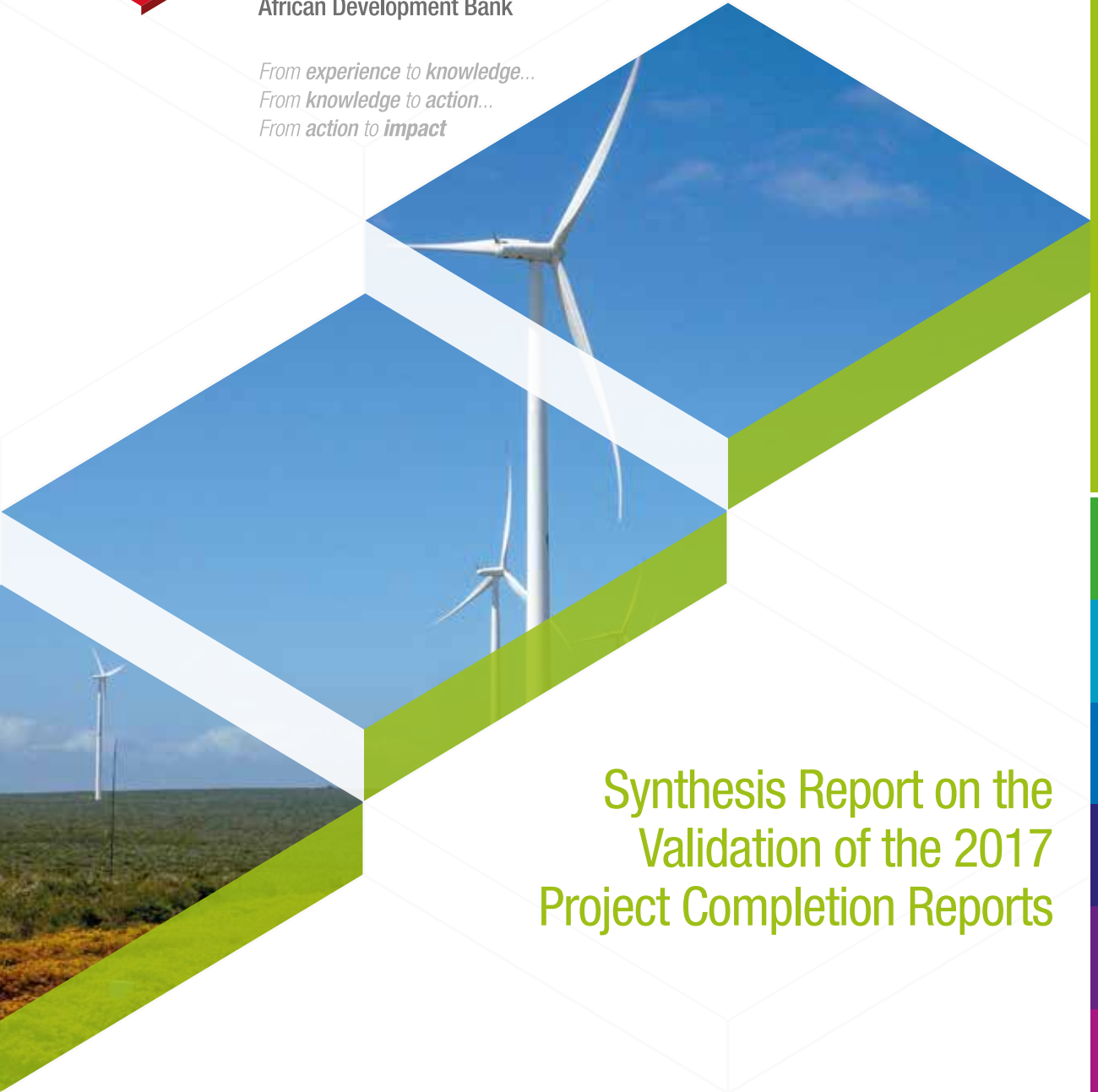


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African Development Bank

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*From knowledge to action...*  
*From action to **impact***



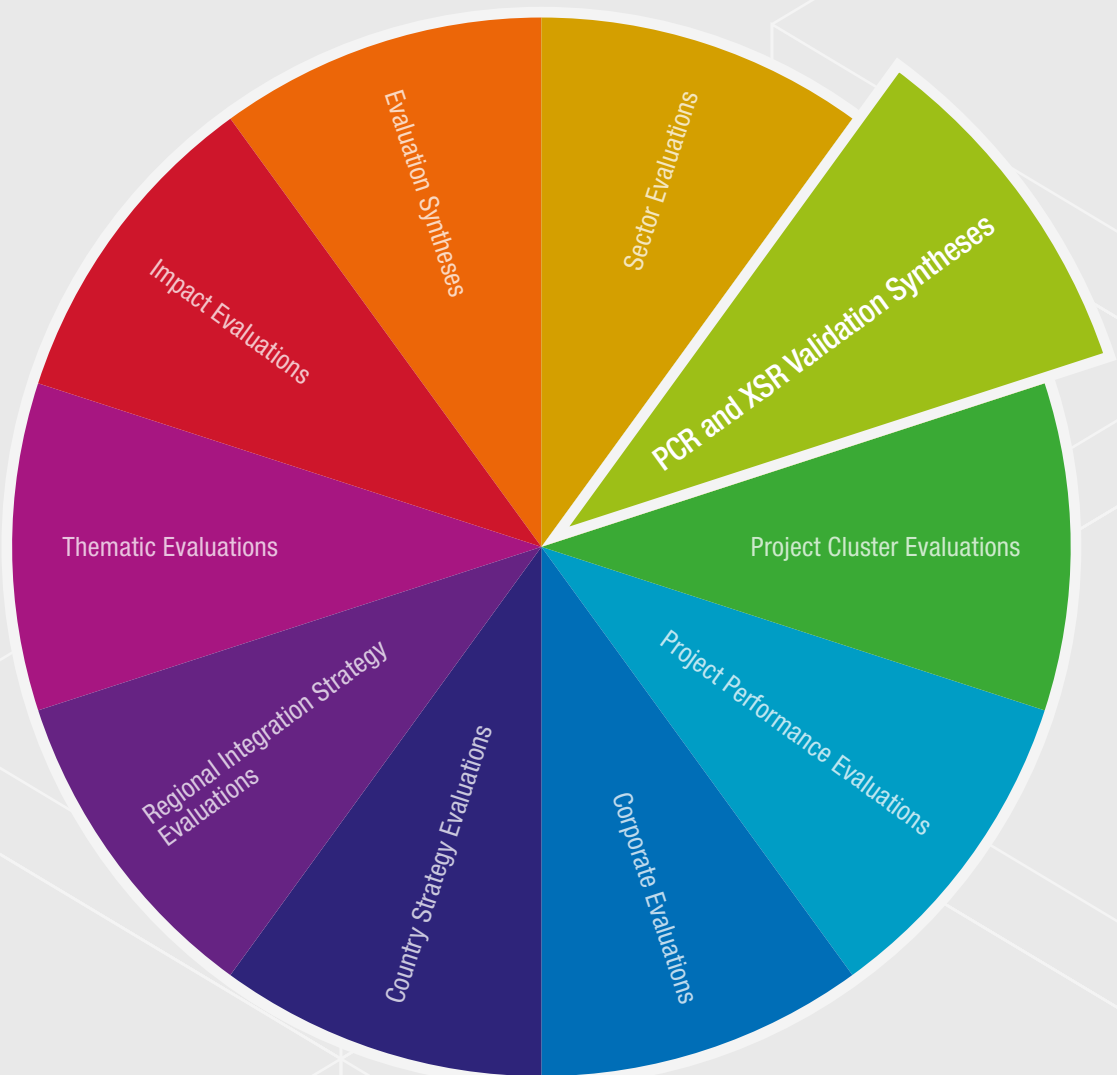
## Synthesis Report on the Validation of the 2017 Project Completion Reports

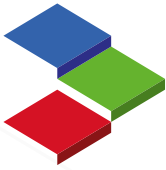


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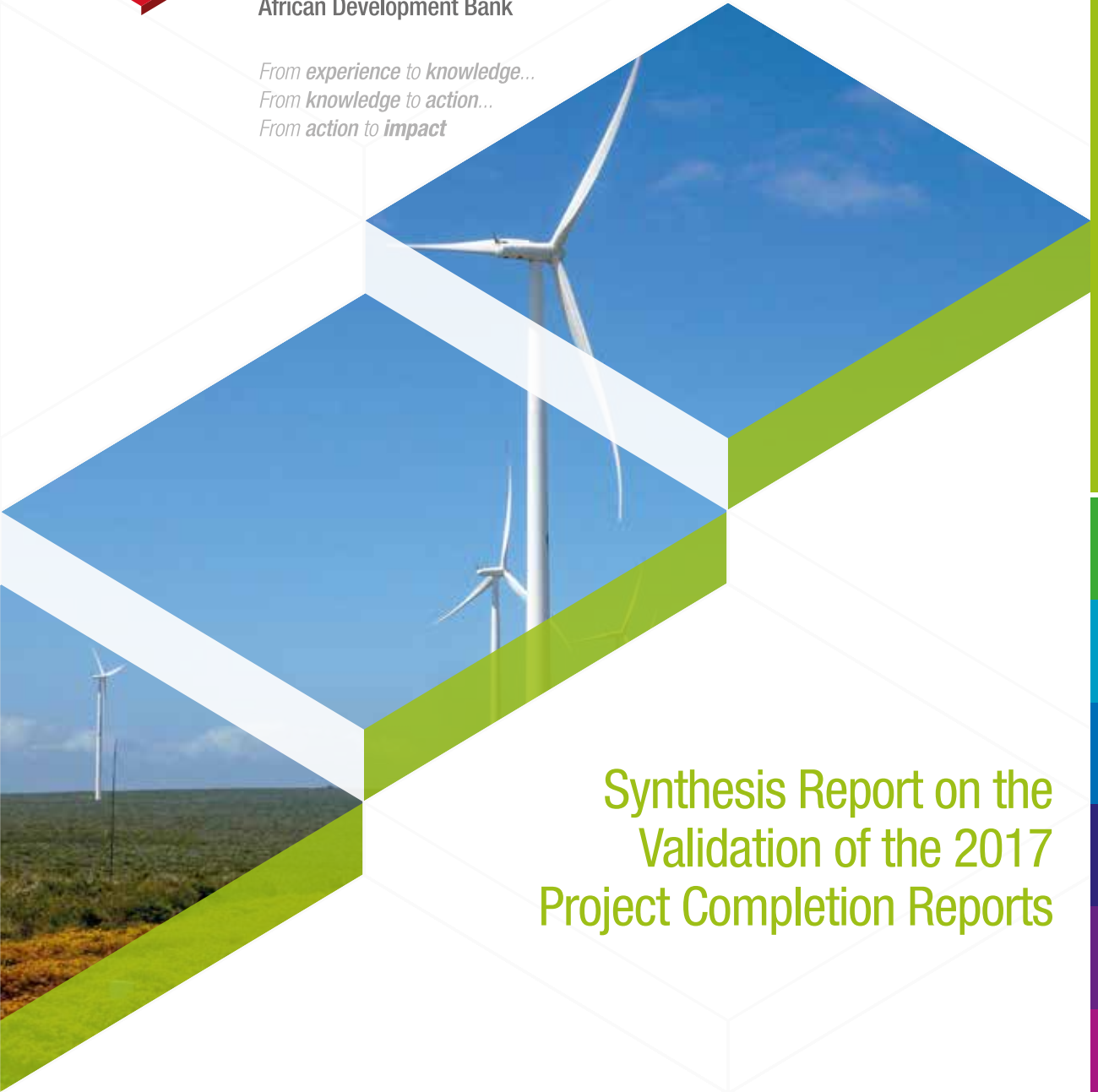




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## Synthesis Report on the Validation of the 2017 Project Completion Reports



AFRICAN DEVELOPMENT BANK GROUP

July 2019

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### Synthesis Report on the Validation of the 2017 Project Completion Reports PCR and XSR Validation Syntheses, July 2019

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

#### About Independent Development Evaluation (IDEV)

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

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## Abbreviations and Acronyms

<b>AfDB</b>	African Development Bank
<b>CBA</b>	Cost Benefit Analysis
<b>EVRD</b>	Evaluation Results Database
<b>IDEV</b>	Independent Development Evaluation
<b>IPR</b>	Implementation Progress and Results Reports
<b>M&amp;E</b>	Monitoring and Evaluation
<b>MTR</b>	Mid-Term Review
<b>O&amp;M</b>	Operations and Maintenance
<b>PCR</b>	Project Completion Report
<b>PCREN</b>	Project Completion Report Evaluation Note
<b>PCU</b>	Project Coordinating Unit
<b>PIU</b>	Project Implementation Unit
<b>W&amp;S</b>	Water and Sanitation





# Executive Summary

The African Development Bank Group (AfDB, or the Bank) undertakes self-evaluation of its projects through Project Completion Reports (PCRs) prepared by the appropriate operations departments at the end of project cycle. Independent Development Evaluation (IDEV) subsequently reviews all PCRs on an annual basis and produces a PCR Evaluation Note (PCREN) for each PCR as well as a synthesis report on the yearly PCREN cohort.

This report synthesizes findings from the review of the 88 PCRs completed in 2017. The objectives of this assignment included: (i) assessing the quality and validating the performance of each of the 88 projects covered in the PCRs (ii) assisting AfDB management and staff to improve the quality of the PCR system and (iii) contributing to IDEV's Evaluation Results Database (EVRD) on project performance and PCR quality.

The findings of the review are expected to be disseminated widely to the Bank's Board, management and staff, and shared with the public through discussions, workshops, printed reports, IDEV activities and the Bank's website.

## Main Findings

### I Relevance of Objectives and Project Design

Both PCRs and the review found the relevance of the development objectives for the projects in the portfolio to be highly satisfactory. The vast majority of the projects were highly relevant in terms of their objectives, signaling good alignment with the country's development priorities and with pertinent Bank strategies. The relevance of the project design was, on average, satisfactory but weak in its results framework.

### I Effectiveness (Outputs, Outcomes and Overall Effectiveness)

On average, the PCRs rated development effectiveness as satisfactory whereas the PCRENs found it to be less than satisfactory. The difference was not in terms of the outputs, as most projects completed their physical outputs, but that the outcomes were often due to a flawed or overly-optimistic results framework, resulting in them not being achieved.

### I Efficiency (Timeliness, Resource use efficiency, cost benefit analysis and implementation progress)

While the PCRs on average rated this criterion as satisfactory, the review found it to be less than satisfactory. This can largely be imputed to the fact that the majority of infrastructure projects reviewed, especially those in power, water and sanitation (W&S), did not have an acceptable Cost Benefit Analysis (CBA). Transport sector projects were somewhat better in this respect because they used highway development models.

### I Sustainability

The sustainability of the reviewed projects was found, on average, to be satisfactory by both the PCR and PCRENs. Generally speaking, water supply and sanitation, and energy projects were found to have low prospects of financial viability. The review found that projects in these two sectors often failed to put contingencies in place for the generation of revenues that would absorb the operating costs of the utilities. Moreover, the review found that projects with a high level of community participation tended to have a better chance of sustainability, even where the broader operating environment was highly challenging.

## ■ Bank Performance

In the case of the Bank's performance, the review rated it lower than the PCRs. In general, it was observed in the PCRs that the Bank's performance was systematically rated satisfactory or above, even when the project had major implementation issues. Bank performance was an important issue in the preparation/appraisal phases where in many instances it was found to be inadequate, lacking rigor and technical depth. Sharper focus on the quality of project preparation should be supported by a strengthening of AfDB arrangements for the control of project quality at entry.

## ■ Borrower Performance

On average, both the PCRs and PCRENs found this measure to be satisfactory. In most cases, the rating of the borrower's performance in the PCRs was neutral and often evaluated as satisfactory, even in cases where the borrower's performance was obviously poor. A frequent criticism that emerged from the review is the tardiness in providing counterpart funds, which slowed implementation due to delays in providing interim payment certificates.

## ■ Performance of other stakeholders

The average performance of other stakeholders was found to be satisfactory by both the PCRs and PCRENs. Drilling down, the quality of work was sometimes inadequate. Criticism centred around the failure of contractors to furnish performance guarantees on time and sometimes reporting was less than diligent. Timeliness of disbursements by co-financiers was also flagged as an issue.

## ■ Monitoring and Evaluation (M&E) Quality

The review found that the M&E results framework was often inadequate and there were issues with inadequate baseline data, inappropriate indicators, as well as weak implementation and

utilization of the M&E system. The progress reporting of outputs was generally fair, though the M&E of outcomes was much weaker.

## ■ PCR Quality

The review found the quality of PCRs to be uneven. Several confused outputs and outcomes and there were instances where the outputs and outcomes given in the PCRs differed from the ones listed in the results framework of the appraisal report. A tendency was to treat each PCR as a mechanical exercise and to cut and paste statements from one PCR to another, especially in the same sector in the same country. It is possible that working through the backlog of PCRs that had built up compromised the quality. Of the 88 PCRs reviewed, 65 showed whether they were prepared on time or not and, of these, only 66% were prepared on time.

## Recommendations for Bank Management in respect of project preparation and design

■ **Accuracy of project cost estimates:** Appraisals should certify to the Board that the project designs and cost estimates were relevant and reliable. A standard for reliability should be set and incorporated into the appraisal guidelines.

■ **Borrower Capacity:** The project scope should be limited when capacity is weak and where there are insufficient resources for Operations and Maintenance (O&M). Borrower capacity should be given greater emphasis in appraisal to ensure it is adequate for the proposed project.

