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Côte d'Ivoire: Evaluation of the Bank's Strategy and Program 2006–2016 Executive Summary

An IDEV Country Strategy Evaluation



AFRICAN DEVELOPMENT BANK GROUP

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Executive Summary

Background and Context

This document is a summary of the main observations following the evaluation of the African Development Bank's strategy in Côte d'Ivoire for the 2006-2016 period. The evaluation was initiated and conducted by the Bank's Independent Development Evaluation Department (IDEV).

In terms of methodology, the evaluation is based on 10 evaluation questions and two crosscutting analyses. The first relates to the identification of fragility factors and the Bank's response to them. The second analysis relates to the choice of financing arrangements.

Bank Strategies and Program for the Period 2006–2016

At the beginning of the period, the Bank's primary objective was to foster a return to normal conditions, conflict resolution and international re-engagement. However, the Bank's successive strategies quickly moved towards economic recovery and the strengthening of governance and social cohesion. The Bank started implementing a full Country Strategy Paper (CSP) in 2013.

During the period 2006-2016, the Bank financed 35 projects in Côte d'Ivoire, totalling more than UA 1 billion. It supported projects in seven areas of activity, with more than three quarters of its support concentrated in three sectors – transport (39%), energy (20%) and social (17%).

Achievement of Development Outcomes

The relevance of the Bank's strategy in addressing Côte d'Ivoire's needs is deemed satisfactory. The Bank was able to adapt its strategy to the changing environment since the resumption of cooperation following the 2007 Ouagadougou Peace Agreement,

with the 2011 post-electoral crisis management and support for the Ivorian Government's recovery strategy as from 2012.

The design of projects was deemed satisfactory overall, even though the intervention logic was not sufficiently clear for some projects in the social sectors. With regard to targeting, the Bank's successive strategies were marked by a constant concern over social inclusion.

The effectiveness of the Bank's interventions is rated satisfactory overall. Most of the interventions generated the expected outputs, albeit with some variations based on the sector involved. Infrastructure projects generated the expected outputs in a highly satisfactory manner, thus demonstrating the particular effectiveness of some of its interventions, namely transport (HKB) and energy (AZITO, CIPREL) infrastructures. In the agricultural sector, projects (or project components) achieved expected outputs in a generally satisfactory manner, although some projects had difficulty delivering on all expected targets. On the social front (basic social services, social cohesion, sector governance), the achievement of expected outputs is also deemed generally satisfactory, except for the special GBV component of the Multi-sector Post-crisis Project and certain dimensions of the Youth Employability and Integration Improvement Support Programme (PAAEIJ). With regard to the water and sanitation sector, the level of achievement was also satisfactory through the Gourou Integrated Watershed Management Project (Gourou Project).

The achievement of outcomes is deemed satisfactory overall. However, the effectiveness of some projects, notably in the social sector, is rated as unsatisfactory.

In the transportation area, the achievement of outcomes by the HKB Bridge Project is deemed satisfactory. The amount of traffic in 2016 was estimated at 76% of the target, road users can now join Marcory from

Cocody in 15 min; while the expected outcomes in terms of job creation exceeded targets, during both the construction and operation phases. By contrast, the expected outcome in terms of public revenue increase was not achieved in 2016.

With regard to electricity, the achievement of outcomes is deemed highly satisfactory. As expected, AfDB's contributed to increasing the national electricity generation capacity by more than 20%.

In the water and sanitation sector, the Bank's contribution, encapsulated in the outcomes of the Gourou Project (at the completion stage) is meeting expectations in a satisfactory manner, particularly in terms of securing the Indenié Junction, which is now accessible during the rainy season, and in terms of improved living conditions for beneficiaries.

The Bank's contribution in the agriculture sector is rated satisfactory overall. The resumption of State services in the sector is effective in the Central, Northern and Western (CNO) regions, while agricultural activities have recovered, particularly with the improvement in yields and the marketing networks.

In the social sector (basic services, governance, social cohesion), the overall satisfactory assessment of project outcomes does not reflect mixed results among projects. Out of the five projects considered in analysing these results, three were deemed satisfactory (PAIMSC-Education; the PURSSAB - capacity building, and PARICS), and one was considered unsatisfactory (PAIMSC-Health), while one (PAAEIJ) could not be scored because the causal relationship between project outcomes and outputs was not clearly established in accordance with the reconstituted intervention logic.

