IDEV

Independent Development Evaluation
African Development Bank

*From **experience** to **knowledge**...*
*From **knowledge** to **action**...*
*From **action** to **impact***

Evaluation Brief

An IDEV **Country Strategy Evaluation**

Kenya: Evaluation of the AfDB's Country Strategy and program (2014-2023)

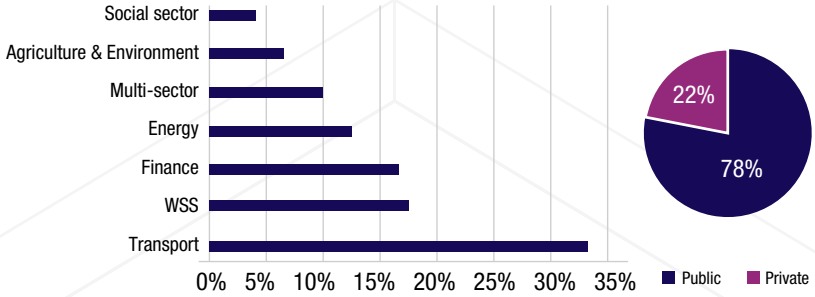
What did IDEV evaluate?

Independent Development Evaluation (IDEV) of the African Development Bank Group (AfDB or "the Bank") conducted an evaluation of the AfDB's country strategy and program in Kenya for the decade 2014 to 2023. The evaluation covered two country strategy papers (CSPs) in Kenya: CSP 2014-2018 and the CSP 2019-2023. Under the two strategies, the Bank approved 59 projects worth nearly USD 3 billion. A large share of the Bank's support went to the transport sector, followed by water supply and sanitation (WSS), finance, and energy sectors, respectively. The rest went to the multi-sector, agriculture and environment and the social sectors. A large share of the support was to public sector operations (Figure 1). The evaluation assessed the Bank's contribution to Kenya's development; identified what worked, what did not, and why; and drew lessons and made recommendations to inform the design of the Bank's next CSP in Kenya, 2024 - 2028.

What did IDEV find?

To assess the extent to which the Bank contributed to Kenya's development and how the Bank designed and managed its interventions, the evaluation was guided by four main questions and applied international standard evaluation criteria for relevance, coherence, effectiveness, sustainability, and efficiency. It used a four-point scale to rate performance against these criteria. Each evaluation criterion was rated on a clearly defined four-level rating scale: *highly satisfactory, satisfactory, partly unsatisfactory, and unsatisfactory.* Table 1 summarizes the assessment.

Figure 1: Sector Distribution of the Bank Support (%) from 2014 to 2023 and share of Public vs Private sector (%)





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Table 1: Four-level rating scale assessment of the Bank's contribution to Kenya's development results

Evaluation Criteria	Assessment
Relevance	The relevance of the Bank's Support to Kenya was assessed as **satisfactory**. The Bank support was aligned with Kenyan policy and long-term development strategy, Vision 2030, and its later mid-term plans. The Bank addressed issues that were identified as constraints to economic growth and adapted its interventions to changing circumstances. However, the evaluation found that CSP 2019–2023 had set an overambitious objective of supporting industrialization, an area where it had limited influence due to the private sector's focal role in investment decisions.
Coherence	The coherence of the Bank's support to Kenya was found **satisfactory**. The Bank's interventions were found coherent and well-coordinated, with synergies observed within each sector, but there was little synergy observed between sectors. Strong coordination with other development partners (DPs) at the project level was observed, though external coherence was a challenge at the sector level given the multiplicity of actors and the limited capacity of Kenyan counterparts to coordinate them.
Effectiveness	The Bank's support to Kenya was found to be **effective**. It achieved results in improving the transport network and bolstering access to energy. The Bank provided some fiscal space which minimized the effects of external shocks, like the Covid-19 pandemic. The agricultural projects led to cuts in food losses. However, modest progress was noted in skills development, in improving access to finance by Small Medium Enterprises (SMEs), and increasing access to WSS services.
Sustainability	The sustainability of the Bank's support to Kenya's development was assessed as **satisfactory**, with some concerns about financial sustainability. Physical infrastructure and equipment were found to be technically sound. The Government's financial capacity to maintain infrastructure and equipment in the energy, Technical and Vocational Education and Training (TVET) and agriculture sectors was found to be satisfactory; but there were concerns about road maintenance and the high level of non-revenue water in the WSS sector.
Efficiency	The efficiency of AfDB support to Kenya was found to be **partly unsatisfactory**. Most interventions had long delays in project startup (project approval to signature) and implementation. Key factors in implementation were delays in counterpart funding, compensation payments, and tax exemptions, and project unit staff turnovers. Despite generally sound public investment management practices, the evaluation could not compile a comprehensive picture of the returns on public investment in Kenya.
Knowledge and policy advice	The Bank's **policy dialogue** helped Kenya to address fiscal risks through increased revenue and rationalized spending, and improved debt management. However, the full potential of the dialogue associated with budget support was not realized. The Bank's dialogue with the Government of Kenya focused on project issues and had little effect on the broader contents of the reforms.
Cross-cutting issues	The evaluation noted that the Bank included **gender mainstreaming** in the various sectors, despite some shortcomings. None of the supported sectors conducted a gender analysis regarding the women's positions in the sector and their specific challenges for achieving gender equity. The Bank's program notably contributed to **environmental preservation**, particularly in climate change mitigation through a focus on clean renewable energy. It also supported the Green Economy Strategy and Implementation Plan 2016–2030.
Partnerships and managing for development results	**Partnerships and leverage**. The Bank mobilized resources globally and regionally, from various DPs and Public Private Partnerships (PPPs), especially for infrastructure. However, the evaluation found limited collaboration among the many DPs in TVET, despite the potential for significant partnerships and synergies in this area. **Managing for development results**. Results measurement and reporting were clear at the operations level, but shortcomings existed at the CSP pillar level. The Bank supported national capacities and management systems for results, but in a piecemeal manner, focusing on macroeconomic management, debt sustainability, and technical aspects of sectoral development.
Borrower's Performance	The **Government showed good ownership and engagement**, particularly in the infrastructure sectors with experienced project teams. These sectors, like transport, power, and WSS, demonstrated stronger implementation capacity due to familiarity with the Bank's processes. Despite that, challenges arose in timely counterpart funding, government engagements on contract signature, tax exemptions, land acquisition, and coordination

