Evaluation of AfDB Road and Port Projects (2012–2019)

Project Cluster Evaluation

Executive Summary

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Executive Summary

This summary report presents the key findings and lessons of an independent cluster evaluation of 18 transport projects approved by the African Development Bank Group (AfDB or the Bank) across the African continent from 2012 to 2019.

Transport infrastructure development is the most important sector of intervention for the AfDB, covering 22 percent (UA 8.4 billion) of the Bank’s portfolio between 2012–2019. The Bank’s financing for this sector in 2019 more than doubled compared to its 2012 level, underlining the Bank’s strong commitment to improving connectivity and regional integration on the African continent. The Bank’s transport portfolio is primarily made up of sovereign operations in the road sub-sector, which received 81 percent of the available funding for transport. The remaining share of funding is almost equally divided among the other sub-sectors, i.e., port and fluvial transport, air transport, and railways. Geographically, the Bank’s support for transport is well balanced across the continent, and almost 13 percent of funding is allotted to multinational projects. Non-sovereign operations represent only 9 percent of the Bank’s overall portfolio in the transport sector during the period under review.

The purpose of the cluster evaluation is to draw lessons from the design and implementation of transport projects to provide insights for future strategic and operational directions for the Bank’s assistance in this sector and to inform any revision to the AfDB Transport Policy (1993).

This cluster evaluation covers 18 purposely selected transport projects (road and port), comprising eight completed or close to completed projects (UA 564.37 million) and ten recently approved projects (UA 888.17 million).

Methodology

Within the framework established by the Theory of Change (ToC), and using the international evaluation criteria, the evaluation undertook (i) a portfolio review of all transport sector projects approved between 2012 and 2019 (182 projects), (ii) an in-depth evaluation or/and case study of eight transport projects approved after 2012 (6 roads and 2 ports, 6 sovereign and 2 non-sovereign operations), and (iii) a desk review of ten recently approved transport projects (2017–2019). This mixed-method combines qualitative and quantitative data. In addition, a comprehensive matrix, which includes judgment criteria, indicators, and data sources, made it possible to triangulate the findings to ensure their validity.

The evaluation faced several limitations, mostly related to the peculiar circumstances under which the project evaluations were carried out. Due to the COVID-19 pandemic, travel restrictions did not allow IDEV staff to visit the project sites and carry out interviews with stakeholders locally; these were conducted by resident consultants instead, supplemented by virtual interviews. Other limitations were related to poor and unequal data availability to assess development outcomes.

Main Findings

Are the Bank’s transport projects strategically aligned with the Bank Ten-Year Strategy and the needs of regional member countries?

Project alignment with the Bank’s relevant strategies was found highly satisfactory due to the relevance of the transport sector in the Bank’s overall strategy. The evaluated projects contributed to at least four operational priorities of the
Bank’s Ten-Year Strategy (TYS), covering the period 2013–2022. These are: infrastructure development, regional integration, private sector development, and governance and accountability. Such a broad alignment with several Bank priorities is possible due to the multidimensional nature of transport projects, i.e., infrastructure investments are complemented by ancillary components pursuing broader development objectives in the areas of gender, fragility, agriculture, and food security.

The reviewed projects supported African countries in their need to expand their transport network and services, which were identified as investment priorities by the countries themselves. Projects aligned well to the related countries’ transport and logistics development priorities and addressed the needs of local populations through their socio-economic components. All projects were included in national strategies or were part of regional corridors where transport was identified as a key sector for economic development. The design of socio-economic components was geared towards improving the living conditions of local populations by mitigating the effects of poverty. However, the funds allocated to these components were generally modest and spread too thinly to unleash substantial development opportunities that could have been achieved by better exploiting synergies with other ongoing projects supported by the Bank or by other development partners.

To what extent do recent operations incorporate innovative approaches and lessons learned from previous evaluations, and are they strategically aligned with the High 5s?

The appraisal reports of the recently approved transport projects were found to show a good understanding of the main issues that can negatively affect project implementation and sustainability, but did not display new approaches to address these problems. Factors that can hamper transport project implementation are well identified and described in Project Appraisal Reports (PARs). These include insufficient capacity in executing agencies, the need to review and update the feasibility studies, lengthy procurement processes, and slow mobilization of counterpart financing. However, the proposed mitigation measures do not introduce elements of novelty. They are based on approaches that were already implemented in the past and were found unsuccessful in reducing the long preparatory phase that precedes construction works. The critical problem of transport project sustainability is also addressed in the design of the new projects, but the solutions proposed assume that countries will considerably improve the governance of their transport sectors.

