
Executive Summary

June 2020
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Objectives of the Evaluation

The overall objective of this evaluation is to assess the relevance of the Bank Group's Strategy for Addressing Fragility and Building Resilience in Africa (hereinafter referred to as the Strategy) and the Bank's effectiveness in its implementation. The evaluation has two specific objectives: the first is an accountability objective, reporting to stakeholders on the Bank's relevance and performance in addressing fragility and building resilience in Africa; the second is learning, as the lessons from the evaluation will inform the Bank's future Strategy for fragility.

Evaluation Scope and Issues

The evaluation covered the Bank's assistance to Low-Income Countries eligible for the African Development Fund (ADF) and featured permanently or temporarily on the Bank's lists of Transition States during the 2014-2019 period.

The evaluation was designed to address the following four main questions: (i) To what extent has the Bank Group's assistance to Transition States been strategically relevant and adapted to the context of fragility? (ii) To what extent has the Bank's approach in Transition States evolved over time to allow it to operate differently in order to enhance its efficiency? (iii) To what extent has the Bank Group's assistance to Transition States produced the expected outcomes and contributed to reducing fragility while building resilience? and (iv) To what extent are the outcomes of the Bank's assistance to Transition States sustainable to help create an enabling environment for the long-term objective of exiting fragility while building resilience?

Methodology

The evaluation was guided by the IDEV Evaluation Policy, the OECD/DAC criteria and the Evaluation Cooperation Group’s Big Book on good evaluation practice standards. The evaluation is based on the Theory of Change. The construction of the Theory of Change identified relevant issues underscoring the complexity of the environment in which the Bank operates to deliver results in a context of fragility. The evaluation used a mixed method (quantitative and qualitative) that triangulated several information sources to answer the evaluation questions.

The evaluation consisted of six interdependent components: (i) a review of the Bank's Transition States portfolio; (ii) a meta-analysis on aspects of fragility; (iii) an institutional comparative analysis focusing on the World Bank (WB), the European Union (EU) and the French Development Agency (AFD); (iv) e-surveys of Bank and Transition States’ staff; (v) case studies with field visits to four Transition States (Liberia, Democratic Republic of Congo (DRC), South Sudan and Chad); and (vi) an analysis of gender mainstreaming in Regional Integration Strategy Papers (RISPs), Country Strategy Papers (CSPs) and Bank operations in Transition States.

Limitations and Mitigation Measures

The design and implementation of this evaluation faced the following major constraints: (i) the low number of operations approved during the Strategy (2014-2019) with “completed” status, eligible for outcome analysis; (ii) the unavailability or poor quality of existing secondary data; (iii) limited access to some project sites for security reasons or due to difficult access; and (iv) low response rates for electronic surveys. To preserve the robustness of
the evaluation results, the team took the following mitigating measures: (i) extension of projects eligible for case studies to projects approved during the previous Strategy (2008-2013); (ii) increase in the number of people interviewed (448 people, some of them by telephone); (iii) use of relevant reports/studies from other partners; and (iv) non-inclusion of the findings of the survey of Transition States nationals due to the low response rate.

Relevance of the Strategy

The Strategy’s relevance was deemed satisfactory overall. It is consistent with the Bank’s Ten-Year Strategy (TYS) and other specific strategies. In addition, its three priority focus areas were relevant in meeting the specific needs of Transition States. Lastly, the Strategy is of good quality, despite some shortcomings.

The Strategy is consistent with the Bank’s TYS and other Bank strategies. The Strategy was designed to guide the Bank in the implementation of the TYS from a standpoint of fragility. Moreover, fragility was one of the three focus areas of the TYS. Lastly, the Bank, through the TYS, undertook to make its twofold objective of inclusive growth and transition to green growth central to its engagement in Transition States.

The Strategy is consistent with the Bank’s specific strategies. The Strategy does not propose new focus areas of intervention outside the TYS. It focused the Bank’s interventions in Transition States on three priority areas in relation to the specific needs of Transition States which include: (i) building state and institutional capacity; (ii) fostering inclusion and building resilience; and (iii) strengthening leadership in dialogue, partnership and advocacy on fragility issues. These three thrusts build on the Bank’s Governance, Private Sector Development, Gender, Youth Employment strategies and the High 5s.

The quality of the design is good, although it is more focused on responsiveness than prevention. The Bank has a clear definition of fragility and its concepts. The Strategy’s vision and objective are clear, but it does not make prevention one of its principles of engagement. Moreover, the challenges of migration and forced displacements as a source of fragility are not sufficiently taken into account. Lastly, the quality of its results framework is overall satisfactory though it does not take into account the third priority focus area of intervention.

