation process was guided by the Bank's framework for evaluating private sector operations - the 2021 Guidelines for the Preparation of Expanded Supervision Reports and Expanded Supervision Report Evaluation Notes. The guidelines are in line with the 4th edition of the Evaluation Cooperation Group (ECG) Good Practice Standards for Evaluation of Private Sector Investment Operations, which focus on: (i) Project Overall Development Performance (relevance, effectiveness, efficiency, and sustainability), (ii) the Bank's performance (investment profitability, work quality, and additionality), and (iii) other dimensions of performance (coherence and client non-financial performance). All (sub-)criteria were rated using a four-point rating scale, which is different from the

PCR rating scale (see table 2), except for the Project Overall Development Performance criterion, which was rated on a six-point scale ranging from Highly successful to Highly unsuccessful (See Annex 5).

Table 2: Rating scale for the XSRs

Rating	Numerical score	Criteria/overall rating score
Highly satisfactory	4	3.50 - 4.00
Satisfactory	3	2.50 - 3.49
Partly unsatisfactory	2	1.50 - 2.49
Unsatisfactory	1	1.00 - 1.49

The preparation of the 2022-2023 PCRENS and XSRENS required the extraction of both quantitative and qualitative evidence through a desk review of pertinent project and program documentation and other documents to complete a standard PCREN template for each PCR and an XSREN template for each XSR. A team of international evaluation experts from relevant disciplines, together with some IDEV and Bank staff, prepared the PCRENS and XSRENS for 2022-2023, which were peer reviewed by the IDEV staff and international consultants.

1.4 Limitations

The preparation of the PCR/XSR validation synthesis report and the analyses supporting it faced the following limitations:

- The absence of annexes accompanying the PCRs (such as the IPR in some PCRs, or technical notes on the estimation procedure followed for cost-benefit analysis).
- The population of the XSRs was limited. During the period under review (2022–2023), 18 XSRs shared by the Bank’s private sector department were available for validation by IDEV at the time of the validation exercise, and IDEV validated them all. The small population size may limit (constrain) the comparability of the findings of the current iteration of the synthesis with previous XSR validation synthesis results and the results of other Multilateral Development Banks (MDBs).
- The synthesis exercise identifies issues, but fully investigating their causes is outside its scope.

1.5 Structure of the report

The remainder of this synthesis report is organized as follows:

- Section 2 presents the characteristics of the reviewed public and private sector operations (reviewed PCRs and XSRs respectively).
- Section 3 discusses the performance and quality of the 2022-2023 reviewed PCRs.
- Section 4 synthesizes the performance and quality of the 2022-2023 reviewed XSRs.
- Section 5 presents the key lessons from the PCRENS/XSRENS for project quality improvement.

2. Characteristics of the 2022-2023 Validated PCRs and XSRs

As highlighted in the methodology section, 130 PCRs were selected for validation through a stratified random sampling from the total of 167 PCRs that the Bank delivered in 2022-2023. For the XSRs, IDEV validated all 18 that the Bank delivered in 2022-2023.

2.1 Profile of the validated PCRs

By Sector: The sectoral composition of the validated PCRs in terms of the number of projects shows that about 37 percent of the projects were multi-sector, followed by social (17.7 percent), agriculture (13.9 percent), water supply and sanitation (11.5 percent), transport (7.2 percent), and power (6.9

percent). The order markedly shifts when the sector composition was ranked by share of the Bank's total disbursed amount: power took the lead, accounting for 39.5 percent of the disbursed amount, followed by multi-sector (31 percent), transport (9.3 percent), water supply and sanitation (7.1 percent) and agriculture (5.9 percent). Although the power projects were fewer in number, the disbursement per project was on the high side (Table 3). Finance, which in previous years was often prominent in the Bank's portfolio, accounted for about 2 percent (Table 3).

Table 3: The 2022-2023 validated PCRs by sector

Sector	Number				Disbursement	
	PCRs		PCRENs		PCRENs	
	Count	%	Count	%	UA (M)	%
Agriculture	24	14.37	18	13.85	342.41	5.91
Communications	1	0.60	1	0.77	29.45	0.51
Environment	2	1.20	2	1.54	8.12	0.14
Finance	6	3.59	2	1.54	98.11	1.69
Industry / Mining / Quarrying	1	0.60	1	0.77	0.63	0.01
Multi-Sector	61	36.52	48	36.92	1,792.39	30.96
Power	10	5.99	9	6.92	2,285.85	39.48
Social	27	16.17	23	17.69	285.47	4.93
Transport	12	7.19	11	8.46	539.59	9.32
Water Supply / Sanitation	23	13.77	15	11.54	408.42	7.05
Total	167	100.00	130	100.00	5,790.44	100.00

By Region: The 2022-2023 validated PCR projects were dispersed across all the Bank's regions. The distribution by number of projects was more even across the regions than the distribution by share of the disbursed amount. By count of the projects, Southern Africa (21.5 percent), West Africa (20.8 percent) and multiregional (20 percent) ranked in the top tier. However, Southern Africa accounted for the largest share of total disbursements (42.9 percent), which was indicative of higher disbursement per project in the region (Table 4). On the other hand, despite the top tier ranking of West Africa in terms of the number of projects (20.8 percent), its share of the total disbursements was in the bottom ranking (8.3 percent).

Table 4: The 2022-2023 validated PCRs by region

Region	Number				Disbursement	
	PCRs		PCRENs		PCRENs	
	Count	%	Count	%	UA (M)	%
Central Africa	18	10.78	16	12.31	547.16	9.45
East Africa	25	14.97	21	16.15	659.59	11.39
Multiregional	32	19.16	26	20.00	634.64	10.96
North Africa	18	10.78	12	9.23	981.93	16.96
Southern Africa	37	22.16	28	21.54	2,486.40	42.94
West Africa	37	22.16	27	20.77	480.75	8.30
Grand Total	167	100.00	130	100.00	5,790.46	100.00

By Funding Source: Over the period 2022-2023, 18 funding sources were utilized to support the PCR projects, with some projects drawing from more than one source. The six main sources for financing

projects were as follows in order of importance (volume): the African Development Bank (UA 2,894 M), the African Development Fund (UA 2,003 M), the Fragile States Facility (UA 329 M), the Clean Technology Fund (UA 82M), Strategic Climate Fund (UA 53M) and the Global Agriculture & Food Security Program Trust Fund (UA 44 M) (Annex 1, Table A1.3).

2.2. Profile of the validated XSRs

During the timeframe under review, IDEV validated 18 private sector projects (also referred to as the synthesis portfolio), equivalent to 100 percent of the XSRs available at the time. The diversity of these projects was limited in terms of sectoral distribution, use of instruments, and regional profile (Annex 1, Table A1.4).

By Sector: As shown in Table 5, many of the validated projects were in the financial (50 percent) and power (20 percent) sectors. The remaining 30 percent were in agriculture, industry, communications, and water sectors. The order hardly changed when the sectoral composition was ranked according to the share of the total amount disbursed by the Bank. However, it was noted that finance was gaining in importance with 67.02 percent, followed by power (22.1 percent) and agriculture (7 percent). The share of the rest of the sectors was as follows: Industry/Mining/Quarrying (1.6 percent), Water Supply/Sanitation (1.2 percent) and Communications (0.6 percent).

Table 5: Sectoral Composition of the XSR Synthesis Portfolio (2022-2023)

Sector	XSREN		XSREN	
	Count	(%)	UA (M)	%
Finance	9	50.0	776.02	67.3
Agriculture	1	5.6	80.56	7.0
Industry/Mining/Quarrying	1	5.6	776.02	1.8
Power	5	20.5	255.00	22.1
Water Supply/Sanitation	1	5.6	13.31	1.2
Communications	1	5.6	7.39	0.6
Total	18	100	1,152.73	100

By Region: The regional distribution of the number of validated projects showed skewness to the Western (27.8 percent), Eastern (27.8 percent), and Southern regions (22.1 percent), which accounted for 76.7 percent (Table 6). Then, the Multiregional followed with 11 percent and the Central and Northern regions with one operation each (5.6 percent). In terms of volume, the regional distribution is partially different. The West stood out with 41.5 percent, followed by the South (26.3 percent), the East (16.4 percent) and multi-regional (13.3 percent). The other regions followed successively with the central (1.8 percent) and the North (0.8 percent).

Table 6: Regional Profile of XSR Synthesis Portfolio (2022-2023)

Region	XSREN		XSREN	
	Count	%	(UA M)	(%)
Multiregional	2	11.1	152.42	13.3
West	5	27.8	478.72	41.5
East	5	27.8	188.84	16.4
North	1	5.6	9.26	0.8
Central	1	5.6	20.45	1.8
South	4	22.1	303.04	26.3
Total	18	100.0	1,152.73	100

By Instrument: regarding the projects' distribution by financing instruments, it appears from table 7 below that most interventions were financed through project loans (67 percent), followed by lines of credit (28 percent). There was only one guarantee instrument used (6 percent).

Table 7: Distribution of projects by lending instruments (2022-2023)

Instruments		Number of projects + guarantee	(%)
1	Line of Credit	5	28
2	Project loan	12	67
3	Guarantee	1	6
	Total	18	100.0

3. PROJECT PERFORMANCE AND QUALITY OF THE 2022-2023 REVIEWED PCRS

3.1. PCR Project Performance and Results

Overall project performance. The overall project performance in the 2022-2023 cohort of sovereign operations was found satisfactory on average (score of 2.94), based on the combined core criteria of relevance, effectiveness, efficiency, and sustainability. The overall performance score progressed from 2.80 in 2018, to 3.04 in 2019, and to 3.15 over the period 2020-2021, but dropped in the 2022-2023 cohort of the reviewed PCRs. Of the total 130 projects, 116 (89.2 percent) achieved a positive rating (satisfactory or highly satisfactory). Project performance was strongest on relevance (with an average score of 3.55), and weakest on effectiveness and efficiency (average scores of 2.70 and 2.84, respectively), although it was still satisfactory. The projects with the highest and lowest scores are listed in Table 8.

Table 8: List of projects with the highest and lowest PCREN overall scores (2022-2023)

N°	Report Title	Country	Sector	Overall Rating Score Description
2022				
1	Nacala Rail and Port Value Addition project	Malawi	Multi-Sector	Highly Satisfactory
2	Emergency Humanitarian Assistance to Internally Displaced Persons project in Bamako	Mali	Social	Highly Satisfactory
3	Tax Governance Support project (PAGFI)	Togo	Multi-Sector	Highly Satisfactory
4	Budget Support Program in Response to the COVID-19 crisis (PABRC)	Cameroon	Multi-Sector	Unsatisfactory
5	Support to Gender Equality and Women's Economic Empowerment for Inclusion project	South Sudan	Multi-Sector	Unsatisfactory
6	COVID-19 Support Programme in G5 Sahel countries - Mali	Mali	Multi-Sector	Unsatisfactory
7	Project for the Development of Sewerage Master Plans for Eight Secondary Cities in Madagascar (SDAUM)	Madagascar	Water Supply / Sanitation	Unsatisfactory
8	Marrakech Region Water Supply project	Morocco	Water Supply / Sanitation	Unsatisfactory
9	Central Africa Backbone (CAB) project – Cameroon component	Cameroon	Communications	Unsatisfactory

N°	Report Title	Country	Sector	Overall Rating Score Description
2023				
1	Programme d'appui à l'inclusion financière et à l'entrepreneuriat pour la relance économique	Morocco	Finance	Highly Satisfactory
2	Projet d'appui ciblé et renforcement des capacités (PAC-RDC)	Democratic Republic of Congo	Social	Highly Satisfactory
3	Projet d'approvisionnement en eau potable et d'assainissement dans: i) les zones rurales des districts de tadjoura, d'arta et d'ali sabieh; ii) les chefs-lieux des districts de tadjoura et d'ali sabieh (PAEPARC)	Djibouti	Water Supply / Sanitation	Unsatisfactory
4	Women's Empowerment and Skills Development project - Consolidation Phase (WESDP II)	Mozambique	Social	Unsatisfactory
5	Programme d'urgence d'appui à la réponse au COVID 19 (PABRC)	Democratic Republic of Congo	Multi-Sector	Unsatisfactory
6	Projet de Bitumage de La Route Kyabe-Singako	Chad	Transport	Unsatisfactory
7	Programme d'appui aux réformes économiques (PARE)	Gabon	Multi-Sector	Unsatisfactory
8	Programme de réhabilitation et de renforcement de la résilience du système du bassin du lac Tchad (PRESIBALT) - Tchad	Multinational	Environment	Highly Unsatisfactory

Table 8 shows that among the five projects that achieved highly satisfactory performance during the 2022-2023 period, 40 percent were multi-sector, social sector also had 40 percent, while 20 percent were in the financial sector. Twelve projects had negative performance (unsatisfactory and highly unsatisfactory), among which 46 percent were multi-sector, followed by the social (27 percent), communication, and transport sectors, with 9 percent each. Note that one project in the environment sector recorded a highly unsatisfactory performance. These results should be interpreted in relation to the significant number of PCRs produced in these sectors of the Bank during the period 2022-2023. As shown in Table 3, over 36 percent of the PCRs produced were under the multi-sector, followed by the social sector (16 percent) and the water and sanitation sector (14 percent). This could thus explain the strong representation of these sectors in the group of the best PCR projects, and in that of the worst PCR projects.