Policy dialogue is rated satisfactory in general over the entire period. It was particularly important at the beginning of the period to ensure that full cooperation could resume. The Bank's subsequent strategies and particularly the 2013–2017 CSP, systematically included ambitions with regard to policy dialogue. Nonetheless, the strategic ambitions of the full 2013–2017 CSP were not achieved and the dialogue ended up focusing more on the sectoral aspects of projects.

The Bank's response to emergency situations was overall deemed unsatisfactory. The Bank provided emergency assistance by complementing the necessary resources of other stakeholders in response to humanitarian or health crises. However, significant delays in granting aid compromised the achievement of the objectives sought.

The Bank's efficiency in managing the portfolio is rated as satisfactory overall. However, there was some variability depending on the type of projects or criteria used: (i) compliance with the timetable for budget support and private sector projects; (ii) highly satisfactory internal rates of return for the two infrastructure projects in the electricity sector, but more problematic in the case of the HKB Bridge, given the gaps when compared to the initial projections; and (iii) significant delays with respect to investment projects' timetables.

Implementation delays remain an issue of concern for investment projects. The weak national capacity and the slow approval of procurement documents, difficulties in releasing counterpart funding, and late issuance of the Bank's notice of non-objection appear to be the main causes of project implementation delays.

Measures to improve the portfolio and the Bank's return to its Headquarters were positive factors. The main Bank portfolio performance indicators in Côte d'Ivoire started improving in 2015.

The sustainability of Bank operations results is deemed satisfactory for private sector operations, which are conducted by private operators with sovereign guarantee. **Sustainability is unsatisfactory for public sector operations,** in particular at the beginning of the period when focus shifted on addressing fragility factors, which did not integrate sustainability as a major issue of concern at the time. Nonetheless, the sustainability of interventions was given more consideration and improved over the evaluation period. That concern became more and more significant in the formulation of development interventions in the 2013–2017 strategy.

The review of **crosscutting aspects** included gender, environmental management and employment.

The mainstreaming of gender into the Bank's strategies and programmes in Côte d'Ivoire is generally satisfactory. From a strategic standpoint, the Bank gradually integrated gender equality into its framework documents. However, it is the 2013–2017 CSP that reflect the strongest level of gender sensitivity. Gender is more or less directly mainstreamed into the Bank's different projects, primarily in social/governance projects. The evaluation showed that progress has been made with regard to gender in connection with the Bank's interventions. A case in point is PAIMSC, where the various components – health, education and income-generating activities- paid particular attention to women. In all, positive outcomes were achieved with regard to gender in connection with the Bank's interventions, but they are modest when compared with the magnitude of the issues at stake.

The incorporation of environmental concerns into strategies and operations is overall satisfactory. The analysis showed that strategies do not explicitly include objectives geared towards the environment in general, or to one of its components in particular. However, at the end of the 2006–2016 period, the environment appeared as a crosscutting issue in some of the results sought by the CSP.

Projects are not designed in a manner clearly geared towards green growth, despite the potential. The analysis shows that although some projects are not clearly geared towards “green growth”, they may contribute to such growth through the impacts that they generate. In this regard, the Bank has supported and continues to support programmes and projects with significant potential in order to generate positive environmental impacts and thus address some environmental fragility issues in Côte d'Ivoire. Infrastructure projects financed by the Bank include favourable responses to unsustainable urban growth and the related pollution. With the Gourou Project, for example, it is possible to find a favourable long-term solution to the pollution of the Ebrié Lagoon by intervening in a very densely populated area (watershed with close to three million people). Lastly, the improvement of the operational efficiency of the AZITO and CIPREL power generating stations will help optimize their CO₂ balance.

Employment is an explicit strategic objective in the Bank's 2013–2017 strategy. The 2013–2017 CSP put greater emphasis on employment, especially that of young people, since it represents a major challenge in connection with the objectives of stability. To that end, the Bank put emphasis on dialogue with the Government through specific operations designed to boost employment, especially for young people.