■ **Pre-investment studies and technical assistance:** The Bank should pursue such assistance if it has prioritized the proposed projects under its country strategies or in exceptional circumstances. It should also ensure that both the economic and financial viabilities are analysed carefully, and that the criteria used to test the concepts are clearly laid out at the time of preparation.

**Cost benefit analysis (CBA):** The issues in the way that CBA are being conducted are serious enough that the Bank may want to set up a technical group to re-evaluate the approach used for CBA especially in power and W&S projects. The technical review group should be asked to review current guidelines and consider whether an update is warranted that would result in more consistent methodology being employed from project to project and more consistent use of appropriate measures of the benefits.

### Recommendations for Bank Management regarding project supervision/implementation support

**Quality of supervision reports:** Supervision reports should not overly focus on check boxes but should address any major problem areas or strategic issues that may be of concern and which should be referred to higher management.

**Financial sustainability:** PCR assessments of financial sustainability should include a discussion of the average tariff being charged at completion, an analysis that indicates what tariffs would need to be to cover operations and maintenance - and where warranted, what the tariff would need to be to cover the investment.

### Recommended improvements to evaluate projects (Bank Management in consultation with IDEV)

**Restructured projects:** The PCR guidelines should make it clear that the outputs and outcomes from the appraisal report logical framework need to be the basis for the PCR unless there is an official revision to the project. In that case the memorandum requesting the change and containing the justification for the change should be attached to the PCR.

**Need for greater emphasis on design and readiness, and implementation:** The quality of project preparation (or quality at entry) should be given much greater prominence under Bank and borrower performances and should specifically cover: (i) the adequacy of engineering designs on which to base decisions (ii) the accuracy of cost estimates (iii) the quality and realism of the results framework (iv) compliance with covenants and guidelines (v) CBA quality or other efficiency measures and (vi) the plans for recovery of O&M costs.

**Rating scales:** The adoption of a six-point scale would allow more gradations of performance including moderately satisfactory and moderately unsatisfactory. The use of such a scale would likely reduce the disconnect in ratings between the self-evaluators and IDEV reviewers.

**Need for PCR validation meetings:** The introduction of a formal validation meeting would be a step towards improving the quality and reducing the disconnect between self-evaluation ratings by operations staff and those by IDEV.

**Monitoring and evaluation:** M&E systems should be set up at the early stage as standard practice. Outcomes should also be clearly related to the project, rather than broad national goals.

**Lack of Bank Capacity:** The level of quality of both the PCRs and PCREs may be constrained by the Bank's capacity. Consequently, it is suggested that a more effective strategy might be to prepare abbreviated PCRs for all projects but for some pre-selected projects there would be an augmented PCR involving enhanced field visits that would include an IDEV staff member.

**Review and Consolidation of Guidelines:** IDEV may wish to consider consolidating all validation guidance into a single reference document. The current format is more conducive to the preparation of a research paper than as a tool to provide management with information to rectify

operational procedures and learn from successes as well as failures.

- **Improve the Bank document management and retrieval database:** Since this kind of review is undertaken annually, it is important that a concerted effort is made to assemble all the needed documentation prior to the next round. It is also suggested that if PCRENs are pre-populated in the EVRD database that the results framework be based on the approved appraisal report and not the PCR.

- **The PCR and PCREN templates:** The template formats are overly repetitious and too long. They are not designed for optimum management attention and do not focus on priority issues or priority actions needed. The templates should be reduced in size and focused on items that require management attention. A shorter version

for small projects of a capacity building nature should be considered.

## Other Recommendations

- **Naming of Contractors:** It is recommended that consultants, contractors, auditors and specialists referred to in PCR documents are not named for legal reasons if the PCR is to be disclosed to the public.
- **Utility Companies:** Many infrastructural projects, particularly roads and highways, require that existing utility lines be relocated, and this can cause serious delays. To minimize delays caused by such relocations it should be normal practice to request these activities as early as possible during implementation or even before. ■







# Management Response

Management welcomes IDEV's synthesis report on its validation of Project Completion Reports (PCRs) 2016–17, and the two reports on which it is based. The validation exercise is important and Management will use it to improve further project completion reporting. Going forward Management also hopes that IDEV will conduct similar assessments on a regular basis, supporting continuous improvement, and enabling Management to include validated ratings in annual reporting. Overall, IDEV's validation rates 82% of projects with PCRs in 2016–17 as satisfactory, this performance compares well with other institutions. IDEV also finds an improvement in the quality of PCRs over time. Nevertheless, the 2016–17 assessment is very candid and highlights areas for improvement with regard to the PCR template and guidance, as well as compliance and quality in PCRs completion. As advised by IDEV, this response addresses directly the recommendations in the summary document.

## Introduction

IDEV's PCR validation for 2016–17 is an important and helpful exercise. It will feed into a broader evaluation of the Bank's self-evaluation processes and system. This, in turn, will be the third in a series of IDEV evaluations on different stages of the project cycle – with evaluations on quality at entry and supervision published in 2018.

While we expect the broader evaluation to inform a thorough examination of self-evaluation in the Bank, Management nevertheless thought it is important to provide a response to this specific component, given the importance of the topics raised. Specifically, it assesses the quality of the Bank's 2016–2017 PCRs, and the performance of the projects covered by these PCRs. IDEV has proposed specific recommendations to which Management would like to respond. In future validation exercises the focus is expected to return to learning in order to support continuous improvement. Management also believes that the PCR validation function is a useful part of the process, and hopes to see it becoming a regular product. In addition, while this report focuses on PCRs which cover sovereign operations, a similar validation approach for Extended Supervision Reports (XSRs) used for non-sovereign operations would be equally useful.

Overall, Management agrees with IDEV's assessment that "PCR quality is high but there is considerable scope for improvement". IDEV's analysis already points to a marked increase in PCR quality between 2016 and 2017, as well as an increase against the 2009–10 baseline.

The exercise also led IDEV to conclude that "Overall project performance is generally satisfactory, and stable;" and that performance for ADF projects in particular has improved since 2015. However, IDEV states that the assessment against the four performance dimensions can be further improved. In particular, with regard to the outcomes portion of effectiveness. As IDEV points out, PCRs are conducted at an early stage from a results perspective. This timing, combined with ambitious outcome targets in original results frameworks, and the fact that the further up the results chain the less control for the lender, are all likely to have played a part in the difference in outcome assessments. Similarly, IDEV's difference on efficiency ratings relates as much to the quality of the appraisal's economic/financial analysis as to the actual level of efficiency achieved.

In future years, Management suggests further strengthening of the validation process and reporting. For example, by sharing both the methodology and the

data in real time and ensuring that statements made regarding “instances” “some cases” and “trends” are supported with data on prevalence. Furthermore, since both PCR guidance and PCR validation guidance are likely to be reviewed, examining how the validation process works and particularly when it is carried out, will be beneficial for both accountability and learning. IDEV makes pertinent suggestions regarding data storage and meetings with Task Managers. Similarly, lessons on how the process now works in sister institutions should be taken on board.

Management broadly agrees with the 12 recommendations (grouped in three categories) set out in the summary report. Specific actions to respond to these are set out in the Management Action Record (overleaf). Management notes that although the study examined PCRs, IDEV has made recommendations relating to quality at entry and supervision, which are not at odds with the broader evaluations on these topics, but do place a slightly different emphasis in some areas. As such, many of the issues raised in these areas have been addressed in the Quality Assurance Implementation Plan (the Quality Plan). However, an additional issue is more strongly emphasised in this product; and is, therefore, taken up in this management response. This is the accuracy of project costing and the quality of cost benefit/cost effectiveness/least cost alternative analysis. Management agrees that these are vital components of project design and that they also enable robust project completion reporting. It is important to note, however, that assessing quality at entry via PCRs is by nature limiting, since the appraisal for the projects closed in 2016–17 will have mainly taken place prior to 2012. Nevertheless, Management shares IDEV’s view that the quality of economic and financial analysis prior to approval is important – and that all sectors apply appropriate quality standards. In this context, the existing guidance in the Operations Manual is under review. Concerning recommendations related to the PCR, Management has taken the opportunity to add a specific commitment to the Quality Plan – to review and revise the PCR template and guidance. More detailed actions are also set out in the Management Action Record, overleaf.

## Project Performance

IDEV’s validation finds 82% of projects in the cohort to be satisfactory. Management notes the difference between self-reported and independently validated project ratings. The 2016–2017 PCRs rated the performance of 97% projects as “satisfactory” (compared to 82% after independent validation).

It is also important to learn from peer institutions in making use of PCR validation data. In the 2017 corporate scorecards of the World Bank Group, the percentage of operations rated satisfactory at completion by IEG is 74%<sup>1</sup>. In the Inter-American Development Bank (IADB), 80% of sovereign operations were rated satisfactory. These figures confirm the solid performance of AfDB operations, following independent validation.

Even in the context of this relatively strong performance, the findings highlight the need to communicate to operations teams the importance of being candid and frank in project completion reporting, and to adhere closely to the methodology, which aims to minimise any room for subjectivity in ratings. Deeper learning from the PCR process is vital, both in terms of understanding why and in what areas the ratings are different; and learning what does and does not work through the project completion reporting – for the benefit of future projects.

Examination of the underlying data also indicates that IDEV’s figures vary by region and by sector. For example, the difference between self-assessed and validated ratings was lower in South and North than other regions. The region which had the largest difference in 2016, improved in 2017. By sector, the difference between self-assessed and independently validated ratings was lower in transport, and water and sanitation.

It is important to note that PCR ratings, while reported, are not the source of the Bank’s main results reporting. The most important aspects for results reporting are the actual outputs, contribution to outcomes and number of beneficiaries. These facts



remain unchanged, even where there is a difference of opinion on ratings.

## PCR Quality and Compliance

Management agrees that though PCR quality is generally good, and IDEV found it to be satisfactory across seven dimensions, there is scope to improve. Management notes that despite a dip in the figures in 2016, for 2017 there has been improvement – with 81% of PCRs rated satisfactory quality in 2017, compared to 73% across the period. Examination of difference in quality by sector and by region is informative. At least 80% of PCRs in each of agriculture, environment, transport, and water and sanitation were deemed satisfactory for each of the two years.

IDEV also points to an improvement in coverage of safeguards and fiduciary issues, as compared to 2009-10. At the same time, IDEV reports that monitoring and evaluation – including reliance on original results frameworks that were inadequate or unrealistic – remains a deficiency. It is important to note that 2016-17 PCRs mainly relate to projects approved before the implementation of a series of quality enhancements. Another issue that IDEV raised, was a lack of documentation attached to the PCR they received to explain changes at mid-term review. This will be addressed in the roll out of the Results Reporting System (RRS) developed within SAP. The RRS will require approvals within the system to make such changes and will store details on when and why changes were made, making the PCR and PCR validation process years later much easier. Broader documentation storage is being addressed through other IT supported initiatives.

Management has conducted annual assessments of PCR compliance, via independent consultants, though based on a smaller sample, 2014-17. These assessed PCR compliance in ratings for each of the four criteria (relevance, efficiency, effectiveness, and sustainability). These assessments have found that overall satisfactory compliance jumped from 65% in 2014 to 90% in 2015 (remaining at 86% in 2016 and

89% in 2017). However, only around one third were achieving highly satisfactory or 100% compliance. These assessments confirm that the effectiveness rating was the least compliant, partly due to the legacy of old and unsuitable log frames.

Management acknowledges that in 2016 and 2017, the timeliness of PCR completion slipped. – with a low of 66% in 2016. However, in 2018 the rate rebounded to 85%. In 2018, operations teams – most notably those in the regions – launched a major push to ensure timely completion, and in 2019 more upfront planning has been carried out to avoid PCR bunching. SNVP regularly monitors completion rates and communicates these to operations teams. The time at which a PCR becomes due is relatively early (whichever is the sooner of 6 months after completion or after 98% disbursement). The timing is similar to that of the World Bank, but shorter than that of the Inter-American Development Bank<sup>2</sup>. While continuing to monitor PCR timeliness, attention has been shifting to enhancing the quality of these reports.

## Summary of the Way Forward

Management has found this validation exercise useful, and anticipates it will become a regular exercise. Based on the findings and recommendations of the 2016-17 synthesis, Management will seek to further improve PCRs – in terms of quality, compliance and candour, in the following main ways:

1. Improving the process by digitising PCR development and approval in the SAP-integrated Results Reporting System.
2. Improving the tools by revising the PCR template and supporting guidance. This will be followed by training and support, to roll out the new guidance and template. Regions and sectors performing less well against IDEV's standards will be prioritized in the training rollout.
3. Supporting accountability and learning loops by facilitating IDEV in its work to validate

PCRs on a regular basis, and using findings to support constructive learning and increased compliance.

The Management Action Record, below, sets out specific actions against the recommendations made by IDEV in the 2016–17 synthesis. ■

Management action record	
IDEV recommendation	Management's response
<b>RECOMMENDATION 1:</b> Continue to improve quality of project preparation and design by consistently ensuring that:	
<ul style="list-style-type: none"> <li>Project cost estimates are accurate;</li> <li>Project scope is appropriately tailored to borrower capacity;</li> <li>Pre-investment studies and technical assistance are relevant and reliable;</li> <li>Cost-benefit analysis is complete and reliable;</li> </ul>	<p><b>AGREED</b>—While some of these issues are explicitly addressed in the existing Quality Plan, and the update of the Operations manual, additional work will be carried out not just to assure quality but to provide additional guidance to task teams with regards to project cost estimates and use of cost benefit/effectiveness/least cost alternative analysis. Therefore, management will:</p> <ul style="list-style-type: none"> <li>Reinforce guidance in the Operations Manual on cost benefit and cost effectiveness analysis, and least cost alternative approach. (SNSP 2020)</li> <li>Include a course within the Task Manager pathway of Operations Academy covering cost benefit/cost effectiveness/least cost alternative analyses. (SNOQ 2020)</li> </ul>
<b>RECOMMENDATION 2:</b> Continue to strengthen project supervision/implementation support focusing on:	
<ul style="list-style-type: none"> <li>Improving quality of supervision reports -- they should address any major problem areas or strategic issues that may be of concern;</li> <li>Consistently and effectively addressing financial sustainability of project outcomes and impacts;</li> </ul>	<p><b>AGREED</b>—These issues are broadly addressed within the Quality Plan, informed by the 2018 evaluation on supervision, already commits to:</p> <ul style="list-style-type: none"> <li>Provide additional guidance on implementation support (RDVP 2020) also updating the Operations Manual (SNSP 2020) and a range of other issues relating to portfolio management reporting in addition to project level.</li> <li>Include a course within the Operations Academy covering supervision and implementation support. (SNOQ 2020)</li> <li>Launch of RRS to digitize implementation progress reporting (SNDP 2019)</li> </ul>
<b>RECOMMENDATION 3:</b> Continue and intensify efforts to improve the quality of project completion reporting by:	
<ul style="list-style-type: none"> <li>Improving the Bank's document management and retrieval database;</li> <li>Ensuring the availability of PCR task managers to participate in PCR validation meetings with IDEV;</li> <li>Collaborating with IDEV in revising the PCR template and project rating scales;</li> <li>Enhancing Bank staff competencies, skills, and incentives for quality PCR preparation and reporting;</li> <li>Ensuring that the outputs and outcomes from the appraisal report logical framework are the basis for the PCR unless there is an official revision to the project;</li> <li>Ensuring project M&amp;E systems are setup at an early stage as standard practice.</li> </ul>	<p><b>AGREED</b>—Overall these recommendations are helpful, and assuming they go in a similar direction to the recommendations that will be made in the forthcoming evaluation of the Bank's Self Evaluation Systems, management will take the following actions.</p> <ul style="list-style-type: none"> <li>CHIS has completed a major upgrade to both DARMS and Sharepoint. Similarly, the Bank Group Policy on Records Management and Archives has now been agreed. The ongoing challenge is ensuring roll out and compliance across all departments. In this context, Management will continue with planned training and communication (SNDI/CHIS/PESG 2019). In addition, CHIS is working closely with operations departments to develop a proof of concept for an "operations portal" this will provide a long term solution to a range of data storage and other issues, as explained in the Quality Plan. Given the major investment, Given the major investment, this will require Management to be committed to taking a step-by-step approach.. (Proof of concept, CHIS 2020)</li> <li>Management will formally communicate to all operations directors and managers that PCR Task Managers should make themselves and the documentation available to IDEV to facilitate the validation process. (SNP 2019). The same will be reiterated in the next revision of the PCR guidelines.</li> </ul>

	<ul style="list-style-type: none"> <li>■ Management will work closely with IDEV, in revising the existing PCR template and guidance. Management acknowledges that the current template may be too heavy, and that a lighter version would be useful for smaller projects in particular. Management has included a commitment to revise the PCR template and guidance in the revised Quality Plan. Management will work closely with IDEV on the revision, following completion of IDEV's evaluation on the Bank's self-evaluation systems. (SNOQ/IDEV 2021).</li> <li>■ Management will make use of the validation reports to communicate lessons and current weaknesses in PCRs to operations staff and management, and proposes to work closely with IDEV on a workshop in that regard. (SNOQ/IDEV 2019)</li> <li>■ Following revision to the existing PCR guidance and template, Management will roll out a comprehensive training program (SNOQ 2021).</li> <li>■ With the roll out of the RRS, the problem of record keeping for changes made at mid-term review will be resolved. It also automates the production of key quality assurance documents through the project cycle, including the PCR. This should significantly improve data integrity and consistency. The system is developed and the roll-out is ongoing (RDVP and sector complexes 2020).</li> <li>■ As per the Quality Plan, revisions will be made to the Readiness Review. In this context, a quality at entry criteria on M&amp;E systems and plans is likely to be included (SNOQ 2019). Similarly, the importance of the monitoring and evaluation dimensions will be well reflected in the update to the Operations Manual. (SNSP 2020).</li> </ul>
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# Background

The African Development Bank (AfDB) Group undertakes self-evaluations of its projects through Project Completion Reports (PCRs) prepared by the appropriate operations departments. Separately, Independent Development Evaluation (IDEV) reviews PCRs on an annual basis and produces a PCR evaluation note (PCREN) for each PCR as well as a synthesis report on each year's PCRENS. This assignment concerned the preparation of PCRENS covering 88 PCRs prepared in 2017. In addition, a synthesis was produced, giving an overview of the findings to help improve the quality of the PCR system together with suggestions for operations staff to enhance future performance.