Approach and Actions

There are still some major challenges, although the Bank has adopted a different and systematic approach and actions to meet the significant and shifting needs of Transition States.

The Bank stepped up its commitments in Transition States during the period under review in a context of declining ADF resources. During the 2014-2019 period (ADF-13 & 14), the Bank approved operations totalling 4.7 billion units of account (UA) in Transition States. This corresponds to a 51% increase compared to the 2008-2013 period, despite a 17.9% decline in ADF resources over the same period. (In effect, the ADF decreased from UA 4,981.8 billion (ADF-13) to UA 4,088.1 billion (ADF-14).) This can be explained by the 7.5% increase in the Bank’s Transition Support Facility (TSF) resources and the mobilisation of other financing instruments (ADB window, Trust Funds, etc.). The TSF provides additional resources to Transition States via three pillars (i) support efforts to develop; (ii) arrears clearance to enable eligible countries to normalise relations with the international community and access debt relief; and (iii) support for critical capacity building interventions and technical assistance that cannot be adequately addressed through standard projects and instruments.

The Bank has taken several initiatives that have scaled up the share of Non-sovereign operations in the portfolios of Transition States. Upstream budget and institutional support was provided to improve the business climate and build the capacity of actors. The Bank also took other downstream initiatives (loans, equity, PPPs; credit and risk
guarantees, private sector development facility, etc.) to encourage private businesses to invest in Transition States. As a result, the private sector’s share of the Bank’s total commitment in Transition States increased from 8% in 2016 to 12% in 2018. This is reflected in the approval of 15 Non-sovereign Operations (NSOs) for nine Transition States.

TSF resources have a satisfactory absorption rate at the level of its Pillars I and III. Conversely, its volume and scope did not allow the Bank to respond adequately to certain difficult situations. Through TSF Pillars I and III, the Bank financed 88 projects in 21 Transition States between 2014 and 2019, with a cumulative absorption rate of 95%. On the other hand, Pillar II resources (payment arrears) could not be used because eligible countries did not meet the relevant conditions. The Bank’s unallocated Pillar I reserves have allowed for substantial and rapid intervention in contingency situations such as the Ebola outbreak in Guinea, Sierra Leone and Liberia. However, the TSF’s limited resources and eligibility criteria do not allow the Bank to intervene at scale to address the multifaceted and evolving factors of fragility and associated inequalities such as exclusion, irregular migration and forced displacement. In order to better address these particular challenges, the World Bank set up in 2018 a USD 2 billion financing window to provide rapid support to low income countries with internally displaced persons or hosting large numbers of refugees.

The Bank prepared 64 knowledge products related to fragility, including 35 Resilience and Fragility Assessments (RFAs) for 21 Transition States and four regions. Four RFAs were conducted jointly with other partners, including the WB, the EU and the United Nations System (UNS). In addition, 11 Regional Member Countries (non-fragile) were the subject of specific assessments in particular situations. In 2018, the Bank adopted the Country Resilience and Fragility Assessment (CRFA) tool. Optimal use of the CRFA is expected to build the Bank’s analytical capability on issues of fragility. However, the CRFA was designed based on seven dimensions of fragility, while the Strategy addresses only four dimensions. Lastly, the consideration of resilience in CSPs has grown in importance with the application of the CRFA.

Application of the fragility lens has improved at the level of regional and country strategies. Efforts are still required at the level of operations. The review of three RISPs and 15 CSPs approved from 2014-2019 showed that the application of the fragility lens was effective for 80% of the CSPs, some with inadequacies. On the other hand, application of the fragility lens was effective in 45% of the 49 operations reviewed in the four countries visited. The low number of sector staff trained for this purpose and the low human capacity of the RDTS partly explain this situation. The dimensions of fragility were relatively well covered with the exception of the environment and natural resources. Gender mainstreaming is effective in 60% of operations. The contribution of operations to resilience is not clear.

The Bank has shown flexibility and responsiveness, but no selectivity. The Bank has shown great adaptability to better respond to the changing specific needs in the four Transition States studied. Conversely, these case studies revealed the Bank’s difficulty in reconciling flexibility and selectivity. Indeed, the Bank is present in nine sectors in the DRC, six in Liberia and five each in Chad and Sudan.

In the countries visited, the Bank has shown satisfactory continuity in its commitment at national or sectoral levels. At the national level, the Bank remained engaged in the DRC despite the political crisis and unrest in Kasai. In all the four countries studied, the Bank remained engaged in the focus areas of intervention where it has accumulated experience.

