Evaluating 10 Years of AfDB Support to Africa[1]

Between 2004 and 2013 the Bank approved close to UA[2] 32.9 billion in lending for 1319 projects and programs implemented in its regional member countries. This article describes how the Comprehensive Evaluation of the Bank's Development Results was carried out to meet the need of evaluating these ten years, and the need for the Bank to review its past performance in order to enhance its future interventions and impact.

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"The African Development Bank (AfDB) gauges its own success by how far it improves the lives of Africa's people[3]. Notably how well its operations create jobs, boost access to effective public services, spur private sector competitiveness, improve countries' balance of payments, strengthen stability and growth in the financial sector, increase trade within and between nations, enhance trust in government, and achieve progress in the health and environmental sectors.

In 2013, the Independent Evaluation (IDEV) of the AfDB was commissioned to carry out a Comprehensive Evaluation of the Bank's Development Results (CEDR). This was launched at the end of 2013, with the evaluation report to be delivered before the ADF replenishment in 2016.

The CEDR sought to answer three key questions with regard to the 10 year 2004–2013:

- Did the Bank achieve its objectives?
- Did the Bank propose results-focused strategies and programs?
- Did the Bank emerge as a valued partner at country level?

The CEDR also aimed to draw lessons and make recommendations to inform implementation of the Bank's new strategic priorities, the High-5s[4].

The scope of the CEDR was the entire Bank portfolio: all the interventions (lending and non-lending) approved by the Bank between 2004 and 2013. The AfDB development assistance is channelled through various instruments[5] financed from different sources within the AfDB – the ADB (non-concessional lending) and the ADF (concessional lending) being the main ones. AfDB interventions (projects or operations) cover a wide range of sectors, a large proportion devoted to infrastructure – transport, energy, water and sanitation. Others include agriculture, finance, industry and mining, and social sectors.

The evaluation of a large set of interventions comprising diverse instruments and targeting multiple types of beneficiaries in multiple sectors was challenging[6]. Neither the AfDB nor any other Multilateral Development Bank (MDB) had ever undertaken such an assignment. The entire IDEV team had to be mobilized, and the IDEV Work Program readjusted to accommodate the resource requirements. In three years IDEV was able to deliver the *CEDR Synthesis Report* as planned.

The CEDR was based on evaluation studies carried out on 14 African countries: Burundi, Cameroon, Democratic Republic of Congo, Ethiopia, Ghana, Morocco, Mozambique, Nigeria, Senegal, South Africa, Tanzania, Togo, Tunisia, and Zambia (figure 1). These countries represented almost 60% of the Bank's lending portfolio during 2004–2013. The makeup of their joint portfolio broadly matched

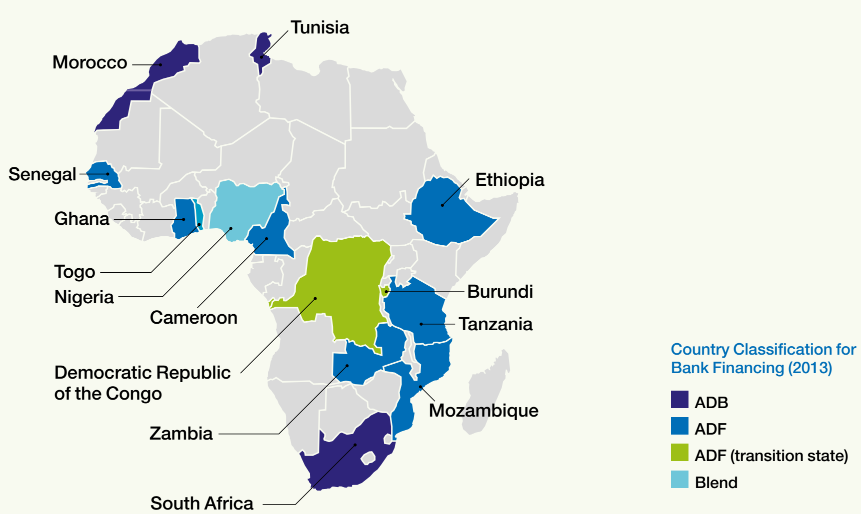
that of the Bank in terms of regional balance, language, fragility and eligibility to the various windows of Bank financing (figure 2). For each of the 14 countries, strategies and programs were examined, and all projects that were completed or near completion (169 in total) were reviewed.

