
What did IDEV evaluate?

Independent Development Evaluation at the African Development Bank (AfDB or the Bank) undertook an evaluation of the Bank’s Strategy and Program in the Republic of Malawi during 2005–2016. This evaluation aimed to inform the next AfDB Country Strategy Paper (CSP) for Malawi and to contribute to both accountability and learning in the Bank and in countries where the Bank’s program is similar to that of Malawi.

The evaluation exercise focused on both strategic and individual interventions in all sectors (social, transport, water and sanitation, agriculture, multisector, financial governance, and private sector development) where the Bank was active during the review period, which included 46 projects for a total amount of USD 576 million.

What did IDEV find?

Relevance

The relevance of the Bank’s strategy and assistance to Malawi was satisfactory. Bank strategies were aligned with the priorities of the Government of Malawi (GoM) and continued to adapt to changes in national development plans as they evolved over time. The Bank’s interventions at sector level were directly related to one or more of the Government’s strategic areas of focus. However, it should be noted that the CSP did not clearly detail specific beneficiaries even though the project documents contain references to beneficiaries, and the Bank’s projects are aligned with their needs.

Effectiveness

This performance dimension was found satisfactory. Project Completion Reports (PCRs) that were available for the portfolio under review reflect a satisfactory level of performance in terms of achievement of both outputs and outcomes. However, it should be noted that the PCRs took into consideration a post Midterm Review (MTR) definition of expected results, which according to the majority of PCRs, had considerably reduced expected output and outcome targets.

In the agriculture sector, in the two projects that were closed during the review period, expected effects were clearly stated and monitored, and achievement levels clearly stated.

In the transport sector, two projects which were evaluated in-depth had delivered their physical outputs and well achieved the expected outcomes.
All Bank supported interventions for provision (or rehabilitation/upgrading) of road transport infrastructure delivered their expected outputs (in some cases at additional time and cost; and in a few cases at lower than estimated cost). Overall, the physical outputs of the interventions were well achieved in the transport sector.

For the water and sanitation sector, targets were set out in general terms in the CSPs and responded to Malawi Government Development Strategy targets. All sector interventions specified expected results (outputs, outcomes and impacts) in response to higher-level strategies. Monitoring indicators were defined and logical linkage formulated, although the translation of outputs into higher level outcomes and impacts was not as clearly outlined.

**Efficiency**

This performance dimension was rated unsatisfactory. The Bank has generally been responsive and flexible to ensure satisfactory project performance. Completed agriculture projects had PCR results that gave a satisfactory resource use efficiency rating. However, the Bank's interventions are associated with delays, largely due to non-compliance with the Bank's operational standards (although slow Bank response to Government requests for 'no objection' has also been noted). Added to this are the country capacity constraints, causing implementation delays.

**Sustainability**

Sustainability was evaluated as rated unsatisfactory. None of the completed projects under review had reached a post-closure period of 5 years, and this made assessment of actual sustainability challenging. Some benefits gained from past interventions (in particular the soft components such as training and community-led management) were found to be at risk of not being sustained in the immediate years after completion. Benefits from past interventions, most notably infrastructure, have continued to exist (for longer than 5 years), but longer-term sustainability (i.e. for the expected project life) could not be ascertained.

**Crosscutting issues**

This performance dimension was found satisfactory.

**Gender issues**

Gender issues were addressed (including disparities in access to services, decision-making structures, economic opportunities, cultural biases, budgetary allocation and monitoring of gender actions). The Bank projects in Malawi during the period under review had gender informed designs, which addressed key gender issues.

**Inclusiveness**

The Bank programs are expected to cover all regions, but there is limited rollout to the remote and poorest districts either by the GoM or other donors. All interventions cover more than one district and are implemented in rural areas. However, inclusive coverage of regions where poverty is most prevalent were the most problematic (as is quantification of the Bank’s sector support contribution to poverty alleviation). Unless the poorest and most vulnerable are explicitly targeted, they are unlikely to benefit from the Bank support for big infrastructure (road corridors) or health and education projects.

**Environmental issues**

In accordance with the 1996 Environmental Management Act, all sector projects in Malawi should undertake an Environmental Impact Assessment. Therefore, the Bank has made efforts to mainstream environmental safeguards into project design and implementation. All Bank projects are categorized at an early stage of preparation and this categorization defines the expected nature of environmental (and social) impact and the mandatory mitigation treatment.

**Knowledge and Policy Advice**

Knowledge and policy advisory services were delivered satisfactorily. The Bank engaged regularly in dialogue with the government. Interviews with donors stressed the fact that the policy dialogue undertaken by the Bank was very useful and was always done in a spirit of collaboration, cooperation and support.