## Objectives

The objectives of the assignment in summary were to:

- Assess the quality and validate the performance of each of the 88 projects covered in the PCRs;
- Assist Bank management and staff to improve the quality of the PCR system by providing appropriate lessons learned and recommendations. This included M&E, as well as design and implementation of future operations; and
- Contribute to IDEV's EVRD on project performance and PCR quality, to enhance its credibility, and to contribute to the Bank's Annual Development Effectiveness Review.

The results of the review are expected to be disseminated widely to the Bank's Board, management and staff, and shared with the public through discussions, workshops, printed reports, IDEV activities and the Bank's website.

## Methodology and Limitations

The team was comprised of international evaluation experts from relevant disciplines. It reviewed pertinent project and program documentation and used other evidence from available documents to complete a standard PCREN template for each PCR in accordance with the Bank's "Staff Guidance on Project Completion Reporting and Rating" (2012).

The team also prepared questions for IDEV to forward to the operations task managers to try to plug information gaps or to clarify certain points. Completed PCRENS were then further reviewed by independent peer reviewers selected by IDEV, adjusted according to the comments received, and uploaded with validated lessons and recommendations to the EVRD platform. A mechanism was set up to adjudicate any serious disagreements, before the final version was uploaded to the EVRD platform. In this event, there were no such disagreements. In cases, where the country in which the project was located was French speaking, the PCREN was prepared in French. In all other cases the language used was English. All experts contributed to the synthesis document as well as strengthening the lessons and recommendations from the PCRENS.

In the universe of 88 projects, several sectors were represented in numbers that were in general not large enough for conclusive sector-specific statements to be made on some issues but were useful for identifying sector trends. Despite heroic efforts by IDEV to provide the team with all the requested documentation, there were many gaps in the information provided, especially with respect to supervision reports and Mid-Term Reviews (MTR). For about 10 percent of the projects, a minimum of documents were made available to the evaluation team, those being the appraisal report and the

**Table 1:** Distribution of PCRs by Sector

Project Sectors	No. of Projects	% By Sector
Water and Sanitation (W&S)	20	22.7
Transport	14	15.9
Agriculture	12	13.6
Power/Energy	11	12.5
Capacity building/Education	8	9.0
Private Sector Development	7	7.9
Environment	4	4.6
Governance	4	4.6
Natural Resources	4	4.6
Social	4	4.6
<b>All Sectors</b>	<b>88</b>	<b>100.0</b>

final version of the PCR. Where documentation was sparse, this affected the quality of the review, but the team made the best judgement it could in accordance with the available information in each case.

## Portfolio

The 88 projects reviewed included 14 multinational operations and covered ten sectors. The regional breakdown (excluding multinational) was Central Africa 12, Eastern Africa 23, Northern Africa 4, Southern Africa 15 and Western Africa 20. ■

# Overall Project Performance

As will be elaborated in the discussion that follows after reviewing the 88 PCRENs, four criteria in the current rating system gave some cause for concern, namely: (i) the relevance of project design - meaning there were issues at quality of entry (ii) achievement of development objective — there were problems in achieving outcomes as reflected in the results frameworks (iii) CBA — there were issues with the methodology or assumptions, or that the information to evaluate the analyses were not available and (iv) in the case of financial sustainability for water and electricity projects, there was insufficient evidence of provision of funds for operation and maintenance purposes.

PCRENs were less generously rated than the PCRs but the disconnects were not major. This was due to

**Table 2:** Average Scores (1-4) for PCRs and PCRENs by criteria

	PCR	PCREN
<b>RELEVANCE</b>	3.6	3.3
Relevance of project development objective	3.9	3.7
Relevance of project design	3.3	2.8
<b>EFFECTIVENESS</b>	3.2	2.7
Development objective	3.1	2.6
<b>EFFICIENCY</b>	3.0	2.7
Timeliness	2.5	2.5
Resource use efficiency	3.4	3.3
Cost-benefit analysis	3.2	2.5
Implementation progress	2.9	2.7
<b>SUSTAINABILITY</b>	2.9	2.8
Financial sustainability	3.0	2.8
Institutional sustainability and strengthening of capacities	3.1	3.0
Environmental and social sustainability	3.0	2.9
<b>OVERALL PROJECT COMPLETION RATING</b>	3.2	2.9
Bank performance:	3.2	2.8
Borrower performance:	2.9	2.6
Performance of other shareholders:	2.8	2.7
Overall PCR quality:	---	2.9

several factors including the objectivity of the reviewers following international best practice, the strict attention to the results framework, and the additional round of scrutiny by peer reviews undertaken by IDEV nominated consultants. There was mostly agreement between the two sets of reviewers, but as a result of the second round of reviews, more scores were adjusted downwards than upwards. There were few outliers. No projects were rated highly unsatisfactory in either the PCRs or the PCRENs. Eight projects were rated highly satisfactory in the PCRs but only three in the PCRENs. The three highly rated projects were the Ghana Fufulso-Sawla Road Project, the Uganda Bujagali Interconnection Project, and the Zimbabwe Emergency Power Infrastructure Rehabilitation Project.

Regarding Bank performance, the major issues were with the design and implementation of the M&E system. However, in addition, the use of lessons learned from previous operations (i.e. not repeating the same mistakes), and the quality of Bank supervision (too few MTR or too many changes in Task Manager) stood out as needing attention. Borrower performance gaps showed up in the quality of preparation, issues during implementation, and in the timeliness in preparing requests for “no objections.” Borrower shortcomings were likely related to inadequate capacity.

## Relevance of Objectives and Project Design

The average score for projects in the portfolio for the relevance of development objectives was 3.6 (Highly satisfactory) in the PCRs and 3.3 (satisfactory) in the PCRENs. In other words, most projects were either, on average, satisfactory or highly relevant in terms of their objectives, which meant they were in good alignment with the country's development priorities and with the pertinent Bank strategies. There were a few instances



where the outputs and outcomes given in PCRs differed from the ones listed in the logical framework of the appraisal report. Occasionally, authors appeared to struggle to understand the difference between the relevance of development objectives and the relevance of project design.

Although the performance regarding the relevance of the objectives was mostly satisfactory, relevance of project design (in particular the quality of the results framework) was an area of serious concern to the evaluators and reviewers especially in the infrastructure sectors. The average score for project design for all projects was 3.3 in the PCRs and 2.8 in the PCRENs, the latter indicating a less than satisfactory performance. The aggregation of the two criteria for relevance (development objectives and design) gave a satisfactory overall relevance score, but this masked the identified problem area. The most

common complaint was a lack of engineering designs sufficient to determine costs to a reasonable degree of accuracy. For example, old, outdated designs were adopted without a proper review as in the Multinational Nacala Road Corridor, Phase II Project (Zambia). The consequence of inaccurate cost estimates was usually significant and led to project restructuring where sub-components had to be dropped or curtailed, which meant that all the benefits identified at appraisal could not be achieved as anticipated. Other problems were underestimating geological conditions or neglecting to obtain full feedback from the intended beneficiaries resulting in costly modifications as in the Kenya Nairobi-Thika Highway Improvement Project. In the Ghana Tema-Aflao Road Rehabilitation Project, a 10.6 km road segment was completely omitted in the design used as the basis for the appraisal. In the case of the Botswana Morupule B Power Project, a serious flaw was

**Table 3:** Bank, Borrower and Other Stakeholder Performance for PCRs and PCRENs

Criteria	Sub-criteria	PCR Work score	IDEV review
BANK PERFORMANCE	Proactive identification and resolution of problems at different stage of the project cycle	3.1	2.8
	Use of previous lessons learned from previous operations during design and implementation	3.2	2.8
	Promotion of stakeholder participation to strengthen ownership	3.1	3.1
	Enforcement of safeguard and fiduciary requirements	3.1	3.0
	Design and implementation of Monitoring & Evaluation system	2.9	2.4
	Quality of Bank supervision	3.2	2.9
	Timeliness of responses to requests	3.1	3.0
<b>OVERALL BANK PERFORMANCE SCORE</b>		<b>3.2</b>	<b>2.8</b>
BORROWER PERFORMANCE	Quality of preparation and implementation	2.8	2.6
	Compliance with covenants, agreements and safeguards	2.9	2.8
	Provision of timely counterpart funding	2.6	2.8
	Responsiveness to supervision recommendations	2.9	2.8
	Measures taken to establish basis for project sustainability	2.8	2.7
	Timeliness of preparing requests	2.9	2.6
<b>OVERALL BORROWER PERFORMANCE SCORE</b>		<b>2.9</b>	<b>2.7</b>
PERFORMANCE OF OTHER STAKEHOLDERS	Timeliness of disbursements by co-financiers*	2.4	2.9
	Functioning of collaborative agreements	2.8	3.0
	Quality of policy dialogue with co-financiers (for PBOs only)	3.0	2.9
	Quality of work by service providers	2.9	2.7
	Responsiveness to client demands	2.8	2.8
<b>OVERALL PERFORMANCE OF OTHER STAKEHOLDERS</b>		<b>2.8</b>	<b>2.7</b>

\*This criterion was only completed in 7 PCRs but 20 PCRENs.



the weak coordination between Bank-financed project components and the separately funded generation component. In the Madagascar PAEPAR Project and the Benin Grand Nokoue Sludge Management Project, the baseline data for conditions at the sites and towns targeted by the project were not available at appraisal.

Water supply projects were typically designed from the supply side assuming preset levels of daily water requirements and assuming that all households in the service area would access the services. However in several projects reviewed, the entire population in the service area was counted as beneficiaries regardless of whether they could afford the water or not. In the case of the D.R. Congo PEASU Project, the appraisal had no information on existing conditions of access to water in the target towns especially for Tshikapa. The systems built for this town proved to be financially unviable and non-operational as there was no access to electric power necessary to run the pumps and the treatment plant. In the Congo Water and Sanitation Pre-investment Project for Secondary Towns, detailed designs were provided for schemes irrespective of potential viability with O&M expenses as much as three times above projected revenues. These studies would be unlikely to attract financing, or if they did, the projects would be unviable. Such basic errors highlight the lack of sufficient oversight of design relevance during preparation.

In addition, there were some examples, especially in the agricultural sector, where designs were too ambitious with over-optimism about implementation readiness, including technical readiness and institutional capacity. In fragile and post-conflict countries, simplified project designs that took into account local realities were more likely to be successful. The Angola Bom Jesus-Calenga Smallholder Agricultural Development Project approved after 15 years of conflict, had a traditional design with a heavy infrastructure component that the borrower was unable to implement. A general observation was that project designs that included a high level of community participation, around small-scale infrastructure rehabilitation, productivity enhancement or marketing, often tended to work better than top-down approaches. In addition, the scope of the project should be limited to the amount of resources available. In the Zimbabwe

Youth and Tourism Enhancement Project, for instance, activities were planned that were not covered in the Government's budget.

## Effectiveness (Outputs, Outcomes and Overall effectiveness)

On average, the PCRs rated development effectiveness as satisfactory at 3.2, while the PCRENs average was 2.7, or less than satisfactory. The difference was not in terms of the outputs, as most projects completed the physical outputs, but in that the outcomes were often due to a flawed or over-optimistic results framework, resulting in outcomes not being achieved. In some PCRs and appraisal frameworks, the authors had difficulty figuring out the difference between outcomes and goals. This review observes that project outcomes should be clearly measurable and related to the project, rather than broad national goals such as "the percentage of the national population with access to safe water." Although nearly all PCRs placed great emphasis on the achievement of outcomes and outputs, they did not always place such achievements in the context of the broader program, especially when other financiers were funding projects in the same or a related program. Moreover, where additional components were added (in one example, a one-stop border post) there was little or no information about such new components, which made evaluation difficult. In a few instances the target was surpassed by such a huge magnitude that it begged the question as to whether the target was not set too low at appraisal.

When a project was restructured, the restructuring Bank staff did not always list the amended outputs and the effects (if any) on expected benefits and outcome indicators. In the case of restructuring, PCRs were usually unable to compare the original and revised costs, and rarely showed the reallocation of costs by component. The PCRs also did not necessarily comment on the final output and outcome results in comparison with those expected in the original design. Some projects ended as best they could in difficult circumstances. For example, the Central African Republic Community Development and Support for Vulnerable Groups Project completed

only 28 out of 338 planned socio-economic community infrastructure improvements.

There were also pre-investment studies in the W&S sector funded by the Bank that did not lead to investments. Examples include Cape Verde: Water Resource Mobilization and Capacity Building, Benin: Grand Nokoue Sludge Treatment and, Congo: Water and Sanitation for Secondary Towns Projects. While the contexts vary it appeared that the viability of the proposals should have been scrutinized more carefully at the outset. Pre-investment studies for projects should only be funded if the Bank intends to finance the main projects under its country strategies. Moreover, it is crucial to ensure that the economic and financial viability is diligently analysed, and the criteria used to test the concept be clearly laid out at the time of preparation.

### **Efficiency (Timeliness, Resource use efficiency, cost benefit analysis, implementation progress)**

The average score for PCRs was 3.0 (satisfactory, but barely so). The PCRENs average score was 2.7. This was primarily because many of the infrastructure projects reviewed, especially those in power, W&S projects, 51%, did not have an acceptable CBA. Transport sector projects were somewhat better in this respect due to their use of highway development models. However, many analyses failed to allow the reviewers to make a proper evaluation as they lacked detail of assumptions, data and methodology. Typical problems with the cost benefit analyses were:

- The methodology was not clearly stated in the appraisal report or the PCR;

- In many cases, there were no annexes available either in the appraisal report or PCR that showed how the calculations were made or what assumptions were used including the basis of the data used;

- There was double counting of benefits (e.g. counting as benefits the price that users were willing to pay for water but also counting the health and convenience benefits of clean piped water);

- The M&E system did not provide direct evidence of the number of users of the project; and

- Social benefits were not tracked (see Box 1).

To estimate benefits of a W&S project, health benefits were cited more often than the financial payments made by beneficiaries. Health benefits are indeed an important rationale on which to base the systems, and in principle, this would be a valid way to capture the benefits of the project. However, in none of the W&S projects reviewed did the M&E system actually track the many increased health benefits in the project area following the implementation of the project. In the absence of project specific data, the projects reviewed used countrywide or even international World Health Organization parameters to estimate the benefits per user. However, because of wide variations from country to country and region to region in disease incidence, and because of wide disparities in sanitation practices and pre-existing conditions, the country wide or international parameters are unlikely to shed much light on the actual benefits of the project in a particular location. It appears that Bank staff may spend significant time during project preparation conducting a CBA that in the end does not provide information at a

#### **Box 1: Social Benefits and Water Revenues**

Economic CBA includes social benefits such as health, time-savings etc. These benefits do not usually result in revenues for water system project operators. Hence the financial analysis is also important to ascertain that revenues are at least sufficient to meet O&M expenses. As a rule, the economic analysis would show a higher return than the financial one, so if the financial viability is assured, a positive economic value is also likely. In the context of severe budget constraints and weak financial management, subsidy schemes for O&M are an unlikely solution. Following international practice, subsidies should be reserved for capital expenditures and technical support of small towns and rural water systems, while urban systems should move towards full cost recovery with eventual cross subsidies among various categories of customers.

level of accuracy that would improve decision-making or even validate project justification.

It was also observed that the economic and financial analyses were handled in all the energy sector projects reviewed in a fairly cursory manner. For instance, the US\$ 90 million Kenya Power Transmission System Improvement Project dealt with economic and financial analyses in just four paragraphs in the appraisal, while in the PCR, the economic evaluation gives no details at all of the methodology.

The timeliness score for both PCRs and PCRENs was 2.5, unsatisfactory, based on a formula in the guidelines that compares planned and actual implementation time. This, in many infrastructure projects, resulted in one or more extensions of the originally scheduled closing dates. Estimated times for completion at approval were usually overly optimistic and there were delays in the flows of both costs and benefits (see Tables 4 and 5). Moreover, in several cases, it was not possible for the PCR to undertake an *ex-post* cost-benefit analysis due to insufficient data. This in turn reflected inadequacies in project M&E arrangements including, in some instances, the lack of or an insufficient baseline data.

Implementation delays were also encountered in education and capacity building projects. For instance, the Lesotho Support to Education Quality Enhancement Project had a scope that was overly ambitious given the limited implementation capacity available and an especially weak procurement unit. The project took nine years to complete instead of five as planned. In other cases, there were capacity building projects that were

comparatively small (less than one million dollars) where lack of Government ownership was identified as an important issue.

