IDEV conducts different types of evaluations to achieve its strategic objectives.
Background and Context

At the request of the Committee on Operations and Development Effectiveness (CODE), the Independent Development Evaluation function (IDEV) conducted a mid-term evaluation of the Bank’s Country Strategy and Program (MCSPE) in Guinea-Bissau for 2015-2019. The primary objective of this evaluation was to assess performance in the implementation of Phase 1 of the strategy (2015-2017) and seek lessons that could inform implementation of Phase 2 and the preparation of the next strategy.

The MCSPE is complementary to the Country Strategy Paper (CSP) Midterm review that has been conducted by the Operations Department. The mid-term evaluation and the midterm review have informed each other. The midterm review report integrates lessons and recommendations of the midterm evaluation.

The applied methodology is structured around two strategic concerns and six main evaluation questions based on OECD-DAC criteria. This being a formative evaluation, no score shall be assigned to the various evaluation criteria (relevance, effectiveness, efficiency and sustainability). The evaluation also includes an analysis of fragility, gender and capacity in the country. The results presented are derived from various sources including: (i) documentary analysis; (ii) portfolio review; (iii) project analysis; (iv) interviews with the various stakeholders at the Bank and in the country; (v) group discussions; and (vi) field visits and technical workshops.

The Bank’s Strategy and Program in Guinea-Bissau was implemented in the context of fragility conditions, following the coup d’état of 2012. Despite returning to a constitutional order through democratic elections in 2014, rising political tensions have adversely affected the implementation of public sector reforms that are necessary for the economic and social development of the country. The particular context of the country has a significant impact on the implementation of development projects. All Technical and Financial Partners function in this context and face the same challenges.

This MCSPE is a formative evaluation with the purpose to improve learning and performance by Operations departments. To this effect, the evaluation took into account the complexity of the context in its analysis and conclusions. It must also be noted that the analysis is being conducted on a period of 3 years (2015–2017) and that most of the projects are still being executed. As such the various criteria (relevance, effectiveness, efficiency and sustainability) have not been rated unlike in full-fledged Country Strategy and Program Evaluations.

Executive Summary

Bank Strategy and Program for 2015-2019

The Bank’s five-year strategy in Guinea-Bissau was designed and approved in 2014 within a post-crisis context. After the coup d’état of April 2012, the Bank suspended its activities in the country and only resumed in 2014 when a new regime came to power through democratic elections. The CSP 2015-2019 intends to contribute to national stability and economic recovery through two pillars: (i) strengthen the foundations of the State; and (ii) build infrastructure that promotes inclusive development.

During the 2015-2017 period, the Bank implemented and approved 10 operations, including two studies and a multinational project, covering four sectors: agriculture, energy, governance and the social sector. Total approvals under the CSP amounted to 42.78 million Units of Account (over USD 60.5 Million). In terms of volume, the Bank gave priority to energy sector investments as well as operations aimed at strengthening governance and public finance management.
Achievement of Development Results

Relevance: The relevance of Bank action was deemed generally adequate in terms of its response to Guinea-Bissau's development needs and challenges. The strategy is aligned to national priorities, including the Terra Ranka Strategic and Operational Plan (PSO 2015-2020) designed by the Government of Guinea-Bissau (GoGB). This alignment was ensured with national strategies as well as sector priorities.

However, the relevance of the program is undermined by weaknesses that include:

- limited selectivity in the choice of Bank operations;
- limited scope of operations, which offer only partial solutions to the problems that they intend to solve; and
- poor quality at entry, especially for old projects, which limits their capacity to produce the expected benefits.

Regarding the fragility issue, specific project analyses led to the conclusion that the Rice Value Chain Development Project (PDCV-Riz), Emergency Economic and Financial Reform Support Program (PUAREF) and Administrative Capacity-Building Support Project (PARCA) were most likely to contribute to the reduction of fragility. However, their potential impact remains dwarfed by the sheer magnitude of national needs. The Bissau City Power Services Improvement Project (PASEB) and the Gambia River Basin Development Organization energy project (OMVG) will also have substantial impact on the resolution of the energy crisis in the country. However, in terms of targeting, both operations will have a negligible impact on the poorest communities in Bissau, which cannot afford connecting to the electricity network.

Effectiveness: During the 2015-2017 period, the Bank’s implementation of its cooperation program was not very effective. The expected mid-term outcomes of the CSP were not achieved. In fact, the evaluation shows that the probability of achieving the expected project outcomes at the end of the current cycle is relatively low.

