Independent evaluation of PBOs 2012-17

AfDB Offices - Pretoria, Nairobi & Abidjan 2019

Clement BANSE, Principal Evaluation Officer
Outline

I. Evaluation purpose and questions
II. Background
III. Programming, design and management
IV. Performance
V. Forward look and main recommendations
I. Purpose & questions

➢ The purpose of the evaluation is twofold:
   ❖ Accountability
   ❖ Learning

➢ The evaluation seeks to address three overarching questions:
   1. To what extent is the Bank appropriately programming, designing and managing its PBOs?
   2. What is the evidence regarding PBO performance, particularly for the Bank in the priority areas of Energy and the Private Sector Environment (PSE)?
   3. Looking forward, how can the Bank ensure it optimizes its use of PBOs, including helping it to achieve the High 5s?
II. Background

- **2012 – 2017:** In 2012 a new PBO Policy was adopted and IDEV committed to evaluate it after 5 years.

- **91 PBOs in 34 RMCs,** including **6 AfDB Eastern region countries.**

- PBO approvals of **UA 7.2 billion (1/4 of total approvals),** including **20%** and **2%** financed through **ADF window and TSF** respectively.

- **Various sources of evidence,** including:
  - Review of portfolio data
  - Online survey
  - Review of existing evaluation
  - Institutional comparison (WB, EU)
  - In-depth documentary review covering most of the RMCs supported by PBOs in 2012-17
  - 10 deep dives, 1 cluster (PBO PSD) + 1 cluster (PBO Energy).
III. Programming, design & management

The evaluation highlights an overall satisfactory picture of the programming, the design, and the management of PBOs, with some challenges in specific areas:

- The use of 94% of PBOs reviewed was envisaged in either CSP or MTR.
- PBOs’ alignment with both RMCs’ and Bank priorities is assessed positively.
- Strong coordination efforts with other development partners at identification and appraisal stages, but not maintained throughout implementation.
- Efficiency (disbursement and implementation) is positively assessed in a majority of cases.
Areas requiring more attention:

- Justification in choice of **PBO type**, especially single tranche.

- **Risk assessment** and mitigation measures not always sufficient.

- Issues with **results frameworks**, including logic of results chain.

- **Very ambitious** Objectives / Objectives that **lacks ambition**

- How **policy dialogue** will be conducted, by whom and with what focus, is not well developed.

- Missed opportunities to support **environment and gender** related reforms.
III. Programming, design and management

Bank failure to invest in its own institutional infrastructure to obtain maximum value for money from the instrument.

- Lack of TA reduces entry points
- Lack of technical support, guidance or training for staff
- Lack of clear-cut responsibilities for PD
- Limited ESW on which to base PD
- PBOs covering too many reform areas
- Lack of formal planning and reporting on PD
- Why is policy dialogue not stronger?
IV. Performance in Achieving Results

Results based on in-depth assessment of PBOs in 10 RMCs show:

- Achievement of reforms (as listed) usually achieved or partially achieved
- **Landmark reforms** show mixed but also majority positive performance
- In only a minority of cases was it possible to evidence the Bank’s influence on achievement of landmark reforms.
### IV. Performance in Achieving Results

Factors frequently associated with the good performance of PBOs:

<table>
<thead>
<tr>
<th>Country Context</th>
<th>Bank Mechanisms</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Ownership</td>
<td>• Programming &amp; being part of a series</td>
</tr>
<tr>
<td>• Capacity</td>
<td>• Quality of design &amp; monitoring</td>
</tr>
<tr>
<td>• Having “champions”</td>
<td>• Donor coordination</td>
</tr>
<tr>
<td>• Socio-economic status</td>
<td>• Choice of indicators</td>
</tr>
<tr>
<td>• Technical governance</td>
<td>• Technical assistance</td>
</tr>
<tr>
<td>• Relationship with donors</td>
<td>• Country office</td>
</tr>
<tr>
<td>• Existence of IMF program</td>
<td>• Policy dialogue</td>
</tr>
</tbody>
</table>

---

**IDEV**

Independent Development Evaluation
African Development Bank
Sustainability is assessed as unsatisfactory: Financial and institutional (capacity) sustainability were the weakest areas in the majority of cases, even though political sustainability and ownership may remain.
PBOs remain a relevant tool for the AFDB within the context of the High 5s, but the Bank is not getting enough value for money from the instrument; recommendations made to help the Bank to do so:

- **Update** the PBO guidelines, while ensuring full compliance with the Policy
- **Focus** PBOs, based on potential reform impact, multi-year paths and where the Bank can add value
- Put policy dialogue at center-stage in practice – including in design, implementation, responsibilities and reporting
- Expand menu and expectations for linked capacity support
- Invest in supporting infrastructure – **ESW, skills, training, technical support**
THANK YOU