A 2013 independent evaluation of the African Development Bank's projects to support institutions in the governance sector focused on drawing out lessons on how to improve such support. In the governance sector, institutional support projects are generally used by the Bank to support long-term capacity development, although they are also sometimes employed to fill short-term gaps. The evaluation looked at what the Bank is doing and how it is doing it, as well as the results achieved and the lessons that can be learned.

The overarching finding of the evaluation is that if the Bank wants to continue such work and broaden its areas of engagement, it needs to learn from experience. The evaluation made clear that the Bank should allocate sufficient resources and avoid spreading those resources too thinly. In addition, it needs to plug gaps in the strategic framework and establish better guidance for staff to help them put lessons from experience into action.

This brief is divided into three parts. The first sets out some of the main issues, including positive trends (box 1). The second outlines nine lessons identified. The third summarizes the recommendations.
Key issues highlighted by the evaluation

**Funding**

The investments dedicated to this area of work over the period of the evaluation amount to over USD 683 million. New instruments have enabled the Bank to direct more funds to both fragile and middle-income states. But while the number of projects approved each year has increased significantly, the volume of funding has not. And within the larger projects funded through ordinary channels, there is fragmentation, because the Bank tries to support numerous subsectors and institutions at the same time. The evaluation noted that spreading funds too thinly can have a negative impact on the Bank’s ability to achieve the desired results.

**Strategic framework and guidance**

The evaluation notes the advances made in establishing a strategic framework in the latter part of the evaluation period with the introduction of the Governance Strategic Action Plan in 2008 (GAP 1) and the Bank’s Capacity Development Strategy in 2010. However, it also points to a gap in guidance at both the strategic and practical levels when it comes to guiding how the Bank should support regional member countries’ capacity development through its projects.

**Upfront analysis**

Analysis of a sample of projects, in addition to the case studies, highlighted general improvements in design, but also gaps in the upfront analysis on which projects are based. Two problem areas stood out: (i) assessments of capacity gaps and needs and (ii) political economy analysis, these are rarely done in depth either by the Bank or jointly with partners. Yet understanding the context and tailoring projects to that context was also identified as one of the most important factors associated with good results.

**Understanding progress**

Monitoring outcomes that are difficult to measure, such as enhanced institutional capacity or performance, is a challenge. There are no standard indicators in the Bank that might help staff to capture progress toward such outcomes in project design and monitoring, although such a tool is employed by a number of other institutions. In addition, the lack of consistency in what is being monitored means that results data cannot be aggregated, and it is difficult for the Bank to understand what results it is achieving with this type of project.

**Addressing delays**

Delays in implementation have been a significant problem, adding an average of 50 percent to planned durations. Such delays are especially damaging for these kinds of projects, since their success is dependent on their fit in a fast-moving political context. The evaluation highlights that delays have a negative impact, not only on efficiency but also on effectiveness, by delivering what is no longer needed. The causes of delays include Bank procedures for approval and procurement, insufficient dialogue with partners in the country, poor communication among ministries and agencies, limited engagement by the Bank, unrealistic conditions set by the Bank, insufficient capacity in project implementation units, and delays in setting up project units.

**Box 1: Important positive trends**

The evaluation covered the 2002–12 period, and noted positive developments in the Bank’s institutional support to governance during those years. First, efforts have been made to construct a strategic framework, both for governance and for capacity development generally. Some improvements in design of the projects examined were also seen, in line with improvements in the Bank as a whole. In addition, the evaluation emphasizes how relevant these institutional support projects are for the priorities of both the Bank and its regional member countries. Partners also appreciate the Bank’s willingness to respond to requests and to combine different inputs—technical assistance, studies, training, and equipment—in these projects.

In terms of practices, although the Bank still shies away from pooling its funding, it is making increasing efforts to coordinate with other partners through sharing information and filling gaps. Staff are also seeking to achieve complementarity with larger Bank investments—notably Policy-Based Operations—although this has not been easy to achieve in practice.

**Getting from delivery of outputs to achievement of outcomes**

Most (80 percent) of the projects in the portfolio were self-assessed as satisfactory in terms of their relevance (figure 1). More than 60 percent were judged to have satisfactorily delivered the intended outputs, but only around 40 percent to have achieved intended outcomes to a satisfactory degree. One dimension that helps to explain the disconnect between output and outcome achievement is that most Bank projects support specific aspects of capacity (especially
focused on targeted training and equipment) rather than a comprehensive package of support.

Other patterns observed in the results data:

- Slightly lower performance in fragile states for output delivery and Bank and borrower performance.
- Better performance for projects focused on fewer institutions or subsectors, compared with those spread more thinly.
- Better performance for projects originally planned to take longer, compared to quick fixes.
- A lack of data about the performance of projects supported through small grant instruments such as the Middle-Income-Country Trust Fund or the Third Pillar of the Fragile States Facility.