As indicated above, the current context of political and institutional instability undermines the capacity to produce results. However, the Bank has been unable to fully use the leeway it may have in such a context, by either adapting its procedures or taking appropriate measures to enhance portfolio performance. In addition to instability, four other major factors affecting operations have been identified:

- Lack of realism in planning: The expected outcomes of most AfDB operations are overly optimistic, given the context within which they are implemented.
- Practicality and long-term vision: Most of the operations are not guided by a long-term sector vision that allows for the anticipation of constraints in order to take timely corrective actions. However, in some sectors, such as energy and agriculture, the Bank has been able to react and take advantage of existing opportunities to ensure the sustainability of its investments. For example, after the European Investment Bank (EIB) withdrew from co-financing the PASEB, the Bank decided to finance the second phase of the project with the ADF 14 resources.
- Focus on outputs rather than on outcomes: The Bank has focused more on achieving outputs than on the impact of its operations. Even in this case, the Bank was not successful in delivering the expected outputs in a satisfactory manner. Accordingly, administrative management and its attendant bottlenecks prevail over the management of project substance, thus causing major delays for the Bank and the country. Furthermore, the context
in Guinea-Bissau requires closer monitoring, which is hardly feasible given the heavy workload of most project managers and the limited staff presence in the country.

**Limited coordination and partnership:** The Bank took advantage of a few coordination and partnership opportunities in implementing the CSP and its various operations. However, the Bank's limited presence in Guinea-Bissau during the evaluation period affected its ability to use available opportunities for coordination and policy dialogue that could influence reforms and remove obstacles to project implementation.

**Efficiency:** The implementation of the program has not been efficient. The overall disbursement rate of the portfolio is only 23.1% at the end of February 2018, and significant delays are being noted in all projects. The main factors explaining this low performance include the lack of capacity at country level, the Portuguese language barrier to communication, and bottlenecks within the Bank. Beyond these factors, although the resumption of the Bank’s activities in the country has been initially well prepared, risk management at the program level has remained very perfunctory.

Apart from budget support under the Emergency Economic and Financial Reform Support Program (PUAREF), all the projects in the Bank’s current program are experiencing considerable slippages against initial implementation schedule.

Although the portfolio’s overall disbursement rate is below expectations, it should be noted that the portfolio age has dropped sharply from 6.2 years in 2014 to 2.6 years in 2017 mainly due to the closing of old projects (Education III and Health II).

Agriculture and energy sector projects experienced significant delays at start-up that will ultimately affect their completion within the set timeframe. For instance, the document review shows that under PDCV-Riz, it took the Bank six months to sign the corrigendum to the project agreement.

**Sustainability:** The different interventions have a low probability of becoming sustainable. The sustainability of the interventions has been found unsatisfactory, together with that of the related benefits after project completion.

The main risk factors affecting project sustainability are the lack of specific plans in the design of Bank operations and the paucity of State budget resources to fund post-project monitoring.

Appraisal reports generally rely on the assumption that the country will ensure the sustainability of achievements made under projects implemented. However, given the country’s limited technical and financial capacity, this assumption is hardly credible. Furthermore, analysis of the capacity-building and institutional support components of projects shows that these activities have hitherto not yielded a substantive solution to the sustainability problem. During most of the interviews, the sustainability of capacity-building efforts was raised as a major challenge faced by the country. However, the evaluation found no study that specifically analyzed the capacity limitations of Guinea-Bissau’s public administration. Due to the absence of a comprehensive strategy that would define the way forward for capacity development in the country, the capacity-building components specific to the Bank’s projects are partial solutions that do not change the performance of the system.

**Gender and Inclusion:** It was noted that gender considerations were included at the strategic level during CSP design. The literature review reveals that gender was satisfactorily mainstreamed into CSP design, mainly through consultations with the social partners and the Bank’s studies on fragility and gender. The Bank also considered inclusion by opting for projects that can reduce gender disparities.
Paradoxically, with regard to project design, limited consideration was given to gender in most operations.

The projects often focused on increasing the number of female beneficiaries, without making any significant contribution towards eliminating the structural impediments that account for existing disparities. However, under Economic and Financial Governance Strengthening Support Program (PARGEF), the Bank included a component specifically geared towards the development of women’s entrepreneurship that will be executed in cooperation with UN Women.

**Bank’s Performance**

The Bank’s performance was assessed in terms of knowledge production, policy dialogue, coordination and project supervision. Its presence in the country was also reviewed.

Bank performance in knowledge management was positive overall, although weaknesses were identified in the areas of policy dialogue and supervision. Furthermore, the Bank’s limited staff presence in the country negatively affected its capacity to efficiently manage its activities and ensure effective coordination and dialogue.