Relevance. On average, the relevance of (i) project development objectives and (ii) design was rated highly satisfactory (3.55) across the 130 PCRs (Annex 2, Table A2.1). The performance was stronger on the relevance of development objectives, which was rated highly satisfactory (3.83). Nearly all the projects (99.2 percent) achieved a positive rating (satisfactory or highly satisfactory), signaling good alignment with countries' development priorities and pertinent Bank strategies. In the case of the relevance of project design, its performance was satisfactory, with an average score of 3.00. A total of 105 projects (80.8 percent) achieved a positive rating (satisfactory or higher). The relevance of project design was mainly challenged by deficiencies in the project results frameworks, including imprecise causal logics and limited identification of unintended effects, and the lack of adequate engineering designs for accurately determining costs.

Effectiveness. The validated projects scored on average 2.70 on development effectiveness, which combines performance on outputs and outcomes. This rating reverses a trend which had previously been upwards: from 2.40 in 2018 to 2.86 in 2019 and 2.91 in 2020-2021. A total of 88 projects (67.7 percent) achieved positive ratings (satisfactory or highly satisfactory). Performance on output was found stronger, with an average score of 3.02 compared to outcomes which scored 2.81. This was also

reflected in the higher number of projects rated positively on outputs (109 or 83.8 percent) than outcomes (89 or 68.5 percent) performance (Annex 2, Table A2.2).

Efficiency. Performance on efficiency, based on the combined four sub-criteria of (i) timeliness, (ii) implementation progress, (iii) resource use efficiency, and (iv) cost-benefit analysis (CBA), was found satisfactory with an average score of 2.84. However, this again reversed a previously upward trend, from 2.70 in 2018 to 2.83 in 2019 to 2.97 in 2020-2021. A total of 97 projects (74.6 percent), which accounted for 73 percent of the Bank's disbursed amount, achieved a satisfactory or highly satisfactory performance in project efficiency (Annex 2, Table A2.3). More specifically:

- The resource use efficiency sub-criterion was rated satisfactory (3.29), indicating that the 2022-2023 projects efficiently used the available resources.
- Next was the implementation progress sub-criterion rated satisfactory (2.91); 101 of the 130 projects had a satisfactory or highly satisfactory rating.
- The CBA sub-criterion was rated satisfactory (2.88) but based on a limited number of projects (33 out of 130). It was noted that 74.6 percent of the sampled PCRENs were excluded from the calculation of the average score owing to missing data, which diminishes the comparability of CBA ratings over time.
- The least performing sub-criterion was timeliness, rated unsatisfactory at 2.15. Nearly all the PCREN projects reported ratings for timeliness, but only 22.7 percent were rated satisfactory or higher (36 projects). The widespread failure of projects to complete within the initially allocated timeframes requires deeper investigation to determine whether the main issue is one of design or implementation (or a combination of both). Almost all investment projects were completed with more or less significant delays.

Sustainability. The projects' performance on sustainability was found satisfactory overall with an average score of 2.94, which was a decline compared the 2020-2021 rating of 3.04, after an improvement from 2018 (2.7) to 2019 (2.83) and from 2019 to 2020-2021. Of the total validated PCR projects, 87.7 percent generated benefits likely to be sustained. The prospect of sustainability in each of the four sub-criteria was satisfactory, but it was rated higher in ownership and sustainability of partnerships (3.07) and institutional sustainability and strengthening capacity (2.98), than in environmental and social sustainability (2.77) and financial sustainability (2.71). However, with 43.8 percent of observations missing for computing the average scoring for environmental and social sustainability, the validation team advises caution in comparing the ratings across the sustainability sub-criteria.

Overall project performance by sector and region³

For the sectors with at least 10 validated PCRs (Annex 2, Table A2.6), the average sector-specific PCREN performance score was 2.94 for multi-sector (n=48), 3.04 for social (n=23), 3.0 for agriculture (n=18), 2.80 for water supply and sanitation (n=15), and 2.90 for transport (n=11). There were no significant deviations in sector mean scores from the overall PCREN project performance score (2.94 for n=130), i.e. no sector stood out as performing substantially better than the others.

The average overall project performance ratings in 2022-2023 were relatively similar across the regions, with an average of 2.94 (Annex 2, Table A2.5), except for the below-average performance of the PCRENs from the Central Africa region (2.73 for n=16).

Performance of Stakeholders (Bank, Borrower and Others)

The performance of the main stakeholders (the Bank, the Borrowers and other Development Partners) averaged a satisfactory score (Annex 2, Table A2.7). Bank performance had the strongest rating (3.05), with 116 projects (89.2 percent) receiving positive ratings for this aspect. Borrowers averaged 2.83 with

³ This sub-section was included to highlight some differences in performance. However, no hard conclusions could be drawn.

102 projects (78.4 percent) receiving positive ratings. Similarly, other stakeholders averaged 2.97 with 107 projects (82.3 percent) rated positively.

3.2. PCR and PCREN Ratings Disconnect and PCR Quality

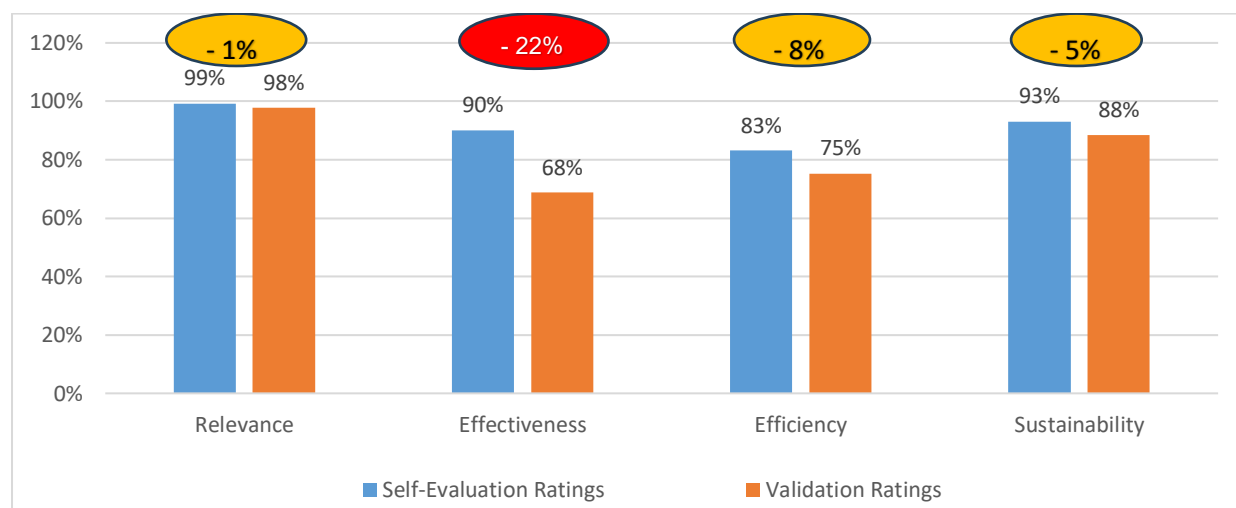
The PCR-PCREN Ratings Disconnect is the difference between the percentage of projects rated positively (satisfactory or higher) by Bank Management in the PCRs and the percentage rated positively (satisfactory or higher) by IDEV in the PCRENS. As shown in Figure 1, the negative disconnects for all the core evaluation criteria suggest the PCREN ratings lie below the PCR ratings regardless of the evaluation criterion, indicating that the self-evaluated PCR ratings are generally more favorable than the independent validation ratings. To the extent that the independently validated PCRs (PCRENS) are a better approximation of the “true” ratings of the performance and results of the projects, the PCR ratings seemingly overestimate the “true” performance of the projects. Over the period 2022-2023, the PCRs’ average overall performance score was 3.23 compared with 2.94 for the PCRENS, a statistically significant difference.

Among the plausible explanations for the divergence are: (i) the PCR quality (i.e., the quality of the self-evaluation -- quality dimension 1); (ii) PCR compliance with the Bank guidelines (quality dimension 2); and the design, implementation and utilization of the project M&E system (quality dimension 3). The first section presents the PCR and PCREN ratings, emphasizing the ratings where the statistical tests for mean differences were considered outside the margin of error. The subsequent sections present the three quality dimensions.

3.2.1. PCR and PCREN Ratings Disconnect

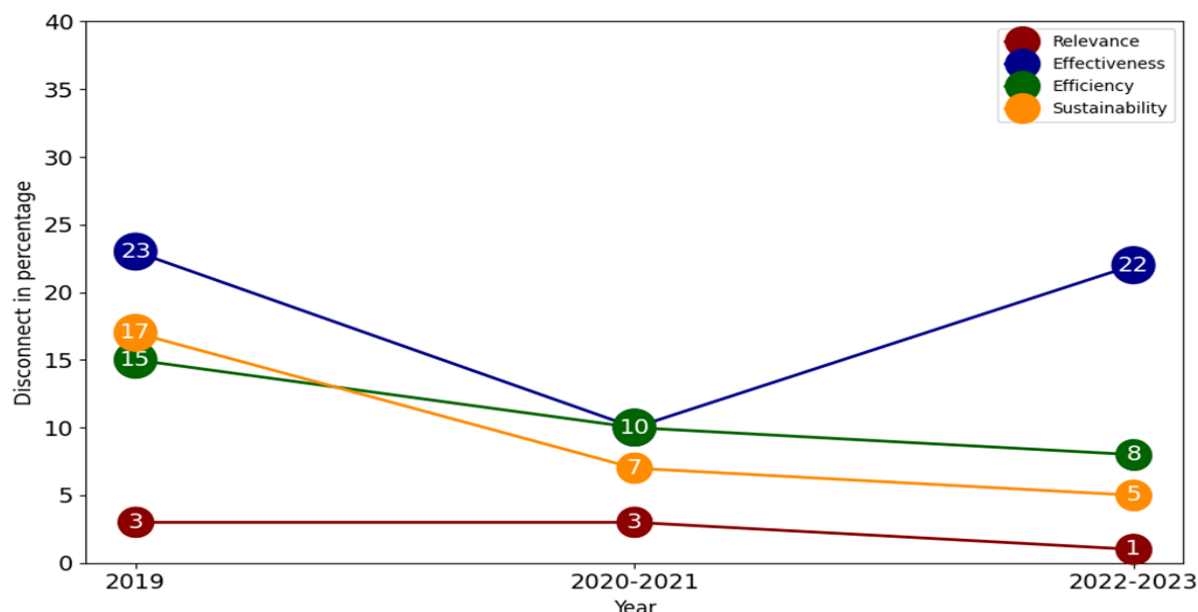
The disconnect between the Management and IDEV ratings was found significantly larger for overall effectiveness (22 percentage points). The divergence in the ratings was 1 percentage point for relevance, 5 percentage points for sustainability, and 8 percentage points for efficiency.

Figure 1: Ratings Disconnect between Self Evaluation and Validation Performance Ratings for PCRs (%)



The analysis of the evolution of the disconnect from 2019 to 2023 (Figure 2) showed that its magnitude decreased for three of the four criteria (relevance, efficiency and sustainability) indicating a certain convergence between the Management and IDEV scores. This suggested more objectivity in the ratings at the level of these three criteria in relation to the PCR guidelines. Only the disconnect of effectiveness increased between 2021 and 2023 after decreasing between 2019 and 2021.