From Table 4 it can be concluded that the worst performers regionally were the West and Southern regions, while the best were the Central region and Multinational projects. Table 5 clearly shows issues in the infrastructure sectors in terms of a lack of readiness for implementation. Although agricultural projects moved relatively quickly to first disbursement, they encountered major delays before being completed.

The average implementation progress scores were also in the satisfactory range i.e. 2.9 in the PCRs and 2.7 in the PCRENs. These scores took into account compliance with covenants; project systems and procedures; and project execution and financing. This suggested that supervision could be improved, and it was observed that the projects in which the Bank country offices became involved generally performed better.

Regarding resource use efficiency, the scores were mainly positive at an average in the PCRs of 3.4 and the PCRENs of 3.3. This showed that the projects delivered the outputs expected within the available budget.

### **Sustainability (Financial, Institutional and strengthening capacity, ownership and sustainability of partnerships, environmental and social sustainability)**

Overall, sustainability was satisfactory with an average PCR rating of 2.9 and a PCREN rating of

**Table 4:** Time Indicators by Region

Time dimension (region)	Sample of 88	West	East	Southern	Central	Multinational
Average Time between Approval and actual First Disbursement in months	12.4	16.7	11.0	14.2	7.6	9.8
Average Time between Planned Completion date and revised completion date in months	21.2	34.2	13.1	19.3	18.8	19.3

**Table 5:** Time Indicators by Sector

Time dimension (sector)	Sample of 88	Agriculture	Water Supply/Sanitation	Power	Transport
Average Time between Approval and actual First Disbursement in months	12.4	8	12.4	15.1	22.4
Average Time between Planned Completion date and revised completion date in months	21.2	34.7	20.0	13.4	27.0

2.8. Financial sustainability specifically scored an average of 3.0 in the PCRs but the PCRENs showed performance score of 2.8. The likely sustainability of project benefits varied with W&S projects standing out with low prospects of financial viability. In some cases, likely sustainability was robust because of strong actions by the concerned countries' governments to improve maintenance and strengthen institutions but in others significant uncertainties remained regarding future financial and institutional arrangements.

As mentioned under the discussion on CBA, many W&S projects did not have a satisfactory rating for financial sustainability. Often there was no discussion of the specific tariffs to be charged at completion or the level of revenues that would be necessary to cover the agreed level of costs. At a minimum, PCR assessments of financial sustainability should include a discussion of the average tariffs being charged at completion, an analysis that indicates what tariffs would be needed in order to cover operations and maintenance – and, where warranted, what the tariff would need to be to cover the investment. Covering only O&M costs is not an internationally accepted standard for financial sustainability. Financial analyses were in general also superficial.

Similarly, nearly all energy projects did not offer clear conclusions concerning the financial sustainability of the parent utility as well as the project, nor did they include financial projections. In general, financial sustainability did not present as an important aspect

of overall project sustainability. It should be noted that no question in the project completion reports, or in the appraisal reports dealt directly with the O&M of project financed assets, although these two points were of paramount importance for electricity projects and were areas where most utilities have not performed well in the past.

Continuity of support from the Bank and other development partners was often a crucial sustainability factor. Countries in which the Bank had a substantial program were less vulnerable than ones where future activities were likely to be limited. For example, in the Comoros Water Project the PCR expressed serious doubt as to whether needed follow up interventions would actually take place. Institutional sustainability needed more attention in PCRs because, although there were frequent mentions of training and capacity building activities, their results were almost never measured and therefore difficult to evaluate. Where substantial capacity building took place as part of an infrastructure project it might have been appropriate to have specific sub-components for such activities with supporting indicators.

Institutional sustainability and strengthening of capacities were scored as satisfactory at an average of 3.1 in the PCRs and 3.0 in the PCRENs. Nevertheless, the main complaint from reviewers was insufficient detail provided on capacity building activities, which were ticked off as “done” but giving little insight into the level of success of such activities. On the other hand, there were instances where flexibility by Bank staff and committed Project Implementation Units

**Box 2:** Flexibility by Bank staff and committed project implementation units facilitated agricultural infrastructure in Sao and Tome Principe and Burundi.

The project objectives in the *Sao Tome and Principe Infrastructure Rehabilitation for Food Security Project* were to improve the availability of agricultural and fishery products through the rehabilitation of rural, agricultural and small-scale fishing infrastructure. For the *Burundi Rural Infrastructure Support Project* in the Bugesera natural region, the goals were to increase farmer incomes and improve the status of child nutrition though improved agricultural productivity with a focus on milk, rice and vegetables, hillside protection and rural infrastructure.

Both projects had a strong focus on local participation and building stakeholder capacity in a participatory manner. Both projects included infrastructure components, which had to be downsized and redesigned, but pro-active Bank supervision meant that the projects could be adapted quickly to the budgets available as well as to stakeholder priorities. For Burundi, for example, with planned irrigation works proving unaffordable and too technically complex to maintain, the focus shifted to micro-watershed protection, cooperative organization, storage, value chain development and support to livestock. For Sao Tome there were several changes; road rehabilitation was downsized and there was less demand than anticipated for solar driers but more for nursery sheds and processing units. For fisheries, planned support for a landing site was replaced by support for the manufacture of fibreglass boats. The Bank assisted in the accommodation of these changes.

Both projects had locally based project implementation units whose staff had a strong sense of commitment to moving forward with the project and working directly with farmers, processors, market organizations and fishermen. In both countries the projects formed the basis for follow-on operations supported by the Bank, enhancing the prospects for lasting results.

(PIU) facilitated local participation and built stakeholder capacity, see for example Box 2.

Projects with a high level of community participation tended to have a better chance of sustainability, even where the broader operating environment was highly challenging. Examples were the Multinational Rural Infrastructure Support Project in the Bugesera Natural Region and the ecosystem conservation project: Multinational Isangi Geographically Integrated REDD Pilot Project. Indicators measuring progress of training activities were rare and it was usually not possible for the reviewer to discern how successful these training activities really were. The exceptions were large projects where capacity building was the main goal of the project.

The Bank is involved with many partnership arrangements with other development partners and has worked hard to establish multi-country project arrangements. Often working groups have been set up whereby the different organizations can exchange information and develop a joint approach to common issues. The coverage of such arrangements was patchy in the projects reviewed with some described in detail and others superficially. No PCR asked critical questions about the effectiveness of such arrangements, which

may have had a positive storyline. This may have been because the template does not ask appropriate questions in this regard.

Environmental and social sustainability was for the most part satisfactory or borderline satisfactory with average scores of 3.0 from the PCRs and 2.9 from the PCRENs. The single biggest criticism from the reviewers was insufficient information. Sometimes mobilizing funds for relocation of project-affected people caused delays, but on the whole, the environmental and social sustainability was a more robust feature of Bank-financed projects. Safeguard procedures were generally followed, the projects were correctly classified and although minor shortcomings were observed, by completion most issues identified had reportedly been appropriately attended to. Typically, borrow pits had been reinstated, embankment side slopes grassed and erosion controls instituted. HIV/AIDS awareness programs had also been carried out where appropriate. Those projects that encompassed additional socio-economic infrastructure, such as the Ghana Ffulso-Sawla Road Project, engendered strong acceptance and involvement of local communities. Similarly, there were projects that provided a foundation for

improved environmental sustainability including the capacity building operation Mali: Support for the Implementation of an Integrated Water Resource

Management Plan, as well as three Congo basin ecosystems conservation/pilot REDD operations (see also Box 3). ■

**Box 3:** Working directly with locally based organizations on project implementation in remote regions helped facilitate pilot ecosystems on conservation and climate finance projects in the Democratic Republic of Congo (DRC).

The Bank has supported a number of programs in the Congo Basin which aimed to help Congo Basin countries control deforestation and improve rural livelihoods while preparing to access climate funding under the REDD carbon finance initiative (Reduced Emissions from Deforestation and Forest Degradation). The operating environment was highly challenging.

The objectives of the *Isangi Geographically Integrated REDD Pilot Project* in Eastern Congo and the *Geographically Integrated ECOMAKALA + REDD Pilot Project* in the Virunga National Park area, also in Eastern Congo, were similar. Both aimed to help reduce poverty and deforestation through sustainable forest management, including reforestation and land-use planning, used of improved stoves, local economic development and food security initiatives, value-chain development capacity building and monitoring including development of ecological and socio-economic monitoring systems through mapping, establishment of baseline scenario, and local capacity building in monitoring carbon stocks; these measures were to establish the conditions for eligibility for REDD payments under the carbon finance measures of climate funds and carbon markets.

Both projects faced many implementation difficulties; despite dedicated PIUs at local level, there was little support from central organizations and the Bank relied initially on a Kinshasa based agency - which had little experience of conditions in remote areas - for fiduciary oversight. When these arrangements were changed and the Bank began to work directly with the local PIUs, project activities moved forward and both operations closed with most outputs achieved. The project included innovative approaches to impact evaluation, in the absence of reliable data collection mechanisms given the prevailing conditions in DRC, including on reforestation and perceptions of well-being. There was strong ownership at local level of project initiatives and much thought given to local sustainability mechanisms, although there are still challenges regarding financial sustainability.









# Performance of the Key Stakeholders

## Bank performance

The average score for Bank performance was 3.2 in the PCRs but only 2.8 in the PCRENs where the biggest disconnect was the design and implementation of the M&E system, (where although PCRs scored 2.9 on average, the PCRENs scored only 2.4).

Bank performance was an important issue in the preparation/appraisal phases where in many instances it was found to be inadequate, lacking rigor and technical depth. Sharper focus on the quality of project preparation should be supported by a strengthening of AfDB arrangements for the control of project quality at entry. It is possible that institutional pressures to meet overall commitment targets or promises to specific Governments may have affected the available time for the preparation/evaluation phase. Although the PCRs did not specifically discuss insufficient preparation, there were instances where the time allowed for preparation appeared to have been unnecessarily limited, for example in the DR Congo PEASU and Madagascar PAEPAR projects. In the latter case, although the project was ill prepared and the task team had to deal with a cutback in funding from the International Fund for Agricultural Development of 36%, the re-dimensioned project was reasonably effective even though its implementation stretched over nine years. This was primarily thanks to continuous support by the Bank's technical staff.

There was also a need to strengthen Bank implementation support and follow-up on aspects related to technical choices as well as operational effectiveness and viability. In general, it was observed in the PCRs that the Bank performance was systematically rated satisfactory or above, even when the project had major implementation issues, as was the case for

Botswana Morupule B Power Transmission Project. Several supervision reports perused for this project focused on safety at work issues but failed to spot the major technical issues with construction which led to a US\$ one billion plant delivering only 10% of expected output. In this case, both the PCR and appraisal were also weak on the economic and financial aspects.

On the other hand, there were examples of clear progress. The Benin L'Eauclal Project was a small but innovative project that was effectively implemented. It built local capacities in 13 municipalities in two of Benin's poorest prefectures through "learning by doing" involving the private sector and all relevant stakeholders. The project stands out as a pilot effort with the potential to impact the whole sector through propagation and adaptation of the approaches pioneered under the project. It was also noticeable that supervision reports rarely anticipated or highlighted technical implementation of financial issues or O&M arrangements.

The Bank generally maintained an appropriate liaison with other development partners as needed, and there were numerous occasions when the Bank was proactive in resolving difficult issues for borrowers. However, although Task Managers often conducted missions twice a year, there was sometimes limited support from other team members or key skills were missing. For instance, two projects reviewed included the introduction of IT systems: Tunisia National Water Information System SINEAU and the Multinational Higher Education Support Project (WAEMU). In both projects the time required to introduce systems, not known for their complexity, was excessive and the addition of an appropriate specialist on the Bank team could have made a big difference. The preparation and appraisal of the D.R. Congo PAESU Project could certainly have benefitted from added technical depth in the areas

of utility operations and financial viability. Few PCRs mentioned that a Mid-Term Review had taken place, which confirms one of the findings of the independent Evaluation of the Quality of Project Supervision and Exit Processes of the African Development Bank.

Bank performance self-evaluations tended, in the narrative text, to minimize some of the project shortcomings. In several cases the comments made in the borrower completion reports were quoted verbatim, especially, it appeared, as such reports were usually uncritical. There was even a case of a road sector project, Multinational Kenya/Tanzania Road Development Project (Arusha-Athi River), where there was no self-evaluation but the score, based on the borrower comments only, was then used to justify a highly satisfactory performance. The PCR authors tended to be more positive than the reviewers with respect to the effectiveness of their projects even where projects failed to fully deliver their planned outputs and outcomes. In some cases, the indicators did not fully measure the project development objectives as stated in the respective appraisal reports. Although the Bank was usually responsive to requests for “no objection” for procurement from the borrower, there were exceptions. One PCR noted that early delays in the Ghana Tema-Aflao Road Rehabilitation Project approved in 2002 were due to the Bank’s headquarters emergency relocation from Abidjan to Tunis. On the other hand, where a country office had been established, the borrowers reported in several instances that response times were typically faster.

## Borrower performance

The average score for borrower performance was 2.9 in the PCRs and 2.7 in the PCRENs. Overall, the rating of Borrower’s performance in PCRs was generally neutral and often evaluated as satisfactory, even in cases where the Borrower’s performance was obviously poor. For example, in the case of the Kenya Nairobi Mombasa Power Line Project, an unanticipated policy change by the Government made the Bank financed power line largely redundant. In the case of the Congo

Basin Ecosystems Conservation Support Project the performance of the regional recipient, the Economic Community of Central African States, was inadequate, characterized by the slow processing of documentation and the failure to provide some of the agreed counterpart funds.

Indeed, a frequent criticism was tardiness in providing counterpart funds, which slowed implementation due to delays in providing interim payment certificates. This may have been due to over-optimism at the time of preparation, or unexpected reallocations for unbudgeted expenditures in other areas by the Government concerned, or even new priorities following a change in the Government administration. In the Malawi Agriculture Infrastructure Support Project less than half of the agreed counterpart funds were provided. Several projects encountered difficulties in meeting the conditions of first disbursement – in one case the Ghana Infrastructure–Nsawam Bypass, this delayed the project by three years. On the positive side, in the Chad: Natural Resource Management and Development Project, the Government was able to sharply increase its financial contribution after the withdrawal of a co-financier and under-estimation during preparation of the infrastructure costs. It is not clear why the PCRENs were slightly less negative on average than the PCRs in the scoring for delays in counterpart funding, but this may have been because such funds were often made available eventually allowing the projects to be completed.

For the infrastructure projects, there were also some issues reported with compensation payments and the removal of project-affected persons from the right of way. However, in general, the borrowers’ interactions in mobilizing the support of stakeholders including local and traditional authorities were rated satisfactory and sometimes highly satisfactory. On the other hand, M&E implementation was often inadequate, but this was poorly reported in the PCRs due to lack of information. M&E was also sometimes performed mechanistically without understanding how the system could be of benefit to improving operations. This was likely due to a lack of ownership

of the results framework, the inadequacy of the reporting systems and the lack of existing sector M&E systems with which to link the project. Since the PCR is an accountability function, the Borrower has an important role in the PCR preparation that should be emphasized by the PCR mission.

### Performance of other stakeholders

The overall performance of other stakeholders was 2.8 in the PCRs and 2.7 in the PCRENs. Drilling down, the quality of work was sometimes inadequate. Criticism centred around the failure of contractors to furnish performance guarantees on time and sometimes reporting was less than diligent. Timeliness of disbursements by co-financiers was also flagged as an issue.

Occasionally in transport projects, there was a complaint about the management of traffic during construction, especially regarding provision for pedestrians. HIV/AIDS awareness campaigns reached most communities likely to be affected and appear to have been satisfactory or better in the majority of cases. In some instances, sensitization programs were expected to have a profound impact long after the project was completed.

There were several complaints about utility companies that caused delays in the relocation of the respective utilities and it is suggested that, in the future, utilities be approached as early as possible in the implementation process. Most auditing companies appear to have acted with professionalism and late reporting was often due to the relevant accounts being submitted to them late. ■

# Monitoring and Evaluation Quality

The reviewers found that the M&E results framework was often inadequate and there were issues with inadequate baseline data, inappropriate indicators, as well as weak implementation and utilization of the M&E system. The minimal attention accorded to M&E in the PCRs and the fact that very few lessons or recommendations concerned the shortcomings of the M&E system, indicates that staff was not taking this aspect seriously and there was an obvious need for better training of Task Managers.

The progress reporting of outputs was generally fair, although in several instances imprecise and implemented late in the execution. However, the M&E of outcomes was much weaker. As a rule, M&E systems should be set up at an early stage, within the first year of implementation, as standard practice. Outcomes should also be clearly related to the project, rather than broad national goals. When outcomes are defined too broadly, it is not possible to conclude whether the project achieved its stated goals. Some projects exhibited robust results frameworks with a few shortcomings, whereas others showed insufficient preparation of the frameworks with limited baseline information and indicators that were clearly not measurable or were not directly related to

the project: e.g. nationwide W&S indicators on access to safe water and improved sanitation whose evolution could hardly be attributed to the project. Similarly, in the Kenya Power Transmission System Improvement Project, the claimed outcome of the construction of a transmission line was the total number of new connections nationwide and an increase in access rate at the national level - although the achievement of these outcomes was obviously not dependent only on the project itself, but attributable to numerous other factors and projects as well. Similarly, in the Ethiopia Electricity Transmission System Improvement Project, one of the stated outcomes was "sustained real GDP growth rate in Ethiopia at a minimum of 11% over the medium term," while another was a vague "women's burden reduced." Such outcomes were only distantly related to the construction of the transmission line.