The evaluation analyzed Bank performance during its resumption of activities in the country and concluded that it efficiently managed the resumption process. During the activity suspension period, the Bank continued to carry out studies and essential work for some ongoing projects. These studies enabled the Bank to resume activities with updated data after the 2014 elections. According to the officials interviewed during the data-collection mission, the resumption process was positive. GoGB and Technical and Financial Partners (TFPs) interviewed were satisfied with the relevance and usefulness of the studies.

Furthermore, in terms of technical and legal assistance, the African Legal Support Facility (ALSF) provided significant support that led to a 90% reduction of debts owed to Exim Bank of China, thus generating savings of over USD 45 million for Guinea-Bissau. This support has continued through legal assistance in reviewing mining contracts signed by the country. Bank performance in this area has been hailed by all stakeholders and cited as best practice.

However, although the Bank was very active in the area of policy dialogue during the CSP preparation, it showed less commitment in the preparation of both crosscutting and sector policies. In general, discussions between the Bank and GoGB did not focus much on reform policies and measures. Rather, they emphasized project management and processes. These missed dialogue opportunities led to a lack of reforms in the Bank’s intervention areas. National stakeholders and other TFPs agree that the Bank’s low representation in policy dialogue reduces the influence that it could have with the GoGB.

The quality of technical supervision is also deemed inadequate and has negatively affected portfolio performance. Supervision missions are insufficient and focus primarily on resolving administrative and contractual problems. The context in Guinea-Bissau requires closer and higher quality monitoring (including in terms of “technical support” and “sector support”) to ensure that the objectives/outcomes of operations are achieved, and to develop the skills of executing agencies.

Discussions with some GoGB officials and TFPs revealed that the Bank’s absence in the country as well as its infrequent missions do not promote results-based development management. Some TFPs indicated that, after consultations for CSP preparation in 2014, the Bank renewed regular interactions with the Government only following the 2017 mid-term review.
Appraisal of the Strategy for the 2018-2019 Period

The guidelines for CSP implementation over the 2018-2019 period were also reviewed during the evaluation. Following the Bank’s mid-term review process, it was agreed with the GoGB to maintain the current pillars and accelerate implementation of the projects and upcoming projects that will be approved between 2018 and 2019. The Bank is set to be more responsive in resource mobilization with a view to strengthening high-level and closer support in governance, human development, energy and transport.

The evaluation deems it relevant that CSP Pillars 1 and 2 for 2018-2019 are maintained. The indicative program for 2018-2019 is also relevant and aligned to national priorities. The mid-term review also identified several aspects relating to the unsatisfactory performance of the program and proposed corrective measures in the portfolio improvement plan. However, not much detail is provided on these measures, which are both strategic and operational in nature. The proposed measures are often accompanied by results indicators but without benchmark values and targets. This situation gives all stakeholders much freedom in the appraisal of their implementation and the assessment of their performance, thus reducing the probability of having a positive impact on overall portfolio performance.

Country Performance

Guinea-Bissau’s performance in implementing the Bank’s program was analyzed based on the following criteria: (i) leadership in coordinating development assistance; and (ii) commitment to outcomes in partnership with the Bank.

The general conclusion shared by all interviewees is that the political context between 2015 and 2017, made it difficult to effectively support implementation of the Bank’s cooperation program. After the adoption of Terra Ranka PSO 2015-2020, Guinea-Bissau was once again engulfed by a political crisis towards end-2015. Six prime ministers successively came to power within a three-year period without being able to resolve the crisis. This uncertainty was aggravated by the secret bailout of country’s private banks by the GoGB, which led several TFPs to cut their cooperation ties with the country, notably by putting an end to their support to the national general budget. The persistence of this situation in 2015 and 2016 created an impasse in the country in connection with the planning and implementation of the Terra Ranka Plan.

This difficult context notwithstanding, Guinea-Bissau bounced back with robust growth at an average rate of 5% over the period, mainly thanks to the excellent performance of the international cashew nut market. Nonetheless, the country still faces significant challenges in the management of public sector policies. However, the notable progress recorded in public finance management (establishment of the treasury committee, settlement of the wage bill and clearance of debts) remains fragile and heavily based on political will, not on sustainable institutional changes.

During the 2015-2017 period, the country failed to play its leadership role in coordinating development assistance. The initial efforts made by the GoGB to revive aid coordination after the 2014 elections were neutralized by political tensions and leadership contests, including within the Government. Today, TFPs face a confusing situation in which each ministry tries to curb the flow of information and render the coordination of assistance less efficient. The only existing coordination initiatives are those started by a few TFPs and that serve more as platforms for information sharing rather than for coordination.