Figure 2: Evolution of the disconnect between 2019 and 2023



Relevance

On relevance, Bank Management scored 99 percent of the projects as satisfactory or higher in the PCRs, while IDEV PCRENs rated 98 percent of the projects satisfactory or higher.

The average “relevance of project objectives” score for the PCRs was 3.79, and 3.83 for the PCRENs (Annex 3, Table A3.1). However, the mean difference of 0.04 is not statistically significant (P-value: 0.1264)⁴. Generally, projects were well-aligned with national development priorities and pertinent Bank strategies. This may also indicate the high importance assigned to the relevance of the project objectives, which is a key decision factor in terms of whether to fund the project in the first place. Since projects are unlikely to be funded if they were not so well aligned, this raises questions about the added value of including this first sub-criterion in the project evaluation process.

Regarding the second sub-criterion, relevance of project design, there was a highly statistically significant disconnect (P-value 0.000), with the PCRs scoring substantially higher (3.47) than PCRENs (3.00). According to the latter, the PCRs tended to be over-optimistic on the quality of project design, particularly in key areas such as setting measurable performance indicators (especially in relation to the project timeframe), estimating realistic project costs (and from there establishing realistic baselines and expectations for cost-benefit analyses), and calculating an accurate project duration.

Effectiveness

On effectiveness, Bank Management scored 90 percent of the projects as satisfactory or higher in the PCRs, while IDEV PCRENs only rated 68 percent of the projects satisfactory or higher. At the overall level of effectiveness, as measured by the development objective (DO), there was a high statistical significant disconnect (P-value =0.000) between PCR (3.15) and PCREN ratings (2.70) of the achievement of the objective (Annex 3, Table A3.2). This could be partly attributed to some PCRs not adhering to the PCR evaluation guidelines, which prescribe to take the lower of either the output or the outcome score in computing the overall level of effectiveness (when scoring the DO). Instead, the ratings in these PCRs were based on an average of the output and the outcome rating.

The rating disconnects between PCR and PCREN at sub-criterion level follow the same pattern as the overall rating of effectiveness (Annex 3, Table A3.2). The PCREN ratings for both output and outcome

⁴ The p-value gives the probability of obtaining the observed result if the null hypothesis of no difference between PCR and PCREN scores were true. The lower the p-value, the greater the statistical significance of the observed difference. A p-value of 0.05 or lower is generally considered statistically significant. A p-value of greater than 0.10 is generally considered statistically insignificant and a p-value of greater than 0.05 but less than or equal to 0.10 is moderately significant.

performance were lower than the PCR ratings, and the disconnect was highly statistically significant for both sub-criteria (P-value: 0.000 for Outputs and P-value: 0.000 for Outcomes).

Efficiency

On efficiency, Bank Management scored 83 percent of the projects as satisfactory or higher in the PCRs, while IDEV PCRENS rated 75 percent of the projects satisfactory or higher. The PCRs (3.01) scored efficiency more highly than the PCRENS (2.84), and the difference was statistically significant (P-value= 0.001403). The divergence in ratings was observed in three out of four sub-criteria, including implementation progress, cost benefit analysis, and resource use efficiency, where the rating differences were statistically significant (Annex 3, Table A3.3). In the case of timeliness, the non-statistically significant disconnect between PCR and PCREN results was less surprising, because both criteria measure input use in a fairly objective manner, so there is less scope for disagreement.

Sustainability

Regarding sustainability, Bank Management scored 93 percent of the projects as satisfactory or higher in the PCRs, while IDEV PCRENS rated 88 percent of the projects satisfactory or higher. The disconnect between PCR and PCREN scores for the sustainability criterion was statistically significant both in terms of the overall sustainability of projects, and the various sub-criteria that make up the criterion (Annex 3, Table A3.4).

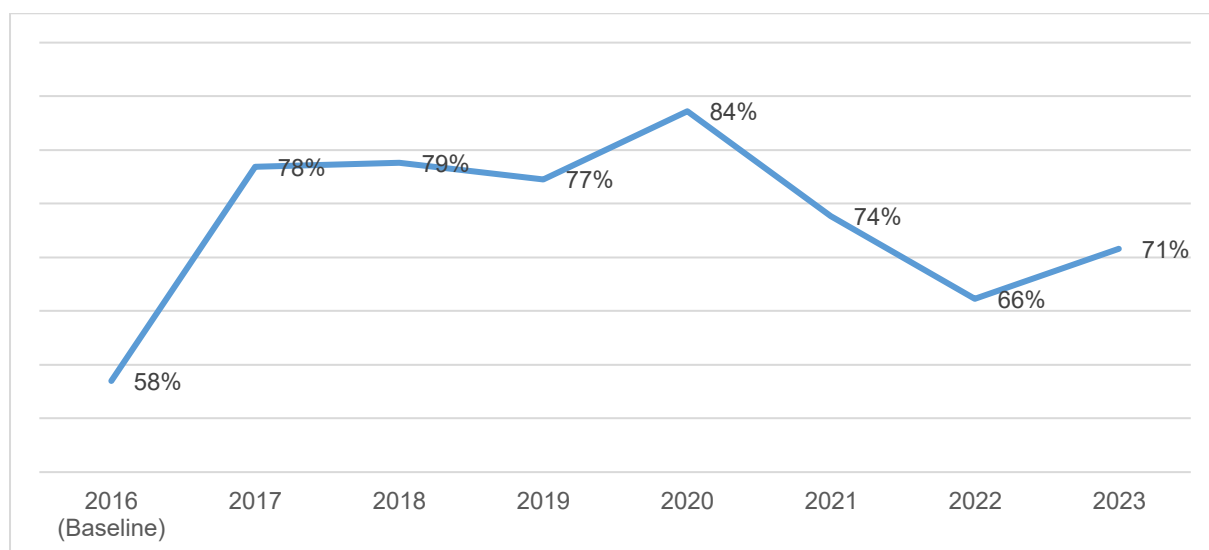
Performance of the Bank, the Borrower and Other Stakeholders

In previous years, the PCRs had consistently and significantly rated the performance of the Bank, the Borrower and other stakeholders higher than the PCRENS. In the case of the Bank, it was noted that the PCRs continue to score performance considerably higher than the PCRENS, with an average score of 3.34 compared to 3.05, with a statistically significant disconnect. In addition, the PCR ratings were higher for both Borrowers (average of 3.06 for PCRs and 2.83 for PCRENS) and other stakeholders (average of 3.21 for PCRs and 2.97 for PCRENS), with these differences in PCR and PCREN ratings also being statistically significant (Annex 3, Table A3.5).

3.2.2. PCR Quality Assessment

The overall quality of the 2022-2023 PCRs was found satisfactory, with an average score of 2.65, based on a standard set of nine criteria. However, with the “satisfactory” band ranging from 2.50 to 3.49, a score of 2.65 is at the lower end, and considerable scope remains to improve PCR quality. About 69 percent of the 2022-2023 PCRs (66 percent in 2022 and 71 percent in 2023) achieved a positive rating (i.e., scored satisfactory or higher), which was lower than the 2017-2021 trend shown in Figure 3. The highest and lowest quality PCRs of 2022 and 2023 are listed in Table 10.

Figure 3: Percentage of satisfactory PCR quality (2016–2023)



The overall PCR quality is related to nine quality attributes shown in Table 9. The average ratings of these attributes largely fell in the satisfactory band. There were, however, three notable lower-scoring PCR quality attributes: (i) extent to which lessons learned are based on evidence analysis (2.28); (ii) extent of soundness of data generation and analysis processes (2.50); and (iii) extent of objectivity of PCR assessment score (2.61). On the other hand, the higher rating for the extent of identification and assessment of key factors influencing project design and performance (2.81) was a notable departure from the previous years.

Table 9: Overall PCR quality (2022-2023)

Sub-criteria	PCR EN Over all Average	4.00 - Highly Satisfactory	3.00 - Satisfactory	2.00 - Unsatisfactory	1.00 - Highly Unsatisfactory	UTS	NA	(blank)	No. of projects
E601 - Extent of quality and completeness of the PCR evidence and analysis to substantiate the ratings of the various sections	2.67	6	84	31	9				130
E602 - Extent of objectivity of PCR assessment scores	2.61	8	70	44	7			1	130
E603 - Extent of internal consistency of PCR assessment ratings; inaccuracies; inconsistencies (in various sections; between texts and ratings; consistency of overall rating with individual component ratings)	2.72	13	75	33	8			1	130
E604 - Extent of identification and assessment of key factors (internal and exogenous) and unintended effects (positive and negative) affecting design and implementation	2.81	9	90	21	6		3	1	130
E605 - Adequacy of treatment of safeguards, fiduciary issues, and alignment and harmonization	2.66	6	78	30	9		6	1	130
E606 - Extent of soundness of data generation and analysis processes (including rates of returns) in support of PCR assessment	2.50	5	57	42	10		15	1	130
E607 - Overall adequacy of the accessible evidence (from PCR including annexure and other data provided)	2.63	3	82	29	10		3	3	130
E608 - Extent to which lessons learned (and recommendations)	2.28	7	42	59	20			2	130

Sub-criteria	PCR EN Over all Aver age	4.00 - Highly Satisf actory	3.00 - Satisf actory	2.00 - Unsatisfactory	1.00 - Highly Unsatisfactory	UTS	NA	(blank)	No. of projects
are clear and based on the PCR assessment (evidence & analysis)									
E609 - Extent of overall clarity and completeness of the PCR	2.66	6	80	35	7			2	130
E6 - Quality of PCR	2.65	4	85	33	8				130

The PCR quality scores were shown by sector and region in Tables A4.2 and A4.3, respectively. Table A4.2. shows that in terms of PCR quality, the best performing sectors were Industry/Mining/Quarrying (3.00), Water Supply/Sanitation (2.87), Power (2.78) and Transport (2.73). The mining sector's score should be put into perspective due to the low number of PCRs recorded (only 1). The multi-sector remained the sector that recorded the highest number of PCRs with highly satisfactory quality (three out of four projects scoring highly satisfactory), but also the highest number of PCRs with highly unsatisfactory quality (four out of eight projects).

The average performance score was satisfactory for most regions (Table A4.3), except PCR projects from Central Africa which had an average of 1.88 (Unsatisfactory).

Although assessing the PCR quality score is important, it is not an end in itself. Further analysis is necessary to establish whether PCR quality has a systematic influence on project performance ratings (i.e., performance on relevance, effectiveness, efficiency and sustainability) and whether it can help to correct the PCR bias to better approximate the “true” value of the project performance. It is plausible that the “upward” bias in PCR scoring (relative to the PCREN rating, as shown in Figure 1) is related to PCR quality.