Overall, the evaluation found that the Bank delivered **modest development outcomes** which changed lives. Nearly two thirds (64%) of the projects financed by the Bank led or could lead to positive benefits for the beneficiaries. However, only close to 27% of the assessed interventions achieved, or were likely to achieve, their planned outcome. A further 30% of the interventions were expected to achieve under half of their planned development outcomes.

The evaluation found that the failure to attain outcomes was attributable to both the Bank and the beneficiary countries. On the Bank's side, the limiting factors were found to be weak project design, which did not properly manage the contextual risks, and weak supervision. On the side of the countries, deficiencies in leadership, ownership and capacity to implement were noted. The CEDR found that the Bank had identified pockets of activity where the right mix of dialogue, knowledge and lending fostered good outcomes, for example in public-private partnerships. It also recognized that the Bank was widely appreciated as a development partner in countries where long-standing relationships had built trust and allowed the Bank to act as an advisor. While the Bank's physical presence (in the form of a national office) usually helped, it did not always allow the Bank to perform optimally when country conditions were less favorable.

The **sustainability** of the Bank's interventions was found to be poor. Only 28% of the projects examined had robust economic and financial mechanisms in place to ensure maintenance of the achieved outputs and outcomes beyond the end of the project. Sustainability of project outcomes was linked to ownership at country level and a long-term vision of sector strategies. The Bank was able

Figure 1: The 14 countries involved in the CEDR



- to set the conditions for sustainability by proper project design, construction of institutional capacities, and coordination with other development partners.

The **efficiency** of the Bank's interventions was also found to be poor. While cost efficiency indicators were quite positive, project over-runs weakened the total efficiency of the Bank. Almost half the projects examined had been delayed by a year or more. Weaknesses in the design of some projects compromised their efficiency and led to poor or delayed outcomes. Project delays also arose from lengthy Bank procedures and complex arrangements with development partners. For the private-sector operations, on the other hand, project supervision and management were identified as the weakest aspects.

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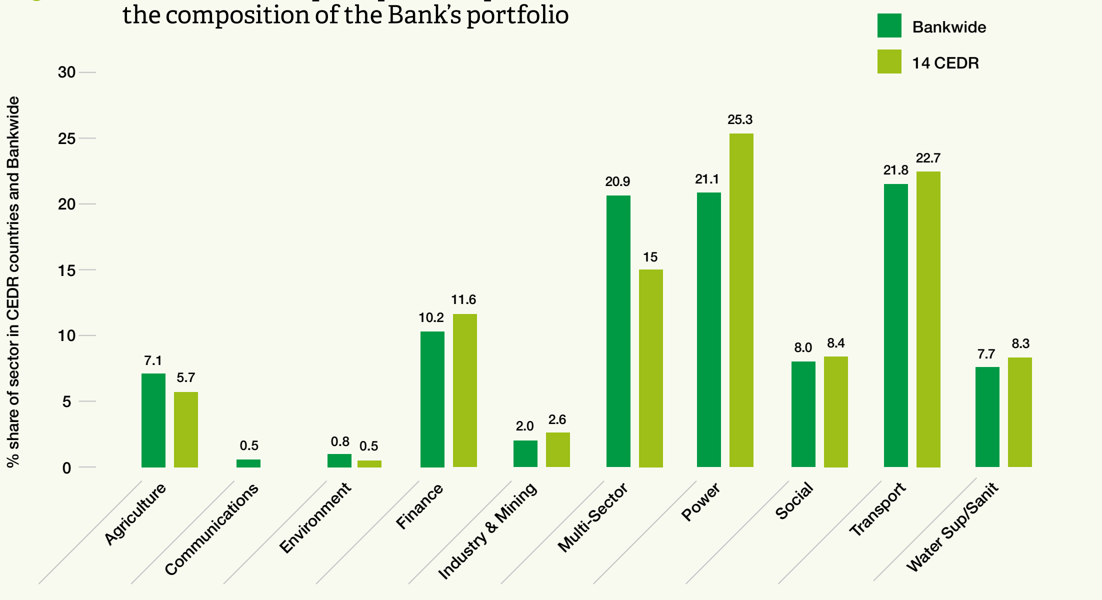
The CEDR made recommendations to the Bank in the following three areas: *Positioning in context, improving corporate services, and enhancing delivery.*