However, it should be noted that in its cooperation with the Bank, the Government increased its
coordination efforts in early 2018 by instituting a weekly meeting for project units, government structures and the Bank’s liaison office in Bissau, chaired by the Secretariat of State for Planning.

**Strategic and Operational Lessons**

The specific context of fragility in each country calls for a specific adaptation of the Bank’s strategy. Guinea-Bissau is a particular case and requires an adaptive approach. Repeated crises in the country create a situation of perpetual renewal in the implementation of interventions. This context requires the adoption of a modest and more realistic objective. It must result in a context-specific strategy with (i) enhanced risk understanding and planning; (ii) risk management through high-level analysis to support the programs; and (iii) provision of sufficient resources, skills and experience over an extended period of time.

Success is first determined by a robust project design supported by quality studies, more effective coordination, and better-defined ‘partnership’ arrangements with the country or other partners. In addition, the implementation of rigorous monitoring systems that ensures more efficient execution. Project Managers should be given the necessary resources (including time) to ensure better project preparation.

The effect of the Bank’s presence at the strategic level is proportional to the quality of the relationship that is established, and not necessarily to the size of the portfolio. Maximizing the Bank’s influence therefore requires a strengthening of the Bank’s physical presence in Guinea-Bissau and greater involvement of its senior management in the relationships with decision-makers in Guinea-Bissau.

The quality of the policy dialogue and reinforced country presence contribute to encourage the GoGB (and identified individual champions) to implement reforms and improve the portfolio performance. Numerous shortcomings are attributable to the Guinea-Bissau counterpart for the underperformance recorded. On its part, the Bank failed to better use the resources at its disposal to produce results. While this may not be a clear-cut panacea, making interactions with the Bank more dynamic, consistent and firm - especially with clearer accountability - should gradually lead to improved performance at the national level.

Capacity gaps are directly related to the fragility of the country. To remedy this, it is necessary to strengthen the understanding of existing weaknesses to better address the causes. Detailed assessments are essential to ensure that interventions treat the root causes rather than the symptoms. In addition, capacity development plans must combine innovation and rigor (realism) together with a clearer and more systematic flexibility than that allowed in stable countries. Capacity development should target the paucity of resources, skills and knowledge, and the fragility of organizational structures, the weakness of policy and authority, and the poor level of incentives.

**Recommendations**

**R 1. Adapt the Bank’s assistance to the particular context of Guinea-Bissau.**

This recommendation consists of several options for improvement, namely:

- *Increase the resources and attention devoted to Guinea-Bissau:* The traditional resource envelope granted to this fragile country is too low to effectively address the magnitude of the challenges it faces. This leaves the Bank and GoGB with few options and very little leeway. Consequently, there is need to step up innovative resource mobilization or co-financing efforts.
Continue the high-level dialogue initiated with the country: The dynamics initiated by the Senior Management of the Bank in 2017 should be maintained and a proactive and sustained policy dialogue program developed and implemented.

Devote adequate time and expertise to operations monitoring: Supervision by project managers must be significantly improved through the implementation of a supervision plan that includes more frequent missions with multidisciplinary teams and fine-tuned monitoring indicators.

Decentralize project decision-making to the extent possible, including decisions on the procurement process.

Adapt the Bank’s processes (procurement, disbursement in general) to the country’s needs by reducing its requirements to a minimum acceptable to the Bank and by pooling and sharing project resources, including human resources and systems, to the extent possible.

R 2. Show proof of innovation in the next CSP by adopting a program-based approach.

The Bank should opt for a program-based approach to its future CSPs for Guinea-Bissau. This approach, which requires a much longer planning horizon, would reduce the risk of non-sustainability while facilitating the establishment of a comprehensive set of elements for the achievement of strategic objectives and not merely partial adjustments in response to emergency situations as in the past.

It is also recommended that the next CSP should define target scenarios (Low, Medium, High) for the indicative program, with a more robust risk analysis and adequate mitigation measures. Such planning should allow for the preparation of a program that can be quickly adapted to contextual changes.

R 3. Improve the quality of the Bank’s portfolio in Guinea-Bissau.

This entails: (i) strengthening the quality at entry of the operations by establishing a realistic results framework, implementing a system for risk analysis and management for the portfolio in general, and projects in particular; and (ii) defining plans to ensure sustainability of existing projects, promoting local synergies and enhancing project monitoring by Project Management Units (PMUs).

R 4. Develop a results based-approach for capacity development in the country.