Table 10: List of PCRs with the highest and lowest overall quality scores (2022-2023)

N°	Report Title	Country	Sector	Score Description
2022				
1	Tax Governance Support Project (PAGFI)	Togo	Multi-Sector	Highly Satisfactory
2	Energy Sector Reform Support Programme	Burkina Faso	Multi-Sector	Highly Satisfactory
3	Support Project for Resource Mobilization and Implementation of the ESDP 2017-2021	Niger	Multi-Sector	Highly Satisfactory
4	Emergency Humanitarian Assistance to Internally Displaced Persons project in Bamako	Mali	Social	Highly Unsatisfactory
5	Support Project for Consolidation of the Economic Fabric (PACTE)	Democratic Republic of Congo	Multi-Sector	Highly Unsatisfactory
6	Domestic Resource Mobilization and Public Finance Modernization Support Project (PAMRIM-FP)	Democratic Republic of Congo	Multi-Sector	Highly Unsatisfactory
7	Marrakech Region Water Supply project	Morocco	Water Supply / Sanitation	Highly Unsatisfactory
8	Private Sector Development and Job Creation Support project (PADSP-CE)	Democratic Republic of Congo	Multi-Sector	Highly Unsatisfactory
2023				
9	Electricity and Green Growth Support Program (EGGSP) - Phases I	Egypt	Power	Highly Satisfactory
10	Projet complémentaire d'appui à la reconstruction des communautés de base	Central African Republic	Social	Highly Unsatisfactory
11	Programme d'urgence d'appui à la réponse au COVID 19 (PABRC)	Democratic Republic of Congo	Multi-Sector	Highly Unsatisfactory
12	Projet de Bitumage de La Route Kyabe-Singako	Chad	Transport	Highly Unsatisfactory

PCR compliance with PCR guidelines

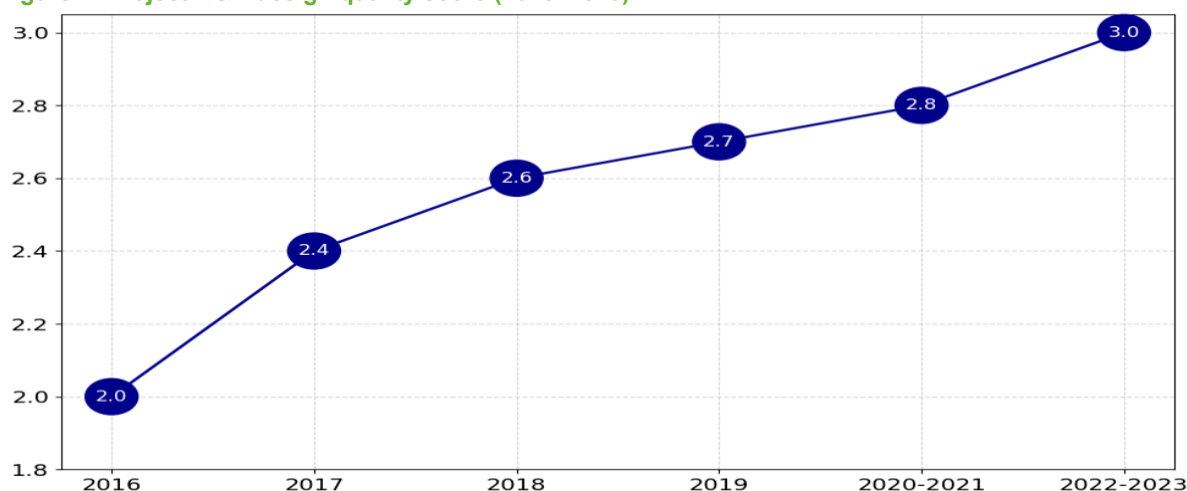
The PCRs' compliance with the guidelines in terms of timeliness, stakeholder participation in PCR preparation, and provision of the required annexes was found satisfactory, with an overall average score of 2.93 for the 2022-2023 projects. This result was driven mainly by two factors. The first was timeliness, which is based on a unique scoring system, with the PCRs being rated as either 4 (highly satisfactory) if they are on time, or 1 (highly unsatisfactory) if they are not. A total of 88 of the 130 PCRs (68 percent) were delivered according to schedule. The second factor is the extent of stakeholder participation in PCR preparation, which in the 2022-2023 assessment scored satisfactory (2.87).

Project Monitoring and Evaluation Quality

Crucial to the quality of the PCR scoring of the performance of projects (relevance, effectiveness, efficiency and sustainability) as well as the quality of PCR itself is the quality of the project M&E system. The latter embodies an assessment of the quality of the design, implementation, and use of project M&E systems. As also found in previous synthesis reports, assessing M&E systems remains a difficult exercise for the PCREN evaluators, mainly because of insufficient evidence from the PCRs, appraisal reports and other project documentation on the M&E system design, implementation and use. It is hoped that use of the new PCR template, once rolled out, will help to address this issue.

In the 2022-2023 exercise, as in previous years, the analysis focused only on the quality of M&E design due to data unavailability for implementation and utilization/use. On this basis, the M&E quality has gradually improved over time, increasing from a score of 2.0 in 2016, to 2.4 in 2017, 2.6 in 2018, to 2.7 in 2019, 2.8 during 2020-2021 and reaching a score of 3.0 in 2022-2023 (Figure 4).

Figure 4: Project M&E design quality score (2016–2023)



4. PROJECT PERFORMANCE AND QUALITY OF THE 2022-2023 REVIEWED XSRS

This section covers the performance and quality of the 2022-2023 reviewed XSRS focusing on: (i) development performance of the private sector projects (based on relevance, effectiveness, efficiency and sustainability dimensions), coherence (non-core dimension), and XSR and XSREN rating disconnect; (ii) assessment of the Bank's performance (investment profitability, work quality, and additionality) and client non-financial performance; and (iii) quality of the reviewed XSRS. The full set of ratings can be found in Annex A5.2.

4.1. Project Overall Development Performance

The overall development performance rating summarizes the impact of the project on the development of the host country or region, and implicitly the extent to which the project has contributed to fulfilling the Bank's mandate of economic and social development in regional member countries. The rating is a synthesis of the ratings of four sub-dimensions, namely: relevance, effectiveness, efficiency, and sustainability.

Relevance: On average, the relevance of (i) project development objectives and (ii) design was rated highly satisfactory (3.50) across the 18 XSRs. Nearly all the projects (94.4 percent) achieved a positive rating (satisfactory or higher), signaling strong alignment of the projects' objectives and design with meeting beneficiary needs, country development or policy priorities and strategy, and the AfDB's assistance strategy and goals. Where conditions changed between approval and evaluation, the projects were appropriately adapted to remain highly relevant.

Effectiveness: The assessment of effectiveness evaluates the extent to which the private sector project achieved or is expected to achieve its stated objectives/results (i.e., outcomes and outputs). The achievement of outputs and outcomes is rated separately and aggregated to arrive at the overall rating of the effectiveness.

The validated XSRs scored on average 2.78 on overall effectiveness (satisfactory). Twelve of the 18 XSRs (66.7 percent) achieved a positive rating (satisfactory and highly satisfactory). Three of the twelve positively rated projects scored highly satisfactory, due to highly satisfactory performance in both outputs and outcomes.

Efficiency: This evaluation dimension is primarily assessed by the extent to which the financial and economic benefits of the project (achieved or expected to be achieved) exceed project costs.

Financial performance assesses the project's contribution to the private company's financial results and the extent to which the project has delivered on the process and business objectives stated at approval. The 18 validated projects averaged a score of 2.71 (satisfactory) in their financial performance and fulfilment of project business objectives. Of the 18 projects, 11 (61.1 percent) received a positive rating (either satisfactory or highly satisfactory). Two of these positively rated projects achieved highly satisfactory ratings; the strongest performance in the applicable benchmark set for the various types of private investment projects.

With respect to economic performance, which considers the wider economic contributions of the projects beyond those measured by project financial performance alone, the 18 validated projects scored on average 2.88 (satisfactory). Fifteen projects (83.3 percent) achieved positive economic performance ratings (satisfactory and highly satisfactory).

Overall, the project efficiency rating derived from the underlying economic and financial performance ratings averaged 2.78 (satisfactory). Twelve of the 18 projects (66.7 percent) achieved positive overall project efficiency (satisfactory and highly satisfactory). All the remaining projects with negative ratings were partly unsatisfactory in their performance.

Sustainability: Sustainability is determined by an assessment of potential impact of various threats to the continuation of outcomes beyond Early Operating Maturity and considering how these have been mitigated either through measures in the project's design or by actions taken during execution. As per the 2021 revised evaluation guidelines, the overall project sustainability rating is derived from the underlying environmental and social sustainability, and other sustainability areas ratings (financial sustainability, institutional sustainability and strengthening of capacities, and ownership and sustainability of partnerships).

The environmental and social sustainability assessment for the 2022-2023 cohort of validated XSRs scored an average rating of 3.06 (satisfactory). Sixteen of the 18 projects (88.9 percent) achieved positive ratings (satisfactory and highly satisfactory). The other sustainability areas scored 3.0

(satisfactory), and fifteen of the 18 projects were rated positively. Overall, project sustainability was deemed satisfactory, averaging 2.94, and most projects were rated positively (77.8 percent).

Overall project development performance: The rating is on a six-point scale⁵, while the ratings of the four sub-dimensions of the development performance (relevance, effectiveness, efficiency, and sustainability) are each on a four-point scale⁶. The six-point scale provides more granularity for the development performance rating. Numerically, the overall performance score of the 2022-2023 cohort of validated XSRs was 2.86. On the six-point scale, 14 of the 18 projects (77.8 percent) achieved positive ratings (highly successful, successful and mostly successful). The remaining four projects were negatively rated: three mostly unsuccessful, and one highly unsuccessful.

In previous synthesis reports (2014-2019 and 2020-2021), there was an upward trend in the overall development outcomes ratings. In 2014-2019, 73.9 percent of XSRs were positively rated for development outcomes, and 19.6 percent negatively; in 2020-2021, these figures were 93.8 percent and 6.2 percent. However, caution should be exercised when comparing these results to the project overall development outcomes ratings for the 2022-2023 cohort of XSRs, as there has been a change in the criteria for assessing development outcomes⁷.

4.1.1 XSR and XSREN disconnect

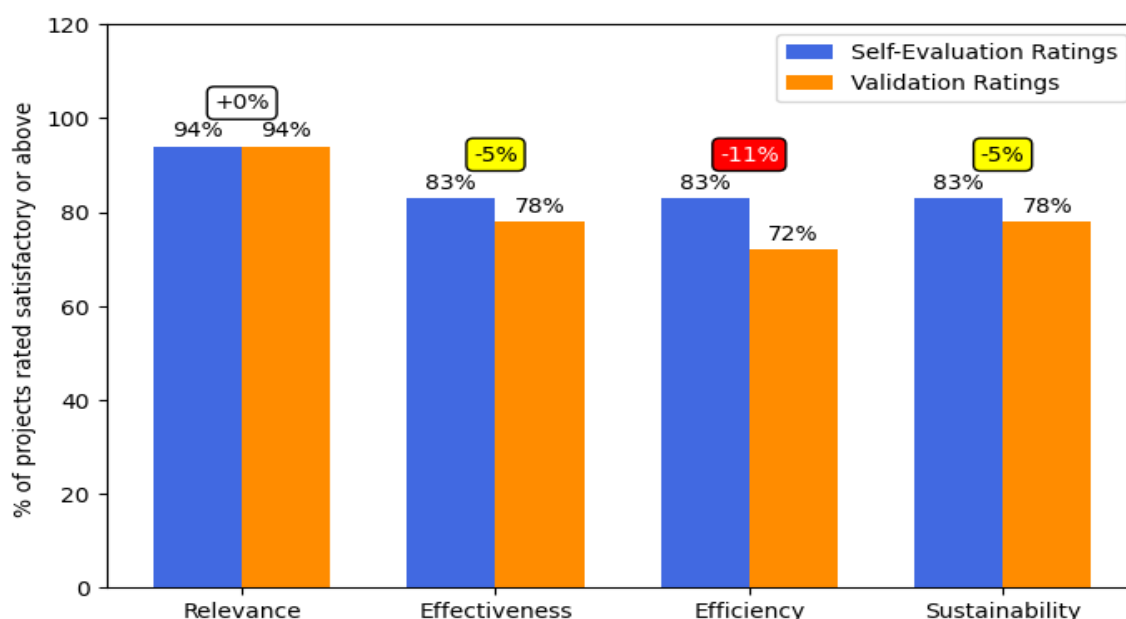
There was no disconnect between the Management and IDEV ratings for overall relevance. However, the disconnect between the Management and IDEV ratings for overall efficiency was 11 percentage points. In addition, the divergence in the ratings is five percentage points for effectiveness and sustainability. The change in the core criteria for assessing the performance of XSRs between the current and the previous XSR guideline does not allow a comparative analysis of the current disconnect with past years. Note also that the limited number of XSR validated (18) does not allow the calculation of P-values to verify whether the differences observed at the level of the criteria are statistically significant or not.

⁵ The six-point rating scale in respect of the Project Overall Development Performance is Highly Successful, Successful, Mostly Successful, Mostly Unsuccessful, Unsuccessful and Highly Unsuccessful.

⁶ The four-point rating scale with respect to the sub-dimensions is Highly Satisfactory, Satisfactory, Partly Unsatisfactory and Unsatisfactory.

⁷ In the previous XSR guidelines, Development Outcome was assessed through the following criteria : Business success ; Economic sustainability ; Environmental and Social effects ; and Contribution to private sector development. In the new guidelines however, Project Overall Development Outcome is assessed through : Relevance, Effectiveness, Efficiency and Sustainability.