The establishment of baseline data was also critical, but in the Ghana Northern Rural Growth Program the baseline for one of the key outcomes was never provided and the progress could not be tracked properly. In the Sao Tome and Principe Infrastructure Rehabilitation for Food Security Project, the lack of a baseline survey during preparation reduced the opportunity for

**Table 6:** Average PCREN ratings for M&E by sub-criteria

Criteria	Sub-criteria	IDEV Score (1-4)
M&E Design	M&E system is in place, clear, appropriate and realistic	2.5
	Monitoring indicators and monitoring plan were duly approved	3.0
	Existence of disaggregated gender indicator	2.7
	Baseline data were available or collected during the design	2.6
	Other, specify	1.8
<b>OVERALL M&amp;E DESIGN SCORE</b>		<b>2.7</b>
M&E Implementation	The M&E function is adequately equipped and staffed	2.4
<b>OVERALL M&amp;E IMPLEMENTATION SCORE</b>		<b>2.4</b>
M&E Utilization	The borrower used the tracking information for decision	2.4
<b>OVERALL M&amp;E UTILIZATION SCORE</b>		<b>2.4</b>
<b>OVERALL M&amp;E PERFORMANCE SCORE</b>		<b>2.4</b>

“before and after” comparisons. The PCRs and project documentation did not always support a detailed assessment of the M&E systems, which tends to result in a satisfactory rating by default that may not be justified. The reviewers were unable to rate the M&E of the PCRENs for the Ghana Road Infrastructure Project and the Tunisia Road Project V because the information was not properly reported in the respective PCRs. Baseline information was lacking on yields for most of the agricultural projects, even though yield increases were a crucial element in results frameworks. Indicators related to road upgrading projects such as time and vehicle operating cost savings were mostly satisfactory, but those related to increased agricultural production or trade, or poverty reduction were less convincing either because of insufficient data or because of attribution issues due to factors outside the project (such as rainfall or national economic policy measures).

The intention to set up an M&E system tracking outcomes and impacts is covered in the appraisal reports but is not always implemented; this is noticeably the case for W&S and agricultural projects. In most countries, significant efforts have been underway over the last decade to develop sector-wide M&E systems for W&S, and appropriate indicators have been systematically included in periodic United Nations sponsored surveys dealing with health and living conditions. Such existing systems and data should be reviewed during preparation and project related M&E should build on them for the baseline data and for the methodology and the definition of relevant indicators.

Disaggregated gender information was often generalized guesswork in the absence of proper data. In several cases the methodology for estimating the numbers of beneficiaries was not clear. In these instances, there was no discussion in the PCR that clearly explained the source of the estimates of actual beneficiaries. In some cases, it appeared that indirect formulae were used rather than estimates based on direct measurement or from a sample of users. It is suggested that PCRs should critically discuss and assess the methodology that was used for determining the actual numbers of beneficiaries. This discussion

should distinguish between direct surveys conducted of actual beneficiaries versus use of indirect formulae that are not based on direct measurement. The PCRs should also discuss how the benefits differ among different categories of beneficiaries.

Where information was collected regularly, there was rarely evidence provided to suggest that the borrower tracked it and used it for project-related decision-making. This may be because the PCR and supervision mission terms of reference did not focus specifically on this aspect. The reporting on the implementation of the M&E suggested this was something that the Bank “required,” rather than something that was viewed as valuable for all stakeholders.

While most results frameworks were appropriately approved as part of the appraisal report, an exception was the (otherwise successful) emergency terminal project at the Kenya Jomo Kenyetta International Airport Emergency Interim Terminal Construction Project. In this case, a simplified logical framework was not prepared, as recommended in the Policy Guidelines for Emergency Relief Assistance. Instead, there was an attempt to fit indicators retrospectively related to passenger capacity, processing time, and level of service for the user. However, specific data related to the terminal were in the event unavailable since the authorities only collected data for the airport as a whole.

In many instances the impacts of W&S projects could not be assessed before the PCR mission as they had just been completed and were not yet fully operational. In these cases, and for the countries where the Bank has a large project portfolio in a given sector, it makes sense for the Bank to organize, in collaboration with the agencies concerned, a post project technical assessment of the operations and services of selected water supply systems funded under its projects. This mission could cover systems selected from the cohort completed over the last two years. Its purpose would be above all to generate advice and to draw lessons that contribute to learning. ■

## PCR Quality

The quality of PCRs was uneven, with several confused outputs and outcomes, such as in the Ghana System Reinforcement Project. There were also instances where the outputs and outcomes given in PCRs differed from the ones listed in the results framework of the appraisal report. In a few cases it appeared that the PCR authors omitted an outcome (or significantly changed it) because there were no data regarding the achievement of the outcome. The quality of economic and financial analyses was often poor and methodologically flawed. None of the energy PCRs dealt with the issue of O&M of the Bank financed assets. In general, the PCRs devoted considerable attention to safeguards and administrative or procedural issues relative to operational, technical and economic issues. A tendency was to treat each PCR as a mechanical exercise and to cut and paste statements from one PCR to another, especially in the same sector in the same country (see for example the financial sustainability sections of five of the Ghana road projects). This detracted from PCRs as a source of lessons to improve the quality of Bank projects. A somewhat disturbing issue was the dropping of technical assistance studies without any explanation. For example, in the Multinational Tanzania/Kenya Road Development Project (Arusha-Athi River), there were to have been two such studies; one on capacity building of the East African Community Secretariat and the other to improve the poor contracting capacity for civil works in East Africa. There may well have been good reasons why these apparently important studies were dropped, but the PCR does not discuss them.

It is not best practice for the PCR Team Leader to self-evaluate a project in which he or she has also been or is the Task Manager. This was the case in for example in both the Kenya Jomo Kenyatta International Airport Interim Terminal Construction Project and the Zimbabwe Youth and Tourism Enhancement Project. Although most PCRs were fairly candid, several made light of some of the

shortcomings or used exaggerated language such as “immensely” and “significantly contributed” but otherwise there were relatively few inconsistencies between text and ratings. The Bank self-evaluation of performance, however, was often inadequate, which pointed to the need for a formal validation meeting to reduce the likelihood of a disconnect in the ratings and ensure the proper articulation of the lessons. The focus of the projects reviewed was directed more towards compliance with procedures than technical feasibility; linked to this, was an unrealistic rating. In the Botswana Morupule B Power Transmission Project there were major technical issues with construction, which led to a US\$ one billion plant delivering only 10% of expected output. Similarly, in the Kenya Mombasa-Nairobi Transmission Project, the Bank financed a largely redundant transmission line due to weaknesses in project appraisal and implementation. In both cases, the PCR rated the Bank performance as highly satisfactory.

It was not clear as to the extent to which the borrower, other stakeholders and Bank staff stationed in the country offices (where applicable) contributed towards the preparation of the PCR. Some lessons and recommendations needed re-writing as they were incorrectly formulated as conclusions or statements. A few were clearly impractical.

There was limited evidence of ownership by some of the PCR authors. Depth of insight or analysis was rare even though opportunities were presented. For example, in the Multinational Kenya/Tanzania Road Development Project (Arusha-Athi River), vandalism of road signs appears to be prevalent on the Tanzanian but not the Kenyan portion of the project. The PCR could have recommended that the reasons for this phenomenon be investigated. Sometimes there were important omissions when key technical assistance sub-components were dropped because the focus was on the main

**Table 7:** PCR Quality and Compliance Scores in PCREns

Criteria	PCR score (1-4)
1. Extent of quality and completeness of the PCR evidence and analysis to substantiate the ratings of the various sections	2.9
2. Extent of objectivity of PCR assessment score	2.8
3. Extent of internal consistency of PCR assessment ratings; inaccuracies; inconsistencies; (in various sections; between text and ratings; consistency of overall rating with individual component ratings)	2.9
4. Extent of identification and assessment of key factors (internal and exogenous) and unintended effects (positive or negative) affecting design and implementation	2.9
5. Adequacy of treatment of safeguards, fiduciary issues, and alignment and harmonization	3.1
6. Extent of soundness of data generating and analysis process (including rates of returns) in support of PCR assessment	2.7
7. Overall adequacy of the accessible evidence (from PCR including annexure and other data provided)	2.8
8. Extent to which lessons learned (and recommendations) are clear and based on the PCR assessment (evidence & analysis)	3.1
9. Extent of overall clarity and completeness of the PCR	3.0
<b>PCR QUALITY SCORE</b>	<b>2.9</b>
1. PCR Timeliness (On time = 4; Late= 1)	2.9
2. Extent of participation of borrower, Co-financiers & field offices in PCR preparation	2.6
<b>PCR COMPLIANCE SCORE</b>	<b>3</b>

construction project, which was running short of funds. There were also issues concerning road safety that were not fully resolved relating to the greater severity of accidents due to the higher speeds on improved roads and the need for better safety for road users during road works.

Of the 88 PCRs reviewed (see Table 7), 65 showed whether they were prepared on time or not and, of these, 66% were prepared on time i.e. within six months of project closure. Regarding PCRs prepared before completion, while the guidelines say that PCRs can be prepared any time after the project has disbursed more than 85% of cumulative commitments, and in the judgment of the Task Manager the majority of activities have been completed, in at least one case, such

a decision to go ahead with the PCR may have been premature. For example, the PCR for the Ghana Awoshie-Pokuase Road and Community Development Project was prepared with 92% of the main road completed. The issue being that there was a need for an engineering solution to accommodate traffic at a difficult intersection experiencing high traffic volumes. A 1.22 km two lane link road was under construction as an interim measure, while a three tier (expensive) signalized interchange was considered. In addition, not all of the ancillary community works construction had been completed. The interchange would likely have been costly and had not been considered in the original design. This was almost certainly not factored into the CBA and left some important questions unresolved. ■







# Lessons Learned and Recommendations

## Lessons arising from the cohort of projects reviewed

The test for a good lesson should be whether it adds value to the way the Bank operates. Some lessons indicated that the project was in-line with the country's priorities or that regular supervision was important, but such lessons are not new and added little value. Others focused on the usefulness of having a dedicated Project Coordinating Unit (PCU) or PIU since this ensured smoother project implementation. While this was true, it might have been more useful to assess this against the sometimes considerable delays in setting up such an entity. Dedicated PCUs should also be evaluated against the objective of evolving toward reliance on country systems, which as shown in the case of Rwanda is compatible with an effective execution under a framework of sound public sector governance. When a PCU lacks capacity as in the Angola Bom Jesus–Calenga Smallholder Agricultural Development Project, special attention is needed. In this case the capacity was over estimated and the “arms length” supervision in the early years allowed problems to build-up, demonstrating the importance of taking capacity into account in the overall project design.

Lessons and indeed recommendations in the PCRs generally focus on project specific details rather than strategic or program issues. For example, six energy projects were affected by weaknesses in project preparation, leading to substantial errors in the project cost evaluation or in technical design, but no lesson was drawn concerning project preparation and the need for an independent review of the technical and readiness for appraisal. Several projects financed assets, which were operating well below technical capacity, but no lesson was drawn concerning the requirement of a sector to optimize a least cost plan

for the selection of economically optimal projects. It should be noted that no recommendations were made concerning project management and only a couple about M&E systems. Also, no lesson was formulated, nor a recommendation made concerning financial sustainability, including O&M. It would be good to involve some junior staff in PCR preparation so that they can learn first-hand from the lessons from the projects.

Recommendations should ideally be written in such a way as to suggest who should follow up on the proposal. For example, it is not very useful to say how the capacities of ministries, departments, and agencies should be enhanced without stating how the Bank or another entity could assist in this.

An edited list of lessons found in the PCRENs is detailed in Annex 1.

## Recommendations from the synthesis of projects reviewed

### *Recommendations for Bank Management in respect of project preparation and design:*

1. **Accuracy of project cost estimates:** The consequences of inaccurate cost estimates were significant and led to project restructuring where sub-components had to be dropped or the scope was curtailed, which meant that not all the benefits identified at appraisal could be achieved as anticipated. At a minimum, appraisals should certify to the Board that the project designs and cost estimates were relevant and reliable. A standard for reliability should be set and incorporated into

the appraisal guidelines. For example, a standard might aim to achieve cost estimates at appraisal at least to a level of plus or minus 15% of eventual bid costs.

2. **Borrower capacity:** The project scope should be limited when capacity is weak and where there are insufficient resources for O&M. Borrower capacity should be given greater emphasis in appraisal to ensure it is adequate for the proposed project. Too often, borrower capacity is over-estimated or suggested capacity building measures are insufficient for the task. Project designs with a high level of community participation may be more successful in such circumstances. Activities should not be included if there is no budget to continue with them. If such activities are essential, the funds required should be a condition of first disbursement.
3. **Pre-investment studies and technical assistance:** To avoid fruitless pre-investment studies, the Bank should only pursue such assistance if it has prioritized the proposed projects under its country strategies or in exceptional circumstances, say, due to an emergency situation. It should also ensure that both the economic and financial viabilities are carefully analysed, and that the criteria used to test the concepts are clearly laid out at the time of preparation. While it is natural that there should be a focus on the main project investment, more emphasis needs to be focused on the outcomes of technical assistance studies and capacity building initiatives. Where it is feasible to measure the impact of capacity building, suitable indicators should be used.
4. **Cost benefit analysis:** The issues in the way that CBA are being conducted are serious enough that the Bank may want to set up a technical group to re-evaluate the approach used for CBA especially in power and W&S projects. The technical review group should be asked to review current guidelines and consider whether an update is warranted that would result in a more consistent methodology

being employed from project to project as well as a more consistent use of appropriate measures for benefits. It could be that the current difficulty of collecting, for example, project specific health data, indicates that an alternative approach may be necessary. The Bank may find that a cost effectiveness approach (where the objective is to find a least cost method of achieving objectives) may be more realistic and as equally probative as a full CBA. In none of the W&S projects reviewed did the M&E system actually track increased health benefits in the project area due to the implementation of the project. If the Bank is to continue using health improvements in cost benefit analysis, it is necessary that the M&E system in projects be carefully designed to measure them. A general failing in PCRs in the infrastructure sectors was that there was insufficient information about assumptions made and methodology used in cost benefit analyses for the evaluator to make an adequate assessment.

***Recommendations for Bank Management regarding project supervision/implementation support:***

1. **Quality of supervision reports:** Supervision reports should not overly focus on check boxes but should address any major problem areas or strategic issues that may be of concern and which should be referred to higher management. Areas sometimes neglected are the adequacy of O&M arrangements, a lack of needed technical expertise for a particular aspect, and technical implementation of financial aspects such as cost recovery.
2. **Financial sustainability:** At a minimum, PCR assessments of financial sustainability should include a discussion on the average tariff being charged at completion, an analysis that indicates what tariffs would be needed to cover operations and maintenance - and where warranted, what the tariff would need to be to cover the investment. Further, it should critically

discuss the prospects for tariff adjustments in the future. It is also important for supervision missions to review the adequacy of tariffs and the prospects for agreed tariffs to be implemented. The standards for financial sustainability for the infrastructure sectors should be made explicit so that when projects are prepared, the guidelines are clearly understood by Bank staff. Where the project is supporting a public good (such as schools, clinics and information systems), there should be some discussion about post project budget allocation or continued donor support to cover expected recurrent costs.

***Recommended Improvements to Evaluate Projects (Bank Management in Consultation with IDEV):***

1. **Restructured projects:** The PCR guidelines should make it clear that the outputs and outcomes from the appraisal report results framework need to be the basis for the PCR unless there is an official revision to the project. In that case the memorandum requesting the change and containing the justification for the change should be attached to the PCR. This memorandum should explain any change in outputs or outcomes and any appropriate revision to the indicators and targets. When a project has been restructured, PCRs should compare the original cost table showing major components and a revised cost table, showing the new reallocation of costs by component. The PCR should also comment on the final output and outcome results in comparison with those expected in the original design. When sub-components including technical assistance are dropped, the PCR should state the reasons for such decisions.
2. **Need for greater emphasis on design and readiness, and implementation:** In 2012, the Quality Assurance and Results Department introduced a simplified format for PCRs as the previous template was perceived to be excessively complicated with 32 criteria based on five

dimensions. The revised template has 11 criteria under four dimensions as shown below.

While the revised format is certainly more streamlined and user-friendly and the template does include specific attention to the capturing of the lessons, the nature of the disconnect in our review shows that insufficient attention is being given to quality at entry in terms of both preparation and design, and to a lesser extent project execution. Under the current format, only four dimensions are rated but they are impacted by the shortcomings in Bank and borrower performance. Our recommendation is that the quality of project preparation (or quality at entry) is given much greater prominence under Bank and borrower performance and that it specifically covers the adequacy of engineering designs on which to base decisions, the accuracy of cost estimates, the quality and realism of the results framework, compliance with covenants and guidelines, the quality of the CBA or other efficiency measures, as well as the plans for recovery of O&M costs. These aspects are discussed in more detail in a separate document entitled "Recommendations for Improving the PCR and PCREN Processes."

3. **Rating scales:** the upward bias of self-evaluation is likely exaggerated because the four-point scale gives the self-evaluator a stark choice between satisfactory and unsatisfactory. Using a six-point scale would

**Table 8:** Criteria Rated in the Old and New PCR Formats

Old PCR format		Revised PCR format	
Dimension	# Criteria to be rated	Dimension	# Criteria to be rated
Project outcome	3	Relevance	2
Bank performance (design and readiness)	14	Effectiveness	1
Bank performance (implementation)	6	Efficiency	4
Borrower performance (design and readiness)	4	Sustainability	4
Borrower performance (implementation)	5		
<b>TOTAL</b>	<b>32</b>		<b>11</b>

allow more gradations of performance including moderately satisfactory and moderately unsatisfactory. Adoption of such a scale would likely reduce the disconnect in ratings between the self-evaluators and IDEV reviewers. It would introduce a little more complexity but the reviewers, after looking at the methodology used in comparator organizations such as the Asian Development Bank, World Bank and the International Fund for Agricultural Development, consider there has to be a balance between the level of complexity and the veracity (and hence usefulness) of the evaluation.