1. **Positioning in context:** The Bank pursues different objectives and faces different challenges depending on the RMC context. It needs to better analyze and clarify the strategic role it intends to play to add value and pursue partnerships that are relevant to delivering the High-5s at country level. These partnerships can only be pursued if analyzed first, by identifying strategic roles, contributions and constraints as well as threats and opportunities. The Bank also needs to analyze deeply the risks related to implementation and to the sustainability of its interventions. Together with defining clear roles and possible partnerships, this should form the basis for framing strategies, programs, and projects around key selected outcomes. In this context, the Bank should focus more on lessons learned and make them more usable at project and strategic level. Finally, the Bank should ensure that its country offices are adequately equipped in terms of skills and resources so that they can ably implement its strategies in the RMCs with a focus on transition states.

2. **Improving corporate services:** The Bank needs to ensure that its corporate strategies are based on a well-designed theory of change that is shared with stakeholders and partners, and that its corporate procedures are flexible enough to respond quickly to country-specific needs. A special focus should be put on transition states, where the Bank might consider consolidating multiple financing sources and streamlining trust funds to avoid delays and disruptions. Whenever it can fill knowledge gaps in areas related to its strategies, the Bank should be able to propose a relevant combination of analytical work, dialogue, and financing instruments to the client country, building on existing good practices.

3. **Enhancing delivery:** The Bank needs to strengthen its performance and accountability frameworks, processes, and culture. Closer attention should be paid to the depth and quality of supervision for both private and public sector operations. The CEDR noted that where actions

Figure 2: The CEDR country sample closely matched the composition of the Bank's portfolio



(changes) were already under way at the Bank, the recommendations could be used to feed lessons into the processes and help identify key priority issues. The recommendations of the CEDR are already being implemented. In 2016, guided by its new Development and Business Delivery Model (DBDM), the AfDB embarked on a transformation process that aims to improve its capacity to deliver on its High-5s. The changes included a vital restructuring of the Bank – moving operations closer to clients in the RMCs and devolving decision-making to the regional hubs. Previously decisions were made at headquarters in Abidjan, Cote D'Ivoire. The DBDM seeks to inculcate a culture of performance, delivery, and institutional learning that improves and evolves. The transformation aims to make the Bank more flexible (and thereby more responsive to the development needs of its RMCs), to improve its effectiveness, and to increase its development impact. eVALU

Endnotes

1 The author would like to thank Mr. Samer Hachem for the invaluable information, data and insights which resulted in this article; and Ms. Najade Lindsay for valuable editorial advice on an earlier draft.

2 1 Unit of Account (UA) = 1.54 US$ as at December 2013.

3 African Development Bank Group Results Measurement Framework 2016–2025.

4 The High-5s are the five priority action areas for the AfDB: Light up and power Africa; Feed Africa; Industrialize Africa; Integrate Africa; and Improve the quality of life for the people of Africa.

5 The AfDB's interventions are: Project loans, Structural Adjustment Loans, Sectoral Adjustment Loans, Sector Investment Loans, Technical assistance, Knowledge work and Policy dialogue. Technical assistance, Knowledge work and Policy dialogue encompass the non-lending interventions. www.afdb.org .

6 For further details, see article entitled "The CEDR Journey" in this issue.

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Author's profile

Jacqueline Nyagahima is a Knowledge Management consultant who joined the Independent Development Evaluation (IDEV) unit of the AfDB in 2016. As well as communication and knowledge management (CKM), her multi-disciplinary specialisms include business process analysis and design, strategy development and implementation, formulation and documentation of policies and procedures, training and facilitation. Jacqueline holds an MBA from Heriot-Watt University, UK; an MSc with specialization in Computer Science, from Makerere University, Uganda; and a BSc. with Education also from Makerere University. Prior to joining IDEV, Jacqueline served as the head of communication and public relations at the Association for Strengthening Agricultural Research in Eastern and Central Africa (ASARECA). She counts among her achievements raising the profile of CKM both at the ASARECA Secretariat and among the member national agricultural research systems. Another achievement is the MSc. program in agricultural information and communication management (AICM) now offered in several universities viz. University of Nairobi & Egerton University, Kenya; Haramaya University, Ethiopia; and Makerere University, Uganda. She was in the core team that developed the program.