The Bank has made progress in adapting its policies, rules and procedures to situations of fragility. Aspects of fragility have been satisfactorily mainstreamed into the new annotated RISP and CSP templates as well as into the Bank’s 2015 procurement policy. Work is underway to mainstream fragility into the performance-based
resource allocation (PBA) system and the Bank’s Operations Manual. This progress could be improved with good Bank-wide ownership of the Strategy. The recurrent use of waivers to exempt certain Transition States from the national counterpart contributions for investment projects shows the need to continue and speed up the adaptation of policies, processes, instruments to situations of fragility.

**Institutional Effectiveness**

The Bank has made progress in building its institutional capacity to be effective in Transition States. Efforts are still needed.

The Transition Support Department (ORTS) has been downgraded from a department to the Transition States Coordination Office (RDTS) under the new Development and Business Delivery Model (DBDM). From 2014 to end-2019, the number of professional level staff in RDTS decreased by 30%, from 23 to 16, with two vacancies. This limited the operational capabilities of the entity.

The Bank has moved closer to Transition States even if progress remains to be made: The number of Country Offices in Transition States increased from 13 in 2015 to 15 in 2019 with the opening of the Niger and Guinea Country Offices. Professional level staff (local & international) increased by 12% in Transition States from 82 in 2015 to 92 in 2019. However, the Bank, at the time of the evaluation, had not yet succeeded in its objective of managing at least 50% of the portfolio from Country Offices at the end of 2019. This rate stands at 28.5%, 17%, and 0% respectively in the DRC, Chad and South Sudan, where the core team moved to Juba in December 2019. Liberia is the only exception with a rate of 83% of its active portfolio managed by the Country Office.

Bank staff believe that working in Transition States is not sufficiently recognised and valued by the institution, particularly in terms of career development as it is apparently the case in other sister institutions, namely the WB. In 2017, the Bank reviewed specific benefits for staff working in Transition States based on the level of risk incurred. These include: (i) monthly hardship allowances, (ii) home leave; (iii) rest and recuperation, and risk allowance. There are specific security arrangements depending on the risk level. However, the staff consulted feels that these benefits offer very little motivation to work in a Transition State. At the WB, working in a Transition State is an advantage for career development.

The Bank trained more people on fragility issues than planned, but it failed to train its staff in charge of project preparation and implementation. More than 445 staff members were trained on applying the fragility lens and the CRFA, including almost 83% of the Country Economists. Other training sessions involved representatives of the Regional Member Countries and other partner institutions. However, training reports indicate that very few sectoral and operations staff were trained.

**Reducing Fragility**

Overall, the Bank’s support has produced concrete results, but not enough to significantly change the situation of Transition States.

The Bank has achieved tangible results in state-building and institutional stability; however, these results fall short of set targets and resources deployed. Modest progress has been made in terms of non-oil domestic resource mobilisation in South Sudan and Chad, and overall, Public Finance Management systems continue to have serious inadequacies.
In terms of transparency, all four countries lost spots in the Transparency International index rankings from 2014 to 2018. Liberia lost 37 spots, South Sudan 7, DRC 6 and Chad 2.

Regarding business climate, the three countries in which the Bank has been active (DRC, Chad and Liberia) each lost 5 spots in the Doing Business rankings from 2016 to 2020.

Modest progress was made in Public Finance Management, without improving the Country Policy and Institutional Assessment (CPIA) scores of the four countries. On the contrary, their scores deteriorated over the period, particularly in terms of economic management, structural policies and governance.

The Bank’s support improved access to basic services (water and sanitation, roads, energy) in all countries. These outcomes are sometimes modest relative to the needs of the population such as the provision of large-scale access to electricity in Liberia.

In Liberia, the national electricity access rate improved from 10.1% to 19.3% from 2013 to 2016. More than 16,500 new connections were made in the peri-urban areas of Kinshasa in the DRC.

Regarding transport, travel time between the regions and the city fell by 15% in Liberia. In the DRC, the National Highway 1 (RN1) has very significantly reduced the time and cost of transport between Kinshasa and the greater Kasai region. The price of rice has fallen by 30% and that of salt by 50%. In addition, the road has had a positive impact on security and social cohesion in Kasai, plagued by inter-community conflicts.

In addition, other results were recorded in the rural development and water and sanitation sectors in the DRC and Chad. The Bank intervened on an emergency / humanitarian basis during the Ebola epidemics (Liberia and DRC), on a humanitarian basis during the floods in DRC and the famine in South Sudan. However, the outcomes have not been enough to produce an overall positive impact on social inclusion and equity in these countries. A comparative analysis on the basis of Project Completion Reports (2014-2019) shows that overall, projects in Transition States performed worse than projects in non-fragile ADF countries in terms of effectiveness, efficiency and sustainability. Only the relevance criterion shows better performance in Transition States projects.