4. **Need for PCR validation meetings:** The cursory manner in which some of the PCRs were completed, including not rating some sections at all, and the fact that the reviewers' questions directed to operations to better understand why certain decisions were made did not elicit a single reply, suggests that operations staff currently see little value in the evaluation process. This will not change unless operations and evaluation management agree to support a renewed effort to raise project quality standards significantly, especially at the stage of preparation. Both parties would have to see benefits in how projects are evaluated and implement steps to absorb and act upon the learning opportunities that the system presents. This is only likely to occur if operations personnel are given the chance to contribute to such a goal. The introduction of a formal validation meeting would be a step towards improving the quality and reducing the disconnect between self-evaluation ratings by operations staff and those by IDEV.

5. **Monitoring and Evaluation:** While monitoring the progress of outputs was generally fair, (although in several instances imprecise and implemented late in the execution), the M&E of outcomes was much weaker. As a rule, M&E systems should be set up at the early stage as standard practice. Outcomes should also be clearly related to the project, rather than broad national goals. Indicators should always have

baseline data and be measurable. This implies SMART<sup>3</sup> indicators and sound baselines. The methodology for determining the numbers of project beneficiaries needs to be reviewed internally and in cases where services are to be paid for, affordability will influence the number of persons expected to benefit. Supervision reports should have a requirement to track progress with the implementation of results against the latest approved results framework.

6. **Mid-term Reviews (MTRs):** The importance of the MTR needs more emphasis. While the Implementation Progress and Results Report (IPR) is a useful check on the project's progress, it can sometimes gloss over major issues that require resolution. The practice of having a dedicated mission to thoroughly take stock of progress and any difficulties that have arisen during implementation has been found to improve the quality of projects and their outcomes over time, even in cases where everything appears to be on track.
7. **Lack of Bank capacity:** The level of quality of both the PCRs and PCRENs may be constrained by the Bank's capacity. Consequently, it is suggested that a more effective strategy might be to prepare abbreviated PCRs for all projects but for some pre-selected projects there would be an augmented PCR involving enhanced field visits that would include an IDEV staff member. This is not the practice in comparator organizations but may assist Bank's current capacity constraints.

At project completion some systems are not yet fully operational and in selected cases a further evaluation is in any case necessary at a later stage to ensure that the project performs as envisaged. This is currently done through Project Performance and cluster evaluation Reports by IDEV.

Regarding the formulation of lessons and recommendations, there is a clear need for training of Task Managers.

8. **Review and consolidation of guidelines:** An output to this process could be a review of the current guidelines for PCRENS with a serious effort to simplify and eliminate duplication in the methodology. IDEV may wish to consider consolidating all the validation guidance into a single reference document. The current format is more conducive to the preparation of a research paper than as a tool to provide management with information to rectify operational procedures and learn from successes as well as failures. Some constructive criticism and suggestions are to be found in the separate document entitled “Recommendations for Improving the PCR and PCREN processes.”

9. **Improve the Bank’s document management and retrieval database:** This review was hindered by the paucity of supervision reports available to the team, including MTR and independent IPRs. Most IPRs that were available were completed at the time of the PCR mission by the PCR mission team. This meant that the PCREN reviews were overly dependent on the PCR itself. In addition, many other documents requested were unavailable. Since this kind of review is undertaken annually it is important that a concerted effort is made to assemble all the needed documentation prior to the next round. It is also suggested that if PCRENS are pre-populated in the EVRD database such that the results framework be based on the approved appraisal report and not the PCR.

10. **The PCR and PCREN templates:** The template formats are overly repetitious and too long. They are not designed for optimum management attention and do not focus on priority issues or priority actions needed. Many of the sections are duplicative and overlap other sections. For example, the CBA is a much better indicator of efficiency than the resource use efficiency indicator. Because of the template lengths, they seem more oriented toward researchers than managers. The templates should be reduced in size and focused on items that require management attention. A shorter version for

small projects of a capacity building nature should be considered.

### *Other Recommendations*

1. **Naming of Contractors etc.:** It is recommended that consultants, contractors, auditors and specialists referred to in PCR documents are not named for legal reasons if the PCR is to be disclosed to the public.
2. **Utility Companies:** Many infrastructural projects, particularly roads and highways, require that existing utility lines be relocated which can cause serious delays. To minimize delays caused by such relocations it should be normal practice to request these activities as early as possible during implementation or even before.

### **Concluding Comments**

Overall, it is evident that the Bank produces projects that are relevant to countries’ development priorities and many of the outputs and outcomes are eventually achieved, sometimes through creditable persistence by operations staff. However, the operational and financial sustainability of some of the projects is questionable. Many shortcomings are related to efficiency, including sometimes substantial delays and cost escalation. Efficiency problems are often due to weak attention to design including insufficient technical depth at the preparation stage, weak reporting systems and insufficient “hands-on” supervision during implementation. Sustainability needs better reporting on the results of capacity building, long-term plans for O&M, and more information on partner arrangements.

Environmental and social sustainability are on average reported as satisfactory by project closure, although the extent and the quality of evidence provided in the PCRs in this regard is often limited, but interactions with local communities are usually



thorough. Financial and institutional sustainability are more complex and often the result of longer-term interactions and should be viewed in relation to parallel efforts by other development partners. In addition, judgments should not be made that are dependent on the potential results of future proposed or actual assistance by the Bank or other development partners, since such initiatives may prove to be either not forthcoming or unsuccessful. M&E quality needs much more attention and greater ownership from all stakeholders. This is an area where there could be significant improvements.

For the borrowers, there are difficulties in meeting the conditions for first disbursement, which also suggests that projects may be insufficiently well prepared at the time they are approved. Strengthening the arrangements for the control

of quality at entry should be an important tenet of the Bank strategy to improve the quality of project preparation and should take into consideration the capacity of the borrower to implement the project as designed. Where this capacity is weak, simpler designs and scope are essential.

The PCRs are variable in quality, with some giving the impression of having been produced mechanically and with limited insight regarding the broader context. There is clearly pressure to complete each PCR within six months of project completion (although this sometimes does not occur), but the emphasis on completing the reports may be to the detriment of better capitalizing on significant learning opportunities. In order to improve the quality, more resources may be necessary, or using existing resources in a more effective way. ■



## Annex 1 — Main Generic Lessons Detailed in the PCRENs Reviewed

This is a summary of the main generic lessons in the cohort of 88 projects examined in this report. Some lessons and recommendations were screened out because they were repeated in different projects or were very project specific with no replicable aspect. Some were omitted from this list as were seen as being so obvious they would be of limited value (e.g. the project objectives were in line with the country strategy). All conclusions and recommendations on a per project basis are available in IDEV's EVRD database.

### Project Preparation and Design

- Project design and scope need to take into account local institutional capacity.
- Project designs should not be modified after Board approval if such modifications make the project unviable.
- Project costing needs to be more thorough and take into account the likely time delay prior to first disbursement.
- Where a project comprises a road network expansion there should be a clear methodology for selecting the links to be improved.
- Cross-cutting issues like water supply and improvement of access to social services should be an integral part of project planning during preparation.
- Large road contracts can be sub-divided into lots optimally sized for attracting local contractors.
- Multinational and regional projects are usually complex and require more time for preparation. The implementation structure needs to take into account the budget limitations, and human resource constraints of the participating countries.
- Where utilities need to be relocated, this needs to be addressed early on in implementation so as to minimize delays.
- Project sub-components should not be planned if there are no budgetary provisions for Operations and Maintenance (O&M).

### Effectiveness and Efficiency

- When there is a contractual issue, the optimum solution may not be to terminate the contract.
- Contractor procurement should be based on a thorough due diligence of contractors' experience on similar projects.

- Where there are persistent implementation issues, an early Mid-Term Review (MTR) is recommended.
- An MTR should be the norm rather than the exception.
- The full rights of way for intended works should be acquired and cleared before the works contract is procured; this can involve the establishment of special courts to deal expeditiously with land acquisition issues.
- There needs to be coordination between extension and irrigation officers to ensure optimum utilization of irrigation facilities.
- Engaging different contractors for borehole drilling and solar pump installation can result in information gaps that may affect irrigation water availability.
- Delays in payment of counterpart funds can result in increased costs and any issues should be addressed up front.
- To resolve disputes in large contracts a Dispute Resolution Board should be considered; however, the Bank should assist the borrower with the fee payments this entails.

## Capacity Building and Institutional Issues

- Capacity building is a continuing process that requires follow-up after a project is completed.
- A participatory approach to capacity building is particularly effective.
- Capacity building wherever possible should be measurable.
- A dedicated Project Management Unit (PMU) helps smooth project implementation and reduces procurement and disbursement delays; a local Bank office can reinforce these efforts.
- PMU training should include dealing with social and environmental issues where appropriate.
- Succession planning needs to be a part of the operational strategy.
- Tracer studies, used to monitor and evaluate training activities, can lead to adjustments in real time during implementation.

## Monitoring and evaluation

- Capacity building outcome indicators should focus on what is measurable and can be achieved within the project rather than macro level budgetary outcomes that depend on political economy choices. (Reviewer lesson).

- It is important to ensure the M&E framework is adequately implemented to permit sufficient information to enable a proper evaluation of the development objective can be made. (Reviewer lesson).
- The results framework should be built on measurable indicators and baseline data.
- The data for outputs and outcomes should be disaggregated to measure equity between males and females.

## Sustainability

- Regional best practice suggests that water systems are best delegated to independent service providers.
- Inter-municipal arrangements can enable the pooling of resources and the sharing of competences.
- Public-private partnerships should be encouraged where appropriate.
- Frequent meetings with stakeholders during implementation can improve results and overall community satisfaction.
- Improved road conditions lead to higher vehicle speeds and more severe accidents requiring additional road safety measures. Road safety audits are recommended for roads with significant traffic.
- To prevent road damage due to heavy vehicle overloading, regulations should be harmonized and enforced where possible on a regional basis.
- Airport safety and emergency preparedness can be improved by ensuring that modern fire detection and emergency systems are installed and maintained.
- Construction of power transmission lines should only be commissioned once plans for future generation capacity have been irreversibly committed. (Reviewer lesson).
- Environmental studies should address potential impacts of climate change.
- In areas where road furniture has been vandalized a cash reward incentive scheme can be introduced to enable apprehension of the culprits and to encourage the local community to take more ownership.
- The road reserve should be protected from encroachment to serve as an area for traffic accommodation during major maintenance operations, for future expansion of the road and for providing a refuge for disabled vehicles.
- Experiences among development partners in a country should be shared so that all can learn from best practices.
- As road networks increase in size, special measures should be taken to ensure sufficient revenues are raised to cover maintenance costs.



- Measures should be taken by government to ensure good and effective communication with the public living in close proximity to dams, to ensure that in the event of exceptional floods there will be adequate warnings prior to water release.
- Large road infrastructure projects combined with local socio-economic infrastructure sub-components ranging from augmented water supply to additional classrooms and health facilities have proved popular and demonstrated greater community ownership. However, should the main project be short of funding, these ancillary sub-components are often curtailed.



## Annex 2 — Sector Specific Comments

The larger sectors are discussed below:

### Agriculture

Some twelve projects were reviewed. All but one of the projects was judged to be substantially or highly relevant both in terms of their objectives and their design, but other ratings varied considerably. In general, project design was fairly straightforward, involving only two components plus project management in most cases. However, in a few cases results were over-ambitious and difficult to measure. Only one operation, the *Liberia Agriculture Sector Rehabilitation Project* appears to clearly have failed. While none of these projects is rated highly satisfactory overall, five were reasonably successful – the *CGIAR Regional Support to Agricultural Research for Development of Strategic Crops in Africa (SARD-SC) Project*, the *Malawi Climate Adaptation for Agriculture and Rural Livelihoods (CARLA) Project*, and the *Kenya Small-scale Horticulture Development Project*, the *Sao Tome et Principe: Infrastructure Rehabilitation for Food Security Project* and the *Multi-national Burundi: Rural Infrastructure Support Project in Burgesara Natural Region Project*.

The most noteworthy characteristic of the cohort of projects was that nearly all of them suffered from implementation delays and required one or more extensions of their originally scheduled closing dates, which proved to be too optimistic and delayed the flow of both costs and benefits. Often, infrastructure costs were under-estimated at appraisal, and the infrastructure scope had to be scaled back during implementation. There was over-optimism about implementation readiness more broadly, including technical readiness and institutional capacity. As a result, the efficiency ratings were generally among the lowest, mainly due to lower scores in terms of “timeliness”. – although other factors sometimes also merited ratings of less than fully satisfactory and, in several cases, it was not possible for the PCR to undertake an ex-post cost-benefit analysis due to insufficient data. This in turn reflected inadequacies in project monitoring and evaluation (M&E) arrangements, including in some instances the lack of or insufficient baseline data. A further difficulty was experienced with projects with substantial co-financing. In two cases (Chad and Liberia) major co-financiers withdrew during implementation, reducing resources available to meet outcomes.

The PCRs also tended to be more positive in relation to project effectiveness even where projects failed to fully deliver their planned outputs and outcomes. In some cases, moreover, these indicators did not completely measure the project development objectives as stated in the respective Appraisal Reports, another quality-at-entry shortcoming. Outcome indicators were often over-ambitious and in some cases attribution of outcomes was not clear, especially when there was no baseline at appraisal and no clear means of data collection. When projects were restructured, in some cases results frameworks were not modified to reflect these changes. A general observation is that project designs, which included a high level of community participation, around small-scale infrastructure rehabilitation, productivity enhancement or marketing, tended to work better than top-down approaches.

The likely sustainability of project benefits likewise varied, mainly as the result of insufficiencies and/or significant uncertainties regarding future financial and institutional arrangements in some of the projects reviewed. Nevertheless, several projects formed the basis for follow-on activities by AfDB or by other development partners, increasing the chances of sustainability. One observation is that in fragile and post-conflict countries, simple project designs that take account of local realities are more likely to be successful. The *Angola Bom Jesus-Calenga Smallholder Agricultural*

*Development Project*, approved in 2005 after 15 years of conflict, had a traditional design with a heavy infrastructure component that the borrower could not implement. Although infrastructure was also scaled back in the *Burundi Rural Infrastructure Support Project*, the design was much more flexible, and outcomes were stronger.

PCR timeliness and quality were generally good, but there were a few exceptions. In one case, for example, the PCR was only completed two years after the last project loan (of which there were several as this was a multi-country project) closed and in two others, nine months and nearly a year after the last loan closed were required for the PCR to be finalized. Most of the PCRs, however, were sufficiently comprehensive although in numerous cases the ratings seemed to be more positive than the accompanying text.

A generic problem with the PCRs should also be mentioned. While a number of the PCRs reviewed as part of this exercise provide and compare the estimated appraisal and *ex-post* Economic Rates of Return (ERRs), they do not provide any information as to how these ERRs were determined. Thus, it is impossible for an external reviewer to assess the nature of the assumptions behind and quality of the cost and benefit data utilized in order to carry out the *ex-post* assessment. Good practice would entail providing a more detailed annex to the PCR which sets out this information in some detail.

Borrower and Bank performance varied; in some cases where borrower performance was poor, this was in part because capacity had been over-estimated at appraisal. Furthermore, implementation performance was highly dependent on AfDB staff pro-activity, including in helping to address procurement and implementation capacity difficulties. A flexible, hands-on approach by Bank staff and the presence of a local AfDB office with qualified staff also facilitated implementation. Where procurement procedures were adapted to local realities, such as in the Burundi and Sao Tome projects, implementation was generally smoother. As regards to the borrower, the projects in both Angola and the Chad, (large countries with severe infrastructure constraints), would have benefited from a more decentralized approach to implementation.

## Energy/Power

Eleven projects were reviewed – of these the PCRENs rated two highly satisfactory, five satisfactory and four unsatisfactory. While the Bank performance during project execution was found to be reasonably effective this was much less the case for the preparation/appraisal phases, which in many instances were found to be inadequate, lacking rigor and technical depth. A key point arising from this analysis of the PCRENs was the need to strengthen Bank support and follow-up on aspects related to technical choices as well as operational effectiveness and viability. There was relatively little on the state of preparatory studies, engineering aspects, economics, finance, and operations, and to some extent on the sustainability of the projects. Another observation was the considerable uncertainty concerning project cost estimates, which were in a number of cases considerably off the mark. It suggested a need to upgrade the quality of preparation work, and its review by Bank experts.

A general observation was that PCRs were sometimes more detailed and specific than the appraisal reports. It was also noticeable that supervision reports rarely anticipated or highlighted technical implementation, financial issues and O&M arrangements, but focused more on administrative and safeguards issues. A typical case was the *Botswana Morupule B Transmission Project*: several supervision reports elaborated on safety at work issues but failed to spot the big technical issues with construction, which led to a US\$ 1 billion plant delivering 10% of expected output. In general, both the PCR and Appraisal reports were very weak on economics and finance, offering a few paragraphs of standard statements and using flawed methodology in all energy projects. However one, suggested a lack of competency

in economics and finance by some staff as well as a lack of management attention to the economic and financial aspects of energy projects.