Recent transport operations in the cluster have integrated the objectives of the High 5s into their design. Generally, the link is with more than one of the High 5s, with five of the 10 reviewed projects contributing to at least four priorities, those being: (i) Feed Africa, (ii) Industrialize Africa, (iii) Integrate Africa, and (iv) Improve the quality of life for the people of Africa. Half of the projects are expected to contribute towards the “Feed Africa” priority, highlighting the transport sector’s role in unlocking agricultural potential and facilitating access to food. These objectives were pursued through specific activities included in ancillary components to reinforce existing agricultural production and food processing activities, improve linkages in agricultural value chains, empower women and facilitate trade.

The cross-cutting issues of gender, climate, and fragility were found to be better integrated into the design of the recent transport projects than the completed ones; however, the contribution of transport projects to green growth is not well defined. Compared to the past, the reviewed projects outline a better approach to tackling the drivers of fragility and gender inequality by providing ancillary services that empower local populations. In addition, these projects systematically integrate resilience to climate change in project design, but they do not define to what extent they can contribute to mitigating climate change.
To what extent did the interventions achieve the intended results for the direct beneficiaries regarding regional integration, connectivity, affordability, safety, and transport sector governance?

Completed projects were found to have achieved substantial transport efficiency gains that benefited the local populations and businesses. Apart from the two port projects and the toll bridge, the projects achieved or largely exceeded traffic forecasts. In all projects, cost and time savings were substantial and benefitted transport operators and service users. The road projects allowed people to reach main market centers and services at a lower cost and made transport more accessible, including for women.

The outcomes of project socio-economic components were often insufficiently reported. To reinforce the benefits and inclusiveness of transport projects as well as mitigate their negative impacts on the environment and social structures, the completed projects (except for the two non-sovereign projects and the urban project in Tunisia) included ancillary components providing socio-economic infrastructure and services to the local population. These ancillary components were found useful and appreciated by the projects’ beneficiaries as they made a difference in their everyday life. All projects brought about an increase in temporary jobs, but it is unclear to what extent local populations were able to benefit from these opportunities.

The evaluation found no evidence of projects’ effects on improving transport sector governance and regional integration. Although capacity-building activities and the provision of studies sought to improve transport sector governance, project designs did not include appropriate objectives and indicators for evaluating the effectiveness of these activities. In addition, the interviews did not yield convincing evidence that could demonstrate the contribution of the projects to improving governance in the transport sector. The impacts and usefulness of the studies financed by the projects could not be assessed since, in most cases, these were still ongoing or were delivered at the very end of the projects. Although regional integration was considered an important objective in almost all projects, the team found no evidence of increased intra-regional trade flows that could be linked to the projects. These effects might take longer to materialize and are often held back by the lack of progress in customs regulations and management.

Project outcomes on road safety are uncertain. Qualitative analysis showed that improved road conditions made traveling less risky, while increased vehicle speed was often reported as an issue of concern for the local populations. However, without data on traffic accidents, it was impossible to verify to what extent projects contributed to traffic safety.

To what extent was the Bank’s assistance delivered efficiently in terms of both timeliness and cost-effectiveness?

The planning of transport project timelines and budgets proved to be challenging. Similarly to the Bank’s overall transport project portfolio, the projects included in this cluster evaluation experienced considerable delays. The evaluation found that while construction works were managed effectively, capacity and administrative constraints in executing agencies delayed the disbursement of funds and the implementation of activities according to the projects’ workplans. Recurrent obstacles included lengthy procedures for resettlement and compensation, the procurement of works, the disbursement of the counterpart funding, and the recruitment of necessary staff. Design reviews also resulted in delays and required budgetary reallocation. Cost overruns were limited due to project budgets including appropriate contingencies of 15%-20%, and there were savings on procurement processes. However, funds allocated to ancillary components were more difficult to disburse as these were spread across multiple service providers.
The implementation of the main infrastructure works was found to have been well supervised while the ancillary components were not sufficiently followed up on. The evaluation found that most of the Bank’s and executing agencies’ supervision efforts were devoted to the main construction sites. Socio-economic infrastructure and capacity building components were often delayed. There seems to be no appropriate mechanism in place to follow through and/or speed up the delivery of these activities. For some projects, glitches and delays in the correct implementation of the project Environmental and Social Management Plan (ESMP) were also reported and required the Bank’s continuous action to ensure that its standards were followed correctly.

To what extent are the achieved results sustainable?

The sustainability of the road transport projects remains questionable due to ongoing reforms to road funds and road agencies not being completed. The assessment of a project’s sustainability must consider how maintenance is ensured for the entire network. In the current conditions, the evaluation found that the lack of adequate road maintenance, compounded by overloading of vehicles, is likely to cause a rapid deterioration of the assets built by the projects unless countries substantially improve their road asset management frameworks. Without enforcement, there is no certainty that the measures built into the projects to mitigate vehicle overloading, excess speed, and endangered safety will be sufficient. Finally, if traffic measurements are not carried out regularly, it will not be possible to plan maintenance works.