Figure 5: Ratings Disconnect between Self-Evaluation and Validation Performance Ratings for XSRs (%)



4.1.2 Coherence in project objectives

As per the 2021 XSR evaluation guidelines, this **non-core dimension** of project performance assesses how a project fits within the broader system, considering internal and external operating contexts. Internal coherence considers (i) the alignment of the project with the wider policy and strategy framework of the AfDB; and (ii) the alignment with other interventions implemented by the AfDB, including those of other Bank departments which may affect the same operating context. External coherence considers (i) alignment with external policy commitments (such as the sustainable development goals, and how these are considered in the project's design and implementation); and (ii) coherence with interventions implemented by other actors in the specific context.

The assessment addresses four pivotal questions:

- How well did the project fit vis-a-vis other interventions (by the Bank, the Regional Member Country (RMC) or third parties) in particular context (country/region, sector, etc.)?
- To what extent did other interventions (including policies) support or undermine the project, and vice versa?
- What were the synergies and interlinkages between the project and other interventions carried out by the AfDB?
- To what extent was the project complementary to and/or coordinated with relevant interventions supported by other actors in the same context, including how did it add value while avoiding duplication of effort?

For the specific 2022-2023 cohort of validated XSRs, the rating for coherence of project objectives was 3.3 (satisfactory), i.e. the projects had good support, synergies and interlinkages, and consistency (complementarity, harmonization, and coordination) with other interventions. Nearly all the projects (17 out of 18) were positively rated (satisfactory and highly satisfactory). Five of the positively rated projects were deemed highly satisfactory (strong support, synergies and interlinkages, and consistency with other interventions).

4.2. Stakeholders' Performance

4.2.1 The Bank's Performance

Investment Profitability. The Bank's Investment Profitability is essential to its long-term sustainability as a development finance institution and central to accomplishing its long-term corporate goals. This performance dimension assesses the extent to which the Bank has realized to date, and/or expects to realize over the remaining life of the project, the income that was expected at the time of approval of the intervention. The Bank's Investment Profitability dimension was rated positively (satisfactory or higher) for 16 projects (88.9 percent), including three rated highly satisfactory and 13 rated satisfactory.

Work Quality: Screening, Appraisal and Structuring. This performance dimension measures how well the Bank has done its front-end work (Screening, Appraisal, and Structuring). Specifically, it assesses whether the Bank had an efficacious role in designing projects. The relevance of the project to the Bank's mandate, country and sector policies, and strategies, as well as the due diligence undertaken by the Bank on the borrowers and the structuring of the deal, are all taken into consideration when assessing this performance dimension. The assessment considers the principal variances between expectations at approval and actual outcomes as well as compliance with the relevant guidelines. For this validation, in 16 projects (94.4 percent), the Bank's front-end work quality was rated positively (satisfactory or higher). The strong positive rating could be attributed to the fact that all the projects adhered to the mandatory use of log-frames in investment proposals and the full implementation of the Additionality and Development Assessment (ADOA) framework. For the two projects with negative ratings (less than satisfactory - 11.2 percent), the main reasons were overly optimistic financial and operational assumptions, as well as inaccurate assumptions about the borrower's monitoring or reporting practices.

Work Quality: Supervision and Administration. This performance dimension assesses how professionally the Bank has undertaken its supervision and administration of the interventions under review. The Bank's Supervision and Administration was largely rated positively, with 16 projects (94.4 percent) rated satisfactory or higher.

Additionality. Per the 2021 XSR and XSREN guidelines, the Bank's Additionality measures the value that Bank financing brings to the project beyond what commercial financiers provide. It is based on a counterfactual assessment of how the project would have proceeded without the Bank's financing. This dimension is measured through two sub-indicators: financial additionality and non-financial additionality. Financial Additionality measures the special contribution that the Bank's funding offers the client that would otherwise not have been offered by other financiers. Non-financial Additionality measures the Bank's contribution to reducing the project's risk profile, design, or functioning.

Overall, the Bank's Additionality was rated positive (satisfactory or higher) in 16 (88.9 percent) of the 18 projects reviewed, including three rated as highly satisfactory. The Bank's financial additionality was mostly present in the form of better currency matching (foreign exchange lending), longer maturities, as well as grace periods. The non-financial additionality consisted mostly of TA packages, which aimed at improving the capacity of the borrower/sponsor to utilize the funds, improve the institution's risk management, credit analysis capacity, environmental, social and/or governance practices. Notwithstanding the high positive ratings and prevalence of the Bank's non-financial additionality, most XSRs lacked adequate reporting on the outcomes of the TA packages, or how the systems⁸ the TA intended the borrower to establish were functioning.

4.2.2 Client non-financial performance

The non-financial performance factors assessed include the sponsor and client's performance with respect to (i) project design; (ii) project implementation; (iii) ability to adapt to changing macro and market conditions; (iv) meeting commitments embodied in the AfDB investment agreements (financial and non-financial); (v) sponsors' ongoing support for the project/company; (vi) client responsiveness to the AfDB

⁸ Such as risk management systems and environmental management desks.

supervision recommendations; and (vii) measures taken by the sponsor and/or company management to establish the basis for project sustainability.

The assessment found an average score of 3.3 (satisfactory), with all projects rated positively. As per the 2021 XSR and XSREN guidelines, the satisfactory rating refers to a **client and/or sponsor** that:

- performed well in project design and/or implementation such that most significant project components were completed and commissioned on time or with immaterial delays; and/or
- was able to adapt commercial strategy to meet unexpected adverse macro conditions and achieve at least satisfactory financial performance; and
- used its expertise proactively to safeguard the project's development outcome, and
- met all significant commitments embodied in the AfDB investment agreements.

4.3 Quality of the 2022-2023 Reviewed XSRs

4.3.1 XSR Process and Budget

The process of producing XSRs at the Bank is usually undertaken by external consultants hired by the responsible departments. This is done to maintain a certain level of impartiality in the XSR exercise and in the analysis and project ratings. Engagement with stakeholders in the reference group for this synthesis report revealed that the process of undertaking XSR missions is usually smooth, and stakeholders (project sponsors) welcome the XSR missions and give consultants full cooperation and access to all requested information on project performance. However, where the XSR was planned during an exit stage or restructuring, sponsors requested the postponement of XSR field work until completion of the exit and/or restructuring process to avoid any interference during such a sensitive time for the project. In terms of time and budget, each XSR requires – on average – 25 days to arrive at a zero-draft report after the consultant is selected. The average consultancy and staff cost of a single XSR is usually between USD 11,000 and USD 20,000 for the consultant writing the XSR and the Bank Task Manager who accompanies the consultant during the field mission (consultant fees and per diem included). The cost varies depending on the daily rate of the consultant, the distance travelled, and the length of field work required to verify project results fully and adequately. Table 11 details the XSR process steps and duration (minimum and maximum) from the perspective of Bank operations staff⁹.

Table 11: XSR Process and Duration

Process Step	Days (Min)	Days (Max)
Consultant selection (Budget, terms of reference and recruitment)	15	20
Upstream preparations (document review & mission planning)	7	15
Field Work	4	10
Drafting XSR Report	10	15
First Draft to Final Report	7	15
Total	43	75

Source: Based on responses by departments undertaking XSR exercise.

4.3.2 Recent Developments in Bank's NSO Results Reporting

Over the past three years, the Non-Sovereign Operations and Private Sector Support Department (PINS) (in collaboration with the Bank's NSO ecosystem) has implemented initiatives in portfolio management to improve the quality of ex-post evaluation. The initiatives were based on actions and

⁹ This data was obtained from the ERG member departments undertaking XSR Exercises.

recommendations emanating from the Integrated Quality Assurance Plan (2020); IDEV evaluations such as (i) the Synthesis Report on the Validation of the 2014-2019 Expanded Supervision Reports (XSRs), (ii) Evaluation of the AfDB's Private Sector Development Strategy (2013-2019), and (iii) Evaluation of the Bank's Self-Evaluation Systems and Processes; the Delegation of Authority Matrix (DAM, 2021); and the Revised Guidelines for the Preparation of XSR and XSR Evaluation Notes (2021). A summary of key initiatives undertaken in this respect are provided hereafter.

- (a) *Harmonization of development outcome indicators*: PINS in collaboration with the Macroeconomics Policy, Forecasting and Research Department (ECMR) and sector departments standardized ex-ante and ex-post indicators used for measuring development outcomes by ADOA and by Investment Officers in the preparation of the Results-Based Logical Framework (RBLF). The standardization was done by the NSO sector, and conforms with the ADOA framework. The harmonized indicators were integrated as part of the revised project appraisal report (PAR), project concept note (PCN) guidance notes to support Investment Officers in preparation of the RBLF. This facilitates better comparability of development outcomes at ex-ante assessment and ex-post evaluation and will allow more robust evaluation of NSO development impact in the XSRs.
- (b) *Capacity building*: Through collaboration and coordination of PINS and the Quality Assurance & Learning Division (SNDR.3), a specific module on Post Evaluation and Lessons Learnt was developed for the NSO Pathway in the Operations Academy. It is intended to enhance accountability and learning by equipping Portfolio Officers with knowledge on identifying lessons from past evaluations, and therefore enriching the quality of XSRs, by among others reducing the gap between self-evaluation by Portfolio Officers and independent validation ratings undertaken by IDEV.
- (c) *NSO Results Reporting System*: PINS in collaboration with the Corporate Information Technology Services Department (TCIS) has developed the NSO Results Reporting System (RRS) as part of the Integrated Quality Assurance Plan and in response to previous IDEV evaluation recommendations. The RRS is a supervision and reporting tool designed to support project monitoring officers in their supervision activities during project implementation. Amongst the components of the RRS are: (i) Automation of the XSR, including the clearance/approval process; (ii) Automation of Early Operating Maturity (EOM) in accordance with criteria outlined in the Bank's Revised Guidelines for the Preparation of XSR and XSR Evaluation Notes; and (iii) Automation of the XSR Supervision calendar. Overall, the RRS aims to improve accountability, accuracy, and reliability of data/information, efficiency of consolidated reporting at the corporate level, and transparency across NSOs' monitoring and completion phases with resultant benefits to the quality of XSRs.
- (d) *Review of Operational Manuals and Templates*: As part of the Integrated Quality Assurance Plan and to conform with recent approved guidance documents such as the DAM (2021), PINS recently updated the NSO Operations Manual. The modules relating to ex-post evaluation were revised in accordance with both the DAM (2021), and the Revised Guidelines for Preparation of XSR and XSR Evaluation Notes (2021). In addition, through consultation with IDEV, and in collaboration with the NSO ecosystem, the XSR ratings methodology was reviewed to improve reliability and to better align with the SOs. The XSR template was also revised following Management's approval of the Revised Guidelines for Preparation of XSR and XSR Evaluation Notes (2021).

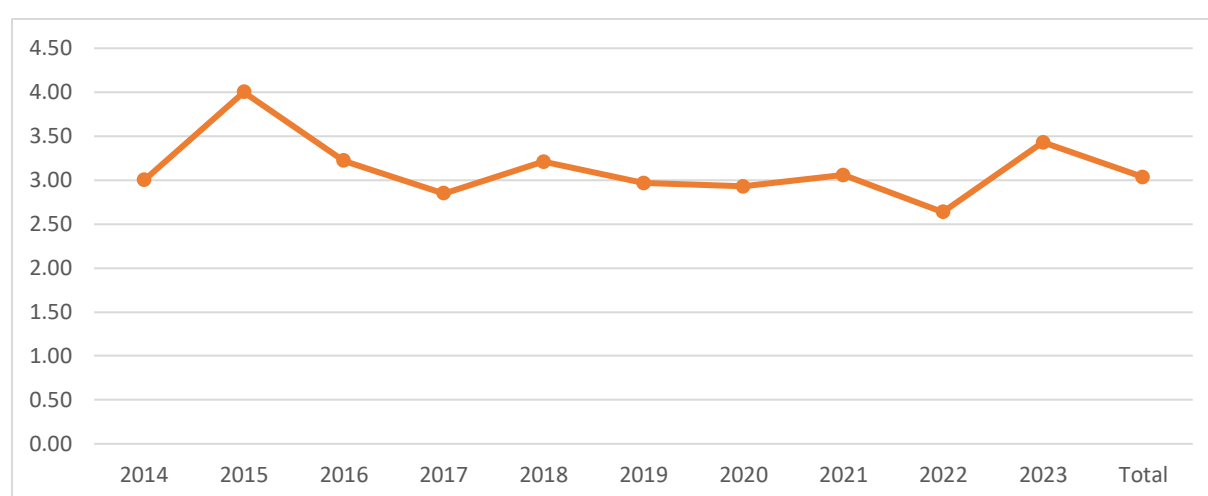
The review of the NSO Operations manual is instrumental in improving the overall quality of portfolio supervision and results tracking. When combined with the revised XSR template, it is expected to contribute to improving quality of XSRs prepared.