### ***Relevance of Objectives and Project Design***

A number of PCRs struggled to understand exactly and practically what was meant by relevance of objectives and relevance of project design. A less abstract language would help the drafter of the PCR to respond adequately to the question. In many instances, the write-ups showed that the author did not understand what was expected.

### ***Effectiveness (Outputs, Outcomes and Overall effectiveness)***

In some PCRs and Appraisal Report results frameworks, the authors had difficulty figuring out the difference between outcome and goals with outcomes tending to be too broad. When outcomes are defined too broadly or are only remotely related to the project, it is not possible to conclude whether the project achieved its stated outcome. For example, in the *Kenya Power Transmission System Improvement Project*, one of the outcomes claimed for the construction of the transmission line is the total number of new connections nationwide and an increase in the access rate at the national level, although the achievement of these outcomes was obviously not dependent upon the project itself but numerous other factors. Similarly, in the *Ethiopia Electricity Transmission System Improvement Project*, one of the stated outcomes was “Sustained real GDP growth rate in Ethiopia at a minimum of 11% over the medium term,” and another the vague “Women’s burden reduced.” Such outcomes were only distantly related to the construction of a transmission line. In addition, it was not possible to conclude whether the outcomes had been achieved or not, and whether the achievement of the outcomes was related to the project. In a number of instances, it was difficult to differentiate between outcomes from outputs. For example, in access projects where 60,000 households were to be connected, the outcome was, “60,000 households have access to electricity”, and the output “60,000 connections are implemented.” The distinction becomes a matter of semantics. This review of the energy project suggests that clearer guidelines should be given to drafters of Appraisal Reports and PCRs.

### ***Efficiency (Timeliness, Resource use efficiency, CBA, implementation progress)***

The efficiency category includes the project economic analysis. It was observed that the economic analyses were handled in all cases in a very cursory manner. For instance, in the USD\$ 90 million *Kenya Power Transmission System Improvement Project*, the economic and financial analyses are dealt with in four paragraphs of less than a page in total. In the PCR, the economic evaluation gives no details on the methodology and calculations. In general, the economic analyses in Appraisal Reports and PCRs did not follow the generally accepted methodology for CBA, showing numerous methodological weaknesses, such as confusing willingness to pay with power tariffs.

### ***Sustainability (Financial, Institutional and strengthening capacity, ownership and sustainability of partnerships, environmental and social sustainability)***

Financial analyses were in general cursory, both in Appraisal Reports and PCRs. Nearly all the power projects did not offer clear conclusions concerning the financial sustainability of the parent utility and of the project, as well, they did not include financial projections. In general, financial sustainability did not appear as an important aspect of project sustainability. It should be noted that no question in the PCR or the Appraisal Reports dealt directly with the O&M of project financed assets, although these two points are of paramount importance for electricity projects, and are areas where most utilities have not performed well in the past.

### ***Bank performance***

In general, it was observed in the PCRs that the Bank performance was systematically rated satisfactory or above, even when the project met with major implementation issues, as was the case for the *Botswana Morupule B Transmission Project*, where Bank supervision missions failed to identify the construction quality issue, or the *Kenya Mombasa-Nairobi Transmission Project* where although the Bank financed a largely redundant line due to weaknesses in project appraisal and implementation, the PCR rating of the Bank performance was highly satisfactory. The tendency to rate Bank performance too favourably leads to weak lessons learned and recommendations.

### ***Borrower performance***

The rating of Borrower's performance in PCRs was generally neutral and evaluated as satisfactory, even in cases where Borrower's performance was obviously poor, for example in the case of the *Botswana Morupule B Transmission Project* (lack of decision when major technical defects were found), or *Kenya Nairobi Mombasa Power Line*, (when the unanticipated policy change of the Government made the Bank financed power line largely redundant).

### ***Overall Project Performance***

There was a lack of differentiation in the overall assessment of the performance of the energy projects. All projects were rated satisfactory, although at least two projects (as indicated in the previous paragraph) did not perform well. The full use of the rating range would have helped better identify best practices and projects from which lessons could be learned.

### ***PCR quality***

The quality of energy PCRs was uneven. Several PCRs confused outputs and outcomes (e.g. *Ghana Power System Reinforcement Project*). The quality of economic and financial analyses was poor in nearly all cases and methodologically flawed, pointing to a problem with the quality of economic and financial analysis work in the Bank. None of the PCRs dealt with the issue of O&M of the Bank-financed assets, although this question should be examined under the Sustainability Section of the PCR template.

In general, the energy sector PCRs devoted a great deal of attention to safeguard related and administrative/procedural issues, at the expenses of operational, technical and economic issues. The result was that the PCRs tended to become a mechanical and administrative instrument instead of a source of lessons – positive and negative - to improve the quality of Bank energy projects.

### ***M&E quality***

Little attention was paid to M&E system design and in-depth assessment of functioning of M&E in energy projects, except in one case. The available project documentation and information does not encourage a detailed assessment of the M&E systems, or lack thereof.



## Lessons and recommendations

Lessons and recommendations in energy PCRs generally focus on details rather than strategic issues. Due to a less probing position adopted on Bank and Borrower performance, few substantial lessons are drawn. For example, six energy projects were affected by weaknesses in project preparation, leading to substantial errors in the project cost evaluation or in technical design, but no lesson is drawn concerning project preparation, the need for an independent review of technical issues and readiness for appraisal. Several projects financed assets, which were used well below technical capacity, but no lesson was drawn concerning the requirement of a sector optimized least-cost plan for the selection of economically optimum projects. It should be noted that no recommendations were made concerning project management or M&E systems. Also, no lesson was drawn, and recommendation made concerning project sustainability and O&M.

## Transport

Of the fourteen transport-related PCREs, 3 were rated unsatisfactory by the reviewers, one highly satisfactory and the remaining 10 as satisfactory, meaning 78.5 per cent were deemed satisfactory or better. The PCRs showed an upward bias in that no projects were rated unsatisfactory, four were rated highly satisfactory and nine were considered satisfactory. Overall the PCRs concluded that all 14 were satisfactory or better. Of the two projects, the reviewers rated as unsatisfactory, the *Nigeria Rural Access and Mobility Project* as it had substantial time and cost overruns in addition to an ERR of only four per cent, well below the opportunity cost of capital in Nigeria; Meanwhile the *Ghana Road Infrastructure Project - Nsawem Bypass*, lacked sufficient evidence for scoring the relevance and efficiency criteria. A three-year delay at start-up, cost overruns and issues of payments related to counterpart financing contributed to this rating.

Overall, transport sector projects were mostly based on clear well-argued priorities and were clearly strategically important. Three multinational roads featured in the portfolio and were completed successfully despite the complications of interacting with more than one implementing agency and differing government requirements. However, where one-stop border posts were added, there was very limited information on the details pertaining to such infrastructure. Other roads were of sub-regional importance, but also brought benefits through improved communications with a neighboring state.

All transport projects were scored as satisfactory or better for effectiveness. Those road projects that included complementary socio-economic infrastructure such as improvements to or provision of schools, clinics, markets, water supply and secondary roads had a larger impact and greater appreciation and ownership by the affected communities but were obviously more complex to manage. Good examples were found in the *Ghana Fufulso-Sawla Road Project* and the *Ghana Awoshie-Pokuase Road and Community Development Project*. Though largely successful, such projects could have begun the complementary works sooner and when there was insufficient funding due to cost overruns, the complementary works were typically cut back rather than the main project.

A general comment was that the highways and roads projects reviewed were often approved without a review of design costs. This practice resulted in changes in road specifications after Board approval, with consequent impacts on costs and efficiency. In one case, the changes improved the design (*Chad Road Asphalt Project*) but in most others they rendered the projects unviable (e.g. *Nigeria Rural Access and Mobility Project*). Seemingly, large modifications in project specifications and costs can be introduced without a reappraisal or Board approval. For some projects where this occurred there was not a satisfactory ex-post rate of return. For others, such as the *Kenya Nairobi-Thika Highway*

*Project*, which was essentially mostly urban in nature, there was not enough discussion up-front with the diverse stakeholders about design requirements resulting in many amendments and additions that increased the costs.

Where there is a shortfall in the road maintenance budget, this needs to be quantified. Most African countries have a backlog of road maintenance needs. Fortunately, as most of the roads funded by the AfDB are inter-city roads, these have a high priority in terms of available maintenance budgets, but in several instances the income for the road sector from road user charges does not cover the funds necessary to keep the roads in good condition.

In most cases appropriate environmental and social safeguard practices were followed. Typical issues concerned delays in moving utilities and in mobilizing compensation for project affected persons located in the right-of-way. However, the treatment of road safety needed some additional attention. Improved roads may lead to fewer accidents but can increase the severity of accidents and the number of fatalities due to the higher speed of the traffic. A few projects tried to measure the changes before and after the projects, but this often proved difficult because of the unavailability of reliable road accident data. It was also clear that policy was lacking in this area. Local communities would slow down the traffic by introducing (often informal) traffic calming devices such as speed bumps and rumble strips. In the case of the *Kenya Nairobi-Thika Highway*, which was designed as a freeway, this meant that travel time targets were not met because slow moving and non-motorized traffic had not been separated as planned. More attention could be given at design stage to best practice safety engineering, a safe systems approach and the use of safety audits.

## Water and sanitation

This was the sector with the largest number of projects reviewed - 20 in all. A few were of a technical assistance nature or focused solely on water resources but most combined water and sanitation in one project.

### ***AfDB Sector Policies for the W&S Sector***

Through the Rural Water Supply and Sanitation Initiative and the African Water Facility, the AfDB is called upon to play a leadership role in the W&S sector. As such the Bank is strategically well placed to contribute to the improvements of policies and practices by a more systematic approach to drawing lessons from its large operations portfolio. The policy principles underpinning the Bank's W&S operations are generally in line with accepted good practice emerging from regional experience notably concerning community participation, hygiene advocacy and sensitization, as well as special attention to gender issues and to services for vulnerable people. However, aspects related to institutional arrangements and related needs for reform, as well as financial and operational viability, would benefit from a clearer policy stance and a more inquisitive approach at the time of project identification, preparation and appraisal.

The recurring weaknesses identified through the W&S PCREs concern mostly the preparation/appraisal phase of the project cycle and center on:

- The lack of critical review of technical feasibility in view of the local context and to aspects related to the financial and operational viability of the W&S projects. The projects are often approved on the basis of inadequate or insufficient design detail.
- The fact that the outcomes and numbers of beneficiaries are typically defined on the basis of global objectives and preset norms concerning usage and consumption not directly related to the specific contexts and projections of sales of the water made available by the projects.

- Weak use of CBA especially in respect of health improvements and insufficient detail provided in PCRs for reviewing purposes.

There is a need to recast the issue of CBA in term of analysis of financial viability. The economic CBA factors in social benefits, e.g. health, time savings, etc., which although real, do not translate into revenues for the water system operator. Hence, there is a need to focus on the financial analysis in order to ascertain that revenues are at least sufficient to meet O&M expenses. As a rule, the economic analysis would show a higher return than the financial one, so if the financial viability were assured, the economic value would follow. In contexts of severe budget constraints and weak fiscal management, subsidy schemes for O&M cannot be the solution. Subsidies should be reserved for capital expenditures and technical support of small towns and rural water systems while urban systems should move toward full cost recovery with eventual cross subsidies among various classes of customers.

A missed opportunity arises from the fact that at the time of the PCR mission, there is generally no information on the operations and usage of the services provided by the water supply systems developed under the projects, thereby limiting opportunities to capture emerging lessons.

A further point deals with the need to assess the demand for the water services offered by the new water supply systems at the design stage. Water supply projects are typically designed and analyzed from the supply side assuming preset level of daily requirements for water and assuming that all the households living in the service perimeter of the new water system will access its services. In fact, in most of the PCR's that were reviewed, the entire population within reach of the new systems is counted among the beneficiaries irrespective of the tariff and mode of delivery. Meaning, wherever they are, all people should have some access to water and would use the services offered by the new system if they choose to do so - and can afford them. Hence affordability has to be built into the systems at the design stage. This seems self-evident but is far from actual practice as illustrated by the *Congo Water & Sanitation Pre-investment Project* which yielded detailed technical designs for water supply systems for three secondary towns with O&M requirements estimated at multiple of the potential revenues. Water supply systems have to be designed so that they offer services that people are willing and able to pay for. The review also covered water resource technical assistance/capacity building projects where part of the objective was to strengthen information systems. A challenge being that the budget allocation needed for maintaining these systems once the project was completed is often lacking.

### ***Specific recommendations for preparation and appraisal of W&S projects:***

#### **Preparation and Appraisal**

- Develop a policy guide for the evaluation of the financial and institutional viability of W&S projects targeting rural and semi-urban water supply systems including notably the principle of local recovery of operational and maintenance costs.
- Ensure that projects serving rural communities and small towns include the setting up or strengthening of institutional arrangements for management and oversight of operations and finances drawing on regional best practices.
- Ensure that the studies of W&S projects include analysis and projections of household usage and consumption of the services to be offered by the project taking into account affordability, accessibility and availability of alternative sources.

## Implementation and Post Project

- Within one to two years after issuance of the PCR, the AfDB in consultation with the sector agency concerned should organize a technical assessment of the operations and services of selected water supply systems funded under its projects. This mission could draw on projects selected from the cohort completed over the last two years. Its purpose would primarily be to draw lessons and point out useful practices.
- Set up a technical group to re-evaluate the use of CBA in W&S projects.

The following strong points are present in most of the projects reviewed:

- The systematic reliance on a Project Implementation Unit (PIU) attached to the sector agency or ministry responsible for the project. These PIUs typically constitute a project component and the setting up of the PIU is often a condition for initial disbursement. It should be anticipated and discussed in advance to avoid becoming a reason for initial delay in implementation.
- Thorough reviews of the capacities, legal needs and framework for procurement and financial administration. This leads to the detailed definition of related arrangements for contracts supervision and financial management in line with AfDB guidelines. Related procedures and requirements are typically compiled in the "Project Implementation Manual" which in some instances is only finalized after project launch.
- Continuing support by the AfDB missions and field offices. Effective and timely support from the Bank throughout project implementation resolves issues in a prompt manner and enables adaptation to changing circumstances, most particularly when necessary to restructuring projects and extending time for completion if needed.

## Weaknesses concerning operational practices show up mostly at the preparation/appraisal stages:

Lack of coherence in the results framework due to poor conceptualization. An example is using global objectives to which the contribution by the project is very limited or non-existent, (e.g. linking a countrywide reduction in child mortality with improvement in water services in just one or two towns). This issue is linked to the recurrent weakness in the M&E framework, which if defined too late can be limited to monitoring the outputs of delivery only.

- Underestimation of project implementation time. This is often the case in the start-up phase.
- Use of the program approach. This can be a problem in situations where the basic requirements (i.e. established sector-wide planning, budgeting and monitoring, pooled funding, etc.) are not in place.
- Funding pre-investment studies. There are examples without firm prospects for funding the proposed projects resulting in raised expectations with no outcome.
- Insufficient documentation of expected benefits, costs, outputs and outcomes when a project is substantially restructured.

