Synthesis Report on the Validation of 2018 Project Completion Reports

Executive Summary

December 2020
IDEV conducts different types of evaluations to achieve its strategic objectives.
Executive Summary

Background

The African Development Bank Group (AfDB or “the Bank”) undertakes self-evaluations of its sovereign operations through Project Completion Reports (PCRs) prepared by the appropriate operations departments. 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 report synthesizes findings from the validation of 65 PCRs prepared in 2018. IDEV committed in its work program to validate these 65 PCRs.

Specifically, this synthesis report summarises the:

- Key results of the 2018 PCRENs focusing on the PCR quality, and the performance of the projects, Bank and borrowers.
- Key lessons for improving the quality of PCRs and project results performance.

This report does not include recommendations, as those made in the 2016 and 2017 PCREN synthesis reports are still valid and being implemented, and are yet to have discernible effects on PCR quality. The Bank’s 2019–2021 integrated quality assurance plan (IQAP) includes actions to implement the recommendations from the 2016 and 2017 PCR validations. The findings of this (2018) review are expected to be disseminated to the Bank’s Board, Management and staff, and shared with the public through discussions, workshops, IDEV activities, and the Bank’s website.

Methodology

The main sources of evidence for this report are the 2018 PCREN technical report and 65 PCRENs prepared by the Centennial International Group. This was complemented with evidence from a desk review of relevant documents. These PCRENs were prepared from the 65 PCRs, approved in IDEV’s 2019 work program. The 65 PCRs were sampled using a stratified random sampling of the Bank’s 99 sovereign projects for which PCRs were completed in 2018. As per the Bank’s “Staff Guidance on Project Completion Reporting and Rating” (2012), each PCR was prepared using the criteria of project performance (relevance, effectiveness, efficiency, and sustainability) and stakeholder performance (Bank, Borrower and other stakeholders), and a four-point rating scale. The rating scale defines a satisfactory performance as a score of 2.5 or better out of the maximum of 4. Specifically, the four-point rating scale comprises: 1.00–1.49 (Highly Unsatisfactory), 1.50–2.49 (Unsatisfactory), 2.50–3.49 (Satisfactory), 3.50–4.00 (Highly Satisfactory).

Each PCR was validated using the evaluation criteria and four-point rating scale above. It was also assessed on the four quality criteria below:

- Monitoring and evaluation (M&E) quality covering M&E design, implementation, and utilization;
- PCR quality, assessed through nine areas: quality and completeness of the PCR evidence and analysis; the objectivity of PCR assessment; internal consistency of PCR assessment ratings; identification and assessment of key factors and unintended effects affecting design and implementation; adequacy of treatment of safeguards, fiduciary issues, and alignment and harmonization; soundness of data generating and analysis process (including rates of returns) in support of PCR assessment; overall adequacy of the accessible evidence (from PCR including annexure and other data provided); clear and evidence-based lessons (and recommendations); overall clarity and completeness of the PCR;
PCR-PCREN ratings disconnect on project performance, defined as the difference between the PCR and PCREN rating scores; and

Compliance with the PCR guidance focusing on PCR timeliness, stakeholder participation in PCR preparation, and provision of the required annexes.

The M&E quality, PCR quality and PCR compliance were rated using the PCR four-point rating scale above, evaluative judgment for the sub-criteria, and averaging for the criteria.

Both quantitative and qualitative data were extracted from the PCRENs and the technical report, and then synthesized and presented in tables and figures. In assessing PCR quality, PCR and PCREN ratings were compared. PCREN ratings were used for the performance assessment. The main limitation was the number of PCRENs, which is sufficient for assessing overall performance but limits conclusions on project performance by sector and region.

Findings

Quality of the Bank’s 2018 PCRs

Satisfactory quality, with scope for improvement: The quality of the 2018 PCRs was, in general, satisfactory, though uneven, with 78% (51) of the 65 PCRs considered satisfactory (Figure ES.1) and the remainder (22%) unsatisfactory. The overall PCR quality score averaged 2.8, well below the maximum of 4. Certain aspects require improvement, including PCR ratings, lessons, recommendations, monitoring and evaluation (M&E), and compliance with the Bank’s guidelines. The weakest PCR quality criteria were (i) soundness of data generation and the provision of data and evidence to back up related conclusions, and (ii) quality/objectivity of analysis.

While 80% of the PCR lessons and recommendations were relevant, most of them were inadequately identified and formulated, indicating the need to enhance Task Managers’ PCR preparation skills for PCR quality improvement.

The PCR quality compliance score, though on average satisfactory, was well below the maximum score of 4 (Figure ES.2).

In general, the PCRs tended to rate project performance significantly higher than the PCRENs. Furthermore, the PCRs exhibited deficiencies in the quality of the evidence, lessons, recommendations, M&E and compliance with the Bank’s guidelines.
Regarding the M&E quality, it improved over the 2016–2018 period and its average score for 2018 was satisfactory (Figure ES.3). It was stronger in M&E design but weaker in terms of adequacy of baseline data and appropriateness of indicators, and its implementation and utilization. The progress reporting of outputs was generally satisfactory, but that of outcomes was weaker.

Performance of the 2018 PCR projects

The review assessed the performance of (i) projects (in terms of the relevance of objectives and design, effectiveness / achievement of development objectives, efficiency, and sustainability), and (ii) stakeholders.