4.3.3 Results of the Quality Assessment of 2022-2023 XSRs

The 2021 Revised Guidelines for the Preparation of XSR and XSR Evaluation Notes set out five evaluation criteria to assess the quality of XSRs: (i) quality and completeness of evidence and analysis to substantiate ratings; (ii) plausible assumptions such as assumptions underlying economic and financial analyses, and project sustainability; (iii) quality of lessons and recommendation; (iv) clarity and internal consistency of the XSR; and (v) consistency with XSR guidelines.

The quality of XSRs for the 2022 and 2023 cohorts averaged satisfactory, with scores of 2.64 and 3.43 respectively. Each quality attribute was rated positively (satisfactory or higher) in high proportions: 83.3 percent for quality and completeness of evidence and analysis; 72 percent for plausible assumptions; 77.8 percent for quality of lessons; 88.9 percent for internal consistency; and 88.1 percent for consistency with XSR guidelines. Unlike the findings in previous reports, these high ratings indicate limited scope for improving XSR quality in future. However, caution is necessary with such a conclusion, given the low number of validated XSRs (18). Figure 6 provides the evolution of XSR quality over the years, from 2014 to 2023.

Figure 6: XSR quality over the years (2014-2023)



The overall XSR quality is related to five quality attributes shown in Table 12. As for the PCRs, the average ratings of these attributes largely (78 percent) fell in the satisfactory and above band.

Table 12: XSR quality assessment (2022-2023)

Evaluation criteria	Highly Satisfactory	Satisfactory	Partly Unsatisfactory	Unsatisfactory	(Blank)	No. of projects
Quality and completeness of evidence and analysis	3	12	3			18
Plausible assumptions	2	11	4	1		18
Quality of lessons and recommendations	4	10	3		1	18
Clarity and internal consistency of the XSR	8	8	2			18
Consistency with XSR guidelines	6	10	1	1		18
Overall quality of XSRs	3	11	4			18

5. LESSONS FROM THE 2022-2023 REVIEWED PCRS AND XSRS

This section summarizes the key lessons from the 2022-2023 PCRs/XSRs and PCRENS/XSRENS.

5.1 Lessons from the 2022-2023 PCRs and their validation

From the 2022-2023 PCRs and their validation, multiple lessons were identified, reformulated and validated. These lessons were broadly relevant, and some were similar to those from the 2016, 2017, 2018, 2019 and 2020-2021 PCR reviews. Most lessons were common across the sectors of intervention, regions, and the Bank instruments.

The following lessons pertaining to the preparation, design, implementation and results are notable for learning:

Lesson 1: Consultative project design process:

- Engaging key stakeholders in a consultative project design process ensures their needs are identified and met, fostering ownership from the outset. A consultative design process involving key stakeholders is an effective way to ensure that: a) the needs and priorities of the target beneficiaries are appropriately incorporated and catered for; b) the design and implementation arrangements align with priorities, policies, and strategies of the country; and c) partners' and donors' policies are adhered to. It is also a means of ensuring ownership of the entire process from the very outset.

Lesson 2: Participatory project management:

- Success is more likely when all stakeholders and partners reach a consensus and adopt mutually agreed-upon project management governance models that facilitate their actions. Adopting an effective participatory approach in decision-making during a project's conceptual phase is best to identify and meet stakeholders' needs. It is also a means of ensuring ownership of the whole process from the outset. The Liberia – SAPEC project emphasized the importance of engaging key stakeholders in project design. This approach ensures that the needs and priorities of target beneficiaries are accurately incorporated and addressed, the design and implementation arrangements align with the country's priorities, policies, and strategies, and partners' and donors' policies are respected. Such a process fosters collective ownership and strengthens the foundation for successful project outcomes.

Lesson 3: Good governance and capacity building

- Strengthening technical and institutional capacities of stakeholders is crucial for achieving project goals and developing sustainable, endogenous expertise. Good governance, coupled with the technical and organizational capacities of partner structures, is a success factor for effective partner contributions in project implementation. For instance, the Gazetted Forests Participatory Management Project for REDD+ (PGFC/REDD+) in Burkina Faso exemplifies the participatory forest management approach tested by the project. This approach has been owned by the communities and has produced excellent results that should be sustained. It is important to establish a comprehensive long-term program of support and assistance for the population living in the classified forests to improve their living conditions.

The priority measures to consider are as follows:

- *Community participation* – extensive community sensitization and engagement, coupled with the training of selected community members, facilitates active community participation and ownership, and allows successful local level implementation of projects.

- *Strengthening the technical and institutional capacities of stakeholders* is extremely important to create the right conditions for the sustainability of actions and achievements at the end of the project. These actions allow the development of endogenous expertise that should contribute to the sustainability of the project's achievements. In addition, these actions allow the development of endogenous expertise that should contribute to the sustainability of the project's achievements. For instance, the PGFC/REDD+ project in Burkina Faso highlighted the importance of good governance and capacity building plans for local actors. Strengthening governance structures decision-making and resource allocation, while overcoming challenges and maintaining momentum is a key success factor. In addition, capacity building equips stakeholders with the skills to manage projects, implement strategies, and sustain infrastructure and enhance resilience and adaptability to unforeseen challenges. This synergy between governance and capacity building promotes innovation and long-term sustainability, ensuring projects deliver enduring benefits beyond their formal conclusion.

Lesson 4: Agility in project implementation and management

- Agility in project implementation and management is essential to adapt to changing circumstances from design to completion, allowing for necessary adjustments to ensure continued relevance and effectiveness of the project. For example, during the Liberia SAPEC project, several adjustments were made to its original design. Targets were reduced, including road rehabilitation (from 270 km to 193 km), lowland intervention areas (from 1,000 ha to 300 ha), and the number of markets to be rehabilitated (from 12 to 6). These changes were driven by a Presidential Initiative that reallocated USD 9 million to fund an e-farmers registration platform and input distribution. In addition, instead of constructing nine agribusiness centers, the project equipped four rice hubs built under the Agricultural Sector Rehabilitation project with industrial rice mills, and established six cassava hubs. These changes, while not negligible, were found to be consistent with the project's development objectives, demonstrating the value of adaptive management in ensuring project success.
- Depending on the nature and size of a civil works contract, the period allowed for defects liability should be long enough to enable adequate correction of defects. Project implementation challenges have highlighted the need for an adequate defects liability period to ensure proper correction of deficiencies in civil works. In the **REDD+ project in Burkina Faso**, delays in procurement resulted in contracts being signed late, preventing works from being completed within the project period. Similarly, in the **SAPEC project in Liberia**, only 28 percent of rehabilitated feeder roads met all-weather standards, as political interference caused implementation delays, including a stop order issued after contracts were signed. Additionally, changing weather patterns, particularly extended rainy seasons, further constrained construction timelines. These challenges highlighted some key points, including: (i) political interference after contract signing can disrupt implementation, as seen when a contractor was required to relocate squatters at their own expense; and (ii) early identification of underperforming contractors is crucial to avoid project failures. A well-structured defects liability period would allow sufficient time to address construction flaws, ensuring long-term infrastructure quality.
- A crisis response consisting of a multi-stage and multi-instrument approach allows for adjustment of the intervention to country specificities and the evolution of the crisis. In **Madagascar's COVID-19 response**, delays in disbursement due to lengthy loan approval procedures highlighted the need for faster disbursement mechanisms, such as grants, and streamlined loan approval conditions during crises. Additionally, while emergency responses require adapted procurement rules for rapid action, this can increase fiduciary risks. Ensuring flexibility while maintaining transparency and accountability is critical. Weak government capacity for monitoring and evaluation also led to incomplete reporting on key indicators, including MSME beneficiaries. Strengthening institutional capacity and coordination should therefore be integral to future crisis response programs. Similarly, in **Somalia's Water Infrastructure Development (WIDR) Program**, multiple financing instruments required clearer guidelines to avoid foreign exchange risks. The Bank's active involvement

supported implementation, but security concerns and COVID-19 restrictions limited supervision missions. Virtual engagements and continuous adjustments helped address implementation challenges. However, early project delays due to unclear financial arrangements and slow procurement approvals further underscored the importance of flexible crisis response strategies

Lesson 5: Building and strengthening partnerships

- Building and strengthening partnerships during project design and implementation enhances the sustainability of results, as collaboration continues beyond the project's end. Establishing a management unit with the required competencies for managing development projects is crucial for efficient project management. The Malawi Jobs for Youth project, for example, emphasized the value of strong early partnerships to avoid significant delays in design approval or incomplete designs, which lead to adjustments and overall project delays. Improved future projects require that all designs be finalized and properly budgeted before implementation, and that project partners adhere to implementation, procurement, financial management, and reporting standards for better outcomes.
- Sustained dialogue with the authorities and development partners (DPs) during the design phase of the program greatly contributes to its relevance. In Madagascar's COVID-19 response, strong coordination among budget support partners (World Bank, European Union, Agence Française de Développement, and the International Monetary Fund) was crucial in ensuring a harmonized response to financing needs. Early dialogue on audit requirements helped facilitate timely audit report submission, enhancing expenditure transparency. Close collaboration with development partners improved policy dialogue, enabling authorities to design effective interventions. An intersectoral committee engaging both the Government and development partners played a key role in implementing reforms. Similarly, in Somalia's WIDR Program, continuous engagement among executing agencies, sector ministries, development partners, academia, and private sector actors fostered strong ownership and sustained partnerships.

Lesson 6: Coordinated monitoring

Coordinating the monitoring of reforms with development partners who provide budgetary support reduces transaction costs, especially in low-capacity contexts. For instance, in Madagascar, under the Multi-Country COVID-19 Response Support Program (MCRSP), despite strong harmonization in terms of program design, coordination in the monitoring of budget support operations with the DPs was limited. This resulted in a duplication of efforts within the General Secretariat of the Ministry of Economy and Finance, which had to report on reform implementation and results to various partners at different times and in different formats. This overburdened an already overstretched coordination capacity.

Lesson 7: Clear financing articulation

For projects using multiple financing instruments, clearly defining and articulating the activities to be financed enhances both implementation and progress monitoring. For instance, the Somalia WIDR project highlighted these challenges. While the WIDR Program financing arrangements clearly defined activities under each instrument, they failed to account for currency restrictions on the Rural Water Supply & Sanitation Initiative Trust Fund (RWSSI-TF) (denominated in Euros), leading to procurement and disbursement delays. Contracts and invoices must be in the same currency to mitigate foreign exchange risks.

5.2 Lessons from the 2022/2023 XSRs and their validation

As highlighted in Table 4, the validated XSRs were drawn mainly from two sectors: finance (44 percent) and power (33 percent). Below are some of the lessons drawn in relation to the finance sector (section A) and the real sector (section B).

A. Lessons covering the Finance sector

The thrust of the Bank's assistance to the finance sector was to strengthen financial institutions (FIs) and improve access to finance for SMEs and corporate clients. The validated finance XSRs, which showed variation in modality and instrument of the Bank's assistance, identified the following notable lessons.

Lesson 1: Long tenure Lines of Credit (LoCs): While LoCs to private financial institutions (PFIs) enable them to offer medium to long-term loans to SMEs and corporate customers, PFIs are often reluctant to provide long-term funding to MSMEs. Therefore, additional strategic initiatives and incentives, such as those offered by the African Local Currency Bond Fund (ALCB), Partial Credit Guarantees, and Capacity Building Programs are necessary to create a more favorable environment for PFIs to extend long-term funding to MSMEs, thereby improving their access to finance.

The AfDB's long-term LoC to the Development Bank of Nigeria (DBN) was expected to expand access to long-term funding to MSMEs, but only 4.83 percent of the loans granted to MSMEs by DBN had tenures longer than 48 months. The PFIs are usually reluctant to provide long-term funding to MSMEs, viewing them as riskier compared to corporate entities/large businesses. Extra strategic initiatives and incentives must be offered to PFIs to encourage them to offer long-term funding to MSMEs, besides just making long-term funding available to the PFIs themselves.