The Bank has been very active in terms of partnerships and dialogue on fragility issues at international and regional levels. At country level, the situation varies from one country to another. The Bank has established several partnerships at the international and regional levels with the objectives of (i) playing a leading role in discussions on fragility in Africa and (ii) strengthening regional responses in its focus areas of intervention and beyond, particularly on political and security issues. Interlocutors from other institutions have acknowledged the Bank’s growing leadership on fragility issues. In the four countries studied, the Bank has been a reference partner for aid coordination in Chad and has provided leadership in the road sector in Liberia and the DRC. In South Sudan, despite significant potential, the Bank’s role has been undermined by its limited physical presence in the country.

Partnership with civil society organisations (CSOs) and the private sector remains mostly limited to consultations during preparation missions for CSPs and/or certain operations and rarely culminates into concrete cooperation actions. The lack of an appropriate instrument seems to be the main reason.
A number of factors have helped or hindered the Bank’s performance in producing results, the most important of which are: Favourable factors: (i) the Bank’s experience in infrastructure; (ii) the Bank’s status as a partner of choice; (iii) the integrated approach which ensured strong projects synergy etc.; Unfavourable factors: (i) the difficult economic, political and security contexts, lack of selectivity; (ii) modest budget allocations relative to the huge needs of Transition States; (iii) lack of political will to implement certain reforms; (iv) lack of a holistic approach; (v) lack or inadequacy of staff in Country Offices (South Sudan, Chad and DRC), etc.

Efficiency

The Bank’s performance in terms of compliance with schedules was deemed unsatisfactory overall. The Bank experienced delays in the Strategy’s implementation. 40% of the 10 commitments assessed out of the Strategy’s 11 were fully completed by the end of 2019. At the operational level, budget support operations were implemented rapidly (Chad and Liberia), but most infrastructure projects and emergency assistance operations suffered significant implementation delays.

Sustainability

The sustainability of outcomes in the four countries was deemed unsatisfactory despite generally satisfactory technical compliance and some good examples of ownership. Sustainability remains a priority concern in Transition States. Several factors explain this finding. At the level of reforms, high mobility of qualified staff and lack of political will are the main reasons. In the case of infrastructure, despite good achievements, the sustainability of infrastructure is imperilled by weak institutional capacity, lack of ownership and limited resources for maintenance.

Recommendations

IDEV makes the following recommendations:

1. Revise the Strategy to make prevention one of its principles of engagement and strengthen its overall relevance by aligning its dimensions of fragility with those of CRFA while taking into account migration and forced displacement as potential factors of fragility. Clear guidance should be given to improve selectivity in the context of fragility.

2. Strengthen the presence of the Bank in Transition States and the “One Bank” approach in the design and implementation of the future Strategy while continuing to adapt policies, strategies, instruments, rules and procedures to situations of fragility.

3. Create conditions to better mainstream cross cutting issues such as gender, youth employment, dimensions of natural resources and climate change in the RISPs, CSPs and Bank operations in Transition States.

4. Focus on an integrated approach (strong synergy) for investment projects and a structural approach to capacity building while adapting the instruments and financing arrangements of the Private Sector Window to the realities of Small and medium-sized enterprises (SMEs) in Transition States.

5. Improve the motivation of staff working in Transition States by further improving living and working conditions while ensuring working in a Transition State is an advantage for their career development within the Bank.
About this Evaluation

This report presents the findings, conclusions, lessons and recommendations of the independent evaluation of the African Development Bank Group’s (AfDB or “the Bank”) Strategy for Addressing Fragility and Building Resilience in Africa for the period 2014-2019. During this period, the Bank approved operations totaling 4.7 billion units of account in 22 transition states. The evaluation draws on nine background reports and a range of other tools such as focus group discussions and interviews with key stakeholders, including direct beneficiaries.

This evaluation highlights the main issues for consideration by the Bank’s Management and Board of Directors. It is timely, as it comes at the end of the current Bank Strategy. As such, the evaluation had two objectives, namely: (i) to report to stakeholders on the performance of the Bank’s assistance in transition states; and ii) to draw lessons from the Bank’s experience to inform its future Strategy in transition states.

Five recommendations emerged from this evaluation, in particular i) revise the Strategy to make prevention one of its principles of engagement and strengthen its overall relevance; ii) strengthen the Bank’s presence in transition states and the “One Bank” approach in the design and implementation of the future Strategy; iii) create conditions to better mainstream cross cutting issues such as gender, youth employment, dimensions of natural resources and climate change in the Regional Integration Strategy Papers, Country Strategy Papers and Bank operations in transition states; iv) promote an integrated approach in transition states for investment projects and a structural approach to capacity building; and v) improve the motivation of staff working in transition states.