**Partnership, Harmonization and Leverage**

This performance dimension was rated satisfactory. The Bank and other donors have long followed a coordinated approach to their development assistance in Malawi. The Bank has also been an active participant in several donor platforms such as the Donor Committee on Agriculture and Food Security for agriculture, and the Public Financial and Economic Management Reform Program for Public Financial Management.

**Managing for Results**

Managing for results was unsatisfactory. The Bank’s strategy and project documents contain results that are well-stated in Results Based Management terms or expected effects, but there are no intermediate results, a chain of execution or implementation in the key documentation. Bank monitoring focused on outputs rather than outcomes.

**Knowledge Management**

This performance dimension was satisfactory. The Bank has mechanisms in place to picture and record positive and negative factors affecting project performance. Lessons from experience are usually recorded. However, there is no knowledge management system in place that makes storing, sorting, searching and retrieving such lessons possible and accessible via data mining or thematic searches. Notwithstanding this, the
Task Managers appeared to have good knowledge and experience of the available knowledge in their respective fields.

**What lessons did IDEV draw from this evaluation?**

The following lessons are identified from the Bank’s program in Malawi:

1. **Clear definition of beneficiaries.** Beneficiaries need to be as clearly described as possible so that the effects of the targeted ‘benefits’ can be monitored.
2. **Results-based monitoring system.** With the Bank’s commitment to Results Based Management, it is necessary to have a monitoring system that generates decisions focused on outcomes, and a solid analysis of results chains before project approval.
3. **Facilitative conditions for policy dialogue.** The Bank has been able to influence policy when it has put in place the conditions that facilitated and supported dialogue. Increasing the quality and strategic nature of the dialogue will likely improve the level of influence.
4. **Timely decisions on design change.** Major changes in project design, if required, should be introduced by taking into account not only achievable outputs, but also continued project viability and relevance; this should not be postponed to the MTR if identified early during implementation.
5. **Fiduciary safeguards and budget support.** In a highly aid-dependent country, periodic withdrawal of budget support constitutes an external shock that aggravates macroeconomic instability and can cause unintended damage to growth and to poverty alleviation efforts. It is essential to strike a balance between promoting country ownership and using additional fiduciary safeguards that can prevent the sudden withdrawal of budget support.

**What did IDEV recommend for the new strategy?**

The Bank should:

1. Enhance capacity of its officers and managers in Results-based Logical Frameworks and the use of Results-based Management tools.
2. Enhance the proficiency of the staff to effectively operate in the business ecosystems in which key sector actors operate, and design interventions that are holistic enough to stimulate the private sector’s investment and actions.
3. Establish a clear timeline within which all required performance standards are met and proven.
4. Redesign its Knowledge Management practices and develop explicit as well as implicit knowledge in its Operations Divisions to improve decision making capabilities of the Bank and its clients.
5. Take concerted actions throughout the project cycle to ensure sustainability of its interventions.
6. Ensure that its interventions and strategies provide equality and equity between genders and provide the means to manage, track and report on these objectives.

**What was the methodological approach?**

The evaluation methodology is based on the use of an evaluation matrix that uses evaluation questions, judgment criteria and indicators as the building blocks for the analysis leading to conclusions and recommendations. In terms of epistemological boundaries, the methodology strongly focuses on results achieved and demonstrated, a Theory of Change approach to intervention design and management, a sector by sector analysis followed by a roll-up of sector-level findings to the program level, evidence-based research, contribution analysis and iterative feedback with key stakeholders to strengthen the validation bonds.

**Evaluation Limitations**

There were some constraints encountered in the application of the evaluation methodology, in particular: (i) difficulty in meeting and interviewing key personnel both within the GoM and the Bank; (ii) difficulty in obtaining project documents due to retirement of key personnel; (iii) the monitoring systems used by both the Bank and the GoM do not monitor for outcomes; (iv) measuring achievement of objectives; and (v) assessing the impact of weather shocks on the economy.
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 was Management's response?

Management acknowledged IDEV’s independent evaluation report on the Bank's development assistance to Malawi covering the period 2005-2016. They were pleased to note that the Evaluation found as satisfactory the relevance and alignment of the Bank’s past strategies to the development needs of Malawi. Management further noted with appreciation that Bank interventions were largely effective in delivering satisfactory results in knowledge management, policy advice and integrating crosscutting issues, despite the challenging conditions in some instances, which limited efficiency in other areas. Management also agreed with the other main findings of the evaluation, such as the limited sustainability and weaknesses in managing for results. At the same time, Management underscored the progressive improvements in program implementation achieved in most of the evaluated areas over the period. These achievements would have been impossible without the combined effort of the Bank and the Government of Malawi as well as the positive support of the other development partners. Finally, the new CSP for the period 2018–2022 has taken into account the findings, lessons and recommendations of the evaluation. In this regard, the evaluation report is timely and of great relevance.