The evaluation found that private sector involvement in transport financing improved efficiency, but the financial risks remain high. The cluster included two non-sovereign operations that showcased how the private sector could build and maintain transport infrastructure. There are, however, many limitations in their use, given that countries’ investment pipelines do not include many revenue-generating transport projects. As shown in the two projects analyzed, the risk of such operations remains high as unilateral changes in Public-Private Partnership (PPP) agreements might occur. The evaluation also showed that revenue-generating projects are better at securing sufficient funds for maintenance when revenues are ring-fenced for this purpose.

Lessons

The following lessons emerged from this cluster evaluation:

Project development outcomes

Greater development outcomes can be achieved by a more thoughtful design and a better follow-up of projects’ ancillary components, and exploitation of synergies with other development projects. The ancillary components were found useful to improve the well-being of the local population and mitigate negative effects on the environment and social structures; however, the current approach has delivered mixed results. Ancillary components were often partially implemented and/or delayed, and their sustainability is uncertain. The executing agencies did not effectively supervise their implementation, due to a lack of capacity and incentives. All these issues point to a need to improve the manner in which these components are integrated into project design and implementation frameworks. Also, to increase the impact of these components as well as ensure their sustainability over time, it is important that executing agencies and the Bank’s task managers place more importance on the supervision of ancillary activities by equipping themselves with the necessary expertise and resources in addition to ensuring that relevant ministries are involved (education, healthcare, environment, agriculture). At the same time, examples from recently approved transport projects show that exploiting synergies with other projects in the agriculture and private
sectors could enhance the development impacts of transport projects on local populations, as well as supporting the objectives of “Feeding Africa” and “Industrializing Africa.”

The success of capacity-building activities on improving transport sector governance can only be measured if appropriate assessment frameworks are included in the design of a project’s monitoring system. The objectives set by the reviewed projects were often too generic and did not identify the areas of skills and competencies where training was most needed.

Improving the analyses of the effects of the Bank’s projects on climate change could help to mitigate their negative impacts better. For example, the cluster projects did not include estimates of carbon emissions and did not specify to what extent the proposed climate mitigation measures would offset the effects of increased motorized traffic.

**Project performance**

The timeliness of implementation of transport projects can be improved if binding constraints are removed. Implementation risks and possible delays were identified correctly in project appraisal documents but were not reassessed during project implementation. The proposed mitigation measures were insufficient to ensure a timely start of construction works and ancillary components because the proposed solutions did not focus on removing binding constraints and were not underpinned by a more in-depth analysis of the project-specific context, which could have revealed some flaws in project readiness analysis.

Compared to the traditional procurement route, alternative procurement routes can help reduce delays in project implementation and the need for extensive design revisions. The non-sovereign operations in the cluster that were financed through a PPP were implemented on time, while the use of an Engineering, Procurement and Construction contract ensured that the constructor absorbed additional and unforeseen costs. The Bank could consider using more “design and build” or construction management contracts if there are favorable local conditions.

**Project sustainability**

Embedding a revenue generating mechanism in transport projects can be an effective way to address the lack of funding and capacity for maintenance. This evaluation showed that supporting countries by providing studies on how to improve road governance and management is useful but does not lead to substantial changes unless recommendations are followed through. It also showed that integrating a cost recovery mechanism into transport projects can be a more effective way to address the lack of funding and capacity for maintenance, as revenue-generating projects are more likely to be well-maintained.

**Data collection and monitoring**

Activating project monitoring and evaluation systems in a timelier fashion can make more information available on development outcomes. Transport projects had good monitoring and evaluation systems embedded in their design, but their usefulness depended on their timely implementation. For example, efforts to collect more sex-disaggregated data could have improved the understanding of how women benefit from improved transport infrastructure and services, in addition to the anecdotal evidence that can be collected through site visits.

A more accurate traffic demand forecast can help improve project design and increase project sustainability. More detailed, updated and realistic data on traffic projections and traffic flows can help to set up appropriate traffic control measures (speed control and weighbridges) and plan maintenance works.
About this evaluation

This report presents the findings and lessons of a cluster evaluation of 18 transport projects funded by the African Development Bank Group (AfDB or “the Bank”) in the road transport and ports/water & fluvial transport sub-sectors, comprising eight completed or close to completed projects (USD 805.5 million) and ten recently approved projects (USD 1.2 billion) over the 2012–2019 period.

The evaluation, among other things, concluded that the reviewed projects supported African countries in their need to expand their transport network and services, which were identified as investment priorities by the countries themselves.

Completed projects were found to have achieved substantial transport efficiency gains that benefited the local populations and businesses. However, the planning of transport project timelines and budgets proved to be challenging, and their sustainability remains questionable due to ongoing reforms to road funds and road agencies not being completed.

The evaluation also drew lessons from the design and implementation of road and port projects in the areas of project development outcomes, project performance, project sustainability, and data collection and monitoring. These provide insights for future strategic and operational directions for the Bank’s assistance in the transport sector and can inform any revision to the AfDB Transport Policy (1993).