The impact assessment shows that the Bank made a satisfactory contribution to Côte d'Ivoire's remarkable progress in terms of reduction of fragility factors, conflict resolution and economic recovery. The reduction of fragility factors is clearly demonstrated by the changes in the Country Policy and Institutional Assessment (CPIA) index, which was extremely low following the crisis but exceeded the overall African and regional (West African) average in 2015. The Bank positively contributed to addressing the crisis and Côte d'Ivoire's transition with regards to the fragility, post-crisis, social and economic components. For both the social and economic components, the impact of the Bank's interventions was significant. Field visits confirmed the impact of the PAIMSC and PURSSAB programmes on the resumption of public services (education, health and access to water), particularly in the Central, Northern and Western regions.

Côte d'Ivoire started recording strong economic growth in 2012, exceeding 8% on average between 2012 and 2015. The Bank's different budget support efforts contributed to macro-financial stability and supported reforms. The Bank's participation in major infrastructure projects in the transport, electricity and water and sanitation sectors contributed to boosting growth. Interventions in the agricultural sector helped to enhance production, output and marketing. Support in the education sector should contribute to improving the alignment of training with employment.

Bank's Performance

The Bank's performance in Côte d'Ivoire is overall satisfactory, despite some weaknesses in specific areas. This rating is based on the following: (i) the Bank was a reliable partner in supporting

the process of crisis resolution and in specific emergency situations; (ii) the Bank made good use of various sources of financing and different means of intervention; (iii) the interventions generated tangible outcomes that contributed to the progress achieved by Côte d'Ivoire since the end of the crisis. This positive overall assessment is confirmed in the stakeholder survey, wherein most respondents have a favourable opinion about the Bank's interventions in Côte d'Ivoire over the past 10 years.

The Bank's successive strategies in Côte d'Ivoire have been marked by a constant concern for social inclusion, a fact that is well appreciated by the stakeholders.

Principally, the Bank mobilized three forms of assistance: projects (with a difference between projects executed through delegated contracting and entrusted to the United Nations system, and projects executed by the Ivorian authorities); support for public-private partnerships (PPPs); and support for comprehensive and sector-based reforms. These forms of assistance were overall satisfactory, except for some reservations for some of them.

Budget support operations contributed to macro-budgetary stability and helped fostering policy dialogue on sector-based reforms, particularly in the case of the PAAEIJ. However, the actual contribution of support to the ministries concerned was limited because a portion of the amounts granted went to specific activities, in a context where the still-limited credibility of the budgetary process, as revealed by the Public Expenditure and Financial Accountability Framework (PEFA) evaluations, might limit the use of the instrument.

The three PPPs analysed (HKB Bridge, AZITO and CIPREL) helped facilitated execution of the expected investments on schedule and without cost overruns. The level of services of the three projects is highly satisfactory. These outcomes are attributable to the use of the PPP mechanism. However, while the PPPs facilitate public infrastructure financing, they present some risks in that the financing is generally based on the State's commitments, which may have potentially significant budgetary consequences, as in the case of the HKB Bridge.

The aim of the project approach is to focus interventions on specific issues. Projects offer AfDB greater visibility as a partner to different stakeholders, but the projects studied as part of this evaluation revealed a number of weaknesses. In several cases, the quality of design was not satisfactory, the sustainability conditions were not met and the projects experienced significant implementation delays.

Several weaknesses were also noted with regard to Bank supervision, in particular the availability of implementation reports and project achievements (more specifically mid-term reports, reports on the monitoring of social and environmental measures and on implementation of emergency assistance). The monitoring of budgetary support performance, with focus on highly detailed outputs, could becloud the overall sector policy objectives. These implementation difficulties are largely shared by the stakeholders, who identify "implementation monitoring" and "implementation modalities" as the main areas that should be improved in future Bank projects.

All stakeholders met held high expectations regarding the Bank at various levels, including areas of intervention and level of policy dialogue. While the Bank is a major financial partner, these expectations reveal a lack of visibility of its interventions and the difficulty that the Institution faces in carving out a specific status and image that reflects its involvement in supporting Côte d'Ivoire's development strategy, even though its Headquarters is in Abidjan. The low visibility is also due to the types of financing, for instance budget support and PPPs, where public communication about donors remains low-key. Furthermore, the absence of a team devoted to Côte d'Ivoire and the limited knowledge generation initiated by the Bank play a role in reducing its visibility in relation to the country's specific challenges.