What Lessons did IDEV draw?



Lesson 1: Job creation and industrialization, as strategic objectives in the second country strategy, proved to be overly ambitious for a program that provided an average of less than 0.2 % of GDP in annual approvals during the 2014-2023 period.



Lesson 2: Strong counterpart involvement, an emphasis on strategic investments, and a long period of engagement with key institutions in the infrastructure sectors, contributed to impressive results in these sectors.



Lesson 3: The problem of start-up and implementation delays has long confounded project implementation in Kenya, leading to efficiency losses. Experience suggests that private sector involvement in infrastructure delivery can help to overcome a number of these constraints to project efficiency.



Lesson 4: Strong cross-sectoral dialogue and coordination with all development stakeholders, including the private sector and CSOs, bolster the employment prospects of those who receive skills training.



Lesson 5: The Kenyan finance context is conducive to private sector development but does not cater sufficiently well to microentrepreneurs.

Lesson 6: Measuring progress towards higher-level country strategy objectives, including socio-economic development, industrialization, skills development, and job creation, is essential to align the Bank's actions more closely with its overarching goals, ensuring that its development efforts contribute meaningfully to the higher-level country strategy objectives. While the project-level monitoring was generally satisfactory, there is a need to establish a seamless bridge between project-level achievements and broader strategic outcomes.





Lesson 7: Gender mainstreaming efforts in various sectors of intervention demonstrated some success in terms of representation but lacked a comprehensive approach addressing structural gender inequity and socio-cultural constraints.

What did IDEV recommend for the next strategy?

The evaluation made five recommendations to the Bank:

1. Adopt a holistic orientation in designing the Bank's country strategy.
2. Strengthen intersectoral coordination to obtain higher-level development results more effectively and efficiently.
3. Develop a strategic dialogue with the Government of Kenya, education providers (especially TVET institutions), and industry to catalyze private sector development and job creation.
4. Integrate comprehensive progress towards higher-level country strategy outcomes within the Bank's results measurement system.
5. Review and redefine the Bank's approach to gender in Kenya.

Methodological Approach

The evaluation used a theory-based approach to assess the extent to which the Bank's interventions over the 10 years responded relevantly to Kenya's development challenges. The evaluation is based on multiple sources of evidence, including desk reviews of key documents, portfolio reviews, interviews and focus group discussions, project results assessments, and case studies of seven projects, one in each sector. People interviewed included Bank staff, Government of Kenya officials, representatives of agencies and state-owned enterprises, development partners, civil society organizations, and private sector actors. The evaluation team also made site visits and met direct beneficiaries of the seven projects selected for case studies.

About IDEV

Independent Development Evaluation (IDEV) at the African Development Bank carries out independent evaluations of Bank operations, policies, and strategies, working across projects, sectors, themes, regions, and countries. By conducting independent evaluations and proactively sharing best practice, IDEV ensures that the Bank and its stakeholders learn from past experience and plan and deliver development results to the highest possible standards.

What did Management Respond?

Management welcomed the results of IDEV's evaluation of the Bank's strategy and program in Kenya during the period 2014-2023 period. Management agreed with the evaluation's lessons, conclusions, and recommendations, and noted that the findings were consistent with the conclusions of the Completion Report of the CSP 2019-2023 and would inform the preparation of the next CSP in Kenya (2024-2028). ■

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