Satisfactory project performance, with scope for improvement: Overall project performance was satisfactory for the combined criteria of the relevance of project development objectives and design, effectiveness, efficiency, and sustainability. It, however, slightly decreased from 77% in 2015 to 74% in 2018 (Figure ES.4). The remaining 26% of projects had unsatisfactory performance, but none was rated highly unsatisfactory. Project performance was strongest on the relevance of objectives and design, but weakest on effectiveness.

Most 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 satisfactory, but the quality of the project results frameworks was weak. Project effectiveness was unsatisfactory, as only 48% of the 65 projects achieved their main development objectives. Projects performed better in delivering outputs than outcomes. Although project efficiency was overall satisfactory, it was limited by substantial delivery delays and cost overruns. Project sustainability was strong in terms of ownership and safeguards, but weak regarding financial and institutional aspects. Projects with high levels of community participation tended to have sustainable benefits.

The performance of the main stakeholders (Bank, borrowers, and other development partners) contributed to project performance and was, on average, satisfactory (Figure ES.5). It was better in terms of the services of the Bank and other development partners than those of the borrowers. Performance was strongest in terms of quality of supervision of the Bank, and of responsiveness of other development partners to client demands, but weakest especially in terms of (i) clients responding to supervision recommendations, (ii) the Bank supporting M&E design, implementation and use, and (iii) the borrower ensuring sustainability of project benefits.
Lessons from the 2018 PCRs and their validation

The Bank values the quality of its PCRs and project results. In its quest for quality and meaningful PCRs and project development effectiveness, the Bank is implementing an Integrated Quality Assurance Plan for the period 2019–2021. This Plan was a response to lessons and recommendations from several diagnostic studies and IDEV evaluations, including the validation of 2016 and 2017 PCRs. From the 2018 PCRs and their validation, multiple lessons have been identified, reformulated, and validated. These lessons were broadly relevant, and some of them were similar to those from the 2016 and 2017 PCR reviews. Most of these lessons were common across the sectors of intervention, regions, and instruments of the Bank. Lessons in the PCRs generally focus on project-specific details rather than strategic or program issues.

The relevant lessons identified in the 2018 PCRs and validated in the 2018 PCRENs, point to the following aspects that matter for quality: (i) project preparation and design; (ii) implementation arrangements and implementation; and (iii) sustainability in different dimensions (institution and capacity building, and ownership). Below are common lessons by theme.

**Project preparation and design**

- Incorporating lessons from previous projects is necessary for quality project design, but not consistently done.
- Adequate time and resources are needed for project preparation. Rushing such arrangements due to political pressure or in emergency contexts risks poor selectivity (of components/outputs) and outcomes.
- Ensuring wider stakeholder consultations is important to effectively capture the views of local communities during the design and formulation stage of projects.
- Projects with adequately identified and assessed risks and mitigation measures are more likely to be successfully implemented.
- Project implementation is likely to be timely and effective when collaborating partners are clearly identified, with clear roles and responsibilities, at project appraisal and inception stages.
- Multinational and regional projects are usually complex and require more time for preparation. The implementation structure needs to reflect the budget limitations and human resource constraints of the participating countries.
- Detailed, realistic, and meaningful designs are key prerequisites to avoiding time and cost overruns in projects.
- Integrating operations and maintenance and associated budget into project design is important for successful project implementation and results.

**Implementation arrangements and performance**

- Continuity of the same implementing Task Manager and team is a significant factor in a project’s success.
Addressing upfront the issue of delays in the payment of counterpart funds is important, as delays can result in increased costs.

Inadequate implementation of a project’s M&E framework can critically limit the available project information for evaluating performance and for learning from experience.

Effective project M&E systems require adequate human capital with the appropriate skills and competencies, funds, institutional arrangements, material resources, and management commitment to using the M&E outputs.

Project supervision missions are invaluable sources of information for improving implementation quality. They allow corrective measures to be taken to remove or manage any threats to the attainment of project targets.

Project Mid-Term Reviews are necessary for good implementation and should be done at the most appropriate point of the project cycle; for example, an early Mid-Term Review is essential where there are persistent implementation issues.

Multi-country projects need strong and effective joint coordination structures.

Development of knowledge products and their effective dissemination are necessary to facilitate behavioral change and to guide the design and successful execution of future projects.

Involvement of relevant government agencies and national civil society organizations early in the project cycle is critical for improving the sustainability of project outcomes.

Effective community participation (in design and implementation) is essential for sustaining project benefits, particularly in highly challenging operating environments.

With the effective participation of independent service providers, water systems are more likely to be sustainable.
About this evaluation

Each year, the African Development Bank Group ("the Bank") undertakes self-evaluations of its sovereign operations through Project Completion Reports (PCRs) prepared by the appropriate operations departments. IDEV validates the PCRs and prepares PCR evaluation notes (PCRENs) and a synthesis report on each year’s PCRENs.

The 2018 PCR synthesis report validated findings from 65 PCRs. The sample covered PCRs in the following sectors: finance (3), environment (5), social (5), agriculture (6), transport (7), water supply and sanitation (8), power (9), and multi-sector projects (22).

The report assesses the relevance, effectiveness, efficiency, and sustainability of the Bank’s 2018 projects and draws lessons to inform decisions by the Bank’s Board of Directors and Management regarding future programming and the delivery of the High 5s and the Bank’s Ten-Year Strategy 2013–2022.

It also reports on the quality of the 2018 PCRs, including their compliance with Bank guidelines, the quality of monitoring & evaluation, and the disconnect in ratings between PCRs and PCRENs.

This report does not include recommendations. The recommendations made in the 2016 and 2017 PCREN synthesis reports are still valid, are being implemented and are yet to have discernible effects on PCR quality.