Country Performance

Côte d'Ivoire has played a leadership role in coordinating donor interventions through clear strategies and establishment of an adequate institutional framework. The Bank's interventions fell

within that framework. By contrast, aid coordination remains unstructured and development partners meet with the Government on an individual basis.

To implement its operations, the Government often took specific measures in relation to its own procurement rules or budgeting process.

Furthermore, in order to improve the absorption capacity and the rational use of resources, the Government established the External Resource Mobilization Committee (COMOREX) to monitor commitments and undertake audit/supervision missions.

While these initiatives helped to achieve the objectives pursued and accountability, they also illustrate the difficulties in following the procedures established for the use of national systems. Further, difficulties in fulfilling conditions precedent also considerably impeded the implementation of some projects.

Conclusions and Recommendations

The Bank's actions in Côte d'Ivoire over the 2006–2016 period were generally positive. The Bank was a reliable partner, offering support during the crisis resolution process and in specific emergency situations. It also made good use of its sources of financing and different forms of intervention by adapting appropriately over the period to the country's circumstances. Its interventions generated tangible outcomes that contributed to the progress achieved by Côte d'Ivoire since 2006.

However, challenges that the Bank has not been able to fully address remain:

- Despite the remarkable progress made by Côte d'Ivoire over the decade, fragility factors persist and might jeopardize the country's development outlook. One of the major challenges is to satisfy strong social demand owing to the absence of any significant improvement in addressing poverty and inequality.
- The presence of the Bank's Headquarters in Côte d'Ivoire has many advantages for both the Bank and the host country, but also some disadvantages.

This evaluation brought to light two issues in this regard. Firstly, all stakeholders expect the Bank to be more involved in Côte d'Ivoire's development strategy in terms of volume of assistance and areas of intervention, and improvement of policy dialogue. Secondly, there is an apparent contradiction between the Bank's obvious proximity and the difficulty for Ivoirians to find the appropriate interlocutor.

- The evaluation brought to light weaknesses in the quality of the design of several interventions. The principal limitation found with several interventions, in particular those in the social sector, is the intervention logic, which does not establish sufficient linkages between the outputs and the expected outcomes, in order to attain of the overall objective. Other weaknesses included the absence of baselines and the non-quantification of objectives.
- Discussions with the stakeholders involved in implementing Bank-funded operations helped address issues related to programme dynamics and supervision: bureaucracy, high mobility of project managers, inadequate monitoring and evaluation.
- The analysis of the Bank's emergency assistance operations pointed to several challenges related to guidelines and intervention modalities, rigorous project execution and monitoring. The Guidelines for Emergency Relief Assistance (2008) do not explicitly list health risks among the types of situations where the Bank plans to intervene rapidly. Yet, the Bank has provided support in biosecurity, particularly in response to the avian flu (and its resurgence) and to the Ebola epidemic. The emergency interventions in Côte d'Ivoire were also not implemented as scheduled and were sometimes conducted to the detriment of an adequate response to pressing needs.

The evaluation proposes the following recommendations in connection with these general conclusions:

Recommendation 1: Provide strategic support to Côte d'Ivoire for more inclusive growth, with a view to reducing poverty and inequality nationwide.

To support the Government of Côte d'Ivoire in this area, the Bank should intervene in the two areas where it has the expertise and recognized experience, namely improving economic governance and providing socio-economic infrastructure, by seeking to target the most vulnerable people in its direct interventions or in the policies that it supports.

This strategy should also more clearly incorporate the main environmental issues affecting Côte d'Ivoire: climate change and the country's commitments made at COP21, land resources management (agriculture, deforestation, management of protected areas) and issues related to demographic pressures (mobility, water and sanitation). Taking these issues into consideration should create opportunities for sustainable development.

The concern over a better incorporation of gender issues into the Bank's strategy in Côte d'Ivoire has not yet translated into significant or positive outcomes. The goal will be to move gender to the heart of Bank interventions in terms of targeting, implementation and monitoring.

Recommendation 2: Strengthen policy dialogue on strategic issues and support it through relevant analytical work.