Considering that Bank efforts to build the capacity of national institutions have not yielded sustainable results, the Bank should adopt a different approach that is more in line with the institutional realities of the country. In this regard, there are two possible options: (i) an approach based on the capacity of institutions to produce the anticipated national outcomes (e.g. provide basic services, efficiently manage State resources, etc.), and (ii) an approach based on building capacity (analysis, planning, organizational design, control systems, etc.) that facilitates the effective achievement of the expected outputs and outcomes of the Bank’s program.

R 5. Increase the Bank’s presence in Guinea-Bissau.

This entails taking the following measures:

Increase the Bank’s human resources in Bissau mainly through a system of incentives that encourages settlement.
Create a permanent program coordination function to support the country economist; a coordination function staffed by a program coordinator and a monitoring/evaluation officer. This function will coordinate the Bank’s efforts to plan and implement operations with the country. The experts to be deployed in the country should have thorough knowledge of the Bank and GoGB policies and procedures, and should be proficient in Portuguese.

Promote locally, a light and informal system for coordinating with TFPs.

Develop a responsive risk management and influence system (economic surveillance) that would provide Bank management with the necessary information for high-level dialogue.

R 6. Gender mainstreaming.

Mainstreaming gender in projects design should go beyond quotas for participation of women to integrating approaches and actions that directly target inequalities between men and women. These actions should contribute to reducing socio-economic and cultural barriers to the empowerment of women and young girls, as well as to gender equality. Specific intervention areas should be identified and assessed with beneficiaries, as well as project partners, teams and relevant stakeholders. To this effect, access to land and other production factors should require specific attention.

R 7. For PDCV-Riz:

Improve project supervision and monitoring by planning for more missions with reinforced teams comprising procurement, financial management and other experts;

Choose local implementation operators/partners based on objective criteria, provide them with adequate resources, and set up a partnership framework specifying clearly the activities to be executed and the expected outcomes, as well as a system for monitoring these outsourced activities.

Involves community leaders in raising awareness on gender equity and equality in the field of agricultural development.

R 8. For PARCA

Since the project is scheduled to close in December 2018, there is an urgent need to formulate and implement a sustainability plan for project achievements. Specifically, the Bank should support the preparation of a development plan for the National School of Administration (ENA) and a business plan to define an economic model that guarantees financial sustainability. The ENA should expand into a center of excellence for public and private sector capacity building.

Initiate, where possible, a feasibility study on the establishment of dissemination methods for distance-learning at ENA. This study should indicate the required resources and approaches as well as the cost of options and the required assistance needs, among others.

R 9. For PARGEF:

Undertake a review that defines the precise capacity-building outcomes of the project in the short and medium term. If this project cannot clarify the changes it intends to make in terms of precise and sustainable contributions, it would be proper to consider suspending or restructuring it.

Undertake a thorough analysis on capacity-building and skills development in a tripartite approach (State, private sector and TFPs).
R 10. For the Government of Guinea-Bissau

- Reinforce the coordination of Bank projects by bringing in adequate human and financial resources for design, monitoring and evaluation.

- Ensure a more coherent integration of gender, the environment, sustainability and inclusion in future operations.

- Revive the coordination and thematic dialogue frameworks in accordance with the principles of the Paris Declaration, the New Deal for engagement in fragile states, and the Bank’s Ten-year Strategy and High 5 priorities.

- Accelerate the fulfillment of project effectiveness conditions.

- Continue with cash-flow consolidation and the streamlining of public finance management.

- Ensure the timely release of national counterpart funds needed for project implementation.

- Consider the project sustainability factor by allocating adequate operating resources to government agencies that have benefited from Bank projects.
About this Evaluation

This report summarizes the mid-term evaluation of the African Development Bank’s Country Strategy and Program in Guinea-Bissau for the period 2015–2019. Implemented in a context of fragility, the Strategy aims to contribute to national stability and economic recovery through two pillars: strengthening the foundations of State and building infrastructure that promotes inclusive development.

The main objective of this mid-term evaluation was to assess the performance of Phase 1 of the Strategy (2015-2017) and to seek lessons that could inform both the implementation of Phase 2, and the preparation of the next Country Strategy. In the period 2015-2017, the Bank approved and implemented 10 operations that amounted to 42.78 Million Units of Account (over USD 60.5 Million).

The evaluation is based on portfolio and document reviews, field visits, and interviews and discussions with stakeholders both in the Bank and in the country. Recommendations derived from the evaluation include adapting the Bank’s assistance to Guinea-Bissau’s specific context, increasing the Bank’s presence in the country, improving gender mainstreaming, developing a results based-approach for capacity development in the country, and adopting a program based approach in the next Country Strategy and Program.

This is the first mid-term evaluation that IDEV has undertaken, and as such, IDEV will draw lessons from the experience and from the feedback received in order to inform the conduct of future mid-term evaluations.