Lesson 2: Blended Finance and De-risking Mechanisms: Blended finance and de-risking mechanisms provide opportunities to leverage Development Finance Institution (DFI) and Impact Investor capital to attract local commercial institutional capital. This approach increases and improves access to finance for MSMEs in Africa, as demonstrated by initiatives like the ALCB. Long-term LoCs backed by sovereign guarantees enable borrowers to further lower rates for onward disbursement. The capital injection from the Sub-debt facility enabled the Diamond Trust Bank of Kenya (DTB) to execute a finance guarantee scheme under the National Treasury-sponsored credit guarantee scheme, which provides SMEs with less expensive credit.

Lesson 3: Training for LoC Borrowers and Beneficiaries: Providing training to enhance the financial management skills of MSMEs makes them more creditworthy and reduces the perceived risk for PFIs. Strengthening the technical and institutional capacities of LoC borrowers and beneficiaries improves their understanding of LoC operations, leading to smoother relationships between financial institutions and sub-borrowers. An example is the Sierra Leone Union Trust Bank (UTB), where its staff and beneficiaries were trained to improve their management and accounting capacities, resulting in a smoother relationship and more efficient use of funds.

Lesson 4: Compliance with Loan Covenants: Ensuring that financial intermediaries comply early with loan covenants and commitments, and report on the performance of sub-projects or sub-loans, is crucial for the developmental and environmental success of lines of credit (Fidelity Bank LOC II, Nigeria).

Lesson 5: Market Enabler Technical Assistance (TA): TA facilities are essential for capital market development and building issuer capacity as demonstrated by initiatives like the ALCB, where EUR 3.3 million was raised as of December 2021 and used as market enabler. The success of the ALCB Fund has largely been on the back of the TA facility attached to the Fund.

B. Lessons from validated XSRs covering the real sector

Lesson 1: Implementing an Early Works Contract, which includes detailed design, engineering, and initial construction activities, can support the smooth and efficient execution of a project. An Early Works Contract, which allowed detailed design, engineering and construction to start before Notice to proceed, was a success factor for the smooth and efficient implementation of the XINA Solar One Project in South Africa. The AfDB expectations were successfully met and even exceeded.

Lesson 2: Leveraging Bank experience: Drawing on the Bank's experience and lessons in project management from both completed and ongoing projects is vital for ensuring a strong project start-up

and achieving the expected objectives. An example is the Seychelles Cable Systems Company Limited project, where the Bank applied its experience from similar projects through proper and adequate supervision, contributing to the project's successful implementation.

Lesson 3: Participation in complex investments: The Bank's involvement in complex, high-risk investments can be instrumental in bringing such projects to completion. Properly structured participation also boosts other investors' confidence in the host country. For example:

- In the XINA Solar One Project, South Africa, the funds from the AfDB helped project financial close, while providing long tenor funds that would otherwise not be available on the market for deal closure. This contributed to reducing the levelized cost of electricity from XINA as the resources were concessionary.
- The project received USD 41.5 million from the Clean Technology Fund (CTF) Trust Fund of the Climate Investment Fund (CIF), which was mobilized by the AfDB, as well as an ADB loan of USD 100 million.

Lesson 4: Financial Additionality: The Bank's financial contributions, including long-term tenors and concessional facilities like the AfDB's Clean Technology Fund, along with the involvement of local DFIs and commercial banks, are vital for the successful structuring and financial efficiency of projects as seen in the (XINA Solar One Project).

Lesson 5: Adherence to agreements and plans. Adhering to agreements between partners and maintaining discipline and following plans (financially and operationally) from the start ensures that the project is completed within time and budget. For example, the Seychelles Cable Systems Company Limited maintained a light management structure, with staffing organized through secondment. The Chief Executive Officer and Chief Financial Officer were part time jobs, while the network operations and supervision that require permanent hands-on staff were provided by the Telcom companies, which are also shareholders.

ANNEXES

Annex 1: Characteristics of the 2022-2023 PCR and XSR populations and sampled PCRs and XSRs

Table A1.1: The 2022-2023 PCR population and sampled PCRs by sector

Sector	Number				Disbursement	
	PCRs		PCRENs		PCRENs	
	Count	%	Count	%	UA (M)	%
Agriculture	24	14.37	18	13.85	342.41	5.91
Communications	1	0.60	1	0.77	29.45	0.51
Environment	2	1.20	2	1.54	8.12	0.14
Finance	6	3.59	2	1.54	98.11	1.69
Industry / Mining / Quarrying	1	0.60	1	0.77	0.63	0.01
Multi-Sector	61	36.53	48	36.92	1,792.39	30.95
Power	10	5.99	9	6.92	2,285.85	39.48
Social	27	16.17	23	17.69	285.47	4.93
Transport	12	7.19	11	8.46	539.59	9.32
Water Supply / Sanitation	23	13.77	15	11.54	408.42	7.05
Total	167	100.00	130	100.00	5,790.46	100.00

Table A1.2: The 2022-2023 PCR population and sampled PCRs by region

Region		PCRs		PCRENs		PCRs		PCRENs	
		Count	%	Count	%	UA (M)	%	UA (M)	%
Central Africa		18	10.78	16	12.31	547.67	8.68	547.16	9.44
East Africa		25	14.97	21	16.15	687.88	10.89	659.59	11.40
Multiregional		32	19.16	26	20.00	643.05	10.18	634.64	10.96
North Africa		18	10.78	12	9.23	985.52	15.60	981.93	16.96
Southern Africa		37	22.16	28	21.54	2,662.89	42.16	2,486.40	42.93
West Africa		37	22.16	27	20.77	788.49	12.49	480.75	8.31
Grand Total		167	100	130	100	6,315.49	100	5,790.46	100

Table A1.3: Funding sources in the 2022-2023 PCR projects

Source of Finance	Budget Lines	Committed Capital UA (M)	Net Amount UA (M)	Disbursement Amount UA (M)	Disbursement Amount UA (%)
ACFA-Acc Co-Fin for Africa	1	0.22	0.22	0.00	0.00
Africa Growing Together Fund	1	35.71	35.71	35.71	0.58
African Development Bank	27	4,047.91	4,038.08	3,957.42	64.10

Source of Finance	Budget Lines	Committed Capital UA (M)	Net Amount UA (M)	Disbursement Amount UA (M)	Disbursement Amount UA (%)
African Development Fund	112	1,762.45	1,693.72	1,663.53	26.94
Africa Water Facility Fund	10	13.72	13.19	12.84	0.21
EU Africa Infrastructure TF	2	2.40	1.89	1.89	0.03
Fund for Afr Priv Sec Asst	9	5.97	5.85	5.82	0.09
Fragile States Facility	42	384.01	376.35	373.18	6.04
GAFSP Trust Fund	2	48.28	48.28	45.81	0.74
Global Environmental Faci	8	19.62	17.16	9.70	0.16
Middle Inc Countries Fund	12	6.01	5.95	5.65	0.09
NEPAD/IPPF)	4	5.34	5.21	5.20	0.08
Nigerian Trust Fund	4	23.17	19.87	19.72	0.32
OPEC-Org of Pet Exp Cntrs	1	13.01	13.01	0.00	0.00
Rural Water Supply & Sani	5	15.12	14.89	14.82	0.24
Special Relief Funds	7	3.59	3.59	0.00	0.00
Strategic Climate Fund	2	21.58	21.27	21.27	0.34
Zimbabwe Multi Donor TF	1	1.29	1.25	1.25	0.02
Total	250	6,409.39	6,315.49	6,173.81	100

Table A1.4: Funding sources for the XSR Synthesis Portfolio (2022-2023)

Source of Finance	Number of Budget lines	Committed Capital UA (M)	Net Amount UA (M)	Disbursement Amount UA (M)	Disbursement Amount UA (%)
African Development Bank	23	1090.76	1,009.34	1,009.34	94
African Development Fund	1	32.59	32.59	32.59	3
Clean Technology Fund	1	29.38	29.38	29.38	3
Total	25	1152.74	1,071.32	1,071.32	100

Table A1.5: Validation Coverage by IDEV: XSRs vs. XSREs (2022 – 2023)

	2022	2023	Total
Number of XSRs available at the time of the validation exercise	11	7	18
Number of XSREs (IDEV)	11	7	18
Coverage %	100	100	100
Number of XSRs received after the validation exercise	0	0	0

Annex 2: Project Performance of the 2022-2023 Reviewed PCRs

Table A2.1: Relevance rating of PCRENs

Sub-criteria	PCREN Overall Average	4.00 - Highly Satisfactory	3.00 - Satisfactory	2.00 - Unsatisfactory	1.00 - Highly Unsatisfactory	UTS*	NA	(Blank)	No. of projects
E101 - Relevance of project development objective	3.83	109	20	1					130
E102 - Relevance of project design	3.00	26	79	24	1				130
E1 - Relevance	3.55	75	52	3					130

UTS = unable to score, NA = not applicable

Table A2.2: Effectiveness rating of PCRENs

Sub-criteria	PCREN Overall Average	4.00 - Highly Satisfactory	3.00 - Satisfactory	2.00 - Unsatisfactory	1.00 - Highly Unsatisfactory	UTS	NA	(Blank)	No. of projects
E201 - Outcome reporting	2.81	17	72	33	4	2		2	130
E202 - Output reporting	3.02	26	83	11	6	1		3	130
E2 - Effectiveness	2.70	8	80	34	6	2			130

Table A2.3: Efficiency rating of PCRENs

Sub-criteria	PCREN Overall Average	4.00 - Highly Satisfactory	3.00 - Satisfactory	2.00 - Unsatisfactory	1.00 - Highly Unsatisfactory	UTS	NA	(Blank)	No. of projects
E301 - Timeliness	2.15	16	20	60	33	1			130
E302 - Resource use efficiency	3.29	54	33	10	7	5	21		130
E303 – Cost-benefit analysis	2.88	10	14	4	5	9	87	1	130
E304 - Implementation Progress (IP)	2.91	14	87	19	3	5	1	1	130
E3 - Efficiency	2.84	16	81	28	4	1			130

Table A2.4: Sustainability rating of PCRENs

Sub-criteria	PCREN Overall Average	4.00 - Highly Satisfactory	3.00 - Satisfactory	2.00 - Unsatisfactory	1.00 - Highly Unsatisfactory	UTS	NA	(Blank)	No. of projects
E401 - Financial sustainability	2.71	14	62	37	6	3	7	1	130
E402 - Institutional sustainability and strengthening of capacities	2.98	19	91	15	3	2			130
E403 - Ownership and sustainability of partnerships	3.07	25	86	12	2	2	3		130
E404 - Environmental and social sustainability	2.77	5	51	12	5	1	53	3	130
E4 - Sustainability	2.94	10	104	12	3	1			130

Table A2.5: Overall PCREN project performance rating by region

Region	PCREN Overall Average	4.00 - Highly Satisfactory	3.00 - Satisfactory	2.00 - Unsatisfactory	1.00 - Highly Unsatisfactory	UTS	No. of projects
Central Africa	2.73	1	9	5		1	16
East Africa	2.90		18	2		1	21
Multiregional	2.92		25		1		26
North Africa	3.00	1	10	1			12
Southern Africa	2.96	1	25	2			28
West Africa	3.04	2	24	1			27
Total	2.94	5	111	11	1	2	130

Table A2.6: Overall PCREN project performance rating by sector

Sector	PCREN Overall Average	4.00 - Highly Satisfactory	3.00 - Satisfactory	2.00 - Unsatisfactory	1.00 - Highly Unsatisfactory	Unable To Score	Grand Total
Agriculture	3.00		18				18
Communications	2.00			1			1
Environment	2.00		1		1		2
Finance	3.50	1	1				2
Industry / Mining / Quarrying	3.00		1				1
Multi-Sector	2.94	2	40	5		1	48
Power	3.00		9				9
Social	3.04	2	20	1			23
Transport	2.90		9	1		1	11
Water Supply / Sanitation	2.80		12	3			15
Total	2.94	5	111	11	1	2	130

Table A2.7: Overall Bank, Borrower, and other Stakeholders performance (PCRENs)

Sub-criteria	PCREN Overall Average	4.00 - Highly Satisfactory	3.00 - Satisfactory	2.00 - Unsatisfactory	1.00 - Highly Unsatisfactory	UTS	NA	(Blank)	No. of projects
E0405 - Bank performance	3.05	19	97	11	1	2			130
E0406 - Borrower performance	2.83	8	94	21	4	3			130
E0407 - Performance of other stakeholders	2.97	9	98	10	1	6	3	3	130

Annex 3. PCR and PCREN Ratings Disconnect 2022-2023

Table A3.1: Disconnect between PCR and PCREN scores for the relevance criterion

Sub-criteria	PCR Average	PCR stand dev	PCR No. of projects	PCREN Average	PCREN stand dev	PCREN No. of projects	Is PCR score significantly higher?	p-value
E101 - Relevance of project development objective	3,79	0,41	130	3,83	0,40	130	NS	0,126446738136828
E102 - Relevance of project design	3,47	0,60	130	3,00	0,65	130	Sg	0,000000000000002
E1 - Relevance	3,80	0,42	130	3,55	0,54	130	Yes	0,000000002948707

The p-value measures the probability of obtaining the observed results, assuming that the null hypothesis is true. The lower the p-value, the greater the statistical significance of the observed difference. A p-value of 0.05 or lower is generally considered statistically significant.