The Bank's policy dialogue in Côte d'Ivoire during the 2013–2017 period was more sectoral than strategic, owing to the inadequate use of the budget support instrument and the shortage of relevant analytical work to better structure the dialogue around clear objectives with specific timelines. The Bank could, for example, take initiatives to produce knowledge to feed into the dialogue, while trying to play a leadership role in the sectors where it is deeply involved. In this regard, budget support operations should be used to back reform policies on public finance management or at the sector level as mentioned above. In the design and implementation of these budget support interventions, the Bank should be particularly attentive to the quality of policy dialogue and the coordination of interventions.

Recommendation 3: Complete PPP feasibility studies with systematic analyses of the consequences of sovereign guarantees.

The 2016–2020 National Development Policy (PND) calls for the private sector to contribute 62% of total needs, representing about CFAF 18 719 billion. This provides a real opportunity for the Bank to better meet the high expectations of Ivorians, using the ADB window to establish balanced and mutually beneficial partnerships with Côte d'Ivoire and partners. However, it is also recommended that PPP feasibility studies be complemented by systematic analyses of the consequences of sovereign guarantees. The financing of the HKB Bridge showed the importance of being very attentive to sovereign guarantees for this type of contract. If they are not sufficiently controlled, they may have a major impact on future budgets. With regard to the State budget, it is recommended that a scorecard be kept of all State's commitments and their consequences on future budgets.

Recommendation 4: Enhance the Bank's visibility in relation to its involvement in supporting Côte d'Ivoire's development strategy.

There is need for a clear strategy in terms of more active and more visible participation in policy dialogue, and better communication of the Bank's involvement in supporting the country's development strategy.

Recommendation 5: Strengthen monitoring/evaluation of outcomes achievement with regard to the Bank's operations and strategies.

The response to these issues is vital for the performance of the Bank's interventions and the achievement of demonstrable and lasting outcomes, and should address quality at entry, effective monitoring mechanisms and suitable means of integrating crosscutting issues.

Recommendation 6: Clarify the guidelines and forms of intervention with regard to emergency assistance to ensure that they are better tailored to the risks and sources of fragility, and ensure rapid interventions that hit their targets in as short a time as possible. ■



About this Evaluation

This report presents the main findings of the evaluation of the Bank's strategies, interventions and policy dialogue activities in the Republic of Côte d'Ivoire during the period 2006-2016. This evaluation has a twofold objective of accountability and capitalization of lessons to improve the Bank's future strategies in the country and in transition states more generally. During the evaluation period, five documents framed AfDB cooperation with Côte d'Ivoire, and the Bank financed 35 operations totaling more than UA 1 billion.

The methodological approach was that of a contribution analysis based on the (re) construction of the theory of change in Bank assistance to Côte d'Ivoire. The evaluation revealed that the Bank generally had a positive role in Côte d'Ivoire over the period 2006–2016. It has been a reliable partner in supporting the country's process to exit from the crisis and in specific emergency situations. In addition, the Bank has made good use of its various sources of financing and different types of intervention, adapting itself appropriately to the country's circumstances over the period.

However, challenges that the Bank has not been able to fully address remain; these include: (i) lack of significant reduction in poverty and inequality; (ii) weaknesses in the quality of the design of several interventions; (iii) absence of reference situations or quantified objectives; and (iv) bureaucracy, high turnover of project managers, and inappropriate monitoring and evaluation.

Finally, the evaluation proposes the following recommendations in relation to its general conclusions:

- Provide strategic support to Côte d'Ivoire for more inclusive growth, with a view to reducing poverty and inequality nationwide;
- Strengthen policy dialogue on strategic issues and support it with relevant analytical work;
- Complete PPP feasibility studies with systematic analyses of the consequences of sovereign guarantees;
- Enhance the Bank's visibility in relation to its involvement in supporting Côte d'Ivoire's development strategy;
- Strengthen monitoring/ evaluation of outcomes achievement with regard to the Bank's operations and strategies;
- Clarify the guidelines and forms of intervention with regard to emergency assistance to ensure that they are better tailored to the risks and sources of fragility, and ensure rapid interventions that hit their targets in as short a time as possible.



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