Report on the Validation of 2019 Project Completion Reports “Highlight on Project performance”

What did IDEV evaluate?

The Project Completion Report (PCR) is a yearly self-evaluation process of the Bank’s sovereign operations. This self-evaluation tool is used by the Bank’s operations departments at the end of each project cycle to perform two main functions: i) As a basis for accountability, and ii) As a means of learning to improve future operations of the Bank. Subsequently, the Independent Development Evaluation (IDEV) of the Bank validates the PCRs and prepares PCR evaluation notes (PCRENs) and a synthesis report on each year’s PCRENs.

This highlight summarizes the key results of the 2019 PCRENs, focusing on the performance of the projects, Bank and Borrowers; and the key lessons for improving project results performance.

What did IDEV find?

Project results performance

Project performance was strongest on the relevance of objectives and design and weakest on efficiency and effectiveness. Nearly all the projects (98%), were found to be relevant in terms of their objectives, signaling good alignment with countries’ development priorities and with Bank strategies but limited by substantial delivery delays and cost overruns. The relevance was better on development objectives than project design because of the poor quality of the project results frameworks and lack of accurately determining costs. Projects sustainability was strong in ownership, safeguards, and institutional aspects, but weak regarding financial aspects.

The most highly-rated projects suggest that if a project is well designed, it has a good chance to succeed. The most important common feature for projects who rated unsatisfactory is poor design. However, the outlier for all these projects overall remains the financial sustainability.

Project performance by sector

Regarding project performance by sector, the data suggests that in 2019, projects in the power, environment, and agriculture sectors under-performed. No single sector stands out as performing substantially better than the others, although multi-sector projects seemed to fare the best as shown in table 2.

Table 2: Overall project rating by sector — PCREN

<table>
<thead>
<tr>
<th>Sector</th>
<th>PCREN Overall Average</th>
<th>HS</th>
<th>S1</th>
<th>S2</th>
<th>U</th>
<th>No. of projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>2.90</td>
<td>0</td>
<td>2</td>
<td>3</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>Environment</td>
<td>2.75</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Finance</td>
<td>3.00</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Multi-sector</td>
<td>3.19</td>
<td>6</td>
<td>5</td>
<td>1</td>
<td>1</td>
<td>13</td>
</tr>
<tr>
<td>Power</td>
<td>2.75</td>
<td>0</td>
<td>4</td>
<td>2</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>Social</td>
<td>3.05</td>
<td>2</td>
<td>6</td>
<td>0</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>Transport</td>
<td>3.10</td>
<td>2</td>
<td>9</td>
<td>1</td>
<td>0</td>
<td>12</td>
</tr>
<tr>
<td>Water &amp; Sanitation</td>
<td>3.13</td>
<td>3</td>
<td>6</td>
<td>3</td>
<td>0</td>
<td>12</td>
</tr>
<tr>
<td>TOTAL</td>
<td>3.04</td>
<td>14</td>
<td>34</td>
<td>13</td>
<td>4</td>
<td>65</td>
</tr>
</tbody>
</table>

Rating scale: Highly satisfactory (HS): 3.50 - 4.00; Satisfactory (S): 2.50 - 3.49; Unsatisfactory (U): 1.50 - 2.49; Highly unsatisfactory (HU): -1.00 - -1.49

Project performance by Region/Country

Overall, project performance is relatively similar across the regions. However, the North region has a higher success rate than any other region, and the Central region has the widest spread of results but has fewer projects than any other region. Projects involving multiple regions perform worse than the average as shown in table 3.
Performance of stakeholders (Bank, Borrower and others)

Performance of the main stakeholders (Bank, Borrowers, and other stakeholders) contributed to project performance and was, on average, Satisfactory. Performance was strongest in terms of the quality of supervision of the Bank, and of the responsiveness of other development partners to client demands, but weakest especially in terms of: (i) clients responding to supervision recommendations; (ii) the Bank supporting monitoring and evaluation (M&E) design, implementation and use; and (iii) the Borrower ensuring the sustainability of project benefits.

What lessons did IDEV draw?

From the 2019 PCRs and their validation, multiple lessons have been identified, reformulated, and validated.

Project preparation and design

1. Building on previous lessons is essential to ensure high-quality project design.

   2. Projects are more likely to succeed if key performance indicators are established in a meaningful and measurable way during the design phase, rather than being left as an implementation task.

   3. The design phase is critical to project success. Design weaknesses tend to result in cost increases and delays.

   4. A project is more likely to succeed if the design phase is used to build commitment among stakeholders by involving them to the fullest extent possible.

   5. Multi-country and multi-sectoral projects tend to be the most challenging and require a clear early definition of roles and responsibilities.

Implementation arrangements and performance

1. Ensuring that the Project Management Team contains the required technical expertise is crucial.

2. If funding from all expected sources is made available in a timely fashion in accordance with project planning, then delays and cost overruns can be avoided.

3. An effective M&E system, including the planning of supervision missions and project reviews, is an essential project management tool.

4. Continuing the involvement of stakeholders identified in the design phase helps to ensure ownership of the project and its results.

5. Appropriate financial planning is crucial in ensuring the sustainability of project outcomes.

Table 3: Overall project rating by region – PCREN

<table>
<thead>
<tr>
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<th>HS</th>
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<th>S2</th>
<th>U</th>
<th>No. of projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>North</td>
<td>3.35</td>
<td>6</td>
<td>4</td>
<td>0</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td>West</td>
<td>3.00</td>
<td>1</td>
<td>7</td>
<td>2</td>
<td>1</td>
<td>11</td>
</tr>
<tr>
<td>Southern</td>
<td>3.06</td>
<td>2</td>
<td>11</td>
<td>4</td>
<td>0</td>
<td>17</td>
</tr>
<tr>
<td>East</td>
<td>3.11</td>
<td>1</td>
<td>7</td>
<td>1</td>
<td>0</td>
<td>9</td>
</tr>
<tr>
<td>Central</td>
<td>3.20</td>
<td>3</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Multiple Regions</td>
<td>2.71</td>
<td>1</td>
<td>4</td>
<td>6</td>
<td>2</td>
<td>13</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>3.04</strong></td>
<td><strong>14</strong></td>
<td><strong>34</strong></td>
<td><strong>13</strong></td>
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