Table A3.2: Disconnect between PCR and PCREN scores for the effectiveness criterion

Sub-criteria	PCR Average	PCR stand dev	PCR No. of projects	PCREN Average	PCREN stand dev	PCREN No. of projects	Is PCR score significantly higher?	p-value
E201 - Outcome reporting	3.24	0.70	127	2.81	0.70	126	Sg	0.000000000009141
E202 - Output reporting	3.36	0.71	127	3.02	0.70	126	Sg	0.00000005967
E2 - Effectiveness	3.15	0.62	130	2.70	0.66	128	Yes	0.00000000000430

Table A3.3: Disconnect between PCR and PCREN scores for the efficiency criterion

Sub-criteria	PCR Average	PCR stand dev	PCR No. of projects	PCREN Average	PCREN stand dev	PCREN No. of projects	Is PCR score significantly higher?	p-value
E301 - Timeliness	2.20	0.95	129	2.15	0.94	129	NS	0.1476
E302 - Resource use efficiency	3.24	1.19	124	3.29	0.90	104	Sg	0.0002555
E303 – Cost-benefit analysis	3.02	1.12	43	2.88	1.02	33	Sg	0.00008264
E304 - Implementation progress (IP)	3.34	0.62	128	2.91	0.60	123	Sg	0.0000000001001
E3 - Efficiency	3.01	0.64	130	2.84	0.67	129	Yes	0.001403

Table A3.4: Disconnect between PCR and PCREN scores for the sustainability criterion

Sub-criteria	PCR Average	PCR stand dev	PCR No. of projects	PCREN Average	PCREN stand dev	PCREN No. of projects	Is PCR score significantly higher?	p-value
E401 - Financial sustainability	2,97	0,73	121	2,71	0,74	119	Sg	0,000003304064809
E402 - Institutional sustainability and strengthening of capacities	3,23	0,57	126	2,98	0,60	128	Sg	0,000008965652532
E403 - Ownership and sustainability of partnerships	3,38	0,59	124	3,07	0,60	125	Sg	0,000000234189646
E404 - Environmental and social sustainability	2,98	0,76	91,00	2,77	0,68	73	Sg	0,000000009397583
E4 - Sustainability	3,21	0,54	129,00	2,94	0,51	129	Yes	0,000000563593807

Table A3.5: Disconnect between PCR and PCREN scores for Bank, Borrower and Other Stakeholders

Sub-criteria	PCR Average	PCR stand dev	PCR No. of projects	PCRE N Average	PCRE N stand dev	PCREN No. of projects	Is PCR score significantly higher?	p-value
E405 - Bank performance	3.34	0.52	122	3.05	0.52	128	Sg	0.000001430
E406 - Borrower performance	3.06	0.53	123	2.83	0.57	127	Sg	0.00004874
E407 - Performance of other stakeholders	3.21	0.55	115	2.97	0.44	118	Sg	0.00001458

Annex 4. Quality of the 2022-2023 PCRs

Table A4.1: Overall PCR quality

Sub-criteria	PCR EN Over all Average	4.00 - Highly Satisfactory	3.00 - Satisfactory	2.00 - Unsatisfactory	1.00 - Highly Unsatisfactory	UTS	NA	(Blank)	No. of projects
E601 - Extent of quality and completeness of the PCR evidence and analysis to substantiate the ratings of the various sections	2.67	6	84	31	9				130
E602 - Extent of objectivity PCR assessment scores	2.61	8	70	44	7			1	130
E603 - Extent of internal consistency of PCR assessment ratings; inaccuracies; inconsistencies (in various sections; between texts and ratings; consistency of overall rating with individual component ratings)	2.72	13	75	33	8			1	130
E604 - Extent of identification and assessment of key factors (internal and exogenous) and unintended effects (positive and negative) affecting design and implementation	2.81	9	90	21	6		3	1	130
E605 - Adequacy of treatment of safeguards, fiduciary issues, and alignment and harmonization	2.66	6	78	30	9		6	1	130
E606 - Extent of soundness of data generating and analysis processes (including rates of returns) in support of PCR assessment	2.50	5	57	42	10		15	1	130
E607 - Overall adequacy of the accessible evidence (from PCR including annexure and other data provided)	2.63	3	82	29	10		3	3	130
E608 - Extent to which lessons learned (and recommendations) are clear and based on the PCR assessment (evidence & analysis)	2.28	7	42	59	20			2	130
E609 - Extent of overall clarity and completeness of the PCR	2.66	6	80	35	7			2	130
E6 - Quality of PCR	2.65	4	85	33	8				130

Table A4.2: PCR quality by sector (2022-2023)

Sector	Average	Highly Satisfactory	Satisfactory	Unsatisfactory	Highly Unsatisfactory
Industry/Mining/Quarrying	3.00		1		
Water Supply/Sanitation	2.87		14		1
Power	2.78	1	5	3	
Transport	2.73		9	1	1

Social	2.70		18	3	2
Multi-Sector	2.63	3	28	13	4
Agriculture	2.50		9	9	
Finance	2.50		1	1	
Communications	2.00			1	
Environment	2.00			2	
All	2.65	4	85	33	8

Table A4.3: PCR quality by region (2022-2023)

Region	Average	Highly Satisfactory	Satisfactory	Unsatisfactory	Highly Unsatisfactory
Central Africa	1.88		4	6	6
East Africa	2.81		17	4	
Multiregional	2.85		22	4	
North Africa	2.67	1	7	3	1
Southern Africa	2.68		19	9	
West Africa	2.78	3	16	7	1
Grand Total	2.65	4	85	33	8

Annex 5. Performance and Quality of the 2022-2023 Reviewed XSRs

Table A5.1: XSRs Produced in 2022 – 2023 and Validations by IDEV

	SAP Code	Project Name	Approval	XSR Date	XSREN
1	P-BW-HAA-004	Line of Credit to Botswana Development	2019	2023	2024
2	P-CD-B00-001	Nyumba Ya Akiba Cement Plant	2014	2022	2023
3	P-CI-AAA-004	SUCDEN, cocoa pre-export and value chain	2019	2023	2024
4	P-CI-FA0-005	CIPREL Phase IV B	2015	2023	2024
5	P-EG-FF0-011	Egyptian Feed-in Tariff Program round 2 -	2017	2022	2023
6	P-KE-FZ0-004	Lake Turkana Wind Power project	2013	2023	2024
7	P-KE-HAB-022	Diamond Trust Bank LOC I	2016	2022	2023
8	P-NG-HAA-004	Development Bank of Nigeria (DBN)	2014	2022	2023
9	P-NG-HAB-042	Fidelity Bank LOC II	2018	2022	2023
10	P-RW-E00-008	Kigali Bulk Water Supply project	2015	2023	2024
11	P-SC-GB0-002	Seychelles Submarine Cable System	2011	2022	2023
12	P-SL-HAB-002	Line of Credit (LoC) to Union Trust Bank	2017	2022	2023
13	P-UG-FAB-007	Achwa II Hydropower Plant	2016	2022	2023
14	P-Z1-HAA-093	TDB - COMESA Regional Trade & project	2019	2022	2023
15	P-Z1-HB0-057	African Local Currency Bond Fund	2018	2022	2023
16	P-ZA-FF0-003	XINA Solar One project	2014	2023	2024
17	P-ZA-HAA-014	IDC Line of Credit III	2017	2023	2024
18	P-ZM-HB0-006	Zambia National Building Society (ZNBS)	2017	2022	2023

Table A5.2: Project Development Performance of the 2022-2023 Reviewed XSREns

Evaluation criteria	Sub-criteria	XSREN Overall Average	Highly Satisfactory	Satisfactory	Partly Unsatisfactory	Unsatisfactory	(Blank)	No. of projects
Relevance		3.50	10	7	1			18
Effectiveness		2.78	3	9	5	1		18

Efficiency	Overall project efficiency	2.78	2	10	6			18
	Financial performance	2.71	2	9	5	1	1	18
	Economic performance	2.88		15	2		1	18
Sustainability	Overall project sustainability	2.94	3	11	4			18
	Environmental and social sustainability	3.06	4	12	1	1		18
	other areas of sustainability	3.0	3	12	3			18
Coherence		3.33	7	10	1			18

Coherence is not included in the computation of the overall project performance rating (non-core indicator)

Project overall development performance: average score (2.86), highly successful (2), successful (11), mostly successful (1), mostly unsuccessful (3) and highly unsuccessful (1).

Table A5.3: Bank's performance rating and Client non-financial performance of the 2022-2023 Reviewed XSREns

Evaluation criteria	Sub-criteria	XSREN Overall Average	Highly Satisfactory	Satisfactory	Partly Unsatisfactory	Unsatisfactory	(Blank)	No. of projects
Additionality		3.06	3	13	2			18
Investment profitability		3.06	3	13	2			18
Work quality		3.0	1	16	1			18
	Screening, appraisal and structuring	3.06	2	14	1		1	18
	Supervision and administration	3.0	1	15	1		1	18
Client non-financial performance		3.06	1	17				18

Table A5.4: Quality of the 2022-2023 XSRs

Evaluation criteria	Highly Satisfactory	Satisfactory	Partly Unsatisfactory	Unsatisfactory	(Blank)	No. of projects
Quality and completeness of evidence and analysis	3	12	3			18
Plausible assumptions	2	11	4	1		18
Quality of lessons and recommendations	4	10	3		1	18

Clarity and internal consistency of the XSR	8	8	2			18
Consistence with XSR guidelines	6	10	1	1		18
Overall quality of XSR	3	11	4			18

Table A5.5: Table relating the project performance criteria to the Project Overall Development Performance

RATING	DEFINITION	CRITERIA
Highly Successful	The intervention <u>achieved or surpassed</u> <u>all</u> main targets, objectives and expectations, and had <u>no, or immaterial shortcomings</u> in terms of relevance, effectiveness, efficiency and sustainability.	Effectiveness, relevance and at least one other are rated as Highly Satisfactory. The other criterion is rated at least Satisfactory.
Successful	The intervention <u>achieved almost all</u> of the main targets, objectives and expectations, and had <u>at most minor shortcomings</u> in terms of relevance, effectiveness, efficiency or sustainability.	Relevance, effectiveness, efficiency and sustainability rated at least Satisfactory.
Mostly Successful	The intervention <u>achieved the majority</u> of the main targets, objectives and expectations, and had <u>moderate shortcomings</u> in terms of relevance, effectiveness, efficiency or sustainability.	At least three criteria, including effectiveness and relevance, are Satisfactory. No criterion is rated Unsatisfactory.
Mostly Unsuccessful	The intervention <u>achieved only some</u> of its main targets, objectives and expectations, and had <u>significant shortcomings</u> in terms of relevance, effectiveness, efficiency or sustainability.	Relevance is Satisfactory, and the rest of the criteria (effectiveness, efficiency, and sustainability) are less than Satisfactory. No more than one is Unsatisfactory which should not include effectiveness.
Unsuccessful	The intervention <u>achieved very few</u> of its main targets, objectives and expectations, and had <u>major shortcomings</u> in terms of relevance, effectiveness, efficiency or sustainability.	All four criteria are less than satisfactory, no more than one is Unsatisfactory which should not include effectiveness.
Highly Unsuccessful	The intervention <u>achieved none</u> of its main targets, objectives and expectations, and had <u>severe shortcomings</u> in terms of relevance, effectiveness, efficiency or sustainability.	All the four criteria are Unsatisfactory.