Nine lessons for better results

The evaluation was focused on drawing out lessons from experience, in order to help the Bank improve how it works. Although the experience and evidence comes from the governance sector, some of the lessons are also relevant to the Bank’s increasing efforts to support institutional capacity in other areas—including regional integration and infrastructure.

Drawing on all of the methodological components, the evaluation extracted nine main lessons that can inform design and management of institutional support and capacity development projects in the future (figure 2). All are aligned with wider good practice that has been established for this type of intervention.

The first five lessons are high-level and generic. They relate to the importance of local and high-level ownership, understanding and tailoring to the context, establishing realistic time horizons, setting clear objectives while retaining flexibility to adjust projects to changing contexts, and sound monitoring and evaluation. For example, both the broader literature and the Bank’s own experiences highlight the importance of flexibility in project implementation.

These projects cannot be implemented based on one blueprint for all. Flexibility is important in responding to changing contexts, and adjusting projects following mid-term or regular monitoring should be seen as a positive step. Knowing how and when to be flexible, however, requires engagement and monitoring on the ground that can identify whether projects are on track to achieve intended outcomes.

Four additional lessons are more specific to the Bank and operate at a practical level. These are the importance of the size and placement of the implementing team; understanding of Bank procedures and processes; engagement of Bank staff through the process, especially field offices; and not spreading project funds too thinly. For example, when it comes to the implementing team, the Bank has had a range of experiences that underline the importance of that team’s understanding of Bank procedures and engagement and guidance from Bank staff. Given the Bank’s commitments to reduce parallel implementation units, partners’ interests in reducing transaction costs, and problems caused by delays in establishing implementing teams and retaining the staff, the evaluation highlights positive experience in using existing, or fully integrated joint implementation units.
# Recommendations and management action

The evaluation made six recommendations; the Bank’s management has agreed to most of them (table 1).

## Table 1: Recommendations and management response

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<th>Recommendation</th>
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| 1. Reduce fragmentation by: (i) making clear in Country Strategy Papers and Regional Integration Strategy Papers the level of prioritization given to this work and ensuring selectivity in which subsectors the Bank intends to engage in, based on analysis of country needs, the Bank’s added value compared with other partners, and complementarity with other Bank investments; (ii) designing individual projects that are focused, particularly when funds are limited, rather than fragmenting funding into small parts. | (i) Agreed  
(ii) Partially agreed |
| 2. Address the gap in the strategic framework when it comes to the role of Bank operations in supporting capacity development, beyond training, in regional member countries and regional economic communities. | Agreed |
| 3. Develop technical guidance for staff and partners who are designing and managing projects to support institutional capacity in the governance area that is practical and also provides criteria that can be used to inform the quality assurance process and that covers the following key areas:  
   - Context, in terms of needs and political economy.  
   - Objective-setting and appropriate indicators.  
   - Value for money: guidance should include an idea of unit costs (for training, equipment, and technical assistance).  
   - Preference for coordinated/integrated implementation arrangements and use of country systems.  
   - Linkages with Bank guidance on working in fragile contexts, including the 10 fragile states principles. | Agreed |
| 4. Invest in its existing staff by developing further in-house expertise in the following key areas crucial to project design and management:  
   - Assessing country capacity gaps and needs and identifying objectives and indicators that enable measurement of progress toward capacity-related objectives.  
   - Political economy analysis and the new subsectors where the Bank is intending to engage, according to the Ten-Year Strategy and the Governance Strategic Action Plan II. | Agreed |
| 5. Refocus on regular and substantive engagement with partners rather than periodic supervision of institutional support efforts by (i) reassessing whether biannual supervision remains the most useful indicator to drive monitoring practices; and (ii) devolving overall coordination and leadership for design and implementation to field offices and regional resource centers, wherever possible. | Agreed |
| 6. Use institutional support projects to pilot: (i) streamlining of Bank procedures and practices, particularly the long approval process; (ii) using partners’ procurement systems wherever possible, particularly where they have been assessed as adequate for Policy-Based Operations. | Agreed |

# About this evaluation and OPEV

OPEV designed this evaluation with an explicit focus on learning lessons to improve future support. The period covered was 2002–12, which allowed the inclusion of both completed projects and those more recently designed. The findings are based on triangulation of four main methods:

- A portfolio review of 170 projects, which examined financial, design, and results data
- A review of evaluation literature, including 61 relevant evaluations conducted by a range of agencies
- A comparative institutional review, which examined the Bank’s strategic framework and practices in comparison to peers
- A series of in-depth explanatory case studies, which focused on identifying factors that explained performance patterns seen in the broader data, including the role of context, followed by a synthesis of findings from those case studies.

The main synthesis evaluation report is available at www.operationsevaluation@afdb.org. The reports of each of the component parts of the evaluation are available from OPEV on request.