## Annex 3 — PCR and PCREN Ratings

Project Code	Project Name	Sector (Centennial Group)	Relevance		
			PCR	PCREN	
P-GH-AA0-030	Northern Rural Growth Program	Agriculture	3	3.5	
P-KE-AAZ-001	Kimira-Oluch Smallholder Irrigation Development Project	Agriculture	3.5	3.5	
P-MW-AAA-004	Agriculture Infrastructure Support Project (AISP)	Agriculture	3.5	3	
P-MZ-AA0-026	Massingir Dam and Smallholder Agricultural Rehabilitation Project Supplementary Loan	Agriculture	3.5	3.5	
P-ST-AA0-004	Projet De Rehabilitation Des Infrastructures D'appui A La Se (PRIASA)	Agriculture	4	3	
P-Z1-AAE-004	PROGEBE: Regional Project on Sustainable Management of Endemic Ruminant Livestock in West Africa (Gambia, Guinea, Mali, Senegal)	Agriculture	2.5	2.5	
P-Z1-AAZ-010	CGIAR: Support to Agricultural Research for Development of Strategic Crops in Africa (SARD-SC)	Agriculture	3.5	3.5	
P-A0-A00-001	Bom Jesus - Calenga Smallholder Agricultural Development Project	Agriculture	3.5	3.25	
P-KE-AAZ-002	Small Scale Horticulture Development Project	Agriculture	4	3	
P-LR-A00-001	Agriculture Sector Rehabilitation Project	Agriculture	3	2.5	
P-UG-AB0-002	Community Agricultural Infrastructure Improvement Program – Project 2 (CAIP-2)	Agriculture	4	3.5	
P-Z1-AB0-005	Projet d'Appui Aux Infrastructures Rurales De La Region Naturelle De Bugesera (PAIRB)	Agriculture	3.5	3.5	
P-MW-C00-001	Climate Adaptation for Rural Livelihoods and Agriculture (CARLA)	Environment/Natural Resources	4	4	
P-TD-C00-001	Natural Resource Management and Development in the Sudan Region	Environment/Natural Resources	3	3	
P-Z1-C00-10	Programme De Conservation Des Ecosysteme Du Bassin Du Congo	Environment/Natural Resources	3.5	3	
P-Z1-C00-026	Projet pilote REDD geographiquement integer d'ECOMAKALA	Environment/Natural Resources	3.5	3	
P-Z1-C00-028	Projet pilote REDD geographiquement integre d'ISANGI	Environment/Natural Resources	3.5	3.25	
P-CV-EAZ-001	Preparation of Surface Water Mobilization and Integrated Water Resource Management Framework Reinforcement Project (MES/RC-GI RE)	Environment/Natural Resources	4	3	
P-ML-EAZ-002	Support to the Implementation of the Integrated Water Resource Management Action Plan	Environment/Natural Resources	3.5	3	
P-Z1-EAZ-021	Integrated And Joint Water Resources Management Of The Iullemeden, Taoudeni And The Niger River	Environment/Natural Resources	3.5	3	



	Effectiveness		Efficiency		Sustainability		Overall		PCR Quality
	PCR	PCREN	PCR	PCREN	PCR	PCREN	PCR	PCREN	
	3	2	3	2.5	3.33	3.33	3.0825	2.83	2.75
	3	2	2.5	2	3	2.5	3	2.5	2.5
	3	2	3	2.25	2.33	2	3	2.3125	3
	3	2	2.75	2	3	3	3.06	2.63	3
	3	2.5	3	3	2.5	2.5	3.125	2.75	3
	3	3	2.5	2.5	2.67	3.33	2.67	2.8325	1.5
	4	4	3.33	3.33	3	3	3.45	3.45	3.56
	3	2	2.25	2	1.67	1.67	2.605	2.23	3
	4	3	4	3	3	3	3.75	3	2.5
	2	2	2.25	2	2.5	1.5	2.4375	2	2.5
	4	3	2.5	2.75	3.33	3	3.46	3.0625	3
	3	3	3.25	2.75	3	2.84	3.1875	3.0225	3
	4	3	3	2.67	3.25	3.25	3.56	3.23	2.75
	3	2	2	2	2.25	2	2.5625	2.25	2.5
	3.67	2.8	2.75	2.34	3	2.5	3.23	2.66	2.62
	3	3	3	3	2.666	3	3	3	3
	3	3	2.666	2.66	3.333	3	3.09	3	3
	4	2	2.66	3	2.33	2	3.2475	2.5	3
	3	2	2.66	2	2.66	2	2.95	2.25	3
	3	3	3	3	3	3	3.125	3	3

Project Code	Project Name	Sector (Centennial Group)	Relevance		
			PCR	PCREN	
P-AO-FA0-002	Power Sector Reform Support Program	Energy/Power	3.5	4	
P-BW-FA0-001	Morupule "B" Power Transmission Project	Energy/Power	3	3	
P-EG-FAA-014	Ain Sokhna Thermal Power Project	Energy/Power	3.5	4	
P-ET-FA0-008	Electricity Transmission System Improvement Project	Energy/Power	4	3	
P-GH-F00-003	Power System Reinforcement Project (PRSP)	Energy/Power	3	3	
P-KE-FA0-003	Mombassa - Nairobi Transmission Project	Energy/Power	4	2	
P-KE-FA0-004	Power Transmission Improvement Project	Energy/Power	4	4	
P-TZ-FA0-008	Electricity V Project	Energy/Power	3.5	4	
P-UG-FA0-002	Bujagali Interconnection Project	Energy/Power	4	4	
P-ZA-F00-002	Eskom Renewable Energy - Sere Wind Farm Project	Energy/Power	3.5	4	
P-ZW-FA0-001	Emergency Power Infrastructure Rehabilitation Project (EPIRP)	Energy/Power	3	4	
P-B1-K00-010	Projet De Renforcement Des Capacites Institutionnelles Pour L'amelioration De La Gestion Des Finances Publiques	Multisector	3.5	3.5	
P-BI-K00-011	Projet D'appui Au Developpement Du Secteur Prive (PADSP)	Multisector	3.5	3	
P-CD-KZ0-004	Project to Mobilize and Revitalize Public Administration Human Resources (PMR-RH)	Multisector	3.5	3	
P-CG-KF0-005	Developpement Des Competences Nationales	Multisector	3.5	2	
P-EG-IE0-003	Rieep Rural Income And Economic Enhancement Project	Multisector	4	3.5	
P-DJ-KF0-006	Projet d'Appui au Renforcement des Capacités Institutionnelles – (PARCI)	Multisector	3	3	
P-GM-KF0-001	Institutional Support for Economic and Financial Governance II Project	Multisector	4	3	
P-KM-KF0-010	Projet de Renforcement de Capacites Pour Appuyer le Secteur Prive	Multisector	3	3	
P-LR-K00-013	Institutional Support for the Integrated Public Financial Management Reform Project (IPFMRP)	Multisector	3	3	
P-SC-K00-005	Inclusive Private Sector Development and Competitiveness Programme (IPSDCP-II)	Multisector	4	3.5	
P-TD-KA0-005	Public Finance Reform Support Program	Multisector	4	3.5	
P-KE-DB0-018	Kenya: Nairobi-Thika	Transport	3.5	3	
P-GH-DB0-012	Ghana Awaoshie-Pokuase	Transport	4	3.5	
P-Z1-DB0-038	Multi Arusha-Athi River	Transport	3.5	3.5	
P-MW-DB0-011	Malawi Trunk Roads	Transport	3.3	3	
P-KE-DB0-018	Kenya Int. Airport Terminal	Transport	3.5	3.5	
P-Z1-DB0-063	Multi Nacala Cor. Ph II	Transport	3.7	3.5	
P-GH-DB0-016	Ghana Ffulfulso- Sawla	Transport	4	4	

	Effectiveness		Efficiency		Sustainability		Overall		PCR Quality
	PCR	PCREN	PCR	PCREN	PCR	PCREN	PCR	PCREN	
	3	3	2.7	3	2.7	2	3	3	3
	3	2	3	3	3	2	3	2.5	2
	3	4	3.65	3	3.25	3	3.35	3.5	3
	3	3	2.75	2	3.25	2	3.2	2.5	3
	4	2	2	2	3.25	3	3.0625	2.5	2
	3	3	3.5	2	3.5	2	3.5	2.25	2
	3	2	3	2	3	3	3.25	2.75	3
	3	3	2.4	2	2.75	3	2.9125	3	2
	4	4	3.75	4	3.25	4	3.75	4	4
	4	3	2.8	4	3	3	3.33	3.5	2
	3	3	3	4	3	2.5	3	3.375	3
	1	1	2	1.33	3	2.5	2.375	2.08	3
	2	2	2.75	2	3	2.5	2.81	2.38	2
	3	3	3.5	3	3.33	3.33	3.33	3.08	2
	3	2	2.5	1	3	Unable to rate	3	Unable to rate	1.5
	4	3.5	3.75	3.5	3	3	3.69	3.375	2
	2	3	2	2	3	3	2.5	2.75	2
	2	2	3.33	3.33	2.66	2.66	3	2.7475	3
	3	2	3.33	3.33	3	3	3.1	2.8	2
	3	2	3	2	3	3	3	2.5	2
	3	2	3	2.5	3	3	3.25	2.75	3
	3	3	4	4	3.33	3.33	3.58	3.46	3
	3	3	2.9	2.9	3.5	3.5	3.2	3.1	3.2
	3	3	2.7	2.5	3.2	3.5	3.2	3.1	2.8
	4	3.5	3.4	3.3	3.1	2.9	3.5	3.3	3
	3	3	3.1	2.9	3.1	3.1	3.1	3	3
	4	3.5	3.7	3.4	3	3.3	3.5	3.4	3.1
	3	3	3.6	3.5	3	3	3.3	3.2	3
	4	4	3.6	3.4	2.7	2.7	3.575	3.5	3

Project Code	Project Name	Sector (Centennial Group)	Relevance		
			PCR	PCREN	
P-TZ-DB0-016	Tanzania Singida- Minjingu	Transport	3.5	3.3	
P-GH-DB0-004	Ghana Tema-Aflao	Transport	3.5	3	
P-GH-D00-009/ P-GH-DB0-014	Ghana Akatsi- Noepe	Transport	3.5	3	
P-TN-DB0-009	Tunisia Projet Routier V	Transport	4	3.5	
P-NG-DB0-005	Nigeria Rural Access and Mobility	Transport	3.5	3.5	
P-GH-D00-008	Ghana Road Infrastructure 2003	Transport	4	2	
P-TD-DB0-008	Chad Projet De Route Koumra-Sarh	Transport	4	3.5	
P-CF-IE0-001	Projet De Developpement Communautaire Et D'appui Aux Groupes	Social/Capacity Building	3	3	
P-GQ-IBE-002	Health System Development Support Project	Social/Capacity Building	4	3	
P-LS-IA0-002	Educ. Qual. Enhancement Proj.(Educ III)	Social/Capacity Building	4	3.5	
P-NG-IA0-001	Skills Training And Vocational Education	Social/Capacity Building	4	4	
P-RW-IZ0-004	Seep III	Social/Capacity Building	3.5	3	
P-Z1-IAD-004	Support To A Network Of African Institutions Of Science And Technology	Social/Capacity Building	4	3.5	
P-Z1-IAD-002	Projet d'appui a l'enseignement superieur dans les pays de l'Uemoa	Social/Capacity Building	4	3.5	
P-Z1-IBE-006	Apoc (Phase III)	Social/Capacity Building	3.5	3	
P-Z1-IA0-009	Building Capacity on Managing for Development Results in the Regional Member Countries (RMCs) and the Regional Economic Communities	Social/Capacity Building	4	4	
P-CI-IZ0-004	Youth Employability and Integration Support Programme (PAAEIJ)	Social/Capacity Building	4	4	
P-Z1-KF0-035	Capacity Building To ICGLR	Social/Capacity Building	3.5	3	
P-ZW-IE0-002	Youth And Tourism Enhancement Project	Social/Capacity Building	4	3.5	
P-AO-E00-003	Sumbe Water Supply, Sanitation and Institutional Support	Water Supply/Sanitation	3.5	3	
P-BF-E00-008	Rural Drinking Water Supply And Sanitation Project In Four Regions (Cascades, West-Central, South-Central, And Sahel)	Water Supply/Sanitation	4	3.5	
P-BJ-EAZ-003	Appui Decentralisation Sees Eau & Assain	Water Supply/Sanitation	3	3.5	
P-BJ-EBZ-002	Projet D'amelioration De La Gestion Des Boues De Vidange Du Grand-Nokoue Dans Le Cadre D'un Partenariat Public-Prive	Water Supply/Sanitation	3	2.5	
P-CD-EA0-004	Projet D'alimentation En Eau Potable Et D'assainissement En Milieu Semi-Urbain (Peasu)	Water Supply/Sanitation	3.5	3	
P-CG-E00-002	Assainissement Brazzaville Et Pointe-Noire	Water Supply/Sanitation	3.5	3.5	
P-CG-EAZ-002	Etudes De Developpement De Systemes D'alimentation En Eau Potable Et D'assainissement Dans 5 Centres Semi-Urbains	Water Supply/Sanitation	4	3	
P-CM-E00-006	Aepa En Milieu Rural	Water Supply/Sanitation	3.75	3.5	

	Effectiveness		Efficiency		Sustainability		Overall		PCR Quality
	PCR	PCREN	PCR	PCREN	PCR	PCREN	PCR	PCREN	
	3	3	3.9	3.5	3	3	3.35	3.2	3.3
	4	4	3	3	3	3.2	3.375	3.3	3
	4	3	2.8	2.8	3.5	3.2	3.45	3	3
	3	3	3	2	3	2.7	3.2	2.8	3
	3	3	3	1.7	2.7	2.6	3.05	2.7	3
	3	3	2.5	2	2.7	2.7	3.05	2.425	3
	4	4	3.2	3	3	3	3.55	3.4	4
	3	2	2.5	2.67	3	2.75	2.87	2.61	2
	2	1	2	1.66	2.25	2.25	2.56	1.98	3
	3	3	2	2	3	3	3	2.875	3
	3	2	2	2	3	2	3	2.5	3.5
	3	3	3.7	3.7	3.2	3	3.35	3.175	3
	4	3	3.33	3	4	3	3.8325	3.125	2.5
	4	3	2.34	2.34	2.75	2.75	3.2725	2.92	3
	4	3	3.24	3.24	3.24	3	3.495	3.06	3
	4	3	3	3	3	3	3.5	3.25	3
	3	3	3.5	3	3.3	3	3.45	3.25	3
	3	2	3.33	3	2.5	2.33	3.08	2.58	2
	3	3	4	3	3.2	3.2	3.55	3.13	3
	3	3	2.75	2.75	2.5	2.33	2.9375	2.77	3
	3	3	3	3	3	3	3.25	3.125	3
	3	3	4	3	3	3	3.3	3.1	3
	1.67	2	2.3	2	1.5	1.67	2.1175	2.0425	3
	3	2	2.75	2.5	2.75	2.5	3	2.5	3
	3	3	2.7	3	3	2.6	3.05	3.025	3
	4	2.5	3	3	2.66	2.33	3.42	2.71	3
	4	4	3.75	3.75	4	4	3.88	3.81	3



Project Code	Project Name	Sector (Centennial Group)	Relevance		
			PCR	PCREN	
P-GH-E00-004	Accra Sewerage Improvement Project (ASIP)	Water Supply/Sanitation	3.5	3	
P-KE-E00-007	Small Towns and Rural Water Supply And Sanitation Project	Water Supply/Sanitation	3.25	3	
P-KE-EB0-003	Nairobi Rivers Basin Rehabilitation And Restoration Program	Water Supply/Sanitation	3.5	3	
P-KM-EA0-001	Projet D'eau Potable Et D'assainissement	Water Supply/Sanitation	4	3.5	
P-MG-E00-005	Programme d'Alimentation en Eau potable et d'Assainissement en milieu Rural	Water Supply/Sanitation	3	2.5	
P-MZ-E00-006	Niassa provincial towns water supply and sanitation project	Water Supply/Sanitation	3.5	3	
P-MZ-E00-008	National Rural Water Supply and Sanitation Program in Nampula and Zambezia Provinces	Water Supply/Sanitation	4	3.5	
P-RW-E00-005	Rwanda national rural drinking water supply and sanitation program (PNEAR)	Water Supply/Sanitation	4	4	
P-SN-E00-004	Rural Drinking Water Supply and Sanitation Sub-Programme	Water Supply/Sanitation	4	3.5	
P-TN-EAZ-002	National Water Information System (SINEAU)	Water Supply/Sanitation	3.5	3.5	
P-TZ-E00-004	Zanzibar water supply and sanitation project	Water Supply/Sanitation	3.5	3	
P-TZ-EA0-010	Rural Water Supply and Sanitation Program II	Water Supply/Sanitation	3	3.5	

	Effectiveness		Efficiency		Sustainability		Overall		PCR Quality
	PCR	PCREN	PCR	PCREN	PCR	PCREN	PCR	PCREN	
	3	2	2.75	2	3	2.67	3.0625	2.43	2.75
	2.75	2	3	2.67	2.75	2.67	2.9375	2.585	3
	3	2.5	3.5	2.75	3	3	3.25	2.8125	3
	3	3.01	2.75	2.75	2.25	2.25	3	2.8775	3.22
	3	3	2.75	2	3	2.7	2.9375	2.5	3
	3	2	3	2.5	2.67	2	3.04	2.375	2
	3	3	3.5	2.5	3	2.5	3.375	2.875	3
	4	3	3.44	3	3	3.7	3.61	3.425	2
	4	3	3	2.7	3.5	3.3	3.625	3.125	3.1
	4	3	2.66	2	2.66	2.66	3.205	2.79	3
	3	2.5	2.25	2	3	2.67	2.9375	2.5425	2.94
	4	3	3.75	3.75	2.7	2.3	3.3625	3.1375	3

## Annex 4 — References

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## Endnotes

1. The WB project performance rating includes only the relevance, effectiveness and efficiency (not sustainability). The “disconnect” is no longer reported, since a 2016 independent evaluation of the World Bank Group’s self-evaluation systems, the evaluators lamented an excessive focus on minimising the disconnect between self-evaluation and IEG ratings. An unintended result of focusing on this indicator was that this encouraged gaming rather than learning.)
2. Nine months stated in IDB and IIC Project Performance: OVE’s Review of 2016 Project Completion Reports and Expanded Supervision Reports (2017)
3. The SMART criteria are well accepted in the field of monitoring and evaluation as criteria for assessing the quality of project indicators (the variables that are tracked to measure changes or achievements in connection with an intervention). Common terms used when explaining the SMART criteria include: “Specific; Measurable; Attainable, Appropriate or Attributable; Relevant, Realistic, Reliable; and Time bound.”



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African Development Bank







## About this Evaluation

All African Development Bank Group (AfDB) operations are self-evaluated through a Project Completion Report (PCR) prepared by Bank operations staff. The PCRs are then independently reviewed and validated by IDEV, which produces a PCR evaluation note for each project. In 2017, AfDB staff prepared PCRs for 88 completed projects. This report synthesises the findings of the PCR evaluation notes that reviewed those 88 projects.

The objectives of the exercise included: (i) assessing the quality and validating the performance of each project; (ii) assisting AfDB management and staff to improve the quality of the PCR system; and (iii) contributing to IDEV's Evaluation Results Database on project performance and PCR quality. The 2017 PCRs related to projects in 10 sectors, including water supply and sanitation, transport, agriculture, power/energy, capacity building, and private sector development. The validation examined project performance (in terms of the relevance, effectiveness, efficiency, efficiency and sustainability of the project, and the performance of project partners), PCR quality, and the quality of project monitoring and evaluation systems.

This synthesis report gives an overview of the results of the PCR evaluation notes and compares them with the results obtained by the PCRs. It also makes recommendations to the Bank aimed at improving project preparation and design, project implementation and supervision, and project evaluation.



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